

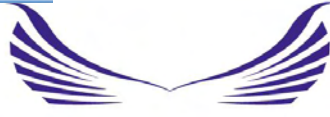


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GORDON INSTITUTE  
OF BUSINESS SCIENCE

University of Pretoria

## **CHALLENGES AND COPING STRATEGIES OF FEMALE STREET VENDORS IN THE INFORMAL ECONOMY**

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**2852976**

A research project submitted to the Gordon Institute of Business Science,  
University of Pretoria in partial fulfilment of the requirement for the degree of  
Masters of Business Administration.

**11 November 2009**

The study aims to alert policy makers and planners in the City of Johannesburg to the problems and coping mechanisms which undermines the business performance of female street vendors in the informal economy.

The research made use of twelve in-depth interviews with male and female street vendors and alluded to the reality faced by females relative to males. In addition, five interviews were conducted with leaders of organisations representing the informal sector.

The findings suggest that female traders are burdened with responsibilities of child and family care which can limit the extent of their trading. Furthermore they have little access to finance and capital to expand their businesses. More women were found to be victims of crime and they experienced a sense of helplessness at the hands of criminals.

Other problems experienced by both male and female traders include: inadequate trading spaces, infrastructural challenges and harassment by the Metro Police.

The research concludes that the formation of street vendor co-operatives (similar to those that have been successful elsewhere), education and training, and more balanced enforcement of municipal by-laws may alleviate some of the challenges



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growth of micro-enterprises.



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I declare that this research report is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other university. I further declare that I obtained the necessary authorization and consent to carry out the research.

**Name:** Tanja Maria Berry

**Date:** 11 November 2009

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## Introduction

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### **1.1 The Purpose**

The study aims to alert policy makers and planners in the City of Johannesburg to the problems and coping mechanisms of female street traders in the informal economy. Research by Statistics South Africa has shown that there are more females than males working in the informal sector and that these females dominate the wholesale and retail trade. (Stats SA, 2002). Street traders' businesses also experience growth and are survivalist in nature. The purpose of this study is thus to identify policy interventions and strategies to assist these women to:

- a) Cope with the challenges they face.
- b) Improve business performance.
- c) Improve sustainability.
- d) Grow their businesses.

The findings may result in policy intervention which could lead to substantial poverty alleviation as well as the economic well-being of women in the informal

will have to be answered: Do the challenges that female street vendors face hinder their opportunity to trade? Do female street vendors maintain financial control and/or ownership of their income and on what do they spend their earnings? What challenges do these women face with regard to access to credit, their ability to save and in terms of security, crime and harassment?

## ***1.2 Drivers of Informal Sector Employment***

### **Unemployment**

In South Africa unemployment is a major challenge. According to Creamer's Media Research Website 26.6% of the South African population is unemployed. The overwhelming mass of empirical research conducted in Gauteng concludes that low labour absorption in the formal economy and dire crises of survival are the primary factors underpinning the massive expansion in South Africa's informal economy over the last decade (Rogerson, 2000).

Recessionary economic circumstances and the slow pace of expansion in the formal economy explain the surge of survivalist enterprise in often already overtraded+ income

formal home-based spaza retailing and hawket operations (Rogerson, 2000, p. 673).

According to Ligthelm (2008) one of the major reasons for unemployment is the disproportional dependence of labour market entrants on formal sector jobs. He states that a consequence of the formal sector's inability to accommodate new entrants is the establishment of small (informal, survivalist) businesses, often set up to escape the plight of unemployment.

**Table 1** The unemployed population

Unemployed	Jan – Mar 2009	Apr – Jun 2009	Jul - Sep 2009
<b>Total</b>	<b>4184</b>	<b>4125</b>	<b>4192</b>
<b>Men</b>	2036	2060	2113
<b>Women</b>	2148	2065	2080

*Stats SA: Quarterly Labour Force Survey, Quarter 3, 2009*

According to the table above there are almost as many females unemployed as males.

% informal employment identifies persons who are in precarious employment situations irrespective of whether or not the entity for which they work is in the formal or informal sector. Persons in

Therefore consist of all persons in the informal sector, employees in the formal sector; and persons working in private households who are not entitled to basic benefits such as pension or medical aid contributions from their employer, and who do not have a written contract of employment+(Stats SA, 2009, p. xv).

### **Lack of Education**

There is a marked difference in the educational profile of persons in informal employment compared with those in formal employment. Among those in informal employment, as many as 8,4% have no education while an additional 70,9% have not completed matric. In comparison, among persons in formal employment only 2% have no schooling while an additional 38,0% has less than matric. (Stats SA, 2009).

Ampofo, Beoku-Betts, Njambi and Osirim (2004) state that a lack of education and training, gender-segregation in the labour market, lack of access to critical resources, patriarchal cultures, and heavy reproductive burdens limit women's formal sector employment. According to them, however, even with educational initiatives such as affirmative action programmes and gender mainstreaming, education does not translate into equitable positions for women in the labour

more women entering the informal sector in order

According to Radebe (2007) training could empower informal traders to start and run their own businesses successfully. He states that these traders will be filled with confidence in their future informal business undertakings and would be able to work on the constraints that prevent them from realising their potential.

### **1.3 Conclusion**

Rogerson (2000) states that certain general blockages, such as access to finance and credit, inadequacies in the content and delivery of education and training, and business infrastructure and service provision, can be identified across all informal enterprises, thus for purposes of policy formation and project development there is a need to disaggregate the analysis and focus on the specific problems that confront the different types of informal enterprise.

It is hoped that by acquiring an in-depth knowledge regarding the research topic the study will yield new insights and comprehension into women's struggles and coping strategies thereby better enabling business performance.

s study will be to view the world through the eyes  
(perspective) of the actors themselves. (Babbie & Mouton, 2007).

Existence in urban informal settlements is those of extreme deprivation (Hames, 2006). Without an extended support system, living in contexts where crime and violence are a constant menace, where floods and fires threaten lives, and suffering from a chronic lack of employment, life for these women is exceptionally hard and hostile (Hames, 2006).

## Literature Review

---

### ***2.1 Informal Economy***

The term informal sector first came to the attention of scholars and economists when Hart (1973) described, in great detail, the informal income opportunities in urban Ghana in the early seventies (Pick, Ross & Dada, 2002). Hart (1973) argued for a re-examination of terminology and suggested that both formal and informal activities contributed to the global economy and that ignoring the informal income generating activities, was a denial of economic realities. An examination of the informal sector's role in GDP in South Africa confirms that this sector is significant. Although individual incomes in the informal economy are often low, cumulatively this activity contributes significantly to gross domestic product (GDP) (Skinner, 2006, p. 6).

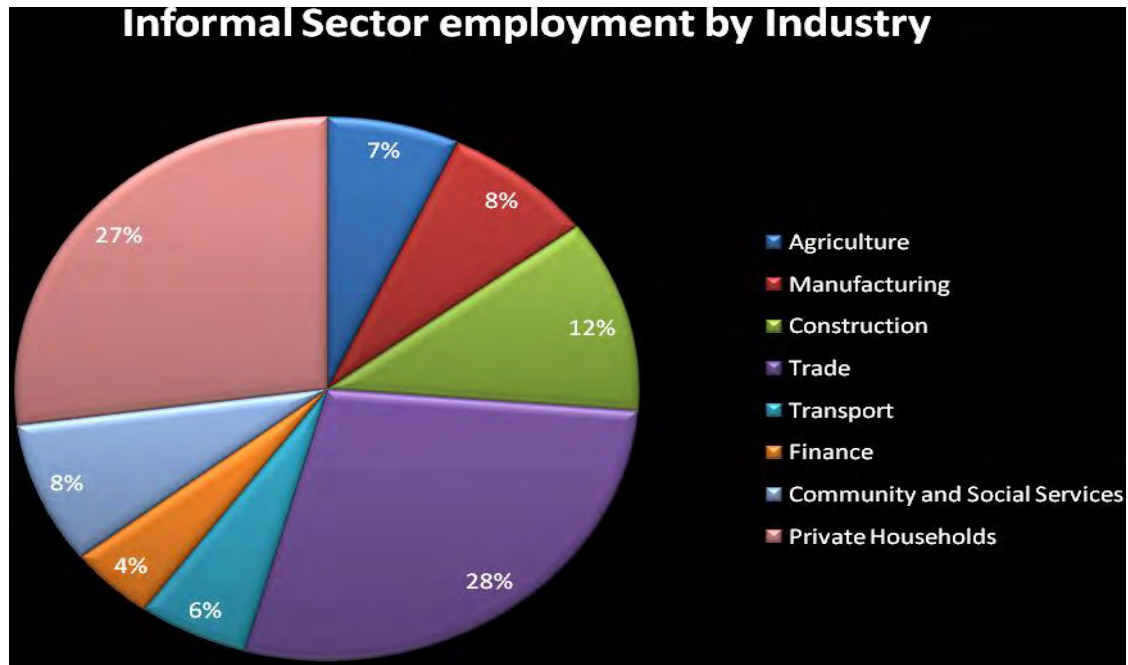
Lighelm (2006) calculates that countrywide total expenditure in the informal economy stood at R51.7 billion in 2004. He states that this compares well with the two largest chain store groups with turnover figures of R32 billion and R27 billion respectively. He notes that R16.7 billion was spent on food and R15.9 billion on transport (mainly taxis).

Statistics South Africa (Stats SA, 2009, p. xv) defines the informal sector as having the following two components:

- 1) Employees working in establishments that employ less than five employees, who do not deduct income tax from their salaries/wages; and
- 2) Employers, own account workers and persons helping unpaid in their household business that are not registered for either income tax or value-added tax.

Figure 1 below graphically represents the informal enterprises by industry. It is clear from the data that the majority of those working in the informal economy are involved in trade as well as private households.





**Table 2** Informal Enterprises by Sector and Gender, March 2007

	% Male	% Female
Agriculture, hunting, forestry and fishing	9%	8%
Mining and quarrying		
Manufacturing	11%	14%
Electricity, gas and water supply		
Construction	23%	2%
Wholesale and retail trade	33%	57%
Transport, storage and communication	11%	2%
Financial intermediation, insurance, real estate and business services	3%	2%
Community, social and personal services	9%	15%

*Stats SA: Own Calculations, Historical Revision, 2001-2007*

gender breakdown for those working in the informal economy by sector. It is clear that women dominate wholesale and retail trade, whilst men dominate construction and transport.

According to the statistics published by Stats SA, formal sector work is far more common for men than for women. Just over half (52%) of employed women work in the formal sector, compared to close on three-quarters (74%) of employed men. Skinner and Valodia (2003) state the reason for this as the shift of the South African economy toward capital-intensive production, thereby favouring the employment of men in the formal economy.

According to Table 3 below formal sector work is least common for African women (38%) and most common for white men (93%) and white women (92%). Informal sector work is most common amongst African women (42%), followed by African men (34%).

Women and Men aged between 15 and 65 in  
Each Population Group by Employment Sector, 2001

	African		Coloured		Indian		White		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Domestic	777	39	91	2	1		4		873	41
Informal	1616	1382	71	95	25	36	68	85	1782	1600
Formal	1446	2665	471	612	129	211	790	1067	2839	4566

**Stats SA: 2002**

Wiego (Women in Informal Employment: Globalisation and Organising), states the following in terms of women and the informal economy:

- Gender, informal sector work and poverty often go together.
- In many developing countries more women than men work in the informal economy.
- Most women working in the informal sector are home based workers or street vendors.

After analysing the Global Entrepreneurship Monitor (2005), the Bureau of Market Research Informal sector survey (2004) and the Finmark business survey (2006) Ligthelm (2008) found that the major characteristics of small informal businesses are:

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- A high mortality rate.
- Establishment because of unemployment, not because promising opportunities were recognized.
- A business environment stagnant, with limited trade-up or conversion to higher business echelons.
- Market growth is often manifested by new entrants rather than by an increase in the existing business turnover.
- Often operating in curbside shelters or from home.

(Ligthelm, 2008, p. 379).

## *amongst Females in the Informal Economy*

### **Introduction**

In South Africa certain cultural practices, such as the seclusion of women, inhibit the participation of women in the informal sector (Nelson, 1986). Women, are, thus, often subject to gender inequality despite the promise of economic independence which involvement in the informal economy holds+ (Pick, Ross & Dada, 2002, p. 195).

According to Pick, Ross and Dada (2002) activities of women have not always been related to their usual gender roles, but have instead been a function of gender inequality in the informal sector. A study by Beavon & Rogerson in 1986 found that women only participated in washing and coffee-cart trading when men ceased engaging in these activities, because of their declining lucrativeness, and moved on to other, more financially rewarding, sectors of the informal economy (Pick, Ross & Dada, 2002).

According to Horn (1994) when activities undertaken by women in the informal sector start to become more profitable they are often gradually taken over by men. The women remain in the subsistence-level activities, while the men are often able to move beyond subsistence to accumulate capital for more ambitious projects

4) states that the reasons for this is the easier access for men to credit facilities, the inferior legal status of women, and the fact that women generally take greater direct responsibility for raising their children, which impedes their ability to progress.

### **Children, and Household Chores**

According to Chant (2008) women are forced into accepting rather than challenging the mounting responsibilities of the household in a spirit of quiet and self-sacrificing acquiescence. He states that while recourse to traditional norms of female altruism in a time of transition may be a tactical gesture to ensure household survival, the danger is that women will have to carry on assuming more responsibilities with severe costs to their personal health and well-being.

Clancy and Tata (2005) found that social and cultural beliefs often have a major impact on the ability of women to successfully balance work and family issues. They found that in high gender egalitarian societies, where both men and women can combine parenthood and employment, the balance between work and family is easier to achieve. In low egalitarian societies a model of positive work family balance may exist for working fathers, but not for working mothers who struggle with work-family conflict. Female street traders often have the sole responsibility of looking after the children and this can negatively impact on their ability to work

... suggests that female street vendors may have less opportunity to trade than males due to balancing family and work responsibilities.

According to a Women and Men study by Stats SA in 2002, women aged ten years and above spent on average of 32 minutes per day caring for children and other household members, compared to 4 minutes per day for men in this age group. They also found that women spend far more time, on average, than men on unpaid tasks such as housework, caring for household members and community work. Among both women and men, African people tend to spend longer than those of other population groups on these tasks. Female street vendors would, thus, spend more time cooking, cleaning and looking after the children than their male counterparts.

## **Legislation**

In the past few years feminists have become increasingly disillusioned with the role of the state (Hames, 2006). The under-resourced gender machinery institutions are in no position to adequately address women's needs and concerns (Hames, 2006). Whilst the government offers a vast package of support measures to large business, its policy is largely irrelevant to the survivalist segment of small business, where most women in the informal economy are to be found (Valodia, 2002).

) has been an important means of entrenching organised workers' rights. It however excludes a vast majority of unorganised workers . almost all women in the informal economy (Valodia, 2002). The Act defines the term *employee* as any person who works for another person or is entitled to receive remuneration (Valodia, 2002). This standard definition results in many workers in the informal economy falling outside the scope of the labour regulation and voice regulation bargaining systems (Valodia, 2002).

The Employment Equity Act does not have a positive impact on vulnerable workers in the informal economy and unskilled and unemployed workers on the periphery of the formal economy since it applies only to firms employing fifty workers or more (Valodia, 2002).

The Skills Development Act established a system of Sector Education and Training Authorities (SETAs) and the National Skills Fund (Devenish & Skinner, 2004). Neither of these structures, however, adequately service those working in the informal sector as these SETAs prioritise the needs of the formal economy enterprises that are paying skills levies (Devenish & Skinner, 2004).

According to Sweetman (2005) women lack the power to challenge the discriminatory policies of social institutions, ranging from family to the state.



ts that go into the making of women's social positions in today's world are marked by legal, political, cultural and religious discrimination. These circumstances clearly indicate the fact that women are disproportionately affected by poverty is neither due primarily to lower income nor finds its sole expression in them. Instead, inequality has its most important roots in inadequate access to resources, lack of political rights, and limited social options as well as in a greater vulnerability to risk and crises+(Rodenberg, 2004, p. 5).

It is evident from the above that women in the informal sector are marginalised because of their weaker positions in society. There is very little legislation in the informal economy to protect women and it is therefore of interest to examine whether female street vendors have as much opportunities to trade as their male counterparts given their domestic duties and culturally defined roles in society.

## *Ownership of Income*

Prior research indicates that even though women are economically active they are not always able to control the income they earn. According to Hartmann (1984) no or low wages tie women to their better paid husbands in a subordinate position, and therefore to domestic labour, which in turn suppresses their wages. Kabeer (2005) states that gender often operates through the unquestioned acceptance of power. Thus, women, who, for example, internalise their lesser claim on household resources, do so because to behave otherwise is considered outside the realm of possibility (Kabeer, 2005). In contrast, Ward (1993) criticises such theories for assuming that women participate in the modern world economy only as members of households in which the male head is incorporated, thereby ignoring women's direct role in the global economy and their economic contributions in the informal labour market as well as in the household.

According to Vogler and Pahl (1994) female control of finances, though it was associated with greater decision making power for women, did not protect them against financial deprivation; however, male control of finances, especially when it took the form of the housekeeping allowance, did serve to protect the financial interests of men in comparison with women. Vogler and Pahl (1994) state that gender inequality was least in households with joint control of pooled money and greatest either in low income households or in higher income households with male

There is some basis for arguing that some females in the informal sector may not have complete control over the money that they earn. In particular, male dominance may curb the extent to which women are able to reinvest funds into the business.

Posel (2001) states that in male-headed households, where there is likely to be at least one conjugal unit, men and women assume responsibility for different areas of decision making that reflect a traditional gender division of labour between production and reproduction. As women earn more income in these households, so their influence over spending on children and food increases, but men retain control over spending on livestock and durables even if their income is lower (Posel, 2001, p. 669). In female-headed households, where male adults are mostly absent, female heads are responsible for both spheres of decisions (Posel, 2001, p. 669). Thus single women traders may have greater control of their income.

According to Verhoef (2001) stability of income in the informal economy cannot be guaranteed. She states that this is especially true for women making a living in the informal sector, who often resort to co-operative trading in the spirit of ubuntu to reduce the impact of fluctuations in income. She mentions that women use informal financial organisations foremost for subsistence means for the household (food, transport, housing, clothing, education), whereas men use them most for housing and buying alcohol. Women in the informal economy are expected to use

...e table and to satisfy household needs. When  
married these women very often have no control of their finances and thus have  
less discretion in terms of saving and investing in their businesses. They are  
seldom able to spend as much money on themselves as is the case with their male  
counterparts.

## 2.4 Funding

According to Marlow and Patton (2005) the availability of finance and access to  
that finance is a critical element to the start-up and consequent performance of any  
enterprise. Hence, barriers or impediments to accessing appropriate levels or  
sources of funding will have an enduring and negative impact upon the  
performance of affected firms+ (Marlow and Paton, 2005, p. 717). The formal  
finance system in South Africa has been a reluctant partner in support of  
developing the informal enterprise. (Rogerson, 2000). This lack of support in  
providing capital inhibits the growth and operation of the informal enterprise  
resulting in the business remaining survivalist in nature. According to the 2000  
Khayelitsha/Mitchell's Plain survey there is also substantial evidence that a lack of  
capital can prevent some individuals from successfully starting a new business.

Seventy eight percent of the unemployed stated that they had no  
money/capital as the reason they did not try self-employment. An

stated they could not borrow money. Fifteen percent of those who ended their first self-employment experience did so because they had no money to buy stock. Twenty percent of the current self employed stated that they cannot afford supplies as the primary reason for not spending more time in their self-employment activity+ (Chichello, 2005, p. 22).

Marlow (2002) draws attention to the manner in which a combination of occupational segregation and domestic/caring responsibilities act as impediments to women entrepreneurs in accumulating both credibility and the variety of capital assets necessary to engage fully with this process. It is therefore possible that female street traders may find it even more difficult to access capital or funds for investment in their businesses.

Drawing from existing literature and empirical data, (Carter, 2000, p. 174) argues that:

Female business owners use substantially less capital at start-up than do male business owners. In total, men used three times more start-up capital than women, (and this) was related positively and significantly to current value of capital assets, sales turnover, and total number of employees+.

Carter (2000) elaborates upon this argument to suggest that female-owned firms underperform in almost every respect in comparison to those owned by men and this can be linked directly to the issue of undercapitalisation.

The most important component of financial services for the poor is savings. With savings facilities available to them, the poor are able to accumulate cash surpluses, which can be turned into productive assets (Sisulu, 2005). Savings can make a significant contribution to household livelihood strategies, and cash surpluses can also create a barrier for the foreseen and unforeseen expenses of the future, thus reducing vulnerability to the debt traps (Sisulu, 2005). Similarly street traders could rely on savings to cope with losses, slow trade as well as to avoid debt and high interest charges. Verhoef (2001) states that Stokvels can be used as a mechanism to mobilise limited savings to take advantage of the gains of inter-temporal trade.

A lack of access to reliable savings accounts, however, appears common to the poor everywhere, as documented by Rutherford (2000). He describes many strategies the poor use to deal with this problem for example they form savings clubs, where each person makes sure that the others save. In Africa, Rotating Savings and Credit Associations (ROSCAs) allow people to lend their savings to each other on a rotating basis. Such saving mechanisms may assist street traders in keeping their business afloat and might also help to grow the business.

Lund (1998) states that crime and violence affect women in different ways to men.

Women are more vulnerable and may retreat rather than respond aggressively:

Women in Khayelitsha ... were closing their businesses early on a Friday because they feared being harassed by drunken men and gangsters. While a significant number of men said they wanted a gun, women did not see this as a solution+(Budlender, micro-enterprises and gender, draft p.14).

According to feminist theory, violence against women results from gender inequality on the societal level (Bograd, 1988). The more unequal women are compared to men in a society, the more likely men are to be violent toward women+(Yodanis, 2004, p. 655). The MasterCard Worldwide Index of Women's Advancement released on the 15<sup>th</sup> August 2009 suggests increasing inequality between men and women as measured according to key indicators, they are meant to indicate how far women in South Africa are to achieving socioeconomic parity with their male counterparts. The index score declined by five points from 90.6 to 85.7 between 2008 and 2009 suggesting that we are still experiencing high rates of gender inequality in South Africa. Female street vendors may, therefore, be subjected more too high levels of crime.

According to Yodanis (2004) the educational and occupational status of women in a country is related to the prevalence of sexual violence against women. In countries where the status of women is low, prevalence of sexual violence tends to be higher (Yodanis, 2004, p. 655). In turn, sexual violence is related to higher levels of fear among women relative to men (Yodanis, 2004, p. 655). In the 2004 South Africa Country report to the United Nations Commission on the Status of Women it was stated that South Africa has amongst the world's highest levels of sexual and domestic violence. (SA Country Report, 2004). This supports the notion that the status of women in South Africa can be regarded as low, with women in the informal sector more often subject to crime and harassment.

During the Gauteng round of National Poverty Hearings in Johannesburg on the 12<sup>th</sup> of September 2008, Archbishop Njongonkulu Ndungane called upon South African citizens to speak out against poverty and inequality. Street vendors accused government of promulgating by-laws that were to their disadvantage. A case in point was the decision by the City of Johannesburg to confiscate goods belonging to street vendors. The argument was raised that the City should rather have empowered the traders thereby creating more jobs for the poor. They also condemned the harassment they faced by the Johannesburg Metro Police and pointed out that these actions contradict President Thabo Mbeki's call for people to act in the spirit of *vukuzenzele*. They were still described as dirty, having illegal businesses and as tax evaders. Government policy, thus, appears to vilify street



their vulnerability when engaging with municipalities and the Metro Police. They appear to be unduly victimised resulting in the confiscation of their goods. In a recent meeting held in September 2009 between various Informal Trader Organisations and city officials serious reservations were raised regarding the constitutionality, legality and suitability of by-law proposals as formulated by the city's legal department and supported by the Department of Economic Development.

According to the Informal Traders Survey Report issued by the Ecumenical Service for Socio-Economic Transformation (ESSET) on the 16<sup>th</sup> April 2008, traders complained that not only was their stock confiscated by Metro Police during a raid, but the manner in which it was done robbed them of their dignity. Particularly women complained of being sexually harassed by those who confiscated their stock. The Metro Police showed a lack of respect and their confiscated goods were not kept safe. When reclaiming their stock they found foodstuffs no longer edible and goods no longer in a marketable condition. Fines imposed by the authorities were unreasonable and recovering confiscated goods was not worthwhile. There is, thus, ample evidence that street traders are vulnerable to abuse from public officials. This study will determine if women may be particularly vulnerable to harassment from officials.

## Research Question

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### Research Questions:

The study aims to alert policy makers and planners in the City of Johannesburg to the problems and coping mechanisms of female street vendors in the informal economy which may curtail the advancement of their micro-enterprises. Prior research suggests that women in the informal economy may experience greater challenges than males. The purpose is to identify policy interventions and strategies to assist these women cope with the challenges they face as well as improve business performance.

Do female street vendors in the informal economy experience greater challenges than men?

In order to answer the above question, the following questions needed to be researched:

1. Do the challenges that female street vendors face hinder their opportunity to trade?

- maintain financial control and/or ownership of their  
income and on what do they spend their earnings?
3. What challenges do these women face with regard to access to credit and their ability to save?
  4. What challenges do they face in terms of security, crime and harassment?

## Research Design

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### ***4.1 Qualitative Research***

According to Cooper (2006) qualitative research includes an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world. He refers to it as interpretive research because it seeks to develop understanding through detailed description.

The research made use of in-depth interviews with male and female street vendors to explore the problems and coping mechanisms they use in their trade, such research will further allude to the reality faced by females relative to males. Interpretive research is qualitative seeking to unearth collective frames of reference, or construed realities that guide the attribution of meaning and help account for how women create, enact or interpret the reality they inhabit (Patton, 2002).

According to Patton (2002), qualitative inquiry typically focuses in-depth on relatively small samples, selected purposefully. The logic and power of purposeful

Information rich cases to study in depth; information rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry+(Patton, 2002, p. 230).

The research is exploratory in that it tends towards loose structures with the objective of discovering future research tasks (Cooper, 2006). The research aims to converge on the central issues or themes pertaining to females in the informal economy and to develop appropriate questions for future research.

The study is cross-sectional, carried out once and represents a snapshot of one point in time (Cooper, 2006).

## **4.2 Sampling**

Qualitative research involves non-probability sampling. Little attempt was made to generate a representative sample or generalise the findings to the population (Cooper, 2006).

Snowball sampling which is a type of non-probability sampling was used. Interviewees in this study were difficult to identify and were best located through referral networks. In the initial stage of snowball sampling, individuals were discovered and may or may not have been selected through probability methods

then used to refer the researcher to others who possess similar characteristics and who in turn identified others (Cooper, 2006).

Streetnet International, an alliance of international trader and hawker associations, was contacted to assist with referrals to male and female street vendors in the Johannesburg area.

Research Phase	Aim of Phase	Data Collection Method	Sampling Technique	Sampling Size
Phase 1	Expert opinion from Streetnet workers about challenges facing female street vendors	Unstructured Interview	Purposive	5
Phase 2	In-depth interviews with male and female street vendors. 10 women 10 men	Semi-Structured Interviews	Snowball	12

An interview guide was prepared based on the literature provided and served the purpose of steering discussions around common themes.

The interview guide involved a list of topics and aspects of these topics (not specific questions, note) which had a bearing on the given theme and which the interviewer brought up during the course of the interview (i.e. if the interviewee did not do so him or herself) (Huysamen, 2001). Although all respondents were asked the same questions, the interviewer may have adapted the formulation, including the terminology, to fit the background and education level of the respondents. (Huysamen, 2001). Interviews were conducted face to face, and took approximately 30 minutes. They were tape recorded and transcribed.

### ***4.3 Unit of Analysis and Proposed Population***

The unit of analysis was the individual. The population of relevance consisted of male and female street vendors who have experienced the challenges stated in the literature review and have utilised coping strategies to deal with these obstacles.

### ***4.4 Data Collection and Data Analysis***

According to Marshall and Rossman (2006) In-depth interviewing is a primary data collection method and has the following strengths:

- b) The interview yields data in quantity quickly.

) and clarification is possible.

- o) Combined with observation, interviews allow the researcher to understand the meanings that everyday activities hold for people.

In this study a semi-structured interview was used that:

1. Relies on developing a dialogue between interviewer and participant.
2. Requires more interviewer creativity.
3. Uses the skill of the interviewer to extract more and a greater variety of data.

(Cooper, 2006).

In qualitative studies, data collection and analysis typically go hand in hand to build a coherent interpretation (Marshall & Rossman, 2006). The researcher is guided by initial concepts and developing understandings that she shifts or modifies as she collects and analyses the data (Marshall & Rossman, 2006). Her overall strategy is closer to the interpretive/subjectivist end of the continuum than the technical/objectivist end (Marshall & Rossman, 2006).

Typical Analytic procedures fall into seven phases:

- a) Organising the data,
- b) Immersion in the data,
- c) Generating categories and themes,



- e) Offering interpretations through analytic memos,
- f) Searching for alternative understandings,
- g) Writing the report or other format for alternative understandings.

(Marshall & Rossman, 2006).

#### ***4.5 Potential Research Limitations***

The following aspect is a limitation to the study:-

The study is qualitative in nature and cannot be generalised on a statistical basis.

#### ***4.6 Contact List - Unstructured Interview***

1. George Mahlangu - COSATU Campaigns Co-Coordinator
2. Cheche Selepe - Media (Streetnet International).
3. Sam Khasibe - AFITO (African Federation of Informal Traders Organisations).
4. Augustin Ngqaba - SARHA (SA Rail Hawkers Association).
5. Edmund Elias - Gauteng Hawkers Association

## Results

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### **5.1 Introduction**

Interviews were done with twelve street vendors and five experts in the field of informal trade. The results of these interviews are listed below. The assessment will ascertain whether female street vendors in the informal economy experience greater challenges than men.

In order to answer the above, the following questions were researched:

- Do the challenges that female street vendors face hinder their opportunity to trade?
- Do female street vendors maintain financial control and/or ownership of their income and on what do these women spend their earnings?
- What challenges do these women face with regard to access to credit and their ability to save?
- What challenges do they face in terms of security, crime and harassment?

The research was exploratory in that it tended towards loose structures with the objective of discovering future research tasks (Cooper, 2006). Infrastructural

arket and trading restrictions were some of the findings that resulted from the research.

Most of the informal traders interviewed were trading individually in undesignated spaces in the inner city of Johannesburg. Their ages varied from 26 to 51 years and the majority were residents in the Gauteng area. The interviewees were mostly unmarried, and had one or two children either at school or pre-school. Most were the head of the household with no other members of their immediate family working. The most common reason for entering the informal sector was unemployment. Their educational background also varied from a vendor with a Standard 6 to one with a three year tertiary Banking Diploma.

## Question One

**Do the challenges that female street vendors face hinder their opportunity to trade?**

### **Children, and Household Chores**

The research found that many of the female street vendors had migrated from rural areas to the City of Johannesburg in search of work. In almost all the cases, these women had to find substitute care-givers to look after their children. Not having the responsibility of looking after the children allowed them to work longer hours. As they travelled to the market early in the morning to buy their goods for the day, it was difficult to take their children to school. Female vendors whose children lived with them complained of the lack of crèche facilities and had to keep the children with them whilst trading on the street. Young and immature family members were also asked to look after children where no substitute adult could be asked to assist with child minding.

Below are quotes from female street vendors:

*“My children do not live with me, I have left them at home in Swaziland”.*

*“I have left my children in Pietersburg and they are looked after by my family”.*

...om. It is difficult to have my child with me. Three times a week I wake up at 5 o'clock in the morning to go to the market and then I come here”.

“My mother lived in the Eastern Province and she had to look after my children. There was no crèche here to look after the kids”.

“My small brother takes my child to school”.

“I am also looking after my grandchild. I have to bring her to work every day because I don't have money to take her to a crèche. She used to sit in this tomato box when she was small. During the day she plays here”.

It was found that male street vendors were not burdened with looking after the children and that their wives and girlfriends take over the full responsibility of childcare. Female street traders who have no one to look after their children appear to trade less than females who send their children to childcare. These women are usually preoccupied during the day with the safety and needs of their small children which impacts on sales.

Some of their quotes are below:

“My wife looks after the children at home, I must come to work”.

“My girlfriend and I stay together, she looks after the child”.

and expert on informal traders, had the following

view on childcare.

*“The one big pressure facing women is around kindergarten and crèche, you will find women with babies on their backs working as vendors in the streets. In most instances, they do not have places where they can keep their children. There’s a saying: A women with a baby on her back, troubles on her shoulders and a crate of beer on her head. Some of them walk long distances, and later in life have problems with their health because of the distances they travelled with the babies on their back and the heavy loads on their heads”.*

Selepe mentions that a solution to the above problem is the formation of co-operatives. In one such case, an empty container was turned into a kindergarten, where both street traders and members of the community’s children were looked after. Community members paid school fees which kept the crèche afloat.

The findings also suggest that women spend more time on housework than their male counterparts. Women have multiple duties such as childcare, cooking and cleaning.

Female: *“I leave here at night, half past five, cleaning I do on weekends only, Saturday and Sunday. But cooking every day”.*

Female: *“Before I come here in the morning, I am cleaning and at night when I go home I have to cook”.*

Male: *“No my wife does all that and she does the baking for this business. She is baking and I am selling”.*

George Mhalangu, from Cosatu, made the following statement. *“And you will also find that in most cases women are also negatively affected by certain socio economic conditions. For example, in the afternoon she has to go home and do housework, which is what we call unpaid labour”.*

It appears that women are more burdened by both childcare and their household chores and this may affect their ability to trade negatively. Growing their businesses is also not very likely in these circumstances.

Although the Literature Review did not focus on infrastructural challenges it emerged in the research as a significant constraint. It was found that both male and female vendors were exposed to extreme temperatures, wind, rain and sun. This had an impact on business as all trading stopped when it rained. This challenge was not unique to women.

Below are quotes from both male and female street vendors:

*“Another problem is that when it is raining, I don’t have shelter here. I had a tent that goes over my stock, but it is broken”.*

*“Also when the rain comes it is difficult, and the sun is too much for my head. When it rains I have to cover my stock with plastic”.*

*“And the rain is difficult”.*

*“The weather is also hard, because we lose money if it rains”.*

The following statement was made by an expert interviewee:

*“They do not have formal buildings, formal areas where to operate, water, access to those basic necessities. These*



mental issues, infrastructural needs in general. They usually sell in open spaces, with the sun, the rain, the dust and all those problems. The weather plays a big role, when it's raining there is no shelter. This also impacts on business, someone is not going to buy a loose cigarette in the rain. No, come on, they will rather go to the shop”.

## Places to Trade

A major challenge, mentioned by both male and female traders in almost all the interviews, was the lack of legitimate spaces to trade. As result of the confiscations by Metro Police, traders could only trade with limited stock and this inhibited the growth of their businesses.

To explain the magnitude of the problem below comments from experts in the field:

*“The biggest enemy is the local government, the municipalities control the pavements, the streets etc. There were thousands of hawkers here in central Johannesburg, over ten thousand, and then they built a mall, that mall could only accommodate 500 hawkers. “The Bree Street Traders Mall”. So where are*

...now, they are thrown all over the show.  
...we have stories of traders who have died of starvation and HIV  
and Aids. As a hawker that has Aids, you can survive because  
you are selling vegetables and fruits, you can eat, but imagine  
you are starving”.

“In the commercial district of Johannesburg, trading is not  
allowed. Trading has been prohibited in 52 precincts in the  
Johannesburg. This is an intentional social exclusion of the  
poor”.

Some of the comments by vendors are listed below:

“I don’t have a place to trade, Every day I buy small, because the Metro Police take  
my stuff”.

“It is difficult because I don’t have a stand. A stand will be easier because the  
Metro will not be coming for my stock”.

“A big problem is that I need a place to sell. I don’t have a proper place to sell my  
stuff”.

It was evident from the interviews that there was animosity towards foreigners and  
that they were seen as a threat to local traders. Locals blamed the influx of people

the lack of trading spaces. Traders felt that foreigners were unfairly favored by the authorities. It was mentioned that the authorities were paid bribes to provide stalls to foreigners to the detriment of local traders. Thus the evidence suggests that this is not as much a gender issue but that the foreigners are seen as a threat to survival by local traders.

Some interesting quotes by expert interviewees:

*“Madiba himself said we must try and control this influx of people coming from neighboring countries. People are flocking to Johannesburg because they think there is only Johannesburg, they don’t think of working in the other provinces”.*

*“My name was on the list for one of those stalls, but the foreigners came between us and the Council as they have money. So our names are taken off the list”.*

*“A lot of the South Africans have been driven out by the foreigners, sometimes they decide just to crowd out the South Africans for example by sticking together and*

s. And these foreigners also group themselves together, eg. You will find here in Bree Mall, there is a space that was not supposed to be a kitchen, but the MTC gave the Nigerians this space to open a kitchen. The Nigerians were saying that they needed to eat special food and that they didn't eat the South African food. For our traders they said that space is not meant for a kitchen, but the Nigerians got to open a kitchen there and then you ask is it for money or is it something else".

Many female street traders have been selling items such as T-shirts, caps, flags, snacks, prepared food, etc. both inside and outside sports stadiums during sporting events for many years. Management initiatives coupled with by-laws are now preventing these women from selling at stadiums. Sam Kashibe had the following to say regarding the 2010 World Cup:

*2010 was an excitement of Africans, being a product of an African country. And we were all happy and said Thank you God at last. And it was said everybody was going to benefit. The poor are not going to benefit.*

...amas who are selling pap, who are  
selling samp, who are selling African meals, but you  
know what, somebody has gone to FIFA and said you  
must stop licensing, pap, mielies, what, what, what.  
You must license burgers, Nandos. The companies  
that are given those licenses are big companies. And  
they can sponsor. When FIFA asks us what do we  
come with, we can't say we come with hawkers. FIFA  
said that the opening session to propose is closed  
already, so we have missed the cut off dates. The  
hawkers were shown at Coca Cola Park areas where  
they could sell, but there was not a transport drop-off  
point close by. It was about a kilometre from the  
stadium. Some of the hawkers were selling only two  
plates. ***“Why are they building the Berlin Wall?”***

### **Constraints in the Market**

Seasonality is a major challenge and results in loss of income during certain periods of the year. Below are comments made by both male and female street vendors regarding irregularity of income during both the summer and winter months.

*“You know sometimes when it is winter, people don’t buy necklaces. When you put them on your skin it is cold. This is a problem we have and business goes very slowly”.*

*“I only sell vetcakes and scones. When it is cold this type of business moves, but when it is hot then I don’t sell”.*

Fluctuations in the price of goods can also negatively affect profit margins and lead to a reduction in sales. In an already survivalist business this can have far reaching consequences.

*“The market is a big problem, eg. Sometimes when I go to the market the stuff is say R30, now after two weeks, you must go buy for R50. Then I am suffering”.*

*“The market is not good now”.*

The researcher concludes that there are certain challenges that are unique to women and which hinders their opportunity to trade, for example women spend a lot of time on household chores as well as looking after children. Infrastructural



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and constraints in the marketplace on the other  
hand are not unique to women but also have a negative effect on their business.

## Question Two

### **Do female street vendors maintain financial control and/or ownership of their income and on what do these women spend their earnings?**

Most of the women that were interviewed were single and controlled their own finances. They spent most of their money on food, rent and education and had very little left to spend on themselves. The men on the other hand had excess funds which could be saved. For example, in one instance funds were used to build a house by sending money home for building materials.

Below are quotes from the females:

*"I buy food and stock only. If I have extra money I buy food for my children".*

*"I send money to my children, because they are also suffering. I don't have money for myself".*

*"Most of the time I buy for my kids. Belts, uniforms, school fees, you know the school fees are too expensive. Secondly when they are going to school they are using transport".*

*"I use to buy small things for myself, sometimes I don't buy for myself. Most of my money goes for food and school.*

*Because education is more important than everything, you know".*



dors:

*"I am building a house, a home, so I am spending money on that".*

Comments by the experts:

*"At the end of the day women must bring the food to the table, even if the man is working, the women must make sure that tonight there is something to eat. And also that the children have a little money to buy something tomorrow to eat at school. Men can work in the formal economy, but usually by the 10<sup>th</sup> of the month his meager wage is exhausted. Or his money is used to buy certain real strategic things, for example. If we don't have a bed, or the stove is not working or in the beginning of the year we need to pay the school fees. Used to buy durable stuff, but in the short and medium period it is the women's responsibility that this man eats when he comes home from work".*

The majority of females in this study was single and had full control of their finances. This finding supports research by Posel (2001) who also found that single women had greater discretion over their income. As most of these women were running survivalist businesses, their earnings were spent on transport, school fees and household expenses with very little left to spend on themselves.

### Question Three

**What challenges do these women face with regard to access to credit and their ability to save?**

The research found that most of the women were unable to save due to the fact that all their income was spent on food and rent. Their male counterparts, however, were more likely to have disposable income and quite a few had savings accounts at financial institutions. Men overall also had larger businesses and were more likely to be in partnership with other vendors, whereas women were own account workers.

The following statement was made by one of the male vendors:

*“I have 17 people employed all over town. They all sell vetcakes for me”.*

Overall the women's businesses were smaller than those of their male counterparts. This could also be due to the fact that many of them had transport problems.

*“Most of the women sell, vetcakes, pap and nyama, coffee in the morning, bread and butter, frank and russian. Women very often only sell a few things”.*

...re cars like their male counterparts, at  
FIND there are 10 women and 2 men, and these 2 men are  
husbands to the women. So, in this case, these 2 women who  
have husbands with cars are slightly advantaged”.

One of the female vendors gave the following reason for her inability to save:

*“Some people will take stuff on credit but never come back to  
pay, sometimes when you give them cigarettes they don’t come  
back to pay you. Then I have to take the money that I am saving,  
I have to take it from the bank to buy more stock”*

One of the experts also explained that women work from hand to mouth. This  
emphasises the fact that they find it very difficult to save.

*“There is also a lack of entrepreneurship amongst these  
women, they work from hand to mouth and are own account  
workers.*

Stokvels were common amongst women and most said that if they  
had money to spare they participated in savings schemes. Below is a  
comment by an expert:

*%A lot of them set up savings schemes, and it is an  
encouraged thing. They donate, R10, R10 or R20, R20, and*

...ay it goes to mama B. Then they  
...ave enough to buy stock, but not only stock also other  
...necessities that they need. But most of the time the women  
...are on their own, it is a situation of survival of the fittest. At  
...the end of the day she must try by all means to make it on  
...her own. (Called Magotsiswano) Magodiswa – We pay each  
...other. It is a predominant thing under the women”.

It was found that both male and female street vendors were not aware of funding initiatives by the government. Almost all of the vendors had borrowed money from family or friends to start their businesses. Very few had bank accounts and all of them had no fixed business address. Most had no assets and were running survivalist businesses. Although most of the males had more assets in the form of vehicles, none had loans from financial institutions. None of the vendors businesses had been funded by government initiatives. Overall it was felt that borrowing money meant paying it back at high interest rates. Due to the irregularity of income associated with street vending most were scared to borrow money for fear that their goods would be taken away.

It was felt that most of the initiatives by the government were aimed at small and medium enterprises and not at the informal sector.

*“They also don’t have access to funding. There are a number of departments that have taken into account informal economy*

...mple. If we take BEE strategies, the entry point is very, very, inaccessible to an informal trader. Because for some of them you require a certain amount per annum to get funding”.

“What is difficult with the vendors and funding is that they have no business address, where do they post your stuff to. The formal qualifications that are required, by these institutions, are way beyond what the poor people on the ground can provide. The formal requirements for people to be formalised, and to access the formal business mechanisms by the state is non-existent. It doesn’t work. It is difficult because it doesn’t reach ordinary people on the ground”.

To summarise, most women were unable to save due to the fact that all their income was spent on food and rent. Their male counterparts, however, were more likely to have disposable income and quite a few had savings accounts at financial institutions. Men overall also had larger businesses and were more likely to be in partnership with other vendors, whereas women were own account workers.

## Question Four

**What challenges do they face in terms of security, crime and harassment?**

The research found that more women than men were victims of crime. However, it should be noted that as the sample of women in this study was relatively small, some caution should be exercised in interpreting the results. This has been acknowledged as a limitation of the study. Overall, women also felt a sense of helplessness when confronted by criminals. The following comments were made by female street vendors:

*When I came here I wanted to do cooking, so I bought a gas bottle, when I turned away to fetch water they stole my gas. And since then I have had no money to buy another gas bottle. There is nothing that I could do about it".*

*"They walk past and grab your stuff and run".*

What was interesting is that vendors work together to combat crime and that the presence of Trader Organisations also had a positive impact on fighting criminal activities. Below are some comments from both male and female vendors:

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for a very long time, so it easy to see who the criminals are. we usually shout when they steal our stuff, Vimba, Vimba. Catch him. Catch him”.

“We are working here permanent now. We are a lot of traders working together”.

“There used to be a lot of crime here. We have now joined an Informal Trader Organisation and the crime is now much better”.

Both male and female street vendors were found to be victims of harassment by the Metro Police. Women were not found to be more vulnerable than men as both genders faced an equal amount of harassment. Goods were confiscated and vendors had to pay exorbitant fines to get their stock back. When they did try to collect their goods they often found their stock missing. Many of the vendors said that the Metro Police would sell their stock or take it to their homes and use it themselves. Below are some of the comments made:

Females	Males
<p><i>The Metro Police have given me a fine for R1500. That is too much for stock of R100. If I give that money I can take my stock, but I leave it.</i></p>	<p><i>The Metro ask us too much money. One time we had the money, and when we went to fetch our stuff we could not find it. They say that after two days they give it to the poor people. But on the fine it said nothing about the 2 days.</i></p>

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<p>the Metro come and take the stuff, then they give you a ticket. The ticket is R600, but it is tomatoes in that box there, that I buy for R40 to R50 at the market. They have come a few times.</p>	<p>Yes they have taken my stuff. It is about 3 times now. They took about 10 bags of oranges, and after that I ask where is my slip, they write me a slip and then they say I have to come and pay R600, for 10 packets of oranges. I just leave it. Because I don't have R600, it is too much money.</p>
<p>The police they take my stock. Sometimes they take the stuff to their homes. Or they sell the stuff.</p>	<p>I have a case, when the Metro Police took off the cuff, look at my hand. When they took my stuff I wanted a fine, and they didn't give it to me so they handcuffed me. They took me to jail.</p>
<p>They gave me a permit to trade here. But sometimes they still take my stuff even if I have a card.  They have taken my stuff but I couldn't get it back, because it was too expensive. The thing will cost R5 and the ticket will be for R700. It is just too much</p>	<p>When the Metro come here they took our stuff, but when they take our stuff they share it amongst them. It is all our stuff but they take it.</p>



The research did not find that female street vendors were harassed more by the Metro Police than of their male counterparts.

Sam Kashibe of the Rail Hawkers Association commented as follows:

*“In all the years that we have a democratic government nothing in this sector has changed. You will still see these people running. There used to be a song by Miriam Makeba, Hurry, Mama Hurry. We are today still singing those songs. And we don’t know why, the local government is ours, the Metro Trading company is ours”.*

Some comments made by other expert interviewees:

*“Some of the hawkers recorded a video, which they gave to a mainstream newspaper, The Sowetan. The problem was that the police were taking bribes from the hawkers, and the hawkers wanted to prove that there was criminal activity taking place. The police used to come and confiscate the goods and you had to pay them then and there to get your goods released”.*

*“The municipality demarcated certain areas in town for trading. Later on when the buildings behind these demarcated areas*

investor, the investor would say no, not on my pavement. And then these vendors were chucked out. The Red Ants came, they are a bunch of people, who wear red jackets and who are employed by a private company, they do the state's dirty work. If there is, for example, an eviction in an informal settlement, the police will come but they are not able to force down the shacks, they will bring the Red Ants. They are people who are not working, unemployed, impoverished. They are recruited and given a job, their job is to go and smash shacks. And this is what happened to some of those cages. This also happened to the woman I know that died of HIV and Aids. She was taken here to the Bree Street Mall to one room in the mall, where she starved, the place is not functional, and in fact that place has become a hooligan place. It is nowhere near the taxis, nowhere near the commuters. And it is cold there, because it was built for storage. It might be a cold room in a way. There is no traffic, no people coming by. She also went from hawker to hawker every day asking for taxi fare back home, and one of the guys said, if she was unable to arrange money for transport, what about money for food".

From the above it is evident that more women are victims of crime than men. They also felt a sense of helplessness at the hands of criminals. It did not emerge that



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counterparts.

are harassed by Metro Police than their male

## Discussion

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### **6.1 Introduction**

In Chapter 6 the results are discussed in terms of the Research Questions and the literature reviewed earlier. This Chapter shows insight into the findings in terms of the theory base and will indicate that the research objectives have been met. The research results discussed in this chapter contribute to an enhanced understanding of the challenges and coping strategies of female street vendors in the informal economy.

### **6.2 Discussion of results for Research Question 1**

**Do the challenges that female street vendors face hinder their opportunity to trade?**

## Children, and Household Chores

According to the Report on Women, Work and Poverty (2005), women spend more time than men doing unpaid care work, housework, and overlapping activities such as childcare, cooking and cleaning. Clancy and Tata (2005) found that social and cultural beliefs often have a major impact on the ability of women to successfully balance work and family issues. They found that in high gender egalitarian societies, where both men and women can combine parenthood and employment, the balance between work and family is easier to achieve. In low egalitarian societies a model of positive work family balance may exist for working fathers, but not for working mothers who struggle with work-family conflict.

The research found that many of the female street vendors had migrated from rural areas to the City of Johannesburg in search of work. In almost all the cases, these women had to find substitute care-givers to look after their children. Not having the responsibility of looking after the children allowed them to work longer hours. As they travelled to the market early in the morning to buy their goods for the day, it was difficult to take their children to school. Although this exploratory study did not find many women traders who were caring for children, the findings suggest that women who are burdened with childcare would have less opportunity to trade and little chance to focus on building their business.

According to the Women, Work and Poverty Report (2005) the major obstacles mothers faced were the long and inflexible hours, between 10 and 12 hours a day during the week and up to 10 hours a day on weekends. The research found that a few of the interviewees had to be at the Fresh Produce Market before six in the morning to buy fresh vegetables. During the periods when hours were even longer, women reported never seeing their children awake+ (Women, Work and Poverty, 2005, p. 31).

Female vendors whose children lived with them again complained of the lack of crèche facilities and had to keep the children with them whilst trading on the street. Young and immature family members were also asked to look after children where no substitute adult could be asked to assist with child minding. The Report on Women, Work and Poverty (2005) stated that the low wages of these women limited their choices of paid care-givers, relying on unpaid relatives, who were usually very young or much older.

The findings also suggest that women spend more time on housework than their male counterparts. Women have multiple duties such as childcare, cooking and cleaning which negatively impacts on their ability to trade. One solution to the problem could be the provision of crèche facilities via expanded Public Works Programmes. The success of these programmes in the Western Cape can be

...ches to look after children whilst women were are  
at work. This ensured that the women's concerns were lessened with regard to  
childcare which meant that they could concentrate on their work.

## Infrastructural Challenges

The research found that both male and female vendors were exposed to extreme temperatures, wind, rain and sun. This had an impact on business as all trading stopped when it rained. It was found that these challenges were not unique to women.

In many townships and informal settlements across Gauteng, the absence of basic infrastructure or lack of reliable services, such as electricity and telephones, makes sustainable business activities almost impossible (Rogerson, 2000). Very often there are also no toilets in close proximity of traders' stalls. Due to the fact that they have to abandon their stalls to find a public toilet, trading stops resulting in a loss of income.

The Report on Women, Work and Poverty (2005) supports the findings. The report found that lack of basic infrastructure may compromise women's health, which in

work. Yet those who survive on their own labour cannot afford to be sick. This is also supported by the research. When asked what happens when they are sick, most interviewees stated that they had to work, as they could not afford to stay home.

## Places to Trade

A major challenge mentioned by both male and female traders in almost all the interviews, was the lack of legitimate spaces to trade.

The following comment was made by an expert interviewee:

*“The centre of our battle is that in situations where the government wants to move people from point A to point B, these traders are usually working in spots that are well researched, well marketed and it is areas where the customers are. These formal businesses look around and see this is a busy corner, so many people are passing here and the informal guys are making a killing, and then they say I think we should build a shop here. Because these guys see this area and they think this looks like a lucrative market, and we can make a lot of money here. So when these guys are removed, evicted they are condemned to eternal poverty. In most*



given alternative spaces to trade, in fact the municipality does not care. They don't care whether these guys are going to starve, or where they are from and what are they going do next".

The South African Chamber of Business complained in 1993 that the activities of the informal sector, particularly in respect of retailing in a uncontrolled manner, affect formal business interests and in broad terms such activities are seen as a threat not only from a competitive point of view but also from the point of adversely affecting the ambience of the trading environment+ (Thale, 2009, p. 1).

Leon Louw, a free market advocate of the Law Review Project, has challenged the constitutionality of the by-laws, arguing that they infringe the hawkers' freedom to trade and are thus unconstitutional. They also violate the Business Act by declaring certain parts of the city restricted to informal trading+. Louw has threatened to take the matter up with the Constitutional Court. Section 6A of the Business Act, however, confers on local authorities the power to make by-laws regarding the restriction of the carrying on of street vending, peddling or hawking+ (Thale, 2009, p.2).

According to Edmund Elias from the Gauteng Hawkers Association:

*“Another fundamental flaw in council policy is that they are focusing on transport nodes, all people who have their own cars, thus people who have disposable income can’t support informal traders. For example. The woman that drives into Killarney Mall, Rosebank, cannot support any informal traders, as they are not allowed in these areas. **The poor is not allowed to earn from the rich at the moment.** For example. In the commercial district of Johannesburg, trading is not allowed. Trading has been prohibited in 52 precincts in the Johannesburg. This is an intentional social exclusion of the poor”.*

Edmund Elias says that his organisation is looking at a trading charter which will be driven bottom up and that will compel all shopping centres and other private spaces that accommodate the public to have a quota of micro traders on their premises. This includes sports stadiums and shopping centres. They believe it should be law, that it is not possible to have a shopping centre without small traders. What they are really advocating is **AFFIRMATIVE ACTION** for the informal sector. The Implications are that there will be quite a bit of resistance from

as, however, is of the opinion that certain big companies have already realised that there is no conflict between the informal and formal businesses. For example, Shoprite in Eloff Street has provided spaces for informal traders on their premises. If Shoprite thought that informal traders were a threat to their business they would never have allowed these traders on their premises. According to him, there is no evidence to show that informal trading causes empty shops.

An issue that is currently in the news is Sports Stadium Trading. Many female street traders will be losing their trading spaces resulting in loss of income. This is seen in a serious light and in a letter addressed to Gwede Mantashe, general secretary of the African National Congress, Mr. Edmund Elias asks the government to examine the details of all stadium management contracts, past and present, between local governments and management companies with a view to exposing clauses that could have monopolistic consequences: (Email to be attached in the Appendix for reference).

*The background to the issue is that many people, mostly women, have made a living selling items such as T-shirts, caps, flags, snacks, prepared food, fruit and drinks both inside and on the sidewalks outside sports stadiums during sporting events for many years. Of late, specific management initiatives coupled with by-laws and irregular conduct have marginalised this community of traders*

they are often replaced by resourced  
management, manufacturing, wholesaling and retailing entities.

For example inside the Wanderers cricket stadium precinct, informal traders are totally prohibited from selling drinks, snacks, food, fruit as well as licensed items such as T-shirts, caps and flags. In the public space outside the stadium, such as the sidewalks, all traders who attempt to trade are removed by the Johannesburg Metro Police Department.

Street trading is prohibited outside all sports stadiums, probably to protect cartel business interests and not due to environmental or urban management issues as is claimed.

We draw your attention to *Clause 6A(2) c. of the Businesses Act no. 71 of 1991 on which street trading by-laws are modeled. This states that before a sidewalk can be declared prohibited or restricted the "local authority shall have regard to the effect of the presence of a large number of street vendors, peddlers or hawkers in that area and shall consider whether-*

*i more effective supervision or control in that area, including negotiations with any person carrying on the business of*

...seller or hawker or their representatives,  
...will make such unnecessary and

*ii the intended restriction or prohibition will drive out of  
business a substantial number of street vendors, peddlers  
or hawkers."*

Local government is failing to follow this clause in the law.  
No management options were offered or even attempted  
prior to the total prohibition of street trading around Ellis  
Park (Coca Cola Park).

The facts are that it is almost impossible for a black  
person to trade inside a sports stadium without renting space  
from a white controlled management entity+

To prepare for the 2010 Soccer World Cup local government authorities are trying  
to create a World Class City to attract foreign investment, strengthen infrastructure  
and attract tourists. These preparations often involve evicting street traders,  
demolition of slums and removal of the homeless.

Seasonality is a major challenge and results in loss of income during certain periods of the year. Fluctuations in the price of goods due to seasonality can also negatively affect profit margins and lead to a reduction in sales. In an already survivalist business this can have far reaching consequences.

The Report on Women, Work and Poverty (2005) state that a common policy prescription to address income insecurity in the informal economy is public works programmes. One of the best-known and respected is the Employment Guarantee Scheme in Maharashtra state, India which is unique in that it not only guarantees gainful employment for all adults above 18 years but also requires that this employment contribute to building productive community assets+ (Work, Women and Poverty, 2005, p. 97). It has been successful in generating significant employment, especially for women, and in creating productive community assets including temporary dams to conserve water, paved roads and more+ (Work, Women and Poverty, 2005, p. 97). A draft national Employment Guarantee Act, which would mandate the provision of a minimum of 100 days of work to poor households, is currently being debated in India+(Work, Women and Poverty, 2005, p. 97).

According to an article by Naidoo, (2009) the second phase of the Expanded Public Works Programme in South Africa has introduced the concept of full-time

ERWP aims to create two million FTE jobs, equating to 250 working days a year at a wage of between R50 a day and R100 a day. Provinces and municipalities will also be incentivised to maximise their employment creation efforts. To be eligible they will have to meet minimum participation targets for women, youth and people with disabilities. This could be very beneficial to women in the informal sector and could address the issue of income insecurity. ERWP chief director Ismail Akhalwaya says that this incentive is similar to the job guarantee scheme in India and is a departure from the first phase in which the department had no leverage to prevail on municipalities, or provinces to implement EPWP (Naidoo, 2009).

## Research Question 2

### **Do female street vendors maintain financial control and/or ownership of their income and on what do these women spend their earnings?**

According to the Women, Work and Poverty Report (2005) planners need to better understand and measure the costs and benefits of working informally, taking into account the flow of money into and out of the pockets of informal workers and their household budgets. Women's control over their income and their role in the allocation of household budget expenditures are critical to their empowerment+ (Women, Work and Poverty, 2005, p.72).

Verhoef (2001) states that stability of income in the informal economy cannot be guaranteed. She states that this is especially true for women making a living in the informal sector, who rely on ubuntu to reduce the impact of fluctuations in income. She mentions that women use informal financial organisations foremost for subsistence means for the household (food, transport, housing, clothing, education as well as financial informal selling operations), whereas men use them most for housing and buying alcohol.

Posel (2001) stated that as women earn more income, so their influence over spending on children and food increased, but men retained their control over



es even if their income was lower. In this study, it was found that men had more disposable income and that they used it for household goods and education. One of the men was building a new house.

The research found that most of the women interviewed were single and controlled their own finances. According to Vogler and Pahl (1994) female control of finances, though associated with greater decision-making power for women, did not protect them against financial deprivation. It was found that the women interviewed had small businesses and spent all their money on food, rent and education. They were surviving from day to day and living from hand to mouth.

### Research Question 3

#### **What challenges do these women face with regard to access to credit and their ability to save?**

The issue of improved access to finance and credit is a major concern (Rogerson, 2000). The formal finance system in South Africa has been a reluctant partner in support of developing the informal enterprise. (Rogerson, 2000).

Marlow (2002) draws attention to the manner in which a combination of occupational segregation and domestic/caring responsibilities act as impediments to women entrepreneurs in accumulating both credibility and the variety of capital assets necessary to engage fully with this process. The research found that most female street vendors ran survivalist businesses and that almost all their income was spent on food, education and transport. This impeded the ability of their businesses to grow and for them to accumulate assets.

Drawing from existing literature and empirical data, (Carter, 2000, p. 174) argues that:

Female business owners use substantially less capital at start-up than male business owners do. In total, men used three times more start-up capital than women, (and this) was related

to the current value of capital assets,  
sales turnover, and total number of employees+.

Almost all the vendors had borrowed money from family or friends to start their businesses. However, some of the men made use of loan sharks to obtain funding. Very few had bank accounts and all of them had no fixed business address. Most had no assets and were running survivalist businesses. Although most of the males had assets in the form of vehicles, none had loans from financial institutions. None of the vendors businesses had been funded by government initiatives and most were not aware that any initiatives existed. Overall it was felt that borrowing money meant paying it back at high interest rates. Due to the irregularity of income associated with street vending most were scared to loan money in fear that they could not repay the loan resulting in the confiscation of their goods.

A study by Watson (2006) found that women were more risk averse and needed to feel in control of their business. They were also less likely than their male counterparts to make use of external funding. The research found that all the women borrowed funds from family or friends whereas the men were more likely to borrow money externally.

Savings accounts appears common to the poor everywhere, as documented by Rutherford (2000). He describes many strategies the poor use to deal with this problem for example they form savings clubs, where each person makes sure that the others save. In Africa, Rotating Savings and Credit Associations (ROSCAs) allow people to lend their savings to each other on a rotating basis.

Savings can make a significant contribution to household livelihood strategies, and cash surpluses can also create a barrier for the foreseen and unforeseen expenses of the future, thus reducing vulnerability to the debt traps (Sisulu, 2005). Verhoef (2001) states that Stokvels can be used as a mechanism to mobilise limited savings to take advantage of the gains of inter-temporal trade.

According to Buijs (1998) membership of a savings club gives a woman a source of funds on which she can draw in an emergency and which might not be available to her elsewhere. Gross notes that a stokvel is more likely to act as a security for establishing a personal line of credit than as a means of providing a lump sum, as it often happens that rotational payments do not coincide with the members need for cash (Buijs, 1998, p. 57).

The research found that most of the women were unable to save due to the fact that all their income was spent on food and rent. Stokvels, however, were common

that if they had money to spare they participated in savings schemes. Almost all the women did not have savings accounts at banking institutions and if they did these accounts were dormant.

Their male counterparts, however, were more likely to have disposable income and quite a few had savings accounts at financial institutions. Men overall also had larger businesses and were more likely to be in partnership with other vendors, whereas women were own account workers. The implications are that the male traders businesses tend to grow whilst females are caught up in survivalist trading.

The solution would be to encourage a culture of saving amongst females, expand on financial literacy campaigns and encourage government legislation for compulsory savings. The SA Savings Institute (SASI) recently partnered with African Bank, National Credit Regular (NCR), Credit Ombudsman and Provincial Offices of Consumer Affairs to educate the informal sector on the benefits of saving. They aim to enhance the capacity and profile of the informal savings market. As financial literacy plays an integral role in saving, the SASI aims to communicate, and educate people as well as help people manage down their debt. (Savings Month Report, 2009).

#### Research Question 4

### **What challenges do they face in terms of security, crime and harassment?**

According to the Minister of Police, Mr. E. N. Mthethwa, in his speech regarding the crime statistics for the Fiscal Year 2008/2009:

*“The highest increase was recorded in the area of business robberies. When we break down these robberies we find that in the formal organised business sector, robberies either declined or where they did increase, this increase was generally between 3 and 4%. The area where the biggest increase occurred was in the small and informal business area. This area would include your small dealers and spaza shops etc.*

*It is important to recognise that the police need to do more to assist and protect these small businesses. However there are also certain factors that make these businesses particularly vulnerable to such robberies. Issues like the availability of cash (often linked to the difficulty these businesses face when it comes to accessing banking services) and the unavailability of resources to implement crime prevention measures contributes to making these businesses vulnerable”.*

It is evident that crime against businesses in the informal sector has increased dramatically and that both male and female street vendors are exposed to criminal activities.

According to Yodanis (2004) the educational and occupational status of women in a country is related to the prevalence of sexual violence against women. In countries where the status of women is low, prevalence of sexual violence tends to be higher (Yodanis, 2004, p. 655). In turn, sexual violence is related to higher levels of fear among women relative to men (Yodanis, 2004, p. 655). In the 2004 South Africa Country report to the United Nations Commission on the Status of Women it was stated that South Africa has amongst the world's highest levels of sexual and domestic violence. (SA Country Report, 2004). The above led us to the conclusion that the status of women in South Africa can be regarded as low, with women in the informal sector more often subject to crime and harassment.

The research supported the above and found that more women than men were victims of crime. However, it should be noted that the sample of women in this study was relatively small and caution should be exercised in interpreting the results. This has been acknowledged as a limitation of the study.

of helplessness when confronted by criminals. Lund (1996) states that crime and violence affect women in different ways to men.

Women are more vulnerable and may retreat rather than respond aggressively.

According to Moller (2005) Smith et al's literature review noted that the vulnerability of women has both objective and subjective aspects. Women are physically smaller than the average attacker, might be less able to defend themselves, and more importantly are subjected to rape+ (Moller, 2005, p. 311). At the subjective level, women may be more vulnerable because of reminders of their physical vulnerability in the form of harassment or reminders of their lower power status in a male dominated patriarchal society+ (Moller, 2005, p. 311).

Moller (2005) stated that women tend to be more influenced by their immediate surroundings in processing risk perception while men are more influenced by their empowerment status. Women ecologise fear whereas men underplay risk+ (Moller, 2005, p. 311). This could explain the fact that the men in this study appeared to less fearful of crime.

Both male and female street vendors were found to be victims of harassment by the Metro Police. Women were not found to be more vulnerable than men as both genders faced an equal amount of harassment. Goods were confiscated and vendors had to pay exorbitant fines to get their stock back. When they did try to collect their goods they often found their stock missing. Many of the vendors said that the Metro Police would sell their stock or take it to their homes and use it



...re that they had to use their savings to buy back  
or replace their stock. Confiscation of goods posed serious setbacks to the  
sustainability of informal trading businesses and in many cases impeded growth.

According to Sam Kashibe of SARHA, one of the main things the informal traders  
were marching for on the 5<sup>th</sup> of August 2009 was an investigation into goods  
impounded by Metro Police that had disappeared whilst in their hands.

*“When we follow them and we get there the stock is gone. Also  
they go around the corner and sell the goods to their brother. We  
have proof that there is a lot of corruption. A lot of bribery. These  
Metro Police are not monitored, they can do whatever they want”.*

According to Leon Louw, a free market advocate of the Law Review Project:

*“Officers on the ground often act contrary to their instructions.  
Some of them fail to identify themselves properly and they don’t  
always give reasons why they evict people. The problem is with  
the enforcement” (Thale, 2009, p.2).*

He accuses JMPD officers themselves of being guilty of theft, corruption, extortion  
and even robbery+(Thale, 2009, p. 2).

in the Business Report dated 2<sup>nd</sup> July 2009, city streets are routinely turned into sites of confrontation and intimidation as police try to clear away hawkers.

*“Images of a recent showdown in Johannesburg’s inner city assail me: women running with crates laden with fruit and vegetables, potatoes, cabbages and tomatoes strewn over pavements, idle young men ready with makeshift push carts to stash some of the goods away, vendors calling out a warning of looming danger to their peers further down the street (Petros, 2009, p 1).*

Petro (2009) states that such raids are not only an indictment of a government that won elections on a pro-poor ticket, but also a blatant infringement of the traders’ constitutional right to earn a living.

The implications are that informal traders might decide not to expand their businesses due to crime. They may also keep lower levels of stock out of fear of their goods being stolen. Passing trade may be lost due to clients being scared away by criminal activities. All of the above results in the lack of growth and sustainability of these businesses.

## Conclusion

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The purpose of this study was to identify policy interventions and strategies to assist female street vendors to cope with the challenges they face as well as improve their business performance.

Chapter six provided an assessment of the research findings. This chapter will summarise the findings and provide recommendations as well as highlight areas for future research.

### ***7.1 Key Findings from the Research***

The findings suggest that female traders are burdened with responsibilities of child and family care. They have little access to finance and borrow money from family and friends to start their businesses. Stokvels are used to save money and most are not aware of any government initiatives to fund their businesses. All the women were in control of their own finances and used their money for food, school fees, rent and transport.

responsible for child rearing and had more disposable income to spend on strategic purchases. They also had larger businesses and were more likely to have savings accounts at financial institutions.

Both men and women constantly face harassment by the Metro Police. Other challenges faced are lack of trading spaces and constraints in the market place. More women were found to be victims of crime and they experienced a sense of helplessness at the hands of criminals. Infrastructural challenges also impacted on all the vendors opportunity to trade.

The findings suggest that female traders face more challenges than men with regard to the responsibilities of child and family care. However, other problems experienced by both male and female traders include: inadequate trading spaces, harassment by the Metro Police and infrastructural challenges.

## ***7.2 Recommendations based on the findings***

According to the ILO, experience has shown that initiatives undertaken by women in cooperatives have accelerated the progress and change of their socio-economic situation. Involving more women in cooperatives improves their social role in society and helps remove the obstacles they face on a daily basis. Cooperatives that provide childcare facilities or funding to these women, as in the case of SEWA

In South Africa the most common example of a consumer cooperative is a *Stokvel*, which is generally small and not integrated into any national network. The researcher recommends the development of formal cooperatives specially aimed at meeting the needs of women in the informal sector.

Benefits of cooperatives include:

1. Providing access to services, such as **childcare** and **security**.
2. Providing economies of scale. By pooling their resources traders can obtain needed goods at reduced costs.
3. Access to **funding** for its members. Cooperative banks can provide business advice as well as start up or venture capital.

SEWA, the Self-Employed Women's Association, of India was formed in 1972 and provides a good example of how cooperatives can be used to ensure that poor women have income, food and social security. SEWA's main objectives were to make its members visible, improve their economic position by giving them access to credit and raw materials, and ensuring that they had control of their own income+ (Datta, 2003, p. 354). SEWA bank was established in 1974 and provided credit to its members. It emphasised savings, having an integrated approach, establishing commercial linkages, management know-how and asset creation+(Datta, 2003, p. 357). According to Phillip (2003), an example in the South African context is the

in South Africa. The aims of the banks are to decrease transaction costs of savings mobilisation, increase the circulation of resources in the communities, reduce information costs, provide loans and re-invest funds in the areas in which they were mobilised+(Phillip, 2003, p. 16).

South Africa the Presidential Growth and Development Summit, held in 2003, endorsed special measures to support cooperatives as part of the strategies for job creation in the South African economy+(Philip, 2003, Pg. 14). The Broad Based Black Economic Empowerment Act (No.53 of 2003), the Cooperative Development Policy of South Africa (2003) and the Cooperatives Act (No. 14 of 2005) are crucial policy pillars of the development of a cooperative sector+(COPAC, 2007, p. 2).

According to SEDA cooperatives all over the world follow seven basic principles.

<b>Voluntary and Open Membership</b>	No one can be forced to join a cooperative and they should be open to all persons who are able to use their services and willing to accept the responsibility of membership.
<b>Democratic Member control</b>	They are controlled by the members and everyone has an equal voice . one member, one vote.
<b>Member Economic Participation</b>	Needs to provide services to its members at affordable prices, or to create work for its members.
<b>Autonomy and Independence</b>	They are independent self-help organisations controlled by their members.
<b>Education, training and information</b>	Provides ongoing education and training for its members, elected officers, managers and employees. It should teach all

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	members about the administration and management of the cooperative, the rights and duties of membership, and the business of the cooperative.
<b>Cooperation amongst cooperatives</b>	Cooperatives should work together with other cooperatives.
<b>Concern for community</b>	They work for the sustainable development of their entire communities.

**Source: SEDA (Small Enterprise Development Agency) Brochure**

According to Philip (2003), co-op development strategies tend to be targeted mainly at unskilled, unemployed people, on the margins of the economy. She states that from a base of often poverty, they are expected not only to employ themselves, but also to lead the way in building alternative models of work organisation, worker self-management and worker ownership. It is therefore imperative that we focus on developing training programmes aimed at both the unskilled females as well as those that are highly educated.

In 2004 the City of Johannesburg contracted Wits Enterprise, the commercial company of Wits University, to provide training to informal sector entrepreneurs. Wits Enterprise, in conjunction with the EDU, formulated the course content for the Grow Your Business Training Programme in line with the objectives of the Joburg 2030 vision+ (Radebe, 2007, p. 59). It was believed that such a course would serve to generate profits and improve incomes to the extent that the standard and

Informal traders became sustainably increased+ (Radebe, 2007, p. 99). The City of Johannesburg hosted a graduation ceremony on the 2<sup>nd</sup> August 2009 for 400 informal sector entrepreneurs who successfully completed the Grow Your Business Training Programme.

According to Radebe (2007), the training undertaken by the City of Johannesburg increased informal traders' knowledge base in terms of skills acquisition and assisted them in applying what they attained from training. Most informal traders were found to be interested in becoming entrepreneurs but were disadvantaged by circumstances beyond their means. They also found that training benefited informal traders in the areas of business expansion, attitudinal change, business ethics, customer care and so on, and were thus relevant to the needs of informal traders.

Radebe (2007) stated, however, that the informal traders' businesses had not grown because of training. Informal traders who participated in the training programme are still operating as survivalists+ (Radebe, 2007, p. 103). What training has brought about is an increase in the number of customers from a variety of innovations obtained from training+ (Radebe, 2007, p. 103).



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### Our Business Programme:

<b>Module 1:</b>  The Entrepreneur	Week 1	What is an entrepreneur?  Characteristics of an entrepreneur and the role of entrepreneur in SA
<b>Module 2:</b>  Recognising Opportunities	Week 2	Understanding the environment of the entrepreneur in SA.  Sources of Opportunity.  Identifying good opportunities.
<b>Module 3:</b>  The Business Plan	Week 3	Why draft a business plan?  Components of a business plan. A business plan as a foundation for remaining modules.
<b>Module 4:</b>  Requirement to run a business.	Week 4	Choosing a location.  Equipment/material/infrastructure needed.  Choosing suppliers. City by-laws and regulations.  Seed money.
<b>Module 5:</b>  Fundamentals of costing.	Week 5 and  Week 6	Concept of %money in+and %money out+.  Difference between cost and selling prices. How to price effectively.
<b>Module 6:</b>	Week 7	What makes a good sales person? Tips

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		on selling.
<b>Module 7:</b> Fundamentals of Financial Management.	Week 8 and Week 9	Income, expenses and the cost of goods sold . working out profit. Income and cash flow statements.
<b>Module 8:</b> Planning for growth	Week 10	Strategies for growth. Impact of growth on the business. Formalising the business. Succession plans . who will take over the business.
<b>Module 9:</b> Sources of finance.	Week 11	Banks, micro lenders, NGOs etc. Cost and benefit of each type. Choosing the right source.
<b>Module 10:</b> Merchandising and display.	Week 12	How to effectively pack shelves and position products. Using in-store promotions. Doing stock take.
<b>Module 11:</b> Marketing.	Week 13	Marketing and business. Understanding the customer 4Ps product, place, price, promotion.
<b>Module 12:</b> The way forward.	Week 14	Finalising business plan . pulling modules together. Developing an action plan.

**Source: Wits Enterprise (2006)**

It is evident from the course outline above that the Grow Your Business Training Programme does not focus on cooperatives. What could be included in the above course is a module which introduces informal workers to ways of cooperating in groups, for example Sharing workspace, buying their inputs collectively, sharing transport, as well as skills and experience. As this may fall short of the classic worker co-op model, it has a key role to play in enhancing the economic returns that can be earned by self-employed people (Philip, 2003, p. 25).

Management of an enterprise involves a complex range of skills (Philip, 2003, p. 21). As soon as an enterprise involves the collective management of resources as with a cooperative, the complexity of management escalates exponentially, along with the need for transparency (Phillip, 2003, p. 21). There are groups of workers who are able to master these complexities, and succeed as a collective group enterprise (Phillip, 2003, p. 22). But many unemployed people facing the challenge of self-employment have little or no prior work experience, let alone business management experience, financial literacy and even basic numeracy skills are often low (Phillips, 2003, p. 22).

According to Theron (2007), a mix of members with different skills, from different economic backgrounds, appears to be one of the ingredients of a successful cooperative. He also states that leadership provided by persons external to the cooperative has played a critical role in their development. It would thus be

male leaders internally amongst informal traders to take the lead in developing cooperatives in the informal sector. This can only be achieved by providing training programmes aimed at developing this leadership potential.

The researcher believes that extensive research needs to be done to determine the educational levels of female informal sector workers. It is evident from the findings that there are many informal workers with high levels of education and training programmes should be developed specifically aimed at educating these workers. A quantitative study on cooperatives done by COPAC in 2005 found that the education level amongst members in all 83 cooperatives was significantly high and probably explained through the high levels of unemployment in the informal economy. According to this study, most cooperative members (59%) had completed grade 10, 11 and 12 and 16.8% had university degrees. Nevertheless, the respondents overwhelmingly indicated that one of the greatest needs of cooperatives is more skills and specified training, especially in production and marketing.

According to COPAC (2007), tertiary academic institutions have to consider developing special degrees for cooperative managers, encouraging research and journals on cooperatives, developing text books and promoting the cooperative idea as part development education. He also states that schools need to provide for an understanding of the cooperative model and its role in development and

recommends that a national cooperatives college be established to train cooperators, government officials, NGO personnel and so on about cooperative practice. Such a college could also run specialised and advanced training courses for cooperative cadres that might want to specialise in particular areas of cooperative work+(Satgar, 2007, p. 22).

It is evident from the above that learners need to be introduced to the cooperative model from a very young age. The government urges us to create an awakening among ordinary people and encourage well-intended individuals at the grassroots level to take the lead in organising people into cooperative societies. However continuous assistance by government is necessary to strengthen grassroots activities.

W&RSETA is a potential funder of training for the informal sector. The following email was received from Richard Mokgata, Executive Manager at the W&RSETA with regard to the SETAs involvement in the Informal sector:

*We have many initiatives for the informal sector. These also assist us in meeting our targets for Non Levy Paying Organisations (3.2) and Small BEE Companies and Coops (2.5).*

*We have allocated substantial amounts of money to training providers through the discretionary grant process so they can be*

Paying constituent traders in both the  
urban and rural areas.

*“The W&RSETA is always on the lookout for initiatives that are aimed at targeting the informal sector. We prefer the proposals to come from organized bodies such as NAFCOC, FABCOS, ACHIB and many other similar credible organisations”.*

This is an extract from the SERVICE LEVEL AGREEMENTS that SETAs sign with the Department of Labour. It is based on the National Skills Development Strategy (NSDS) document. However the SETAs have not started to measure the impact of support on the sustainability of these co-operatives.

NSDS 2005 – 2010 Objectives	NSDS 2005 – 2010 Success Indicators (National Targets)	SETA Plan for 2005-2010 Five Year Targets and Output/Outco me (reviewed annually)	SETA Plan for 2010-2011 Annual Targets And Output/Outco me	Annual Performance Assessment Criteria	Proje cted 2010- 2011 Budg et	Means of Verification (report) and Validation (confirm)	Assumptions
Promoting employability and sustainable livelihoods	<b>Indicator</b> <b>3.2</b>  By March 2010, at	Target for the sector for the period 2005 to 2010 is	Total target for non-levy paying enterprises, NGOs, CBOs,	SETAs are measured on the number of non-levy	R  _____	SLA schedule 2b report verified by	SETA has an approved NLPE grant/strategy

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	<p>paying enterprises, NGOs, CBOs, and community-based co-operatives supported by skills development . Impact of support on sustainability measured with a targeted 75% success rate.</p>	<p>paying enterprises, NGOs, CBOs, and community-based co-operatives.</p>	<p>and community-based co-operatives is _____</p>	<p>paying enterprises, NGOs, CBOs, and community-based co-operatives that have received discretionary grants and/or other skills development interventions. This target will be measured against Total number of non-levy paying enterprises, NGOs, CBOs, and community-based co-operatives.</p>	<p>the SETA is submitted each quarter. This report must list Names and Company or Reference Numbers of non-levy paying enterprises, NGOs, CBOs and community based co-operatives that received discretionary grants and or skills development support for each quarter.</p>	<p>policy to provide support to Non-levy paying enterprises, NGOs, CBOs and community based co-operatives. <b>SETA Intervention:</b> SETA to provide information to the DoL so that the impact of support on sustainability measured with a target of 75% success rate.</p>
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**Source: Department of Labour (2001) National Skills Development Strategy (NSDS) Report.**

It is clear from the correspondence with the W&RSETA that there are sufficient funds available for training providers through the discretionary grant process to train non-levy paying constituent traders in both the urban and rural areas.

Whether the training currently provided is making a contribution to the development of cooperatives? This can only be achieved through various focused and well thought out training programmes aimed at informal sector workers from different educational backgrounds.

According to Frans Seema from One Voice, many of the Metro Police officers do not have an in-depth knowledge of the by-laws. This results in traders being unfairly victimised. The following suggestions aim to address issues concerning the harassment and confiscation of goods by Metro Police officers:

1. Training needs to be provided for Metro Police officials with regard to by-laws. They need to understand the rights of traders.
2. There needs to be monitoring of corruption amongst Metro Police officials.
3. Greater dialogue and participation must be encouraged between street traders or their representatives in job creation policy.

### ***7.3 Areas for future Research***

Based on the research, the following areas were identified as requiring further research.



be done on the educational levels of female street vendors in the informal economy. This will facilitate the development of training programmes specifically aimed at women from widely different educational backgrounds.

2. A study needs to be done on the kinds of cooperatives that are suitable to address the needs of female street vendors. At the moment there are many survivalist businesses that sell the same products, for example fruit and vegetables.
3. Further research is needed in terms of a Cooperative College for South Africa.
4. Further research is needed in terms of the type of training available to Informal traders and how we can ensure that the idea of cooperatives gets included in these training programmes.

<b>Research Question</b>	<b>Literature Review</b>	<b>Data Collection Tool</b>	<b>Analysis</b>
Do the challenges that female street vendors face hinder their opportunity to trade?	Rogerson, 2000. Pick, Ross & Dada, 2002.	Semi-Structured Interview	Content Analysis, Coding and Analytical Analysis.
Do female street vendors maintain financial control and/or ownership of their income?	Vogler and Pahl (1994)	Semi-Structured Interview	Content Analysis, Coding and Analytical Analysis.
What challenges do these women face with regard to access to credit and their ability to save?	Marlow and Patton (2005). Verhoef (2001)	Semi-Structured Interview	Content Analysis, Coding and Analytical Analysis
What challenges do they face in terms of security, crime and harassment?	Yodanis (2004)	Semi-Structured Interview.	Content Analysis, Coding and Analytical Analysis

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## Appendix 1 - Dimensions

Dimensions	Description
<b>Opportunity to trade</b>	<p>Domestic Responsibility:</p> <ul style="list-style-type: none"> <li>• Getting children to school.</li> <li>• Looking after sick children</li> <li>• Household chores.</li> </ul> <p>Pregnancy . Taking time off work.</p>
<b>Financial</b>	Control over Finances.
<b>Control/Ownership</b>	
<b>Access to Credit and</b>	Availability of Credit.
<b>Ability to save.</b>	<p>Ability to save.</p> <p>Stokvels and Burial Societies.</p> <p>Micro Credit.</p> <p>Loan Sharks.</p>
<b>Security, Crime and</b>	Security of their goods
<b>Harassment</b>	<p>Harassment by Police</p> <p>How crime impacts on their business?</p>
<b>Earnings</b>	What they spend their earnings on?

## The Challenges and Coping Strategies of Female Street Vendors in the Informal Economy

Questions	
1	<p>Demographics:</p> <ul style="list-style-type: none"> <li>• What is your age?</li> <li>• Where do you live?</li> <li>• Are you married?</li> <li>• Do you have any children and what are their ages?</li> <li>• Do your children live with you?</li> <li>• What is your nationality?</li> <li>• What is your educational background?</li> </ul>
2	<p>What are your domestic responsibilities toward:</p> <ul style="list-style-type: none"> <li>• Your children if they are ill.</li> <li>• Getting your children to school.</li> <li>• Fetching your children from school.</li> <li>• Household chores such as cooking and cleaning.</li> <li>• Buying food etc.</li> </ul>
3	<p>Have you ever been pregnant/ill and how has this impacted on your work?</p>

en whilst you are at work?

5	Do you have control over your finances?
6	How much money do you earn on average per week?
7	What do you spend your earnings on?
8	How much of the money that you earn do you spend on yourself?
9	Have you ever applied for credit? Was it difficult to obtain?
10	Do you have a savings account at a financial institution?
11	Do you make use of Stokvel or Burial Societies to save money?
12	What other methods do you use to save money?
13	What other methods do you use to finance your business?
14	Are you aware of any government initiatives to assist in financing your business?
15	Have you or your immediate family recently been victims of crime? Describe what happened.
16	How do you protect your goods against theft? Have your goods ever been stolen?
17	How do you decide where to set up your business and how often do you change your location?
18	Have you ever been harassed by the police? Have your goods been confiscated?
19	Do you feel confident that the police are able to protect you against crime?



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What are the challenges you face in running your business?

## **SOUTH AFRICAN NATIONAL TRADERS' ALLIANCE**

chairperson: Livingstone Mantanga  
083 4763782

31 August 2009

Cde Gwede Mantashe,  
General Secretary,  
African National Congress,  
Luthuli House,  
Sauer Street,  
JOHANNESBURG

Dear Comrade,

**RE: SPORTS STADIUM TRADING ISSUE**

Many of our members have recently brought to our attention the fact that trading at specific sports stadiums, both inside and from the public spaces outside stadiums, has become increasingly difficult and in some instances even impossible.

We request that certain specific interventions by The African National Congress are initiated.

The background to the issue is that many people, mostly women have made a living selling items such as tshirts, caps, flags, snacks, prepared food, fruit and drinks both inside and on the sidewalks outside sports stadiums during sporting events for many years. Of late specific management initiatives coupled with by-laws and irregular conduct have heavily marginalised this community of traders to such an extent that they are often replaced by resourced management, manufacturing, wholesaling and retailing entities.

For example inside the Wanderers cricket stadium precinct, informal traders are totally prohibited from selling drinks, snacks, food, fruit as well as licensed items such as tshirts, caps and flags. On the public space outside the stadium, such as the sidewalks, all traders who attempt to trade are removed by Johannesburg Metro Police Department.

To give you an idea of the complete monopoly resourced management and distribution entities have on the situation, Mr. Blessing Xulu, an Orange Farm resident, cell number 076 685 9396 was given written permission by the Wanderers Golf Club on 27 March 2009. to sell licensed cricket merchandise on their property. His stock was confiscated by JMPD from private property on that same day.

The distribution of licensed items sold at The Wanderers Stadium are manufactured by Promo-Gear Manufacturers is controlled by a Mr. Angus Thompson of that company. The wholesale distribution rights were given by the company to another company called TDK and headed by Mr. Wally Thompson, a brother of Angus. That company collapsed and was promptly replaced by Geraghty Trading, operating from the same building as the manufacturer and still headed by Mr. Wally Thompson.

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between 1995 to 2004. The right to trade was lost as soon as over the wholesaling of the products in Africa by a group of traders was unsuccessful. From

2004 until the present time Geraghty Trading has the sole rights to occupy retail stalls inside the stadium as well as the influence over JMPD to ensure that no trading by anyone takes place outside the stadium.

Our members report that the same individuals who control the sale of cold drinks at Ellis Park have a monopoly on trading rights at The Wanderers, Dobsonville and Orlando stadiums as well. Street trading has been totally banned outside all stadiums. This gives resourced stadium management entities a total engineered monopoly. Price fixing, at the expense of the fans, is the result of this monopolistic pattern.

Authorities, such as Cricket South Africa and the Johannesburg Department of Economic Development, have failed to respond in a satisfactory manner.

In the case of Rand, Dobsdonville, Soccer City and Orlando stadiums a new management entity claims that it has met with Johannesburg Executive Mayor, cde Amos Masondo and have a "done deal".

This "done deal" effectively means that traders can rent stalls at R250 per game, pay R90 for each mobile vendor, compelled to buy half litre cold drinks from management and be charged a 10% "handling fee" and forced to sell them at R10 per bottle. The uniform price for a plate of food is R30. No fruit and snacks can be sold.

It is important to note that the distribution company owned by Mr. Wally Thompson was until recently charging informal traders exorbitant fees to sell products that his company sold to them from public space outside Ellis Park and Vodacom Park in Bloemfontein. The Johannesburg Department of Economic Development stopped the practise but failed to initiate criminal proceedings. At this point in time only Thompsons products can be sold outside Ellis Park without JMPD intervention. That means no sweets, snacks, drinks or fruit.

An absolute resourced trading cartel presents itself for investigation.

Street trading is totally prohibited outside all sports stadiums, probably to protect cartel business interests and not due to environmental or urban management issues as is claimed.

*We draw your attention to clause 6A(2) c. of the businessesd act no. 71 of 1991 on which street trading by laws are modeled which states that before a sidewalk can be declared prohibited or restricted the " local authority shall have regard to the effect of the presence of a large number of street vendors, pedlars or hawkers in that area and shall consider whether-*

*i More effective supervision or control in that area, including negotiations with any person carrying on the business of street vendor, pedlar or hawker or their representatives, will make such unnecessary and*

*ii The intended restriction or prohibition will drive out of business a substantial number of street vendors, pedlars or hawkers."*

Local government is failing to follow this clause in the law. No management options were offered or even attempted prior to the total prohibition of street trading around Ellis Park.

The facts are that it is almost impossible for a black person to trade inside a sports stadium without renting space from a white controlled management entity.



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n elected. We respectfully request that we meet with you  
world one day cricket tournament is about to take place.  
ple to earn some money.

We are presently engaging with COSATU Johannesburg with a view to co-ordinating the co-operative management concept to help traders organise into viable commercial groupings. A COSATU facilitated workshop is being held on 9 September 2009.

In our opinion it would be in the best interests of the trading fraternity for the ANC to examine the details of all stadium management contracts, past and present, between local governments and management companies with a view to exposing clauses that could have monopolistic consequences.

Warm greetings

cde Edmund Elias  
communications director  
cell 072 570 2200