Women in the informal economy: Precarious labour in South Africa

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Abstract

High levels of unemployment, widespread poverty and growing inequality in South Africa have led to an emphasis on employment as a solution to these problems. In the current post-apartheid era, various scholars have documented a growing flexibility within South Africa’s labour market, which they suggest indicates a breakdown of traditional, formal full-time employment contracts as well as a growth of precarious, marginal and atypical employment. Furthermore, the feminisation of labour, which has placed emphasis on women’s movement into the labour market in South Africa, has concealed important continuities in the contemporary labour market pulling women with low skills into the informal economy out of financial and social need, further deepening divisions marked by race and class. As a result of the post-apartheid labour landscape, increasing numbers of women are setting up informal enterprises and entering informal employment arrangements. The labour of women in the informal sector is significant and it is important that its value is acknowledged. A study that highlights how women in the informal economy are economically and socially positioned sheds light on the lack of equality for women in the South African economy.

In light of the above, this research is directed toward understanding the relationship between labour market trends and women’s presence in the informal economy, particularly jobless growth, labour market flexibility, and the feminisation of labour. In addition, the research contextualises women’s rapid entry into poorly paid and precarious work, or self-employment, illustrating the failure of labour legislation mechanisms to promote gender equality post-1994. It also explores how post-apartheid labour market trends contribute to women’s presence in the informal economy and the extent to which women’s care responsibilities are protected by labour legislation mechanisms that aim to promote gender equality. To understand women’s experience and perceptions in the informal economy, semi-structured interviews were conducted with 30 women engaged in various types of informal employment in the Cape Town Metropolitan area.

The findings of the research reveal that labour market trends have imposed a gendered precariousness on the lives of women in the informal economy in South Africa. This puts a burden on their productive and reproductive roles. The women in the study were typically primary contributors of entire households, reconciling care burdens with limited incomes — due to the commodification of goods and services and limited possibilities for upward mobility...
— excluded them from more long-term socio-economic emancipation. Furthermore, the research shows that women’s over-reliance on a single livelihood strategy and the absence of family and neighbourly networks in times of economic difficulty contribute to constraining their capacity to deal with economic risk.

To navigate these challenges, this paper calls for a greater reach of gender equal labour legislation to protect women in the informal economy. Particularly, labour legislation should acknowledge gender segmentation in the labour market and women’s involvement in unpaid child and domestic care responsibilities as a source of vulnerability for women in the informal economy.
Opsomming

Hoë vlakke van werkloosheid en wydverspreide ongelykheid en armoede in Suid-Afrika het geleë tot ‘n klem op indiensneming as 'n oplossing vir hierdie probleme. In die post-apartheidsera het navorsers groeiende buigsamheid in Suid-Afrika se arbeidsmarkt gedokumenteer, wat hulle beskou as ‘n aanduiding van die verval van die tradisionele formele voltydse dienskontrak en die groei van onseker marginale en atipiese indiensneming. Voorts is daar die feminisering van arbeid, wat klem lê op vroue se toetrede tot die arbeidsmark in Suid-Afrika. Dit het belangrike kontinuiteite in die hedendaagse arbeidsmarkt verdoesel, wat daartoe lei dat vroue met lae vaardighede, uit ekonomiese en finansiële behoefte na na die informele ekonomie getrek word. As gevolg van die post-apartheid-arbeidslandskap is daar groeiende getalle vroue wat informele besighede stig en informele indiensneming betree. Die bydare van vroue in die informele ekonomie is betekenisvol en moet erken word. Die studiebeklemtoon hoe vroue in die informele ekonomie ekonomies en sosiaal geposisioneer is en werp lig op die gebrek aan gelykheid vir vroue in die Suid-Afrikaanse ekonomie.

Die kern van hierdie navorsing is daarop gemik om die effekte van post-apartheidse arbeidsmarktendense te verstaan, veral werklose groei, arbeidsmarkbuigsamheid en die feminisering van arbeid op vroue. Hiervoor is statistiese data oor arbeidsmarktendense geraadpleeg. Die navorsing kontekstualiseer vroue se vinnige toetrede tot swakbetaalde, onseker werk of self-indiensneming wat die mislukking van arbeidswetgewingmeganismes toon, wat geslagsgelykheid na 1994 moes bevorder. ‘n Studie oor post-apartheid-arbeidsmarktendense dra by om tot die teenwoordigheid van vroue in die informele ekonomie te verstaan, asook die mate waarin vroue in die informele ekonomie se versorgingsverantwoordelikhede nie deur arbeidswetgewing, wat veronderstel is om geslagsgelykheid bevorder, beskerm word nie. Om vroue se ervaring en persepsies in die informele ekonomie te verstaan, is semi-gestruktureerde onderhoude met 30 vroue wat hulself in verskillende tipes informele werk bevind in die Kaapstadse metropolitaanse gebied gevoer.

Die bevindings van die navorsing toon aan dat arbeidsmarktendense 'n las vanonsekerheid op die lewens van vroue in die informele ekonomie geplaas het wat ook hul produktiewe en reproduktiewe rolle beinvloed.
Vroue in die studie is die primêre broodwinners vir die hele huishouding en versoen lae inkomste met versorgingswerk as gevolg van die kommodifisering van goedere en dienste met beperkte moontlikhede vir opwaartse mobiliteit wat hulle van lang-termyn sosio-ekonomiese bevryding uitsluit. Verder het die navorsing getoon dat vroue se oor-aanhanklikheid van ’n enkele bestaanstrategie en die afwesigheid van familie- en gemeenskapsnetwerk in tye van ekonomiese stres hul vermoeë om ekonomiese risiko te hanteer beperk.

Om hierdie uitdaginge te oorkom, vra hierdie studie vir ’n groter reikwydte van arbeidswetgewing wat geslagsgelykheid moet bevorer om vroue in die informele ekonomie te beskerm. Arbeidswetgewing moet die geslagsverdeling in die arbeidsmark en vroue se betrokkenheid by onbetaalde kinder- en huishoudelike verantwoordelikhede as ’n bron van kwesbaarheid erken, -veral vir vroue in die informele ekonomie.
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Abbreviations

ANC        -     African National Congress
B-BBEE   -    Broad-based Black Economic Empowerment
BCEA        -   Basic Conditions of Employment Act
CBD          -   Central Business District
CEDAW    - Convention for the Elimination of All Forms of Discrimination Against Women
COSATU   -   Congress of South African Trade Unions
CSG        -    Child Support Grant
EEA        -    Employment Equity Act
ICLS          -    International Conference of Labour Statisticians
ILO             -   International Labour Organisation
LFS             -    Labour Force Surveys
LRA            -     Labour Relations Act
NDP            -     National Development Plan
NEDLAC    -    National Economic Development and Labour Council
NGP            -     New Growth Path
NIBUS        -    National Informal Business Upliftment Strategy
NIDS          -      National Income Dynamics Study
PEPUDA     -     Promotion of Equality and Prevention of Unfair Discrimination Act
QLFS           -      Quarterly Labour Force Survey
SALDRU     -     Southern Africa Labour and Development Research Unit
SARB       -    South African Reserve Bank
SDA            -      Skills Development Act
SESE          -      Survey of Employers and the Self-Employed
SEWA           -      Self Employed Women's Association
SMG            -       State Maintenance Grant
SNA            -       Systems of National Accounts
StatsSA        -      Statistics South Africa
VAT             -      Valued Added Tax
WPSW - The White Paper for Social Welfare
WTO - World Trade Organisation
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Chapter 1: Introduction

1.1. Introduction

In Post-apartheid South Africa, the majority of the population held hopes to find decent employment that had job security as well as adequate wages to enable people to live decently. These expectations have been met with great disappointment as the high levels of unemployment have facilitated the growth of the informal sector. Alongside this, the increase in jobs that lack employment benefits, decent wages and decent working conditions have not only deepened inequality in the country but have also made social reproduction extremely difficult for the working poor (Pons-Vignon & Anseeuw, 2009; Di Paola & Pons-Vignon, 2013; Mosoetsa, 2014). Organisational structures and social dialogue processes have failed to represent the interests of the informal economy and social protection programmes have not been sufficient to support the needs of marginalised segments of the economically active population. In such an environment women’s position in particular is exposed to vulnerabilities as the informal economy has become a critical source of earnings and employment, which is juxtaposed with labour markets which continue to reproduce gender-based segmentations and inequalities in income, social security and work-related benefits along with discrimination based on maternity and family responsibilities.

The problems associated with the contemporary labour market and the conditions that affect women’s informal economy participation in it requires further investigation. In seeking to answer the overarching research question, this thesis is structured into eight chapters.

1.2. Background

South Africa’s workforce is characterised by both formal and informal employment. The formal economy provides stable productive work with adequate earnings. On the other hand, the concept of the ‘informal economy’, which has prompted a range of definitions across various disciplines, lacks a universally accepted description (Chen, 2005; Feige, 1990; Gerxhani, 2004; Godfrey, 2011). South Africa’s informal economy encompasses a mass variety of activities and employment relationships in which, generally, individuals earn wages
that are much lower relative to their costs of living, are exposed to challenging working conditions, and are deprived of job security.

According to Altman (2006) between 1997 and 2005 a substantial growth of the informal sector was recorded, in which about 1.1 million jobs were created. Attempts to explain the growth of the informal sector in the country range from a decreased capacity of the formal economy to absorb new entrants to a general lack of capital, skills and technology by many in the country who are then pushed to produce cheap goods or provide services for niche markets in order to survive (Rogerson, 1996; 2000). In addition, in South Africa, entry into the informal economy is primarily related to high levels of unemployment in the formal sector.

South Africa’s informal economy appeals to those exploring economic survival strategies outside the formal sector. While a variety of manifestations of informality can be identified in the sector, which include having an informal employment relationship to being self-employed, scholars have identified a gender dimension in South Africa’s informal economy (Devey, Skinner & Valodia, 2006; Lund & Skinner, 1999; Chen, 2012; Rogerson, 1999). The informal economy has become highly feminised in that increasing numbers of women look to the informal sector as a survivalist economy, one that they rely on in order to sustain their children, communities and households.

The importance of promoting women’s economic and political empowerment has gained traction over the last few years. This shift is well articulated by the third Millennium Development Goal (MDG) which speaks to gender equality and women’s empowerment (Kabeer, 2005). In Africa, the informal economy constitutes an important part of the continent’s reality and provides commendable opportunities for development. However, entry into the informal sector symbolises structural disadvantage, and women’s economic wellbeing within the informal sector has appeared to show low growth prospects, suggesting even further disadvantage. Magidimisha and Gordon (2015) provide statistical evidence showing that there are disparities in the financial growth displayed by self-employed men and women in informal sector, with men enjoying higher profits than their female counterparts even within the same sub-sector.

Further gender-differentiated economic constraints have been cited by scholars in which a lack of skills, fulfilling care responsibilities, and women’s lack of financial and material assets (particularly in the impoverished African context) have constrained women’s earning and profitability potential (Dejene, 2007; Tsikata, 2008; Groenmeyer, 2011). The multiple
dimensions of inequality experienced by women in the informal economy has not only revealed deep-seated inequalities in power and privilege between women and men, but has placed women who participate in the informal economy in further structural isolation under modern capitalism. Under modern capitalism, informal activities are viewed as subordinate in a market continuum, placing women, a group that is at the crossroads of production and reproduction, in a very defective position.

1.3. Problem Statement

In the early 1990s South Africa embarked on a major transformation — namely establishing a democracy and the adoption of a neoliberal macro-economic agenda — all within an increasingly globalised context. The multiple changes that followed not only generated a dynamic response in South Africa’s macroeconomic policy strategy but also, and specifically, in the labour sector too.

The 1996 International Labour Organisation-endorsed (ILO) South African Labour Flexibility Survey (SALFS) documented a growing flexibility within South Africa’s labour market, indicating there is a breakdown of the traditional formal full-time employment contract and a growth of marginal, atypical employment. Similarly, notable scholars namely Rogerson (2000), Devey et al., (2006) and Valodia and Devey (2012) with their insight of earlier micro-level labour-related studies, have identified a growing trend that relates to the “[I]nformalisation of the formal economy”. This serves to reinforce the ILO’s findings. Devey et al. (2006) specifically discuss that a growing number of workers who identify as ‘formal’ workers are displaying employment characteristics that are consistent with workers traditionally regarded as ‘informal’. The authors motivate their finding using a large data set of the 2002 to 2004 panel Labour Force Surveys (LFS) which concluded that workers at the lower end of the labour market in South Africa frequently move between formal and informal economies, thus displaying a continuum and extensive linkages between these two sectors. In their work Devey et al. (2006) go on to suggest that the ANC’s rhetoric regarding the informal economy being structurally disconnected from the formal economy is indeed inaccurate.

Employment flexibility dating back to the 1990s has increased the share of precarious employment and survivalist work in South Africa (Kenny & Webster, 1999; Barchiesi, 2011). In their study of post-apartheid labour market trends between 1995 and 2003, Casale, Muller and Posel (2005:19) noticed a dramatic increase in the number of working poor. In 1995, 18 per cent of people employed in the informal sector earned less than USD $2 a day; by 2003
this number had more than doubled, reaching a staggering 42 per cent. In addition, the rise of precarious work coincided with diminishing worker bargaining power, stimulating further exposure to vulnerability. According to Posel (2004), the demise of apartheid and the proliferation of the informalization of the formal economy did not necessarily open opportunities for labour. Rather, new gender and geographic inequalities were produced by the growing unemployment of unionized male workers that pushed women relatives in rural areas into urban locales in order to engage in domestic and informal trade to support families. Further to this, Kenny and Webster (1999) found that in the fast growing precarious workforce in South Africa, African workers were in the majority, and the nature of the survivalist (less lucrative) informal activities in this informal labour segment were dominated by women.

While great optimism has been rendered by rhetoric concerning the “feminisation of labour” in South Africa — i.e. female empowerment and socio-economic development as a result of greater numbers of women than men entering the labour market since the mid-1990s. The belief that more women are gaining access to formal employment has overshadowed the reality that women’s increasing participation in the informal economy has coincided with the devaluation of informal activities and informal employment (Casale & Posel, 2002).

While gender activism in South Africa in the last two decades has taken serious steps to gain formal equality in the broader labour market; women’s equal participation in the paid labour force has yet to be achieved, particularly among black women. To expand on this, women have become increasingly polarised along socio-economic lines. While South Africa’s affirmative action policies have opened up opportunities for women to enter employment that was previously inaccessible to them, these opportunities have proven to be more beneficial to white women due to better education, their access to better management and professional qualifications (Casale & Posel, 2002). The same authors found that African women tended to be employed in low or unskilled, poorly remunerated jobs.

Political economy scholars Chant and Pedwell (2008) have advocated that the informal economy represents a poverty trap for women, concentrating them in low-skill, low-income activities that have limited prospects for advancement. Now more than ever, and as economic conditions in South Africa deteriorate, with rising unemployment, poverty, underdevelopment, inequality and stagnating social mobility, formal economic activities are continuously being developed and reproduced in the informal economy. Yet, in acknowledging the value of the
contribution of South African women in households and communities generally, one begins to realise that their labour participation in the informal economy equally holds much significance. Although it is clear that more and more women are coming forward to set up informal enterprises and enter informal employment, it is imperative to assess how they are economically and socially positioned, as this will clarify the impact of the transformation of labour on women in South Africa’s informal economy. Furthermore, a study that seeks to provide greater visibility to the conditions of women in the informal economy—while remaining vigilant to prevailing socio-economic contexts—highlights the inadequacies of ‘equality’ in South Africa.

1.4. Research question and Objectives

The central research question of this study is, What is the relationship between labour market trends and women’s presence in the informal economy?. In order to answer this question, the following research sub questions were identified:

- What is the influence of the key labour market trends produced in post-apartheid South Africa on women?
- What are the precarious working conditions produced for women in the informal economy?
- What is the nexus between informal labour and women’s care responsibilities?
- What are the subjective experiences of precarious conditions created for women in the informal economy and how do intersectional identities locate these women in the informal economy?

The following research objectives were identified:

1. Identify and interpret key post-apartheid labour market trends in South Africa. This will be done through an analysis of secondary literature on labour market trends and the provision of a descriptive account of how these trends have manifested in South Africa.

2. Identifying dimensions of precariousness imposed on women in the informal economy. The aim is to show whether individuals in the informal economy are highly vulnerable as result of the labour market trends. In addition, this objective seeks to account for how women — in relation to men — are exposed to increasing vulnerability as well as exploring the vulnerabilities experienced by different racial categories. This objective was satisfied using
secondary national statistical data, with the detailed description of the datasets discussed in chapter 3.

3. Understanding the extent to which labour–related gender legislation reconciles earning and caring activities for women in the informal economy.

The research explores whether the labour legislation mechanisms that promote gender equality do indeed take account of the experiences of women who do not fall within the formal full-time model of employment. Additionally this objective seeks to understand if labour legislation mechanisms are sufficiently developed to take account of increasing pressure of care burdens as a result of the transformation of labour.

4. Investigating perceptions held by different women in the informal economy relating to how they experience their work and how the identities of gender, race and class intersect to determine their experiences in the informal economy.

The researcher would like to gain an understanding of the diverse and gender-inequitable difficulties faced by women while fulfilling their economic responsibilities in this labour segment. Furthermore, this study seeks to understand how intersectional identities shape the experiences of women in the informal economy.

1.5. Hypotheses

To guide the study and to ensure that the research objectives are met, the following hypotheses were identified:

- Labour market trends have led to precarious employment in the informal economy that disproportionately increases women’s exposure to living precarious lives.
- Women’s care burdens compounds their precarious situations in the informal economy
- The intersectionality of gender, race and class contributes to women’s presence in the informal economy

1.6. Aims and Significance

In light of the overarching research question, the researcher has identified the following aims of this study.

- To expose the implications of a rapidly informalising labour market on women in the informal economy.
To show how the intersectionality of identities and intersectional relations contribute to women’s vulnerability in the informal economy.

To bring attention to the lack of substantive empowerment and equality for women in the informal economy.

To gain greater insight into some of the structural systems of oppression and marginalisation in South Africa that make women in the informal economy vulnerable.

To show how care responsibilities of women in the informal economy limit their life chances.

1.7. Theoretical framework

Comprehensive evidence points towards the prevalence of even greater stratification after apartheid by employment and labour patterns of inequality that have taken on inter- and intra-racial forms (Pons-Vignon & Anseeuw, 2009; Magidimisha & Gordon, 2015; Kenny & Webster, 1999; von Holdt & Webster, 2005). According to Seekings, Nattrass and Leibbrandt (2004), post-apartheid South Africa’s upper class is deracialising, with black populations joining this tier rapidly. On the other hand, the core working class is shrinking and the marginal working class (also referred to as the “underclass”) — which is dominated by a black populace — is expanding. Scholars have advocated that gender, race and class biases remain a reality in terms of employment and labour force participation in post-apartheid South Africa (Klasen & Woolard (1999) in Magidimisha & Gordon, 2015). Additionally, the intersections of gender, race and class in South Africa have gained significance as women are increasingly fragmented along urban/rural, employment and household roles. An observation that serves as a reminder of how concepts of race, class and gender have dominated and continue to dominate South Africa’s landscape facilitates models that help to better understand gender. Therefore, a framework which captures intersecting and mutually constituting axes of inequality and experience, such as race, class and gender is adopted in this work.

Intersectionality was first used when Crenshaw (1991) demonstrated the ‘multiple-burdened’ effects of both gender and race for African American women. Intersectionality reveals how the mutually constitutive relationships of gender and other markers of identity such as race and class determine our lived experience. The explanatory framework promotes the feminist understanding that the individual’s intersecting identities is related to her/his social location.
Particularly, it highlights how gender should be understood in the context of power relations embedded in social identities (Collins, 2000).

Intersectionality is an explanatory framework that centralises the dynamics of difference. It claims that social inequalities and social identities based on sex/gender, race, ethnicity, sexual orientation, etc. are interdependent and mutually constitutive as opposed to being unidimensional and independent (Collins, 2000; Crenshaw 1989, 1991). Furthermore, intersectional identities need to be articulated in relation to other identities in what can be viewed a matrix of domination that positions women differently based on patterns of privilege and marginalization (Gouws, 2017). The theory stresses that policy research should focus on the specific discriminations experienced by certain women, thus highlighting that a single-axis way of thinking undermines struggles for social justice, legal thinking and institutional arrangements (Cho, Crenshaw & McCall, 2013; Bilge, 2013).

1.8. Definition of key concepts

1.8.1. Labour market trends

Labour market trends document the patterns by which the domestic economy generates jobs (Bhorat, Goga & Stanwix, 2013). They consist of performance and entry factors that drive how labour is manifesting within a domestic economy. Labour market trends also reflect the labour outcomes stimulated by the economic and labour policies.

1.8.2. Class

Class is understood as the ordering of society based on groupings of perceived social or economic status (in the Weberian understanding of class). Classes are determined by access to and exclusion from certain economic resources and opportunities (Wright, 2009: 104). Thus it is a concept that highlights the social origin of a person, their resource of education, social networks and their profession (Winker & Degele, 2011: 55).

1.8.3. Race
Race relates to the symbolic classifications imposed to human groupings. It is a socially defined classification based on the cultural and physical characteristics, historical oppression and domination that embed a set of beliefs (Mooney, 2016; Winker & Degele, 2011). Race has the inherent capacity to impose a structural discrimination that can either be derived from embodying a different ethnicity, nationality or religious identity from a dominant group(s) in society. In post-apartheid South Africa, race remains a salient classification.

1.8.4. Precarious employment

Precarious employment is insecure employment that consists of atypical employment contracts, a high risk of unemployment, low job tenure, minimal or no social benefits, low wages, high risks of ill-health, poor working conditions, and less opportunity for training, career progression and social representation (Barchiesi, 2011; Vosko, 2010; Standing, 2008). In this study, precarious employment is linked to the following risks/insecurities: i) risk of low income; (ii) risk of uncertain employment trajectory; (iii) risk of inadequate protection from hazardous and/or unfavourable working conditions; (iv) risk of limited benefits and statutory entitlements; and (v) risk of exposure to high levels of unemployment.

1.8.5. Informal economy

The informal economy is a concept that satisfies two statistical terms and definitions which are often used interchangeably. The first is the ‘informal sector’, which refers to whether an enterprise is registered for tax purposes or not. The second is ‘informal employment’, which refers to employment that lacks social and legal protection both within and outside the informal sector. Thus, the ‘informal economy’ points to all the activities and employees so defined, as well as the output from them (Chen, 2005; 2012).

South Africa Statistics adopted the broadest definition of informality by including those who have informal employment relationships in or outside a formal enterprise. It also includes those who form part of the informal sector which consists of employees working in businesses that do not deduct income tax from their salary/wage and employers or own account workers who are not registered for either Value-Added Tax (VAT) or income tax. Those who are informally

1Value added tax (VAT) is a type of taxation in South Africa that affects those who operate in the informal economy, the informal economy is competitive and highly price-sensitive therefore informal producers find it
employed in the formal sector are employees in the formal sector and persons employed in private households who are not entitled to basic benefits such as medical and pension deductions and who do not have a written contract of employment. This study makes use of the same definition, including those who provide services in private households and non-agricultural employment. This approach has been adopted in South African literature of informality (Bhorat et al., 2016).

For the purpose of this study, the ‘informal economy’ is used to describe those individuals participating in both ‘informal employment’ and in the ‘informal sector’. Therefore, this study places emphasis on a continuum of formal-informal economies by identifying participants of the ‘informal economy’ as those who hold secure employment in the informal sector and precarious employment in the formal economy.

### 1.8.6. Precariousness

The term precariousness was historically used to describe chronic poverty in the 16th and 17th century in Britain. It was later applied in critique of capitalism in the labour market context of the 19th century, where Frederick Engels and Karl Marx associated it with the concept of the reserve army of labour in *The Communist Manifesto*. In a contemporary context, a ‘precarious’ condition includes both social and material conditions that provoke uncertainty with regards to attaining and sustaining access to vital resources for the development of life (Arnold & Bongiovi, 2012: 299). Scholars have maintained that precarity captures the material vulnerability arising as a result of neoliberal economic reforms (Barchiesi, 2011; Standing, 2008). Furthermore scholars have the position that precariousness is strongly tied to and induced by ‘precarious employment’ in that precarity is the result of absent labour market security (Standing, 2008; Arnold & Bongiovi, 2012; Butler, 2004; Kalleberg, 2009).

The term has been applied to account for a generalised state of insecurity which reflects the breakdown of traditional social-status divisions as more workers fall outside the protective shield of permanent full-time employment (Standing, 2008; Kalleberg, 2009). Scholars have explored how these insecurities are material, subjective (affecting social reproduction, welfare,
education) and contribute to intensifying social inequalities (Vosko, 2010; Standing, 2008; Barchiesi, 2011). Barbier (2004) contends that dimensions of precariousness often operate at different scales, and they are location and context sensitive. For that reason, meanings of precariousness are rendered difficult to disengage from the institutional systems and contexts in which they are embedded. Drawing on Barbier (2004) and Arnold & Bongiovi (2012) a comprehensive working definition of precariousness is provided, in this study, precariousness refers to the state of social vulnerability whereby the labour market, support system and household conditions that affect both entry and exit of the labour market are not autonomously sustainable. Specifically for the study, precariousness is defined as a condition whereby social vulnerabilities that include the responsibility for dependent adults or children, inadequate shelter, amenities and a limited support structure, intersect with precarious employment as defined in 1.8.4.

1.9. Design and Method of Research

This study uses a mixed research methodology. Mixed research has been selected to avoid oversimplifying the very relational characteristics of identity that intersectionality theory captures. On one hand quantitative data is crucial for intersectionality research in attaining generalizable results for larger population groups, on the other hand qualitative data has the ability to introduce complementary insights into people’s context-dependent and subjective experiences all while capturing institutional processes (Shields, 2008: 305).

The quantitative portion of the study will include the analysis and interpretation of data obtained from two datasets provided by Statistics South Africa. These will include the National Income Dynamics Study (NIDS), and the Survey of Employers and Self-Employed (SESE), both of these are concerned with labour market participation and include variables of those who are informally employed and are involved in the informal sector. The qualitative aspect of the study consisted of semi-structured interviews of 30 women participating in the informal economy in Cape Town. The sample was attained through snowball sampling. Interviews were conducted in three areas within the Cape Town metropolitan area, these included the Cape Town Central Business District (CBD), Woodstock and Khayelitsha. The sample included women who were informally employed in and out of informal businesses and self-employed women in the informal economy who were between the ages of 21 and 64 years old.
1.10. **Limitations of the Study**

The first limitation is the fact that the study is conducted in only one province, namely the Western Cape, specifically in Cape Town, the capital city of the province. Cape Town, and the Western Cape in its entirety has a different demographic make up to other areas in the country, specifically a greater concentration of white and coloured populations relative to the other provinces. Furthermore, the levels of income inequality in the Western Cape measured by the Gini coefficient indicate that it is amongst the highest in the world. In the year 2001, the Gini coefficient for the Western Cape registered at 0.63, in 2013 a decline was documented to 0.61. The City of Cape Town and the five districts’ Gini coefficients ranged between 0.57 and 0.61 in 2013, with the City of Cape Town’s being the highest (Provincial Economic Review and Outlook, 2015). Conducting the study only in Cape Town implies that the findings in the study are not entirely representative of women in a similar position across the country.

Additionally, while the research question points to studying the impact of ‘post-apartheid labour trends’, this study indeed covers only a few trends based on those deemed most significant for the research. The trends explored in the study were selected by the researcher due to their substantial impact on the number, the quality and the security of jobs for South Africans in the post-apartheid period. The researcher concedes that other trends may be identified but are not dealt with in this particular study.

1.11. **Chapter Outline**

Chapter 1 serves as an introductory chapter that has dealt with the general orientation of the study, the problem statement, the background, and the pertinent research questions. The chapter has also expressed the motivations of the study.

Chapter 2, which is the literature review, provides an overview of literature addressing the informal economy in South Africa, and includes definitions and characteristics of the informal economy. The literature review also discusses who is mostly likely to join the informal sector, the theoretical perspectives that account for informality, and links between the formal and informal economies.

Chapter 3 discusses the study’s methodology and research strategy. It also describes the data collection, as well as the limitations and the ethical considerations for the study.
In chapter 4 the researcher identifies and describes key *labour market trends*. The chapter also explores how changing contemporary labour arrangements make the informal economy increasingly vulnerable and precarious.

Chapter 5 analyses the extent to which *labour legislation mechanisms* promote gender equality and if these make provision for the experiences of women in the informal economy and their respective *care obligations*.

Chapter 6 consists of the presentation of the findings of the empirical study. The chapter provides a detailed description of the data obtained from the interviews. In addition, it explores research themes identified by the researcher and includes quotations from the transcripts.

Chapter 7 consists of an in-depth data analysis and discussion of the primary and secondary and secondary findings of the study. The chapter also provides a discourse on precariousness and how women in the informal economy are susceptible to and impacted by precariousness.

Chapter 8 provides an overall conclusion drawing on both the quantitative and qualitative data. Recommendations for further research will be provided.
Chapter 2: Literature Review

2.1. Introduction
The existence of an informal economy in any location presents a diverse and vast economic reality that encompasses a wide range of activities. In South Africa these activities range from street vending, to retail trade in clothing and food and the provision of personal services such as mechanical repairs as well as hair and beauty maintenance. South Africa’s informal economy has been regarded as a solution to certain economic problems in the country, such as high unemployment (Bhorat et al., 2016; Devey et al., 2006; Valodia & Devey, 2012), and simultaneously, it has been viewed as a site of labour exploitation (Portes, 1983; Morales, 1997; Swaminathan, 1991). Scholars such as Hart (1973) and Tokman (1978) deny the informal economy’s linkage to the formal economy, asserting that the informal economy is a phenomenon that is unique to developing states and will eventually disappear once enough industrial development has occurred. The difference in South Africa’s informal economic activity, however, is in the manner in which racially biased apartheid legislation shaped the nature and scale of informal activity.

This literature review aims to provide an overview of the informal economy in South Africa, thus aiding the understanding of its diverse and complex nature. As such, this literature review documents the current reality of the informal economy, i.e. that it has extended beyond traditional definitions regarding running unregistered enterprises to the inclusion of ‘informal employment’. This section further explores who is most likely to be part of the informal economy in South Africa, highlighting the most disadvantaged and vulnerable people in the labour market. In addition, the review explores the impact of neoliberal globalization in shaping the conditions of the informal economy and informal work, particularly in presenting new opportunities for women’s entry, as well as simultaneously creating adverse conditions for many.

2.2. Historic overview of the informal economy
Literature concerning the informal economy globally is relatively scarce, and this may be due to a disagreement about a single definition for this concept. British anthropologist Keith Hart
first coined the term in 1971 following his observations of low-income Ghanaian migrants in the capital city, Accra, who had difficulty finding employment (Hart, 1973; Chen, 2012). Hart’s term was used to describe ways of making a living outside the formal wage environment. Although the definition he provided was limited because it only dealt with the self-employed it, introduced the concept and made it possible to incorporate previously ignored economic activities, prompting a later discussion of suitable theoretical models to describe these activities (Gerxhani, 2004:269).

Also in the 1970s the International Labour Organisation (ILO) made use of the term ‘informal sector’ after conducting a series of studies focused on poverty and urbanization in African cities in the 1970s. Its findings reflected a positive view on the informal sector, deeming it as having “potential to reduce poverty and create employment” (ILO, 1972). Much literature thereafter used the term to describe the dualistic economic structure in developing states, namely the formal and informal economy. The surge of dualist literature saw the pre-capitalistic (traditional) economy declining in relation to the growing capitalistic (modern) economy. Formal and informal distinctions emerged after scholars attempted to apply the dualism framework to labour markets in the urban spaces of developing nations (Swaminathan, 1991).

The concept of the informal economy has further evolved due to extensive empirical and theoretical research conducted in developing countries, as researchers began to observe similar dynamics in developed nations (Chen, 2012), thus suggesting that the informal economy is not dependant on the sophistication or advancement of a country. Issues of urban under- and unemployment, growing numbers of self-employed persons and the working poor have inspired several studies on the informal sector. Studies concerning developing nations, such as former Soviet states, more recently transitional states in central and eastern Europe and Africa, have prompted a new interest in the informal economy.

In developed nations, the existence of an informal economy has shown signs of sustainable growth and the benefit of high incomes for participants, whilst in developing nations, informal activities generate only a minimum level of income and typically rely on exploiting family labour (Gerxhani, 2004). Understanding of the informal economy has shifted from identifying it as activity occurring only on the margins of a society to more recent considerations of it as an influential developer of economic and social life in developing nations (Chen, 2012; Groenmeyer, 2011).
The study of the informal economy has also drawn attention to the condition of women workers, as research shows that a large number of women rely on the informal sector for employment (Chant & Pedwell, 2008; Sethuraman, 1998; Chen, 2001; Lund & Srinivas, 2000; Meagher, 2010). Thus, recent studies on the informal sector have focused on the skills and earning differentials between men and women (Carr, Chen, & Tate, 2000; Swaminathan, 1991; Sethuraman, 1998; Magidimisha & Gordon, 2015).

In navigating the currents regarding local South African research on the informal economy, one finds that the concept of the ‘informal economy’ gained exposure from policy makers in the 1970s. Initially, the focus of the research was concerned with establishing the size of the sector, mapping its geographical localities, and describing activities therein, with a substantial number of surveys conducted with households and informal-sector enterprises. The research findings were informed by ILO (1972) and Hart’s (1973) seminal works.

The 1980s was a decade of great theoretical growth in the local understanding of South Africa’s informal economy; a wealth of theoretical debates focused on the ‘dualist’ vs. ‘petty commodity-production’ analysis of the developmental potential of this economic sector (Preston-Whyte & Rogerson, 1991). It is worth noting that a considerable number of local studies conducted in the 1980s primarily investigated the inner workings of the informal economy and linkages with the formal economy. Research was largely urban-based and had a focus on street trading, domestic work, the taxi industry and gangsterism (Davies, 1987; Krafchik, & Leiman, 1991).

The 1990s saw the strengthening of longitudinal research in the informal economy. Social scientists saw the transition phase as a site of rich research findings in which the scope of research could be extended to the imperatives of a “new South Africa”. Global developments in the 1990s — with movements of deregulation, the erosion of labour regulation, and increased globalization — offered an intellectual revival among scholars in the informal economy in which all these matters began to affect the country’s informal economy (Lund & Skinner, 1999; Kenny & Webster, 1999; Abedian & Desmidt, 1990). In the immediate post-apartheid period, new concerns, which were mildly tackled in the 1980s, have included questions of evolving labour policies and their relevance in relation to the informal economy (Rogerson, 2015; Valodia, 2013). Questions of rising unemployment as well as linking the informal economy with poverty have also surfaced (Altman, 2006; Rogerson, 1996; Davies & Thurlow, 2010; Kingdon & Knight, 2001; Valodia & Devey, 2010).
2.3. A portrait of informality: conceptualisation and characteristics

The concept of the informal economy has provided a variety of definitions across different disciplines. The informal “sector” is commonly used to describe a variety of industry groups while the informal “economy” addresses a wider variety of activities than the “sector”, in enterprises found in both rural and urban locations, and their linkages to formal economic frameworks (Devey, Skinner & Valodia, 2006; Saunders, 2005).

While researchers across sociology, economics, urban and rural planning, development studies, and social anthropology have attempted to unravel the complexities of the informal economy, it is clear to see that the criteria used to define ‘informal economy’ varies depending on the organisational, financial, and legal domain it is applied in. From an economist’s perspective, scholars such as La Porta and Schleifer conceptualised the informal economy as economic activity that is conducted either by unregistered businesses or registered businesses seeking to evade taxation (2008: 275). Sociologists Centeno and Portes (2006) offer a definition that describes the informal activity’s relationship with the state as a transaction in which the state does not receive a “cut” and does not offer participants protection (Godfrey, 2011:238). Political science scholar, Martha Chen, addresses the legal basis of the informal economy by defining it as work that is not legally regulated and consists of employment relationships that lack legal accountability to an oversight body, i.e. legal framework (2005:4). Neves and du Toit (2012), from research psychology and political science disciplines, described South Africa’s informal economy as a type of “entrepreneurism” that lacks an entrepreneurial mindset and is primarily motivated by social and redistribution reasoning. They also argue that activities in the informal economy are often induced by individuals coming from disadvantaged backgrounds and conditions.

Beyond the various fundamental characteristics used to describe informality, researchers have been highly contested in reaching a precise measurement, definition, and a holistic framework to account for informality. Measuring and defining informality has taken on the enterprise-based approach, whereby some have understood the informal sector using firm size as criteria (Moser, 1978), while others have utilised the firm’s registration status (Magidimisha & Gordon, 2015) - if a firm is registered then it was considered to be part of the formal sector but if a firm is not registered then it is informal.
The enterprise-characteristic approach of measuring informal sector workers was introduced during the 15th International Conference of Labour Statisticians (ICLS) of the ILO in 1993, which defined informal workers as informally employed using one or more of the following criteria (ILO, 2003; Devey et al., 2003; Heintz & Posel, 2008; Essop & Yu, 2008):

- The registration status of the enterprise, (enterprise or tax registration)
- The registration status of the employees
- Whether the enterprise comprises less than five employees

The enterprise approach definition has been subject to criticism due to unreliable measurement issues. According to Devey et al (2003), this approach takes no consideration of the characteristics of the employee, instead much emphasis is placed on the enterprise which conceals that large numbers of workers classified in the formal economy display characteristics of work commonly associated with informal work. Up until 2007, Statistics SA — the formal authority for the collection and analysis of statistical information in South Africa — used the enterprise-based definition to define and measure informality in the October Household Surveys (OHS) as well as the Labour Force Surveys (LFS). The OHS is conducted annually and seeks to reflect poverty and development indicators, while the LFS was a twice-yearly rotating panel household survey, conducted to measure the dynamics of employment and unemployment in South Africa.

Another way of defining the informal status of an enterprise has been to consider its level of entrepreneurism, with the two dominant categories in this regard being micro-enterprise and survivalist informal enterprise (Rogerson, 2000). Micro-enterprises represent small businesses which include the owner and his/her family. Rogerson (2000) advocates that these micro-enterprises often have the potential to grow into large business ventures; however, their growth potential is often inhibited by their lack of formal business permits, premises, and accounting procedures, thus their classification within the informal economy. The second category, survivalist informal enterprises, which women dominate, refers to businesses that require minimal capital investment, and often the need to overcome poverty is the primary motivation behind starting up these forms of enterprises (Saunders, 2005; Rogerson, 2000).

The most recent streams of literature on the informal economy have also centred around employment relationships. This approach is discussed by Henley, Arabsheibani and Carneiro (2006), who reject the traditional view of the informal sector as a labour market segment.
consisting of displaced workers, preferring to view informal activity as a balance of unregistered or registered employment relationships, thus implying that contract status is either not available or not relevant. The move towards focusing on ‘employment relationships’ has broadened the understanding of informality given the constraints within the enterprise-characteristic approach.

In light of the above a revision of the international standard for defining informal employment was offered during the 17th ICLS held in 2003. The ILO recommended a definition which also included an employment-relationship centred around employment that is not socially protected nor legally regulated (Devey et al., 2006; Heintz & Posel, 2008; Essop & Yu, 2008). The basis of the employee definition includes all types of informal employment both inside and outside of informal enterprises. In addition, it includes characteristics such as conditions of employment, permanence of work, contractual employment agreements, medical aid, and retirement (ILO, 2003; Chen, 2012).

The employment-based statistical definition released in 2003 by the ILO also distinguishes between informal self-employment and informal wage-employment:

Informal self-employment includes:

- employers in informal enterprises
- own account workers in informal enterprises
- contributing family workers
- members of informal producers’ cooperatives (if they exist)

Informal wage employment:

Employees hired without social-protection contributions in both formal or informal enterprises or as paid domestic workers by households. Other types of work that are likely to be characterised as ‘informal’ include:

- employees of informal enterprises
- casual or day labourers
- part-time workers
- paid domestic workers
- contract workers
- unregistered workers
• industrial outworkers (also known as homeworkers)

Scholars have more recently incorporated the employment-based approach to include informality into their definition and have included various characteristics to identify informality, such as:

• the lack of a written contract (Bhorat et al., 2016)
• the absence of various social protection (Groenmeyer, 2011; Bhorat et al., 2016; Lund & Srinivas, 2000)
• a lack of union membership (Pons-Vignon & Anseeuw, 2009; Lund & Skinner, 1999)

The employment-relationship-based approach has been identified as the most accurate approach due to its ability to connect informal employment directly to the employee and also integrate numerous employee characteristics as a proxy to define informality.

The introduction of the Quarterly Labour Force Survey (QLFS) in 2007 saw Stats SA adopting two new definitions of informality which incorporated both the enterprise-based and employee-based definitions, and, additionally, identified informal employment relationships in formal sector enterprises as well as private households (Essop & Yu, 2008; Bhorat et al., 2016).

Literature concerning the informal status of economic activity in South Africa has also seen scholars attempting to measure the size of the overall informal economy (Muller & Posel, 2004; Muller, 2003; Saunders, 2005; Schneider, 2002). The same scholars contend that the fact that the informal economy manifests itself in many different ways in different contexts has made measurement and even cross-national comparison very difficult. Based on the literature, it can be concluded that the informal economy has been problematic to define and challenging to measure. Furthermore, the activities that are considered “informal” have varied from context to context, with the nature and size of the informal economy being heavily reliant on the institutional structure of a particular country.

2.4. **Theoretical approaches**

Literature on the informal economy is premised on three dominant schools of thought: a) the dualist model, b) the structuralist view, and c) the legalist view. To a certain extent, each perspective offers a conceptual foundation to the informal economy and primarily highlights different explanations for the emergence of informal activity.
2.4.1. Dualist model

Developed by W. A. Lewis, who wrote a paper arguing that economic development in developing countries would, in the long-term, generate enough modern jobs to absorb surplus labour from the ‘traditional economy’ (Lewis, 1954). The dual economy model identifies two forms of economic activity, namely the formal and informal sector. It regards the informal sector as operating separate and unrelated to the formal sector and usually consisting of labour-intensive activities such as agricultural work (Godrey, 2011:243; Chen, 2012). Dualists argue that the informal economy exists primarily as a result of surplus labour; meaning the population is significantly large relative to capital.

Dualists contend that with rising per capita incomes and development, the informal sector will disappear (Altman, 2007; Chen, 2012). More recent literature regarding dualism has extended the Lewis model by separating the informal and formal sectors into rural and urban locations. Hart (1973), based on his studies in Accra, Ghana, found that Lewis’ model — which reflected rigidity in the dual economy — did not hold, instead, Hart found a symbiotic dual economy. Hart (1973) argues that the symbiotic dual economy features a very limited formal sector and a flourishing urban informal economy, and the two economies have a variety of bidirectional flows in which actors moved between sectors. Hart further noted that the low productivity subsistence (informal) sector did fuel productivity and investment into the formal. Thus the informal sector acted as a buffer for the ups and downs in employment in the formal sector. The dualist school further advocates that informal activity is considered to be a safety net for the poor; therefore, the high prevalence of activity in the informal is seen as a clear sign of underdevelopment (Swaminathan, 1991; De Ruiter, 2009).

Feminists who support the dualist approach (Horn, 1994) generally accept the informal economy as income-generating activities that facilitate the path for women to empower themselves. Their stance is that by accumulating economic means from the informal sector, women can better secure the welfare of their children and raise their bargaining power in their households. An implication of this approach is that the current preoccupation of researchers with women in the informal economy is to better accommodate women’s multiple roles as mothers, community members, caregivers etc. and offer them a more flexible schedule to fulfil all their roles (Willman-Navarro, 2010).

The dualistic approach represents the earliest understanding of the informal economy, hence the view that the informal economy will disappear once the economy develops a bigger
industrial base is maintained (Godfrey, 2011). While the dual economy correctly classifies informal activity as primarily undercapitalized and small scale, its proponents fail to offer a viable explanation for the persistence of informal activity. Explanations about the persistence of informality are, however, offered by structuralist and legalist schools of thought.

2.4.2. **Structuralist model**

The structuralist perspective — which has origins dating back to the 1970s — grew out of the dualist approach and was popularised, among others, by Caroline Moser and Alexandro Portes (Castells & Portes, 1989). From a theoretical point of view, structuralism states that the informal economy is not recognised as a feature in the traditional sector, instead it is identified as a central feature of modern capitalism (Altman, 2007; Castells & Portes, 1989; Chen, 2012). From its earliest interpretation, the structural perspective did not place emphasis on a structural understanding of poverty and unemployment nor the paths of development taken by individual states, rather, issues of underdevelopment were credited to the existence of one sector that needed to be transformed (Godfrey, 2011: 245). The structuralist school considers the informal economy to be part of a continuum within the market, yet located in a more subordinate position arguing that capitalism drives informality by formal firms reducing labour.

Given its standpoint, many scholars identify this model as the *Marxist perspective* (Portes, 1983; Morales, 1997; Swaminathan, 1991; Henley et al., 2006). In contrast to the dualistic approach which separates the sectors to conceptualize informality, the structural perspective describes informality as a specific relationship in the organization of production. This perspective views informality as a feature of labour-capital relations. Furthermore, enthusiasts of this theory recognise the dependency of the informal economy on the formal. This dependency can either be competitive (e.g. having unregistered enterprises whereby labour is cheaper and prices are lower) or complementary (e.g. through sub-contracting activities) (Gerxhani, 2004; Davies & Thurlow, 2010). Scholars contend that the exploitative relationship between labour and capital is used to explain the persistence of the informal economy; therefore, links between the formal and informal economy are viewed as a form of structural exploitation.

Feminists who draw on a structural analysis (Chen, 2001; Chant & Pedwell, 2008; Kabeer, 2012; Valodia, 2001) acknowledge patriarchal institutions and values as structuring forces that have created pools of low-waged and unprotected labour for women. Rather, feminists who draw on this structural perspective emphasize the extent to which women are vulnerable in this sector, identifying women’s participation in the informal economy as an entrapment in poverty.
(Willman-Navarro, 2010). Furthermore, these feminists draw attention to the argument that the position of women’s participation in the informal sector is a means of subsiding male employment in the formal sector. Feminists who draw on structural analysis and those drawing on dual analysis contrast each other in the nature of policy intervention in the informal economy. Those drawing on a dual perspective believe in policies that look to empower women in the informal sector, such as widespread access to microcredit (Chen, 2005; Willman-Navarro, 2010), on the other hand feminists who engage a structural perspective believe that government policies need to provide women with opportunities to move out of this sector and attain formal jobs. Both perspectives acknowledge the importance of women organising in organisations such as Women in the Informal Economy Globalising and Organising (WIEGO) to address structural challenges found in this sector (Willman-Navarro, 2010).

2.4.3. Legalist Model

Legalists differ from dualists in that they do not view informality in the deep structure of economic origins, instead, legalists see informality arising from institutional arrangements and preferences. Additionally, legalists can be distinguished from structuralists, who see informality as an imposed constraint, because they see participation in the informal economy as a free choice (Chen, 2012). De Soto (2000) characterises the legalist position as forming a link between informality, legal systems in developing states and poverty. He argues that people participate in the informal economy either because of institutional procedures, such as business registration requirements and/or heavy bureaucracy, or because of formal law, such as those concerning property rights, both of which make it quite difficult for individuals to participate in the formal economy. De Soto’s argument further points to informality as a refuge for determined entrepreneurs who encounter institutional barriers, which are found in a strong yet ineffective bureaucracy. The legalist approach finds that the developing world has a legal system that imposes rules that impede the expectations of those it excludes, in which entry into the legal property system is deemed to be very expensive and discouraging (De Soto, 2000; Godfrey, 2011).

The strength of the legalist perspective lies in its focus on the broader institutional environment. On the other hand, this very strength can also be seen as its weakness when the legalist view merely focuses on the regulatory institutional framework, ignoring cognitive and normative institutions. Godfrey (2011) concurs on this weakness and argues that the legalist perspective
offers a very limited and simplistic view of the informal economy in that it explains informality and its association with poverty as a consequence of “weak institutions”. This implies that if states could strengthen their institutions and the rule of law then poverty would disappear. Thus the legalist school’s assumption of institutional reform as a solution is a simplistic solution to a very complex issue.

2.5. Links between informal and formal economies

The theoretical perspectives in informal economy literature have also centred around the informal economy’s relation to the formal economy. Chen (2005) has advocated that a pure formal sector and pure informal sector have been understood historically as constituting extremes on a continuum of production relationships. When the term ‘informal’ was used in an earlier stage, it assumed the position that clear distinctions could be made between informal and formal economic activities; however, decades later it becomes clearer that the line between informal-formal lines is blurred. Dualistic approaches in understanding informality have set back any research conducted on the linkages between the formal and informal economies, great strides in the literature were made in the 1990s, a time characterized by increasing globalisation. The surge of formal-informal linkage literature occurred in the 1990s following the accumulation of empirical research that prompted the rejection of dualist perspectives among some researchers (Krafchik & Leiman, 1991; Rogerson, 1996; Rogerson, 2000; Meagher, 2013). Various concerns and dynamics unfolded over the succeeding decades: the empirical realities of market reforms, increased globalization, and the growth of the informal economy altered many of the earlier assumptions of formal-informal linkages.

The various schools of thought have also documented different perspectives on the formal-informal linkage. The dualist school maintains the belief that informal enterprises have few (if any) linkages to the formal sector, and their emphasis is on seeing the two as distinctly separate (Godfrey, 2011; Chen, 2012). The structuralists argue that the formal and informal are deeply linked but recognise the informal sector to be subordinate to the formal. Additionally, a recommendation offered by the structuralist school is for the state to address the unequal relationship between “big business” and subordinated informal workers (Castells & Portes, 1989; Chen, 2012). Legalists acknowledge that linkages exist, yet stress that the inability for informal enterprises to abide by the formal regulatory environment has led to the neglect and exploitation of informal workers. Although it is a contradiction, Legalists thus encourage registration and the “formalization” of informal activities (Chen, 2012).
In exploring formal-informal linkages in South Africa, Rogerson (2000) discusses a trend called ‘informalization’, which he describes as a processes to bypass regulation when big businesses deliberately link their activities to smaller enterprises in order to dictate the terms of interaction. Trends of informalization have put forward the development of subcontracting, in which the subcontracting arrangements between large formal firms and small informal enterprises explore the connections between the informal and formal sector. Krafchik and Leiman (1991) discuss subcontracting in an exploitative sense by describing it as an “escape route by firms when confronted by labour problems”. The literature offers numerous motivations behind subcontracting arrangements, a few can be summarized as follows: the direct cost savings in employing informal workers (as employers are not obligated to pay employee benefits), an opportunity to receive specialized services from informal activities and ease of financial planning by having informal workers in a weak bargaining position (Rogerson, 1996; Valodia & Devey, 2012; Krafchik & Leiman, 1991; Godfrey, 2011).

The relationship between the informal and formal sectors has also been discussed in a context of economic restructuring during business cycles. Literature exploring these issues discuss formal-informal linkages that are complementary, which includes subcontracting (when it is not exploitative) and when huge amounts of the income spent in the formal economy is earned in the informal sector (and vice-versa) (Gerxhani, 2004; Kershof, 1996). Pro- or anti-cyclical effects are noted by Greenfield (1993), who suggests that both effects are possible in relation to formal-informal linkages. He states that when the formal economy contracts, the informal economy becomes the refuge to earn a living. On the other hand, when the formal economy expands, the direct and indirect demand for goods made in the informal sphere will increase, thus finding a positive relationship between the formal and informal sectors.

A number of scholars have contended that there are multiple back and forth linkages between informal and formal activities (Valodia & Devey, 2012; Altman, 2007; Chen, 2012; Devey et al., 2006). Harriss (1990) finds an asymmetry in which informal sector purchases production input products from the formal sector, yet purchases made in the opposite direction are of very little significance. Other literature explores the negative effect the formal economy has on the informal economy, in which a competitive relationship can manifest due to the monopolistic nature of the formal economy. A prime example of this is how formal firm expansion can cause crowding out of informal enterprises. A study conducted by Valodia, Davies, Altman and Thurlow (2007) in Durban explored the competitive relationship between the two sectors. They conducted survey-based research using an informal street vendors community and
established that informal economic behaviour and pricing is informed by formal behaviour and prices. Thus, levels of interaction between these two sectors also appears in decision-making in a competitive nature.

2.6. Composition of the informal economy

While some scholars have preoccupied themselves with statistical definitions and measurements of informality (Heintz & Posel, 2008; Essop & Yu, 2008; Muller & Posel, 2004; Muller, 2003) others have focused more on understanding the composition of the informal economy. In an endeavour to understand why people engage in informal employment, Altman (2007) cites the escape from poverty, personal fulfilment and social obligation as key reasons. The social aspect of the informal economy has been put forward by a handful scholars who suggest that the informal economy is a part of the ‘social economy’ due to broader community transactions that take place therein (Beneria, 2001; Neves & du Toit, 2012).

As such, social dynamics and social rankings are likely to determine who forms part of the informal economy. Case study evidence by Neves and du Toit (2012) examining small-scale survivalist enterprises highlights how complex social imperatives and dynamics underpin this sector, meaning social adeptness and skill are essential for business success in the informal sector. For instance, in their study one respondent running a hair salon in Khayelitsha claimed she paid a protection fee to the local taxi association to prevent criminalization and victimization, which displays there is a number of overlapping, concentric rings of authority and governance involved in the informal economy. Scholars have further advocated that formality secures legal protections and entitlements; therefore, informality is constrained by a need to rely on interpersonal assurance and social networks as a counter to the absence of the formal benefits just mentioned (de Soto, 2000; McKeever, 1998). The social embeddedness of the informal economy has made it more accessible to Africans, immigrants and women, who due to historical and contemporary factors have been marginalised from formal economic participation and consequently rely on social relations and associations as a source of resilience in the face of economic vulnerability. The intersectionality of these identities position women in a certain way in the informal economy.
2.6.1. Racial Identity

In discussing participant composition of South Africa’s informal economy, many scholars have articulated that the African population occupies a substantial number of niches in the urban informal economy (Kingdon & Knight, 2001; Di Paola & Pons-Vignon, 2013; Devey et al., 2006; Altman, 2006). Other scholars have explored how racial legacies of apartheid and the dynamics of rural-urban migration have influenced the composition of the informal economy (Rogerson & Preston-Whyte, 1991; Posel, 2004; McKeever, 1998). Rogerson (2000) explored how apartheid’s race-based policies introduced patterns of stratification in the labour market. For example, Rogerson (2000) discusses how racist policies, which generally denied African populations access to a variety of employment opportunities, relegated many African people to participate in the informal economy, often fulfilling jobs as hawkers, shebeens (liquor outlets) taxi drivers, street barbers, home-based enterprises, child-minding, spazas (retail outlets), garage workshops/repairs and hairdressers. Rogerson (2000) further explored the impact of apartheid in transforming the racial complexion and the locations in which informal businesses are likely to be found, emphasizing the manner in which influx policies under the apartheid regime restricted African populations from conducting informal activities in “white” cities, ensuring the occurrence of these activities in only townships and rural areas, whose residents were majority African. Furthermore, after conducting surveys in Port Elizabeth, South Africa, to understand the primary obstacles encountered by African entrepreneurs in that region, Davies (1987) explored the impact of regressive legislation and found that political and bureaucratic controls were the main reason behind the stunted growth among African entrepreneurs.

In seeking to account for a large African presence in the informal economy, Abedian and Desmidt (1990) hypothesize that growth in the informal economy can be attributed to: (a) the growth of African urbanization and, (b) the growth of the African labour force that could not find occupation in the formal economy. They argue that a positive relationship between the urbanization of the African population and the expansion of the informal economy exists. Additionally, the literature suggests that the demand for informal, cheaper products, stems from primarily African consumers who are a large population who occupy urban spaces (Abedian & Desmidt, 1990; Saunders, 2005).

New trends in South Africa’s post-apartheid era include a rise in the involvement of other races in the informal sector, specifically white and Indian populations. While involvement is minor
relative to African populations, shifts in informal sector demography are explained by the de-racialization of formal businesses in South Africa, which has allowed more members of the African community to hold positions in the formal economy (Devey et al., 2006; Rogerson, 2000).

2.6.2. Immigrants

The post-apartheid era of the 1990s coincided with increasing globalization globally, which meant the number of foreign nationals living in South Africa rose significantly. As a result, the informal sector began reflecting an “internationalization” of its members, in which Asian (Indian, Chinese, Pakistani), West African, Sub-Saharan and Southern African immigrants contributed to the rapid growth of the local sector (Rogerson, 2000).

Portes and Castells (1989) indicated that immigrants showed greater participation in informal rather than formal arrangements, and De Soto (2000) claims that immigrants are most likely to reproduce economic activity they are familiar with in new host societies. While very limited literature is available concerning the informal economy and migrant communities, scholars suggest that the low socio-economic position of immigrants in host countries makes them vulnerable to informal work. (De Oliveira & Roberts, 1994; Rogerson, 2000). Additionally, De Oliveira and Roberts (1994) argue that immigrants, particularly illegal ones, easily become subjects of exploitation due to the afore-mentioned vulnerability.

2.6.3. Women

Gender has been a relatively neglected field of study in South Africa’s informal economy largely due to research in informal activities not making use of gender as a variable; rather, the focus has often been placed on the household as a whole (Portes & Sassen-Koob, 1987). A substantial body of literature has acknowledged the concentration of women in the informal economy (Sethuraman, 1998; Chen, Vanek & Heintz, 2006; Carr et al., 2000), exploring why women are most likely to participate in informal work. Some scholars contend that women make a choice to join informal work because it is compatible with household work (Moser, 1978; Portes & Sassen-Koob, 1987; Osirim, 1992). Hart (1991) argues that women fall into informal employment due to formal arrangements failing to accommodate their numerous household responsibilities. Another factor that contributes to women’s participation in the informal sector relates to embedded socio-cultural practices that prevent women from attaining any formal education, as discussed by Leach (1996).
Women’s predominance in the informal economy has been understood through a number of socio-economic elements. Literature highlights poverty, which already affects many women and children, as a driver which inhibits choices and opportunities for decent and protected work for women to take on (Carr et. al, 2000; Skinner & Valodia, 2003). In addition, Tsikata (2008) argues that the inability to invest in their own education and abilities prevents women from enhancing their own employability, forcing them to join the informal sector. Another argument accounting for high informal participation amongst women in the informal sector is that women are less able than men to compete in capital, labour, and product markets due to relatively lower levels of education, skills and market know-how (Chen, 2001).

A substantial range of relevant concerns and themes associated with gender and informality have been addressed in which scholars have looked at certain themes surrounding women’s participation in the informal economy. The theme of raising the bargaining power of women through organized movements of female workers in informal sector unions and social dialogue platforms has also been documented. Kabeer, Ratna and Milward (2013) study the challenges facing women in the informal economy to organise, citing direct competition amongst each other and diversity amongst women workers in the informal economy such as class, occupation and legal status that creates a barrier for building a shared identity. Other studies that designate major barriers which have prevented women from organizing, cite managerial weaknesses, inadequate communication, spatial dispersion and a lack of funding sources as key challenges (Baruah 2004; Devenish & Skinner, 2004; Devenish & Skinner, 2006). Accounts of women organising within the informal economy have also been documented by Lund and Skinner (1999) who conducted focus group discussions and interviews in Durban, Mitchell’s Plain and Queenstown investigating conditions of work for women street traders and the mechanisms and sites of negotiation which are most likely to promote the interests of poorer women in the informal economy. Lund and Skinner (1999) recognize legal governance, self-governance and market links as additional barriers to women organizing.

In accentuating their disadvantaged position, Lund and Skinner (1999) show how women in the informal sector are victims to South Africa’s labour movement and policy — which they consider only mobilises the demands of workers who are formally employed — while additionally highlighting that the leadership of the labour movement itself is dominated by men. By the same token, Chen (2001) identifies that a significant issue faced by informal sector workers is a general lack of social dialogue with bureaucrats or politicians in pursuit of their worker interests and rights.
The extension of social protection to women in the informal economy has been deliberated by Abramo and Valenzuela (2005), who looked at the gendered dimensions of social protection, particularly delving into issues such as the working hours of women and their challenges in maintaining family balance. Lund (2009) explores how empowerment and social protection can be intertwined to achieve employment-related pathways out of poverty, she does this by formulating a conceptual approach to social protection that sees informal economic activities as part of mainstream economic life, and investment in social protection as a proactive part of ensuring human development and alleviating poverty. In their study, Lund and Srinivas (2000) explore the need for systems of social protection that pay attention to women in the informal economy, suggesting that approaches should consider the status of the worker, the sector, family circumstances and the regulatory environment. Their work also highlights that globalisation has exacerbated the need for informal workers to secure social protection due to rising inequalities caused by globalisation itself. Their research concludes that informal workers are lacking in many forms suitable public interventions of social protection towards poverty reduction.

In relation to the distribution of women in the informal economy, using findings from national data in a cross-section of developing countries, Chen et al. (2006) found that in the majority of countries studied, women (as well as men) in informal employment were more likely to be in self-employment than wage employment. However, they found that in countries such as South Africa, Kenya, Brazil, Chile, Columbia and Costa Rica, informal wage employment was the most prominent option for women, particularly because domestic work is an important category of informal employment in these countries.

In relation to the occupational distribution within the informal sector (pertaining to enterprises), Sethuraman (1998) generally found that women in Sub-Saharan Africa are more likely to be employed in low income sectors such as trade, manufacturing and services, with food vending as a dominant economic activity. Chen (2001) and Chant and Pedwell (2008) have addressed the major segments that women in the informal sector are part of, identifying street vendors and home-based work as common areas of employment. In the African context, Dejene (2007) identifies basket making, food processing, soap-making and cloth dying as occupations in which many women are engaged in within the sector. The same study outlines the primary reason for the concentration of African women in these specific occupations which is the lack of marketable skills other than the skills learnt at home. Along with acknowledging that most South Africa women in the informal sector were in the survivalist spectrum of activities,
Sethuraman (1998) also found that women were concentrated in home crafts (90 percent), trade and hawking (57 percent), and services (52 percent) sectors of the informal economy.

Women in the informal economy also find themselves at the centre of analysis in studies of differences in earnings with their male counterparts. Sethuraman (1998) found that the net monthly income of informally self-employed women in South Africa in 1990 was approximately at R 317, equating to 44 percent of the figure for men (R 717) who were also self-employed. Sethuraman (1998) considers that the concentration of male informal workers in more productive activities compared to women is the root cause of the wage disparity between the genders. The growth potential of women-run informal enterprises has been explored in a study by Downing and Daniels (1992) in South Africa and Swaziland, which revealed that profits are higher for men than women engaging in the identical sub-sector.

In the context of their economic participation, in addition to assets, markets, services and regulatory framework constraints, women encounter gender-specific barriers. Literature which accounts for women in the informal economy also often highlights women’s disadvantaged position in relation to men. Tsikata (2008) made a case for a gender gap in resources for women, specifically challenges faced by women to secure land and resources. According to Dejene (2007:13) the presence of gender discriminatory property and inheritance practices in many African states is a crucial barrier to women acquiring necessary business assets. Chen (2001) points out that the link between poverty and participating in the informal economy is much stronger for women than it is for men. She reports that the intensity of poverty appears for women particularly because they are over-represented in low income activities in the informal sector which interacts with their limited mobility and time due to social and cultural norms that assign them the responsibility for social reproduction. Magidimisha and Gordon (2015) identified a number of areas in which the South African government could target their interventions for women in the informal economy, citing access to space and start-up capital, transport, and markets as crucial areas to improve their earning potential. Access to microfinance has been examined by Aliber (2002) and Gallart (2002) who argue that men and women have disparities in the types of financial services at their disposal, placing women in a position that does not allow them to invest in enterprises as much as males.

While most studies continue to treat women as a homogenous group, informal economy discussions increasingly seek to encourage a critical perspective with regard to gender research in order to enhance the analyses of other axes of social differentiation, such as class, race,
ethnicity, sexuality etc. In their study, Lund and Srinivas (2000), in reference to Cote d’Ivoire and Ghana, claim “it is important not to assume sisterly solidarity among all women workers,” this is due to their recognition of stronger class differentiations and even poorer conditions in African contexts. An intersectional approach to inequalities in the informal economy is a necessity identified by scholars who further advocate that more research is required in this field (Chant & Pedwell, 2008; Kabeer et al., 2013; Meagher, 2010). Chant and Pedwell (2008) claim that having a clear understanding of the age, religion, class, cultural practices, of the subjects will remove the false sense of commonality of oppressions found by women in this sector.

2.7. Globalisation, informality and precarity

The previous section has documented literature which accounts for why women dominate in the informal economy, women’s persistent disadvantage in the informal economy and their disproportionate levels of income. Literature has also taken into account how women are impacted differently by international and local socio-economic processes which contribute immensely to the abovementioned concerns. Developments in recent years have rekindled concerns about this unfavourable employment segment. Particularly, studies have ascribed that the emergence of global production systems and the shifts in domestic production systems associated with globalization have affected the position of women and men in the informal economy differently. Globalisation and neoliberalism have played a crucial role in changing labour dynamics in South Africa which have had an effect on the informal economy. Drastic changes in the skill requirements and in the dynamics of employment have occurred in the country as a result. According to Valodia et al. (2007), globalisation has impacted on relative wages within and across countries, specifically in terms of shifting labour-intensive production processes to low-wage countries. This process is also gendered. Skinner and Valodia (2003) have documented the growing practice of the informalisation and outsourcing of women’s work, suggesting unfavourable shifts in employment for women under neoliberal globalisation. Using the 1995 and 1999 October Household Survey (OHS), Casale and Posel (2002) study “the feminisation of the labour force” following evidence of the increasing participation of women in the labour force. They note that feminisation has resulted in increases predominantly in unemployment and in informal forms of employment, particularly self-employment where women are likely to be engaged in low-paying survivalist activities.
Carr, Chen and Tate (2000) study the threats and opportunities presented by globalisation specifically for home-based informal workers within the context of global value chains. Their study demonstrates the uneven distribution of power and profits, placing informal workers at a disadvantage due to their inability to access wider markets. Horn (2010) provides an analysis of globalisation in Asia, Latin America and Sub-Saharan Africa from a global economic crisis perspective. Her findings reveal that global recessions hit women in informal enterprises the hardest. Evidence suggests that rising competition, which coincides with decreasing demand and rising business costs during global recessions, creates socio-economic burdens for women in this sector who still have reproductive responsibilities.

Gender inequalities in the global economy are reinforced as globalization reinforces links between gender, precarity and informality. Evidence from Carr and Chen (2001) indicates that globalisation causes shifts in employment by, for example, pushing workers from secure employment to self-employment and pushing men to enter the informal economy while pushing women to lower paying positions therein. In acknowledging women’s disadvantaged position, Chen (2012) advocates that with the onset of globalisation and its pursuit of market competitiveness, employers sub-contracted work to women in the informal sector with the aim of paying them lower wages and only offering them insecure contracts.

Scholars have also explored the link between globalisation and the introduction of new patterns of work, particularly the growth of precarious employment. Precarious employment is understood as a transformation in familiar work arrangements. Rosaldo, Tilly, and Evans (2012) pointed to links between precarity and informality in that the term "informal" and the term "precarious" imply a level of comparison with a more stable alternative to employment. They state that informal work is characteristically precarious, while precarity is a term which assumes uncertainty and insecurity.

The concept “precarious employment” in South Africa has taken on the broad notion of non-standard, insecure employment driven by informalization processes such as casualization and outsourcing (Barchiesi, 2011; Webster, 2006). Many scholars have cited increasingly precarious employment as an inherited post-Apartheid labour market trend introduced by economic liberalisation and the global restructuring of work (Pons-Vignon & Anseeuw, 2009; Valodia et al., 2006; Magidimisha & Gordon, 2015; Kenny & Webster, 1999; Bhorat, Goga, & Stanwix, 2013). Precarious work has been depicted as work which includes casual workers who are employed on a daily basis and informal workers employed in undocumented
businesses within the context of diverse employment relationships (Barchiesi, 2011). Webster (2006) alludes to precarious employment as a disturbing hindrance that has created new lines of social marginalisation and exclusion in post-Apartheid South Africa.

Scholars have pointed to the manner in which precarious employment has threatened traditional union organisation. Webster and Buhlungu (2004) argue that growing precarious and flexible work has reduced the bargaining power of trade unions, prompting them to move towards innovative ways of engaging with the working poor and their own members. Bezuidenhout and Buhlungu (2007) also identified subcontracting as a major threat to trade union bargaining power. Continuing to see flexible, casual work as a labour market challenge, Cheadle (2006), with reference to the Basic Conditions of Employment Act (BCEA) and the Labour Relations (LRA), argues that South Africa’s labour law is not suited to the new, dynamic forms of employment it is actually witnessing.

Scholars point to employment in the traditional resource-based industries, namely agriculture and mining, as sites of remarkably vulnerable and precarious employment (Barchiesi, 2011; Kritzinger, Barriento & Rossouw, 2004). In their study of casual workers in South Africa’s fruit sector, Kritzinger et al. (2004) assess globalisation and its implications on work and the family lives of these workers. Their findings suggest that the lack of legal employment entitlements of contractual labourers intensifies their insecurity and vulnerability to poverty. In her research on labour market flexibility in retail, Kenny (2001) points out that households which are supported by casual worker’s wage are more likely to lack basic amenities such as electricity and running water whilst residing in an informal settlement. Her study provides evidence that changing patterns of work have a direct impact on households themselves.

Analyses of precarious segments and employment in South Africa’s labour market identify Africans, women and immigrants as predominant occupants, displaying profound post-Apartheid continuities in the contemporary labour market (Hadju (2005) in Barchiesi, 2011; Kenny & Webster, 1999; Valodia, 2001: Groenmeyer, 2011). Kenny (2001) points out that new kinds of precarious work, such as casual work, are more likely to be occupied by young, black and women workers. Valodia’s (2001) study on the gender dimensions of the growth in informal and flexible work in South Africa and the government’s policy response to it found that government packages and policy is largely irrelevant to the survivalist segment of small business, where most women in the informal economy are to be found.
Groenmeyer (2011) studied African and Coloured women who are employed in rapidly informalising labour markets of construction and fish-processing sectors in the Western Cape, her study documents how women reconcile productive and reproductive roles while engaging in male- dominated, labour intensive jobs. There is very limited literature which traces the positive impact of globalisation on women in this sector. Although, in the context of women organising, Chen (2001) and Lund and Skinner (1999) note the rise of international alliances such as HomeNet, SteetNet and Self Employed Women's Association (SEWA), which aims to improve conditions for informal workers and plays a key role in raising their bargaining power.

2.8. Conclusion

The informal economy represents a phenomenon that has changed throughout the decades particularly pertaining to the economic activities it includes and excludes. It is against this background that this chapter has provided a general overview on the literature concerning South Africa’s informal economy. The primary focus of this chapter has been on documenting the heterogeneity, theoretical approaches, gendered dynamics, formal-informal linkages, participants in the informal economy, and the impact of globalisation on the position of women in this labour segment. A number of meanings have been assigned to the term informal economy, however, it is important to consider that definitions have tended to be context-specific and have been influenced by a range of disciplinary influences (ILO, 2003; Devey et al., 2006; Heintz & Posel, 2008; Muller & Posel, 2004; Essop & Yu, 2008; Chen, 2012; Bhorat et al., 2016). In this regard, the lack of consensus in defining the informal economy has negative implications on the measurement and general understanding of the grouping.

The literature review above has explored three prominent approaches to the study of the informal economy. The first approach, which is the dualist approach, is the most explored in literature due to the fact that it accounts for the earliest work on the informal economy (Lewis, 1954; Hart, 1973; Swaminathan, 1991). The second approach is the structuralist approach which argues that capitalist growth drives informality by reducing labour costs and increasing competitiveness, therefore scholars contend that the exploitative relationship between labour and capital, particularly links between the formal and informal economy are viewed as a form of structural exploitation (Castells & Portes, 1989; Chen, 2012; Altman, 2007). The third approach is the legalist approach which contends that a restrictive and hostile legal system forces those who are self-employed to operate informally (De Soto, 2000). The literature
documenting the theoretical approaches to analysing the informal economy enables one to draw broader conclusions as to why and how they informal economy emerged.

Importantly, South Africa’s history has contributed to the literature recognizing apartheid policies specifically and their influential dynamic on the informal economy (Rogerson, 2000; Rogerson & Preston-Whyte, 1991; Posel, 2004; McKeever, 1998). It is also worth noting that women have a high prevalence in this sector (Sethuraman, 1998; Chen, Vanek & Heintz, 2006; Carr et al., 2000) and, additionally, a glaring overlap has been identified between being a woman and receiving lower earnings than men (Sethuraman, 1998; Downing& Daniels, 1992; Rogerson, 2000; Magidimisha & Gordon, 2015).

This chapter also addressed the linkages between the formal and informal sectors, to highlight positive and negative outcomes from the interactions of the two economies (Tokman, 1978; Devey et al., 2006 Meagher, 2013; Rogerson, 1996; Valodia & Devey, 2012; Krafchik & Leiman, 1991). Much emphasis in the literature has pointed to the extent to which these interactions affects a range of actors and processes. Yet, the multiple links and interactions between the formal and the informal shed light on the dynamic labour market and employment relationships, while illustrating the economic vulnerability of informal workers. While a few studies have addressed the impact of globalisation on women in the informal sector, scholars have found that severe economic and labour market changes under globalisation push workers from secure employment to self-employment and push women to lower paying positions therein (Carr & Chen, 2001; Carr et al., 2000).

In relation to globalisation, many scholars have focused on the changing nature of work, particularly the growth of precarious work (Valodia, 2001; Kenny & Webster, 1999; Kritzinger et al., 2004; Kenny, 2001) as well as documenting profound continuities that characterise the post-Apartheid labour force, identifying women, immigrants and Africans as the occupants of the more precarious segments of the labour market (Groenmeyer, 2011; Valodia, 2001; Kenny, 2001). Nonetheless, analyses which document the growth of precarious employment have not explored its relation with continuing gender inequalities and how gender inequalities may conceal important aspects of the contemporary labour market.
Chapter 3: Research Design and Methodology

3.1. Introduction

The rising engagement of women in informal remunerative activity, whether in informal employment or own account businesses has not only been out of economic need but it has also become a crucial source of income for marginalised women in South Africa. The consensus is that informality is surrounded by vulnerabilities, which include low income, a lack of access to health services and social protections. However, there is scant evidence on how these vulnerabilities interact with the tensions women already face in terms of managing their productive and reproductive economic contributions. Accounting for women’s subjective experiences in the informal economy and particularly on conditions that activate risks of precariousness in the Post-Apartheid context has prompted the researcher to collect empirical evidence to further understanding of how different women experience their vulnerable work in the informal economy. The purpose of this chapter, then, is to provide a detailed description of the methodology employed in the pursuit of answering the research question: *What is the relationship between labour market trends and women’s presence in the informal economy?*

The first section sheds light on the chosen research strategy, which includes a justification for the use of a mixed-method approach and the research design. The following section includes a breakdown of the data collection strategies and includes a justification for the use of semi-structured interviews and secondary quantitative data analysis. The sample and sampling methods, participants, research locations and data analysis will also be discussed in detail. The last section will be devoted to the reflections and the ethical considerations of this study.

3.2. Research Strategy

Low-paying informal work may have a different meanings and different consequences for women in various positions and social localities. Therefore, embarking on an analysis that takes into consideration the informal status of the specific job and the various (mis)fortunes that come with it, and additionally the subjective perception and lived experience of the job in question, prompts the necessity of using a mixed-method approach. A mixed-method approach is advisable in order to gain insight in structural forces and conditions that exacerbate the
precariousness of women in the informal economy. In this study, the mixed-methods approach included analysing secondary quantitative data and then integrating and enriching findings with qualitative empirical data. At the outset, preliminary quantitative analysis was conducted of National Income Dynamics Study (NIDS) and the Survey of Employers and the Self-Employed (SESE) datasets. NIDS data is collected and produced by the Southern Africa Labour and Development Research Unit (SALDRU) which is a research unit that specialises in applied empirical microeconomics based in the School of Economics at the University of Cape Town. Funding for NIDS data is sourced from the Government of South Africa, particularly the Office of the Presidency. The SESE data is collected by Statistics South Africa (StatsSA), an organ which is responsible for collecting independent and official statistics, including the National census of the population. StatsSA, which has its Head Office based in Pretoria, Gauteng also sources funding from the Office of The Presidency.

The use of mixed-methods data is favourable for the study due to the fact that when accounting for labour market trends, quantitative data is helpful in creating generalisable results from the South African population at large, even across time. Additionally, qualitative data plays a complementary role by offering insight into the trends and impact of institutional practices and labour process by exploring everyday experiences in an in-depth manner (Shields, 2008).

### 3.3. Data Collection

The study makes use of both primary and secondary data collection techniques. The secondary technique includes the use of quantitative statistical national survey data to answer the second sub-question: *What are the precarious working conditions produced for women in the informal economy?*

To ensure the secondary statistical data satisfies the second research objective, being, *identifying dimensions of precariousness imposed on women in the informal economy* the researcher identified necessary characteristics of statistical data:

- The data documented manifestations of precariousness in households and in labour markets. Therefore, statistics on earnings distribution, labour market participation, access to amenities and intra-household distribution of income are essential.
- The data was collected at the level of individuals and households, and should reflect the class, race and gender of individuals.
To satisfy the above-mentioned criteria, NIDS and SESE were selected for consideration in this study. NIDS is a household survey that encompasses data relating to labour market participation, household level, and demographic characteristics of (un)employment. The survey comprises socio-economic variables that include topics of income and expenditure dynamics, household composition and structure, health and education, vulnerability, and social capita as well as determinants of changes in poverty and well-being. Most importantly, NIDS was selected due to its ability to capture marginal forms of employment that include casual work, subsistence farming, regular wage work, and self-employment. Specifically waves one (2008), three (2012) and four (2014/5) of the NIDS were used in this study. NIDS wave two (2010) was excluded from consideration due to some data irregularities that may have a significant impact on results (Cichello, Leibbrandt & Woolard, 2012:22).

NIDS is a nationally representative panel survey. Wave one of NIDS data, which was collected in 2008, was the baseline survey consisting 7 301 unique households. It comprised a total of 28 247 household residents, with an adult dataset that had 15 633 respondents. This consisted of working age adults, which refers to individuals between the ages of 15 to 64 years old. The primary sampling units (PSU) were selected from StatsSA’s master sample (Cichello, Leibbrandt & Woolard, 2012). With the first wave, data was obtained for every member of each household sampled, and these individuals (including infants and children) became the permanent sample members (or panel). The subsequent waves returned not only to the original households, but also to each original household member, even if members had moved out of the household. Therefore, the advantage of a panel survey is that it enables longitudinal analysis of the variables or outcomes under study, while effectively controlling for variation in individual characteristics.

SESE will also be employed in this study. Surveys conducted to date were undertaken in 2001, 2005, 2009 and 2013. The SESE is a national household survey that targets informal businesses, specifically businesses that are not registered for Value Added Tax (VAT). These micro-businesses tend to be excluded from the business frame used in StatsSA surveys of the formal economy. This is a survey undertaken by SSA and is conducted every four years. As it stands,

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2The data irregularities include a large reduction of the number of those that were unemployed, a significant decrease in the number of individuals who were employed in subsistence agriculture and there is a major increase in the number of respondents reporting that they work less than 10 hours per week in the hours worked variable. It is assumed that these data irregularities were caused by members of the fieldwork team who potentially had misinterpreted the questions.
there is no sampling frame on which to base weights for small unregistered businesses in South Africa. Therefore, SESE’s research design consists of two stages, the first includes the use of QLFS enumeration to identify individuals who run unregistered businesses, and the second involves follow-up interviews with the owners of these businesses by QLFS enumerators (StatsSA, 2017). QLFS data was collected in the middle two weeks of the month throughout the quarter, while the SESE questionnaire was administered to individuals in relevant households during the course of the last week of the month, also throughout the quarter. In this study, the quantitative data from the NIDS and the SESE will be analysed through descriptive statistics.

While national data sets have the ability to locate the rise or decline of precariousness, they do suffer from several weaknesses, specifically pertaining to the unique social characteristics and status designations of individuals. Therefore, in order to effectively answer the final research sub-question question, *What are the subjective experiences of precarious conditions created for women in the informal economy and how do intersectional identities locate these women in the informal economy?* a second technique consisting of primary data collection using semi-structured interviews was chosen.

According to Greeff (2005: 289), semi-structured interviews have the ability to gather very detailed information about how participants perceive or share accounts on a specific topic. Furthermore, semi-structured interviews consist of predetermined questions that provide the researcher with an interview guide to ensure the researcher covers questions relating to the problem formulation (Greef, 2005). The researcher chose to conduct semi-structured interviews as it ensures the exploration of key issues that are vital to the research question and to probe deeper to follow up on insightful responses. Furthermore, semi-structured interviews provide the researcher with the opportunity to encourage participants to express any identities or subjectivities they feel are particularly salient for employment opportunities or their socio-economic lives.

The secondary quantitative data, along with the primary data, collected from the semi-structured interviews offers a rich platform from which to establish links between the employment precariousness faced by women in the informal economy and to reveal the contextual differences in precariousness for women in this sector. The next section will describe the sampling method used in the qualitative part of the study.
3.4. Sample and Sampling Method

According to Patton (1990), sampling in a qualitative study follows a less structured framework to sampling in a quantitative study, and is centred around what the researcher wants to investigate in a particular study. Since the population size and the participants of this livelihood strategy were unknown to the researcher, the snowball sampling method was selected for the study. Snowball sampling is a sampling method that enables the researcher to access information-rich participants (Patton, 1990). To gather a sample, the researcher approached street vendors, women in formal and informal businesses in various sectors such as services and retail trading, and private households3 in Cape Town, South Africa. Cape Town was selected as the research site because it is the residential area of the researcher and consequently makes the study cost-effective.

Potential participants had to be able to speak English and fulfilled the criteria of informality as defined in the study. To gather the sample, the researcher specifically pursued women from different racial categories and performing varying forms of informal work. To ensure diversity was maintained, the researcher asked the participants if they knew women from their own racial grouping who did informal work between the ages of 21 and 64, with an emphasis on ages above 30. Women who are 30 years and older are more likely to have spent a longer time in the informal economy in comparison to their younger counterparts, hence this preference. Furthermore, they are more likely to have held formal employment or to have been unemployed for some time, which could offer valuable insight for the study.

The cases were differentiated in terms of differences in racial categories and the different types of informal work they did, specifically divisions between those who are informally self-employed (own account) and those who have informal employment relationships in and out of informal establishments. The rationale behind employing this sampling strategy is that it enables the researcher to understand whether race plays a role in how women experience the informal work they do and the social conditions supported and generated by it. Furthermore, the informal economy comprises diverse forms of work and employment relationships,

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3 Private households are subject to both formal and informal employment. The Basic Conditions of Employment Act, The Unemployment Insurance Act and Sectoral determination laws do cover various work which takes place in private households such as domestic work, child minding, caring for the elderly etc and hence private household employment is largely protected by labour regulation and contractual rights. Yet, this study included those who are informally employed in private households who are not entitled to basic benefits such as medical and pension deductions and who do not have a written contract of employment and thus engage in work characterised by vulnerable working conditions.
exploring cases that represent these employment variances within the informal economy will give the researcher a well-rounded understanding of the informal economy.

The researcher began by approaching random women in Woodstock and the Cape Town Central Business District (CBD) and managed to identify 23 participants. From the 23 participants, the researcher was able to attain the contact details of an additional three participants who were also part of the informal economy. One of the three participants resided in Khayelitsha (H-Section), which prompted a second phase of snowball sampling whereby the researcher interviewed four participants in the area. The researcher ended up interviewing a total of thirty participants who were part of the informal economy. Detail regarding the three research locations are provided in the next section.

To summarise, the sample selected met the following criteria:

- Racially diverse women active in the informal economy
- Conversant in English
- Aged 21 to 64
- Currently operating an informal business or informally employed for a minimum period of 12 months.

### 3.5. Research Locations

**Cape Town CBD**

Cape Town CBD, which is the economic hub of the metropolitan, employs a large pool of the skilled workforce within the Western Cape province. According to the Municipal Economic Review and Outlook (2015), informalisation of employment occurred in the Cape Town CBD over the 2005–2013 period, where three labour segments (highly skilled, skilled and semi-skilled) shed jobs annually. Retrenchments witnessed the annual rate of decline increasing from 0.5 per cent in respect of the highly skilled labour force, 1.4 per cent in respect of skilled labour, and 2.9 per cent in respect of semi- and unskilled labour. Concurrently with the retrenchments, informal sector employment grew by close to 5 per cent annually over the corresponding period. Women dominated informal economic activities, of which the researcher witnessed shop and sales assistance, hairdressing, arts and craft trading, food and clothing retailing, and street vending, amongst others. The researcher found participants who engaged in these activities particularly at the Station Deck (at the taxi and train station), on Adderley Street, at Greenmarket Square, and on Long Street, an entertainment hub for locals and tourists alike.
Woodstock

Woodstock is a residential and business district located in the Southern Suburbs of the Cape Town Metropolitan area. Unlike in the CBD, informal economic activities were less visible to the researcher. In particular, informal self-employment was rare. This could be potentially attributed to the limited public spaces available for informal trading to take place in Woodstock. Informal economic activities in the area included private household activities such as personal care of children and domestic work, hairdressing, as well as food and retail trading. Participants were located on Victoria Road (Main Road), Albert Road, Chamberlain Street and Roodebloem Road.

Khayelitsha

Located in the southeast of Cape Town, Khayelitsha is the largest township in the metropolitan. Khayelitsha is primarily a residential area for African people, particularly Xhosa-speaking populations who have migrated from the Eastern Cape to pursue employment opportunities in Cape Town. As such, the township does not harbour a large number of formal employers, and the informal economy, particularly self-employment, plays a significant role in economically supporting households in the area. The researcher located participants in H-Section, specifically on Spine Road and at the taxi rank, who tended to be in home-based enterprises — i.e., spazas⁴ — retailing from home, hairdressing, and food trading (selling prepared and/or pre-packaged foods).

3.6. Pilot Study

A pilot study is a small-scale feasibility test that enables researchers to test their research design and to come to terms with methodological issues that may arise before conducting the main study (Van Teijlingen & Hundley, 2002). Pilot studies also provide the researcher with the opportunity to test their recruitment strategy for participants and assess the feasibility of the proposed research process in terms of its cultural and local political context (Van Teijlingen & Hundley, 2002; Kim, 2011). For this particular study, the pilot study included two participants in in-depth interviews. The researcher took field notes and made audio recordings of the interviews, which allowed for the collection of reflection entries. The participants were able to select the interview location. One semi-structured interview was conducted at the participant’s home and the other at their place of work, as per their preference. The pilot test was helpful in

⁴ A spaza shop is an informal convenient store which is usually found in a township in South Africa, offering low cost goods and services.
refining the interview guide in preparation for the main study, as the researcher was able to remove ambiguous or unnecessary questions and in some cases revise the wording of certain questions based on feedback from the pilot.

Furthermore, the pilot study helped the researcher navigate how to present oneself appropriately as a researcher. According to Kim (2011: 7), it is imperative for researchers to be guided by an ethic of caring in a culturally appropriate way, thus researchers are required to recognise how they are positioned in relation to the participants and how this positioning influences the entire interview and analysis process. Furthermore, the use of a pilot helped the researcher uncover ethical issues that had the potential to hinder the main study, particularly in identifying any sensitive questions and any limits of confidentiality in the research.

3.7. Setting and Participants

The interviews took place during the period 9 May and 29 June 2017. A sample of 30 women between the ages of 21–64 in the three research areas of study provided data for the study, the findings of the study are discussed in Chapter 6. Participants were given a brief summary of the research by the researcher. The researcher handed out consent forms to participants (and in some cases read it out to participants who requested this) where they could indicate that an informed choice was made to participate. All the participants agreed to this.

Participants were provided the option to be interviewed at a later and scheduled time, i.e., outside of general business hours, if the participants were too busy to participate constructively during that time. Interviews were conducted in locations where participants felt comfortable, which was predominately at their places of employment and in a few cases at their residences. While informally employed participants allocated their lunch breaks or days off to participate, self-employed participants could not take breaks and therefore attended to customers as they came in, even in the midst of the interview being conducted. Depending on what each participant was willing to share with the researcher, the interviews varied in duration. The average interview was 18-minutes long.
3.8. Data Processing and Analysis

A thematic analysis was employed in this study. The analysis of the primary data collected for the study comprised of open-ended coding, categorising, and an interpretative aspect. The opened-ended aspect consisted of the researcher extracting key phrases and words from what the participants directly expressed in the interviews. The categorising component involved segregating codes into categories that contained phrases that shared similar characteristics. The interpretative element consisted of deriving themes that addressed the sub-questions introduced in the introductory chapter. These themes ensured that the study was focused on addressing the objectives of the sub-questions identified. These themes included the differences among women, economic concerns, opportunities for social advancement, care and informal labour and the impact of precarious work. Following the transcribing process, the opened-ended responses were categorised into sub-themes. The sub-themes were organised and grouped under the necessary main themes, which were identified prior to the interviews.

The interview schedule (Appendix A) included questions relating to themes and the research sub-questions. Particularly, the theme of differences among women was covered by two questions regarding perceptions of racial discrimination within informal economic participation (questions 9 and 10), and four questions concerning the support structure which participants had (16, 22, 24, 26). The second theme, economic concerns, was addressed by two questions on economic distribution (question 4 and 25) as well as questions pertaining to the fourth theme, the impact of precarious work. Opportunities for social advancement was suitably addressed by two questions relating to the participants’ future plans (question 27 and 28). The theme on care and informal labour was addressed by four questions pertaining to dependents and household support (questions 12, 13, 22 and 23) as well as questions relating to how care affects women’s informal labour and vice versa (questions 17-21). The final theme, the impact of precarious work, was addressed through four questions relating to individual labour market participation (questions 2, 3, 5, 7,8), two questions relating to employment satisfaction (question 11 and 14) and one question relating to the impact of informal employment on health, education, income and living conditions (question 15).

The themes were selected to corroborate the research sub-questions documented in chapter 1:
• The first theme, *difference among women*, correlates with research sub-question four
• The second theme, *economic concerns*, correlates with research sub-question two and four
• The third theme, *opportunities for social advancement*, correlates with research sub-question two and four
• The fourth theme, *care and informal labour* correlates with research sub-question three
• The fifth theme, *the impact of precarious work*, correlates with research sub-question two, three and four.

### 3.9. Reliability and Validity

One of the main requirements of any research process is the reliability and validity of the data and findings. Abowitz and Toole (2009) advocate that the utility of applying a mixed-methods research approach enhances the reliability and validity of the results as it allows the researcher to balance the strengths and weaknesses of each approach. Reliability mainly deals with the consistency, dependability and replicability of the results obtained from a piece of research. It has been articulated that the purpose is not to attain the same results, rather to agree that based on the data collection processes the findings and results are consistent and dependable (Lincoln & Guba (1985) in Abowitz & Toole, 2009).

In a quantitative approach, reliability is concerned with the extent to which a variable or set of variables is consistent in what it is intended to measure. While reliability is a concept usually associated with quantitative research, in qualitative research, reliability is related to consistency in a way that another person should be able to examine the work and come to similar conclusions and dependability (Golafshani, 2003). In order to increase the reliability of the study, the investigator needs to explain explicitly every aspect of the inquiry and must carefully document and report on every phase of the process. This study is highly detailed and transparent, which allows the reader to assess how the researcher has produced and interpreted the findings. Such a detailed account of the research process can help generate replicability and contribute to its reliability (Golafshani, 2003). In addition, to increase internal reliability, in this study,
systematic interview questions were prepared and interviews were tape-recorded and transcribed to decrease random errors.

Validity in quantitative research refers to whether the means of measurement in the study are accurate and whether they are actually measuring what they are intended to measure. Ultimately, in quantitative research, the critical question in ensuring internal validity is whether one can draw valid conclusions from a study given the research design and controls employed. In qualitative research, validity is a matter of trustworthiness, utility and credibility that the evaluator and the different stakeholders place into it (Golafshani, 2003). In this study, validity is ensured through the choice of appropriate empirical indicators and specifying the exact procedures to be used to measure each construct, thus the use of careful operationalisation by the researcher. The researcher is also guided by existing South African literature, specifically that of Bhorat et al. (2016) to measure and define informality. Furthermore, credibility and trustworthiness are not only guided by the supervisor who validates the data, but the researcher is also guided by the existing theory on intersectionality.

3.10. Reflections and Limitations

During the initial stages of the study, the researcher expected participants to make recommendations for other persons to be interviewed, as per the snowball strategy discussed under Sampling Method. However, and somewhat interestingly, only a few participants knew other women engaged in similar work, which prolonged the process of recruiting suitable participants to interview. The researcher relied heavily on walking around and approaching many women before securing the desired sample. In light of the fact that the informal economy is largely undocumented, approaching participants while they were at work seemed to be the only means the researcher could use to attain a sample.

Despite having some successful and insightful interviews, having to approach participants at their places of employment presented some challenges. Many potential participants refused to participate to avoid disruptions to their workflow while some participants who took part wanted to rush the interview in order to continue with their income-generating activities.

As discussed in the introductory chapter, the study deals with labour market trends that affected the country as a whole. The sample was, however, limited to the Cape Town metropolitan area. Therefore, the findings of this study may not be representative of women in a similar position in other parts of the country due to inherent differences in geographical and spatial economics.
The other limitation was that due to limited resources, the researcher could only interview participants in English. This presented a challenge in terms of the duration and quality of the interviews, as some participants struggled to express themselves as best as they could (this was the case for two immigrant participants from francophone countries) because interviews were not conducted in the participants’ respective native languages.

3.11. Ethical Considerations

Any acceptable research investigation necessitates an ethical approach. De Vaus (2002) defines research ethics as practical procedures and standards of behaviour that researchers are expected to follow in order to ensure the reasonable well-being of participants. It is a mechanism that ensures and demonstrates that the design of your research respects the rights of those who participate in the research. De Vaus (2002) suggests five ethical responsibilities that researchers have towards their participants, these include voluntary participation, obtaining informed consent, protecting respondents from harm, ensuring privacy, and upholding confidentiality and anonymity.

- **Voluntary participation**

Even though interviews did not involve physical risks to people that participate in non-medical experiments, their privacy was still being invaded as personal questions were posed. Therefore, the researcher ensured that participants understood that participation was voluntary by explicitly telling them so before beginning the interview. Furthermore, the researcher included this in the informed consent form and verbally informed potential participants that they could withdraw at any point of the study or choose not to answer any particular questions they did not want to.

- **Informed Consent**

According to De Vaus (2002), while voluntary participation implies that participants make a choice, in order for one to make a true choice, one needs accurate information. The researcher obtained ethical clearance from the University of Stellenbosch to conduct research, and this stipulated guidelines for providing informed consent. Therefore, the researcher met the guideline requirements of the university and provided participants with an informed consent form. This detailed the purpose of the study and its basic procedures, a statement that participation is voluntary, any reasonably foreseeable risks or discomfort, a description of the
potential benefits of the study, an offer by the researcher to answer any questions, and the identity of the researcher and the supervisor. The informed consent form is available in Appendix B. Your interview guide will be Appendix A

- **Protecting Participants from Harm**

In experiments, dangers and risks to the participant are more evident as they might be exposed to certain stimuli. In interviews, participants are less likely to be exposed to harm because there is no intervention by researchers (De Vaus, 2002). This is not to say that interviews are without dangers, which is why the researcher conducted a pilot study to identify questions that could potentially distress or embarrass participants. To reduce and minimise the potential for harm, the researcher reiterated to the participants that they could refuse to answer any questions they do not want to answer.

- **Confidentiality and Anonymity**

Participants can be harmed in research if the confidentiality of their responses is not honoured. In distinguishing between anonymity and confidentiality, De Vaus (2002) defines anonymity as the implication that the reader cannot identify the participant and confidentiality simply means that while the researcher can match names to responses, he or she will ensure that no one else will have access to them. In this study, confidentiality was maintained by ensuring that the recordings of the interviews would not be made available to anyone other than the researcher or the research supervisor if necessary (even though it may be archived). The researcher took the responsibility to maintain anonymity by informing the participants both verbally and in the consent form that the data presented in the study would not have identifying information that could be associated with them.

- **Privacy**

Privacy is concerned with an individual’s right to be free from intrusion or interference by others (De Vaus, 2002). Individuals have privacy interests in relation to their personal information, expressed thoughts and opinions, personal communications with others, the spaces they occupy, and their bodies; thus research has the potential to affect these various domains of privacy in certain ways. To overcome any threats of privacy, the researcher took the initiative to interview participants where they felt safe and comfortable to communicate freely their responses.
3.12. Summary

This chapter has documented the research methodology employed in this study. The research designed utilised a mixed-method approach of engaging primary and second qualitative data. The quantitative data made use of NIDS and SESE national datasets and the qualitative component was collected through semi-structured interviews of 30 participants in the Cape Town Metropolitan area, particularly the Cape Town CBD, Woodstock and Khayelitsha. A pilot study was conducted prior to the fieldwork to test the interview questions and to find any other potential anomalies. Interviews were transcribed, and where sub-themes emerged these were grouped under the main themes drawn by the researcher. The chapter also outlined the ethical considerations, issues pertaining to reliability and validity, and as well as limitations to the study.
Chapter 4: New labour relations and employment vulnerability

4.1. Introduction

Global literature has questioned the traditional formal–informal dichotomy, and South Africa has born out this criticism with high levels of interaction between the two sectors (Devey et al., 2006; Valodia & Devey, 2012: Davies & Thurlow, 2010). An implication of this critique to move away from seeing the economy as a dichotomy comprising both an informal and formal sector. In this study, the informal-formal dynamic is understood as a continuum of the economy as a whole. This continuum shows people as being productive in more formal capacities at one end — such as formal full-time employment — and in informal capacities at the other end — such as casual work, being informally employed in a formal establishment and in informal self-employment.

This chapter aims to identify and assess the changing employment patterns in the informal-formal economy and the implications thereof for the informal economy. This will be achieved by looking into how economic restructuring in post-apartheid South Africa has affected labour quality, economic (in)security, unemployment, and precariousness and forced people into informal employment. In doing so, the chapter seeks to locate the vulnerability imposed on the informal economy as a labour market segment.

To achieve the above aim this chapter documents labour trends such as jobless growth, labour market flexibility and the feminisation of labour, which did not only have an impact on both the formal and informal sectors but have also created a differential vulnerability based on gender and employment protections. Furthermore, this chapter seeks to highlight how these labour market trends have triggered social consequences that have potential to impose a great burden on women in the informal economy.

4.2. Globalised neoliberal economic restructuring: The catalyst of labour shifts

The global economic restructuring of the 1990s plays a central role in the various new labour developments witnessed in post-apartheid South Africa. With the end of apartheid, the African National Congress (ANC)-led government pursued a neoliberal agenda since 1999 through the Growth, Employment and Redistribution (GEAR) by which they abandoned apartheid inward-
looking economic policies in favour of liberalising the country’s labour market. According to Altman (2006), the industrial policies of the ANC emphasized global integration and trade, a shift which led to the reduction of tariff barriers, formal recognition into the World Trade Organisation (WTO) and mobilising an export-oriented industrial policy.

On a greater scale, neoliberal globalisation — which is driven by the desire for market competitiveness and profit generation — has imposed novel social relations around production and reproduction. Standing (2008) cautions that neoliberal globalization has brought on extensive labour re-commodification in which casualization has become a means by which to make labour markets increasingly flexible. The ideals of the commodification of labour can be traced back to the work of Karl Marx, notably in *Capital* (Marx, [1867] 1976), and Karl Polanyi, in *The Great Transformation* (Polanyi, 1944), who both argue that under a capitalistic market economy, labour as a commodity becomes institutionalised as workers are required to sell their labour in order to survive. If the commodification of labour under neoliberal globalisation translates to workers solely relying on selling their labour, the assumption is that they should at least have the formal freedom of selling this commodity to whoever offers the highest bid. However, the problem with the new changing forms of labour, which will be discussed later, is that unskilled and semi-skilled labourers — where most informal workers/employment relationships are found — do not enjoy that freedom. Therefore, the result is the entrenching and, consequently, formation of a rigid form of labour market segregation and inequality.

The impact of neoliberal globalisation on labour is the creation of ‘winners’ and ‘losers’ within a labour market. While new jobs are created (usually skill-based) — for winners, other jobs are lost — by low and unskilled segments of the population (Altman, 2006; Burger & Woolward, 2005; Di Paola & Pons-Vignon, 2013). With India’s outsourcing of services as a prime example, the loss and creation of jobs does not necessarily occur within the same sectors and areas in a state. In some instances, certain jobs are lost in one state but created in another (Standing, 2008), illustrating the win/lose reality. This not only creates structural heterogeneity on a state-to-state basis but also between jobs created and jobs lost. It has been implied that neoliberal globalisation has intensified structural unemployment, which scholars usually attribute to the supply side (people not being well adapted to labour demands of employers) (Valodia et al., 2006; Chang, 2009).
What has further characterised the globalization debate is the finding that suggests that
globalisation has strong associations with intensifying the precariousness of work and
increasing inequality (Arnold & Bongiovi 2012; Kritzinger, Barrientos & Rossouw, 2004).
This is largely attributed to the inability of labour movements and the state to regulate the
growing reach of global capital. Furthermore, certain workers are unable to protect themselves
from market forces, as Rodrik (1997) has suggested that trade liberalisation has a negative
effect on unskilled workers. This is attributed to the dismantling of wage structures associated
with a firm’s internal labour market, which produces a tendency to remunerate employees
according to the changing labour market.

Much like other nations, neoliberal globalization has strongly impacted on South Africa’s post-
apartheid economic transformation by stimulating a ‘modernisation’ of employment relations.
The labour trends prompted by economic restructuring in South Africa include an increase in
long-term unemployment and in contingent and non-standard work as well as the growth of
real and perceived work insecurity (Pons-Vignon& Anseeuw, 2009; Di Paola. & Pons-Vignon,
2013; Barchiesi, 2011) These labour trends affect the linkages through which informal workers
access the economy and also trigger increased pressure on those who are part of the informal
economy. The following section will unpack South Africa’s labour market trends and how they
have manifested in the country.

4.3. Post-apartheid labour market trends

4.3.1. Jobless growth
The post-apartheid labour market was/is characterised by greater stratification in industrial
relations, and employment patterns have displayed radical changes since the 1990s. A
prominent feature of the contemporary labour environment has been the growing vulnerability
of formal wage labour, which had a diversified impact on the informal economy (Barchiesi,
2011; Di Paola & Pons-Vignon, 2014). In South Africa, economic liberalisation has contributed
to the shrinking of traditional resource based-industries such as mining, manufacturing and
agriculture, which are traditionally associated with providing employment to a large proportion
that between 1996 and 2000, 30 percent of metal and engineering industry jobs were lost due
to a reorganisation of production which undermines labour-intensive operations. During the
same time, capital-intensive industries — such as telecommunication and technology driven
industries— were expanding, yet failing to secure employment for the large number of urban
unemployed persons who lacked qualifications to enter highly skilled jobs (Altman, 2006; Burger & Woolward, 2005).

While South Africa has witnessed job growth since 1994 (Bhorat et al., 2016), much of this has been of poor quality and has not been sufficient to absorb the large pools of new entrants into the job market on an annual basis. The country’s unemployment rate has averaged 25 percent from year 2000 until 2016, with an all-time high of 31 percent was recorded for the first quarter of 2003 (Stats SA, 2017). To address the unemployment crisis an intervention was implemented through a partnership of the National Economic Development and Labour Council (NEDLAC) of South Africa and the ILO when they signed the Decent Work Country Programme for South Africa in September 2010. Decent Work Country Programmes are mechanisms utilised by the ILO to provide technical assistance to countries by promoting decent work as a national development strategy. Unfortunately, the South African government has struggled immensely to create employment even with the help of the ILO. Particularly between the years 2004 and 2009 — which was phase one of the intervention — 500 000 new job opportunities were created through the Expanded Public Works Programme; however, these jobs were criticised as being poorly remunerated, short-term and providing no social benefits (Cohen & Moodley (2012) in Bhorat et al., 2016), and sometimes sharing jobs through working shifts.

While South Africa’s unemployment rate is one of the highest in the world, scholars have found abnormalities. According to Di Paola and Pons-Vignon (2013), unlike other developing countries where excess urban labourers enter the informal economy, South Africa’s labour market restructuring has led to high unemployment levels and a small informal economy that has not been able to accommodate excess urban labourers.

Scholars have offered distinct explanations for large unemployment figures and a small informal economy in South Africa. Firstly, some claim that the diversification of South Africa’s economy has enforced skill-based discrimination whereby capital-intensive sectors such as telecommunications and oil refining industries — have the greatest capacity to increase employment while labour-intensive sectors — such as energy, textile and minerals — are limited in increasing their employment capacity even when they do expand (Di Paola & Pons-Vignon, 2013). The second explanation, claims that social grants in South Africa have created such dependency on the state that unemployment has subsisted. However, Surender, Noble, Wright and Ntshongwana (2010) maintain that unemployment is not being normalised by those
who are jobless, rather, factors that reduce people’s chances of finding employment are linked to the structural conditions of the labour market which basically maintains high levels of unemployment. It is important to note that South Africa does not have social assistance or programs aimed specifically at supporting the long-term unemployed, thus the dependency argument is not well substantiated. Another explanation, advocated by Valodia (2013), focuses on how the formal economy has become so weighty and monopolistic that it has reduced the capability of informal enterprises to capture a reasonable portion of the local demand for goods and services. This position reinforces the arguments of the structural school of thought that views informal producers and workers as oppressed by formal ‘big business’ (Chen, 2005; Castells & Portes, 1989). Therefore, the relatively privileged position held by ‘core’ formal workers forces many ‘peripheral’ workers to be employed informally or to remain unemployed (Di Paola & Pons-Vignon, 2013; Kingdon & Knight, 2001).

Whilst the growing nature of unemployment is a widely known issue, the reasons why South Africa’s informal economy remains small in light of high unemployment levels are less clearly understood. In order to gain insight as to whether entry into the informal sector is associated with a buffer to unemployment, SESE data records the motivations for entry into the informal sector under the conditions of high unemployment.

**Table 4.1: Motivation for entry into the informal sector**

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2005</th>
<th>2009</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
<td>Men</td>
</tr>
<tr>
<td>Inherited /family tradition</td>
<td>44.7</td>
<td>55.3</td>
<td>4.4</td>
<td>48.6</td>
</tr>
<tr>
<td>Unemployed/no alternative income source</td>
<td>35</td>
<td>65</td>
<td>58.8</td>
<td>36.2</td>
</tr>
<tr>
<td>Retrenched</td>
<td>71.2</td>
<td>28.8</td>
<td>3.7</td>
<td>68.2</td>
</tr>
<tr>
<td>Inadequate income from the other source</td>
<td>27.7</td>
<td>72.3</td>
<td>15.6</td>
<td>29.8</td>
</tr>
<tr>
<td>I like the activity</td>
<td>39.3</td>
<td>60.7</td>
<td>5.4</td>
<td>41.2</td>
</tr>
<tr>
<td>I have the skills for this business</td>
<td>63.8</td>
<td>36.2</td>
<td>5.4</td>
<td>61.1</td>
</tr>
<tr>
<td>I have the equipment for this business</td>
<td>66</td>
<td>34</td>
<td>0.9</td>
<td>62.5</td>
</tr>
<tr>
<td>Activity brings high income</td>
<td>54.2</td>
<td>45.8</td>
<td>2.9</td>
<td>46</td>
</tr>
<tr>
<td>Small investments needed</td>
<td>32.1</td>
<td>67.9</td>
<td>2.4</td>
<td>34</td>
</tr>
<tr>
<td>Unhappy with previous work</td>
<td>53.6</td>
<td>46.4</td>
<td>1.0</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Author’s calculations from SESE 2001, 2005, 2009 and 2013. (Source: Stats SA). Estimates are for all informal self-employed individuals aged between 15 and 65 years. Notes: The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.

The core motivation for starting an informal business was due to unemployment, this was cited as the most predominant reason throughout the four years studied. Unemployment as the key
reason behind entry into the informal sector was most prevalent in the year 2013, where 73.4 percent of the total sample cited this reason. This implies that unemployment has involuntarily pushed a great portion of informal workers into this sector, and as expected, a gender disparity is found within all four years studied. The year 2001 shows the greatest gender disparity particularly, of the 58.8 percent which cited ‘unemployment’ as a reason for entry into informality, 65 percent were women and 35 percent were men. The second most cited reason for entry into the informal sector was “an inadequate income from other income source” in 2001, in 2005 it was “I like this activity” and in both 2009 and 2013 it was “I have the skills for this business”. It is worth noting that majority of those who cited “I have the skills for this business” in 2009 and 2013 were men, representing 66.9 percent and 72.9 percent respectively of the total sample that selected that option.

Entry into the informal sector as a last resort due to the lack of adequate alternatives has received much discussion in South Africa. Kingdon and Knight (2001) found that in South Africa most cases of unemployment are not voluntary. To corroborate this, Lund (1999) presents evidence from Durban’s informal sector indicating that local unskilled women’s participation in the informal economy was based on their inability to secure offers employment elsewhere. Devey et al. (2006) argues that the informal sector is easier to enter for those who are jobless as it relies on indigenous technologies for success as opposed to relying on skills for success.

Despite an increase in labour productivity by a total of 33.7 per cent between year 2000 and 2008 as documented by the South African Reserve Bank (SARB), this improvement was invariably achieved through the reduction of low-productivity and low-skilled economic activities through the substitution of capital for labour. Shifts from a labour-intensive growth path, which is strongly reflected in the declining share of manufacturing employment, towards capital intensity has dampened the demand for low-skilled workers — usually found in the informal sector — and contributed to high unemployment. The high levels of unemployment for unskilled workers lead to the decline in craft- and apprentice-based employment and there is a corresponding decline of a male breadwinner role. According to Standing (1999), the introduction of novel production techniques under globalisation, which are transforming skill requirements and job structures, is likely to have an impact on the gender division of labour.
Manufacturing in South Africa has declined: the sector's share of the economy has shrunk from 20 percent in 1983 to 16 percent in 2013. In the metals and engineering sector in particular, formal employment levels have declined from 413,515 in 2007 to 374,959 in 2014. Between 1990 and 2008, formal employment in manufacturing has declined from 1.6 million in 1990 to 1.2 million in 2008; employment in agriculture declined from 1.2 million in 2000 to 871,260; and employment in mining declined from 521,379 to 474,007 over the same period, clearly demonstrating a structural change (Stats SA, 2017). Furthermore, 17,000 workers in the clothing and textile sector — an industry historically known to be women dominated — were retrenched in the year 2000 (Benjamin, 2001). The clothing industry in Newcastle (KZN) has also experienced severe job losses, with 30,000 jobs lost between year 2007 and 2010 (Nattrass (2012) in Bhorat et al., 2016).

Di Paola and Pons-Vignon (2013) argue that the new industrial relations system which has unfolded in South Africa has entrenched the power of capital. The authors coin it ‘functional inequality,’ whereby inequality between capital and labour has been increasing steadily, with the wage share of GDP declining from 50.1 percent in year 1995 to 44.5 percent in 2010. An implication of this is that the post-apartheid economic environment has facilitated a favourable labour market for skilled workers whereby skilled work is growing rapidly. The same does not hold for the unskilled or semi-skilled segments of the population who are being pushed into informal employment as a last resort, thus contributing to widening disparities within the labour market. Consequently, South Africa’s employment creation has been hampered by the structural changes undergone in the post-apartheid period, creating new realities of segmentation in the labour market.

4.3.2. Labour market Flexibility: Informalisation, casualization and contractualisation

In addition to South Africa struggling to create employment, the post-apartheid South African landscape has witnessed the growth of atypical employment which is reinforced by externalization, casualisation and informalisation (Barchiesi, 2011). According to Di Paola and Pons-Vignon (2013: 630) by the year 2008 one out of three workers were employed by either a sub-contractor or a contractor in South Africa’s mining sector, displaying how flexible employment arrangements were becoming. Labour market flexibility is a trend towards increasing polarisation and segmentation of national labour markets. According to Standing
labour flexibility, globalisation, and re-commodification are associated with
informalisation, casualisation, contractualisation which are understood as distinct yet very
closely related trends. Labour flexibility is the ability to increase or reduce employment wage
levels with ease, increase mobility, making the use of skills more flexible, and introducing
non-traditional work arrangements (Chang, 2009; Arnold & Bongiovi, 2012).

Standing (1999) advocates that labour flexibility is the result of globalisation’s quest for cost-
cutting competitiveness. Industrialising and industrialised states have turned to lowering labour
costs in order to informalise employment around the world. Labour market flexibility consists
of employment which is occupied by unskilled or semi-skilled workers who take on casual or
part-time employment in order to survive (Chang, 2009; Arnold & Bongiovi, 2012). In
unravelling labour market flexibility, Cheadle (2006) describes three types of flexibility: wage
flexibility (which grants employers the freedom to alter wages without limits); functional
flexibility (which affords organisations the freedom to adjust conditions and terms of
employment) and employment flexibility (which grants employers the liberty to determine
employment levels cheaply and instantaneously).

Labour market flexibility not only incites changes in standard employment arrangements by
imposing diverse contracts covering paid work, but it also changes the dynamics of
employment power relationships between employees and employers, skewing it in favour of
employers. According to Slavnic (2010:10) labour flexibility has facilitated the opportunity
for employers to evade providing formal normative standards for protecting employees from
dangerous working conditions and insecurity. Standing (2008) argues that for workers,
flexibility presents various implications on insecurity, emphasizing that a key function of
regulation is to provide workers with a range of benefits. He further suggests a synthesis of
new forms of protective regulation in order to overcome new or more virulent forms of
insecurity that may arise from current manifestations of flexibility.

The impact of flexibility is complex, generally, labour flexibility does open up opportunities
for employers to evade certain labour standards, but it also widens the opportunity for job
seekers to engage in some sort of work, even though it may be on a temporary or short-term
basis. Furthermore, flexibility does not mean all individuals automatically endure social
insecurity and precariousness, especially for workers who voluntarily seek flexibility as a
personal employment preference. Yet, within the South African context, whereby major job
losses occurred due to deregulation and competitiveness, entry into these new precarious
employment arrangements is not only involuntary but it has become the sole livelihood source for many.

4.3.2.1. Informalisation

The process of globalisation has resulted in shrinking labour markets, which has been documented in South Africa’s jobless growth as well as the introduction of ‘informalisation’, a trend that has disrupted what was previously understood as the ‘traditional working class’. Labour scholar, Standing (2008) has suggested two prominent forms of informalisation which are evident in South Africa’s labour market. The first form is understood as the movement into low-income and low-productivity employment for the sake of survival, which is also referred to as ‘informalisation from below’. This type of informalisation is prominent in many developing nations and particularly in Sub-Saharan Africa. Following her study of women in casualised and temporary employment in the construction and fishing sectors of South Africa, Groenmeyer (2011) found that it is black women who predominantly occupy these survivalist-labour segments. Additionally, with the use of the September Labour Force Survey (LFS) from year 2000 through to 2005, Valodia, Lebani, Skinner and Devey (2006) found that 39 percent of workers were earning less than R1000 and 65% were earning less than R2500. Women, Africans and the youth are overrepresented in these shares. Furthermore, their study captured that workers who were low paid intersected with workers who were informally employed.

The second form of informalisation is understood as a response to the first form in which firms ‘informalise’ employment by extending employment to sub-contractors and part-time workers. Barchiesi (2011) documents a six-fold increase in labour brokers in South Africa between 1990 and 2004. Additionally, labour brokering has risen from 2.2 percent to 6.4 percent of the total employment in South Africa between 1995 and 2014 (Bhorat, Naidoo, Oosthuizen, & Pillay (2015) in Bhorat et al., 2016), thus reflecting that labour flexibility and informalisation are indeed pervasive in South Africa. In accordance with Standing’s (2008) interpretation of informalisation, the proliferation of labour brokers and the increase in temporary employment point to informalisation and, subsequently, contribute to the expansion of South Africa’s informal economy.

Labour scholar Chang (2009) imposes a varied understanding of informalisation that seems highly applicable to the South African case. Chang’s composition of the ‘Classes of Informal
Labour,’ depicted in Table 4.2 (below), resonates with the position that globalisation has eroded the traditional understanding of the “working class”..

Table 4.2: Classes of Informal Labour

<table>
<thead>
<tr>
<th>A. Labour in the informal sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal self-employed (street vendor, home worker, teleworker, garbage picker, non-self-subsistence small scale farmer, artisan), informal employee (family business worker, domestic worker, landless agricultural worker), migrant worker</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Increasing informal labour in the formal sector: Atypical labour unprotected by regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted worker (including daily worker), agency or dispatched worker, task-based casual worker, formal self-employed, disguised formal self-employed, migrant worker</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. De-facto informal labour – formal workers in informalising (or informalised)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal economy workers who do not enjoy legal and institutional regulation and standards to which they are entitled</td>
</tr>
<tr>
<td>Contracted worker, agency worker, part-timer, migrant worker, worker in export processing zones (EPZ), worker in developing countries with no or limited democratic trade unions</td>
</tr>
</tbody>
</table>

A – B: Labour in informal economy: ILO definition
B – C: Informalizing formal economy

Source: (Chang, 2009)

In a similar contention, in capturing the re-organisation of South Africa’s labour, Von Holdt and Webster (2005) argue that the workforce has been split into three spheres, namely: a) the core — consisting of full-time workers with secure contracts, b) the non-core — comprising of outsourced, part-time and temporary workers, and c) the periphery — comprising of the informal sector and the unemployed. Vosko (2010) maintains that men and women participate differently in precarious employment specifically in that men and women participate in different forms of precarious employment. Furthermore, the consequences of participating in precarious employment differ for both genders. While informalisation implies that employers have reneged their responsibility to provide medical, maternity, healthcare and pension benefits, the additional burden that low quality employment in the informal sector imposes is low wages, which workers and their household are left to resolve. Vosko (2010) maintains that the consequences of precarious employment particularly affect women as they endure a decline in employment benefits while simultaneously assuming the majority of the care burdens for children and the elderly.
In order to determine whether there was a rise or decline in informality in the labour market, I considered four informality indicators — contract status (no written contract), no VAT/Tax registration of business, the lack of pension benefits and the lack of medical benefits — using the 2008, 2012 and 2014 datasets from NIDS.8

Figure 4.1 (below) illustrates the four abovementioned informal economy indicators used in NIDS datasets for 2008, 2012 and 2014.

Figure 4.1: Informal economy indicators in NIDS for 2008, 2012 & 2014

While pension and medical deductions are not a legal requirement for the basic conditions of employment, they do point to the social vulnerability imposed on workers by employers particularly because informal work often takes place in unhealthy, poorly regulated and unsafe environments which can have a negative impact on health (Alfers & Rogan, 2015). The data

8The definition of informality used by NIDS includes informal employees — regardless of what type of formal business they are part of — and those who are self-employed in the informal sector. The informal sector is determined only by registration of business and not firm size. Therefore, according to the NIDS definition, those who are in the informal economy include employees who have no evidence of a written contract, medical aid and pension deductions from their salaries as well as those who are self-employed but are not registered for tax.
indicates that there is a decline in the share of workers without a written contract, specifically 11.4 percent however, this does not imply that the slight increase in individuals with written contracts are receiving contracts of a permanent nature.

*Figure 4.1* also documents a gender breakdown of the total percentage of each indicator. While the overall gender differences are not stark, women generally do display a higher prevalence of informality than men amongst the four indicators. The data indicates that there is a greater gender difference incidence of women without a written contract than men across all three waves. This implies that the occurrence of women is dominant in an informality indicator that exposes them to uncertain employment duration, thus limiting their ability to manage risks associated with vulnerability.

Increases in the share of workers without medical deductions have been documented by NIDS data, from 78.8 percent in 2008 to 83.8 percent in 2014. The data also documents increases in the share of workers without pension, with 61.6 percent recorded in 2008 and 63.7 percent in 2014. Notably, in 2012, the share of workers without pension benefits was at the highest, at 65.1 percent. Finally, of the share of workers who indicated that they were self-employed, 85 percent were not registered for VAT/tax in 2014, which is a 7.1 percent increase from 2008.

In addition to the threat of employment security imposed by the growing informalisation of employment in South Africa, the trend has also contributed to declining incomes. A study conducted by Altman (2006) on formal and informal workers in 2002 found that informal sector workers earned between one-fifth to almost half of their counterparts in the formal sector. It is important to note that work is the prime source of income for most South Africans; therefore, any adverse developments that accompany the informalisation of employment make social reproduction extremely difficult.

Informalisation is a labour market trend which contributes to the crisis of reproduction especially amongst the working poor in South Africa. Informalisation, much like rising unemployment, plays a major role in increasing the commodification of essential services such as health care and transport (Barchiesi 2011; Di Paola & Pons-Vignon, 2013). Therefore, in the context of the commodification of services and an expensive cost of reproduction, wages become crucial for workers to support households and dependents. While it has been argued that informalisation has led to a market deterioration in wages, it is necessary to examine how informalisation of employment in South Africa has contributed to increasing inequality among wage earners displaying varying informality indicators. *Table 4.3* (below) uses NIDS data to
document the average monthly earnings of employed individuals according to the four indicators of informality.

Table 4.3: Average monthly earnings (net income) of varying indicators of informality by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Self-employed (VAT Registration)</th>
<th>2008</th>
<th>Median</th>
<th>2012</th>
<th>Median</th>
<th>2014</th>
<th>Median</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>Formal</td>
<td>R 4 067,12</td>
<td>R 2 350,00</td>
<td>R 19975,00</td>
<td>R 19 000,00</td>
<td>R 15 862,50</td>
<td>R 9 225,00</td>
<td>290%</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>R 2 734,21</td>
<td>R 1 875,28</td>
<td>R 5 892,38</td>
<td>R 4 000,00</td>
<td>R 5 198,58</td>
<td>R 3 000,00</td>
<td>90%</td>
</tr>
<tr>
<td>Women</td>
<td>Formal</td>
<td>R 4 621,42</td>
<td>R 4 500,00</td>
<td>R 6 000,00</td>
<td>R 7 200</td>
<td>R 6 600,00</td>
<td>R 6 000,00</td>
<td>42%</td>
</tr>
<tr>
<td></td>
<td>Informal</td>
<td>R 2 475,48</td>
<td>R 2 357,04</td>
<td>R 5 398,75</td>
<td>R 2 440,00</td>
<td>R 3 171,73</td>
<td>R 2 100,00</td>
<td>28%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Employees</th>
<th>2008</th>
<th>Median</th>
<th>2012</th>
<th>Median</th>
<th>2014</th>
<th>Median</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>Formal</td>
<td>R 4 464,13</td>
<td>R 2 500,00</td>
<td>R 5 310,13</td>
<td>R 3 500,00</td>
<td>R 6 344,23</td>
<td>R 4 258,00</td>
<td>42%</td>
</tr>
<tr>
<td></td>
<td>Medical benefits</td>
<td>R 7 759,01</td>
<td>R 4 600,00</td>
<td>R 9 050,79</td>
<td>R 7 000,00</td>
<td>R 11 510,47</td>
<td>R 9 399,00</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>Pension Benefits</td>
<td>R 5 549,67</td>
<td>R 3 500,00</td>
<td>R 6 595,81</td>
<td>R 4 750,00</td>
<td>R 8 067,45</td>
<td>R 6 346,00</td>
<td>45%</td>
</tr>
<tr>
<td>Women</td>
<td>Formal</td>
<td>R 1 580,77</td>
<td>R 1 090,00</td>
<td>R 2 338,74</td>
<td>R 1 600,00</td>
<td>R 2 722,27</td>
<td>R 2 042,50</td>
<td>72%</td>
</tr>
<tr>
<td></td>
<td>No Written contract</td>
<td>R 2 268,16</td>
<td>R 1 400,00</td>
<td>R 3 464,97</td>
<td>R 2 400,00</td>
<td>R 4 111,22</td>
<td>R 3 000,00</td>
<td>81%</td>
</tr>
<tr>
<td></td>
<td>No Medical benefits</td>
<td>R 1 833,65</td>
<td>R 1 100,00</td>
<td>R 3 265,49</td>
<td>R 2 000,00</td>
<td>R 3 485,97</td>
<td>R 2 500,00</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: Author's calculations. NIDS Wave 1, Wave 3 and Wave 4
Notes: Sample includes individuals aged between 15-64 years who identified with these employment indicators; the following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.

*Table 4.3* shows the gender disparity in average monthly earnings across all employment indicators, with men earning higher wages throughout the years compared. As expected, those who illustrate some form of informality across the different indicators do show a high incidence

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9 The table documents the mean percentage change from 2008 to 2014.
of lower earnings compared to their formal counterparts; this is valid for both genders, thus confirming that wage inequality is stark along formal/informal lines. From 2008 to 2014, the average earnings of all employees and self-employed persons (both formal and informal) have increased; however, the percentage change of the average earnings from 2008 to 2014 illustrates mixed results when it comes to percentage increases for informal and formal employees/self-employed and among the genders.

Men and women who are registered for a VAT document a 290 percent and 42 percent average earnings increase from 2008 to 2014, respectively, compared to men and women who have not registered for VAT; these individuals documented a 90 percent and 28 percent earnings increase, respectively. This indicates that there is a glaring wage inequality among the self-employed along informal/formal lines and a major gender disparity. The greatest display of this is in 2012, when the average monthly income for men with VAT registration was R19 975 while women who had not registered for VAT earned R3 598.75 in the same period.

Among the employees analysed, those who record medical deductions from their salaries have higher average earnings than the other employment indicators, this suggests that higher remuneration makes medical benefits possible. The data also indicates that employees without a written contract have the lowest earnings compared to the other indicators; this is possibly due to employers taking advantage of their limited recourse to legal rights. It is noteworthy that the data in Figure 4.1 indicated that women dominate the lack of written contract informality indicator compared to men, suggesting that women are more significantly afflicted by low pay.

4.3.2.2. Casualisation

Casualisation is defined as the displacement of standard employment towards flexible employment such as part-time, project-based or temporary work (Slavnic, 2010). Consequently, casualisation entails a proliferation of short-term employment arrangements. Employees who are casually employed lack the standard entitlements and rights associated with standard full-time employment, which include social protection, stability of work and working-time security. Standing (2008) recognises casualisation as an element of broader informalisation tendencies, which consist of two trends: implicit and explicit casualisation. Implicit casualisation refers to the continuous weakening of regular employment conditions which thus results in the casual character of employment. Explicit casualisation refers to the movement of employees from
stable, regular employment to insecure casual categories. These distinctions correspond with Chang’s (2009) “De-facto informal labour” seen in Table 4.2.

According to Di Paola and Pons-Vignon (2013), the occurrence of casualisation is driven by both ideological and economic imperatives. At the ideological level, employers take advantage of casual labour to weaken unions. Barchiesi (2011) refers to the Congress of South African Trade Unions (COSATU)—which is trade union federation that has majority status in many sectors— and its recognition of sub-contracting and casualisation as the attempt made by employers to deny workers decent and fair conditions. In a similar contention, Arnold and Bongiovi (2012) argue that the process of global outsourcing and casualisation has diminished the bargaining power of workers. They advocate that the loss of workplace representation is a central element in producing, reordering, and perpetuating economic, political and social disparity. To further advance this argument, an ILO (2005) study found that equality is associated with increased union density. Findings from the South African Survey 2012, released by the South African Institute for Race Relations, conclude that the use of bargaining councils declined in South Africa by 39 percent between 1996 and 2011. Additionally, the number of individuals registered with a trade union as a proportion of employed people in South Africa decreased from 31 percent in 1994 to 23.3 percent in 2010 (Mail & Guardian, 2013).

The economic rationale behind casualisation is understood as an attempt to reduce labour costs; however, scholars consider that casualisation allows employers to take advantage of various loopholes within labour laws (Kenny & Webster, 1999; Webster, 2005; Cheadle, 2006). Beyond the low earnings associated with casual employment, casualised precarious employment poses a threat for women mainly due to the weaker maternity rights and social protections associated with some of these types of work agreements. An examination of the incidence of casual employment in post-apartheid South Africa and its relationship with social locations such as race, age and gender is crucial to understanding who is particularly at risk when entering this precarious form of employment.

10 COSATU’s membership has been in decline since 2008 which labour economists attributed to the emergence of outsourcing and labour brokering as well as major job losses following the 2008 financial crisis. Labour economist, Loane Sharp has come to say that the state of unionisation within the state has reached a “saturation point” whereby unions given the declining membership rate are competing for a shrinking market.
Table 4.4: Casual employment in South Africa, 2008, 2012 and 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th></th>
<th></th>
<th>2012</th>
<th></th>
<th></th>
<th>2014</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Overall</td>
<td>4.7</td>
<td>51.4</td>
<td>48.6</td>
<td>3.6</td>
<td>53.2</td>
<td>46.8</td>
<td>4.8</td>
<td>56.5</td>
<td>43.5</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African</td>
<td>70.9</td>
<td>54.3</td>
<td>45.7</td>
<td>78.2</td>
<td>53.2</td>
<td>46.8</td>
<td>78</td>
<td>57.1</td>
<td>42.9</td>
</tr>
<tr>
<td>Coloured</td>
<td>23.5</td>
<td>43.9</td>
<td>56.1</td>
<td>19.2</td>
<td>52.7</td>
<td>47.3</td>
<td>19.7</td>
<td>54.4</td>
<td>45.6</td>
</tr>
<tr>
<td>Asian/Indian</td>
<td>0.8</td>
<td>33.3</td>
<td>66.7</td>
<td>0.4</td>
<td>66.7</td>
<td>33.3</td>
<td>0.1</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>White</td>
<td>4.8</td>
<td>48.6</td>
<td>51.4</td>
<td>2.2</td>
<td>53.3</td>
<td>46.7</td>
<td>2.2</td>
<td>58.3</td>
<td>41.7</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-24 years</td>
<td>26.1</td>
<td>58.9</td>
<td>41.1</td>
<td>24.3</td>
<td>68.5</td>
<td>31.5</td>
<td>22</td>
<td>67.9</td>
<td>32.1</td>
</tr>
<tr>
<td>25-34 years</td>
<td>22.4</td>
<td>53.5</td>
<td>46.5</td>
<td>28.4</td>
<td>51.3</td>
<td>48.7</td>
<td>31.7</td>
<td>66.4</td>
<td>33.6</td>
</tr>
<tr>
<td>35-44 years</td>
<td>24</td>
<td>44.7</td>
<td>55.3</td>
<td>21.6</td>
<td>47.2</td>
<td>52.8</td>
<td>20</td>
<td>50</td>
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Source: Author’s calculations. NIDS Wave 1, Wave 3 and Wave 4. Notes: Sample includes those who performed any casual employment in the previous month and were aged between 15 and 64 years. The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”

*Table 4.4* reveals a shy growth in those who held casual employment from 4.7 percent in 2008 to 4.8% in 2014. Africans are the most dominant racial category in casual employment, representing over 70 percent of individuals employed from 2008 to 2014. Asian/Indian men
and women had the smallest incidence of casual employment among the different racial identities. Overall, men are more prominent than women in casual employment. However, women dominate in sectors which have the highest incidence of casual employment, namely: private households and community services, which cumulatively account for almost 50 percent of the employment sector throughout the years studied. Mining and utilities, which are male-dominated sectors, barely have any employees who are casually employed. The gender breakdown among the racial identities mainly reflects male dominance throughout the years studied with the exception of 2008 whereby Coloured, Asian/Indian and White women overrepresented their male counterparts, the same occurred in 2014 when Asian/Indian women were more prevalent than male counterparts.

Casual employment is very prevalent among youths. In 2014, individuals between the ages of 25 to 34 years accounted for 31.7 percent of the casual employment. The glaring youth presence in casual employment relative to other age groups may be attributed to the fact that they are more likely to be unemployed in South Africa than any other age group, making them vulnerable to low paid and insecure employment. The gender breakdown between the different age groups reveals that men are more prevalent than women in the youth age groups, namely ages between 15 to 24 years and 25 to 34 years. Women have higher prevalence throughout the years studied in the following age categories; 35 to 44 years, 45 to 54 years and 55 to 64 years. This means that older women are more prone to casual employment than their younger counterparts.

Much like the process of informalisation, casual employment is equally associated with deteriorated levels of pay for individuals (Di Paola & Pons-Vignon, 2013; Vosko, Cranford & Zukewich, 2003). Considering that the labour market and households are intertwined in that wages are the primary safety net for many households, it is imperative to bring attention to how casual employment affects not only the individual but the household too. Figure 4.2 (below) uses NIDS data to document how casually employed individuals supplement their income.
Figure 4.2: Casually employed individuals with alternative source of household income

Source: Author’s calculations. NIDS Wave 1, Wave 3 and Wave 4. Notes: Sample includes those who were casually employed in the last month aged between 15 and 65 years and who were in a household which received either an old-age pension, child support, disability, care dependency or any other type of grant offered by the state. The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.

Figure 4.2 documents a rise in the percentage of casually employed people relying on a government grant as an alternative source of income, specifically a 25.5 percent increase between 2008 and 2012. The increase could be explained by the post 2008 financial crisis recession which contributed to the stagnation of living standards in the country. Throughout the three years studied, women are overrepresented compared to men. In South Africa, social grants target individuals who are extremely vulnerable to poverty, with these valuing from R380 to a maximum of R1600 per month. The Child Support Grant currently is R380 per month while the care dependency and old person’s grant currently is R1600 per month (Ground Up, 2017).

Evidence of households assembling some sort of non-employment income suggests that the employment income they rely on does not sustain their livelihood. According to Standing (2008), when individuals become disconnected from mechanisms for upward mobility and stable employment, they begin to rely on government support. The surge in those relying on social grants among those who hold precarious employment suggests that precariousness also has multiple entry points by which family situations, particularly caregiving, increase the pressure on those who are already employed in vulnerable jobs. The issue of the relationship of casual employment and the impact on the households also brings into question the possibility that the casually employed individual in the household may also be the breadwinner of the
family, which implies that the financial insecurity is taken on by not only the individual but also the household.

Based on the findings of Table 4.4 which account for the incidence of casual employment in South Africa, it is evident that casual employment is highly prominent among the youth, Africans and the sectors in which women dominate. The implication is that casualisation not only reinforces segmentation on the basis of type of employment, but it also reproduces racial and gender inequality. Labour legislation released in the form of the Labour Relations Act (LRA), the Basic Conditions of Employment Act (BCEA), the Employment Equity Act (EEA) and the Skills Development Act (SDA) advocates for the betterment of employment standards and to overcome apartheid legacies of blatant inequality and low levels of productivity.

Notably, the rapid growth of atypical employees who are either entitled to partial or no protection and are increasingly vulnerable to exploitation points to a failed attempt in meeting the above-mentioned labour legislation goals. Furthermore, along with the lack of benefits, one can discern that those who are casually employed suffer an earnings penalty based on their major reliance on social grants, making them very vulnerable workers.

The following section discusses the proliferation of labour brokers and highlights a similar yet distinct trend to casualisation that of contractualisation.

### 4.3.2.3. Contractualisation

Contractualisation is another form of non-standard employment which according to Arnold and Bongiovi (2012) seems different to casualisation in that it identifies the terms of employment in a more specific capacity. Standing (2008) refers it as ‘individualised’ labour contracts. With contractualisation, workers are employed on a fixed duration and these arrangements are facilitated by labour brokers. While casualisation means employees have an atypical direct employment relationship with the employer, contractualisation requires the services of external agents. By definition, labour brokers are outsourced by companies to hire employees; the candidates they source are usually deprived of job security and benefits. It is, therefore, a triangular relationship removing employers from responsibilities to the employees (Bhorat et al., 2016). Usually, labour brokers enter into a contract of employment with the employee and assume the responsibility of providing the employee with their payroll and deducting employee tax from their salary. In many cases, the identity of the real employer who renders the
employee’s services is obscured, depriving employees of legal protection as they are unable to hold employers accountable.

A significant disadvantage encountered by employees that are placed at employers by labour brokers is the diminished agency to negotiate their wages and conditions of employment (Cheadle, 2006). The real employer becomes the dormant party and will offer a specific budget to the labour broker; if the labour broker is unable to meet requirements, the employer will pursue an alternative broker within the same industry. As a result, employees secured by labour brokers do not earn the same wages as those that are employed on a permanent basis by the same actual employer. In South Africa, labour brokering has become a controversial issue as it has become practically impossible to unionise workers employed by labour brokers (Bhorat et al., 2016), due to their exposure to inadequate labour protection and vulnerability to arbitrary dismissal.

Despite criticism, the growth of labour brokering has been continuous (Barchiesi, 2011). In the post-apartheid era, various employment sectors have increased their use of contract labour and, simultaneously, other sectors not traditionally associated with the use of contract labour have adopted this trend. In the mining industry — which previously used contract labour for non-core tasks such as catering and office cleaning services in the late 1980s to after 1994 — numerous companies shifted to using contract labourers across the entire mining cycle (i.e. drilling, blasting, water flows etc.). The manufacturing sector did not use contract labour previously, yet post-1994 manufacturing firms are, to a vast extent, outsourcing employment to employment agencies (Pons-Vignon & Anseeuw, 2009). The Adcorp Employment Index (2013) reports that labour brokering is an industry worth R44 billion, employing over one million agency workers and 19 500 internal staff members. The report indicates that with over 12 million workers in the formal sector, 8.9 million workers participate in typical employment, while 3.9 million workers engage in atypical employment. As outsourcing and sub-contracting gain momentum in South Africa, many contracts of employment deprive workers of labour law protection, seriously burdening workers as they endure the costs of unregulated work.

In April 2014, South Africa’s amendment to section 198 of the Labour Relations Act (LRA) came into force and made provision for employees of labour brokers to be deemed permanent employees of the end client, or real employer, following three months of consecutive employment (Bhorat et al., 2016). This motion was proposed in an effort to prevent employers...
from hiring workers on endless temporary contracts which conveniently circumvent the obligation to pay the benefits associated with full-time employment.

Even so, research undertaken by the Confederation of Associations in the Private Employment Sector (Capes) released in 2015 shows that following the implementation of this legislation, only a small number — 20 percent — of employees were actually absorbed by the end client and were placed in a permanent capacity, 50 percent had their employment agreement terminated, and the remainder were unaffected or given new contracts of some sort (*Business Day Live*, 2015). Amendments to the LRA placed restrictions on the employment of temporary workers and resulted in mass job losses for them, perhaps contrary to the initial intention for its development and implementation. This clearly displays the extent to which labour market flexibility — as a feature of neoliberal economic globalisation — has surpassed its ‘embedding’ phase in the country’s labour market and, largely, limits the ability of the law to provide and protect vulnerable workers with job security. The consequence for informal workers is that they are increasingly placed in low paid, short-term employment situations that expose them to various security, and in some cases health, risks, while simultaneously disconnecting them from union representation, further excluding them from labour legislation. The next section looks at the feminisation of labour.

**4.3.3. Feminisation of labour**

While the previously discussed labour trends have pointed to the downward pressure in terms of working conditions and earnings experienced by women in the informal economy, mixed opinions have been offered regarding contemporary female labour force participation. On the global scale, the feminisation of labour has been understood generally as mass entry by women into labour force participation relative to men (Standing, 1999; Casale & Posel, 2002). Standing (1989) emphasised four trends that were associated with this feminisation. Firstly, for countries engaged in industrialising feminisation meant that the women’s unemployment rate was decreasing to a level that was lower than male counterparts, and that women were entering the formal labour market on a vast scale; secondly, women were taking over jobs that were traditionally occupied by men,; thirdly, the feminisation of the labour force was deemed a shift towards a decline in the sex-based segregation of employment, as women were appropriating jobs held historically by men; and finally, feminisation entailed a shift towards a surge in ‘static jobs’, in reference to jobs which held limited prospects of encouraging occupational mobility and were intrinsically not progressive (Standing, 1989).
Rhetoric concerning the feminisation of labour has celebrated the shift for women in positions at the high-end of the labour market. In contrast, other scholars have explored the extent to which feminisation has had adverse consequences for some women by cultivating precariousness, in that mass entry for women into the labour sphere has coincided with flexibility (Standing, 1999; Vosko, 2010). The rise in women’s labour force participation globally has been due to an increase in the demand for female labour in which women are pulled to join the labour market, yet in South Africa, the feminisation of labour accelerated in the 1990s as a result of women being pushed into the labour market out of economic need.

Furthermore, the feminisation of labour force participation in South Africa has been accompanied by an increase in women’s unemployment which has been attributed to insufficient employment to absorb the proportionately greater number of women who have entered the labour force (Casale & Posel, 2002). The emphasis on women’s movement into the labour market in South Africa has narrowed ‘feminisation’ to a set, celebrated labour trend which has concealed important continuities in the contemporary labour market, such as the quality of employment that women are being pushed into and added deepening divisions marked by race and class.

In South Africa, while the rise in employment has been more rapid for women than men since the mid-1990s, entry into the labour market has concentrated women in insecure, low-earning, vulnerable forms of employment (Casale & Posel, 2002). The growth in employment has been concentrated in the informal sector, particularly with an increase in the number of women who are self-employed. Casale (2004) documented that of the total 1.17 million job increase recorded between 1995 and 2001, over 900 000 were due to an increase in unregistered self-employment, with approximately 510 000 of these jobs held by women. This means that over 50 percent of female employment between 1995 and 2001 in South Africa was attributed to the growth in women creating work for themselves in the informal sector.

Casale (2004) found that in 1995 — in terms of employment patterns — African women were employed either as domestic workers (25.7 percent), as employees11 (61.8 percent), workers in unskilled agriculture (6 percent), or in informal self-employment (6 percent). The employment distribution of African men in 1995 was that 79.6 percent were employees, 15.8 percent were

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11 In Casale’s (2004) study ‘employees’ refers to those that were employed in registered and unregistered businesses but excluding unskilled agricultural workers and domestic workers. This primarily due to the fact that the 1995 OHS, which was the dataset employed in the study, did not distinguish between those employees working for registered versus unregistered businesses.
in unskilled agriculture, and 4.1 percent were in informal self-employment. By 2001, substantial shifts had occurred by which a large portion of African employed women (20 percent) and African employed men (13.6 percent) became part of the informal sector (Casale, 2004). By 2007 a close enough gender parity existed in the informal labour market in South Africa, with 19 percent of employed women and 17 percent of employed men documented to be engaged in self-employment. However, men reported higher earnings in informal self-employment, earning nearly R3 more per hour than women in 2007 (Heintz & Posel (2008) in Magidimisha & Gordon, 2015). Therefore, gender disparity was documented in terms of average earnings in the informal sector, placing women in less lucrative areas of the informal economy.

According to Casale (2004), the feminisation of labour in South Africa between 1995 and 2001 was predominately associated with rising unemployment among women and only placed women in low-paying occupations, with African women as the most disadvantaged. During the same time, white women earned more than African women in all categories analysed, which included earnings by occupation, employment type and education level. Their study found that in terms of employment type and educational level, the earnings gap is widening between African men and women, while it is narrowing between white men and women, suggesting that not all women are equally advantaged by the feminisation of labour; in fact, earnings based on occupation, employment type and education level were broadening between white and African women (Casale, 2004).

While studies have pointed to the extent to which feminisation in the South African context has pushed women towards low-return informal work or low skilled work, globally, labour and feminist scholars have also problematised the simple view of the feminisation of labour (Vosko et al., 2003; Fudge, 2001). Particularly, scholars have been preoccupied with the relationship between the feminisation of labour and a trend towards precarious employment. Standing (1999) places a spotlight on casualisation and advocates that while the increase in the employment of women was a desirable outcome, employers were assuming a pattern of substituting men for women mainly because men were less willing to work for sub-family wage rates\textsuperscript{12}. An implication of this assessment is that women are perceived to have lower wage aspirations, thus creating a relationship between feminisation and increasing precariousness.

\textsuperscript{12}This is a wage less than what is actually sufficient to raise a family.
Fudge (2001) argues, in contrast, that feminisation and flexibility are a two-fold process involving increased labour force participation by women and a surge in low paid, part-time and insecure work. She argues that the increasing inequality in the labour market induced by flexibility has intensified household inequality. In a similar contention, it is advocated that feminisation and the growth of precarious employment occur as two distinct trends whereby, on one hand, there is the “creation of more women’s work in the market” and, on the other hand, there is a gendered “harmonising down” (Armstrong (1996) in Vosko et al., 2003). The implication is there is that there is still great economic pressure on women as the position of men deteriorates in the labour market.

Women’s labour participation in South Africa has increased by approximately 60 per cent since the mid-1990s up to 2005, contrasted by a 35 percent labour increase of males in the same period. Casale and Posel (2002) and van der Westhuizen, Goga, & Oosthuizen (2007) account for the surge in women’s labour participation in South Africa as a result of the deteriorated employment position of men in the household. Firstly, a decline in male income as a result of a rise in male unemployment is reported to have driven the increased labour force participation of women. Presumably, at least in certain cases, high unemployment displaced jobs for women who were in semi- or low-skilled work or it pushed women into the labour force due to the loss of income by their male partners. It has also been suggested that the consequences of HIV/AIDS have resulted in the rise of female-headed households, thus pushing women into work out of economic need and changes in the household structure (Kingdon & Knight (2005) in van der Westhuizen et al., 2007).

The manner in which South Africa’s labour trends unfolded point to both feminisation resulting in women being pushed into precarious employment and feminisation occurring alongside the acceleration of precarious employment in South Africa. Yet, both pathways still arrive at the same juncture, being that the growth of low-paying jobs which women occupy are exposing them to the risks of precarious lives and social insecurity.

4.4. From precarious employment to precarious lives?

Evidently, labour market flexibility has contributed to the overall dramatic decline in the quality of jobs and the growth of precarious work. It is vital to note that even when employment is precarious, this does not imply that the lives of individuals become deterministically precarious; nonetheless, it is relevant to explore the contingent relationship between precarious
employment and precarious lives. Scholars have argued that precarious work is not only understanding the way in which people work, but also the way they live (Kalleberg, 2009; Candeias, 2004) This understanding suggests that the underlying reality of precarious work is not only limited to work itself but it extends to other forms areas of life.

It can be argued that precariousness is not merely understood as the disappearance of stable jobs, but it also includes the questioning of access to services, housing and social welfare provision (Foti (2004) in Arnold & Bongiovi, 2012). With the above-mentioned vulnerabilities imposed on informal labour, the already weakened income-generation strategies of informal workers, as a result of contemporary labour market trends, is further maintained as an endeavour that involves entire households. Having access to basic social services, such as water and electricity, represents both an end and a means to development. South Africa has indeed made major strides since 1994 in improving the quality of life of its population through extending basic services to previously under-serviced and unserviced households; however, it is important to investigate how those who hold informal employment have gained from this, specifically with regards to sanitation, electricity, water, housing and healthcare.

Figure 4.3: Toilet facility access for informally employed/self-employed individuals in 2008 and 2014
Figure 4.3 suggests that there is a greater share of informally employed/self-employed individuals with access to a flush toilet on site between the years 2008 and 2014. Self-employed individuals show the biggest improvement, shifting from 18.8 percent in 2008 to 31.7 percent in 2014. The share of informally employed/self-employed individuals using a bucket toilet remains fairly stagnant during the same period across all informality indicators. Importantly, Figure 4.3 illustrates that the majority of informally employed/self-employed individuals utilise an alternative toilet facility other than a traditional on site flush toilet.

Figure 4.4: Electricity access for informally employed/self-employed individuals 2008 and 2014

Author’s calculations. Source: National Income Dynamics Study (NIDS) Wave 1 and Wave 4. Notes: Sample includes individuals aged between 15-64 who identified with these informality indicators. The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.
Figure 4.4 (above) shows that there is an overall decline of informally employed individuals who live in households without electricity from 2008 to 2014. Those who are informally self-employed have the greatest decline, drawing a 12.3 percent difference from 2008 to 2014, while informally employed individuals without medical benefits show the least decline, of 8.5 percent. Overall, those without a written contract have been the most prone to the lack of electricity relative to the other informality indicators.

Figure 4.5: Water access for informally employed/self-employed for 2008 and 2014

Author’s calculations. Source: National Income Dynamics Study (NIDS) Wave 1 and Wave 4. Notes: Sample includes individuals aged between 15-64 who identified with these informality indicators. The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.
Figure 4.5 suggests that a great share of informally employed/self-employed individuals upscaled to travelling less than 100m for water from 2008 to 2014 for all informality indicators, with the exception of those without a written contract — who recorded a 3.9 percent decline from 58.4 percent to 48.4 percent in 2008 and 2014, respectively. Informally self-employed individuals documented a 1.1 percent increase in the share of persons travelling 1km or more to access water. Chant (2014) has argued that service deficiencies, including the lack of electricity access and a water supply source in the household places a toll on women who end up engaging in compensatory labour. Women end up travelling to public water sources to collect water or collecting wood and purchasing fuel in order to prepare meals for the household. Chant (2014) advocates that shelter and service deficiencies not only comprises women’s participation in income generation strategies but it also massively contributes to ‘time poverty’.

**Figure 4.6: Housing in relation to household needs of the informally employed/self-employed in 2008**

![Figure 4.6: Housing in relation to household needs of the informally employed/self-employed in 2008](image)

Author’s calculations. Source: National Income Dynamics Study (NIDS) Wave 1. Notes: Sample includes individuals aged between 15-64 who identified with these informality indicators. The following responses are excluded: “not applicable”; “don’t know”; “refused” and/or “missing”.

Figure 4.6 shows that in 2008, an overall average of 40.1 percent of informally employed/self-employed individuals indicated that their housing was less than adequate for their household needs. Those who were self-employed in unregistered businesses and those without written

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13 This question was only included in Wave 1 of the NIDS, unfortunately, it was omitted in the successive waves.
contracts exceeded the overall average covering 43.9 percent and 41.8 percent of workers, respectively.

**Figure 4.7: Healthcare cover in relation to household needs of the informally employed/self-employed in 2008**

Figure 4.7 shows that in 2008, an overall average of 45.7 percent of informally employed/self-employed individuals indicated that their healthcare cover was less than adequate for their household needs. The informally self-employed and individuals without a written contract surpassed the total average, covering 48.4 percent and 48.2 percent, respectively, of workers who indicated that their healthcare cover was less than adequate for their household needs. Alfers and Rogan (2015) looked at the association of informal wage employment and health in South Africa and found that formality of employment was significantly associated with health

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14This question was only included in Wave 1 of the NIDS, unfortunately, it was omitted in the successive waves
in South Africa, and the association between informality and poor health was significantly greater for women in waged employment than for men (Alfers & Rogan, 2015).

4.5. Conclusion

This chapter has delineated the labour market trends which have manifested in South Africa primarily due to neoliberal globalisation. Neoliberal globalisation has shifted resources away from the labour market and, as a result, increased social inequalities across racial, gendered and class lines. South Africa’s post-apartheid labour market trends have contributed to the relative inferiority of remuneration and socio-economic conditions of those in the informal economy. South Africa’s unemployment figures in the post-apartheid era involuntarily pushed a great portion of low skilled workers into the informal labour sector. This is particularly evident in SESE data which reveals that in the periods of 2001, 2005, 2009 and 2013 more than 55 percent of informal workers (Table 4.1) indicated that they started their business due to unemployment, with women being overrepresented. Job losses in low-skilled, labour-intensive industries — and the overshadowing importance of capital-intensive industries — has entrenched the practice of low wages for low-skilled work in South Africa, thus privileging those enjoying formal employment.

The growing informal sector has been accompanied by the concomitant increase in precarious working conditions which impart unstable working conditions and limited employment protections. The collective impact of informalisation, contractualisation and casualisation has resulted in the erosion of the paradigm of the ‘traditional full-time stable’ employment, which has had the following implications: Firstly, the engagement of work through alternative arrangements such as labour brokering and the collapse of the full-time employment contract has increased the number of employees who are not protected by labour legislation nor unionisation and are, in substance, deemed ‘informal’. Secondly, the changing forms of employment are posing a greater threat to groups who are already economically vulnerable in South Africa — namely women and a significant portion of the African population — who enter precarious employment due to a lack of alternatives to assemble a livelihood.

Thirdly, despite amendments to the LRA, worker rights, which are embodied in labour legislation and are constitutionally mandated, have not filtered down to those who are informally employed. Fourthly, with the informal economy being so heterogeneous, the degrees of vulnerability vary according to informality indicators. In this study, based on those
sampled, those without written contracts are in the most precarious position, as findings suggest that they earn the least based on relatively lower earnings. In addition, they experience the most difficulty in accessing vital amenities.

The fifth implication of the informalisation, contractualisation and casualisation of labour on the informal economy is the entrenching of gendered and sectoral inequities. Women continue to show a high incidence of lower pay across all informality indicators compared to men (Table 4.3).

In spite of female labour force participation in South Africa having increased from the mid-1990s, the greater recognition and remuneration of women’s work need not be a cause for unqualified celebration due to shortcomings in improving all women’s material status. The feminisation of labour in South Africa has concentrated women in low-earning and vulnerable jobs, and has been accompanied by a rise in female unemployment. This implies that despite increased female participation in the labour force, the returns to women’s employment has been lower than male counterparts.

Feminisation of labour has also placed African women, particularly, in a disadvantaged position, as they continue to be concentrated in low-paying and unskilled work, by which the earnings gap is widening between African men and women. Simultaneously, White women are earning more than African women for all education levels, employment types, and occupations. Furthermore, the labour trends outlined in the chapter seem to intersect and relate to one another. The rise in male unemployment has pushed women into the labour force despite the majority of women crowding low-paying employment. At the same time this is growing flexibility in the labour market, which is being characterised by flexible contracts, lower wages and the removal of social benefits, rendering women workers more attractive to employ than their male counterparts.

The lack of decent services not only reflects precarious burdens imposed on the informally employed but also impacts on gender-in equitable time burdens, this study has looked at the living conditions of individuals in the informal economy to document how precarious work has implications on housing stability. While electricity access and proximity to water sources has improved over the years, a great share of the informally employed/self-employed indicated that their housing and healthcare coverage is less than adequate for their household needs, which poses a threat to a group who are already in a vulnerable employment position.
Chapter 5: Care, employment quality, and gender sensitive labour legislation.

5.1. Introduction

The previous chapter presented the extent to which contemporary labour market trends in South Africa have exposed those who constitute the informal economy to various economic risks. Recent labour reforms as from the 1990s have changed the landscape of work at a time when more women are entering the labour force. However, as previously outlined, men and women seem to not be affected in the same ways by these risks. Post-apartheid labour trends point towards increasing pressures on women, who are known to generally take on the majority of care burdens in the household and community. In terms of economic vulnerabilities, women face the highest risks when dealing with employment or financial insecurity, as they usually have to balance resolving financial difficulty with attending to domestic demands (Beneria, 2001). In addition, women tend to absorb the care burden of poor health in the household (Razavi, 2007) and make the greatest sacrifices by reducing their own food consumption in periods of economic hardship.

With increasing vulnerability as a result of increased labour market segmentation, it is crucial that evolving labour legislation mechanisms that aim to promote gender equality take account of the experiences of women whose working lives are less predictable or do not fall into a ‘professional’, full-time model of employment. Furthermore, employment precariousness necessitates engaging with the labour market, the household, and labour laws. Therefore, this chapter will attempt to answer the research sub-question: to what extent are women in the informal economy’s care responsibilities protected by labour legislation mechanisms that promote gender equality. To answer this important consideration will be given to gender discrimination in the informal economy due to inadequate social protection, poor measures of alleviating domestic and care burdens, and an unconducive legal and policy environment relating to the abovementioned concerns.

5.2. The importance of care

Care is understood as meeting the emotional and physical needs of children and dependent adults as well as providing vital domestic activities such as cooking and sanitation (Kabeer, 2012). According to Razavi (2007), both paid and unpaid care are extremely vital to human welfare as it affects the rate of economic development and has a direct impact on the quality
and quantity of a country’s labour force. It has also been argued that care is an intrinsic goal of development, as it is essential for maintaining human reproduction and life (Folbre, 2006). Noteworthy human rights and international policy instruments such as the Convention for the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Beijing Platform of Action have called for the recognition of women’s unpaid work, or care, arguing that this should be featured in economic accounting, notably in the Systems of National Accounts (SNA). 

In many societies, women take on responsibilities concerning caring for the family, i.e., looking after the elderly, children, and the unwell. According to UN Women (2015a), on a global scale, women spend 2.5 times more time providing care than men. With the use of time-use data from six countries (Argentina, Nicaragua, India, the Republic of Korea, South Africa, and Tanzania) and with a specific focus on unpaid care work provided by individuals in households, Budlender (2008) found that in all countries the time spent by women providing unpaid care work was twice that spent by men.

Feminist scholars have argued that how society views the issue of care will result in the attainment of gender equality, pointing out that unpaid care work is a major determinant of gender inequality (Folbre, 2008; Alfers, 2006; Kabeer, 2012). This is largely due to the notion that women’s disproportionate burden of unpaid care work limits their progress, rights, and opportunities in all spheres of life — including education, employment, and political participation. In addition to this, a lack of access to basic services such as sanitation, electricity, water, and transport can increase the physical work and time of caring. A gendered social norm that views unpaid care work as a women’s prerogative implies that women spend their daily lives meeting the expectations of fulfilling productive and reproductive roles. As women take on the “double burden” (i.e productive and reproductive work), time becomes a limited resource, as the time they use to fulfil care responsibilities could be spent developing their educational skills or engaging in market-related activities (Folbre, 2006: 185).

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15 According to the UN System of National Accounts (SNA) of 1993, which provides the conceptual framework that sets the international statistical standard for the measurement and classification of economic activities, some unpaid work activities are deemed “economic work” and, much like paid work, are considered to belong within the “SNA production boundary.” Unpaid economic work consists of activities in procuring inputs and producing for own use, as well as for the market. Some unpaid work activities are deemed by SNA 1993 to be “non-economic” and are reduced in importance outside the SNA production boundary, including, for example, household maintenance, shopping, cleaning, washing, cooking, providing care for infants and children, and care for the permanently or temporarily ill.
According to Alfers (2006:12) the associations and constructions between women and the family have resulted in the exclusion of women from the benefits, rights, and protections that are supposedly offered by liberal society. Alfers (2006: 12) states that the position of women within a capitalist liberal society has become a paradoxical one: on the one hand, women’s childcare work — which is a fundamental basis of social reproduction — is an exceedingly important part of liberal society, on the other hand, the responsibility for this is a direct cause of women’s exclusion from the very society that they support through this work.

5.2.1. Unpaid care and employment quality

While women are most likely to take on care burdens, the type of employment women engage in has the potential to undermine the allocation of care responsibilities. According to Lund and Srinivas (2000), formal systems, which were fashioned with Eurocentric ideas, had the assumption of full-time employment and high employment rates. In light of this, they were initially developed on the assumption that people’s basic needs such as shelter and food would be satisfied through standard incomes from waged employment. However, changes in the labour market (outlined in Chapter 4), especially with the informalisation of the formal economy, meant that fewer people had access to social protection. The Social Security (Minimum Standards) Convention, 1952 (No. 102) and the Social Protection Floors Recommendation, 2012 (No. 202) have articulated the ILO’s standards for social protection as follows:

_Social security systems provide for basic income in cases of unemployment, illness and injury, old age and retirement, invalidity, family responsibilities such as pregnancy and childcare, and loss of the family breadwinner. Such benefits are important not only for individual workers and their families but also for their communities as a whole. By providing healthcare, income security, and social services, social security enhances productivity and contributes to the dignity and full realisation of the individual. Social security systems also promote gender equality through the adoption of measures to ensure that women who have children enjoy equal opportunities in the labour market._ (ILO, 2017).

In the case of South Africa, it has been documented that workers in the informal economy do not participate therein by choice, while they are poorly remunerated, there is very little hope of migrating to the formal economy due to their lack of formal or marketable skills, thus maintaining their position in the informal sector (Bhorat et al., 2016). In light of the variety of designations that the ILO has covered in the notion of social protection, which serves to ensure that individuals are adequately protected against economic and social risks, the nature of informality means that women, in particular, deal with intensified social risk due to low-wage
levels, high levels of insecurity of employment, and exposure to seasonal unemployment. Therefore, the lack of social protection contributes to their constraints. Caregiving requires a number of inputs such as food, transport, and housing, and therefore requires an adequate amount of stable, reliable income, and appropriate social transfers (child, pension allowances).

Lund and Srinivas (2000) denote that within the informal–formal continuum, women themselves experience variant degrees of growth opportunities and social protections. In transcending the dichotomous depiction of separate formal and informal economies, their portrayal of the formal end offers a range of social protections in the form of worker and employer contributions and, in some cases, private insurance benefits that protect workers from various contingencies. As one proceeds along the continuum towards the informal end, various institutional actors and social protections diminish, and other actors, such as labour brokers, enter the picture. At the informal end of the continuum are women who are self-employed and those who combine low-waged work with domestic work in the informal economy (Lund & Srinivas, 2000:11).

Informal employment denotes the lack of an employment relationship, and thus by definition, those who do not have a direct employer are unable to contribute to social security systems through their employers (Chen, 2012). Therefore, benefits for maternity and child care are non-existent for those who are informally employed. Furthermore, having to work irregular hours, or having no fixed hours, means that organized child care services are potentially closed during the times women informal employees need them most, meaning child care affects work schedules for women in the informal economy. In a study concerned with informal women workers in Brazil, Ghana, India, South Africa and Thailand, Alfers (2016) encountered a South African trader who related that she had to cut her working day short in order to collect her child from childcare, which resulted in her missing out on buying the best wholesale products which only arrived in the market later in the day.

For many women in the informal economy, the ability to rely on extended family for childcare is not always an option. Alfers (2016) found that women complained that family members and neighbours required payment for the care work they provide in their absence. Furthermore, many adults in low-income households were themselves employed and could not bear the time and cost of losing their income to care for children and other dependents. As a result, many informal women workers have to mind their children at their workplaces, which influences the
The quality of women’s employment is affected by caring responsibilities. The time spent on unpaid care plays a role in whether or not women engage in vulnerable or part-time employment. Alfers (2016) found that informal women workers often had to downgrade their employment options in order to reconcile paid employment with care responsibilities. The South African women waste pickers mentioned in her study stated that they had to take on low-waged work because it provided them with flexible working hours to attended to household needs. Therefore, care responsibilities undermine productivity and the potential to earn decent wages for these women.

Beyond the vulnerability produced and reproduced due to a lack of social protections and the accessibility to child-care services, women in the informal economy are also deprived of interventions that may improve their working conditions. In South Africa’s formal labour market, the introduction of sectoral determinations minimum wage laws has played a role towards attaining liveable wages within a range of labour sectors. This includes women who are part of low-wage sectors such as domestic work, farm labour, wholesale and retail, hospitality, and contract cleaning. Findings from Bhorat, Kanbur and Mayet (2013), who studied the effect of the introduction of a minimum wage in a low-wage sector, point to a significant increase in real, hourly wages in the post-law period as a result of the introduction of a minimum wage. The same authors found that for those who performed domestic work, a previously unregulated sector accounting for 984 000 employees, minimum wage laws were associated with a significant increase in wages. Evidently minimum wage laws may have an impact on wages and consequently inputs for care, yet, unfortunately, those who are part of the informal economy are not covered by minimum wage legislation. This implies that women in the informal economy have no means of ensuring that they are not paid at a level that is below the standard of living. In addition, the various constraints faced by informal women workers to organise into associations or unions further limits their capacity to strengthen their voice and bargaining power, reinforcing their precarious position in the labour market and society in general.

5.2.2. Post-apartheid inequalities and the pressures around care provision

The previous chapter recognised jobless growth, informalisation of labour, and the feminisation of labour as trends that contributed to the vast extent of inequality and discrimination witnessed.
in South Africa’s labour market. Given the limited formal mechanisms to mitigate economic and social risks for women in the informal economy, the potential impact of adverse labour market trends can affect women in different ways.

According to Folbre (2008), since the 1990s, the combined effect of increased low-wage labour supply and increasing inequality among women has resulted in a redistribution of family-care responsibilities. Through strategic outsourcing, affluent families have the resources to reduce the time devoted to care and domestic responsibilities. Alfers (2006: 33) argues that, depending on their class position, South African women have, to a certain extent, been cushioned both by a source of cheap, African labour and extensive networks of family providing care. As a result of the lack of state support and, subsequently, a reliance on privatised care, a certain class position has allowed some women to shift their childcare responsibility to domestic workers, who make up a large number of female employment in the country.

According to Kabeer (2012), the feminisation of labour has also pointed to a persistence of gender disadvantage in which entry into paid work by women has not been accompanied by a matching change in the gender division of unpaid labour in the economy. Women continue to take on a great deal of the responsibility concerning the fulfilment of domestic activities and caring for children and the elderly. This is supported by evidence of women’s longer hours of work than men across countries such as Argentina, Nicaragua, India, the Republic of Korea, South Africa, and Tanzania (Budlender, 2008). Consequently, Kabeer (2012: 16) suggests that the tendency for working women to work longer hours than working men results in a phenomenon of ‘time poverty’, constraining women from pursuing individual interests.

Women’s entry into paid work has not brought forth an equal sharing of unpaid care work, the wage gap — which is prevalent within the informal-formal continuum — can have unequalizing, if not exclusionary, outcomes for women that are at the informal end of the spectrum. Evidence from a study conducted by Alfers (2016) suggests that women in the informal economy end up managing their child care responsibilities in ways that can have adverse consequences for themselves and their children; this includes taking young children to work, which decreases productivity and exposes children to inappropriate environments, or having family take care of children.

It has been argued that mothers who rely on grandmothers or persons who are too young to care for their children due to financial constraints perpetuate “a vicious cycle of poverty… and interrupted education” (Cock (1981) in Alfers (2006)). Pierre Bourdieu’s (1986) term, ‘cultural
capital’, which refers to the “reproduction of privilege”, sees individuals in the middle class as often able to provide their children — whose modes of thinking and behaving act as a concrete barrier between middle and lower classes — with a certain moral, social, and/or intellectual understanding of the world. This plays a significant role in determining which level of society an individual will ‘naturally’ fit into, thus affecting the level of social privilege they will have access to (Alfers, 2006: 35).

The most crucial and earliest source of cultural capital, according to Bourdieu (1986), is the family, where educational activities such as reading books are a key source of knowledge and intellectual stimulation. Alfers (2006) maintains that the issue of the lack of cultural capital in carers due to their low socio-economic status is a problem for working-class women who rely on family networks because their children miss out on means to elevate them to a higher class position. Additionally, working-class women are quite likely to be confined to carers who are unable to provide emotional and intellectual stimulation to the children they care for. In this regard children are exposed to low quality and poorly resourced care as a result of their mothers having to participate in an uncondusive labour environment.

While high unemployment, capital intensification, and informalisation of labour has increased levels of inequality in South Africa, the intra-gendered inequality that is also witnessed in the post-apartheid landscape could potentially impede attaining inclusive gender interventions. According to Folbre (2008: 379), globalisation has meant that increased income inequality among women tends to also weaken the support for the kinds of policies that emphasize the commitments to care for others. This is due to the fact that highly skilled women who enter managerial and professional jobs are equipped to and can afford the unpaid family leave guaranteed to some workers by law. While women’s participation in the informal economy is widely documented in South Africa, this group remains the most-often excluded from policy processes. Chen et al. (2006) maintain that local and national governments rarely consult all relevant stakeholders during policy formulation stages, instead, consultation usually involves organised labour and formal business interests, which may overlook the feminine perspective. This has been the case for women in South Africa’s informal economy, which implies that women-specific needs — which include business and skill training as well as the easing of unequal domestic and child care burdens — are not likely to be taken into consideration in policy formulation.
5.3. Positioning the scope of policy interventions for women in South Africa’s informal economy

With South Africa’s highly progressive constitution, which makes provision for a Commission on Gender Equality (a chapter 9 institution) to promote the attainment of and respect for gender equality, a very high standard has been set in relation to the social, economic and legal protection of women. However, the actual status of women in the economy does not, in reality, reflect this. Therefore, the issue of incorporating a gender dimension in the informal economy is very significant. The extent to which development programmes and legal and institutional frameworks impact on informality is key for making a case for gender equality and women’s empowerment in South Africa. In the previous section, the case has been made for women’s double burden roles (productive and reproductive) in South Africa that do indeed affect their participation in the informal economy. Exploring whether or not these roles are valued and taken into consideration in the formulation of development programmes and South African policy not only points to inadequacies in the measures in place to redress the systematic and historic exclusion of women in South Africa’s economy, but also to factors that perpetuate women’s discrimination and inequalities in the informal economy.

The National Development Plan (NDP) and the New Growth Path 2010 (NGP)

In 2012, the National Development Plan (NDP) piloted by the National Planning Commission (NPC) was adopted by the ANC. The NDP is an overarching social and economic plan, which aims to reduce the unemployment rate from 27% to 14% in 2020 (as per the NGP), and then to 6% by 2030 (Valodia, 2013; Fourie, 2015). The NDP — which envisioned the creation of 11 million jobs in 2030 — was criticised for not featuring informal employment in its employment plans and falling short of envisioning structural changes to informal employment (Valodia, 2013: 115). The NDP further stipulates that adopting a “youth lens” and gender equality are prominent themes, yet, the plan is gender blind and is silent on the promotion of gender equality specifically, such as: the over-representation of women in low-paying jobs, women’s triple burdens that impacts on women’s employability, and the lack of recognition of women’s unpaid labour.

The New Growth Path (NGP), which was released in 2010, is a guiding document in pursuit of the government’s vision to see South Africa grow in “a more equitable and inclusive manner”, and proposes to attain this through a combination of macroeconomic, industrial and
labour policies and direct government job creation (New Growth Path Framework, 2010). As a strategy that seeks to build an inclusive economy, the NGP describes women as a vulnerable homogenised group and thus makes no reference to their diversity. The very nature of the growth of precarious and vulnerable jobs is indicative of the reality that women in South Africa are not homogeneous, but rather diverse, and require solutions that reflect this diversity. While women have formal equality in terms of the law, the restructuring of the labour market has had a direct impact on gender relations, to the point of actually diminishing their access and enjoyment of their constitutional equality.

Furthermore, the NGP strongly suggests that certain types of employment, particularly the contract and flexible forms of employment available largely to unskilled workers, would be restricted if not eliminated (New Growth Path Framework). Yet, the NGP proposes the use of legislative amendments to reduce workers’ vulnerability (such as the amendments to the LRA discussed in the next section), thus continuing to favour the employment of full-time skilled workers. While the NGP acknowledges the informal sector and stipulates that it will strengthen and consolidate initiatives to support small and micro enterprises (New Growth Path Framework, 2010:48). Fourie (2015: 16) criticizes the strategy for not putting forward enabling mechanisms or employment options for those in survivalist activities, arguing that they are not considered in the economic strategy. Instead, those who participate in survivalist activities are reduced to a social protection problem in which social insurance and protection schemes for the informal sector are expected to bridge the formal-informal gap (Fourie, 2015:23). The NGP does not list measures to address the needs of informal women. Furthermore, both the NDP and the NGP fail to recognise women’s contribution to the economy through child care, care for the elderly and domestic work.


As it stands, unpaid care work is not factored into the calculation of Gross Domestic Product (GDP) in South Africa, rendering it invisible and taken for granted by policymakers. Social welfare policies are meant to serve as a response by the state to household fragility, yet a lack of gender mainstreaming has also been identified in South Africa’s own Social Welfare Policy. According to Razavi (2007: 381), the pursuit of gender equality is highly dependent on the extent to which social policies actually address the issue of care work. The *White Paper for Social Welfare* (WPSW) was criticised by Sevenhuijsen, Bozalek, Gouws and Minnaar-
McDonald (2003) for positioning care in a familialist framework that insists on care as an element of family and community life. This is particularly problematic considering feminist research has articulated that women’s familial responsibility for care is one of the major impediments to their full inclusion as civil, social and political citizen, meaning a familialist approach adds to the burden of women. Sevenhuijsen et al. (2003) contend that the WPSW’s familialist approach assumes a male breadwinner model drawing on a heterosexual nuclear family, thus not taking into consideration the diverse and alternative family constructions (e.g., multigenerational female-headed households) South Africans find themselves in.

The same WPSW has also been criticised for calling for gender-sensitive welfare policies, yet providing very little detail on how these can be developed. The document alludes to women’s role as primary caregivers, yet it is positioned against vague articulations of how the state would support women in combining their caregiving roles with their need to be “fully integrated into the economy” (Sevenhuijsen et al., 2003). Instead, the WPSW — which is recognised as one of the most significant documents outlining the state’s articulation of the way in which practical substance is to be given to the constitutional obligations of social citizenship rights and the access thereof — adopts a normative criteria, failing to question the gendered division of care responsibilities (Sevenhuijsen et al., 2003).

**Social Transfers: Child Support Grant**

Overall, with South Africa’s large budget allocation towards social welfare, the implication is that social welfare is skewed in favour of social grants rather than care services. Social programmes such as the ‘child support grant’ (CSG), which replaced the racially biased ‘state maintenance grant’ (SMG) in the post-apartheid era, have become an effective poverty alleviation tool. Even so, they fall short in respect of gender transformation (Patel, 2012; Leibbrandt, Lilenstein, Shenker & Woolard, 2013; Razavi, 2007). During apartheid, the SMG, which included a grant for both the child and a parent, catered for white, coloured and Indian families. Post-apartheid, following the abolishing of the SMG, the grant was rolled out to African families too, but was restructured in a way that removed the parent grant, which had been, in the main, received by mothers. At the time the CSG was introduced in 1998, the child grant amounted to R135/month and the parent grant R430/month, making the CSG amount far less than the SMG (Leibbrandt et al., 2013). As of 2017, the value of the CSG is R380/month. In order to qualify for the grant, one needs to earn not more than R45,600 per annum, or R3,800 per month (Ground Up, 2017).
Policy regarding the CSG introduced the concept of a “primary caregiver” (PCG) as an alternative authority for the parent or guardian, whose presence had always been required by the SMG. Because of this development, the redesign of the CSG meant a shift from a maternalist model — where motherhood was positioned as the main criterion for access to the administering of social grants — to enabling any person, whether male or female, who is the primary caregiver of the child, provided you are eligible to meet certain income thresholds, to receive the CSG on behalf of the child. The gender-neutral targeting of the CSG has attracted criticism from feminist scholars, as they claim that the well-being of the child is privileged over the empowerment of women (Patel, 2012; Razavi, 2007).

While limited research has been conducted on the gendered dynamics of the grant, Patel (2012) argues that for social protection to be transformative, it needs to be gender transformative in order to move towards genuine social justice for all members of society. Although social transfers serve to mitigate the vulnerability of poor households, Patel (2012) found that recipients still actively engaged in other income-generating strategies, mostly survivalist activities, to support their families, as the limited monetary value of the CSG did not provide sufficient relieve from poverty. Therefore, jobs and job quality are highly crucial in fulfilling care responsibilities and catering for household needs.

The National Informal Business Upliftment Strategy (NIBUS)

The National Informal Business Upliftment Strategy (NIBUS), which is one of South Africa’s most progressive labour policy initiatives, was launched in 2014 in an effort to address the lack of policy specifically concerning the country’s informal economy. The NIBUS raises concerns regarding the minimal alignment with policy development and government synergy when it comes to the informal economy. According to Rogerson (2015: 178), the mandate behind the establishment of the NIBUS was “to address the development void at the lower base of the small, medium and micro enterprise and co-operatives development strategies”. From a spatial point of view, the NIBUS looks to uplift township and rural enterprises with the support of municipal local economic development offices (DTI (2014) in Rogerson, 2015). In addition, a key instrument in the NIBUS is the Informal Business Upliftment Facility (IBUF) which gives special attention to women and other vulnerable groups by specifically targeting informal businesses that are operated by these groups, providing geographical preferences that support businesses based in townships, rural areas and so-called “depressed areas in towns and cities” (Rogerson, 2015: 179).
5.4. Labour legislation: Assessing the integration of women’s vulnerable employment in labour law design

The law has been recognised as a crucial site and mechanism for influencing rhetoric, behaviour and consciousness with respect to labour policy (Fudge, 2013: 6). In South Africa, labour law applies to all workers within the labour market; however, due to unclear employment relationships as a result of the informalisation of labour, labour legislation does not provide adequate protections to vulnerable workers participating in the informal economy, as they are considered as not falling within the bounds of the labour market. Furthermore, occupations in home-based or domestic work — which typically take place in private residences — mean that women are most likely to find themselves in these unclear employment relationships, as the nature of the work environment tends to add more informality to the relationship.

In socio-economic terms, being gender aware and sensitive entails pursuing analyses that expose systematic inequalities and disparities. Additionally, it requires the investigation of the different conditions that women and men face in labour activity as well as the different effects that policies and programs may have on them (Folbre, 2008; Lund & Srinivas, 2000). Currently, in South Africa, gender-sensitive labour legislation is critical in promoting gender equality between women and men. Furthermore, providing women with access to decent employment not only contributes to improving their agency and the distributional dynamics within the household, but it can also lift entire households out of poverty (UN Women, 2015a).

According to Lund and Srinivas (2000), in order to assess the government’s attitude around the informal economy, one needs to look at the extent to which the state participates in and honours international codes of labour standards. South Africa is a signatory to a number of international treaties that recognise the importance of social protection and insurance as a fundamental human right. In 1997, South Africa became a signatory of the Southern African Development Community (SADC) Declaration on Gender and Development, which is a regional commitment towards eliminating gender discrimination and mainstreaming gender issues in Southern Africa. The SADC Charter of Fundamental Social Rights (2003), specifically Article 10(1), obliges member states to create an enabling environment so that every worker in the region shall have the right to adequate social protection and shall, regardless of status and type of employment, enjoy adequate social security benefits. Furthermore, in 2008, SADC members — including South Africa — adopted a Gender Protocol,
which aims to achieve African and global goals on gender equality, with the over-arching objective being to attain a 50/50 gender parity.

South Africa is also a signatory to the Universal Declaration of Human Rights (1948), of which Article 22 provides every person, as a member of society, with a right to social security. It further states that “everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection” (Article 23(3)). The ILO’s conventions on maternity protection (183) and workers with family responsibilities (156) speak directly to legislation and labour practices that help workers access decent work while considering care responsibilities (ILO, 2017). The ILO Domestic Workers Convention (189) outlines legally binding labour standards for the protection of domestic workers, who are recognised as one of the most oppressed categories of informal care workers (ILO, 2017). The most significant ILO instrument for informal workers is the ILO Recommendation 202 on social protection floors and Recommendation 204 on the transition from the informal to the formal economy, both of which recognize the need for childcare and maternity benefits as part of global social protection floors (ILO, 2017). In addition to the various ILO instruments and The United Nations Entity for Gender Equality and the Empowerment of Women (also known as UN Women) have called for greater public and private investment in childcare services to protect women’s rights to decent work and have driven recommendations for public action to achieve substantive equality (UN Women, 2015b).

While South Africa is a signatory to various multilateral level institutions that have developed frameworks to exert influence on national policies regarding social protection, it is vital to discuss how the implementation of South African labour legislation acknowledges these concerns and also takes into consideration the status of informal workers. The following section will discuss the Labour Relations Act and the Employment Equity Act, which are the legislative foundations for the South African labour market. In addition, the Broad-based Black Economic Empowerment Act and the Promotion of Equality and the Prevention of Unfair Discrimination Act (PEPUDA) will be reviewed, as they both seek to improve the participation of women in the economy.

(i) Labour Relations Act (Act 66 of 1995)

The Labour Relations Act (LRA) is an act that provides employees with a protected right to form trade unions and engage in collective bargaining. As it stands, workers in the informal
economy do not enjoy the same protected rights to freedom of association that employees in the formal economy have in terms of the LRA (Benjamin, 2008). The implication is that women (and men) in the informal economy are not privileged to have representation, which affects the bargaining of wages, minimum conditions of employment, and extending childcare services. According to Alfers (2016) encouraging informal workers to organise themselves could exert more influence over the implementation of childcare services, as part of social protection systems protecting against work-related contingencies. Valodia (2001) contends that a useful mechanism for incorporating the informal economy into the labour relations system would be the establishment of bargaining bodies, which should be composed of employers (including contractors and sub-contractors), workers, and government, to encourage appropriate collective agreements within the informal economy.

The amendment of the LRA in 2014 — particularly section 198, which aims to prevent employers from hiring workers on endless temporary contracts to avoid the payment of benefits associated with full-time employment — seeks to strengthen protections afforded to vulnerable workers (Bhorat et al., 2016). Essentially, the amendment aims to protect workers who are often subject to legally unacceptable conditions of work and are in vulnerable employment. However, the amendment did not make explicit reference to women as a group that is disproportionately affected by decent work deficits in vulnerable sectors of the economy. By failing to incorporate this important gender dimension, the LRA makes the implementation of employee protective measures stipulated in the ILO Decent Work Agenda 16 as well as the ILO Recommendation 204 — which explicitly advance gender equality and advocate for maternity and social protection — improbable (ILO, 2012). Feminist economist scholars have articulated that social reproduction is as important as production relations and, therefore, labour law should be reviewed and reconceptualised to reflect this (Folbre, 2008; Beneria, 2001; Fudge, 2013). Fudge (2013) has moved on to argue that within societies that value paid employment as the most important path to ‘citizenship’, treating unpaid care work as a matter of family or social law, not labour law, reinforces the notion that such work is not only a woman’s natural role but also that in the social hierarchy, it is of lower value than paid employment.

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16The ILO’s “Decent work for all” strategy, has a primary goal “to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity”. The decent work strategy adopts a very broad perspective on work, which includes (paid) employment as well as work at home in an effort to take gender roles into consideration. An essential feature of the decent work approach is that everybody is entitled to basic social security.
(ii) Employment Equity Act (Act 55 of 1998)

The Employment Equity Act (EEA) was introduced in an effort to eradicate the remnants of discriminatory laws from the apartheid regime, which resulted in racial and gender disparities in employment, occupation, and income (Benjamin, 2008). The EEA is instrumental for achieving equal opportunity and treatment in respect of employees and places primary focus on race, gender and disability. Specifically, women are a “designated group” to which affirmative action measures apply. The most crucial component of affirmative action is perhaps that black women are identified as the main beneficiaries of the EEA, thus entitling black women to receive equal treatment in terms of opportunities available. Even so, racial and gender imbalances remain prevalent in the South African workforce: white men account for 54.5 per cent of top management positions, white women for 9.3 per cent, African men for 14.2 per cent and African women for 6.1 per cent (ILO, 2012). In addition, data from Statistics South Africa’s Labour Force and Quarterly Labour Force Survey tell a similar story in that in 2010, the gender earnings gap stood at 30 per cent for wages, salaries and earnings from non-agricultural self-employment combined.

As it stands, African men and women share a small portion of the economy, meaning that the EEA has not brought closure for many of the intended beneficiaries. According to Folbre (2006), money buys care and the expenditure on dependents has implications for the standard of living of those who do the caregiving. The implication is that for women in the informal economy, who face the highest incidence of low pay, are deprived of high quality private childcare services as they are unaffordable or inaccessible to them, this is particularly so in rural areas.

(iii) Broad-based Black Economic Empowerment (Act 53 of 2003)

The Broad-based Black Economic Empowerment (B-BBEE) Act is a government strategy that seeks to enable the meaningful economic participation of all black people, — including women, workers, youth, people with disabilities, and people living in rural areas — through diverse but integrated socio-economic strategies (Broad-based Black Economic Empowerment Act, 2003). The concentration of women, in particular black women, in low-paying, vulnerable and irregular labour force participation suggest that women are, in general, much less economically secure than men in the country. Perhaps by singling out black women as a designated group, the B-BBEE Act highlights the importance of women within the economy and the necessity of resolving the perpetuation of gender discriminatory practices in the local labour market. The
B-BBEE’s preamble states that South Africa's economy continues to exclude the vast majority of its people from ownership of productive assets and the possession of advanced skills (Broad-based Black Economic Empowerment Act, 2003). However, while the participation of black people in the economy has been promoted, the empowerment of women within the economy, specifically those in the informal sector, has not received sufficient sensitisation and awareness through this act. This is of particular concern as scholars have found that the burden of fulfilling care responsibilities coupled with women’s lack of financial and material assets have constrained women’s earning and profitability potential in the informal economy (Dejene, 2007; Tsikata, 2008; Groenmeyer, 2011), maintaining the disempowered role that black women, specifically in the informal market, occupy in the country’s labour market. Therefore, initiatives intended to narrow the gender gap and support greater equality have not received adequate special measures and targeting to increase the labour force participation of women in the informal economy through the provision of state childcare-related services, which would give women more options and flexibility in terms of how they engage in and with the informal economy.


The Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA) (Act 4 of 2000) serves as a platform and a basic minimum standard for the prevention of discrimination and inequalities in the workforce. Notably, the act includes the prohibition of discrimination on the basis of gender. For example, PEPUDA identifies “the system of preventing women from inheriting family property” as a prohibited form of discrimination [section 8(c)] as well as “any practice, including traditional, customary, or religious practice, which impairs the dignity of women and undermines equality between women and men, including undermining the dignity and well-being of the girl child” [section 8(d)]. Furthermore, PEPUDA prohibits “any policy or conduct that unfairly limits access of women to land rights, finance and other resources” [8(e)]; “limiting women’s access to social services or benefits, such as health, education and social security” [8(g)]; “discrimination on the grounds of pregnancy” [8(f)]; “the denial of access to opportunities” [8(h)]; and “systemic inequality of access to opportunities by women as a result of the sexual division of labour” [8(i)] (Bentley, 2004:254).

While the authors of PEPUDA were obviously mindful of the contention that women are marginalised in terms of their lack of assets, pregnancy, and their access to employment opportunities, the act does not address care as a responsibility that hinders women’s full
participation in the South African economy. This consideration is particularly crucial in light of evidence that highlights that women’s care responsibilities in the informal economy are a barrier that reduces their employability and advancement to the formal economy (Alfers, 2016). While the act seeks to prevent the above-mentioned discriminations for women in South Africa, the very incidence and growth in number of informal women workers is due to the discrimination in women’s access to finance and credit, exclusion from policy and decision-making and the shortcomings in recognising unpaid care (Chen et al., 2006; Chant & Pedwell, 2008; Tsikata, 2008).

Even where de jure discrimination has been abolished, women continue to display high rates of disadvantage in the labour market, this is true in relation to the gender wage gap, high rates of female unemployment, job segregation and low pay. As South African women continue to cluster in low paid and precarious work, with little chances of advancement, women’s position in the informal economy points to an enduring patriarchal bias in the labour market.

### 5.5 Conclusion

While care has been recognised as an essential need for human life, women’s disproportionate responsibility for care not only results in less time for paid work but also limits their progress, rights and opportunities in various spheres of life. Women occupying different places on the informal-formal spectrum experience differing levels of access to social protection: formal employment affords women a reliable, stable income and employment contributions that cater for providing inputs for care; in contrast, women in the informal economy face constraints in addressing their childcare needs. For example, high-quality, private childcare services are unaffordable to them, and care responsibilities restrict the amount of money they can make as their available hours are limited, reducing the time they can actually commit to productive work. Furthermore, even productive informal work affects the quality and quantity of care that women can give their children. Beyond the vulnerability produced and reproduced due to a lack of social protection and the inaccessibility to childcare services, women in the informal economy are also deprived of access to interventions such as minimum wage laws, labour representation, and inclusion in policy-formulation processes, all of which could have vast potential to improve their working conditions and socio-economic position in general.

Implementing policies and frameworks that facilitate an enabling working environment for South African women in the informal economy is critical in facilitating the growth of their businesses and promoting their socio-economic rights and status. The CSG has placed less
emphasis on the employment conditions of the mother and the WPSW, which practically insists on women’s role as primary caregivers, contradicts the feminists argument that women’s familial responsibility for care is an impediment to their full inclusion as civil and political citizens.

While South Africa’s legal and policy provisions — constitutional, international and domestic — offer a comprehensive commitment to the protection of the rights of women, the articulation of the labour law does not adequately give concrete substance to these commitments. South Africa’s domestic labour law has made advancements to redress apartheid inequalities and the inclusion of gender focal points; however, the legislation falls short in acknowledging that women’s socio-economic situation is dependent on a range of interlocking factors that need to be understood in a holistic manner. South Africa’s domestic labour laws, in some instances, do recognise women as a designated group; however, they do not address the intersection of women in the informal economy, which creates barriers to implementing substantive improvements to the lives of all women in South Africa.

Generally, national regulations have not addressed the plight of women, who happen to be disproportionately impacted in the informal economy, as recognized in the ILO Recommendation 204. If affirmative action in South Africa is to have positive impacts on women, there is a need to ensure that gender-sensitive initiatives have a chance of transforming social and economic exclusions, including gendered inequalities of those in the informal economy. The above discussion of the LRA, EEA, B-BEE, and PEPUDA demonstrate that unpaid care work is the missing link in the consideration of gender gaps in labour outcomes. Additionally, the discussion also highlights the reality that South Africa needs to move towards an inclusive, progressive application of labour standards and laws, most notably in the informal economy, where women are disproportionately affected.
Chapter 6: Data Findings

6.1. Introduction

The previous chapter offered a review of labour regulatory frameworks and coordination mechanisms in South Africa, which the researcher considers to have fallen short in their prioritisation of women in the informal economy. Despite a highly progressive constitution, that sets high standards for the protection of women, the risks and decent work deficits faced by women in the informal economy require much attention. This chapter will outline the research findings regarding my investigation on the subjective experiences of precarious conditions created for women in the informal economy.

This chapter is divided into seven sections that cumulatively detail the findings of this study, which were elicited through semi-structured interviews of 30 women in three locations in the Cape Town area, namely Cape Town CBD, Woodstock and Khayelitsha. The first section begins by documenting the demographic profile of the participants in the study, which includes: identifying the types of informal employment that women are engaged in, identifying the sectors of their involvement, income, and duration of informal employment. The second section documents the differences amongst women in informal employment, which include: immigrant status, female household-headship, and limited support structures. The third section discusses the economic challenges reported by the participants of the study, which pertain to: economic uncertainty, the commodification of goods and services, and concerns of competition.

Section four explores the mechanisms for social mobility, particularly the lack thereof, which include: over-reliance on single-income strategies, being trapped in poorly paid work, and constraints in pursuing education. Section five looks at the relationship between care and informal labour, section six focuses on the impact of precarious work on health care, living conditions and psychological well-being. In section seven, the focus turns to the perceptions held by different women in the informal economy relating to how they experience their work and how the identities of gender, race and class intersect to determine their experiences in the informal economy. The final section is a conclusion based on the above.
The majority of the sample was informally self-employed (57 per cent) and the remainder informally employed (43 percent). This may be attributed to the fact that informally employed women tended to be reluctant to engage with the researcher, as their employers were in sight and feared reprisal for abandoning their duties, while some indicated that they were afraid of portraying their places of employment and employers in a negative light and thus refrained from participating entirely.

Table 6.1: Demographic Profile of Respondents

Table 6.1 reflects basic demographic information of participants of the sample. The information includes race, nationality, age, number of children and dependents, sector, and the informal capacity (i.e self-employed vs informally employed) in which participants were employed in.
According to the Provincial Economic Review and Outlook (2015), the racial profile of the Western Cape’s informal sector which is inclusive of both genders is comprised of 43.2 per cent Africans, 39.9 per cent Coloured, and 15.1 per cent White individuals. In this regard, the study sample was not accurately representative, as the coloured population (53.3 percent of the sample) was greater than that of Africans (40 percent). It is worth noting that despite being the majority in this study, the Coloured population is a minority grouping in terms of national demographics; however, in the Western Cape, the cohort is a majority, which has evidently influenced the sample of this study.

It is also worth noting that the African population in the sample is inclusive of African foreign nationals, who represented 13 per cent of the total sample. Foreign national participants were from Kenya, Zimbabwe and Congo. White and Indian representation was minor, with each race representing 3.3 per cent of the sample. This seems to correspond with national demographics, as White and Indian nationals represent 8 percent and 2.5 percent of the national population, respectively (StatsSA, 2017).

Generally, the women interviewed were aged between 21 and 64. The average age was 39 years old. Education levels of the sample varied, with a grade nine being the lowest and a tertiary degree being the highest.

Respondents were asked questions concerning their household composition, particularly the number of children they have and the number of dependents that rely on their income. In terms of number of dependents respondents have, responses ranged from having zero dependents to 16 dependents for a single respondent. Participants’ dependents were either their own children, with number of children varying between zero and five, or were siblings, grandparents or relatives from extended families. This substantiates the literature in its assertion that informal income-generating activities serve as a response to the poverty and disadvantage that characterises respondents’ households (Carr et al., 2000; Skinner & Valodia, 2003).

The next section includes a table which documents the duration of informal employment/length of enterprise operation for the sample in the study and the locations in which the sample operated. Additionally the incomes disclosed by the respondents and the nature of informal activities are also documented.
Table 6.2: Economic Profile of Respondents

<table>
<thead>
<tr>
<th>Respondent</th>
<th>No. of years</th>
<th>Profit/Wage</th>
<th>Sector</th>
<th>Type of informality</th>
<th>Previous occupation</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.5</td>
<td>R 10 000</td>
<td>Clothing</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>CBD</td>
</tr>
<tr>
<td>2</td>
<td>1.5</td>
<td>R 2 000</td>
<td>Clothing</td>
<td>Informally employed</td>
<td>Unemployed</td>
<td>CBD</td>
</tr>
<tr>
<td>3</td>
<td>7</td>
<td>R 4 600</td>
<td>Private HH</td>
<td>Informally employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>R8000 - R15000</td>
<td>Tourism</td>
<td>Informally employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>5</td>
<td>6</td>
<td>R 2 400</td>
<td>Clothing</td>
<td>Informally employed</td>
<td>Formal</td>
<td>CBD</td>
</tr>
<tr>
<td>6</td>
<td>11</td>
<td>withheld</td>
<td>Food</td>
<td>Informally employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>7</td>
<td>1 R 5 000</td>
<td></td>
<td>Clothing</td>
<td>Informally employed</td>
<td>Formal</td>
<td>CBD</td>
</tr>
<tr>
<td>8</td>
<td>1 varied</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Formal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>9</td>
<td>1.5 varied</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Formal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>10</td>
<td>14</td>
<td>varied</td>
<td>Food</td>
<td>Self-employed</td>
<td>Formal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>11</td>
<td>13</td>
<td>varied</td>
<td>Food</td>
<td>Informally employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>12</td>
<td>3 R 4 000</td>
<td></td>
<td>Clothing</td>
<td>Self-employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>13</td>
<td>20</td>
<td>R1500 - R3000</td>
<td>Floral</td>
<td>Self-employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>14</td>
<td>1 R 3 000</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>Woodstock</td>
</tr>
<tr>
<td>15</td>
<td>4 varied</td>
<td></td>
<td>Crafts</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>Woodstock</td>
</tr>
<tr>
<td>16</td>
<td>35</td>
<td>withheld</td>
<td>Clothing</td>
<td>Self-employed</td>
<td>Formal</td>
<td>CBD</td>
</tr>
<tr>
<td>17</td>
<td>3 varied</td>
<td></td>
<td>Hair/Beauty</td>
<td>Self-employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>18</td>
<td>3 R800 - R1300</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>19</td>
<td>3 4000-10000</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>CBD</td>
</tr>
<tr>
<td>20</td>
<td>2</td>
<td>R300 - R900</td>
<td>Clothing</td>
<td>Self-employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>21</td>
<td>4</td>
<td>R1800 - R2500</td>
<td>Crafts</td>
<td>Informally employed</td>
<td>Unemployed</td>
<td>Woodstock</td>
</tr>
<tr>
<td>22</td>
<td>2 withheld</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>Khayelitsha</td>
</tr>
<tr>
<td>23</td>
<td>2</td>
<td>R3000-4000</td>
<td>Private HH</td>
<td>Informally employed</td>
<td>unemployed</td>
<td>Woodstock</td>
</tr>
<tr>
<td>24</td>
<td>5,5</td>
<td>varied</td>
<td>Food</td>
<td>Informally employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>25</td>
<td>1 varied</td>
<td></td>
<td>Food</td>
<td>Informally employed</td>
<td>Informal</td>
<td>Woodstock</td>
</tr>
<tr>
<td>26</td>
<td>3 4000</td>
<td></td>
<td>Clothing</td>
<td>Informally employed</td>
<td>Informal</td>
<td>CBD</td>
</tr>
<tr>
<td>27</td>
<td>4 R2000 - R3000</td>
<td></td>
<td>Food</td>
<td>Self-employed</td>
<td>Formal</td>
<td>Khayelitsha</td>
</tr>
<tr>
<td>28</td>
<td>10</td>
<td>varied</td>
<td>Crafts</td>
<td>Self-employed</td>
<td>Formal</td>
<td>CBD</td>
</tr>
<tr>
<td>29</td>
<td>9</td>
<td>R1500-R3000</td>
<td>Food</td>
<td>Self-employed</td>
<td>Unemployed</td>
<td>Khayelitsha</td>
</tr>
<tr>
<td>30</td>
<td>14</td>
<td>R 4 500</td>
<td>Hair/Beauty</td>
<td>Informally employed</td>
<td>Informal</td>
<td>Khayelitsha</td>
</tr>
</tbody>
</table>

Table 6.2 reflects basic economic information of participants of the study, specifically it documents their average monthly earnings and the localities in which informal labour activity takes place.

Table 6.2 provides a breakdown of the economic situation of participants of the study. The sample included those who had been working in various informal professions for at least one year, with the longest therein employed for 35 years. Women recorded as being in the informal economy for the longest tended to be self-employed across varying sectors, which is an interesting finding.

Participants in the sample indicated that prior to their current employment, they either did similar work but under different conditions, i.e., different location and/or employer, or did
different modes of employment altogether. Overall, 43,3 per cent of the sample was previously informally employed, 30 per cent was unemployed, and 26,7 per cent was formally employed. Given the evidence of prior unemployment, the study confirms the links between poverty and participation in the informal sector as found in the work of authors such as Rogerson (1996), Neves and du Toit (2012), and Chen (2001), amongst others.

The sample engaged in a variety of informal activities which have been categorised as follows; the food and beverage sector which includes the selling and preparation of perishables such as fast-food, chips, sweets, biscuits, colddrinks. The clothing sector which included the trade in new and second-hand clothes and laundry services. The hair and beauty sector which includes hair braiding and hair styling services. The craft sector which consisted of basket-weaving and the selling or making of African crafts. Employment in a private household included child minding and domestic services. Other activities of less prominence in the study were flower trading and providing tourism services.

Participants were asked to disclose their earning per monthly basis: a few of them did not feel comfortable in disclosing this, while others articulated that their earnings were “up and down” and thus could not quantify an average earning. For those who disclosed their earnings, the lowest monthly earning was between R300 - R900 which was reported by respondent number 20 who has three dependents. The highest monthly earnings were recorded by the only respondents who held a tertiary qualification, namely respondent number 1 (R10 000) and respondent number 4 (R8000 -15 000). Participants admitted to not keeping record of their earnings, which was particularly the case for those who are self-employed. For instance, one woman who had operated her business for three years stated:

_Today I can make R50 and tomorrow I can make R200, it varies. My monthly average ranges from R800 to R1300. I don’t keep inventory or record but if for example a box of cigarettes is finished today I will replace it today, so I am unable to tell you whether or not I am making a lot of money._

Failing to keep record of profits and developing long-term financial goals was commonplace in the sample. This supports Neves and du Toit’s (2012) contention that the informal economy in South Africa is induced by disadvantage, lacks an entrepreneurial mind-set, and is primarily motivated by social and re-distributional reasoning. Furthermore, the inability to report a clear average monthly income can be ascribed to the seasonality and the uncertainty that is characterised by informality.
In relation to the locational breakdown of the sample, many participants who were approached were suspicious and generally reluctant to participate in the research, thus Table 6.2 (above) reflects the areas where willing participants were found. The researcher interviewed 12 participants operating in Cape Town CBD, 14 participants from the Woodstock area, and 4 participants from Khayelitsha.

6.1.1. Differences in the Nature of Informality

The study included women who were informally employed in both informal and formal establishments as well as self-employed women who ran their own businesses. With regard to self-employed women in the sample, street vending was the dominant activity in all three locations. The majority of vending activities concerned the selling and preparation of food as well as trading in clothing and crafts. Many of the women participated in street vending due to the low barriers to entry and limited start-up support, this finding corroborates the literature that contends that social and cultural norms discriminate against women in providing start-up capital for businesses (Dejene 2007; Tsikata, 2008). This is illustrated by two women who secured their own means in order to finance their street vending activities; one stated:

\[\text{So I was struggling all these years then I decided that I would start selling loose cigarettes, then I began selling 50 cent chips, so I took many small steps until I saved money and then bought more stock}\]

Another shared:

\[\text{I have not heard of any support organisations for people in the informal sector but I guess in my situation I did not have the luxury to wait for some waiting period or follow long processes anyways, so that is why I took the option of selling my fridge to start my business right away}\]

In addition to the lack of start-up support and low earnings, the self-employed women in the sample also reported the challenge of high competition amongst themselves (discussed in the next section). Other challenges included expensive storage fees and confiscations related to not possessing valid permits. One respondent who sells second hand clothing shared her experience:

\[\text{Law enforcement comes and takes my clothes, just the other day I lost half of my stock because I don’t have a permit...It is stressful, to get clothing I knock on people’s doors or get stuff from my own house}\]

While informal vending activities are often a survivalist strategy, some of the women who ran their own businesses spoke of their businesses as a source of empowerment in which they take
pride, viewing themselves as active agents in their personal development as well as of the dependents they support. One woman who is self-employed in the food and beverage sector stated:

*Even if it is a struggle, whether or not you have made it, that is on you. For me this business is not about money, it was because I love this. At the end of the day, I am pleased that I did something with my own two hands. This is where I find myself, this is my space.*

Another woman who is informally self-employed as a food and beverage trader stated, “*this business has allowed me to do a lot for my children, I can buy school shoes etc, so I don’t have a problem, I don’t want to become rich, I just want to provide for my children*”.

The findings from the study also suggest that despite the high levels of self-exploitation respondents encounter, including physical over-exertion, those who were self-employed were generally less distressed about their work. This is attributed to the contention that they were working for themselves and are not required to report to anyone regarding their performance or availability etc. In contrast, those who were informally employed in a formal business — specifically in food retail — and/or in private households sought more autonomy and expressed a desire to start businesses of their own in order to break away from the employer-employee relationship, which they found restricting. One respondent who is informally employed in a private household expressed her dissatisfaction with her employment and shared her desire to cut ties with her employer, “*I would like to start my own business. When I speak to other people who have businesses, it seems their lives are getting better compared to those who work for someone else*”.

The study also included four women who were informally employed in informal businesses, specifically in food and clothing trade informal businesses, and reported a double burden of informality in that while verbal arrangements were made for monthly or weekly earnings by their employers, if the businesses they worked at were affected by seasonal downturns in profits, the workers were affected by late and/or reduced salaries.

The next section will look at the differences amongst women in the study.
6.2. Differences among Respondents

The informalisation of labour contributes to women’s subordination, especially Black women, in the labour market, particularly worsening the position of women due to the disregard of labour standards (Groenmeyer, 2011). This is further reinforced by the patriarchal ideology that dominates South African society, which contends that care should be primarily located in the family, skewing the responsibilities of social reproduction to women. In an effort to investigate the perceptions held by different women in the informal economy relating to how they experience their work, the respondents were asked how they particularly participated in the informal economy and whether or not they felt that their racial identity played a role in their entry into this labour segment. Despite 53.3 per cent of the sample being Coloured, 40 per cent African, 3.3 per cent White, and 3.3 percent Indian, the participants did not explicitly express that race played a role in their entry and experience in various income-generating activities.

Furthermore, explicit patterns of racial stratification were not found within the sample, particularly because African and Coloured women — who were the majority of the sample — did not show stark differences in income and educational qualifications. Instead, the challenges of an immigrant status, the nature of family responsibilities/ household structures, and limited support structures were reported and seemed to uphold inequality among the women sampled.

6.2.1 Immigrant Women

African immigrants in Cape Town, particularly at the station deck and Green Market Square in the CBD, occupy low-wage or casual employment within the informal economy. The researcher’s interactions with women immigrants in the informal economy revealed that failure to find employment in their own countries — either due to poor economic growth or hostile political situations — has made these individuals more likely to be employed informally in South Africa. Given the high unemployment rate in South Africa, immigration is perceived as a threat that decreases the probability of obtaining a job among unskilled workers. Respondents have articulated their attempts to employ a number of job search strategies to try and secure decent employment. These include recruitment agencies, looking for jobs through temporary agencies, and applying for jobs in-person, amongst other strategies. A Zimbabwean interviewee with a grade 12 qualification noted:

*I tried leaving my CV at different places, but wherever I go they keep saying that they will call me. Or sometimes you try to drop off your CV somewhere and the manager*
there is a coloured or a Xhosa, and they say, us, Zimbabweans are stealing their jobs so some of them say that “if we employ you, you will take my place

A Kenyan informal trader with a degree qualification expressed her sentiments on underutilising her own skills:

*I sell clothes here [at the Green Market Square] because South Africa does not recognise my dentistry qualification. But I am saving up to go back to school to do the same course here in South Africa ... I am happy that I am not sleeping in the streets, this store is a product of my hard work. But in terms of where I want to be, I am not happy about what I do*

Immigrant women find themselves in a position whereby their foreign credentials and skillset do not provide the expected occupational rewards in South Africa. This is particularly stressful for those who move to the country for professional development gains. In addition to the discrimination of not being well received by South Africans and having to underutilise their skills, the participants disclosed feeling the pressure of having to generate a significant income to send money regularly to dependents in their home countries. A Zimbabwean participant noted:

*It is not enough [her income], because here, we get our money every weekend so if I want to send it home, I have to wait until I put all my money together. It is not enough.... When we [the informal business she works for] have little money coming in the business, I have to wait until we make some money so that my boss can pay me*

The remitting behaviour of immigrant women in the informal economy can be very challenging when incomes are insufficient or too erratic to allow them to remit. As such, informal income-generating activities are then even more burdensome for immigrant respondents who engage in informal work in South Africa in order to provide for their families back home.

6.2.2. Woman-headed Households

The household and family structures in which women support or are supported by affect women’s relative economic and social vulnerability and how they participate in informal economic activities. Labour market trends, particularly labour market flexibility and high unemployment, have contributed immensely to the loss of formal employment for men and consequently a decline in the male breadwinner role. As a result, womens’ contributions to household sustenance has unquestionably increased in the informal economy. The majority of women sampled were single and unmarried; those that had partners or spouses indicated that their spouses were also part of the informal economy as painters or maintenance and
construction labourers whose contracts could end on short notice. In two cases, partners were unemployed.

The researcher’s fieldwork findings were consistent with the contention that nuclear families are decreasing and that woman-headed families in South Africa are commonplace (Lund & Srinivas, 2000; Alfers, 2006; Patel, 2012). Woman-headed households are characterised by economic independence of the woman and the absence of a male head in the household. The predisposition to this family structure is grounded in the material reality within this country in that women have become the main economic contributors and key decision-makers on behalf of absent male heads. The women-headed households in the sample were a result of widowhood, divorce and absent fathers (single mothers).

Significant challenges were cited by the respondents with regard to household sizes, life cycle phases, and age-specific challenges. One respondent, aged 64-years-old, who heads a multigenerational household, has to continue to work in order to fulfil the household needs:

*I have seven grandchildren in my house and as well as four of my own children living in my house, so I contribute towards food from time to time because my children do contract work so their employment is up and down. But otherwise, my responsibility is paying the utilities and the mortgage bond – (informally employed in Laundry services)*

The literature that makes reference to multigenerational households in South Africa depicts elderly women, mainly grandmothers, as primary care-givers while mothers participate in various livelihood strategies (Alfers, 2006). The above-mentioned respondent had to play an active economic role in order to supplement the household income despite being of retirement age. Furthermore, the respondent is not only affected by the seasonality of her own informal employment but the seasonal shifts of the employment of her children, which both affect the economic circumstances of her household. Other women heading households were found to be living in precarious living conditions with other relatives (cousins or sisters) as a means of pooling resources and sharing household responsibilities that would otherwise be burdensome for a single respondent. One noted:

*I live with my sister, I am a backyard dweller so I don’t pay a lot of rent because she lives in the main house. We share electricity expenses etc … she [sister] is not working so I am her source of income, even her son is not working so I am actually the breadwinner for two families, my own and my sister’s – (Informally employed in the Food and Beverage sector)*

One respondent who had been previously employed in a formal capacity for 18 years described adjusting to providing for her household on a reduced income from her informal business:
I support basically the family as a whole, so that is my two children, my mother, my sisters and my nieces and nephews, in total that is 16 people. I have been the breadwinner for a long time, so luckily my sister recently got a job so I hope we will share the responsibilities now. But I have communicated to them that whatever profit I make is for the business and it needs to go back to the business. Unlike before where I earned a stable income, when it was clear that for example R2500 will be allocated for a certain item, so my family is adjusting to the fact that things have changed - (Self-employed in the Food and Beverage sector)

The informal economy is a crucial source of living for women-headed households. Given the importance of informal economic activities for entire households, further constraints to women’s advancement in the informal economy and their opportunities for progression in the labour market can potentially intensify household burdens for women.

6.2.3. Limited support structures

In the literature on the informal economy, the social aspect of informality has been put forward by scholars advocating that formality secures legal protections and entitlements, therefore informality is constrained by a need to rely on interpersonal assurance and social networks (de Soto, 2000; Neves & du Toit, 2012; Roberts, 1990; McKeever, 1998). Given the purposeful sampling strategy (snowball sampling) used in order to encourage participants to recommend others who shared the same racial identity and were engaged in similar work, women sampled reported not knowing other women engaged in similar work. The self-employed women interviewed worked in complete isolation and had very little, if any, interaction with other women who worked in close proximity to them. This could potentially be attributed to the competitive nature of certain forms of informal trading.

The portrayal of a lack of mutual support also means that women in the study are unable to exploit social capital as a means of advancing mutual interests in their working environment. This is reinforced by the finding that the majority of the women reported that they had no one to rely on during periods when no or very little income was generated. This was also revealed when participants were asked about the type of support structure they had at home, to which responses included, “I do not have one [a source of support], it is only the government child grant which is supporting me.” – (informally employed in a private household).

“My husband passed away in 2014, but I make sure that I only buy what we [herself and her children] need.” - (informally employed in the Food and beverage sector).
“I do everything myself, there is nobody to help me. If I do not work, then I will have nothing. I have family members but it is not easy to ask because they have their own issues to deal with.”
- (informally employed basket weaver).

“I have a husband but he does not work, he is an invalid.” – (informally self-employed in the Clothing Retail sector)

As such, the family and friendship networks the participants had were not a guaranteed form of social protection, even in times of economic difficulty. Therefore, in addition to the decent work deficits and erratic incomes, respondents were disadvantaged by a lack of support structure in that family and friendship networks could not be called upon when financial or other assistance was needed.

6.3. Economic Concerns

Across the sample, the main economic challenges cited by the participants, which included external and internal challenges, alluded to the seasonality of incomes that are highly dependent on tourism, low earnings, and the high costs of good services that affect both women and the households they maintain. These concerns make a case for interventions to support women in informal types of employment. The views on the economic challenges facing women in this labour segment included:

6.3.1. Heightened Competitive Concerns

When asked about whether there were any significant changes within their respective informal work since the commencement of informal economic activities, the majority of the informally self-employed women cited competition as a significant challenge. The informal traders expressed that in one way or another, the emergence of market saturation had contributed to the lowering of profits and generally the visible changes to the number of traders on-site on a regular basis. The women cited competitive concerns from mainstream formal retailers and supermarkets:

Business has slowed down because there are so many food places opening, which is also due to many students coming to the area. There are a lot of coffee shops and well-established establishments opening up which makes it very difficult for us small vendors. - (self-employed in food and beverage sector)

When I started the business, it was nice but now the business is down. The rand has fell (sic) and I have fewer customers now. There are more and more people setting up shops like mine around this area. Before I used to provide, now I cannot provide as much because the business is down. - (self-employed clothing trader)
Competition does not only emanate from formal retailers supplying the same goods sold by informal traders, but rising prices in supermarkets and at retailers where informal traders source inputs for their own businesses contribute to lower profit margins. This competition cycle has caused a decline in profit margins and dynamic responses from informal traders in an effort to retain the customer base. One trader explains:

*In the beginning we had more business, there were more people coming in because prices were lower. In the last four or five years prices have risen so much that you end up losing profit. We have not really lost customers but that is because I do not raise my prices. For example, if I go to a shop where I buy my sausages for the boerewors rolls I make, the sausages are like R45 per kg, then you can still make a profit. But when you come back after sometime and the same sausages are R55 per kg and for me I use 8 to 10 kgs per day, that means I lose R200 because I only add R1 or R2 to the overall price that I sell the boerewors. So in the end I make my own income a little bit less so that I do not chase away my customers*- (self-employed in food and beverage sector)

The pressure on informal traders to retain prices that are appropriate for consumers with low and erratic incomes adds a financial burden to traders, which invariably burdens women traders given the livelihoods demands of their households. During an interview, a customer approached the trader’s store and insisted on paying a smaller amount than what the actual price was, the informal trader noted that:

*The customers like to negotiate the prices down, and I already set the prices low and the people still want to push it down. You saw yourself that last customer bought sweets for R2.50 and told me he only had R2.00, these customers like to do that. So people pay less than the actual price and you can’t fight with them* - (self-employed in food and beverage sector)

The nature of limited public spaces available for informal traders is another barrier that hinders their ability to increase their profits to support their households. The researcher noticed while conducting interviews that in certain areas in the Cape Town CBD, such as Greenmarket Square and the station deck at the train/taxi station, both men and women informal traders were found to be offering the same goods and services within a very close distance amongst each other. The women interviewed described their experience of over-crowding of traders and the selling of similar products in a saturated informal market:

*It is very stressful, when you are busy with a costumer, you hear the other ladies [neighbouring informal traders] calling the people [potential customers] away from you. I say to the ladies that they must stop, because they see the customers are here by me, so they should wait until the customers go to them. It is a competitive and challenging business*- (self-employed flower vendor)
Well when I started, there were fewer stalls. But now the station deck is overcrowded. I think the only reason why my stall has survived this long is due to the fact that I sell children’s shoes and I am the only one who does that around here – (self-employed Clothing retailer)

Another woman who is informally self-employed in the food and beverage sector stated:

[Profit] is up and down, it is highly competitive because we are three ladies in this block that offer the same services. So it is up to me to create a client base, through creating contacts

The literature has accounted for the growth in women’s employment in the informal sector, particularly an increase in the number of people who are self-employed (Casale and Posel, 2002). The lived experiences of the women sampled reveal that increased competition marked by constant fluctuation can cause an overall variation and irregularity in daily sales and thus income. In particular, women conveyed that their individual incomes have undoubtedly lowered over the years since they commenced their informal activities.

6.3.2. Commodification of Goods and Services

The informalisation of employment has coincided with increasing commodification of vital services such as health care and transport (Barchiesi, 2011). Respondents articulated concerns regarding how costs of transport, clothing, education and childcare were rising while at the same time, incomes were declining or remaining stagnant.

The job is not helping my living conditions, the difficulties are getting worse. Before I could afford to buy some items for my house, but now I cannot even remember the last time I bought something for the house. I cannot even buy furniture now because I have to focus on food and transport only. Even food is difficult

Another respondent expressed,”with my children’s school fees, the fees are higher now and I cannot afford to pay, I have to pay small-small [instalments]”

One interviewee expressed how transport costs devour a large proportion of the worker’s take-home pay:

The reason I started this [informal business] is because I was working 23 years as a domestic worker, the monthly earnings were too small for me. If I think about all those years I worked, I was earning R3700 per month, I was working in Cape Town and I was staying in Delft. From that R3700 I earned, from that money my travelling fare was already R800 per month. I have five children and they are all in school and I had to pay school fees every second semester. In actual fact I was suffering in (sic) that time because I used to borrow money from people for bus tickets and food so at the end of the day, when my salary came in, it went out again. People even charge you interest when they borrow (sic) you the money, maybe you borrow R100 and then you
As such, the transport costs had a significant impact on the interviewee’s labour market outcomes. This is consistent with the findings by Magidimisha and Gordon (2015), who identified transport costs as a crucial intervention needed in order for women in the informal economy to improve their earning potential. Transport costs were identified as a critical burden by a number of women who travelled on a daily basis from different peri-urban areas such as Mitchell’s Plain, Delft, Khayelitsha and Philippi into Cape Town CBD and Woodstock. The rising transport costs and the associated travel time were an issue that was raised in which women sought increases in wages in order to recoup high cost of commuting to work. In this respect, women who lived outside of the city centre explicitly agreed that transport fares were constantly being hiked and it was even more costly for those who used more than one bus or taxi in order to get to work on a daily basis. A number of the informally employed interviewees expressed that they perceive the wages they are paid to not take into consideration the context of the very expensive cost of reproduction.

The experiences of two women who are informally employed portray how the rise in costs for goods and services exposed the power imbalance in the employee-employer relationship:

*There are a lot of disadvantages, in terms of the wages, my bosses cannot see that things are getting expensive. If you try and sit down with them and try explain to them that education is getting expensive and try negotiate the salary, they tell you that you can go and look for something else. That makes things difficult*

*For my children’s education this job is not helpful at all, I tried speaking to my boss to come up with a plan for her to assist me with paying for their school fees by deducting from my salary but that conversation did not go well- (informally employed in Private Household)*

The literature has indicated that the informalisation of employment has led to widespread market deterioration in wage levels (Altman, 2006; Barchiesi, 2011; Di Paola & Pons-Vignon, 2013). Concurrently, the two cases above reveal that the bargaining position of informally employed women is either very weakened or non-existent. The implication is that women’s wages are increasingly reduced by rising transport, education and food costs, which undermines the ability for women workers to support their dependents.

**6.3.3. Uncertainty**

The nature of precarious work not only creates uncertainty and stimulates anxiety amongst informally employed/self-employed women concerning their work, but it also affects other
spheres beyond the work situation. The study at hand revealed that half of the women who participated could not cite their monthly earnings from their informal economic activities. Some women reported a daily or weekly income range, while the common phrases were “it is up and down” or “it depends”, which confirmed the instability of their income streams. Respondents also reported concerns related to their unpredictable incomes, such as the inability to keep up with monthly payments for rent, school fees, and food purchases, amongst others. One woman expressed, “I struggle with monthly groceries, but I mostly care about the kids so I starve myself”

Two others shared their concerns:

\begin{quote}
At the moment, I am struggling with my daughter’s matric money [school fees] because last year I had financial difficulties so I did not pay school fees. So right now my debt has escalated and I am struggling to get that down because in matric you need to make sure the fees are paid up

My job does sustain my living conditions, but as soon as you want to move up the ladder it is not guaranteed that you can sustain it. Say I wanted to get DSTV or furniture, I cannot guarantee that I would be able to pay every month. Basically, anything that requires monthly instalments would be difficult to maintain at this point
\end{quote}

In addition to insecurities about maintaining month-on-month expenses, participants relayed a lack of means to cushion the insufficiency of their incomes. The fact that many women are breadwinners of their families means that borrowing money from friends and relatives was not an option. Furthermore, along with difficulty in access credit from financial institutions, none of the women sampled were part of social saving/credit groups (i.e., stokvels), which further limits their avenues to deal with their economic uncertainty. One of the respondents who relied solely on a single livelihood strategy (namely: clothing trading) revealed: “When money is slow, I sit here the whole day until I make something, I can sit here until 7 pm, I know I am taking a chance by doing that.”

Such sentiments indicate that, despite their significance, earnings from informal activities can be so unsustainable for households that women are forced into working longer hours in order to guarantee some income, no matter how meagre. Prolonged working hours are particularly burdensome for women who have child care roles to fulfil and broaden the physical risk to women who must travel home late.
6.4. Few opportunities for Advancement and Mobility

While women participating in the informal economy generate immediate income, giving them some financial freedom to pay for items such as food, school fees, and transport etc., women in the study indicated a struggle in cushioning themselves during periods between contracts. At the same time, they do not have disposable income to save and use to plan ahead. Based on the number of dependents that the average woman in the study supported, their economic contribution is crucial. Aside from irregular and fluctuating remuneration and a lack of access to social security or protection, informal employment provides no paths for social mobility for women in this labour segment. This next section will look at challenges cited by participants, which point to the sample’s constrained ability to improve their market participation.

6.4.1. Over-reliance on Single-income Generation Activities

When speaking to the participants, a few of them admitted to feeling on-going anxiety about variations in income/profits and others worries about re-employment (i.e., the next contract). For participants who were self-employed, customer seasonality was widely cited as a challenge that resulted in them exploring other income-generation strategies to mitigate this. This was particularly so for those running businesses in the Cape Town CBD, whereby tourism patterns during the various seasons of the year affects customer availability. Seasonality affected respondents differently, and women who lack diversification within their trading activities were most severely affected by this seasonality. More specifically, flower traders in the sample were most affected by seasonality as they mainly sold flowers on special occasions, such as Mother’s Day and/or Valentine’s Day. In light of the seasonal peaks and troughs in sales, all of the self-employed respondents trading at Greenmarket Square expressed that business was generally more profitable during summer months (December to March) due to the tourist boom experienced in Cape Town.

The majority of women sampled had not tried to diversify their sources of livelihood income due to the lack of access to credit. As such, the constrains to women’s access to credit and finance that could assist to diversify trading activities in the informal economy continue to be an impediment to women’s advancement. Only three respondents in the sample engaged in other income-generating activities to mitigate financial vulnerability. The respondents, who
happened to be self-employed, showed the greatest inclinations to engage in activities to supplement their incomes.

*When you are employed by someone else, you always know that at the end of the month, a set amount of pay should be expected, but with having my own business, profit is never guaranteed. You have to do something else on the side, like sell perfumes which I am trying to push*

One respondent indicated that renting out accommodation on her premises provided a stable and reliable income for her, stating: "I am working with property, I have my mom’s house that I rent out. There is another property that I am building in Delft so that would be the backup."

Another participant who avoided relying exclusively on preparing fast-food noted: "I do catering with these other sisters [women] on weekends. As you can see I also sell clothes."

### 6.4.2. Trapped in the Dilemma of Poorly Paid Work

The study found that 43.3 per cent of the women interviewed had previously been employed in low paying, contract jobs that lacked work-related benefits and job security. The implication is that these women spent a number of years in employment that did not provide social protection and adequate earnings, which meant that they continued to be exposed to the same risks of poverty and other forms of marginalisation as in the present. One respondent, at the time in her seventh year of informal employment in a private household, explained:

*I used to work in a textile factory shop. I was pregnant, and after my pregnancy then they told me that the contract was finished. After that I decided to look around then I got this job. I was a contract worker there and they had said that you need to work for 3 years in order to become permanent, but because I got pregnant before the three years ended, I could not become permanent. When I returned they said there was no work for me, they said the contract is finished*

Another participant who is informally employed as a basket weaver explained:

*I used to be a domestic worker and I also worked in a factory where we made nappies for babies. I left the factory job because it was a contract and the contract was finished and that meant that the work was finished*

Labour market flexibility has manifested in a manner in which precarious jobs have displaced secure jobs. The apparent movement of women between precarious employment in the sample implies that avenues for occupational and social mobility have become narrower for low-skilled women in the informal economy.

### 6.4.3. Educational Decisions become Precarious

Formal employment is associated with career development and progression opportunities. For example, assisting workers can acquire skills, gain expertise, and build professional networks.
The majority of the women sampled either participated in petty-trade activities or engaged in low-skilled informal employment that did not provide satisfactory training opportunities for boosting their chances to switch to a formal job. Additionally, the post-apartheid industrial relations system that has entrenched the power of capital drastically limits job opportunities for women with low levels of education. As such, education is therefore crucial for women to be efficient and fit to face the challenges of labour market flexibility. Chen et al. (2006) found that education levels affect the probability of female labour market participation positively. Only two of the women sampled had a tertiary education qualification — respondent no. 1 and respondent no. 4 — and the same two women reported the highest earnings in the sample. It can thus be considered that educational achievements in those two cases contributed to higher incomes in their informal activities.

When the researcher asked the respondents whether they would consider furthering their education, not much discussion ensued. The sentiment shared by the majority of women was that their need to make an immediate income has prevented them from thinking about or even imagine educating themselves further. Given their low profits and earning potential, it became clear that skills training for these women was not a priority. One respondent with a grade 12 education level expressed: “For me to further my own education, unfortunately, there is no time because I have to be at work. In terms of the money, I cannot afford to pay to study”

Two respondents, one with a grade 9 qualification and the other with a grade 10 qualification, shared their loss of hope in bettering their own lives in favour of educating their children instead. One claimed “When you have children, you cannot get back to school because you need to look for money, food, clothes and whatever. You have to work like this in order to promote [better] them”

Another immigrant participant explained:

I would like my daughter to stay with me here [in South Africa]. I want her to go to school here and I don’t think I can go back to school, it’s done for me. I need to be making money. I am the oldest child at home and everyone is expecting money from me. I need to make money to take my child to school

As previously mentioned, the commodification of services has meant that many of the women sampled expressed concerns of being less and less able to afford the costs of their children's education. The respondents have, therefore conditioned themselves to make it their personal plan to work towards the education for their children so that they live better lives, which is often perceived as translating into them living better lives too. The very low levels of
remuneration in informal employment means that respondents’ children's education is more likely to receive priority (which is warranted) yet simultaneously these women have no opportunities to gain skills required for undertaking more lucrative economic activities in the informal sector or for future employability in the formal sector. As a result, social inequality is reproduced.

6.5. Care and informal labour

Alongside low paying employment, care was included in the investigation of women’s experiences in this labour segment. The findings in the study are consistent with the literature in that women experience conflicting demands between child and elderly care, their paid work as well as their ability to be productive at work (Razavi, 2007; Folbre, 2008). Childcare responsibilities do affect the incomes of informal workers in that care affects the choice of employment for women. The respondents did point out that childcare responsibilities affected their choice of employment by which they needed to choose work that is more flexible in order to look after their children:

*With regards to my children’s education, I have tried my best with them. One is in matric now, the one is grade six and the other one is already a mother. Hours wise I try to minimise my time here at work, so I leave home when they leave. Normally business people [formally employed people] go to work very early, so that is why I prefer working for myself. I can invest my time with them, in the morning when I wake up, I wake them up and I am home before 5pm so I can help them with whatever when they are back home”* - (informally self-employed in the Food and beverage sector)

*Having children affected my work opportunities because they demand a lot of your time. But I told myself that I should focus on them and their education, and hopefully when they are all done with university, maybe things will be better*- (informally employed in a private household)

One respondent had to sacrifice a regular income for a lower income in the informal economy:

*Before running this store, I used to be an assistant accountant at Debtors and Creditors. I had children and I had to look after them so I needed something flexible. I found this business opportunity through word of mouth, and it was fitting for me because I could bring my children to work* - (informally self-employed as a clothing trader)

Some of the respondents did point out that while some of their children had grown up, at some point when they were younger, they did bring their children to work. Informal trading offered these women an opportunity to generate income and fulfil childcare responsibilities simultaneously. This was particularly the case for women who were self-employed who had no else to help look after their children, “my two children were coming with me to work, one
was working and the other one was in my arm. I never left my children at home” - (Informally self-employed flower vendor)

On three occasions while conducting the fieldwork, the researcher did interview women who were working in public spaces in the CBD area that had their children with them at work. These women were situated in stores which were sheltered by plastic covers but the overall environment was unhygienic and poorly equipped for children. Given a lack of support for women’s reproductive roles and the access to affordable child care facilities for women in the informal economy, the quality of care given to children was affected by informality. Much like the literature, the study found that having to work in the informal economy affected the quantity and the quality of care that women gave their children (Alfers, 2016). One woman revealed:

*With my daughter, she is 19 years old, she had everything because that time I had her I used to work at a butchery. Plus it was myself and my husband both working at that time. With my second child, I got him while working here [at the informal business] and the disadvantage was that I did not get that three months maternity leave. I had him in December and I was only at home with him for one month and with my daughter I was at with her until she was six months old. I had more time with my daughter than my son.* - (informally employed in the food and beverage sector)

It is apparent that the alleviation of the burden of childcare is crucial for the labour outcomes for all women but this is especially so for women in the informal economy who are disproportionately impacted. The following section will look at the impact of precarious work for women in the study.

### 6.6. Impact of Precarious Work

The study explored the impact of informal economy participation on various areas in participants’ lives, particularly women were asked to describe the impact of their informal employment on the following: own health and living conditions. The study also documented how informal employment was affecting the psychological well-being of the women found in this labour segment. The interviewees’ responses are discussed in the following section.

#### 6.6.1. Health

The women sampled in the study were mostly engaged in food-vending activities, African clothing and craft trading, *spaza* 17 shop operation, domestic work, and hairdressing. Due to the nature of these informal activities, many of the women articulated that their work was

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17A Spaza shop is an informal convenient store usually found in township areas in the country.
physically demanding but not particularly health compromising. The women who worked at the station deck and Green Market Square in the CBD were mainly exposed to daily elements of smoke, noise and dirt/pollution that are standard in city areas. A few of the women cited physical risks that were highly unique to the nature of their work. One interviewee who gave walking tours to tourists in the CBD stated:

*In terms of health, that is kind of difficult because I do not have medical benefits and what I do is a very physical job, we walk quite a lot so I do get a lot of exercise but it does affect my skin. The sun can really burn, skin cancer is a possibility for me. If I do get sick like getting a cold etc, I can’t just take a sick day, unfortunately you have to be almost dying to get someone to take your shift.*

One woman who is paid per basket she weaves raised concerns relating to the physical toll her work was causing “*This work does affect my health because you always seated and my back is always in pain, your hands get cramps. I don’t sleep nicely because of this cramp in my hands and the arthritis*”

Women who engaged in informal vending outdoors indicated that being outside meant that they were vulnerable to colds and flu; despite this, they avoided being absent from work. The fear of losing out on an income for a day — particularly when incomes are already unreliable — made absenteeism an option for only under extreme health cases. The women stipulated that they avoided by all costs putting themselves at risk for minor health shocks due to the fear of drastic consequences on their income. One respondent stated, “*Well my bosses said that if I am injured at work, they are not going to pay me. So I am even scared to use a ladder at work because of that*”

### 6.6.2. Living conditions

With the exception of one respondent — who admitted that she and her husband had acquired a home due to an inheritance from a deceased family member, none of the study respondents interviewed owned homes of their own. Respondents typically rely on rental accommodation in dwellings that were often a long commute away from their work locations, most commonly renting out rooms from family members. One respondent claimed: “*I would like to get my own house. I stay in the yard at my sister’s house in one room and I have to do everything in that one room.*” Another respondent — who has five children and a total of six dependents — stated: “*I am renting a bachelor flat far from here, in order to take my kids to school I need to live in a bachelor flat.*”
The above finding with respect to the living conditions of informally employed women is not surprising given the high number of dependents they have to support on meagre incomes. The economic challenges faced by the respondents mean that they cannot afford accommodation that is comfortable and close to the city centre, which relegated them to residing in surrounding peri-urban and township areas. Two women in the sample who commuted to the CBD area daily stipulated that they resided in state-subsidised housing, namely Reconstruction and Development Programme (RDP), homes in Dunoon18. One woman who operated her business in Khayelitsha expressed her frustration with residing in informal housing:

*I am so tired sisi, you know Cape Town weather can be up and down. The wind has collapsed my house [corrugated metal housing] twice already. It is stressful, I have been on a waiting list [list to receive government housing] for years and still nothing.”* -  (informally self-employed in Food and beverage sector)

**6.6.3. Sentiments of distress and employment dissatisfaction**

Women’s perception of themselves in relation to their informal work was a subject matter which emerged in the interviews. The bulk of the women felt the enormous pressure being exerted on them as informal workers. The women recognised the constraints on their ability to improve their own lives which sparked some emotional responses. The respondents reported feeling depressed, disrespected, unhappy and exhausted. In addition, some women raised concerns of how they were treated by people due to the nature of the work they did, particularly women expressed that outsiders perceived them to be lazy because they were part of this labour segment. One self-employed woman shared her experience of negative perceptions of informal work, “*Many people that pass here say “why don’t you look for a job, what are you doing here”. So people have their own assumptions*” -  (informally self-employed in food and beverage sector)

Some of the interviews reported their frustration which was linked to a lack of job satisfaction and sentiments of feeling undervalued at work, “*It is very difficult now compared to before [when she started her informal work] because now I am getting (sic) some challenges. I am losing interest, I don’t think this is what I want to do. I get frustrated because this is not what I want to do*” -  (informally employed in a private household)

18A township situated in the Milnerton area in Cape Town and comprises mostly informal housing.
Another respondent reported, “I feel like I throw myself into this job but it feels like they [her employers] do not recognise my value. I am treated just like a cleaner, there is no respect” - (informally employed in a private household)

One respondent expressed her concerns related to the insecurity that comes with informal work, “The disadvantage is that when I finish here [working in the informal business] I won’t have anything, I can’t draw unemployment money and I won’t have benefits in the long-run which scares me.” - (informally employed in the Food and Beverage sector)

In other cases the depression was linked to feelings of failure and a sense of guilt in not measuring up to provide for their children:

As a single mother it does get to you when you see people driving fancy cars and living a certain way, and you ask yourself “when will it be my turn?”. So I won’t say that I am content because that would mean that I am okay with the way things are and I won’t look for better employment, I have bigger dreams and I need to dream bigger for the sake of my kids. I don’t want them to do the same work as me” - (informally employed in the Food and Beverage sector)

One respondent shared an emotional response about her thoughts when she was at the peak of her desperation:

There are social workers out there, but for me [in her opinion] they only deal with you if you are abused. In some cases you are not abused, it is just that I do not know what to do and I have these two kids that need to be fed. I am a single mother, and I want to carry on before I give these kids away. I am close to giving my kids away. - (informally self-employed in food and beverage sector).

These feelings of dissatisfaction, isolation and frustration from the women in the sample seem to be related to their inability to relieve their adverse economic circumstances. Given the specific challenges experienced by women in the informal economy which have been documented in this chapter, the emotional responses could reflect how respondents have potentially come to terms with their various constraints to relieve their own economic adversities.

6.7. Intersectionality of race, gender and class

As outlined in the introductory chapter, intersectionality suggests that an individual’s social identities profoundly shape their experience of gender. Additionally, given scholars have also pointed out that informal work in South Africa is mostly performed by African women (Casale
& Posel, 2004; Groenmeyer, 2011) and that the power relationship that exists between informal workers and their employers is also shaped by class, nationality and citizenship status (Vosko et al., 2003; Webster, 2006). The study sought to investigate the perceptions held by different women in the informal economy relating to how they experience their work and how the identities of gender, race and class intersect to determine their experiences in the informal economy. The evidence of these identities are shown through language, practices and stereotypes of women in the informal economy which also affect how they perceive themselves and reflect their position in relation to their employers and the broader society.

The first concept to be discussed is race, while racism is not always overt, evidence thereof can be found in the experiences of these women. One participant shares her experience of racist sentiments that were expressed to her:

> So as you can see, this is a white area and most of my neighbours do not want this, they don’t like my business. They called authorities because one of the neighbours was complaining and then my husband managed to get me a permit. But they even took photos of our business and they could see that we are not hurting anybody. Plus it is not like we sit there the whole day. But two weeks ago one white girl, she is not even from the area, shouted that “you coloured people you come from the rural area and you want to sell stuff in the suburbs”

Another participant portrayed the subtly discriminatory practices of employers:

> My boss specifically specified in the advert for the job that you cannot have an accent. It is kind of crappy [unpleasant] from his side but it is essentially so that tourists can understand you. So you cannot have an isiXhosa or Zulu accent, otherwise they won’t understand. So I grew up in an English family and I am Caucasian, therefore my accent is helpful for the job

Another participant revealed how perceptions play an important role in terms of how one sees their own racial identity in relation to the racial identity of others’ “If I am struggling, I will have to make means somehow, I cannot ask for help from anyone, Indians do not beg”

The concept of class also emerged in the interviews, where women shared experiences of how they were made to be conscious of their class position in their work environments. Participants discussed the subtle ways employers established and reinforced the hierarchy between themselves and the respondent:

> There are a lot of disadvantages, in term of the wages, my bosses cannot see that things are getting expensive. If you try and sit down with them and try explain to them that education is getting expensive and try negotiate the salary, they tell you that you can go and look for something else. That makes things difficult
Another respondent reported how she felt demeaned at work: “I am treated just like a cleaner, there is no respect”

Another participant’s experience pinpointed to an absence of respect and dignified treatment from the public:

One thing people take for granted is that when they see you having an informal business, they do not know how much education you have (sic). When they see me making fat cakes, they think that I am not educated. Forgetting that some of us get (sic) educated and are no longer interested in that career path and choose to do something that we love, like this business for me.

The concept of gender was difficult to identify because discrimination based on gender is often very subtle and is often masked as what is perceived to be ‘normal’. Many of the self-employed women sampled ran business which lacked an entrepreneurial mind-set which stems from discriminatory practices such as poor promotion of women’s entrepreneurship, women’s lack of access to property rights and capital as well as limited support to ease care burdens. Given that a large majority of the women sampled were found to be in food, clothing retail and cleaning sectors, women still remain in gender-stereotyped jobs that are under-skilled, poorly paid and are closely related to the household division of labour. Nonetheless, these discriminatory practices have become so normalized that women in the informal economy themselves did not even take note of them. Despite this, and of interest, when participants were asked about the plans they had regarding their informal employment, many expressed a desire to empower other women who were in a similar position or who were more disadvantaged than themselves. One expressed, “I would like it to grow our store bigger and have three or more stores and employ other women and to empower other women. There are many single women out there that do not have any source of income.”

Likewise, another participant stated:

I would love to have a shelter and a business building all-in one. To have a night shelter for women and children, a soup kitchen and classes for them to learn. So I can feed them and also feed them in the mind (sic) so that they know that there is hope. My opening this business is the first step towards that, my passion was that vision.

Another woman shared similar sentiments: “But for me I would like to form some structure that helps others, I don’t know if you can see but I have clothes and I sell them for R10 so that ladies who are like domestic workers can buy something affordable for themselves or their kids.”
One can claim that this affinity towards helping other women in similarly precarious situations is informed by first-hand encounters and a general awareness of women’s economic vulnerability in South Africa.

Along with concepts of race, gender and class, the study also shed light on how nationality played a role in shaping the experiences of migrant women in the study, and to some extent across the country. As four immigrant participants were included in the study, section two in this chapter discussed how certain challenges relegate immigrant women in South Africa’s informal economy to an even more inferior position. These include xenophobic discrimination and difficulties associated with remittances for transnational families.

6.8 Conclusion

The findings of this chapter indicate that women in the informal economy face a number of challenges that serve to uphold their social disadvantage and impart adverse impacts on their labour participation. Beyond engaging in work that has erratic incomes and a deficiency of decency, the nature of family responsibilities — such as the case of female-headed households — mean that women take on heavy economic burdens despite having limited support systems. Furthermore, the economic challenges in women’s participation in informal employment involve rising costs of food, transport, accommodation, and childcare, as well as heightened competition from other informally employed individuals, which means that increasing numbers of informally employed women are now caring for entire families on lesser incomes.

The women in the study showed movement from one precarious job to another. In addition, they are faced with an absence of social mobility opportunities and lack coping strategies to deal with the uncertainty and shocks that come with informal employment. Participants reported that childcare burdens further constrained their options for paid work and reduced both the quantity and quality of care given to their children. The great pressure being exerted on informal workers incited emotional responses, as participants reported sentiments of depression and exhaustion. The pressure to develop financial security for respective households and job dissatisfaction derived mixed feelings from the women in the study regarding their employment and the outcome of thereof. The findings of the study also provide evidence of how race, class, gender and nationality shape the experiences of women in the informal economy and their positionality in relation to broader society.
Chapter 7: Discussion of findings

7.1. Introduction

Having presented the data findings outlining the experiences, risks, and concerns of women in the informal economy in the previous chapter. This chapter will document the analysis of the data, both primary and secondary, collected throughout the study. Following the introduction, the second section discusses the manner in which precariousness manifests itself. The third section will associate labour market trends to having triggered social consequences that have created an environment of structural vulnerability for women in the informal economy. Furthermore, based on the findings of the study, the analysis also engages the manner in which women in the informal economy are susceptible to and impacted by precariousness from multiple entry points. These include household dynamics (section four), social reproduction (section five) and individual insecurity (section six). The seventh section identifies the gaps in gender-related labour legislation to reconcile earning and caring activities for women in the informal economy. Section eight engages with how women in the informal economy contribute to intersectional gender relations in post-apartheid South Africa and the final section is the conclusion.

7.2. Precariousness

In order to contextualise precariousness in a post-apartheid context, apartheid, which institutionalised unequal and racially segregated labour rights needs to be briefly discussed. The apartheid regime provided white workers with a variety of rights which included social security, unemployment benefits, union rights and access to labour courts. This was contrasted by African workers whose professional status was relegated to the least qualified, deprived of insurance and pension and were the most poorly remunerated (Pons-Vignon & Anseeuw, 2009:6). The position of African women in the labour market during apartheid was the weakest, they were employed as domestic workers, housekeepers and nannies in the homes of the white population and were subjected to exploitation and poor conditions of employment (Groenmeyer, 2011:262). Pons-Vignon and Anseeuw (2009) contend that while apartheid generated individual workplace resistance, the most prominent display of frustration regarding the working conditions happened during the 1973 strikes in Durban which led to the formation
of unions for Africans to join. The unionisation of African workers drastically modified the status of wage labour and played a critical role towards ending apartheid. As such, Barchiesi (2011) and Pons-Vignon and Anseeuw (2009) make the convincing argument that in 1994, when the tripartite alliance between the ANC, the South African Communist Party and the Congress of South African Trade Unions (COSATU) assumed power, the public had great hopes that the alliance would improve working and living conditions for the majority of South Africans.

The production relations in contemporary South Africa have been deeply shaped by apartheid history, especially pertaining to the protection of the socio-economic position of white workers. In addition to this, globalisation has also remodelled production relations and has subsequently changed concept of ‘work’. The breakdown in the standard employment relationship and skill-biased exclusions (mass retrenchments of labour intensive workforce) has meant that many people are not guaranteed a regular wage and social protections. The growth of precarious processes and work practices have imposed a differential vulnerability based on education, age, family responsibility, occupation, industry, and labour market protections (Arnold & Bongiovi, 2012). Furthermore, precarious work has imposed vulnerability that is context specific segmented by race, gender, nationality and ethnicity (Vosko et al., 2003).

Kalleberg (2009) advocates that precarious work is not only reduced to understanding the way in which people work but also the way they live. He contends that “work is a core activity in society. It is central to individual identity, links individuals to each other, and locates people within the stratification system” (Kalleberg, 2009:1). On a similar note, Barchiesi (2011) describes precariousness as a critical condition of unpredictability and instability, which transcends the workplace. Likewise in going beyond precarious employment, Candeias (2004) describes precarisation as a general process which dismantles and polarises the levels of social rights and standards of living, putting the former proletariat under pressure to the point of not being able to perform individual reproduction.

In his own approach of the process of precarisation, Candeias (2004: 4) has formulated a framework mapping the process of precarisation, it is his contention that precarisation includes different dimensions and processes which include: 1.) labour relations or forms of self-employment that in a concrete time and space do not guarantee an acceptable level of subsistence, 2.) work activities that society and employers deny certain criteria of qualified
work and which therefore only have little or any social appreciation, associated 3.) with low labour and even citizens’ rights status, and 4.) with little or any right on unemployment benefits, health insurance or pensions, 5.) work organisation which disables cooperative structures, 6.) the erosion of public services and dispossessing of commons as basic means of reproduction, 7.) working and living conditions that exclude the realisation of long-term life concepts and expectations, 8.) a massive insecurity and weakening of individual agency and self-confidence. In order to investigate the relationship between labour market trends and women’s presence in the informal economy, the analysis and discussion of findings in this chapter will employ these aspects identified by Candeias (2004) to diagnose the precariousness imposed on women in the informal economy.

7.3. Labour market trends generating a labour environment of structural vulnerability

The concept of vulnerability much like precariousness is not only understood in relation to employment, but scholars have made a link between vulnerability in employment and livelihoods. Vulnerability is constituted as the myriad of ways in which individuals are or are not able to cope with risks that could take them closer to being unambiguously poor (Bocquier et al., 2010) in Bhorat et al., 2016). In Altman’s (2007:12) articulation of vulnerability she has made reference to “the different ways that households assemble a livelihood” and “the working poor”. Bhorat et al. (2016) contend that vulnerability in the labour market is often related to precarious work, they claim that there are a number ways in which workers can be vulnerable. These include low wages relative to the cost of living; working in the informal sector; working in adverse conditions; not having access to benefits; job insecurity and not having a written contract amongst other examples.

The combination of high unemployment, labour market flexibility and the feminisation of labour post-1994 have not only created new realities of social inequality but the structural labour changes exposed women in the informal economy to productive and reproductive vulnerability. The shifts from a labour-intensive growth path, which has been strongly reflected in the declining share of manufacturing employment, towards capital intensity has dampened the demand for low-skilled workers—who are being pushed into the informal sector — and contribute to high unemployment. Capital intensification has disadvantaged both men and women who did not have the requisite skills to compete in a skills-biased labour market (Barchiesi, 2011). The findings of the study (Table 4.1 in chapter four) corroborated the notion
that high unemployment in South Africa’s labour market has prompted women’s entry into the informal economy, particularly informal self-employment, due to having no other employment alternative (Devey et al., 2006). The informal economy has been described as a sight of vulnerability in which according to Bhorat et al. (2016) workers can be vulnerable if they earn very little or work informally. By this, women in the informal economy not only enter work which is marked by vulnerability, but their economic participation is marked by low pay which also intersects with gender-specific discriminations such as constraints through the burden of child care, the lack of access to finance and credit —impediments which have been identified in the interviews for the study —as well as the lack of ownership of land (Devenish & Skinner, 2004; Dejene, 2007).

Furthermore despite the informal economy providing relief as an alternative source of employment, high levels of unemployment for low-skilled workers has contributed to the corresponding decline of a male breadwinner role marked by major job losses in the manufacturing industry and a subsequent drop in the access of male incomes (Casale & Posel, 2002; Barchiesi, 2011). This too has had an impact on women’s participation in the informal economy. Lund and Srinivas (2000) note that some men who face long-term structural unemployment do show some evidence of domestic compromises, such as taking over aspects of the reproductive work, but with the vast majority of poor households this is not typical, nor widespread. As a result women remain vulnerable both at home and in the market. Moreover, the findings in the study indicate that women who had partners or spouses were unemployed, thus lacking the support of a male income and leaving entire households to rely on low earnings from women’s informal economy participation.

Concurrently with the crisis of jobless growth women’s rapid entry into the formal labour market has challenged power relations both within the family and the workplace. Despite various labour reforms which have coincided with the dramatic increase in female labour force participation such as the Promotion of Equality and the Prevention of Unfair Discrimination (2000), the Broad Based Black Economic Empowerment Act (2003), the Employment Equity Act (1998) and the Skills Development Act (1998), women have joined the labour force in a patriarchal environment. This can be attributed through the failure to recognise unpaid care as a root to women’s disadvantage in South Africa’s own labour regulation, development discourse and other policy interventions geared towards the empowerment of women. Rhetoric concerning the feminisation of labour has celebrated the shift for women in positions at the high-end of the labour market. In contrast, Casale and Posel (2004) have found that
feminisation has had adverse consequences for some women (particularly African women) by cultivating insecurity, in which women continue to be overrepresented in domestic work and self-employment in the informal sector – which is employment known to provide low returns and little security or protection for the worker.

Feminisation of labour has meant that the mass entry for women into the labour sphere has coincided with flexibility (Casale & Posel, 2004; Standing, 1999; Vosko, 2010). South Africa’s continued shrinkage in formal employment has cultivated a labour environment where women enter work which lacks employment and social security, is characterised by flexible working hours, low income and puts women at risk of sudden job loss. Women also have different vulnerability profiles to men, which stem from their gender-specific biological and social vulnerabilities (Kabeer, 2012). Findings revealed that the lack of social protection, such as health insurance and insurance against work-related injuries, mean that minor health shocks can have drastic economic consequences on the livelihoods of informal workers. Furthermore, the study found that lifecycle vulnerabilities, particularly pregnancy, also increased risks for women in this labour segment in the form of job loss.

This vulnerability imposed on women has prompted Vosko’s (2010) advocacy to rethink feminisation, she stresses the need to critique dominant interpretations of feminisation which celebrates women’s high labour participation and obscures the gendered rise of precarious employment. Vosko (2010) has advocated for the term gendered precariousness as the supplement to feminisation, arguing that it helps to reflect the experience of the expanding group of workers and a fuller range of issues at play. She further claims that the restrictive emphasis of feminization has blurred key continuities, such as industrial and occupation segregation, as well as discontinuities, such as the convergence towards precariousness, in the contemporary labour market (Vosko, 2010).

Displaying a particular concern for the feminisation of labour in South Africa, Groenmeyer (2011) notes that women’s subordination (especially African women) as informal employees is worsened by the suspension of labour standards inherent in flexible labour markets. These concerns over the quality of jobs that women enter are warranted as women in the informal economy find themselves in a dilemma where they are required to take on the same financial burdens and responsibilities for their households — which were previously, and importantly, met by stable employment. Their vulnerability in the labour market is further reinforced by the patriarchal ideology which skews the responsibilities of social reproduction on women.
(Folbre, 2008; Razavi, 2007) . As such, the entry into paid work has not been entirely emancipatory for women in the informal economy. Furthermore, Bhorat et al. (2016:25) note that in South Africa, jobs may bring down the unemployment rate but they are not necessarily a panacea for poverty.

In addition to imposing a vulnerable structural environment for women’s labour participation, these labour market trends have also contributed to intersectional outcomes for women in the informal economy. Intersectionality’s primary argument is that the lived experience of oppression cannot be separated into gender, on the one hand, race or class on the other. Rather, these identities are linked and experienced simultaneously (Collins, 2000). According to Choo and Ferree (2010) a process-centred model of intersectionality places primary attention on context as a revealing structural process organizing power. Furthermore, Choo and Ferree (2010) advocate that process models can be sensitive to the issue of social locations or identities, by considering these as being constructed through or co-constructed with, macro and meso categories and relations. Hence, due to the feminisation of labour, high unemployment and labour market flexibility, women have become subject to labour markets stratified by gender, class, skill level, educational levels and the denial of equal access to jobs, with African informal women facing discrimination and disadvantage at every prospect.

7.4. Precarity and the household

Candeias (2004) has articulated that the underlying reality of precarious work goes beyond employment, from his perspective, precariousness is constituted by the interaction between the workplace and the household. Particularly, Candeias’s (2004) approach to precarisation takes into consideration social production, he advocates precariousness is a double process which entails “a contrast between the precarization of labour on the one hand, and a precarization of social reproduction on the other” (Candeias, 2004:1). With a warranted link to social reproduction, precarious employment has proven to have far reaching consequences for participants. The interviews revealed that many women in the informal economy find themselves in households where their own erratic income is the main source of household sustenance. Furthermore the majority of the women sampled were single and unmarried, assuming female-headship and taking on the role of the main economic contributors within the diverse household structures they found themselves in. With that, the returns from informal economic participation are debilitated by the number of dependents that respondents have, in
the study the range consisted of having zero dependents for a single respondent to sixteen dependents for a single respondent.

Vosko’s (2010) contention is that when social reproduction is taken into account, the character and degree of insecurity changes for men and women in complex ways. As it stands in the South African context, sharp differences in men’s and women’s unpaid childcare and housework persists (Budlender, 2008) and the gender-based income differences in the informal economy — which position women with the highest incidence of low earnings — are even further constrained by family constructions. In their study of precarious employment, particularly looking at the relationship between unpaid work and men’s and women’s incomes, assets and debts, Vosko et al. (2003) found that women lone parent households have lower incomes than those headed by attached women and men, and male lone parents. The combination of low income and precarious employment makes the task of maintaining a healthy household much more of a challenge particularly for women who often take on informal employment as a strategy to accommodate the unequal burden of social reproduction.

An additional discovery from the interviews has been the extent to which household well-being and social production were affected by commodification. Commodification, which Candeias (2004) identifies as a contributor to the “precarisation of social reproduction”, has come to undermine the conditions of reproduction. Candeias’s (2004) contention is that commodification makes mere customers out of citizens who once had citizens’ and social rights. This notion is advanced by neoliberalism’s campaign for more privatisation which runs essential services such as water, education and electricity as commodities while simultaneously weakening institutional protections for workers (Kalleberg, 2009). The interviews revealed that women in the informal economy encounter an overwhelming pressure to reconcile increasing transport, education and food costs. Their wages are not being raised and therefore as insecure earners, their societal participation as ‘citizens who are expected to act as consumers ’ is quite proportional to their financial capacities.

7.5 The intensification of precariousness due to unpaid labour

The market orientated logic of informalising labour and the imposition of individualized risk to workers has stressed the need for redistributive mechanisms in social policy as well as attending to the pressing problem of unpaid care. This is particularly warranted as care was a central concern raised by participants in the study in a variety of ways. These included participants experiencing conflicting demands between childcare, their paid work as well as
their ability to be productive at work. In other cases participants related childcare responsibilities to having affected their choice of employment and their respective incomes, thus contributing to a precarious social condition. Women’s ‘choice’ of employment opportunities particularly in this labour segment is highly restricted by factors that are gender-specific. Beneria (2001) has designated women’s primary involvement in child and domestic care responsibilities as a source of vulnerability. She advocates that issue is not only due to the notion that care is unpaid but also because it diminishes women’s autonomy and mobility to design their labour market strategies. This was strongly articulated where participants expressed that having children did affect their work opportunities and confined them to employment that allowed sufficient flexibility to accommodate childcare needs which were poorly remunerated. As such, the employment challenges are compounded for women in the informal economy when occupying intersecting identities of gender, race, class and motherhood.

Chant and Pedwell (2008) assert that the costs of providing care are unequally distributed across gender and class, with the family remaining the key institution meeting care needs. With the quantitative findings of the study (Table 4.3 in chapter 4) confirming that wage inequality is stark along formal/informal lines among women, the informalisation of employment has reinforced a gender hierarchy by privileging women who hold formal full-time employment over those engaged in precarious employment. For instance, reproduction related risks affect women in informal employment more adversely. This was articulated by participants who reported experiences of a loss of employment due to pregnancy, forcing them into supporting a child and without a livelihood strategy. Furthermore child care costs in general when mothers are employed in the informal economy automatically become a huge burden as do school fees, food, clothing and transport costs lower already precarious incomes.

Folbre (2008) advocates that income inequality among women associated with globalization also tends to weaken support for policies that opt for sharing care responsibilities more equitably. She argues that educated women who hold professional and managerial jobs are well equipped to afford the unpaid family leave guaranteed by their employers and enjoy statutory entitlements which affords them paid parental leave amongst other entitlements. This is contrasted by the socio-economic reality depicted by women in the study whose precarious employment has required them to change work schedules to attend to care responsibilities while simultaneously struggling to afford inputs for care.
This issue of men not playing a sufficiently active role in their children’s upbringing was reported by participants, in some cases male unemployment was the reason for this and other cases, estrangement. One participant explains her experience of lack of support with regards to childcare:

Well the father of my children is re-married now and has other kids, but he is a challenge too because I constantly have to take him to court to support his children. He does support me sometimes but regularly skips the months. But when you have your own children, you learn to be strong, I have stopped begging him to help.

Folbre (2008) contends that increased income inequality is associated with changes in family structure which contribute to negative impacts on childcare outcomes. She devises that university educated white women are most likely to marry, and remain married and as a result, they are likely to have children that have a strong claim on the father’s earnings. Whereas non-marital births which are far more common among less-educated women are likely to be met by less-educated men who are less likely to contribute to the care and financial support of children.

7.6. Precarious work, individual agency and insecurity

The findings revealed that women’s precarious employment had a negative impact on their self-esteem and human development prospects. Participants reported negative views of employers, low morale related to low incomes, experiences of stigmatisation of informal practices, dissatisfaction with the nature of work and insecurity related to limited coping strategies. Hence these all these factors affected how they perceived themselves in general as well as their self-perceptions in relation to their work, which point to “a weakening of individual agency and self-confidence” (Candeias, 2004:4).

When participants were asked what vision they had for their own future, many of the responses given did not reflect a highly optimistic expectation of the future. Particularly participants reported foreseeing their children completing school and moving out from precious living arrangements. Candeias (2004) advocates that one of the effects of precarious employment is a difficulty to pursue long-term goals and establish some form of continuity across one’s life course and to express one’s life as self-determined. The contention is that precarious employment dislocates people psychologically where individuals become worried and feel insecure (Polanyi (1944:73) in Kalleberg, 2009). An explanation for this could be that women in the informal economy find themselves without the resources to boost their development and efficiency. Particularly because many participants revealed that they were previously employed
in precarious work, and thus had spent a long time in precarious employment which began to be received negatively by the women concerned. This is further ascribed to the fact that efforts to find a more stable source of income had repeatedly failed and many women did not have the financial capacity to further their own skills and education.

Women’s educational disadvantage is a particularly crucial concern as it contributes to the weakening of individual agency. Furthermore, Kalleberg (2009) notes that in a precarious world, education is more vital than ever, as workers must constantly learn new skills. He states that education has become increasingly important as a determinant of life chances due to the removal of institutional protections resulting from the decline of trade unions and labour protections. Feelings of insecurity were also rooted in participants’ limited coping strategies to deal with economic risk, for instance the findings indicated that participants could not rely on family and neighbourly support networks in times of economic difficulty. Furthermore their over-reliance on a single livelihood strategy within the informal economy further constrains their capacity to deal with economic difficulty.

7.7. Gaps in labour legislation

With the participants citing increasing pressures on care burdens as a key disadvantage associated with the transformation of labour, the question as to whether South Africa’s labour legislation has sufficiently evolved to take account of this gender-specific burden is warranted. Women in the informal economy are met with the absence of trade unions or formal organisations, limiting their collective bargaining power. When participants were asked if they knew of any organisations that could assist them in their informal employment settings, all of the participants failed to cite any. Furthermore, participants reported that any attempts to negotiate increases for wages were met with hostile responses from employers. This speaks to their inability to organise or to hold employers accountable for their informal employment arrangements. Nonetheless raising awareness to the extension of comprehensive gender-sensitive labour legislation is critical in promoting gender equality.

While South Africa is a signatory to various multilateral level institutions that have developed frameworks to exert influence on national policies regarding social protection, the implementation of South African labour legislation has fallen short of acknowledging these concerns and also taking into consideration the status of informal workers. The Labour Relations Act and the Employment Equity Act, which are the legislative foundations for the South African labour market as well as the Broad-based Black Economic Empowerment Act
and the Promotion of Equality and the Prevention of Unfair Discrimination Act (PEPUDA) have all sought to improve the participation of women in the economy. Yet, there is a general lack of gender mainstreaming which manifests throughout these legislations through the absence of an analysis of issues informed by a consideration of gender differences and inequalities. For instance, these legislative instruments have identified women as designated groups, where participation of women is promoted yet the empowerment of women within the labour market, specifically those in the informal economy, has not received sufficient sensitisation and awareness.

This is firstly captured by the failure to address the complex informal employment arrangements which exist in South Africa’s current labour environment. This is prompted by the fact that informal relationships vary and impose varying degrees of vulnerability on workers, for example in the study, women who were informally employed in informal enterprises were more financially disadvantaged than those who were self-employed and those who were informally employed in formal establishments. With this, labour legislation needs to acknowledge that women occupy different points on the informal-formal spectrum, experiencing variant levels of access to social protection: formal employment affords women a reliable, stable income and employment contributions that cater to providing inputs for care; in contrast, women in the informal economy face constraints in addressing their childcare and household needs. Furthermore in relations where sub-contractors and other third parties are concerned, the lack of clarity in the legislation of who is responsible for providing social protection can become an entrenched excuse for employers to continue to not provide social protection. Valodia (2001) has proposed a useful mechanism for incorporating the informal economy into the labour relations system through the establishment of bargaining bodies, composed of employers (including contractors and sub-contractors), workers, and government, to encourage appropriate collective agreements within the informal economy.

Secondly, despite the researcher seeking to attain a racially diverse sample, African and coloured women dominated the study. This confirms the economic reality where African women continue to be at the bottom of the ladder in terms of wages and skills, and have not benefitted from opportunities designated by labour laws. For instance legislation such as B-BBEE which seeks the empowerment of all black people — including women, workers, youth, people with disabilities, and people living in rural areas — through diverse but integrated socio-economic strategies has excluded the vast majority of black women from ownership of productive assets and the possession of advanced skills despite singling out black women as a
designated group. This calls for a legislative response which prioritises the intersectionality of race, class, and gender which especially locates African women as ‘multiply-burdened’—subject to the dominating practices of racial, sexual and class hierarchy (Crenshaw, 1991).

Thirdly, South African labour legislation requires sensitisation with regards to addressing the issue of unpaid care. As long as care continues to be seen as an element of family and community life intensified by social norms which designate women as the primary carers, labour law is a critical instrument which holds important implications for women’s labour force participation. Participants shared their experiences of the ‘double burden’. They reported being required to bring children to work in some instances, sacrificing incomes and time spent at work to attend to household and childcare needs and experiences of past retrenchments as a result of child-rearing. These challenges warrant maternity protection and the extension of affordable or stated funded child care services (Alfers, 2016). Although all women from all social classes take on this double-burden South Africa, the absence of labour protections means that women in the informal economy suffer the most. Chant and Pedwell (2008:34) have called for special focus on social security and protection for women in the informal economy as their “social protection deficit” is understood to be “especially critical, not only because of their job and income insecurity, but also because of the greater likelihood of being exposed to serious occupational safety and health hazards.

Finally, the call for comprehensive sensitisation in labour legislation is promoted generally because of the persistence of informality across the South African labour market requires innovative legislative responses which account for the decline in the male breadwinner role and moving away from assumptions and models intended for formal, long-term employment. The findings of the study revealed that despite working in precarious employment, the participants are indeed heads of households and primary earners in the multigenerational and diverse household types they found themselves in. Beyond the marginalization these women experience in accessing the labour market, the ability to maintain autonomous households with small incomes is another source of disadvantage. It is evident that women’s informal labour force participation is crucial for household well-being. With that, labour policy should facilitate tailored economic and administrative resources which raises their financial independence through measures of gender-relevant legislation and directives with respect to the informal economy. This is particularly crucial as intersectionality signifies the importance of including the perspectives of multiply-marginalized people and translating this to policy which focuses on the specific discriminations experienced by different women (Choo & Ferree, 2010).
7.8. Contextualising intersectionality in the empirical findings

South Africa’s highly racialized history, which has enabled the creation of white capital and has privileged white people with access to tertiary education places race as the primary identity in the intersectional constructions in South African society (Gouws, 2017: 6). For this study, given the demographics of the sample, entry into the informal economy can be attributed to the racial legacies of apartheid which introduced patterns of stratification in the labour market and differences in the educational opportunities. The study found mainly African and Coloured women occupying varying forms of informal employment while Indian and White women were barely represented in the informal economy. Race and class are mutually constituting categories which can be viewed as co-constructed aspects of social experience in which the participants’ relative levels of education, health benefits and labour market positioning has meant that women in the informal economy occupy a low socio-economic class.

The researcher found that women in the study also occupy a unique position in which they interact and sell goods to diverse social classes. For instance, women who were running informal business at the Green Market Square had daily encounters with mostly European tourists (a stark example of the interrelatedness of privilege and disadvantage) and those located at the station deck mainly encountered working class populations. This economic exchange and interaction with other classes gives them some level of awareness into the class structures and hierarchies that are in place in the South African context and where they are located within them. This could also explain the negative sentiments women shared regarding the outcome of their labour participation and how they viewed themselves in relation to the informal work they conducted.

It can also be argued that the participants who had cited their failed attempts to negotiate better wages from their employers are also very conscious of the hierarchy and class positions between themselves and their employers. The nature of an informal employment relationship means that employers exercise personal preferences and biases about the treatment of workers and the wages for informal workers.

Furthermore an intersectional lens is warranted as the sexual division of labour persists in the informal economy, when embarking on the fieldwork, it was clear that occupations were segmented along gender norms regarding what was considered to be ‘male’ or ‘female’ work. Participants were found in clothing retail trade, food preparation and trade, domestic household
work and hairdressing. According to Groenmeyer (2011: 269) intersectionality challenges the dichotomous categories which are created by patriarchal society which associate certain categories of work linked to women’s reproductive role. She contends that the continued categorisation of jobs as ‘female’ and ‘male’, creates an opportunity for reproductive work which is seen as women’s work to be low paid because it is seen as women’s work.

7.9. Conclusion

This analysis has sought to shed light on the ways in which labour market trends have imposed a gendered precariousness in the lives of women in the informal economy. The nature of employment for the majority of women in South Africa since the post-apartheid dispensation has been precarious in the form of temporary, casualised work in a rapidly informalising labour environment. With this, many women (particularly African) entered jobs that were devalued both in terms of social protections and pay scales. Furthermore high levels of unemployment and skill-biased capital intensification, has contributed to women’s entry into informal employment, the loss of male income support and debilitating opportunities for social advancement for unskilled women in the labour market. Findings from the study have revealed the manner in which elements of informal employment appear to weigh heavily against women’s productive and reproductive roles. Particularly because they are primary contributors in entire households, they reconcile care burdens with limited incomes, while commodification and limited links to upward mobility excludes them from more long-term socio-economic emancipation. Furthermore the findings in the study revealed that an over-reliance on a single livelihood strategy and the absence of family and neighbourly networks in times of economic difficulty constrained participants’ coping strategies to deal with economic risk.

The analysis has also explored how women’s involvement in child and domestic care responsibilities has been a source of vulnerability. This is attributed to the fact that care is unpaid and has also diminished women’s autonomy and mobility in the labour market. Moreover unpaid care affects women in informal employment more adversely as inputs for care are performed on precarious incomes. The analysis also looked at gender-related labour law in South Africa, arguing that it has not adequately addressed women’s disadvantage both within the productive and reproductive sphere. Particularly, more attention in labour legislation should be paid to gender segmentation in labour markets, sensitisation towards the reality of women headship in households and to unpaid care.
Chapter 8: Conclusion

8.1. Introduction

The Post-apartheid era coincided with neoliberal restructuring, the proliferation of the informalization of the formal economy and high unemployment which have had an adverse effect on labour, have led to gendered inequalities being created in the labour market. As increasing numbers of women set up informal enterprises and entered informal employment, research that scrutinized their socio-economic context was warranted. This prompted the researcher to answer the overarching research question which is: What is the relationship between labour market trends and women’s presence in the informal economy?

The research in the study sought to expose the implications of a rapidly informalising labour market on women in the informal economy and bring attention to the realisation of substantive empowerment and equality for women in different employment positions. By way of conclusion, this chapter discusses the following: labour market trends and their contribution to women’s presence in the informal economy, a summary of the empirical findings is offered, the lack of recognition of unpaid care in labour legislation is discussed, the theoretical contributions made by this study and recommendations for future research.

8.2. The labour market trends and precarious working conditions produced for women

The global economic restructuring of the 1990s played a central role in the various new labour developments witnessed in post-apartheid South Africa. The study has identified high unemployment, labour market flexibility (informalisation, casualization and contractualisation) and the feminisation of labour as key labour market trends which have effected women’s participation in the informal economy. One labour trend explored in the study was, jobless growth (unemployment). Unemployment in South Africa has manifested in a manner which has caused severe job losses for low skilled segments of the population due to the decline in labour intensification. This has contributed to pushing low skilled segments of both genders in the informal economy as an alternative source of livelihood, yet, with women being disproportionally affected.

The high unemployment has not only contributed to direct job losses for women themselves, but the concurrent loss of male incomes has meant that entry into informal employment for
women is crucial for household sustenance. Furthermore, the literature suggests that high unemployment which has coincided with capital intensification, has introduced novel production techniques under globalisation which are transforming skill requirements and job structures. A process which scholars have cautioned would likely impact on the gender division of labour.

The second labour trend, labour market flexibility which has eroded the paradigm of the ‘traditional full-time stable’ employment, has imparted unstable working conditions and limited employment protections for workers. This has had various implications for the informal economy. For instance, the informalisation of work which has increased the number of employees who are not protected by labour legislation nor unionisation and are, in substance, deemed ‘informal’. With the use of informality indicators in the NIDS datasets, the statistical evidence (Figure 4.1. in Chapter 4) in the study suggests that increasing numbers of workers in South Africa are displaying a degree of informality. Specifically the share of workers without medical deductions have shown a five percent increase from 2008 to 2014; a 2.1 percent increase in the share of workers without pension and a 7.1 percent increase of informally self-employed persons in the same period. A gender disparity was reflected in which all these indicators show higher levels of informality for women. This growing informality in labour which is quite evident has meant that there are fewer opportunities for women to work for formal wage labour, as a consequence a number of women in South Africa are unlikely to experience empowerment which comes in the form of a decent wage to adequately provide for households.

In addition, labour market flexibility which has located wage labour on a continuum, where there is very poorly paid and vulnerable jobs on one end of the spectrum and good jobs characterised by a formal contract along with social and legal protection on the other end, has affected gender differentials in pay. The study revealed that women continue to show a high incidence of lower pay across all informality indicators used in the study compared to men. Therefore labour market flexibility not only poses a great threat to groups who are already economically vulnerable in South Africa — namely women and a significant portion of the African population — who enter precarious employment to eke out a livelihood, but women’s informal employment undoubtedly intersects with low pay.

Another labour market trend is the feminisation of labour. The feminisation of labour in South Africa has concentrated women in low-earning and vulnerable jobs as feminisation has
occurred when jobs have become increasingly insecure and precarious. This implies that despite increased female participation in the labour force, the returns to women’s employment has been lower than male counterparts. Feminisation of labour has also placed African women, particularly, in a disadvantaged position, as they continue to be concentrated in low-paying and unskilled work, by which the earnings gap is widening between African men and women. Simultaneously, White women are earning more than African women for all education levels, employment types, and occupations.

8.3 Women’s informal participation: Empirical Findings

While the study sought to understand to what extent social location (in terms of racial and gender identity and varying forms of informal employment) determined how women experience their work and contributed to their entry into this sector. The empirical findings revealed that explicit patterns of racial stratification were not found within the sample, particularly because African and Coloured women — who were the majority of the sample — did not show stark differences in income and educational qualifications. Instead, the research revealed that the challenges of an immigrant status, the nature of family responsibilities/household structures, unpaid care and limited support structures seemed to uphold inequality among the women sampled.

The study suggests that labour market trends have imposed a gendered precariousness in the lives of women in the informal economy based on the data analysis for this study. The empirical evidence suggests that women’s work in the informal economy is not a supplementary source of income in households, but in many cases, it is the sole source of household income expected to cover a number of dependents. This is attributed to the challenge of a lack of financial support from fathers of children, unemployed or precariously employed partners and widowhood which places an enormous burden on women to provide.

Along with this enormous economic burden to support whole households, women’s participation in the informal economy is marked by challenges that are unique to the informal labour they participate in. For instance, for self-employed women, their lived experiences reveal that increased competition marked by market saturation and income fluctuation had contributed to the lowering of profits. Women conveyed that their individual incomes had undoubtedly lowered over the years since they commenced their informal activities. In times of extreme financial difficulty, those who are informally employed were constrained and
disadvantaged by their unsuccessful attempts to negotiate decent and better wages with employers.

The study further revealed that along with small returns from their labour, women’s economic participation was accompanied by the absence of family and friendship networks who could offer financial support during tough financial times. Their economic burden was exacerbated by the commodification of goods and services which was a reported burden, undermined social reproduction. Specifically, women’s wages were increasingly reduced by rising transport, education and food costs, which undermined their ability to support their dependents. Furthermore, the empirical evidence suggests that the economic challenges faced by the respondents meant that they could not afford accommodation which was comfortable and close to the city centre which relegated them to shared living arrangements in surrounding peri-urban areas.

The study found that women’s precarious employment had a negative impact on their self-esteem and their human development prospects. The bulk of the participants felt the enormous pressure being exerted on them as informal workers. The women recognised the constraints on their ability to improve their own lives which sparked feelings of depression, disrespect, unhappiness and exhaustion. This is supported by sentiments shared by the majority of women who reported their need to make an immediate income had prevented them from thinking about or even imagine educating themselves further. A large majority of the sample relied on a single income generation strategy meaning that participants were prone to living with economic insecurity due to the absence of a safety net in the form of an additional income generating activity to mitigate financial vulnerability. In addition to this, the apparent movement of women between precarious jobs in the sample implied that avenues for occupational and social mobility had become narrower for low skilled women in the informal economy. Hence, their current work and the fruits from it had prevented them from devising long-term goals and expectations.

What was also revealed by the study was how the participants’ socially ascribed responsibilities for domestic responsibilities and for unpaid care had adverse consequences for themselves and their children. For instance, women reported that childcare responsibilities affected their choice of employment by which they needed to choose work that is more flexible in order to look after their children. Thus, unpaid care has contributed to constraining women’s labour market
options. In other instances, due to the absence of support for their childcare responsibilities women reported taking young children to work with them.

8.4. Recognition of unpaid care, a crucial piece of the puzzle

The study has shown that women in the informal economy are deprived of access to interventions such as minimum wage laws, labour representation, and inclusion in policy-formulation processes, all of which could have the vast potential to improve their working conditions and socio-economic position. In addition to their precarious, low-waged work, women in the informal economy are also burdened with the disproportionate responsibility for care. Women occupying different points on the informal-formal spectrum experience variant levels of access to social protection: formal employment affords women a reliable, stable income and employment contributions that cater for providing inputs for care; in contrast, women in the informal economy face constraints in addressing their childcare needs. For instance, high quality, private childcare services are unaffordable to them, and care responsibilities restrict the amount of money they can make as their available hours are limited, reducing the time they can actually commit to productive work.

Care has been recognised to be very crucial for human well-being but it is also an area that contributes to the persistence of gender disadvantage. It appears that women’s increasing entry into paid work in South Africa has not been accompanied by a matching change in the gender division of unpaid labour and hence showing that unpaid care needs to be taken into account and recognised in policy formulation and labour legislation. The study has revealed that the New Growth Path (NGP) and The National Development Plan (NDP), which are blueprints towards the creation of a more equitable society in South Africa, lack gender-sensitive initiatives to transform social and economic exclusions, which specifically affect women. These development policies have also failed to target initiatives addressing the gendered inequalities of those in the informal economy.

Furthermore this study has pointed out that policy initiatives such as the Child Support Grant (CSG) and White Paper For Social Welfare (WPSW) which are poverty reduction instruments, have fallen short in terms of gender transformation, this is a concern considering poverty is a gendered experience in South Africa. The CSG has placed less emphasis on the employment conditions of the mother which is unacceptable considering unpaid care and domestic
responsibilities serve as barriers to women’s employment. Along with this, the WPSW which is a crucial policy instrument towards an equitable society, reinforces women’s role as primary caregivers.

South Africa’s legal and policy provisions — including the constitution and international agreements to which South Africa are bound to— offer a comprehensive commitment to the protection of the rights of women, this study has shown that the articulation of domestic labour law does has not adequately given concrete substance to these commitments. The Labour Relations Act (LRA), the Employment Equity Act (EEA), the Broad-based Black Economic Empowerment Act (B-BEE) and the Promotion of Equality and the Prevention of Unfair Discrimination Act (PEPUDA) are labour laws which seek to redress apartheid inequalities and include gender focal points. In relation to these laws, unpaid care work has not gained recognition as a major determinant of gender inequality and it continues to be the missing link in the consideration of gender gaps in labour outcomes. Furthermore, while the labour laws, in some instances, do recognise women as a designated group, they do not address the intersection of women in the informal economy, This creates barriers towards implementing substantive improvements to the lives of all women in South Africa.

8.5 Contributions to understanding intersectionality

This study has used intersectionality as a lens to navigate around the discrimination and inequality women in the informal economy experience in the labour market. This research has shown that women’s access to decent labour opportunities have differentiated and stratified women among themselves with those who have skills to attain quality formal jobs and accumulate adequate earnings for households. Against low-skilled women with the least opportunity to attain decent formal jobs who not only remain vulnerable to stay in precarious employment in the long-term as this study has shown, but remain the most vulnerable to unemployment. Therefore, the study reveals that should gender and racial discrimination be eliminated, it would not necessarily guarantee women’s social equality in South Africa as skills and the lack thereof continues to polarize women.

The study has also highlighted that African immigrant women in the informal economy experience the most discrimination as they find themselves at the lowest position in the social hierarchy in South Africa. In addition to their intersections of gender, race and class, their nationality puts them in a position whereby the market’s failure to recognise foreign credentials and skillsets leads to deskilling, forcing them to underutilise their skills in the
informal economy out of economic need. Therefore from a multiple jeopardy perspective of intersectionality theory, gender, race, class and citizenship are compounded where immigrant women in the informal economy face the greatest disadvantage.

Furthermore, the research has broadened the understanding of intersectionality by demonstrating that women in the informal economy have been vulnerable to multiple, intersecting (and interacting) sources of subordination/oppression. This study assumes not only a critique of patriarchy but also its complex conjunction with capitalism that has exacerbated both gender and racial inequality in which the socio-economic position of women in the informal economy in society points to a number of systematic biases at work. These include: (a) the biases against labour (which privilege capital) most notably, in the context of neoliberal globalization where low skilled work is of diminished importance; (b) biases against those who are in the informal economy (privileging formal workforce) through their deprivation of labour law protection, social protection, employment security and decent wages; (c) biases against women (privileging men) through the unequal burden of unpaid care and gender discriminatory practices which have an impact on labour outcomes for women. All these biases have disproportionately affected African women, a group which has been historically disadvantaged by patriarchal racial institutions during apartheid.

In line with chapter two in the literature, this study has made some contributions to the existing understanding of Structural perspectives regarding informality. The Structural perspective not only sees extensive informal-formal linkages in the economy generally but also views the informal economy to be part of a continuum within the market, yet located in a more subordinate position. This study has rooted the subordinate position of workers to be much broader than informal employment. Particularly the study sees intersectional relationships between secure employment in the informal economy and precarious employment in the formal economy which depicts these workers to be disadvantaged in the same manner regarding their level of earnings, degree of regulatory protection, level of employer-provided benefits and lack of control or influence within the labour process.

Furthermore, this study has made some contributions to understanding factors that contribute to women’s disadvantaged position in the informal economy and in the labour market. This study has emphasized that labour legislation and poverty reduction policy has been largely ‘gender-blind’ and in doing so it has disproportionately imposed productive and reproductive burdens on women in the informal economy. This is particularly due to government legislation
and policies failing to reflect an attempt to understand the impact of informalisation, labour market flexibility and casualization on women.

8.6. Recommendations for future study

The study was limited to the perceptions and experiences of women in Cape Town’s informal economy. Seeing that Cape Town is a key tourist destination this affected the findings of the study as some of the participant’s informal enterprises, particularly their incomes and products offered, were both influenced by and tailored to tourism. Further research which broadens the population sample in other geographical locations in South Africa could be conducted and compared.

Furthermore, this study was limited to women, which creates an opportunity for further research to contrast and compare the experiences of men and women in the informal economy. Additionally, a study which specifically focuses on women’s employment in distinct sectoral categories (i.e., service sector, production, manufacturing sector, trading etc.) in the informal economy could be enlightening as it can be assumed that labour participation in different sectors imposes different risks, opportunities and threats to women.

Research which looks into regulatory frameworks could be conducted, specifically pertaining to how existing labour legislation in South Africa could be extended to cover different groups of informal workers as they do encompass internal differentiation, as well as identifying where new legislation may be required.

8.7. Conclusion

The study has looked at the relationship between labour market trends and women’s presence in the informal economy. The study has identified high unemployment, labour market flexibility and the feminisation of labour (more notably, the feminisation of precariousness) as exclusionary and marginalising processes which have operated simultaneously to expose women in the informal economy to precariousness. This precariousness has been diagnosed in the study particularly because women were found to be primary contributors supporting entire households, residing in precarious living arrangements, reconciling care burdens with limited incomes, while commodification and limited links to upward mobility excluded them from more long-term socio-economic emancipation. Furthermore the findings in the study revealed that an over-reliance on a single livelihood strategy and the absence of family and
neighbourly networks in times of economic difficulty constrained women’s coping strategies to deal with economic risk.

This thesis has also critiqued regulatory frameworks in which the precarious position of women in the study continues to be fuelled by the lack of gender-sensitive policies and labour laws tailored to address gender inequalities and the intersection of women’s identities and social and economic relations in the informal economy. Therefore, as a result of these labour market trends, this paper claims that certain women’s prospects for employment as a whole have been jeopardised whereby their lack of suitable skills and susceptibility to enter insecure work in a informalising labour environment restricts their ability to adapt to changing conditions in the labour market, to adequately provide for their dependents and to advance socially.
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Appendix A: Semi-structured interview questionnaire

1. What is your age?
2. Please describe the nature of the work you do.
3. How long have you been doing this work for?
4. How much do you earn per month?
5. What did you do before? And how did you land up doing this sort of work?
6. What is your highest level of education?
7. Have you had any formal employment? Please elaborate.
8. In the last (whatever number of years indicated in Q2) years, have there been any changes within the informal work that you do? If so, how have these changes affected you personally?
9. Do you think your identity as a (race eg. Black) woman has played a role in the entry to the informal work you do today? If so, how?
10. Are there any challenges you experience as a (race) woman in the type of work you do?
11. Are you content with the work you do? If not, have you considered entering other employment?
12. Do you have any dependents who rely on the wages you earn?
13. Are your needs and your dependent’s needs met by the work you do?
14. Are there any advantages or disadvantages that come with the work you do?
15. What specific impact does the informal business/informal work you do have on your family’s well-being (including yourself) with regards to the following? Your/their (a) health/ (b)income/ (c)education/ (d)living conditions?
16. Do you have any other sources of financial support other than this job you do?
17. Do you have any children? If so, how many?
18. Did having children change your employment opportunities or how you participate in this work you do?

19. In your opinion, what is the impact of you working, specifically in this type of work you do, on your children? Eg: Are your working hours suitable for you to still fulfil domestic responsibilities?

20. What do you do with your children when you are at work?

21. What do you do when you or your children are ill?

22. What type of support structure do have at home?

23. Is there anyone else you care for other than your child/children?

24. Do you have a husband or partner? If so, what work does he do?

25. What do you do when work is slow, in other words when there is very little or no income?

26. Are there any organizations that assist you in your informal employment setting? And are you registered with them?

27. What are your future plans regarding your informal work?

28. What is your vision of the future?