

THE IMPACT OF THE INFORMAL ECONOMY ON THE SOCIAL
AND ECONOMIC DEVELOPMENT OF WOMEN HEADED
HOUSEHOLDS IN CHEGUTU URBAN DISTRICT IN
ZIMBABWE.

BY

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I declare that this research report (dissertation) is my own, original work. All secondary material used was carefully acknowledged and referenced in accordance with the university requirements.

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ABSTRACT

*THE IMPACT OF THE INFORMAL ECONOMY ON THE SOCIAL AND ECONOMIC
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In the last decade Zimbabwe has faced serious political, social and economic challenges which have affected the ordinary citizen. Among the economic challenges is the rapid growth of the informal economy which has become the main employer for most people. This growth is attributable to the shrinking formal economy which has left many people jobless and fighting to survive. The alternative is the informal economy which is accommodating millions of Zimbabweans providing a source of income and form of livelihood.

Women tend to be overrepresented in the informal economy and among them is a sub-group of women who head households. Women headed households are among the poorest people in the world.

The aim of this study was to determine and explore how the informal economy impacts on social and economic development of women headed households. this aim was realised through contextualizing WHH within a social and economic development

framework; determining the nature and extent of the informal economy in Zimbabwe; conducting an empirical study which explored and determined the impact made by the informal economy in the social and economic development of WHH in Chegutu urban area of Zimbabwe and research findings, conclusions and recommendations were made to support women involved in the informal economy.

A qualitative approach was utilised in the study and the case study was used as the research design. Data was gathered by means of semi-structured interviews. The targeting and snowball sampling methods were used to identify respondents.

Findings from the study indicated that women headed households in the informal economy benefit from the sector. They are self employed, it is their main source of income, main form of livelihood which caters for all their household necessities, it brings in sustainable livelihood and it has enhanced their self esteem and economic independence. The informal economy however, posits many challenges for women headed households. For instance it creates many health and economic hardships. The informal economy lacks security, organisation, recognition, social protection and legal representation. There is lack of government and institutional support and resources are inaccessible to most women headed households.

The study concluded that integrated social and economic development is the key to the eradication of poverty. Opportunities for active participation in the economy combined with sound social policy are critical for the empowerment of women headed households.

Based on the findings and conclusions, recommendations were made to the government, municipality and NGOs to be more supportive of women headed households. This can be done by forming partnerships that focus on skills development

to enhance human capital, develop poverty eradication strategies that are informed by social development framework, creating awareness of resources through information centres, subsidising education, medical care and rentals and engaging financial institutions to offer capital and credit facilities.

KEYWORDS

Impact

Informal economy

Social development

Economic development

Women headed households

Chegutu Urban District

Zimbabwe

Poverty

Formal economy

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CHAPTER 1: GENERAL INTRODUCTION

1. INTRODUCTION

The global world currently faces immense challenges that are diverse. These challenges include, poverty, inequality, climate changes, food shortages to mention but a few. Since the year 2007, there has been a 30% rise in the global food prices, which has led many governments to prioritise this issue (Cassara, 2008). Cassara (2008) notes that the world's poor have been hardly hit by this ordeal and this has become a global emergency. But, the main concern rotates around various global economic, social development and environmental issues. The year 2008 was an economically challenging year when oil prices rose close to US\$140 (R1400) a barrel (*Sunday Times*, 2008). This exerted a direct impact on the prices of fuel, food and other basic commodities all over the world. To date, roughly 1.4 billion people live at or below the poverty line of \$1.25 (R12.50) a day (Shah, 2008). It is feared that as the result of the global food and energy crisis a further 100 million people will become poor (Shah, 2008).

Africa is on the receiving end because of its already disadvantaged position, recording the highest rates of poverty, unemployment, malnutrition and HIV and AIDS. Nafziger (2006:195) notes that four sevenths of the world's absolute poor live in Sub Saharan Africa. Poverty is a major challenge for African countries because it is multidimensional and its roots are also linked to globalisation. According to Shah (2008), politics have led to dire conditions in many poorer nations. In many cases, international political interests have led to a diversion of available resources from domestic needs to western markets. This has resulted in a lack of basic access to food, water, health, education and other important social services. A case in point is Zimbabwe, which has been hit by serious political, economic and social challenges.

Thus, the goal of poor countries is economic development and economic growth (Nafziger, 2006:15). Sen (2007) points out that economic growth does not equal economic development and argues that economic development goes beyond economic

advancement by focusing more on social policies that comprise the building up of facilities of education, social insurance, social work and health care. One question posed is: how then can economic growth and social development be reached in such a global condition that is challenging, where unemployment is rife and poverty is raging?

Owing to these harsh socioeconomic situations, the informal economy has proliferated and blossomed in most developing countries. The informal economy refers to those enterprises that are not registered and legally outside the tax net. It is often identified as lacking structure and unorganised (Guha-Khasnobis, Kanbur & Ostrom, 2007:4). Chen, Vanek and Carr (2004:19) posit that the informal economy has not only grown worldwide but has also emerged in new guises and unexpected places. Chen ([sa]:7) notes that over the past decade the informal sector has provided employment and this phenomenon has grown rapidly in all the regions of the world. Africa fairly has the largest informal economy relative to the formal world; many parts of Africa are characterised by myriad informal and non-constitutional interactions and activities (Söderbaum, 2007:160). The author further argues that in Africa the informal economy constitutes an important part of African reality, providing opportunities for development (Söderbaum, 2007:160). Coming closer home to Zimbabwe, where this study was conducted, Coltart (2008:5) notes that in June 2005 nearly 3 million people were earning a living through the informal economy. By 2005 the informal economy had become the main source of income for most Zimbabweans.

O’Laughlin (1998:3) points out that there is no doubt that there are many women headed households (WHH) and that many are poor. Huisman (2004:260) strongly believes that gender relations are at the heart of poverty and that there is a mismatch between the contribution of women to society and their rewards. Amnesty International (2007) stated that women from rural and urban areas in Zimbabwe are finding it difficult to buy food, pay for medical care and earn a living to support their families. Horell and Krishman (2006:2) assert that female headship is commonplace in Zimbabwe while nationally it is believed that approximately a third of the households are female headed. Scholars such as Huisman (2004) and Horell and Krishman (2006) agree on the following as characteristics of female/women headed households:

- Female headship results from widowhood and divorce, or from a male head being absent because of migration. Two distinct terms are employed: *de jure* female heads that refer to the former and *de facto* female heads that refer to the latter. The *de jure* female heads are usually older and possess more labour resources but have low income and are likely to be among the poorest. The *de facto* women heads tend to have a spouse or other family members working away from home.
- Female headship is often expected to increase the likelihood of the household being among the poorest.
- Female headed households (FHH) are likely to have fewer income earners and fewer people in their household, which is explained by the absence of a spouse.
- FHH have insecure access to key production factors, the reasons being that they lack information with regards to opportunities and possess low levels of education compared with men.
- FHH experience poor access to services; most households in rural Zimbabwe do not make use of formal credit services. They also lack information on the application procedures and their reluctance to apply for credit is a result of their uncertainty about the payback arrangement and the fear of the consequences of not being able to pay back the loans.
- FHH/WHH encounter poor access to cash income, face a decreasing income and lack the know-how and help of a husband.
- FHH place high importance on the family and kinship relation, which is the main source of support.

Huisman (2004:261) posits that FHH are especially affected by the progressively crumbling economy and the related social disintegration process, which has plagued Zimbabwe since 2000. The research undertaken in this study explored the nature of the informal economy and how it contributed to the social and economic development of

Zimbabwean women heading households in the Chegutu Urban District. As argued earlier by Söderbaum (2007:160) that the informal sector opens opportunities for development, the research determined the contribution that the informal economy made to develop the lives of the poor women and their households from a social and economic development perspective. The research results obtained can be used to make recommendations that can help support women in the informal economy to achieve sustainable social and economic development.

1.1. PROBLEM FORMULATION

Zimbabwe is faced with an economic crisis that is characterised by a high inflation rate, high unemployment, food shortages, fuel shortages, a soaring black market and a thriving informal economy. The greatest challenge is the poor public service provision to the ordinary citizens. Basic amenities such as health, water, sanitation and education have become a luxury, which the ordinary citizen is struggling to access. The UNDP, Zimbabwe (2004:17) point out that Zimbabwe faces a major humanitarian challenge, which has resulted in a high degree of vulnerability among the people.

The economic crisis in Zimbabwe is a bearing and aftermath of the Economic Structural Adjustment Program (ESAP) among other factors. ESAP was a Western initiative adopted by the Zimbabwean government in October 1990 as a response to the economic situation faced by the government at the time (Sichone, 2003). According to Sichone (2003) “The measures introduced were

- The removal of price control;
- Removal of wage control;
- Reduction of government expenditure;
- A 40% devaluation of the Zimbabwean dollar;
- Removal of subsidies on basic consumer good;

- Liberalising the foreign currency allocation system;
- Removal of protection of non-productive import substituting industries and increased profit remittance abroad, and;
- Radical restructuring of the various parastatals and other public enterprises.”

A series of other policies linked to the ESAP were launched by the government namely the Framework for Economic Reform in 1991-1995 and the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST) in 1998 (Sichone, 2003). The aim was to boost the economy by a growth of up to 6% per year until the year 2000, to raise savings and investments to 23% of the Gross Domestic Product (GDP), cut the budget deficit to under 5% and to improve the socio-political environment (Sichone, 2003).

The results of the ESAP were devastating and Sichone (2003) notes that the economic policy reforms did not improve the social and economic welfare of the larger population. Chirisa (2009:67) agrees that operating ESAP resulted in the downsizing of the Zimbabwean economic structure. It left thousands of people unemployed and they had no option but to turn to the informal sector for their livelihood. So the growth of the informal sector is synonymous with the adoption and implementation of the ESAP from 1990-1995 (Chirisa, 2009:67). Chirisa (2009:67) adds that women were the hardest hit because of the retrenchment and a cut in their household income. As a result a majority of women moved to the informal sector forming the greatest proportion in the sector.

Women are on the receiving end and are more vulnerable than men. Women are overrepresented among the poor. Huisman (2004) asserts that poverty is not merely a state of deprivation of food or other basic goods, but relates to a state of permanent vulnerability and powerlessness. Poor women are not only deprived of basic needs; they lack access to resources such as education, and land credit facilities. Nafziger (2006:195) argues that women are poorer than men, especially among the quarter of the world's population where women alone head households. Nafziger (2006) adds that women headed households are desperately poor largely because they face much discrimination in the labour force. Women, over the years, have been discriminated against in all spheres of life. In Zimbabwe, the status of women, though being

continuously addressed, remains low. This occurs because gender inequality reaches beyond empowerment, social injustice and discrimination (UNDP Zimbabwe, 2004:30). Owing to the current economic crisis, the gender imbalances have deteriorated in the economy.

An overlap appears to exist between working in the informal sector and being poor and this overlap is even greater among women than for men (Chen, [Sa]). The informal economy constitutes the primary source of employment for women in most developing countries and most economically active women in developing countries are engaged in the informal economy. So women are overrepresented in the informal economy (Chen, [Sa]:6). The implication is that women are poor and find themselves employed in the informal economy because of the discrimination they face. Nazfiger (2006:191) adds that the major victims of poverty are females, particularly single heads of households, who are responsible for child care and lack support from males.

It is apparent that the WHH face an even greater challenge in that they do not enjoy any form of support from males and that, mostly, they fail to be absorbed into the formal economy. The informal economy provides a livelihood for them. However, many questions arose to ascertain the impact that the informal economy had on improving livelihoods: What sort of contribution was the informal economy making in the lives of these women and their households? What types of activities were they involved in and what was the extent of the informal economy in WHH? Was the informal economy providing opportunities for social and economic development? These questions showed the gaps that the researcher investigated. Since the informal economy has become the largest employer and constitutes the area that is overrepresented by women, the underlying question was: what kind of social, economic development had it brought about and was this sustainable? The focus of the research was on determining the impact of the informal economy on women headed households, particularly in their social and economic development.

1.2. GOAL AND OBJECTIVE OF STUDY

The goal of a study is an important factor that determines the direction of a research project. Fouché and De Vos (2005:104) refer to a goal as a broader and more abstract conception of the end towards, which efforts or ambitions are directed. Objectives are defined as clear measurable statements of intended outcomes (Gray, 2004:59). According to Fouché and De Vos (2005:105) an objective constitutes the steps that one has to take in a specific time frame to reach a specific goal. The goal and objectives for this study were as follows:

1.2.1. Goal of the study

To explore and determine the impact of the informal economy on the social and economic development of women headed households in Chegutu Urban District in Zimbabwe.

1.2.2. Objectives of the study

The goal of the study was achieved through the following objectives:

- To contextualise WHH within a social and economic development framework;
- To determine the nature and extent of the informal economy in Zimbabwe;
- To explore and determine the impact made by the informal economy in the social and economic development of WHH in Chegutu urban area of Zimbabwe with regards to income generation, poverty levels, education, health, social capital and human capital;
- Based on the research findings and conclusions, make recommendations for policy that can help support women in the informal economy.

1.3. RESEARCH QUESTION

In a qualitative study the research question often starts with *what* or *how* so that the initial forays into the topic describe what is going on (Creswell, 1998:17). Research questions are important in that they give direction, delimit the project showing the boundaries, keep the researcher focused and provide a framework for writing the project (D'Cruz & Jones, 2004:18-19). The research question for this study was as follows:

What is the impact of the informal economy on the social and economic development of WHH in the Chegutu Urban District?

To ascertain such an impact there were further questions that had to be explored and these were;

- What sort of contribution is the informal economy making in the lives of these women and their households?
- What types of activities are they involved in?
- Is the informal economy providing opportunities for social and economic development?
- What kind of development is being brought about and is this sustainable?

1.4. RESEARCH METHODOLOGY

The research methodology will be discussed in depth in Chapter 3 and only briefly mentioned in this chapter.

In this study the researcher used the qualitative approach to understand in depth the social and economic experiences of women headed households in the informal economy. Qualitative research according to Fouché and Delport (2005:73) refers to an approach that aims to understand the social life and the meaning that people attach to their everyday life. The researcher is concerned with the subjective explanation of the insider's experiences and perceptions. Creswell (1998:15) adds that qualitative

research is an inquiry and process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem.

The research that was conducted in this study was applied because it intended to explore and determine the impact made by the informal economy in the development of WHH. Applied research focuses on developing solutions for problems in practice or changing troublesome situations (Fouché & De Vos, 2005:105).

The case study research design and more specifically the collective case study, was utilised as a plan of action (Fouché & De Vos, 2005:134) to guide the researcher in the collection, analysis and interpretation of data. A case study is regarded as an exploration or in-depth analysis of a system bound by time and/or place or one or multiple case/s over a period of time (Greeff, 2005:272). The collective case study is about understanding a social issue in a group of cases or the population being studied (De Vos, 2005:272).

The data collection method used in this study was semi-structured interviewing. Greeff (2005:287) cites Kvale's definition of the qualitative interview: it is "an attempt to understand the experiences of the participants and to uncover their lived worlds prior to scientific explanations."

In this research the population refers to all WHH within the Chegutu Urban District that are involved in the informal economy and dependent on it for their livelihood. The research population is defined as the total set from which the individuals or units of a study are going to be chosen (Strydom, 2005a:193). Since the size of the population and the members were unknown to the researcher, the non-probability sampling type was used. The sampling methods included target sampling and snowball sampling (Strydom, 2005a:203). The sample comprised of eight respondents of whom six were recruited by questioning the community members if they knew any women who were heads of households and were involved in the informal economy. Two respondents were identified through snowball sampling. A full account of how the researcher adhered to ethical conduct will be presented in Chapter 3.

1.5. DEFINITION OF KEY CONCEPTS

The key concepts relevant to the study are as follows: impact, informal economy, social development, economic development and women headed households.

1.5.1. Impact

The term impact is defined as “to have an immediate and strong effect on something or somebody” or as “a change or changed state of occurring from an action by something or someone else” (MSN Encarta, 2009). The word impact also refers to the marked effect or influence (*Concise Oxford English Dictionary*, 2004:713). For the purposes of this study the term “impact” refers to the effect, influence or change brought about by the informal economy on the social and economic development of the WHH. These changes would thus refer to their income, budgeting, health, education, skills development, parenting, decision making, household management, self-esteem and social capital.

1.5.2. Informal economy

The informal economy is a broad term used to describe a large and growing sector of the global economy where the world’s working poor earn a living (StreetNet International, 2008). The term seeks to capture the reality of the large share of the global workforce that remains outside the world of full-time, secure stable and protected jobs and in many cases with no form of social protection (StreetNet International, 2008). According to Guha-Khasnobis *et al.* (2007:1) the informal economy or sector largely consists of unorganised, unincorporated enterprises to which legal restrictions on employment and on acquisition of non-labour inputs do not apply. They further note that the notion of the informal sector refers to being outside the reach of different levels and mechanism of official governance. It refers to those enterprises that are not registered and legally outside the tax net. It is often identified as lacking structure and unorganised (Guha-Khasnobis *et al.*, 2007: 4).

For the purposes of this study the informal economy is understood as a system operating outside the regulation of the government, which provides some form of

income for those employed under it. It furnishes a variety of productive activities that provide a livelihood of a segment of the population and feed into the formal economy.

1.5.3. Social development

Social development is defined as a theory and an approach to social welfare that posits a macro-policy framework for alleviating poverty (Gray, 2006:53). According to Midgley (1995:250) social development “is a process of planned social change that is aimed at promoting the well being of populations as a whole in conjunction with a dynamic process of economic development.” The wider scope of social development embraces poverty and deprivation and seeks to promote progressive social change (Hall & Midgley, 2004:206). Central to social development is the meeting of needs with the aim of eradicating poverty and promoting the highest possible level of human development. The *White Paper for Social Welfare* (Republic of South Africa [RSA], Ministry for Welfare and Population Development, 1997:96) points out that social development is not only concerned about poverty eradication but also with curbing inequality and conditions of underdeveloped.

With reference to this study social development is understood to have become a more widely adopted macro approach that focuses on a wider scope of issues such as poverty alleviation, economic development, job creation and social progression with the aim to improve the lives of those who are deprived socially and economically. Social development is about integrating social and economic development; linking human, social and economic capital development.

1.5.4. Economic development

Economic development refers to economic growth accompanied by changes in output distribution and economic structure (Nafziger, 2006: 15). Such changes can include an improvement in the material well being of the poorer people, an increase in the education and skills of the labor force and substantial technical advances originating from within the country (Nafziger, 2006:15). Economic Development (2008) defines economic development as the development of economic wealth of countries or regions for the well-being of the inhabitants. From a policy perspective it refers to the efforts that

seek to improve the economic well-being, quality of life for a community by creating and/or retaining jobs and supporting a growing income. There is an inherent connection with social development in that it looks at social indicators as ways to determine whether any improvements have occurred. Thus it also refers to improvements in a variety of indicators such as literacy rates, poverty rates, life expectancy and mortality rates (Economic Development, 2008).

From the above definitions the researcher concludes that for the purpose of this research, economic development refers to a process of wealth creation and the distribution thereof. The result of economic development is an improvement in the quality of life of the population that is suggested by the poverty rate, literacy rate, life expectancy rate and sustainable livelihoods.

1.5.5. Women headed households

WHH are identified as households with female headship where women are financially responsible for their families, are the main economic contributors, the key decision makers and household managers while they manage the household economies on behalf of an absent male head (United Nations, 1995). Bianchi (1999:308) mentions that WHH is a term used to describe households that comprise of a mother living with her dependent children with no adult male present and the mother is presumably in charge of the household in all spheres of life.

For purposes of this study WHH refers to being responsible for providing for the entire household, economically independent and the absence of a male head in the household caused by death, divorce, personal choice and emigration.

1.5.6. Chegutu Urban District

According to the Ministry of Local Government, Public Works and Urban Development Chegutu is one of the 10 municipal councils of Zimbabwe. A municipal council occupies the third position in the hierarchy of local authorities following after the city and town council status. Chegutu, lies 105 kilometers from Harare to Bulawayo highway (Madzorera, [sa]). The urban district consists of the residential, industrial and the central

business district. There are no recent official documented statistics but in 1998 the population was 36 000. For the purposes of the study both the residential and central business districts were used to get participants.

1.6. LIMITATIONS OF THE STUDY

Respondents did not want to be politically connoted. They might have held information in the fear of being misunderstood, which implies a limitation of the study.

1.7. DIVISION OF THE RESEARCH REPORT

The research report will contain the following:

Chapter 1: General introduction to the study, problem statement, the goals and objectives, the research question and a brief overview of the research methodology. The chapter also covered the limitations of the study and the key concepts.

Chapter 2: Literature review on the informal economy, women headed households and social and economic development.

Chapter 3: Research methodology and the findings and interpretations of the empirical study.

Chapter 4: Conclusions and recommendations of the study.

CHAPTER TWO: WOMEN HEADED HOUSEHOLDS AND THE INFORMAL ECONOMY

2. INTRODUCTION

Poverty and inequality remain key factors in the global economy in the 21st century despite the social, economic advancement and technological changes that have been brought by development (Gallagher, 2005:2). According to Basu (2007:300) “The gap between the world’s richest and poorest is difficult to comprehend. The amount of inequality is staggering, the hiatus between the richest and the poorest people is too large and the extent of poverty is unacceptable.” The question is, is there too little out there for many people or is it enough for everyone but in the hands of few people? The World Bank (2002) in Gallagher (2005) defines poverty as earning less than \$2 per day and extreme poverty as earning less than \$1. Considering the above figures about half the world’s population is poor that is almost 3 billion people and almost half this population i.e. 1.4 billion live in extreme poverty (Gallagher, 2005:2). Millions of people are living in abject poverty and it is endemic in the African region with more than half the population in sub Saharan Africa living in absolute poverty (Mofokeng, 2005:4).

Of the millions in poverty, women and children are the most affected. It is believed that 60-70% of the world’s poor are female and that the tendencies to greater poverty among women are deepening (Chant, 2003:1). Huisman (2004:260) asserts that gender relations are at the heart of poverty and that there is a mismatch between the contribution of women to society and their rewards. Poverty has many dimensions, which could be subjective or objective, relative or absolute and monetary or non-monetary (Sindzingre, 2007:272). It is rather a multidimensional phenomenon in which many factors such as economic, socio-cultural and demographic factors interplay and overlap (Skalli, 2001:73). Thus, poverty cannot be measured in economic terms alone but should also be broadened to include socio-cultural, demographic factors and exclusion in key areas of society.

The call for eradicating poverty is stronger now than ever before (Kalwij & Veschoor, 2007:94). Kalwij and Veschoor (2007) argue that though poverty reduction is the central objective of many policies, the main aim is economic growth. So in reality many policies are aimed at economic growth rather than poverty reduction itself and it is a means to an end and not an end in itself. With all these rising challenges of poverty, inequality and environmental degradation, the global community has reasserted the need for development through the Millennium Development Goals (MDGs) in 2000. The commitments of MDGs by 2015 encompass the following;

- eradicating hunger and extreme poverty by half
- reducing child mortality
- achieving universal primary education
- promoting gender equality and empower women
- combating diseases such as HIV/AIDS and malaria
- improving maternal health
- ensuring environmental sustainability
- developing a global partnership for development (UNDP South Africa, 2003).

It is evident that the world is more than determined to fight poverty. Thus a social development agenda has been adopted to eradicate poverty through harmonising social goals and economic development with the aim of improving the well-being of individuals, groups and communities (Midgley, 1995). On an individual level people have sought alternative ways such as employment in the informal economy to sustain their livelihoods.

This chapter will begin with a discussion on social and economic development as a framework to eradicate poverty. This will be followed by a discussion on globalisation and the feminisation of poverty, which includes defining globalisation and its influence/impact on people's lives especially women and how this and other factors

have resulted in the poverty of women. Furthermore, the nature and dynamics of women headed households will be outlined and discussed. The next section will explore the concept of informal economy; this includes its definition, nature, women in the informal economy, the nature and extent in Zimbabwe. The chapter will be concluded with some challenges that are faced in the informal economy and by women headed households.

2.1. SOCIAL AND ECONOMIC DEVELOPMENT FRAMEWORK TO ERADICATE POVERTY

Over the last two decades there has been heightening pressure on a global scale to address the social and economic problems such as poverty, malnutrition, inequality and dreadful pandemics such as HIV/AIDS, to mention but a few. Poverty still poses immense challenges globally. It is a challenge to international bodies, regional bodies, governments and professions, they have now devoted their time, resources and expertise to combat poverty. In 1995 at the United Nations World Summit on Social Development in Copenhagen a Declaration on social development was adopted as an international agenda essentially engineered to solve the global issue of poverty.

Social development provides an obvious choice to combat many socio-economic problems (Green & Nieman, 2003:135). Social development is defined by Midgley (1995:265) "... as the process of planned social change that is aimed at promoting the well-being of the populations through the integration of social and economic goals." Midgley (1999) adds that social development seeks to harmonise social policy with economic development and to identify and implement social programs that make a positive contribution to economic growth. Therefore, the aim of social development is alleviation of poverty through social programs that enhance people's active participation in economic activities. Lombard (2007) is of the view that social development facilitates economic participation through productive employment and self-employment. Thus through social development populations are awarded the opportunity to take responsibility over their survival and livelihood thus making them productive, self-reliant

and independent. Furthermore, Lombard (2007) and Midgley (1999) agree that social development aims at removing impediments to economic participation such as racial and gender discrimination. Hence, it enhances people's social rights by expanding, promoting and creating an environment conducive to economic participation and economic development.

It is therefore important to note that social development is rooted in the empowerment of people. Social development thrives on investing in capital development namely human, social and economic capital (Lombard, 2005:241). Human capital refers to education and human investment through skills training (Lombard, 2005:241). Social capital denotes the creation of strong bonds of community reciprocity and strengthening of social relationships and creating infrastructure (Midgley, 1995:106). Economic capital integrates human development into the economy through vocational training, job placement, creation on micro-enterprises and encourages economic self-sufficiency and full integration into the society (Midgley, 1995:106). People empowerment and development is thus embedded in investing in their human, social and economic capital with the ultimate goal of enhancing their well-being.

Reid (1995) suggests that development must start with people and it should address the primary causes of poverty. Davids (2005:24) propound that development should be woven around people; their diverse needs, changing circumstances, customs, values and knowledge systems. They suggest human oriented development, which is rooted on the notion of development being centered on people; meaning development should firstly be for people by creating opportunities for everyone and secondly by people actively participating in development initiatives. Noyoo (2000) concurs and further notes that people are the ends and means of development with the aim of improving their condition in totality. Thus central to social development is meeting the needs and the aspirations of people (United Nations, 1999). In addressing the needs of the poor, people centered development implies allowing the poor to be full participants in the processes of social and economic development. Noyoo (2000) gives a more comprehensive explanation by noting that people centered development embraces every development issue, including economic growth, social investment, people

empowerment, provision of basic needs, social safety nets and all aspects of people's lives. Mupedziswa (1996:41) asserts that development is there to enhance economic progress, living conditions and improving the well-being of people. So social development is a holistic approach engineered to combat social and economic problems. Social development's focus is on poverty and deprivation and it seeks to promote progressive social change as an effective way to deal with poverty. However, to have sustainable progress in eradicating poverty, social development has to be accompanied by economic growth and economic development.

2.1.1. Economic development

Economic development refers to efforts that seek to improve the economic well-being, quality of life for a community by creating and/or retaining jobs and supporting a growing income (Nafziger, 2006:15). Economic development goes beyond economic growth, which is only concerned with accumulation of a nation's wealth. Midgley (1999:9) explains that economic development is a dynamic change that creates wealth and raises standards of living. It is about growth, profits and accumulation of wealth and resources. Sen (2007) argues that economic development goes beyond economic advancement by focusing more on social policies that include the building up of facilities of education, social insurance, social work and health care. According to Sako (2002:70) economic development is a structural change, meaning change in social, political and institutional structures in the economy that lead to more equal distribution of income and wealth. It also involves economic management, good governance, sustainable development and poverty eradication.

Economic development also refers to the quality of life of most of the population. It stresses economic development as human development. Therefore economic development should aim at creating a conducive environment for people individually and collectively to develop their full potential, giving them the opportunity to be productive and creative. UNESCO (1995) points out that development must serve the human cause that is of all humanity and not just a small part of it. So it is fundamental to focus on the development of human resources, resulting in an improvement of the

quality of life including education, health, human rights, social justice, and rational use of resources without omitting international solidarity.

Szirmai (2005:1) asserts that the interplay of economic and non-economic factors is of great importance in understanding the dynamics of socio-economic development. It is important to integrate economic development with social policies to have holistic and integrated development that results in the total well-being of the population.

2.1.2. Integrating social and economic development

The International Council for Social Welfare (2000) points out that sustainable social development and sustainable economic development are mutually independent. Sen (2007:2) notes that economic development alone is not adequate to progress humanity but it has to go further than economic advancement. Thus the extent to which economic prosperity helps the enhancement of human lives depends on sound social policies (Sen, 2007:2). As stated by Sen (2007) it is essential to have both economic and social development for the holistic development of people.

Economic development is essential to expand resources and opportunities for social progress. Social progress is also essential to nurture and preserve economic development (ICSW, 2000). Lombard (2005) adds that the reason for integrating economic and social development is to address poverty with strategies that create work, secure income for sustainable livelihoods and to curb a culture of dependency. Economic development alone is a powerful dynamic for progress but if not checked by social policies it might create distorted growth, which raises the gap between the rich and the poor. Therefore, to avoid this distorted development, interventionist strategies that create jobs, raise income and contribute to better standards of living are advocated for (Midgely, 1999:8). Sen (2007:3) mentions that the well being of people is more rapidly attained through good social policies that are accompanied by economic growth and development.

Integrated social and economic development promotes and award opportunities to the poor and vulnerable to fully participate in their own development making their lives more meaningful. According to the World Bank (2009) it is important to channel resources

and efforts towards the upliftment of women. Economic progression and improvement in the quality of life for all people is more rapidly achieved where women's status is higher (World Bank, 2009). Mehra (1996:136) adds that effective development is based on the notion that women are fundamental to the process of economic development rather than where investment is centered on their reproductive role.

2.2. GLOBALISATION AND THE FEMINISATION OF POVERTY

According to Nissanke and Thorbecke (2007:3) globalisation is one of the most vital developments that have affected many national economies. The term globalisation refers to a multifaceted process that entails a growing worldwide interconnectedness of structure, culture and agency and a parallel de-differentiation of traditional boundaries (Sewpaul, 2001). The ultimate goal is the transcendence of national boundaries of economic, political and cultural arrangements to a more integrated single culture and society.

The impact of globalisation has had negative and positive results. On the positive side it is believed that globalisation has liberated entrepreneurial energies and has contributed to the accumulation of wealth. It has stimulated migration and competition (Stravenhagen, 2003). On the other hand globalisation has generated inequality, poverty and unemployment. It has also aroused xenophobia, discrimination and violence (Stravenhagen, 2003). Phalane (2004:162) propounds that globalisation is a systematic process that results in the standards of living of poor people being worsened. Ongile (2004:146) asserts that globalisation is complex and it creates risks and opportunities with asymmetric impact on different groups. Phalane (2004:160) agrees with this notion and strongly asserts that the majority of the 'casualties' of globalisation are women. Sandrasaga as cited in Phalane (2004) points out that globalisation has opened doors for development but in some cases its benefits have not been fairly distributed and this has hindered efforts of the advancement of women, particularly those living in poverty. In the report by the World Bank (2009) it is noted that poverty has a female face and the current global economic downturn has a large impact

on women. The global economic crisis is likely to hit women on two fronts; it will arrest capital accumulation by women and reduce women's individual income and the budgets they manage on behalf of households (World Bank, 2009). As a vulnerable group, women are even more exposed to being exploited by globalisation and therefore it is important to reflect on the circumstances that women in poverty face.

2.2.1. Feminisation of poverty

Skalli (2001:74) propounds that the burden of poverty is unfairly shared by men and women regardless of age, skills or marital status. Women experience poverty differently both qualitatively and quantitatively from men (Sweetman, 2002). Poverty among women accentuates from many economic, social and cultural factors that reinforce each other to produce conditions of exclusion (Skalli, 2001:74). This has resulted in a tendency termed 'feminization of poverty' where women are becoming poorer in society. The term 'feminisation of poverty' gained momentum in the US around the 1970s and it referred to the fast rising number of households headed by low-income women and their children (Chant, 2003:18). In this vicious poverty cycle not only are the women affected but also their children are. Musiolek (2002) notes that one key leading factor to the feminisation of poverty is the position of women on the labour market, which is attributed by the gender-based discrimination on the labour market.

Global tendencies propose that women are more concentrated in lower income industries than men. This is because of a variety of patterns of discrimination, which include severe and negative segregation that affects female careers limiting their chances of a professional rise and the restricting remuneration that negatively affects the quality of their professional life. Chant (2003:6) adds other factors contributing to the feminisation of poverty. These include gender disparities in rights, entitlement, capabilities, gender differentiated impact of neo-liberal restructuring, informalisation and feminisation of labour and erosion of kin-based support networks through migration. Chant (2003) also adds that other reasons likely to make women poorer than men are constraints on socio-economic mobility caused by cultural, legal and labour market barriers and heavier work burdens including house chores, child care and lower earnings. Skalli (2001:73) strongly agrees with Chant (2003) and notes that the

patriarchal structure of society lowers the position and status of women and denies them equal access and opportunities to education, employment, ownership and control over resources.

Wignaraja (1990:21) concurs that this oppression has been in existence throughout history and that it has become internalised in the norms of behavior in most societies. Women from poorer sections of the society have common characteristics and these are noted by Tripathy (2003:23) as

- high rates of illiteracy
- Lack of skill and professional training, absence of on-the-job training facilities and prevalent social attitudes towards their employment
- Cycle of exploitation and underpayment

Such conditions of poverty have affected women's social and economic development. The United Nations Department of Economic and Social Affairs Division for the Advancement of Women (2000) summarises the plight of women as follows:

Women living in poverty are often denied access to critical resources such as credit, land and inheritance. Their labour goes unrewarded and unrecognised. Their health care and nutritional needs are not given priority, they lack sufficient access to education and support services, and their participation in decision-making at home and in the community are minimal. Caught in the cycle of poverty, women lack access to resources and services to change their situation.

Women thus remain at the lower ranks of society leaving them poor, vulnerable and at the end of a vicious poverty cycle not only affecting them but also their children whom they have to care for. They do not have access to most integral aspects and resources to quality life such as education, health, and decision-making to mention but a few. In this vicious poverty cycle women headed households find themselves in worse situations because there are no male partners to provide for the family and they therefore have to struggle on their own. For the purposes of this study it is critical to explore this group of women in more depth as they are central to this study.

2.3. WOMEN HEADED HOUSEHOLDS

Among women caught in poverty is a growing subgroup of lone mothers who head households. O’Laughlin (1998:3) points out that there is no doubt that there are many women headed households (WHH) and that many are poor. Asgary and Pagan (2004:234) assert that the proportion of households headed by women has risen worldwide and that these women experience social and economic hardships. UNICEF (2006:28) in 1998 estimated that “roughly 20 per cent of households worldwide are headed by women. Based on this estimate, female-headed households account for 24 per cent of all households in Latin America, 22 per cent in sub-Saharan Africa, 16 per cent in Asia, and 13 per cent in the Middle East and North Africa.”

There is an ongoing struggle to define female headship; different authors use different criteria to define this concept. The question posed is ‘what makes a person the head of a household?’ (Buvinić & Gupta, 1997:260). Barros, Fox and Mendonca (1997:234) state that headship of households has come to imply authority and income earning responsibility. Asgary and Pagan (2004:94) agrees and adds that headship is defined in terms of income share, authority, and or age and single decision making representing the share interest of the household. The researcher therefore agrees that it would not be enough to define headship of households in economic terms only but should be broadened to include culture, age and decision-making.

Bianchi (1999:308) mentions that “women headed households” is a term used to describe households that comprise a mother living with her dependent children with no adult male present with the mother being in charge of the household in all spheres of life. So in these households the woman is financially responsible for the family, the key economic contributor, the key decision maker and the household manager (United Nations, 1999).

It can be concluded that the key elements of heading a household are that the woman is responsible for providing for the entire household, there is economic independence of the woman, there is the absence of a male head in the household and the woman

makes key decisions on behalf of the family. These elements are underpinned by specific dynamics that are exclusive to women headed households.

2.3.1. Dynamics of women headed households

There are various factors that motivate or force women to head households. Women might head the household out of own choice or because of personal or economic circumstances that are beyond their control, as is the case for many widows, abandoned wives, or married women who become *de facto* household heads when their partners are migrant workers (Horrell & Krishman, 2006). Chant (2003:6) believes that female headship has been accentuated by the rise in separation and divorce. Buvinić and Gupta (1997:261) note the following factors as fostering the rise of headship by women:

- Sex-specific migration that results in left behind females
- Marital disruption and increased unpartnered adolescent fertility
- Erosion of an extended family system and traditional support networks which leaves single mothers and widowed women alone
- Sex ratio imbalances caused by war deaths and civil conflicts.

According to Buvinić and Gupta (1997) women who head households are worthy of special attention because they are triply disadvantaged: firstly, they experience the burdens of poverty, secondly they experience gender discrimination, and lastly, absence of support (from a male counterpart) as heads of household. Chant (2003:6) notes that WHH constitute a disproportionate number of poor households who experience extremes of poverty as opposed to male headed households. Huisman (2004) and Horell and Krishman (2006) agree on the following as characteristics of women headed households:

- Female headship is often expected to increase the likelihood of the household being among the poorest.
- WHH are likely to have fewer income earners and people in their households, which is explained by the absence of a spouse.

- WHH have insecure access to key production factors, the reasons being that they lack information with regards to opportunities and possess low levels of education compared to men.
- WHH encounter poor access to lines of credit, face a decreasing income and lack the know-how of managing a household and assistance of a husband.
- WHH place high importance on the family and kinship relation which is the main source of support.

Despite the above similarities it has been noted that WHH are a highly heterogeneous group, differing in social, cultural, demographic and economic contexts (Chant, 2003:18). According to Chant (2003:18) these differences are:

- The routes into which status of WHH is acquired
- By rural and urban residence
- By race
- By household composition
- Stage in the life course
- Access to resources from beyond the household unit

The number of women headed households has grown and this has been as a result of many factors including divorce, widowhood, choosing not to marry and labour migration of men (Buvinić & Gupta, 1997:262). Though these women face many common challenges there are differences in the way they experience life depending on their age, race, and phase in the life cycle, size of their household and access to resources. In their distress most women heading households have to turn to the informal economy to make a living. It is thus important to focus on the informal economy as a source of living for most women headed households.

2.4. THE INFORMAL ECONOMY

Opportunities for decent employment and income are extremely scarce in most nations (Mofokeng, 2005:4). The informal economy has escalated and there is nothing inevitable in its growth. Employment in this sector tends to grow in times of economic crisis/transition or adjustment (International Labour Organisation, 2002). This is so because people who lose their jobs and fail to get alternative employment in the formal sector have no option but to move into the informal economy. In such times of economic crises households and families tend to supplement their livelihoods and incomes from the informal economy (International Labour Organisation, 2002).

Mofokeng (2005:2) believes that the informal economy is not a new form of work neither is it a new form of work organisation, nor is it by accident. It has been in existence for a long time. Chen *et al.* (2004:1) argue that the informal economy has risen rapidly in all regions of the developing world and various forms of non-standard employment have emerged in most regions of the developed world. The situation is worsened by the low absorption capacity within the labour market, difficulties encountered by women, young persons and vulnerable groups in gaining access to training systems and employment, low literacy rates among adults and inadequacy of technical and vocational training (Mofokeng, 2005:4).

Tripathy (2003:7) adds that the reasons for growth in the informal economy are globalisation, export oriented industrialisation and relocating industries from developed to the developing countries. Becker (2004:9) agrees with Tripathy (2003) and Mofokeng (2005) and adds that weak institutions have failed to provide the platform such as education, training and infrastructure that helps in creating employment and their redundancies in the failure of Structural Adjustment Programmes that resulted in the disappearance of public sector jobs and closure of industries which fuelled the growth of the informal economy.

In developing countries the impact is large because of the poor economic performance, high population growth, civil strife, big financial debts and the HIV/AIDS pandemic

(Mofokeng, 2005). Chen ([Sa]:7) agrees with the above views and summarises the following factors as explaining the persistence and expansion of the informal sector in different countries: the rate and sectoral composition of growth, including the labour-intensity; economic restructuring or economic crisis, including privatising of public enterprises and cut-backs in public expenditures; and global integration of the economy, including the restructuring of global production characterized by outsourcing or subcontracting. It is against this context that the term 'informal economy' will be next defined.

2.4.1. Defining the informal economy

The term seeks to capture the reality of the large share of the global workforce that remains outside the world of full-time, secure, stable and protected jobs and in many cases with no form of social protection (StreetNet International, 2008). The informal economy is a broad term used to describe a very large and growing sector of the global economy where the worlds' working poor earn a living (Chen *et al.*, 2004). According to Guha-Khasnobis *et al.* (2007:1) the informal economy consists largely of unorganized, unincorporated enterprises to which legal restrictions on employment and acquisition of non-labour inputs do not apply. These authors further note that the notion of the informal sector refers to being outside the reach of different levels and mechanisms of official governance. It refers to those enterprises that are not registered and are legally outside the tax net. It is often identified as lacking structure and being unorganised (Guha-Khasnobis *et al.*, 2007:4). Smith (1987) supports this notion and adds that the informal economy is defined as a sub-economy of what one might call the non-formal economy: all those economic activities, legal and illegal, that elude the national income accounts. The informal economy refers to economic activities outside the world's regular, stable and protected employment and legally regulated enterprises (Mofokeng; 2005:5). It should not be confused with the criminal economy (Chen *et al.*, 2004:24). The informal economy is also defined as part of the market economy that is concerned with producing goods and services for sale or some other form of payment (Mofokeng, 2005:4). The informal economy is inclusive of all remunerative work both self employment and wage employment that is not recognised, regulated or protected by the

existing legal or regulatory framework. The informal economy is a permanent and subordinate feature of the capitalist development (International Labour Organisation [ILO], 2002).

Chen *et al.* (2004) argue that it was previously believed that the informal sector consisted of unregistered and unregulated enterprises. They however, note that the informal economy goes beyond the legal framework. It thus includes the production or employment arrangement that is often semi-legal or illegal and most of the informal workers and enterprises produce or distribute legal goods and services (Chen *et al.*, 2004:24). Chen *et al.* (2004:27) add that this includes the criminal economy which does not only operate illegally but also deals in illegal goods and services. So the informal economy is not all about illegal activities but these are just a part of the whole where legal goods and services are produced. Becker (2004:8) points out that the informal economy is not only confined to the marginal and peripheral activities but it also includes profitable enterprises. It has an essential contribution and significant income generating potential and exists to help meet the needs of the poor consumers by providing accessible, low priced goods and services (Becker, 2004:10).

From the above discussion, the basic concepts underlying the term informal economy are that it is outside the regulation of the government and it provides some form of income for those employed in this sector. It comprises of a variety of productive activities that provide a livelihood for a part of the population and it feeds into the formal economy. The next section will outline the character of the informal economy.

2.4.2. Nature of the informal economy

Bajada and Schneider (2005) postulate that it is difficult to estimate the size and development of the informal economy although it is important for policy makers and governments to know about who is involved in the informal economy, the frequencies with which they are occurring and the depth of the problem to be able to deal with it. According to Chen ([Sa]:1) the contribution of the informal economy is quite large and even larger than the official statistics predict. Mofokeng (2005:3) emphasises that the

nature and character of the informal economy are different from country to country and differ from sector to sector.

Chen *et al.* (2004) posit that the informal sector is segmented by location of work, sector of the economy, employment status, social group and gender. Despite this diversity there are two main categories in the informal economy namely the self employed who work in small unregistered enterprises and wage workers who work in insecure and unprotected jobs (Chen *et al.*, 2004:15). Informal employment attracts people from all backgrounds and all levels of education and qualifications (Musiolek, 2002:19). Many employees, along with their formal job, take on other jobs or work to supplement their salaries and feed their families (Musiolek, 2002:19). Musiolek (2002:19) adds that the informal economy generates income at all levels from below the minimum wage to high income. Not all people in the informal economy are faced with poverty. There are some who are thriving in the informal economy making more than just survival income. Chen *et al.* (2004:32) disagree and point out that there is a relationship between working in the informal economy and being poor and that average incomes are lower in the informal economy than in the formal sector. Mofokeng (2005:4) argues that the informal economy was a base for training especially for women who had been deprived education. It was also a source of labour supply for the formal economy. Times have changed and the informal economy now serves as a convenient avenue for absorbing retrenched workers, creating alternative jobs for women and the unemployed youth (Musiolek, 2002:20). Mofokeng (2005) concurs with this and believes that most of the people engaged in the informal economy are there for survival because they have lost their jobs in the formal economy or have not had the opportunity to get jobs in the formal sector.

There are a variety of activities in the informal sector. Chen *et al.*, (2004:15) mention the following;

- casual day agriculture and construction
- street vendors
- domestic works

- small farmers
- forest gatherers
- workers in small unregistered workshops and industrial outworkers who work from their homes
- casual workers in restaurants and hotels
- security guards
- subcontracted janitors
- temporary office helpers and off-site data processors

Mofokeng (2005:5) postulates that the types of activities and skills in the informal economy differ from country to country. Besides the above-mentioned the following activities are cited by Mofokeng (2005): wood carvings, charcoal burning and selling, plumbers, electricians, furniture makers, hairdressing, beauticians, dressmaking, tailors, retail trade, pottery, cross border trade, basket weaving, mechanics and driving.

Despite the diversity in the informal sector there is one common factor among those engaged. The informal economy lacks economic security and legal protection (Chen, *et al.*, 2004:15). The authors explain that most informal workers are deprived of secure work, benefits for workers such as pension fund and medical aid, social protection and representation or voice. Other disadvantages and challenges faced by the informal economy include facing a competitive disadvantage from larger formal firms in production and capital markets and for the self-employed the employers have to take care of themselves, their enterprise and their workers (Chen *et al.*, 2004). Mofokeng (2005) adds that the working conditions for those in the informal sector are not safe, very poor and insecure in terms of remuneration and occupational health and safety. Furthermore, income is irregular, unstable and there are low levels of job security and social security aggravating poverty among those involved (Mofokeng, 2005:6).

In summary, the informal economy is characterised by difficult working conditions that are risky, insecure and the employees are not protected by any labour regulations. Most

of these employees are women and the discussion below explores the plight of women in the informal economy.

2.4.3. WOMEN IN THE INFORMAL ECONOMY

Women in particular are affected by the informalisation of work and they tend to be overrepresented in informal employment both in developing and developed nations (Mofokeng, 2005:2). The informal sector is generally a larger source of employment for women than for men and according to Chen ([Sa]:2) the informal sector is the primary source of employment for women in most developing countries. As discussed earlier women are discriminated against and lack access to key resources such as education and training and as a result women find themselves in the informal economy where education and skills are not a requirement for production. Musiolek (2002:8) agrees with this view and notes that women constitute a majority of informal workers and that they are the primary victims of casualisation of labour. Leach (1999:47) propounds that the informal sector has provided an opportunity for work for most women who have little or no skills. In fact according to Musiolek (2002:8) gender is an important factor for the rise of informal employment.

As noted earlier women and men are positioned differently in the society and Chen *et al.* (2004:58) mention that this differential positioning stretches beyond the household and includes the informal workforce. They further state that the working poor women are affected by economic reforms because of their disadvantaged position on all fronts. Chen *et al.* (2004:60) add that this includes their disadvantaged status because of gender hierarchies within the households, their differential access and control over resources, the wider economy and their concentration in lower paying and more risky segments of the informal economy. Mitullah (2003) adds that the level of education attained has an influence on women's occupational placement. Since women are comparatively less educated than men, they cannot effectively compete in the formal job market. There are a wide range of factors such as poverty and greater demand for the women's labour in the home that prevent women from participating in formal education and training and thereafter in any kind of employment (Leach, 1999:48).

Chen *et al.* (2004:58) is of the same opinion that “... the link between working in the informal economy and being poor is stronger for women than for men. A higher percentage of women worldwide work in the informal economy compared to men.” Chen ([Sa]:5) is in agreement and further cites that there is an overlap between working in the informal economy and being poor: a higher percentage of people working in the informal sector, relative to the formal sector, are poor. Leach (1999:46) adds that for most women the reality is that they are forced by poverty and deprivation to seek an income outside the home. Women in the informal economy are generally found in low-income activities that barely guarantee survival (Leach, 1999:46). According to UNICEF (2006:42) women working in the informal sector often face difficult working conditions, long hours and unscheduled overtime. The lack of job security and benefits such as paid sick leave and childcare provisions might leave women and their children at a higher risk of poverty.

Despite the hardships that are encountered by women in the informal economy, the role they play in the socio-economic development of the country is paramount and should not be undermined (Tripathy, 2003:1). In fact according to Tripathy (2003:1), the pace of economic growth of a country can be accelerated by enhancing the status, position and living conditions of women. According to the US Global Women’s Issues at the US State Department, ambassador Melanne Verveer said the following “... you cannot beat poverty without putting women at the center of your development strategies.” To illustrate this Tripathy (2003:1) outlines the following facts and statistics:

- Women head a quarter or more of families in many developing nations.
- Women produce half the food in the developing world and even more in Africa.
- Women constitute a quarter of the developing world’s industrial labour force.
- Women carry the main responsibility for child care and household chores.
- Women produce 50% of the world’s food supply.

- Women account for 60% of working force and contribute up to 30% of the official labour but only receive 10% of the world's economy and astoundingly women own less than 1% of the world's estate.

As reflected above women contribute tremendously to the development of the economy of their countries as well as to the world economy particularly through the productive work they are engaged in, despite the many hardships they encounter because of discrimination they face in society. The discussion on the informal economy will be pursued within the Zimbabwean context which is the focus of this study.

2.5. INFORMAL ECONOMY IN THE ZIMBABWEAN CONTEXT

Zimbabwe is currently faced by a series of serious political, economic and social challenges. Among these challenges is a high unemployment rate that is causing an economic and cultural crisis which has led to the soaring of the informal employment, deterioration of infrastructure and underutilisation of human capital (Shinder, 1998). Mhone ([Sa]:2) asserts that like any other developing country with a poor economy, the Zimbabwean informal economy has proliferated with the intensification and persistent economic crisis. At independence in 1980 the informal economy only absorbed 10% of the labour force in the urban areas while twenty five years later (June 2005) because of harsh economic conditions, nearly 3 million people were earning a living through the informal economy (Mhone, [Sa]:2). Tibaijuka (2005:17) concurs with this view by noting that after independence there was a rise in the informal sector caused by the deregulation of some laws, the stagnation and decline in the economy. Informal employment rate rose to 20% in 1986/7, 27% in 1991 and an estimate of 40% in 2004 (Tibaijuka, 2005:17).

By 2005 the informal economy had effectively become the main source of income for most Zimbabweans (Mhone, [Sa]:1 and Coltart, 2008:5). During the last decade (2000-2008) that there has been an imbalance between the formal and the informal sector. Jobs in the formal economy have grown negatively while jobs in the informal economy such as small businesses, vendors and illegal trade operations grew positively (Shinder,

1998). The Southern African Migration Project [SAMP] (2006) cites that the parallel market, which is a combination of the black market and informal trade, has become the driving force of the Zimbabwean economy. The shrinking formal market has caused the growth of the informal economy. The formal economy shrunk because of reduced productivity in industries, agriculture, shortages in foreign currency and decline in investments (SAMP, 2006). According to Mr Kwesu, an economist at the University of Zimbabwe;

"...the parallel economy now underpins Zimbabwe's survival. The black market in particular has been flourishing over the years, and this has been made possible by the ever-shrinking formal market... Informal trade and the black market have been growing, owing to the economic problems the country has been facing for a number of years now. It has been easy for the two to take root; because they normally do not require a lot of money to start and they can easily be managed."

(SAMP, 2006).

Chakanya (2008) adds that due to the crumbling formal sector, there has been a marked informalisation of the economy. Though there has been rapid growth in industry, the money generated is mainly used for consumption and not for development (Chakanya, 2008, and SAMP, 2006). Shinder (1998) proposes that it is difficult for the government to monitor and regulate the informal economy, it is not well structured and insecure, therefore it is difficult for the government to encourage it. For instance in May 2005 the government of Zimbabwe launched the Operation Restore Order [Murambatsvina] as a measure (among other reasons) of curbing all forms of illegal activities in the major cities and towns in the country (Tibaijuka, 2005:12). Despite all these actions by the government, the informal sector remains the biggest employer for most Zimbabweans.

2.6. CHALLENGES IN THE INFORMAL ECONOMY

There are many challenges encountered in the informal economy as outlined in this chapter which include:

- Inadequate labour legislation and protection

Becker (2004:21) asserts that there is inadequate labour legislation, protection, social security schemes and limited access to wage workers organizations. Canagarajah and Sethiraman (2001) agree and point out that the informal economy lacks income and social security that are characteristic of the formal employment. As a result people in the informal economy are vulnerable and face numerous risks because there is no security and protection for them. They earn low and irregular incomes, have limited bargaining powers to raise salaries and encounter high work related risks such as less secure contracts, fewer benefits and poor working conditions (Becker, 2004:21).

- Lack of infrastructure

The issues encountered include transport, storage facilities, water, electricity, and lack of working premises and poorly developed physical markets (Becker, 2004:22). Canagarajah and Sethiraman (2001:13) add that most of the urban enterprises have difficulties in getting access to land or space and a few can afford to rent or own such land hence many are driven to operate in marginal or peripheral areas.

- Over crowdedness and competition

According to Chen ([Sa]:8) the existing pressures of the informal workforce are partly the result of overcrowding and competition within the informal sector. Canagarajah and Sethiraman (2001:12) assert that the enterprises are small and they require little or no capital investment which leads to overcrowding in informal enterprises.

- Entry barriers

The informal economy is reflective of high measures of entry barriers into the formal economy. There are high levels of illiteracy, poor education, training and high

proportions of female employees. Canagarajah and Sethiraman (2001:12) note that high levels of concentration in low productive enterprises reflect entry barriers to other lucrative enterprises that require more capital, technical and entrepreneurial skills.

Though the informal economy is thriving, it faces serious challenges that are difficult to address because of its nature. It is difficult for policy makers to handle such issues because the informal economy is not regulated and there is little or no statistical data on its existence and manifestation.

2.7. SUMMARY

Social development provides a theoretical framework to eradicate poverty. This entails an integrated approach to poverty eradication that focuses on harmonising social and economic development. Globalisation and feminisation of poverty impact on women headed households in that women are placed at greater risks of poverty through these processes. Through globalisation many women have become casualties of unemployment and inequality. The position of women in the labour market, also in the society remains low and women continue to face discrimination and lack access to key resources. WHH are on the increase due to different factors such as high divorce rates, widowhood and migration. Women headed households reflects a particular nature and dynamics with regard to their family composition, access to key resources, support networks, income earners and the route of attaining the status. WHH tend to be poorer than other household types, tend to have fewer income earners, lack access to key resources, lack assistance of a partner and they tend to have high importance of family and kinship.

The informal economy has become the major employer for most Zimbabweans as a result of the economic crisis that the country faced since 2000. The informal economy is said to be an alternative where decent work is scarce. It refers to unregistered and unregulated activities. Despite the lack of recognition the informal economy provides income and livelihoods for many people including WHH. Most WHH find themselves in

this sector because of the discrimination they face in the formal labour market and the society. The informal economy has few entry barriers, allowing those with no education, no formal training and skills opportunities to become economically productive. The informal economy encounters many challenges which require intervention. There are many health and occupational safety risks as well as difficult working conditions which place WHH at much higher risk of poverty. They lack social security and protection and also lack representation. There is no legislation protecting these women, no future social security for them in their old age and for their children, no health insurance in cases of ill-health and accidents, and no labour representation.

CHAPTER THREE: RESEARCH METHODOLOGY, EMPIRICAL STUDY AND RESEARCH FINDINGS

3. INTRODUCTION

This chapter focuses on the empirical study that was undertaken to achieve the objective of exploring and determining the impact made by the informal economy in the social and economic development of WHH in Chegutu urban area of Zimbabwe with regards to income generation, poverty levels, education, health, social capital and human capital. The research intended to answer the research question: “*What is the impact of the informal economy on the social and economic development of WHH within the Chegutu Urban District?*” To ascertain such an impact the sub-questions were as follows:

- What sort of contribution is the informal economy making in the lives of these women and their households?
- What types of activities are they involved in?
- Is the informal economy providing opportunities for social and economic development?
- What kind of development is being brought about and is this sustainable?

This chapter will present the research approach, design and methodology and the empirical research findings of the study. The results are particular to Chegutu Urban District and thus cannot be generalised to other communities and thus should be tested first before being applied. De Vos (2005:346) asserts that generalisability or transferability of qualitative studies to other settings might be problematic. It is also seen as a weakness in approach and demonstrating the applicability of a study in another setting rests on the researcher who wants to make the transfer and not with the original researcher.

3.1. RESEARCH APPROACH

The study took a qualitative approach. Holosko (2006:11) defines qualitative research as “the systematic, first hand observation of real world phenomena.” The purpose of qualitative research is to describe and understand individuals and/or events in their natural settings (Holosko, 2006:12), which would be appropriate for the said topic of study. Creswell (1998:17) strongly agrees that the reasons for undertaking qualitative research are the need to explore and to present detailed views on the topic, and to study people in their natural settings. In this study there was a need to explore and determine the impact of the informal economy on the social and economic development of WHH. Respondents were asked to share their experiences of being heads of households and the social and economic circumstances they face in the informal economy.

3.2. TYPE OF RESEARCH

As the research intended to explore and determine the impact made by the informal economy in the development of WHH the researcher used applied research. The research focused on developing solutions for the problems encountered by WHH involved in the informal economy through exploring their experiences and making recommendations for change. The goal of applied research focuses on developing solutions for problems in practice or changing troublesome situations (Fouché & De Vos, 2005:105).

3.3. RESEARCH DESIGN AND METHODOLOGY

This section will elaborate on the research design and methodology.

3.3.1. Research design

In accordance with the qualitative research approach the research design applicable to this study was the case study. Creswell (1998:61) defines a case study as “an exploration of a bounded system or a case or multiple cases over time through detailed in-depth data collection methods.” Gray (2004:123) adds that case studies are more specific in their focus but can explore many themes and subjects and it can also be utilised for a variety of issues. Babbie (2001:265) emphasises that a case study can refer to a process, an event, an activity, a program, an individual or a group of people. The study concerned referred to a group of people (women who head households and are involved in the informal economy). The collective case study was thus applicable to this research (Fouché, 2005:268) because there was the need to investigate the different cases of WHH that were dependent on the informal economy and the impact it had on their social and economic development.

3.3.2. Data collection method

The researcher used the semi-structured interview (Robson, 2002:269). This type of interview, according to Greeff (2005:289), is used to gather detailed information on the participant’s beliefs, perceptions or accounts on a particular topic. Greeff (2005:289) adds that there are predetermined questions that guides the interview and allow the interviewee to determine how the interview proceeds.

The researcher chose the semi-structured interview schedule because she wished to conduct interviews in a predetermined format guided by an interview schedule while also allowing the respondents flexibility when answering questions. Flick (1998:94) asserts that the aim of a semi-structured interview is to allow the interviewee to answer the questions more freely. The researcher could follow up on interesting responses and could also investigate some underlying motives of the interviewees’ responses.

The researcher explored and determined the impact of the informal economy on the social and economic development of WHH. This enabled the researcher to understand the experiences and perceptions of the respondents in their own words.

3.3.2.1. *Semi-structured interviewing preparation*

It was important for the researcher to prepare before conducting the interviews. This involved conducting a literature review, drawing up an interview schedule, drawing up consent forms and getting a tape-recorder.

- ***Preparing for the interview***

Before undertaking the interviews the researcher was involved in serious study of available literature on the key variables of the topic. It was important for the researcher to understand, have some knowledge, background information to contextualise the topic and develop an interview schedule (see Appendix A) that guided the interviews. Greeff (2005:289) asserts that the predetermined questions guides the interview and allows the interviewee to determine how the interview proceeds.

Consent forms (see Appendix B) were developed and used to get written consent from each respondent to take part in the research. Respondents knew that participation was voluntary and that they could withdraw from the study anytime they so wish. As suggested in the section 3.5 of this chapter, the researcher adhered to all the ethical aspects relevant to this study.

3.3.3. Sampling and sampling method

The aim behind sampling is that a small set of observations can tell something about the larger population. This is possible because trends and tendencies in the larger population can be discovered from few individuals (Royse, 1999:152). As stated by Patton (2002) sampling in qualitative research is less structured, less strictly applied and there are no rules for the sample size. Strydom and Delpont (2005:327-328) note that the size of a sample depends on what the researcher wants to know, the purpose of the study, the available time and resources and also what is useful and credible.

According to Strydom (2005b:192) sampling is about taking a portion of a universe/population and consider it representative of that universe/population. The sample size determined by the researcher was eight respondents who were representative of the larger population and they had approximately the same characteristics of the relevant population. Because the size of the population and the members were unknown to the researcher, the non-probability sampling type was used. The targeting sampling concerned with investigating hidden problems in hidden populations was used (Strydom, 2005b:203). To get a sample the researcher started by questioning the community members and these comprised of close family members, if they knew any women who were heads of households and were involved in the informal economy. Six respondents were identified through this way and the other four were identified through snowballing. Two of the respondents were used to pilot test the interview schedule.

3.3.4. Pilot study

A pilot study is a trial session, which determines the appropriateness of the research methodology, sampling, data collection instrument and analysis (Strydom, 2005c:214). It is referred to as a dummy run of the study (Robson, 2002:385) with the aim to ascertain whether the research can be conducted and to foresee any problems that might arise so that alternatives and correction might be sought also to check the feasibility of the study. A pilot study was conducted with two of the identified respondents who were not included in the main study. Strydom (2005c: 212) notes that the exposure of a few similar cases similar to the planned inquiry is needed to modify and adjust the measuring instrument. Strydom and Delport (2005) add that it is important to determine whether the relevant data can be obtained from the respondents. The interview schedule for the data collection was tested and the researcher realised it was important to have the questions in English and Shona because there were difficulties encountered by the respondents in understanding English. The questions were thus translated to Shona. Two more questions were added and one question rephrased so the respondents would understand it much better.

The feasibility of the study has to do with whether the research is workable in terms of resources such as time, skill, finances and whether the research is relevant to the current trends (Strydom & Delpont, 2005:332). Strydom and Delpont (2005:331) note that it is of utmost importance to conduct a comprehensive and accurate assessment of the real situation to be investigated. The research undertaken was indeed a practical problem in the field and Zimbabwe is facing serious challenges with regards to social and economic development. The research was feasible in that there are women who are heading households and are involved in the informal economy and who also availed themselves to be part of this research. The researcher sponsored the study without any external funding and created time to go to Zimbabwe and conducted the empirical study.

3.4. DATA ANALYSIS

Qualitative data analysis is the process that follows data collection; the data are transformed into meaningful findings (De Vos, 2005:334). The data gathered goes through some stages of analysis and interpretation. The process of data analysis does not follow a linear format but reflects a spiral image that is not fixed. The process of data analysis moves back and forth as the data are analysed and interpreted. It is an intensive process that comprises an analysis and interpretation of the data gathered by the researcher. The guidelines provided by Creswell in De Vos (2005:334) were used in the data analysis process.

- ***Planning for the recording***

In preparation for recording the researcher bought a digital tape recorder, which was used to tape record the interviews. Before tape recording the interviews the researcher asked for permission from each respondent and permission was granted by all respondents. The researcher made sure the tape recorder was in working condition and the batteries were in working order before conducting each interview.

- ***Data collection and preliminary analysis***

Semi-structured one-on-one interviews were used to collect data. Each interview was tape recorded and field notes were written. Each interview was transferred to mp3 files on the computer making it easy to store the data and to transcribe each interview word for word.

- ***Management and organisation of the data***

The researcher made hard copies of each transcription and created a folder for the transcription for any future reference. Each transcription was labelled alphabetically for easy use by the researcher.

- ***Reading and writing memos***

The transcriptions and field notes were read over and over again to become familiar with the data. As the researcher read the transcriptions and field notes, notes (comments) were made in the margins.

- ***Generating categories, themes and patterns***

As the researcher read the data common themes and subthemes were identified. This was mainly the words and phrases that was repeated often in the interviews.

- ***Coding data***

The researcher intended to make use of colour codes but this was confusing and the coding system was changed. The researcher used abbreviations of the keyword to identify the themes and subthemes.

- ***Testing emergent understandings and searching for alternative explanations***

The emerging data was analysed through linking the themes and subthemes and the different perspectives of the individual respondents. Literature was consulted to verify empirical findings and/or seek alternative explanations.

3.5. ETHICAL ISSUES

An acceptable research investigation must be conducted with an ethical approach. Walsh (2001:70) defines research ethics as standards of behaviour and practical procedures that researchers are expected to follow. The researcher was ethical in her conduct by protecting the respondents from any harm, getting informed consent, upholding confidentiality, privacy, anonymity, being honest, working with integrity and not deceiving the respondents as will be next discussed.

- **Protection from harm**

It was the researcher's ethical obligation to protect the respondents who participated in the research from any form of harm (Strydom, 2005b:58). The researcher fully informed the respondents about the research and the impact of participating in the research before conducting the interviews. The respondents were allowed time to make an informed decision about their participation. Babbie (2001:471) advocates that the researcher must look for subtle dangers and guard against them. One can do so by respecting the privacy of subjects, maintaining confidentiality and collecting information anonymously (Babbie, 2007:27). The researcher informed the respondents about the study in detail. It is important for the respondents to be fully informed of the nature, impact and the possible risks involved in participating in the research before the study. To reduce and minimise any harm that occurred the researcher debriefed the respondents after conducting the interviews. According to Strydom (2005b:67) debriefing of the respondents offers the chance to correct and

rectify any problems and/or misconceptions that might have been generated by the research experience. At the end of the interviews the researcher debriefed each respondent except for one respondent who had church commitments at the time and the researcher failed to get hold of her at a later stage. The researcher clarified that no names or any form of identification would be used and that the University of Pretoria, Municipality of Chegutu and the Ministry of Higher Education would have access to the research findings.

- **Obtaining informed consent**

It was necessary for the researcher to get informed consent from each respondent. Strydom (2005b:59) mentions that obtaining informed consent stresses the dissemination of accurate information for the respondents to fully understand the research so that they can then make voluntary and informed decisions on their participation in it. The researcher took time to explain to each respondent the full details of the research project, its purpose and for whom it was intended. The researcher drew up a consent form with a covering letter explaining the details of the research and the person's choice whether to participate (see Appendix B). Each participant was asked to sign the forms and copies were made available to both parties.

- **Confidentiality, privacy and anonymity**

Privacy is defined as that, which is normally not intended for others to observe (Strydom, 2005b:61). Confidentiality entails the handling of information in a confidential manner (Strydom, 2005b:61). Anonymity refers to that no one should be able to identify any of the subjects afterwards; this includes the researcher (Strydom, 2005b:61-62). The researcher took the responsibility to maintain confidentiality, privacy and anonymity. Interviews with the respondents were conducted in each respondent's home where the environment was private, comfortable and safe for them to freely express their views. To maintain confidentiality and anonymity the information shared was confidentially handled by not sharing the information with other people and making sure no name or any identifying particulars were used

that could be linked to the respondents. Respondents were allowed to withdraw at any time during the interviews and not to answer any question they felt uncomfortable with answering.

- **Deception**

Deceiving respondents was eliminated by presenting the true nature of the research. The researcher explained all the details of the research such as the goal, objectives, research methodology and the implications of the research. Deception takes place when the researcher intentionally misleads, misinforms, misrepresents and withholds relevant information from the respondents (Strydom, 2005b:60). No deception should ever be inflicted on the subjects. Babbie (2001:474) asserts that the appropriate solution for deception, should it occur, is to debrief the subjects after the research.

- **Honesty and integrity**

The researcher shoulders the obligation and responsibility to ensure his/her competence and that s/he is adequately skilled to undertake the research (Strydom, 2005b:63). This concept also refers to the standard of professional behaviour and integrity of the person conducting the research (Walsh, 2001:73). Researchers have to be honest when presenting their findings, which should be carried out in a professional way. The researcher is of the view that through the research knowledge obtained from a module on research methodology and the experience obtained through the research conducted in her fourth year of study, she was able to skillfully conduct the research. The researcher met her appointments with each respondent, treated the respondents with respect, dignity and as the experts allowing them to tell their experiences.

- **Release or publication of the findings**

Strydom (2005b:65) posits that the findings of a study must be introduced to the reading public in written form. The report must be accurate, objective, clear and unambiguous, contain essential information while recognition should be given to sources (Strydom, 2005b:65). Besides disseminating the research report, the researcher intends to publish the research findings in an accredited journal.

3.6. RESEARCH FINDINGS

The demographical profile of the respondents will first be presented in discussion and graphical format. The findings from the interviews will be discussed by means of themes and subthemes. Literature will be integrated in the data analysis and in the discussion. Literature will also be used to verify and validate the research findings and interpretations.

3.6.1. DEMOGRAPHIC PROFILE

The demographic profile of the respondents were drawn from the ages of the respondents, their marital status, size of the respondents' households, composition of the households according to sex, respondent's level of education, primary role of the respondents, the positions of the non-respondent household members, involvement in the formal employment and the number of years in the informal economy.

- ***Age of respondents***

All respondents interviewed were black females and lived in the different locations of Chegutu Urban District. Of the eight women interviewed, none of them was between 20-29 years old. There was only one woman aged 30; 2 women were between 34-39 years old; two were between 40-44; another two were between 45-49 and one was above 50 but below 54 years. Not one of the women was over 55 and 60+. The ages of the respondents are visually presented in the following graph.

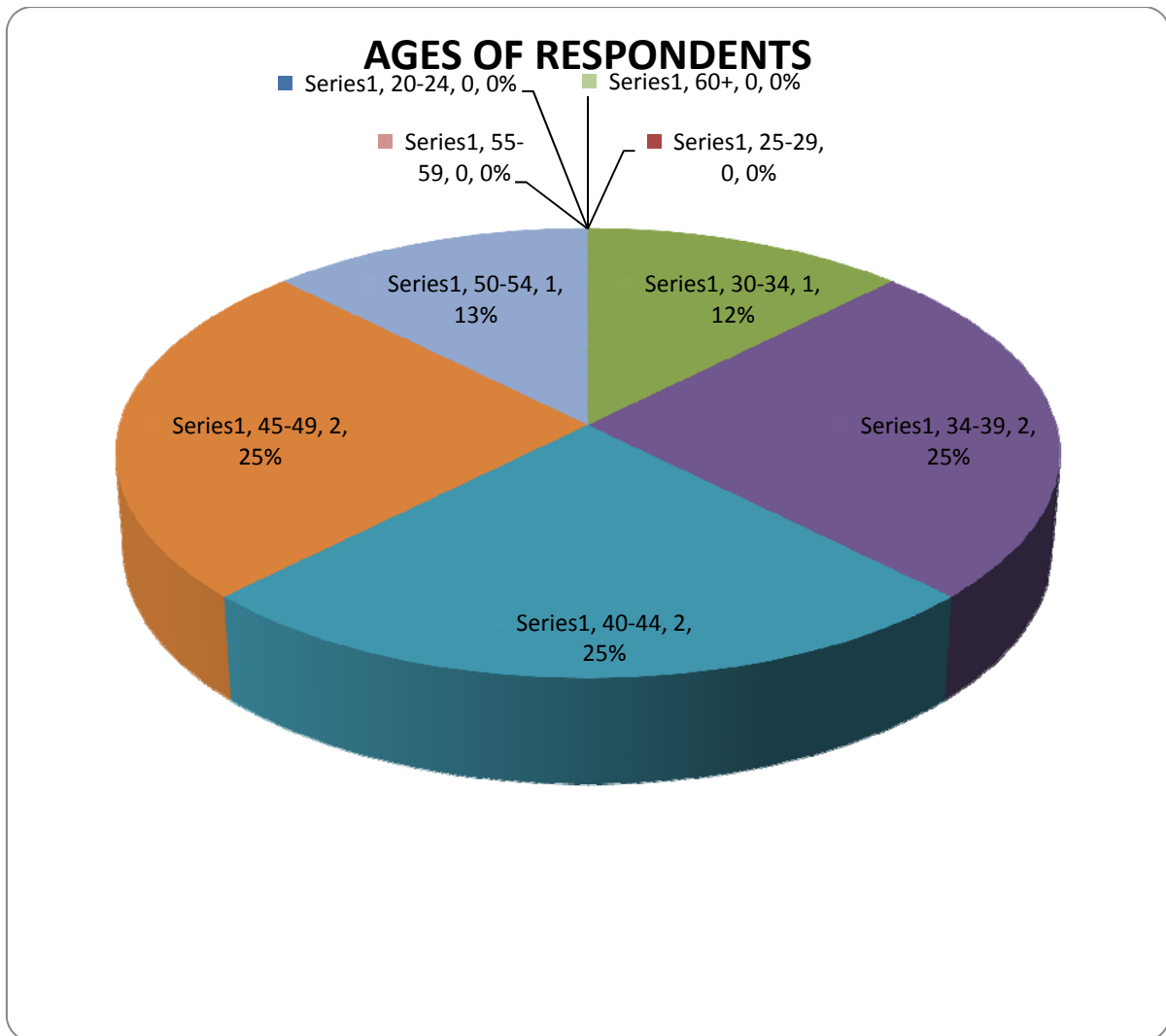


Figure 1: Age of respondents

- **Marital status**

The respondents were asked whether they were single, never married, married, widowed or separated. Three of the women were married but were not staying with their husbands. Two of the women's husbands were working but lived in other cities where they are employed; they came home occasionally, however, at least once a month. One woman said her husband was retired and stays at their rural home and that he rarely came home. Two of the women said they were widowed and the other

two were divorced. One of the respondents was separated. None of them was single. Figure 2 visually illustrates the marital status of the women.

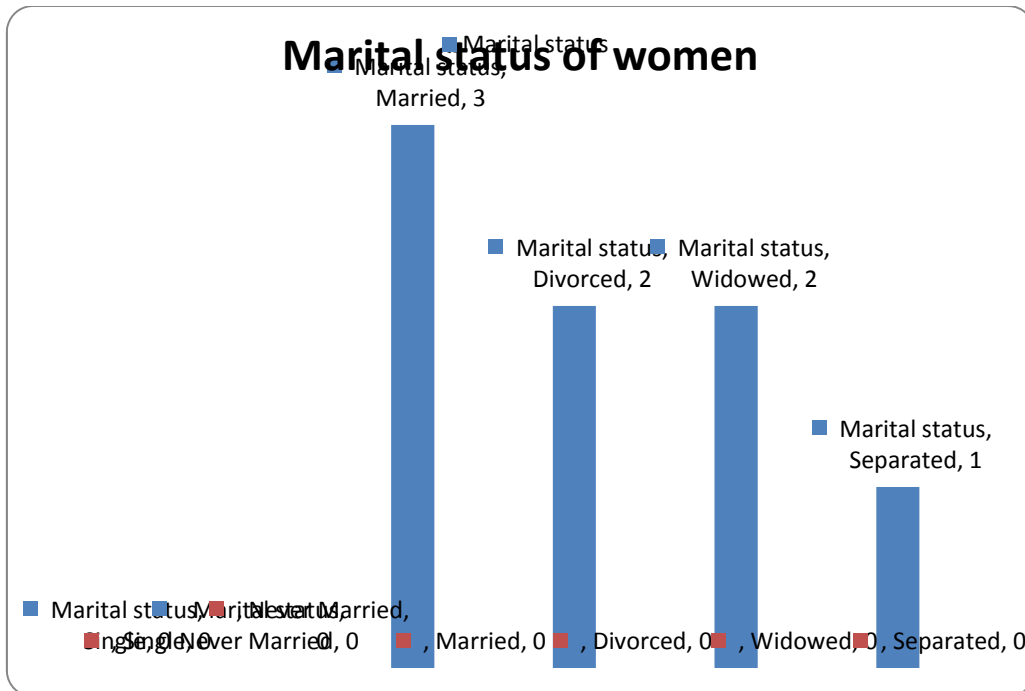


Figure 2: Marital status of respondents

- **Size of household**

The size of the respondents' households ranged from one to six while four respondents indicated a household of four members respectively. Two households had five members, one had six members and one respondent had only one member. The calculated average of each household size was 4. Figure 5 depicts the respondents' household size.

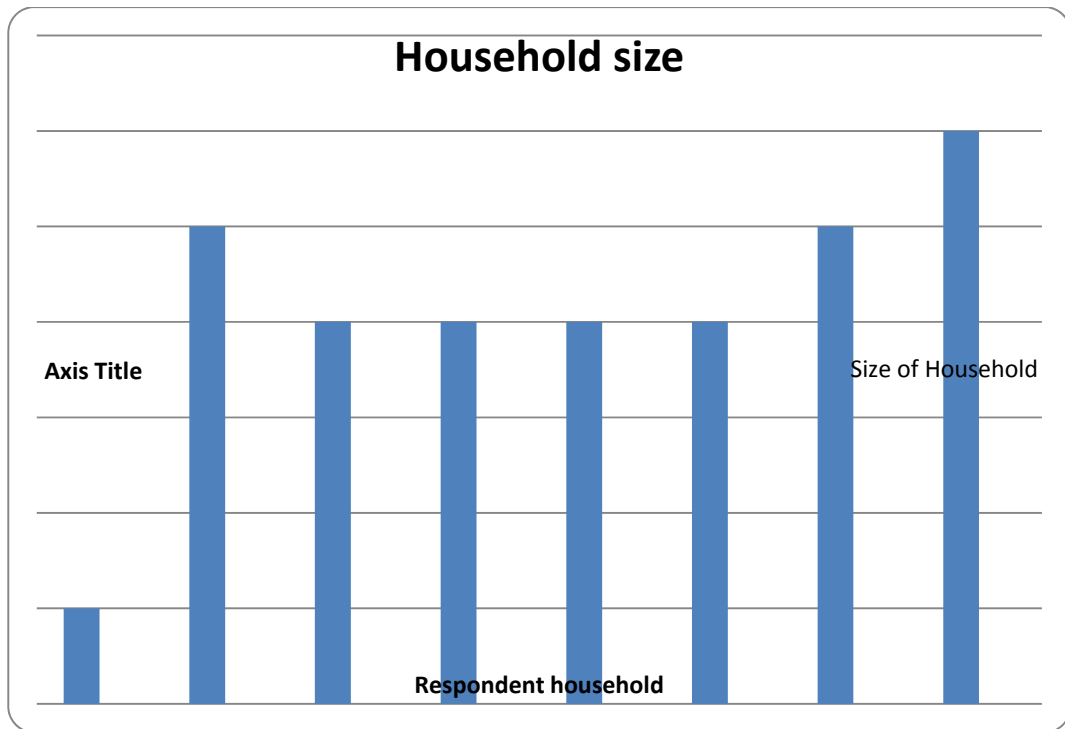


Figure 3: Household size of respondents

- **Composition according to sex**

The household composition was determined according to the sex (male/female) of the members. In household A there was only one person and thus a female. Her two sons have left home and are both living in South Africa. Household B had three male and two female residents. Households C and F had two males and two female members respectively. Households D and E had one male member and three females respectively. Household G had one male and four female members. Household H had three male and three female members. On average each household had 1.625 male members and 2.5 female members. Figure 4 shows the household composition.

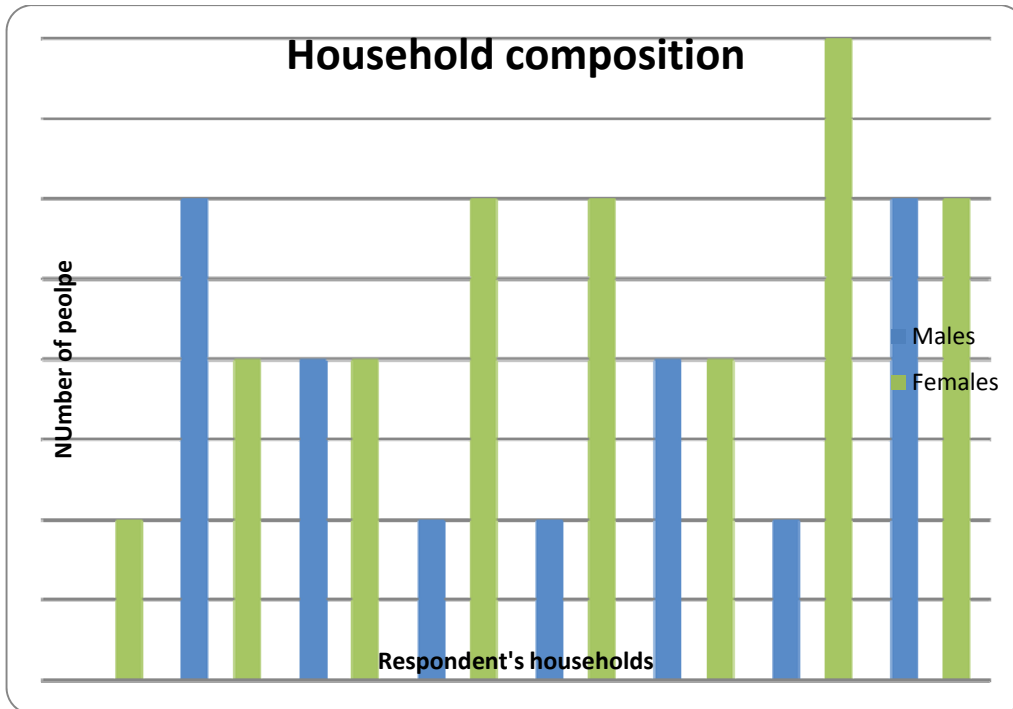


Figure 4: Household composition according to sex

- ***Position of non-respondent household members***

Figure 5 illustrates the different positions that the non-respondent household members hold. Household A had no other member except the respondent. Household B had three children and the other member was a brother to the respondent. Household C consisted of three children. Household D had two children and a maid who helped take care of the children. There were only three children that were part of household E. In household F, the respondent lived with her child (son) and her sister who has a daughter (niece) that also lived in the house. Household G had three children and a nephew. Household H consisted of four children; two at university, the other two in boarding school and the father who works in another city. Five (62.5 %) of the households live as nuclear families and two (25%) live with a member from their extended family and one (12.5%) live with helpers or maids.

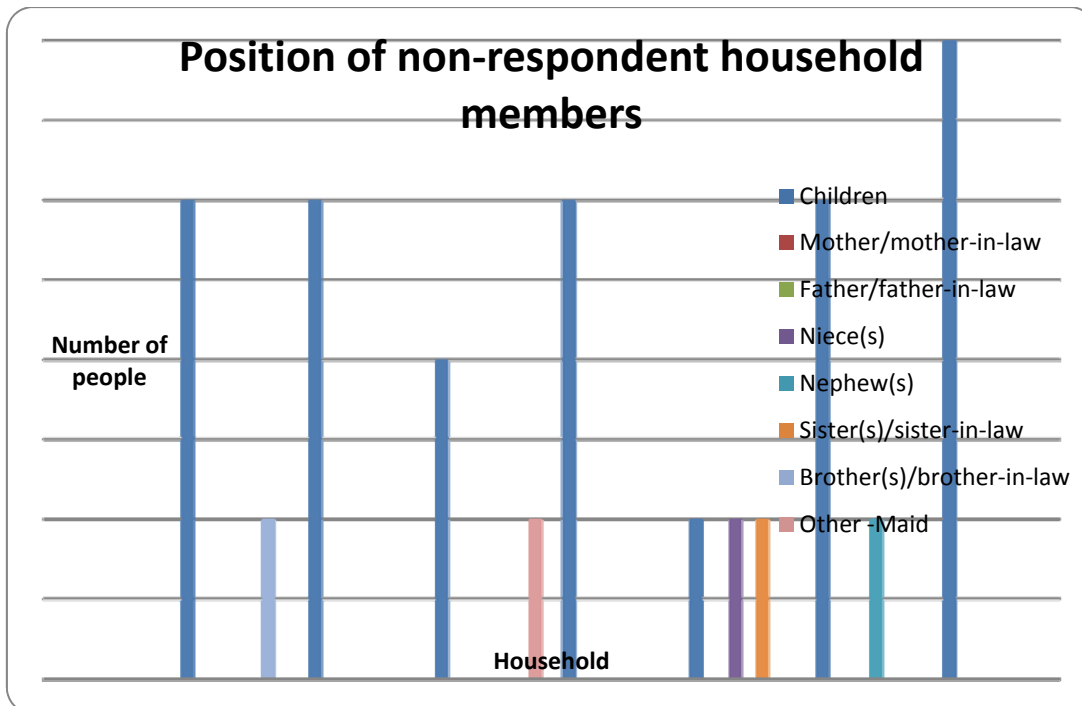


Figure 5: Position of non-respondent household members

- **Primary role of respondent in the household**

All respondents were mothers in their households. However, two also held an additional role of aunt and one was a sister.

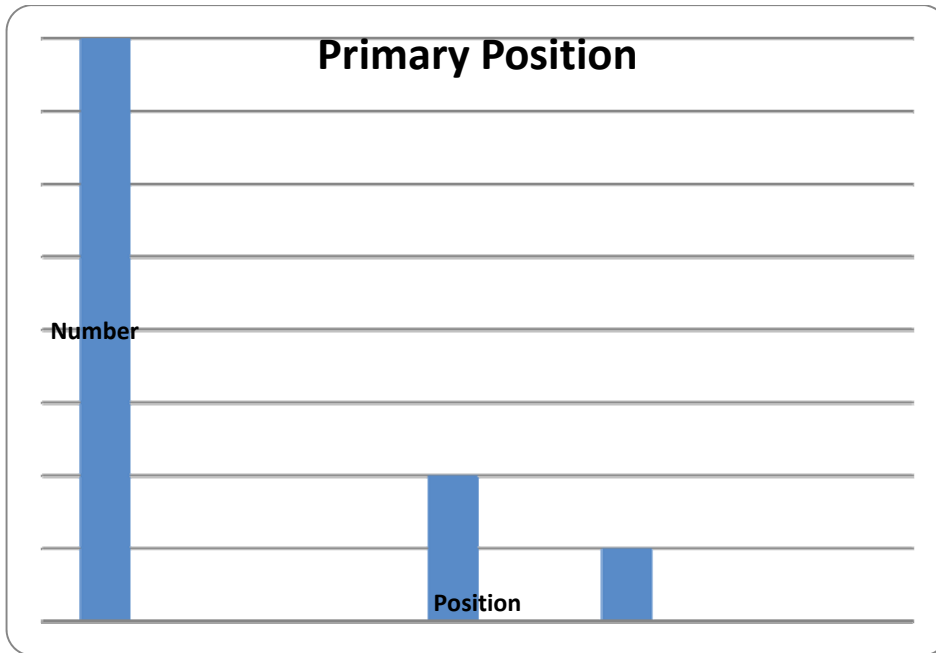


Figure 6: Primary role of respondent in household

- ***Level of education***

Figure 7 shows that one (9%) of the respondents indicated that she had no education at all; there was one (9%) respondent with primary education up to grade 7. One (9%) respondent progressed to Secondary level (Form 2) and four (37%) respondents attained Secondary level (Form 3-4). Only one (9%) of the respondents got a university degree. Of all the respondents three (37%) of them had received some other form of vocational training. The educational level of the respondents is illustrated in Figure 7 below.

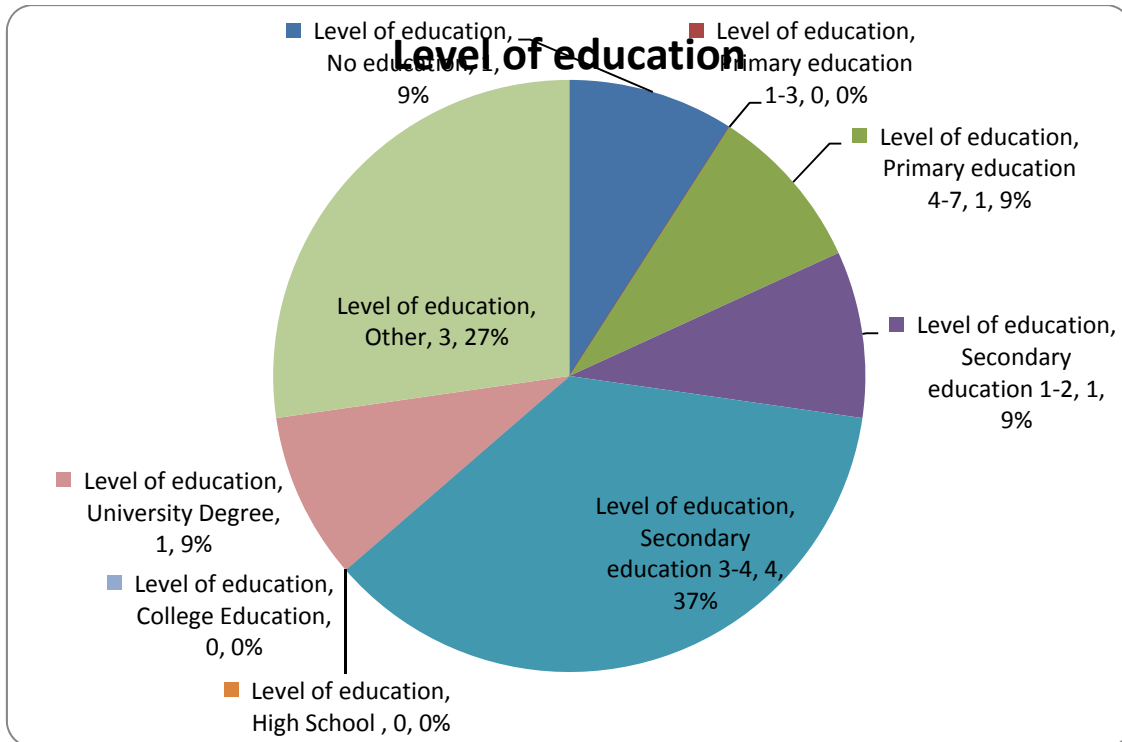


Figure 7: Level of education

- **Formal employment**

Figure 8 shows that four (50%) of the respondents were involved in the formal economy and the other four (50%) has never been involved in the formal economy. Of the 50% involved in the formal economy, one worked as a social worker in a government department; another as a cashier in a supermarket; one worked as a clerk in a municipal office and one as a receptionist and typist. The longest period served in the formal economy was 30 years and this respondent had left the sector six months before the interview. The social worker had served 18 years in formal employment and the cashier had worked for two years before she got married and left the job. The clerk was not so sure for how long she had served in the formal economy.

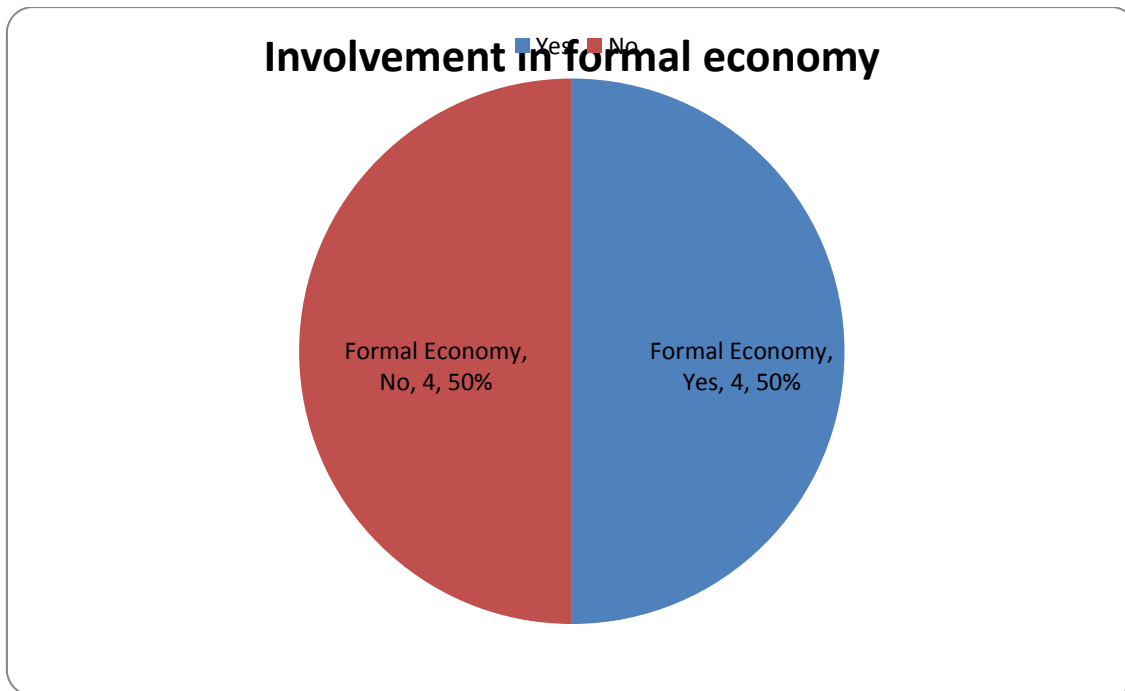


Figure 8: Involvement in formal economy

- ***Reasons for leaving formal employment***

Of the four respondents who were involved in the formal economy, two of them noted that they left because they were getting married. Three said they left because of poor working conditions and poor salaries. One left because of medical reasons. Another reason cited was transport issues, the respondent had moved to another place because transport was expensive.

- ***Years involved in the informal employment***

The respondents had varying years in the informal economy as shown in Figure 9 below. The respondent who had the least years in the informal economy had been involved for six months. Two respondents had been in the informal economy between 3-5 years and another two had been involved between 6-8 years. The other two had been involved between 9-11 years and 15+ years respectively.

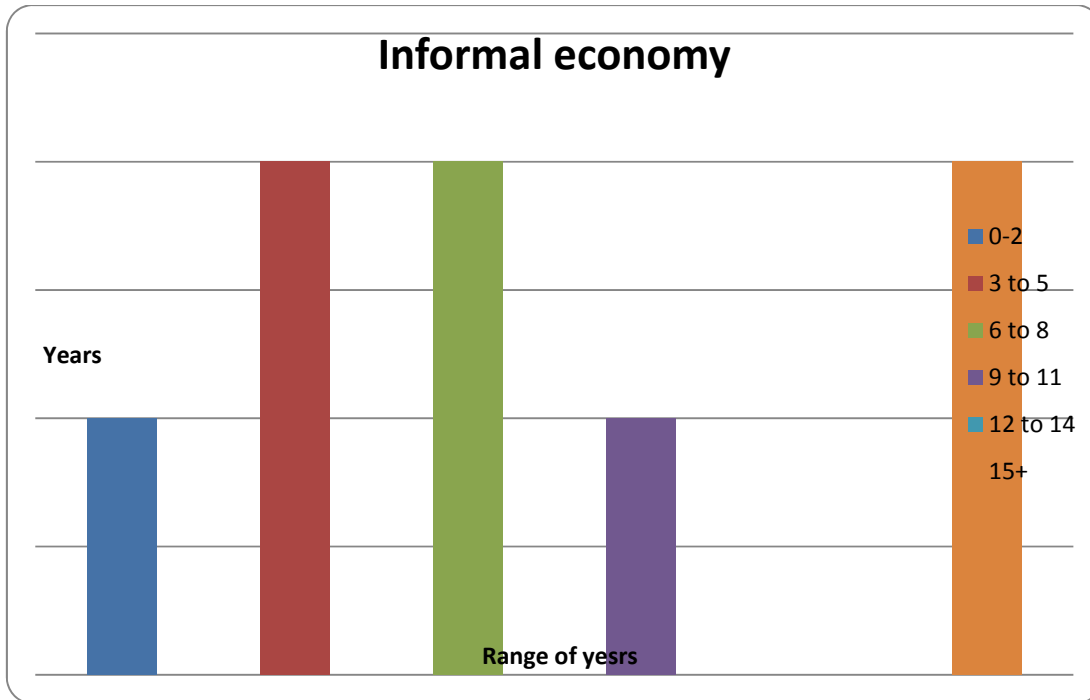


Figure 9: Years in informal economy

A summary of the demographic profile is presented in section 3.8 of this chapter.

3.7. KEY THEMES

As the data was being processed there were recurrent themes and sub-themes that were raised by the respondents and specific trends and patterns emerged. The identified themes and sub-themes are as follows:

- Self employment
 - *Activities*
 - *Home operation*
 - *Skilled and unskilled*

- Benefits of the informal economy
 - *Livelihood*
 - *Survival*
 - *Sustainability of income*
 - *Self-esteem*
 - *Social support networks*
- Lack of registration of enterprises
- Inaccessible resources
- Religion
- Challenges
 - *Health*
 - *Economics*
 - *Credit system*
 - *Place of operation*
- Future planning
 - *Personal*
 - *Work related*

3.7.1. Self-employment

The findings show that all the respondents were presently or had been recently engaged in self employment, where they ran small operations of which each of them was responsible for delivering services or goods to their community. Some women stated that they had been in self-employment for most of their lives, others had been in the formal employment at some point in their lives (see above under formal employment) but left because of reasons such as poor working conditions, poor

salaries, difficult economic climate and getting married. A few have worked as wage earners undertaking jobs such as domestic work, dry cleaning and seamstress. Under this theme the following subthemes recurred from the data.

3.7.1.1. Activities

The women in the research were involved in various informal activities namely, hairdressing, tailoring, cross border trading, flea market, poultry and small scale crop farming, fish and maize trade. Respondents indicated the informal activities that they engaged in as follows:

- “I rear chickens, grow groundnuts, brown beans, both here at home and at the plot. This is more or less farming”
- “Selling clothes”
- “....yes I sell, I have been doing it for four years..... buying and selling maize.”
- “I sell fish..... the other one is not really business, I just help my family by going to the farms to look for maize so I can have mealie meal for my children”
- “I started tailoring on my own when I came (move to Chegutu) this side.”
- “Me sewing, initially, I started with going to SA (cross border), even when I was going to SA, I would do the sewing.”

The findings revealed that the women were involved in various activities, which match those identified by Mofokeng (2005) namely wood carvings, charcoal burning and

selling, plumbers, electricians, furniture makers, hairdressing, beauticians, dressmaking, tailors, retail trade, pottery, cross border trade, basket weaving, mechanics and driving.

3.7.1.2. Home Operation

Most of the women operated their enterprises from home. They did not have premises of trade so they either ran their enterprise in their homes or moved from door to door trading their services or goods to customers. Skalli (2001:82) propounds that the home is the most important space utilised for little income generating activities. Most of them stated they would like to have shops (infrastructure) were they can run their enterprises from. This is not possible for most of them because of high rental costs. They would have loved to have proper infrastructure, which could enable them to market their goods and services and operate on a more commercial level. The respondents' views and wishes were reflected in the following quotes:

- "Yes I run my saloon at home."
- "If I had a shop, the problem with a shop sometimes you can (sew) work and not be able to get enough returns to pay the rent. So sometimes you realize it's better to run the business from home."
- "I rear chickens, grow groundnuts, brown beans, both here at home and at the plot. This is more or less farming."
- "Yes I have worked as a domestic worker before for three years, then in the saloon I worked for 1 and half years and doing my own saloon at home I started since March last year."
- "I feel if I get more capital and do something else not selling fish from door to door. It's not something I like but I have to do because I need money."

- “Yes I would love to have a shop its good for business but the difficulty comes in the month when you fail to make enough money. There is no other place I can now get that money to pay when the business hasn’t worked.”

3.7.1.3. *Skilled and unskilled*

The respondents’ skills are categorised into two main areas: Those acquired through some formal/professional training courses and those acquired from experience in the informal economy. A few of the women had professional skills, which they got as part of their professional training but did not use them in the informal economy. The women agreed that the economic conditions in the formal economy such as poor income forced them to leave and look for alternatives in the informal economy. One respondent articulated her experience in the following words:

- “I left because of the country’s economic situation; we were being given six months unpaid leave due to the difficult economic conditions.”

Some of the respondents have been trained in practical skills, which they were using in their self employed enterprises. These skills included mostly sewing as reflected in the following remarks of respondents:

- “I did not do any other course, but when I was still at school I was good at sewing, so I realized this sewing can help me so I ended up doing it, on my own, cutting and designing.”
- “A course I did is Cutting and Designing... You see all these things in my house I am the one who sews them, I used to be serious with sewing but now with the death of my husband I couldn’t go on the machine, I would get confused and not know what I am doing.”

Respondents also acquired skills through experience, which some of the respondents referred to as on the job training. This meant that some skills had been acquired through experience in their different enterprises as shown by the following responses:

- “Ok you learn new skills; they say experience is the best teacher. There are some things you take for granted but when you are in the field you learn more, you learn new skills, methods and improving on what you have.”
- “It’s on the job training for sure.”

However, most of the women were unskilled with regards to running their enterprises. None of them had received any training in business related areas such as business management, budgeting, writing business proposals, entrepreneurship and investment. They were in the informal economy because they had to provide for their families as a form of survival.

The findings on self-employment explained above agree with the literature by Chen *et al.* (2004) that, despite the diversity in the informal economy there are two main categories in the informal economy, namely the self employed who work in small unregistered enterprises and wage workers who work in insecure and unprotected jobs. Self-employment is a form of non wage employment, which is said to be the norm in most parts of Sub-Saharan Africa (Blunch; Canagarajah & Raju, 2001:11). This was typical in the research undertaken, all the women were self-employed, and their enterprises were unregistered and unrecognised with no security what so ever.

Times have changed and the informal economy now serves as a convenient avenue for absorbing retrenched workers, creating alternative employment for women and the unemployed youth (Musiolek, 2002:20). Luebker (2008a:6) posits that people take up work in the informal economy caused by the lack of alternatives. The women involved

had been drawn to the informal economy from all walks of life and for different reasons. Musiolek (2002:19) states that informal employment attracts people from all possible backgrounds and all levels of education and qualification. Some women indeed were qualified professionals but left their professions to join the informal economy and others had practical skills such as tailoring, cutting and designing, hairdressing and they use these skills to make a living. There were some respondents who did not have any form of training and skills but they had still found their way in the informal economy. Blunch *et al.* (2001:14) propound that most informal sector workers are low-skilled or unskilled. They also add that on the job training is the norm and usually considered sufficient to get the knowledge and skills required for undertaking various economic activities in the informal sector (Blunch *et al.*, 2001:14).

3.7.2. Benefits of the informal economy

The respondents showed that the informal economy had offered them a better alternative to provide for their households. Through the informal economy families are being fed, educated and fended for. The following sub-themes emerged from this theme:

3.7.2.1. Livelihood

The informal economy provided the platform for the respondents to earn a living. According to Luebker (2008a:v) the informal economy has become the main source of livelihoods for many Zimbabweans. Their different enterprises were the main source of income and for most respondents the only source of income providing the means to meet the household necessities. Household necessities covered by the income included food, rentals, utility (water and electricity) bills, school fees and medical care.

3.7.2.2. Survival

For most respondents the informal economy was the means of survival, which was their only source of living. For a few, it was supplemented by their husbands' income. Most women agreed that they were struggling to make ends meet but life is better for them

because they were working for themselves. One respondent's view reflected the women's struggle:

- "Yes that is where I get money for everything that I need, to take my children to the hospital, to school, to buy food, pay my rent, everything. It's everything; electricity has to come from there, food for the children. But I am still struggling with the budget because when the money comes something will be finished in the house like mealie meal and I have to buy and I can't wait for the money to accumulate. Like when I plait someone for \$2, I have to take that money and send the children to buy vegetables, salt or soap. So I am still trying to budget so that at least the money lasts until the end of the month because the money doesn't come all at once."

This verifies what Luebker (2008a:6) asserts when she noted that many activities in the informal economy are survivalistic in nature and the income is inadequate to meet the everyday needs.

Despite all the struggles in earning the money at least the women were able to feed their families. In another case, a respondent remarked that being in the informal economy has awarded her the chance to impart survival and practical skills to her children even if they failed in the mainstream education they had backup in their lives. This is also true with the other respondents; most of their children have learnt to be responsible in their households. Some responsibilities included helping with household chores and helping in taking care of the younger children. Chant (2007:10) agrees that children in female-headed households might be forced to take on high burdens of labour in and even outside the home. This includes having to undertake house work and care of younger siblings or they might also have to contribute to household finances.

3.7.2.3. Sustainability of income

The respondents had varied opinions with regards to the sustainability of their income from their different enterprises. Three respondents revealed that they were confident in their enterprises and that the income was stable and able to sustain their families. Two respondents had engaged in other types of businesses of which one stopped her flea market business and the other had stopped buying and selling of maize. The remaining three respondents were encountering much competition and this made the sustainability of their income uncertain and irregular. The economic climate was also cited as affecting the sustainability of their income. Luebker (2008b:40) cites that the economic hardships directly affect the income of any ordinary citizen, high inflation, rising cost of inputs and lack of working inputs remain the main problems faced.

3.7.2.4. Self esteem

Most of the women remarked that they felt confident about themselves; they felt independent and proud that they did not always depend on other people for their survival. The self-worth that the women experienced is evident from the following remarks:

- “I feel proud that I can look after my children as the only surviving parent.”
- “Like now I don’t look down on myself because people encourage me and tell me to thank the Lord for the gift (hairdressing) that I have and that I am able to look after my children.”
- “It helps uplift your status in that, firstly it does not make you look poor and secondly it helps you associate with other people at community meetings.”

The respondents suggested that their self-esteem and status had been enhanced through their participation in the informal economy. Osirim (2001:169) notes that women

empowerment is not only centered on the modes of participation in the labor market, but comprises women's status in the private sphere of home and family, in their communities, and their perceptions of self. The author suggests that psychological well-being, self-esteem, self-respect, and autonomy coupled with the striving for or achievement of economic independence all define empowerment for women.

3.7.2.5. *Social support networks*

Respondents identified support systems as being critical in their lives. Such social support can be paralleled to what is called social capital. Gittel and Vidal (1998:14) define social capital as networks and norms that enable people to act together to pursue shared objectives. Two types of social capital are noted, bonding capital and bridging capital. The latter refers to the type that brings people who already knew each other closer together and the former refers to bringing people or groups who previously did not know each other (Putnam as cited by Gittel & Vidal, 1998:15). This is typical in this study; networks noted comprised of the immediate family, extended family, friends and other networks like church members, work colleagues (those in the same industry) neighbours and community members. For the bridging capital, respondents agreed that they met new people who they now related to through their work networks.

For most women their nuclear family played a fundamental role in supporting them. The older children played a significant role in the household. It was apparent that the older children help with household chores, looking after the younger children and in other cases they helped in the enterprise. The married women pointed out that their husbands also formed part of their support network giving them moral and physical support. Most women acknowledged that they received much support from their family of origin. Support offered comprised of finances, food, motivation and general advice. This finding supports Skalli's (2001:83) view that in times of difficulty and need it is the family network that is usually expected to provide necessary support to the member in need.

Friends and others (neighbours, customers, church members, work colleagues and community members) were also cited by the respondents as sources of support. Reference was also made to institutional support by one respondent involved in small

scale farming. She remarked that she had received technical support from Agricultural Research and Extension Services (AREX). Respondents' experiences are reflected in the following quotes:

- "Yes we do so through participating in shows and to get resources you have to network with other people and that way you get to know other people."
- "I can say the people who support me are my fellow church members, and other community members that live around me. Even when I have problems they respond quickly despite that we do not worship together and that we are not related. They really support me the others even give me advice; you know advice that is important. So I can say my church mates and community members those are the people I trust even when times are hard I know they support me."

There is a difference that exists in the type of support offered by family and that offered by friends and others. The family mainly provides financial support while the friends and other networks help with general advice and business ideas. Most support is received from family and friends and little support from institutions. Luebker (2008a:4) believes that people who operate in the informal economy often suffer from many disadvantages such as limited access to institutional support because of their lack of legal recognition. The law often erects many barriers for people involved in the informal economy.

3.7.3. Lack of registration of enterprises

It was apparent in the findings that none of the respondents was registered with any organisation. This was an indication that not one of their enterprises was registered, which is typical of most informal enterprises. Luebker (2008b:42) mentions that informal workers are unaware of organisations that represent their interests. All the respondents

remarked that they were unaware of organisations or institutions that they could register their enterprises with. Respondents' voices were strong on this limitation on registration:

- “No there is no organization I am registered with..... ahh there is no such place, I just started on my own.”
- “No I haven't joined any..... No there is nothing I know of.”
- “No I am not registered with any.”
- “I am not registered, there is nothing; there is a lot of politics.”
- “I haven't heard of any place not here.”

This attests to Guha-Khasnobis *et al.* (2007:4) view that the informal sector refers to being outside the reach of different levels and mechanisms of official governance. It refers to those enterprises that are not registered and legally outside the tax net. Mofokeng (2005:5) shares the same view that the informal economy refers to economic activities outside the world's regular, stable and protected employment and legally regulated enterprises (Mofokeng, 2005:5).

3.7.4. Inaccessible resources

All respondents remarked that resources were not accessible to them. They pointed out that the available resources were accessed by a few people and the rest of the people had no access. They acknowledged that the government and the local municipality were not supportive in helping people in the informal economy. The respondents' experiences are summarised in the following response:

- “They don’t have money to help people, there was this program on small developments, but only a few benefited, they only help a few and you have to struggle on your own.”

According to Becker (2004:22) the informal economy enterprises cannot access resource institutions available to the formal economy such as banks, other financing institutions, training and education institutions, marketing and consultancy firms. Blunch *et al.* (2001:11) agree that there is evidence that people engaged in the informal sector face a variety of constraints such as limited or lack of access to resources, markets, land and physical infrastructure. It is believed that lack of legal recognition contributes to the inaccessibility of resources; in particular land and formal credits are constrained, because of government control or regulations (Canagarajah & Sethiraman, 2001:28).

3.7.5. Religion

Religion was a fundamental aspect in most of the women’s lives because they referred to it on several instances. Reference was made to God as being the provider for most households and that their situation was because of God’s will. This showed that most women accepted where they were at in their lives. A few respondents remarked that religion played an important role in their parenting; because their children were God fearing and learnt many morals from church, which make it easy to discipline them.

3.7.6. Challenges

All the respondents disclosed that they encounter many challenges in their lives, which were work related and personal. The common challenges identified were related to health, economics, place of operation and credit system.

3.7.6.1. Health

The respondents acknowledged that they faced health challenges in their respective enterprises despite their different enterprises. The most common challenge cited with regards to health was stress caused by work related problems such as difficult customers who do not pay on time, and working or standing for long hours. Physical strain was also identified as a health challenge. Most women admit that the bulk of the work they were involved with required physical strength and this resulted in back-aches, muscle tensions and chest pains. The voices of the respondents captured their experiences:

- “No, there is no, it was stressing, that is where the BP (blood pressure) came from.”
- “The problem is I have a painful side on my back, so if I sit or stand for a long time, I have problems with that side on my back and at times chest problems.”
- “It used to affect me like maize is very heavy.”
- “I can say as a person who works with hair, it can be a health risk because I work with different people and this health wise is not good.”
- “You as the business person suffer because where I horde the fish is very far, so I have to walk long distances.”
- “Like now, my business is affecting me, when I am sewing, like when I have to cut and tear the material, it resulted in me contracting TB, so there like now there are plenty materials in my house because I was told to stop at the moment but you find people persuading me to sew for them but I tell them I cannot.”

- "...yes like now that I cannot do my business on my own, I am stressing, my BP is high."

3.7.6.2. *Economic*

The main economic challenges cited by the respondents were the current economic situation in Zimbabwe and capital constraints, which have affected business. Respondents alluded that business was low because customers were not earning much and some considered the services and goods offered as non-necessities. Respondents' views on the economic challenges included the following:

- "...now things are hard so even the business has gone down."
- "I can say the current economic situation is making life very difficult to live, because you cannot even borrow a dollar from someone so it's just the hardship in general."

Capital investment was a great challenge in that the respondents lacked financial resources to expand and invest in their enterprises. As a result their businesses were stagnant and in some cases regressing. Blunch *et al.* (2001:16) agree that financial capital investments in the informal sector tend to be low and are relatively scarce. Respondents' remarks on capital were as follows:

- "May be if we can get capital."
- "In terms of my business, the plan is if I could get more money this November I would buy a lot of stuff to sell say three pairs of sofas, room dividers then look for a shop where I can use to sell these things. This might help me a lot to survive..."

The other challenge mentioned in this regard is competition in the different industries. Some respondents remarked that there is too much supply of some goods and too many people involved in the industry. Their voices are reflected in the following remarks:

- “Now the business is of no use because things are not working out there is too much supply and goods are not selling.”
- “Yes the market is there it’s only that there are many of us now selling, they are too many.”

Canagarajah and Sethiraman (2001:27) point out that competition in the informal economy arises because there are few entry barriers, and this competition has also kept the income of those involved at the minimum, most of which being essentially returns to their own labor.

3.7.6.3. Credit system

The respondents remarked that they were frustrated by their customers who did not pay them on time. Customers were provided with a service or goods with the hope that they would pay on a future date but this was causing too much stress for most of the women because the customers fail to pay off their credit on time. As a result not only did it affect the business, health, relations between the customers and the women but it also affected the household budgets. With regards to business, there would be no cash flow to buy more inputs to sustain the business to the extent that money meant for household necessities was channelled back to the business. Health was a stressful process for them and the follow-ups to the customers for payment were extra work for the women.

3.7.6.4. Place of operation

Working at home and from home was not the ideal situation for the respondents; they wanted to have a normal business place of operation. Blunch *et al.* (2001:12) mention that the working and workplace conditions in the informal sector are also often a cause for concern as legislated standards and regulations are generally not applied. Mofokeng (2005:6) adds that working conditions in the informal economy are unstable, unsafe, and poor both in remuneration and occupational health and safety. Most women used their homes as business places, this had some disadvantages for them such as their products or services were not well marketed; their enterprises were not growing, work and personal life became difficult to separate.

3.7.7. Future planning

All the women had future plans for their households of which personal and work related plans emerged as key sub-themes.

3.7.7.1. Personal plans

Personal plans referred to plans that were directly about the personal lives of the women and their household members and not to business or work. Most women cited they wanted to have homes of their own, which they owned and even if they died they would leave their children with a home. These views were captured as follows:

- “The plans that I have are for..... I wish God will help me and I get money, I would like to get a house of my own, even a two roomed house. That is my wish.”

- “Ok five years from now I plan to have my own house for my children. So I can have my space I cannot be a lodger for the rest of my life, I should have a place of my own.”

Other personal plans were to work towards the education for their children so that they could become better people with brighter futures. Buvinić and Gupta (1997:269) cite that children's education is more likely to receive priority in female-headed households. However, because of the lack of additional adult labour and because of low income levels in households headed by women, children are often forced to drop out of school to help with housework and child care. Two respondents noted that their older children could not further their education and this was attributable to the reason that they could not afford to fund the education. So their focus was on raising funds to take them back to school.

3.7.7.2. Work related plan

The future plans of the women with regards to their work were all positive. The main focus was expansion of the enterprises in the following ways:

- moving the enterprises to better business oriented places
- buying more equipment to grow the business
- diversifying the products
- installing a security system
- creating jobs

The plans of those respondents who were in the informal economy for more than two years were to extend their business as opposed to those who had recently engaged in the sector whose plans were more focused on doing something different and more profitable. Therefore, the women who had already established their enterprises were

more focused on investing in the growth of the business and those who were not were looking for better avenues.

3.8. SUMMARY

The chapter presented the research methodology that guided the empirical research and the research findings obtained from the empirical study.

The key findings of the study emerged as follows:

The demographic profiles of the respondents were presented and the following results were apparent:

- The ages of the respondents ranged from between 30 and 55.
- All the respondents were heads of households through different circumstances. These were widowhood, separation, divorce and emigrant husbands.
- The research suggested that the sizes of the households were small ranging from between one to six members.
- The households were mainly composed of female members than male members with an average of 2.5 female members and 1.625 male members.
- Most non-respondent household members were children of the respondents. Other positions held comprised of niece, nephew, maid and brother.
- All respondents held the primary role of mother.
- The levels of education of the women differed from respondent to respondent with the least having no education at all, a few attended primary school; some proceeded to secondary school and one held a university degree. Not only did the respondents attend mainstream schooling but a few were also involved in practical training skills like tailoring and hairdressing.
- Half the respondents had been involved in the formal economy and they had all left for more or less the same reasons. The main reasons cited were the economic hardships, poor working conditions, getting married and ill-health.

- Years of involvement in the informal economy varied from 6 months to 15 years and most of the women had been involved for 3-8 years.

The following were identified as key findings from the themes and sub-themes discussed above.

- **Self employment**

- The research showed that all the respondents are self-employed and they all ran their small enterprises.
- The respondents were involved in different economic activities that comprised of hairdressing, tailoring, small-scale crop farming and poultry cross-border trading and retail.
- All the enterprises were operated from home. All women were skilled in some way either, they had received professional and practical training prior entering the informal economy or they had acquired some skills through experience in the informal economy. Respondents lacked skills such as business management and entrepreneurial skills that were thought as critical in running their enterprises.

- **Benefits of the informal economy**

- The respondents and their households benefited from the informal economy. The respondents are depended on their enterprises for their livelihood and survival.
- The informal economy was as the main source of income for each household. The income generated was for the most basic household necessities such as food, rentals, utility bills, school fees and medical care.
- The respondents pointed out that they were failing to make ends meet and were struggling. However, they were satisfied with their efforts of working for their children.
- The income of most women was uncertain and erratic because of the economic situation in Zimbabwe. This has affected the sustainability of their income.

Income was more sustainable for those who had been in the informal economy for a longer time.

- The self-esteem of the respondents had been enhanced by their involvement in the informal economy. Feelings of being more confident, respect and independence were recorded.
- Social support networks were cited as having an important value to the respondents. The nuclear family, family of origin, friends, church members and community members were viewed as support systems. Main forms of support provided included finances, food, clothing, motivation and general advice.

- **Lack of registration of enterprises**

The findings show that enterprises in the informal economy are not registered with governing authorities and they lack any form of social protection and representation.

- **Inaccessible resources**

Resources were regarded as inaccessible to the respondents and the government and local municipal was not supportive of the informal economy.

- **Religion**

The respondents reflected that religion was a fundamental aspect in their lives and they believed God was their sole provider.

- **Challenges**

The results showed that the respondents were confronted with many challenges that were grouped as follows:

- Stress and physical strain were the major health issues that affected the women.
- The difficult economic climate in Zimbabwe was cited as affecting the informal economy. It has created too much competition in the informal economy; people are earning less and thus cannot afford the goods and services offered. There is also lack of capital to boost the enterprises.

- The customer credit system proved not to be working in that it was creating stress for the respondents. Customers are unable to pay on time and this affected the running of the businesses.
- Respondents suggested that operating their enterprises from home was not ideal making it difficult to run the business because it was difficult to market their goods/services and difficult to separate business from personal life.
- **Future planning**

The respondents showed that they all had desires and plans for their future that were either personal or work related.

 - The main personal plans were to own homes and invest in children's education.
 - Work related plans were centred on growing and investing in the enterprises run by the respondents. Those respondents who had been in the informal economy for long focused their plans on extending their businesses while those who had just been there for a short time focused on looking for better alternatives in the informal economy.

Chapter 4 will focus on conclusions derived from the key findings and the researcher will make recommendations based on the study.

CHAPTER FOUR: CONCLUSIONS AND RECOMMENDATIONS

4. INTRODUCTION

The main purpose for this chapter is to present how the goal and objectives set at the beginning of the study were reached. The key findings derived from the study with WHH will be highlighted and the researcher will make conclusions. Recommendations will be drawn from the conclusions.

4.1. GOAL AND OBJECTIVES OF THE STUDY

The goal of the study was to investigate the impact of the informal economy on the social and economic development of women headed households in Chegutu Urban District in Zimbabwe. The research question guiding the study was: what is the impact of the informal economy on the social and economic development of WHH within the Chegutu Urban District?

The goal and research question were achieved through the fulfillment of the following objectives;

Objective 1:

To contextualise WHH within a social and economic development framework.

This objective was thoroughly addressed in Chapter 2 (sub-sections 2.1 - 2.3) as part of the literature study. The key findings are as follows;

- ❖ Poverty is a global social problem that is affecting millions of people notably women and children. Women are affected most because of the following
 - discrimination and segregation in key areas in the society such as labour markets, professional advancement
 - gender disparities in rights, entitlement and capabilities
 - constraints on socio-economic mobility

- patriarchal structure of society that lowers the status of women

- ❖ The study shows that this unfair treatment of women has resulted in the feminisation of poverty, which refers to a rising number of low income earning women heading households. These women are trapped in the vicious poverty cycle and remain at the lower ranks of the society. They lack access and entitlement to key resources in the society and this hinders their social and economic development.

- ❖ The literature reflects that the phenomenon of women headship is on the rise worldwide. There are four main avenues resulting in women headship;
 - widowhood
 - divorce and separation
 - deciding to remain single
 - migration of male partner

- ❖ Women headship implies that the women hold the authority, they are the key economic contributors, hold the financial responsibility for the family, they are the key decision makers, they are the household managers and there is the absence of support from a male counterpart.

- ❖ Women headed households are a heterogeneous group differing in the route to such a status, composition of households, stage in life cycle, age and race and rural/urban residence. Thus they experience poverty differently.

- ❖ To eradicate poverty and to improve the quality of life for many populations a social development approach has been advocated for by international organs such as the United Nations.

- ❖ Social development regards poverty eradication as a key objective and it is the most suitable approach because it;
 - Is a process of planned change that is aimed at promoting the well-being of the population.
 - Alleviates poverty through social programs that enhances people's active participation in economic activities.
 - Integrates social and economic goals
 - Facilitates economic participation through productive employment and self-employment.
 - Aims at removing barriers to economic participation.
 - Is rooted in the empowerment of people by increasing their social capital, human capital and economic capital.
 - Is centered on meeting the needs of people.

Objective 2:

To determine the nature and extent of the informal economy in Zimbabwe.

This objective was reached through consulting literature in Chapter 2 (sub-section 2.5) and the empirical study in Chapter 3 (sub-section 3.7). The key findings derived are presented below:

- ❖ The informal economy refers to activities outside the regulation of the government that provides some form of income and livelihood for those employed in the sector. It has been in existence for a long time and is an alternative where decent work and income are scarce. Its rise has been attributed to factors such as; globalization, low absorption capacity in the labour market, poor economic performance and weak institutions that have failed to create opportunities for education, training and infrastructure that help create employment.

- ❖ There are many activities that people in the informal economy engage in to make a living. Women are mainly involved in trade (buying and selling), small scale farming, hairdressing and tailoring.
- ❖ The informal economy is the main source of income for most Zimbabweans and it is the biggest employer with over 40% of the population involved. The informal economy has been proliferated by the economic crisis faced by the country.
- ❖ The informal economy is characterized by difficult working conditions, long working hours, unscheduled overtime, low income earnings, lack of security and benefits. It also lacks legal protection and representation and there is competitive disadvantage from the larger formal market. Thus people involved are more vulnerable and at a higher risk of poverty. This creates the link between working in the informal economy and being poor (cf Becker, 2004).
- ❖ Women are overrepresented in the informal economy because of poor education and training, disadvantaged status caused by gender hierarchies in the household, lack of access and control over resources.

Objective 3:

To explore and determine the impact made by the informal economy in the social and economic development of WHH within Chegutu urban area of Zimbabwe with regards to income generation, poverty levels, education, health, social capital and human capital.

This objective was attained through an empirical study undertaken by the researcher and the findings were outlined in Chapter 3 (sub-sections 3.5-3.7 and summary, 3.8).

Objective 4:

Based on the research findings make conclusions, recommendations for policy that can help support women in the informal economy. The conclusions and recommendations are outlined in this chapter (sub-section 4.2 and 4.3).

4.2. CONCLUSIONS

The following conclusions can be drawn from the research findings:

- Social development is the most suitable approach to eradicate poverty because it integrates social and economic goals that aim at enhancing the quality of life for individuals, groups and communities. It empowers people to become economically productive and self sufficient (cf Midgley, 1995; Lombard, 2007).
- Poverty is a common phenomenon among women headed households; this is so because of societal and structural factors that discriminates against women placing them at a disadvantage. Their children are also affected and are caught in the cycle of poverty. The absence of a male partner even puts women headed households at a higher risk of poverty because they lack that extra contribution and support.
- There should not be one single recipe to assist women headed households because these households experience poverty in different ways.
- Women become heads of households through different routes. Therefore, the group is heterogeneous and this depends on the age of the woman, the composite of the household, the place where one resides whether in the urban/rural areas, support systems and access to resources.
- Women headed households strongly rely on their social support networks. Such networks consist of their nuclear family, family of origin, friends, church members and community members. Women headed households mainly get financial support but they do receive other forms of support (cf Horell & Krishman, 2006).

- In contrast on strong social support networks, there is lack of government and municipal support for women in the informal economy.
- The informal economy has become the alternative for many people without work, this includes many women who are disadvantaged and cannot find employment in the formal economy caused by their lack of education and lack of skills.
- Many Zimbabweans earn a living in the informal economy, it is the source of livelihood since the economic crisis that resulted in poor working conditions, low salaries and scarce employment opportunities in the formal employment.
- The informal economy is contributing positively to the social and economic development of women headed households in Chegutu Urban District. The women are economically productive and engaged in self-employment. Through the informal economy they are able to provide for their families although they struggle to make ends meet. Their involvement in the informal economy has empowered them to become economically independent, respected in their communities and have more self-respect, self confidence and an enhanced self-esteem. The rest of the household members enjoyed the benefits from the informal economy. The heads of the households were able to feed their families, take their children to school, and pay rentals and utility bills.
- The location of work is important to those engaged in self-employment. Working from home is not the most ideal place to operate a business and most women preferred to work from business premises where it would be easier to market their goods and services.
- The informal economy also affords women the opportunity to develop and enhance their skills. Business management skills and entrepreneurial skills were lacking in the management of the small enterprises.

- Though the informal economy has become an alternative, people, especially women engaged in it face many challenges. The literature, (Becker 2004); Canagarajah and Sethiraman (2001) emphasised that the informal economy lacks recognition, is not legally and socially protected, lacks representation and health and occupational safety measures. This places the people employed in the sector at great risk and creates insecure futures.
- Most women are in the informal economy for survival and are struggling to make ends meet (cf Luebker, 2008a).
- There are a few entry barriers to the informal economy and this has resulted in competition among those involved. Competition affects business in that it results in the high supply of goods/services and this keeps the income low.
- Resources are not accessible to most people and more so for women in the informal economy. Not only are they inaccessible there is also a lack of awareness of the availability of such resources.
- There is lack of capital for investment in the enterprises; thus businesses are neither growing nor progressing.

4.3. RECOMMENDATIONS

The following recommendations can be made to influence policy that affects women in the informal economy:

- Poverty eradication strategies should be developed on government and municipal level that are aimed at women headed households. Such strategies should be informed by the social development framework promoting the integration of social and economic development.

- Individual assessments should be made by municipal, NGOs and government representatives when addressing the needs of WHH. The needs should be met in the best way possible with the main focus on children in the households.
- Gender equality policies should continue to be a priority for government to address the societal and structural factors that hinder women from gaining access to key resources.
- The government and especially the local municipality should develop programs that support women in the informal economy in the Chegutu Urban District.
- Registration of enterprises in the informal economy should be made easier by the government and the municipality. People should be informed and educated about the registration process and incentives for registration should be developed to encourage people to register their informal businesses.
- The government should engage with banks to develop a credit system where women can borrow small loans to boost their businesses and they can repay the loans over a time at low interest rates.
- Resource and information centres should be established so people can easily access resources and become more aware of the available resources.
- The municipality should establish business premises where small enterprises can operate and rent at cheaper costs.
- Government, local municipality and non-governmental organisations should work in partnerships to offer skills development and training in business management and entrepreneurial skills as well as other skills to develop the human capital of women headed households.

- The government should subsidise for the education, medical care and rentals for women headed households so that they can meet their basic needs and improve their quality of life.
- Research should be carried out to determine the best way possible to assist women and other people involved in the informal economy to become socially and economically developed in an integrated manner.

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APPENDIX A

SEMI-STRUCTURED INTERVIEW

Goal of study: To investigate the impact of the informal economy on the social and economic development of women headed households in Chegutu Urban District in Zimbabwe.

PART 1: Demographic Details

1. Age:

20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60+
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2. Marital Status:

Single	Never married	Married	Divorced	Widowed	Separated
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3. What is the size of your household? / **Mhuri yenyu yamunogara nayo yakakura sei**_____?

4. How many members of your household are male and how many are female/ **Mumba menyu umu mune vanhu vechirume/vechikomanavanganai**_____ **nevechikadzi/chisikana vangani**_____?

5. What is your position in the household? / **Imi muri chii mumba umu?**

PRIMARY POSITION	
Mother/ Amai	
Grandmother/ Ambuya	

Aunt/ Tete, mainini, maiguru, mbuya	
Sister/ Mukoma kana munin'ina	
Other / Zvimwe- Specify/Taurai	

6. Who else lives with you in your household? / **Ndiyani vamwe vamunogara navo mumba menyu?**

Household members/ Vamwe vanogara mumba	Number of members/ Vangani
Children/ step children / Vana, vana vemurume	
Grandchildren / Vazukuru	
Mother and/or mother-in-law / Amai/kana vamwene	
Father and/or father-in-law / Baba/ kana tezvara	
Niece(s) / Vanasikana vehanzvadzi, van'ina, vakoma kana dzimwe hama	
Nephew(s) / Vanakomana vehanzvadzi, van'ina, vakoma kana dzimwe hama	
Sister(s) and/or sister(s)-in-law / Van'ina, vakoma, vana maiguru kana mainini vekwamakarooora kana vana tete	
Brother(s) and/or brother(s)-in-law / Hanzvadzi, vakoma kana vanin'ina vemurume	
Other / Vamwe, Specify / Tsanangurai	

7. What educational level do you have? / **Makadzidza zvakadini?**

Level of Education / Dzidzo	
No education/ hamuna dzidzo	
Primary Education: Grade 1-3	
Primary Education: Grade 4-7	
Secondary Education: Forms 1-2	
Secondary Education: Forms 3-4	
High School (Advanced level)	
Tertiary Education: College Diploma/National certificate	
Tertiary Education: University Degree	
Other/ Zvimwe - Specify/ Tsanangurai	

8. Have you ever been involved in any formal employment?/ **Makamboshanda here?**

YES/ Hongu		NO/ Kwete	
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8.1 If yes, for how long were you involved?/ **Kana mati hongu makashanda kwenguva yakareba zvakadini?** _____

8.2 Why did you leave formal employment/ **makasiirei basa iri?** _____

9. For how many years have you been involved in the informal economy? / **Mava nemakore mangani muchizvishandira?**

0-2	3-5	6-8	9-11	12-14	15+
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PART 2: INFORMAL ECONOMY

1. What is the nature of the work and activities you are involved with in the informal economy? / **Munoita nezvei mukurama kwenyu?**
2. What organizations that assist you in your informal employment setting, are you registered with? / **Pane mapazi amakajoina anokubatsirai mukati mebhizimusi renyu, kana mapato anokupaibvumo yekushanda makasununguka?**
3. What resources in the informal economy do you have access to? / **Pane kwamunokwanisa kuwana here rubatsiro, rwakaita semari, ruzivo/mazano kana**
4. What are your perceptions of government and town council's contributions to the informal economy? / **Monofungei nepamosoro pehuhurumende nekanzuro nekukubatsirai kwavanoita mubhizimusi renyu?**
5. What are the contributions/benefits of the informal economy/business to your household? / **Basa renyu rinokubatsirai zvakadini imi nemuri yenyu?**
6. What specific impact does the informal economy/business have on your family's well-being (including yourself) with regards to the following? / **Bhizimusi renyu rino kubatsirai sei kana kukukanganisai mune zvinotevera;**
 - 6.1 Health/ **hutano**
 - 6.2 Income/ **mari**
 - 6.3 Education/ **dzidzo**
 - 6.4 Self-esteem/ **matarisiro amunozviita**
 - 6.5 Trust, collaboration with other and building networks/ **kuvimba mune vamwe, kushanda nevamwe nekusangana nevamwe**
 - 6.6 Parenting/ **kurera mhuri**
 - 6.7 Skills development and training/ **kuwana ruzivo rwebhizimusi**

7. What challenges do you encounter in the informal economy? / **Ndezvipi zvinhu zvamunosanga nazvo zvino kunetsai mubhizimusi?**

8. What are your future plans within the informal economy? / **Ndezvipi zvirongwa zvamuinazvo nemaererano nebhizimusi renyu?**

9. How sustainable is your income in the informal economy? / **Mari yamunowana mubhizimusi inokuraramisai sei?**

10. How do you manage your household in terms of the following? / **Munoronga sei imba yenyu mune zvinotevera?**

10.1 Budgeting/ **mashandisiro emari?**

10.2 Balance between working and your household chores/**munozviringanisa sei kushanda kubhizimusi nekuchengeta mhuri nemabasa epamba?**

11. What are the challenges that you encounter in your personal life? / **Ndezvipi zvimingamupinyi zvamunosanaga nazvo muupenyu hwenyu?**

12. What form of support system/ network do you have? / **Ndevapi vanhu vano kubatsira mukati meupenyu?**

13. What kind of support do you receive from them? / **Munowana rubatsiro rwakaita sei kubva kuvanhu ava?**

14. What recommendations would you make regarding any aspects/ issues that can improve your life in the informal economy? / **Ndezvipi zvamunoona zvingaitwe zvingakubatsirai mukati mebhizimusi mebusiness renyu.**



19/03/2012 Our Ref:

Ms Kudzai Ngundu
[Tel :+27 73 208 6715](tel:+27732086715)

RESPONDENT: INFORMED CONSENT

Research Title: The impact of the informal economy on the social and economic development of women headed households in Chegutu Urban District in Zimbabwe

I, Kudzai Ngundu, am a master's student at the University of Pretoria in the Department of Social Work and Criminology. In order to carry out a successful investigation on the abovementioned topic, I kindly request your participation in this research.

Purpose of study

The purpose of the research is to investigate the impact of the informal economy on the social and economic development of women headed households in Chegutu Urban District in Zimbabwe.

Procedures

An interview will be conducted by the researcher with each participant and will take at least 60 minutes of your time. Each interview will be audio-recorded. In the event that more information is needed from a participant a further interview will be arranged..

Participants' rights

Participation is voluntary and if you wish to withdraw from participating or answering any question you may do so at any time.

Risks

There are no known risks or discomfort but in the event that you consider this to be the case please feel free to discontinue your participation.

Confidentiality

Information shared in the interviews will be treated as confidential and names will not be disclosed in the research findings in order to ensure anonymity. Information collected will only be used for data analysis and will be kept by the University of Pretoria for a period of 15 years, where after it will be destroyed. Your informed consent will be obtained if the data is going to be used for further research during this period.

Benefits

There are no direct benefits of participating; however, the results obtained may provide knowledge and insight for the social work profession, policy-makers, administrators and other interested parties.

Publication of research results

The research results will be documented in a research report for submission to the University of Pretoria and published in a scientific journal. Furthermore, a copy of the findings will be given to the Ministry of Higher Education and Chegutu Municipality in Zimbabwe.

I confirm that I have read this letter of consent and that the study has been explained to me. I understand that I do not give up any legal rights by signing this letter of consent.

I take note that I will receive a signed copy of this document.

Signature of Participant

Date

Signature of Researcher

Date