Globalisation and Women’s Work in South Africa: National and Local Approaches to Economic Transformation
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Globalisation and women’s work in South Africa: national and local approaches to economic transformation

The South African economy has been undergoing a process of fundamental economic transformation as a result of policies promoting global integration within the global economy. CAROLINE SKINNER and IMRAAN VALODIA suggest that women are bearing the brunt of the costs associated with this transformation. They examine some of the gender dimensions of the transformation process by looking at national and local government’s approach to business support and promotion, focusing particularly on the informal economy.

South Africa makes a particularly interesting case study for examining the gender impacts of economic transformation. On the one hand, one of the major victories of the democratic transition in South Africa is the constitutional commitment to gender equity. This has been translated into an impressive range of gender-related institutions, such as the Commission on Gender Equality, and government machinery such as the establishment of a number of gender units within government departments aimed at eradicating gender discrimination and improving the position of women. At a more political level, the South African government has ratified a number of international conventions, including the Beijing Declaration and Platform of Action and the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Though uneven, this political commitment has in many cases been translated into policy and practice (Friedman, 1999).

On the other hand, even before 1994, the South African economy had been undergoing a process of fundamental restructuring. Indeed, Bell (1997) shows that the first signs of a shift in South African trade policy, from import-substitution to export orientation, occurs in 1972, with the Reynders Commission. The policy of liberalisation continued throughout the 1980s and was taken up with renewed vigour by the African National Congress (ANC) led government after 1994, which sought, as a critical component of its economic strategy, to align the South African economy with changes and developments in the global economy.

This article examines some of the gender dimensions of this process of economic transformation. We begin by outlining the gendered structure of the South African labour market which highlights women's
Given where women are located in the labour market, national government's approach does not support a significant portion of working women. The dominance of the informal economy and secondary or lower segments of the formal labour market, and men's over-representation in the better paid, more secure primary labour market. Rather than examine the full gamut of economic policy issues we focus on national and local governments' approach to business support and promotion focussing, in particular, on the informal economy. After considering the national policy context, as illustrative examples, national government trade and industry policy and small business development policy are analysed. It is argued that, given where women are located in the labour market, national government's approach does not support a significant portion of working women. In post-apartheid South Africa local government has been given far greater responsibilities, including in areas such as economic development. The article goes on to examine how one of the largest metropolitan governments, the city of Durban, has approached the support of the informal economy. The Durban case shows how some of the gaps identified in national government's approach are being filled by the local arm of the state.

Table 1: Key Labour Market Variables for South Africa

<table>
<thead>
<tr>
<th>Labour Market Variables</th>
<th>1996 000</th>
<th>1997 000</th>
<th>1998 000</th>
<th>1999 000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment in the Formal Sector STEE survey</td>
<td>5 242</td>
<td>5 139</td>
<td>4 945</td>
<td>4 840</td>
</tr>
<tr>
<td>Employment in Formal Sector not covered by STEE (see i)</td>
<td>1 550</td>
<td>1 587</td>
<td>1 445</td>
<td>1 724</td>
</tr>
<tr>
<td>Employment in Agriculture</td>
<td>759</td>
<td>717</td>
<td>935</td>
<td>1 099</td>
</tr>
<tr>
<td>Total Formal Employment</td>
<td>7 551</td>
<td>7 443</td>
<td>7 325</td>
<td>7 663</td>
</tr>
<tr>
<td>Employment in the Informal Sector</td>
<td>996</td>
<td>1 136</td>
<td>1 316</td>
<td>1 907</td>
</tr>
<tr>
<td>Employment in Domestic Service</td>
<td>740</td>
<td>668</td>
<td>749</td>
<td>799</td>
</tr>
<tr>
<td>Total Employed</td>
<td>9 287</td>
<td>9 247</td>
<td>9 390</td>
<td>10 369</td>
</tr>
<tr>
<td>Total Unemployed (official) (see ii)</td>
<td>2 224</td>
<td>2 451</td>
<td>3 163</td>
<td>3 158</td>
</tr>
<tr>
<td>Total Unemployed (expanded)</td>
<td>4 566</td>
<td>5 202</td>
<td>5 634</td>
<td>5 882</td>
</tr>
<tr>
<td>Total Economically Active (A+B)</td>
<td>11 511</td>
<td>11 698</td>
<td>12 553</td>
<td>13 527</td>
</tr>
<tr>
<td>Official Unemployment Rate</td>
<td>19.3%</td>
<td>21.0</td>
<td>25.2%</td>
<td>23.3</td>
</tr>
<tr>
<td>Expanded Unemployment Rate</td>
<td>33.0%</td>
<td>36.0</td>
<td>37.5%</td>
<td>36.2</td>
</tr>
</tbody>
</table>

(Source: Statistics South Africa, 2000)

Notes:

i) The STEE does not collect information in certain sectors including restaurants etc., water and air transport, financial institutions, educational and health services, and certain social services.

ii) The official unemployment rate includes only those out of work who have actively taken steps to either work or start some form of self-employment in the past four weeks, while the expanded definition excludes this criterion.

iii) The trends shown by these data should be treated with some caution since there have been a number of revisions and improvements to the data collection process over the years.
GLOBALISATION AND WOMEN'S WORK IN SOUTH AFRICA

ARTICLE

ment and work patterns in the informal economy. By pooling the data from these sources one is able to show a fairly comprehensive picture of the South African labour market. Table 1 (pg 76) sets out key labour market variables for South Africa in recent years.

Firstly, there have been significant job losses in what may be considered the core formal economy (that are covered by STEE), but employment growth in the non-STEE formal economy, essentially in services. Secondly, employment in the informal economy has increased dramatically (by over 90 percent) in the 1996-1999 period. Although there has been some increase in informal economy employment, this dramatic increase is, however, probably more the result of improvements in the OHS data collection mechanisms. Thirdly, although there has been some increase in total employment, unemployment levels remain extremely high.

Table 2 opposite, shows unemployment rates by race and gender for 1999. The table indicates that both race and gender are important determinants of labour market status. Unemployment rates are much higher for African workers compared to other races and for women compared to men. On the expanded definition, more than half of African women are unemployed.

It is now well documented that worldwide more women than men participate in the informal economy and that women working in the informal economy are over-represented in low-income activities. Sethuraman (1999) observes that women and men in the informal economy tend to be involved in different activities or types of employment even within the same trades. Moser (1993) indicates that with intense competition in the informal economy, gender is frequently used as an essential element in the division of labour, forcing women into less lucrative areas. These trends can also be discerned in the South African informal economy. Table 3 opposite, shows informal economy occupations by gender. It confirms that many more women are active in the informal economy. Also, whereas male occupations show some clustering in the craft

Table 2: Unemployment, 1999 by Race and Gender

<table>
<thead>
<tr>
<th></th>
<th>Official Unemployment</th>
<th>Expanded Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>23.3</td>
<td>36.2</td>
</tr>
<tr>
<td>- Male</td>
<td>19.8</td>
<td>30.0</td>
</tr>
<tr>
<td>- Female</td>
<td>27.8</td>
<td>43.2</td>
</tr>
<tr>
<td>African</td>
<td>29.2</td>
<td>44.0</td>
</tr>
<tr>
<td>- Male</td>
<td>24.5</td>
<td>36.7</td>
</tr>
<tr>
<td>- Female</td>
<td>35.0</td>
<td>51.9</td>
</tr>
<tr>
<td>Coloured</td>
<td>15.2</td>
<td>23.6</td>
</tr>
<tr>
<td>- Male</td>
<td>13.4</td>
<td>19.3</td>
</tr>
<tr>
<td>- Female</td>
<td>17.5</td>
<td>28.4</td>
</tr>
<tr>
<td>Indian</td>
<td>15.6</td>
<td>20.2</td>
</tr>
<tr>
<td>- Male</td>
<td>14.5</td>
<td>17.8</td>
</tr>
<tr>
<td>- Female</td>
<td>17.2</td>
<td>23.8</td>
</tr>
<tr>
<td>White</td>
<td>4.7</td>
<td>6.8</td>
</tr>
<tr>
<td>- Male</td>
<td>4.4</td>
<td>6.3</td>
</tr>
<tr>
<td>- Female</td>
<td>5.1</td>
<td>7.3</td>
</tr>
</tbody>
</table>

(Source: Statistics South Africa, 2000)

Table 3: Informal Economy, Occupations by Gender

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>%</th>
<th>M %</th>
<th>F %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2705</td>
<td>100</td>
<td>1162 100</td>
<td>1544 100</td>
</tr>
<tr>
<td>Legislators, Sen.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Officials, Managers</td>
<td>87</td>
<td>3</td>
<td>65 6</td>
<td>22 1</td>
</tr>
<tr>
<td>Professionals</td>
<td>25</td>
<td>1</td>
<td>10 1</td>
<td>14 1</td>
</tr>
<tr>
<td>Technicians</td>
<td>93</td>
<td>3</td>
<td>42 4</td>
<td>51 3</td>
</tr>
<tr>
<td>Clerks</td>
<td>59</td>
<td>2</td>
<td>21 2</td>
<td>38 2</td>
</tr>
<tr>
<td>Shop assistant, service</td>
<td>279</td>
<td>10</td>
<td>106 9</td>
<td>173 11</td>
</tr>
<tr>
<td>worker</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled agriculture</td>
<td>264</td>
<td>10</td>
<td>180 15</td>
<td>85 6</td>
</tr>
<tr>
<td>worker</td>
<td>412</td>
<td>15</td>
<td>337 29</td>
<td>74 5</td>
</tr>
<tr>
<td>Operators</td>
<td>122</td>
<td>5</td>
<td>100 9</td>
<td>22 1</td>
</tr>
<tr>
<td>Elementary Occupations</td>
<td>544</td>
<td>20</td>
<td>252 22</td>
<td>293 19</td>
</tr>
<tr>
<td>Domestic work</td>
<td>799</td>
<td>30</td>
<td>36 3</td>
<td>763 49</td>
</tr>
<tr>
<td>Unspecified</td>
<td>21</td>
<td>1</td>
<td>12 1</td>
<td>9 1</td>
</tr>
</tbody>
</table>

(Source: Statistics South Africa, 2000)
Women occupy a disproportionately high number of jobs in the secondary labour market. And semi-skilled occupations, just over 70 percent of women are in elementary and domestic occupations. Since women are over-represented in the informal economy, interventions targeted at supporting the informal economy tend to be positive for women. For these reasons, much of our analysis is concentrated on the informal economy, and more particularly, on the lower segments of the informal economy where most women are to be found.

Although slightly dated Makgetla’s (1995) segmented labour market approach set out in Table 4 below, still comprehensively captures the gendered structure of the South African labour market. She defines three distinct segments of the labour market in South Africa. In the primary labour market, women workers are concentrated in service professions like nursing and teaching, and in the clothing industry. In this segment, there are very few women in high-skilled, high-wage jobs. Women occupy a disproportionately high number of jobs in the secondary labour market, mainly in agriculture and domestic work, and in the informal sector. The non-market labour segment, which is essentially unpaid household and other production in the rural areas is almost exclusively made up of women workers.

**THE NATIONAL POLICY CONTEXT**

The most important piece of macro-economic policy to emerge from the democratic South African government has been the Growth Employment and Redistribution

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**Table 4: Segmentations in the South African Labour Market**

<table>
<thead>
<tr>
<th>primary labour market</th>
<th>secondary</th>
<th>non-market</th>
</tr>
</thead>
<tbody>
<tr>
<td>management &amp; professional</td>
<td>white workers</td>
<td>service profs, clerical/sales</td>
</tr>
<tr>
<td>economic sectors</td>
<td>high pay formal sector</td>
<td>high pay formal sector</td>
</tr>
<tr>
<td>share of potential labour force</td>
<td>10%</td>
<td>10-15%</td>
</tr>
<tr>
<td>legal protection</td>
<td>high</td>
<td>high</td>
</tr>
<tr>
<td>skills</td>
<td>formal, high</td>
<td>formal, skilled, supervisory</td>
</tr>
<tr>
<td>Unemployment levels</td>
<td>under 5%</td>
<td>under 5%</td>
</tr>
<tr>
<td>union rate</td>
<td>low</td>
<td>high</td>
</tr>
<tr>
<td>gender</td>
<td>mainly men</td>
<td>mainly men</td>
</tr>
</tbody>
</table>

*Source: Makgetla (1995: 8)*
(GEAR) strategy. Since it was first publicly announced, GEAR has been highly controversial, and it continues to be so. Much of this controversy has related to whether the strategy was consistent with the ANC’s 1994 election manifesto, outlined in the Reconstruction and Development Programme (RDP), or whether it marked a break with the RDP and an embracing of neo-liberal economic ideas (Michie and Padayachee, 1997).

While government may still point to a consistent policy development process from the RDP to GEAR, it is now increasingly argued and accepted, by both critics and supporters of GEAR, that the key features of GEAR – a rapid liberalisation of trade and finance, deregulation, privatisation, a pre-occupation with deficit reduction, pegging expenditure and taxation as fixed proportions of Gross Domestic Product (GDP), a ‘crowding-out’ stance towards the effects of government expenditure, and support for a tight and narrow approach to inflation control, are increasingly out of line with the vision of a post-apartheid South Africa that characterised the RDP (Fine and Padayachee, 2000).

Whatever the relationship between the RDP and GEAR, and despite some success at convincing international investors of the government’s commitment to sound macro-economic fundamentals, the GEAR strategy has been singularly unsuccessful at pushing the South African economy onto a higher and labour absorptive growth trajectory. Economic growth rates have been minimal, at under one percent over the last two years and formal sector employment losses have continued unabated resulting in quite staggering rates of unemployment (see Table 1). According to the March 2000 edition of the South African Reserve Bank Bulletin, formal employment levels in South Africa have fallen to that of the late ’70s. This poor economic performance is in stark contrast to the original GEAR targets set at 4.2 percent (6.1 percent for 2000) economic growth and 270 000 new jobs per year over the period 1996-2000 (409 000 for 2000).

There are two factors that distinguish the GEAR policy from other orthodox macro-economic stabilisation policies. First, unlike other such policies, GEAR has not been characterised by dramatic cuts in social spending. Unlike other such policies, GEAR has not been characterised by dramatic cuts in social spending.
South Africa's comparative advantage in international trade lies in capital-intensive manufactures. Second, even critiques of the GEAR strategy would readily concede that labour market policy in the early years of the ANC government exemplified significant departures from neo-liberal thinking (Michie and Padayachee, 1997; Fine and Padayachee, 2000). The government has, however, recently proposed a number of changes to the labour regulations which suggests that labour market policy may well be brought into line with other aspects of government's economic thinking (Valodia, 2000). Given the macro-context, trade and industry and small business development policy are considered.

TRADE AND INDUSTRIAL POLICY

The key policy thrust of the South African Department of Trade and Industry (DTI) has been to foster international competitiveness of the South African economy. Trade liberalisation and a set of supply-side measures aimed at assisting firms to adjust to lower levels of protection have been the primary policy instruments that the DTI has applied.

The international evidence on the relationship between trade policy and employment of women is mixed. While some, Joekes (1995) for example, find that trade liberalisation generally advantages women workers, Standing (1989) points to the fact that women are relegated into precarious and low-paying employment.

An International Labour Organisation (ILO)-sponsored study by Bell and Cataneo (1996) explores the employment effects of South Africa's trade in manufactured goods and the likely effects of the trade reform policies on employment in the manufacturing sector. They conclude that,

import liberalisation in particular is likely to have significant adverse effects on manufacturing employment, including employment in relatively low-wage sectors and regions (1996:27).

Bell and Cataneo find that South Africa's comparative advantage in international trade lies in capital-intensive manufactures, and not, as is traditionally argued, in labour-intensive manufactures. As such, trade reform is leading to a growth in capital-intensive manufacturing, and a decline in the labour-intensive industries of the manufacturing sector – where women are disproportionately employed.

Valodia (1996) examines the possible impact of trade liberalisation on women in South Africa. He argues that, given the structure of protection in South Africa, in the short- to medium-term, employment of women is likely to fall as a result of trade liberalisation. As Valodia (1996) also shows, the labour-intensive industries of manufacturing (eg clothing, leather) are the industries with the highest levels of feminisation of the workforce. Two key trends from South Africa's trade liberalisation experience are relevant for the purposes of this article. First, the employment effects are impacting most negatively on those sectors of the economy that employ large numbers of women. The restructuring processes in these labour-intensive industries have resulted in massive job losses in sectors that have traditionally employed large numbers of women. A recent ILO study (1999), for example, estimated an 18 percent fall in employment in the clothing and textile industries between 1994 and 1997. The negative employment effects are being generated primarily through processes of rationalisation and downsizing in industrial enterprises (ILO, 1999). These processes, which, as a number of case studies have shown (Fakude, 2000; Motala, 2000, among others) are increasingly leading to informalisation and flexibilisation of women's work. Second, the longer-term trajectory of the South African economy is being shifted toward capital-intensive production, thereby favouring the employment of men in the formal sector of the economy. The pattern that seems to be emerging is therefore that the short-term costs of trade liberalisation are
being borne disproportionately by women, whilst the potential longer-term employment benefits of the liberalisation process are likely to favour men.

While the nature of interactions between the formal and informal economies remains a bit of a black box (Valodia et al, 2000), Cross et al (2000) suggest that the industrial restructuring process is shifting women who are already in the informal economy, into even lower-income and less-secure segments of informal work. Cross et al document instances where women in home-based work are forced into less-secure street trading activities. This occurs either because male members of the household, recently retrenched from the formal economy, move into home-based work, or lower levels of income in the local area results in higher levels of competition in home-based trading activities.

The DTI's package of supply-side policies is aimed at pressurising and supporting producers to reduce their costs of production, to rapidly improve levels of productivity, thereby improving their international competitiveness. A range of support measures, including tax holidays, technology upgrading schemes, support for innovation and research and development and accelerated depreciation allowances, have been implemented to achieve these objectives.

The supply-side support measures have been aimed primarily at larger industrial enterprises in the formal economy, and thus have little, if any, direct impact on the informal economy. These measures have, however, promoted a rapid and widespread process of firm-level restructuring which has resulted in both extensive job losses in the formal economy, and increasing use of flexible labour at the enterprise level (Valodia, 1996; Standing et al, 1996; Altman, 1995; Fakude, 2000; Fine and Padayachee, 2000; Kenny and Webster, 1999). Women workers, being in the most vulnerable occupations, are likely to bear the brunt of this restructuring.

In short, trade and industrial policy in the post-1994 period has, very rapidly, exposed the industrial sector to international competition, and is beginning to shift the economy onto a path of capital intensification. This has been accompanied by extensive employment losses, particularly in sectors which employ large numbers of women thereby shifting more and more women workers out of relatively protected formal sector employment into the informal economy. Associated with this, firms have been undergoing a process of internal restructuring, characterised by an increasing use of flexible forms of labour.

**SMALL BUSINESS DEVELOPMENT POLICY**

In its policy proposals, the small business sector is often seen by the South African government as the panacea for South Africa’s employment and growth problems. The DTI is charged with the responsibility of developing and implementing policy for the small, medium and micro-enterprise sector (SMME). The government White Paper (Republic of South Africa RSA, 1995) on the SMME sector distinguishes four categories of SMMEs; medium enterprises (assets of about R5 million), small enterprises (employing between five and 50), micro-entreprises (involving the owner, some family members and one or two employees) and survivalist enterprises (activities by people unable to find a job). The White Paper recommends that different support strategies are required for each category of the SMME sector.

Support to the SMME sector is implemented through three institutions. The Centre for Small Business Promotion in the DTI is responsible for coordinating and implementing the small business development strategy. The Ntsika Enterprise Promotion Agency (NEPA) provides non-financial assistance to the SMME sector. The Khula Enterprise Finance Facility (Khula) provides wholesale finance to the SMME sector.
NEPA provides a range of facilities to small business including management and entrepreneurship schemes, technology transfer schemes, market access and business development programmes. An important component of these schemes is facilitating small business access to government procurement. All of these services are aimed primarily at the small and medium, and to a lesser extent the micro components of the SMME sector. None of the schemes are aimed directly, or have any real positive impact on the survivalist segment of the SMME sector.

Similarly, the Khula finance schemes have little, if any, relevance for most women in the informal economy. Khula operates as a wholesaler of finance to the retail banking sector. A critical barrier for women in survivalist enterprises is a lack of finance. The retail banks in South Africa have in the recent period been moving out of predominantly black residential areas, as they consolidate their activities in response to greater levels of competition in the commercial centres of the economy. The result is that survivalist operators have even less access to the commercial finance system. Khula’s attempts at developing viable retail financial institutions aimed at the SMME sector have been impeded by its overzealous insistence on regulation (Roussous and Ferrand, 1999).

While the government’s White Paper on small business recognises that the survivalist sector has the largest concentration of women and lists as one of its key objectives, to ‘support the advancement of women in all business sectors’ (RSA, 1995:10), the DTI offers very little, if any, support to women. Lund (1998:11) argues that:

"it would seem that the SMME policy...has little relevance for the survivalist sector – in particular for women street traders and home-based workers. What is seen by policy-makers as a micro-enterprise is not micro enough. And though the government espouses policy support for the development of micro-enterprise, little in the way of material support has been allocated so far (see also Valodia, 1996)."

Other government departments also relate to the issue of small business. The Department of Labour (DoL), for example, is the main source of government funding for those providing training to small businesses. There are two routes through which trainers supporting small entrepreneurs can access funding – the ‘Training of the Unemployed Fund’ (TUF) and the recently established Sector Education and Training Authorities (SETAs). In a recent survey of training service providers operating in the Durban Metropolitan area (Skinner, 2000a), it was clear that the TUF was likely to have a limited impact on informal economy workers for two reasons. Firstly, the DoL will not fund part-time courses – few informal economy workers are in a position to take a number of consecutive days away from their businesses. Secondly, the DoL was said not to accredit courses developed for illiterate people, making their courses inaccessible to a significant proportion of those operating in the informal economy.

SETAs replace the system of Industrial Training Boards. They are funded through the Skills Levy, which, as of April 2000, all companies employing more than 20 people have to pay. SETAs are responsible for designing and implementing sectoral skills development strategies and disbursing levies in their sector. There was some debate when SETAs were initially conceptualised about whether a separate SETA should be established to cater for the needs of the informal economy or whether informal economy interests should be incorporated into the existing SETAs. The DoL opted for the latter given that informalisation characterises many different sectors. Instead much emphasis is placed on the importance of including small business representatives in SETA structures. The system assumes a degree of organisation within the small business sector. However, while some degree of organisation exists in small and
medium businesses, this is not the case with micro and survivalist businesses. Research on street trader organisations (Lund and Skinner, 1999) suggests that few, if any, engage in these sorts of processes.

The approach of both the DTI and DoL to enterprise support is largely reliant on existing support service providers responding to incentives. The White Paper on small businesses, after identifying a series of challenges with respect to training, for example, concludes that:

\[\text{although the main thrust...has to come from the private sector, government accepts the need for some support (1995:35).}\]

Too much reliance on the private sector is likely to result in sectors that do not have a history of being serviced, are difficult to service and/or are not lucrative, being neglected. DoL officials, for example, admitted that informal economy workers like street traders were likely to struggle to access DoL funding.

National government support for small business development has, by and large, been unsuccessful at promoting economic opportunities for women who tend to be located mainly in the survivalist sector. The discussion below explores local government initiatives at promoting the interests of women in this marginalised segment of the economy.

**LOCAL GOVERNMENT’S APPROACH TO THE INFORMAL ECONOMY – THE CASE OF DURBAN**

In post-apartheid South Africa local government has become a much more important sphere of governance. During the apartheid era local government was largely an administrative arm of national government. The 1996 Constitution gives local government much more autonomy as well as specific competencies. The Constitution commits local government to two things, which are pertinent to the interests of women working in the informal economy. Firstly, the promotion of local economic development as an integral function of local government, and secondly, the participation of citizens in local governance. This section of the article concentrates on how the city of Durban has translated these commitments with reference to the informal economy.

**PROGRESS MADE IN THE 1990’s**

Throughout South Africa local government interventions targeting the informal economy have largely focused on street trading. Durban is no exception. Street trading occurs in public space, over which there are many demands. For local authorities, these activities tend to pose more of a management challenge than less visible informal economic activities like home-based work. Under apartheid street trading was not allowed and traders were often violently removed. Since the early '90's when legislation restricting street trading was first relaxed, there has been a dramatic increase in these activities in all South African cities and towns. A 1996 census of street traders in Durban found 20 000 street traders were operating in the metropolitan area (Durban Metropolitan Council, 1998). These numbers are likely to have significantly increased since 1996. Further there are more women street traders than men. The census highlighted that 60 percent of street traders were women and that women tended to be disproportionately represented in the less lucrative sectors eg fruit and vegetable distribution. A similar pattern is reflected in other cities (Lund, 1998).

In a five city comparison of local government’s approach to street trading in South Africa, Durban stood out as the city that was engaging most successfully with the challenge of incorporating this group of informal economy workers into city plans (Skinner, 2000b). This issue was given institutional status with the establishment, in the early '90's, of the Department of Informal Trade and Small Business Opportunities. It is now a 23-person strong department.
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In other cities such as Pretoria, street trading is not seen as an economic development opportunity but a policing obligation that is handled by the traffic department (Skinner, 2000b).

Durban has allocated more resources to street trading than any other city. Since the mid-’90’s the city has spent R45 million on street trader infrastructure – shelters, storage, water and ablution facilities. Further resources have been allocated to maintenance and management of these facilities. Facilities have been provided in both the city centre and outlying areas. In most cases this has lead to a significant improvement in the quality of traders’ work environments. A large proportion of those working in these facilities are women (Attwood, 2000).

One of the most impressive examples in the country of integrating street traders into city plans is the urban renewal project in the area surrounding the primary transport node in the centre of the city – Warwick Junction. There are an estimated 300 000 commuters moving through the area daily and between 4 000 and 7 000 traders operating there. Attractive infrastructure has been provided for traders. Consultative forums have been established, leading to an unprecedented level of self-regulation with respect to keeping the area clean, attractive and crime free. For many years this area has been a hub of activity for traditional medicine or muthi trading. Muthi traders, many of whom are women coming from rural areas, used to trade on the side of the street, sleeping under plastic sheets at night. Now a dedicated muthi market has been established and short-term overnight accommodation has been provided.

In contrast, the Johannesburg City Council in 1999, due to pressure from property owners, attempted to remove all street traders from the central business district and place them in markets. This action aimed to reduce the numbers of street traders operating in the area. Prior to this they had system of sidewalk leases, whereby property owners could apply to manage the pavements outside their buildings. Property owners are traditionally stake-holders that are vehemently opposed to street traders. All these actions have negatively affected the livelihoods of traders. A disproportionate number of remaining traders are men as they tended to be in a stronger position, both economically and physically, to contest such actions. In Cape Town the management of trading areas is often outsourced to trader organisations. An analysis of trader organisations demonstrated that they were dominated by one religious group. Poorer women traders who were not of the same religious tradition argued that they were discriminated against. In other cities such as Pretoria, street trading is not seen as an economic development opportunity but a policing obligation that is handled by the traffic department (Skinner, 2000b).

However, Durban’s track record in explicitly supporting less visible informal activities has been less positive. On the one hand there have been no interventions specifically targeted at supporting the many thousands of home-based workers involved in activities such as producing cooked food, selling small quantities of consumer goods, providing child care services, manufacturing clothes and stitching shoes. These are activities, in which a large portion of Durban’s female labour force is involved. On the other hand however, the provision of housing, water and electricity as well as improved access to transport and telecommunications, if appropriately designed, supports these activities. Although delivery of these services has, throughout the country, been slower than expected, Durban has made progress. For example, the housing backlog in 1995 in the Durban Metropolitan Area was estimated to stand at 250 000 units. Since 1995, 100 000 housing subsidies have been approved.
Since the Electricity for All Project was initiated in 1991, 168 000 homes have been connected to the supply grid in the Durban area. The remaining service backlog is estimated to stand at 49 000 (Khan and Lootvoet, 2000).

DURBAN'S INFORMAL ECONOMY POLICY

Although Durban has made progress in responding to informal activities, there has been a tendency to focus narrowly on street traders. Even interventions targeting street traders were not guided by an overall policy, resulting in ad hoc interventions with different departments responding in different ways. In order to address this, in November 1999, a Technical Task Team consisting of representatives from the local government departments whose work impacts on informal economy workers was mandated to develop an informal economy policy. Both the process and the content are significant. With respect to the process, once draft documents were drawn up, there were two rounds of consultations with a wide range of stakeholders including informal and formal business associations, councillors, officials, trade unions, civic groups and development forums. Particular attention was paid to areas in which women are disproportionately represented for example, child minding. Further, in joint forums, much attention was paid to hearing the concerns of women participants. Stakeholders were offered a variety of methods to express their views ranging from workshops to personal interviews. In October 2000 the policy was approved and adopted by the Council.

With respect to the content, the policy signifies a number of important shifts in thinking, which will have positive implications for the many thousands of women working in the informal economy in Durban. First, the policy’s point of departure is that the informal economy is critical to economic development in the Durban Metropolitan Area. The policy documentation consistently points out that the informal economy creates jobs and incomes for many of Durban’s citizens. This places the informal economy on the mainstream agenda rather than as one component of a poverty alleviation project.

Second, the policy document states that all work should be valued. People working in very small enterprises, in public and other places, should be seen as small business people and support services should be made available to them. Not only does this address a gap in national government SMME policies but for the first time, home-based work is acknowledged as an economic development issue and local government development challenge. The policy suggests a number of support interventions – the provision of basic business skills training, legal advice, health education and assistance with access to financial services. It is proposed that the city subsidise training and establish a referral service to existing service providers. The only local business service centre currently funded by the city – the Thekwini Business Development Centre – specialises in assisting small contractors – a male dominated activity. Another institution will be established to focus on the support needs of informal economy workers. The policy places gender sensitivity on the agenda. For example, in stating that the city has a responsibility to influence existing training providers to develop programmes more appropriate to informal economy workers, it identifies the need for men and women’s different responsibilities for domestic maintenance and child care to be taken into account (North Central and South Central Council, 2000).

Third, the policy states that the economy needs to be viewed as a whole, with the formal and informal parts being at different points along a continuum. It suggested that links between the formal and informal economies should be strengthened and that the health of one depends on the health of the other. In line with this the policy suggests...
Some of the most significant gains made for women working in the informal economy have been due to women being organised – the Self-Employed Women's Association in India and the Bangladesh Rural Advancement Committee are cases in point. Due to the presence of the Self-Employed Women's Union (SEWU), women working in the informal economy in the Durban area are relatively well organised. Interventions aimed at supporting SEWU and other organisations as well as strengthening the capacity of local government officials to negotiate will strengthen women's position.

Finally, there are a number of innovative suggestions about management of informal economy activities which are likely to have a positive impact on women and men working in the informal economy. One example of this is area-based management. Decentralised management offers the opportunity to resolve coordination problems, encourage participation of interest groups in planning and management and is key to greater self-regulation in the informal economy. This has already happened in the more successful urban renewal initiatives like the Warwick Junction Project. This, combined with a programme designed to assist those representing workers in the informal economy to articulate their needs, is likely to create a better work environment for those in the informal economy.

The policy however is being implemented in a time of local government transition. The second democratic local government election was held on December 5, 2000, introducing a new set of councillors. This is combined with another round of internal restructuring as the six local councils in Durban are merged into one Unicity. There are positive signs however that the policy will be effected. There is commitment from officials who have formed themselves into an implementation working group and resources have been secured to kick-start the implementation process.

There are two factors that have made the policy development process possible. Durban's local government, from the perspective of financial and human resources is in a relatively strong position and women working in the informal economy are comparatively well organised. Durban is one of the few cities that is not in debt. As Kahn (1998:41) points out, relative to the rest of the country, (Durban's) metropolitan council and local council's have a potentially strong financial base... This is due to a history of sound financial policy, a sustained investment strategy dating back to the early 20th century and innovative financial engineering.

This is combined with relatively skilled local government officials. Much attention is paid to staff training. Durban is one of the few cities to have a human resource training unit. Further, although there have been variations between local sub-structures, Durban Councils have been able to attract skilled professionals due to competitive salary packages. Durban has the financial and human resource capacity necessary to implement this ambitious policy.

Durban is home to the head office of SEWU and the headquarters of the Intern-
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The national Alliance of Street Trader Organisations (StreetNet). SEWU started organising in 1993 and was modelled on SEWA in India. Its constituency is women working in the survivalist sector of the economy, and its main aim is to empower self-employed women to organise themselves and demand recognition and support for the work they do. They organise both street traders and home-based workers. Although operating in two other provinces, the majority of their members are in KwaZulu-Natal. SEWU has focused on negotiations with local government and has placed particular pressure on Durban's local authorities. Since 1994 there have been negotiations about improvement of the following facilities – shelter, water supplies and toilets, storage, child care, and overnight accommodation. Further SEWU was instrumental in securing market facilities for those selling muthi. Workshops were held with SEWU members and substantial comments received on the draft policy document. StreetNet has strengthened SEWU's capacity to engage in the policy arena.

CONCLUSION

The South African economy has been undergoing a process of very fundamental economic transformation. Based on an understanding of women's structural position in the South African labour market, our analysis suggests that the gender impact of this transformation is mixed and complex. The national government's policy of promoting greater integration with the global economy is re-shaping the nature of the South African economy. From a gender perspective, we suggest that women are bearing the brunt of the costs associated with this transformation. Further, the national small business promotion policies take little, if any, cognisance of the fact that women in the informal economy are clustered into the so-called survivalist segment, and therefore the policy has little positive impact on women. With respect to local government, however, our analysis of the informal economy policy process in Durban suggests that consultative and innovative local government interventions stand to make an important contribution to securing and enhancing the livelihoods of women working in the informal economy. Key to this is the view that the informal economy is not just about poverty alleviation but an economic issue. This not only assists with respect to mainstreaming the concerns of those working in the informal economy but also with practical policy solutions. If such a shift in approach were to occur at national level, this issue would be more effectively addressed.

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FOOTNOTES
1. For a comprehensive and critical discussion of women’s struggles during the political transition, see Meintjies (1996).
2. The Reynders Commission was appointed by Government in 1972 to investigate and report on the need to diversify the industrial economy into non-gold exporting.
3. This article draws extensively on applied research and policy work that the authors are engaged in. These include research for the Women’s Budget Project in South Africa; research on street trading for the Self-Employed Women’s Union under the auspices of the Women in Informal Employment: Globalizing and Organizing or WIEGO network; and on informal economy policy for the Durban Metropolitan Council.
5. Supply-side measures refer to policies aimed at improving the inputs into production processes. For example, a skills development policy to improve the quality of labour.
6. Accelerated depreciation allowances allow companies to write-off the costs of machinery against profits over a short period of time to improve profits during the initial years of investment.
7. Traditionally the Department of Labour has concentrated on the needs of industry. Although there are clear signs that the department is trying to address the needs of informal economy workers, it is noteworthy that such people are still not acknowledged to be working, hence the title ‘unemployed’.
9. This section draws on work conducted alongside Professor Francie Lund. We would like to acknowledge her ideas and input.
11. There is however, a case of a market being badly located leading to a decrease in traders’ incomes.
12. The North and South Central Councils and Metro Council offer better rates than any other sub-structures. See Freund (2000) for further analysis.
13. It should be stressed that there are aspects of the transformation that we have not examined but are indeed important. For example, a likely consequence of trade liberalisation is a fall in the price of wage-goods. Given that women spend a larger proportion of their incomes on wage-goods, the impact may be positive for women. Also, we have not explored the gendered nature of growth in employment in services. It may well be that large numbers of women are being drawn into the services sector.

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