

SERIES TITLE

Bread & Butter Series: African Feminist Reflections on Future Economies

ARTICLE TITLE

Engendering South African township economies: An African feminist perspective on the role, position and experiences of women in informal trade

DATE

2019

AUTHOR

Sehlahphi Sibanda

EDITOR

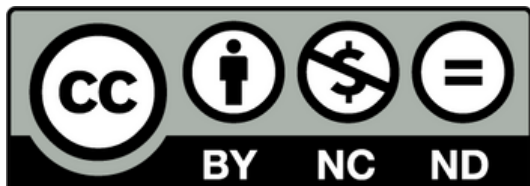
Rita Nketiah

CONTRIBUTING EDITOR

Jessica Horn

ILLUSTRATION AND LAYOUT

Suhaidatu Dramani



In the spirit of sharing feminist knowledge, this series is distributed under a Creative Commons license that allows for non-commercial distribution in original form with full credit given to the authors.

The African Women's Development Fund (AWDF)

Justice Sarkodie Addo Avenue

East Legon – Accra

P.M.B CT 89. Cantonments, Accra-Ghana

www.awdf.org

 @awdf01

FOREWORD

From 13-15 September 2018, the African Women's Development Fund convened activists, scholars, researchers and policymakers to build a thoughtful, progressive and transformative vision for the Future of African Women and the Economy under AWDF's Economic Justice and Security thematic area. This convening investigated the various ways that African feminists are engaged in critique, analysis and the re-visioning of African economies to provide justice and security for African women. The convening is part of a larger movement-building process and ongoing conversation around resourcing African women's economic justice and security at AWDF. The Bread and Butter series is a multifaceted knowledge production project that springs out of the convening, reflecting AWDF's commitment to providing feminist analysis of African women's organising.

“The series aims to document the dynamic, critical and radical perspectives of African women thinking and organising around their economic futures.”

The series aims to document the dynamic, critical and radical perspectives of African women thinking and organising around their economic futures. The expression “bread and butter” refers both to the ways in which individuals come to sustain themselves usually through paid labour and individuals' practical, every day economic needs and concerns.

We understand this series as our reflection on the subsistence and practical, every day needs

and concerns of African women oriented to the future. We believe that African women's economic issues are both internalised and challenged in every day acts of resistance and solution-building. We also aim to demystify economic analysis as a purely academic, Western led, or masculine-centered pursuit, out of reach for African women. Indeed, we believe that all African women understand the consequences and solutions for oppressive economic models and policies and we encourage their voices as economic actors, thinkers and shape shifters. We aim to get to the real “bread and butter” issues that women and girls face on this continent, and envision a future Africa that ensures women's and girls' sustainable livelihoods, meaningful labour, and full rights and autonomy. The series will feature a range of opinion pieces, research essays, poems, stories and narratives of and by African women, with a future-focused feminist economic lens.

We hope that this series will engender new conversations about how we support African women to pursue economic justice and security. We also hope to contribute to a larger conversation about how philanthropic institutions regionally and globally can better support African women's economic interests, as articulated by African women, themselves.

Join us on our journey to create economically just and secure feminist futures!

*Rita Nketiah, Editor
Knowledge Management Specialist, AWDF*

ARTICLE SUMMARY

Capitalism has almost completely redefined how we understand 'work' and how we look at ourselves in relation to work. (Baatjes, n.d). The workplace today is characterised by insecure forms of work made up of a range of contractual relations such as temporary work, labour broking system, and employment agencies engaged in outsourcing of labour. This changing nature of 'traditional' work place disproportionately affects women in Africa (and other developing economies). The high concentration of women in low-paid jobs, with limited access to job security and benefits, has contributed to the increasing 'feminisation of poverty'. Indeed, capitalism creates deep gendered and racialised effects for African women. As secure employment becomes scarce more women in the continent are increasingly turning to the informal economy, a sector predominately occupied by women.

This paper redefines other forms of 'work' outside the formal work. Insight into small scale trade is critical as it holds fundamental social and economic development implications (Bridges Africa, 2018). In this paper, the author examines cooperative economies and other forms of township economies as an emerging alternative means of employment and livelihood for Southern African women -this, at a time when governments are increasingly failing to address the welfare and economic needs of marginalised people, particularly women. The author explores the concept of cooperatives, 'stokvels'¹ or 'saving clubs' as critical agencies through which women, particularly marginalised women organise themselves.

The paper argues that cooperatives are a space where actors organise themselves and critically engage oppressive socio -political and economic policies.

[1] Term largely used in South Africa to denote savings and credit networks.

ENGENDERING SOUTH AFRICAN TOWNSHIP ECONOMIES:

AN AFRICAN FEMINIST PERSPECTIVE ON THE ROLE, POSITION AND EXPERIENCES OF WOMEN IN INFORMAL TRADE

By: Sehlaphi Sibanda

INTRODUCTION: DEFINING COOPERATIVES

When we discuss the economy of South Africa from a feminist perspective, it is critical to engage the role of cooperatives and other organisations in the informal economy as the sites in which the majority of South African women participate economically, and through which they ensure their and their communities' survival. Cooperatives are social organisations in which a group of people bound by common interests pull together for a common goal. The International Labour Organisation (2002) defines cooperatives as associations of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. In the South African context, cooperatives often take the form of what is locally known as stokvels. On stokvels, Dlotu (2017) argues that they are key poverty alleviation buying

and saving clubs that have been practiced for a long time by mostly Black working class South Africans. Cooperatives, informal cross border trade, stokvels and other forms of township economies are largely dominated by women. This sector supports thousands of families and provides poor and working class families with affordable and readily available goods and services. In fact, this comprises the principal foundation for food security in Africa by providing an economic safety net.



COOPERATIVES AS SOURCES OF ECONOMIC AND SOCIAL AGENCY

Cooperatives are a critical agency for income generation, particularly in the context of gross unemployment characterised by gender discrimination. In 'mainstream economy' more women are unemployed or underemployed compared to men. Cooperatives can help create spaces for investments and income generation for women in marginalised communities, and challenge the structures in society that oppress women. Blumberg, et al. (2016:9) note that 'economically empowered women have both an increased voice in household decisions and the means to spend on their priorities'. Premised on the solidarity economy approach, cooperatives are a form of agency for women as they move away from simply being a source of income to being an innovative method of organising (Dloto, 2017). Cooperatives are instrumental as a space for women to not only highlight challenges they face, but also develop strategies of dealing with those challenges; strategies that have the power to influence policy direction.

"In 'mainstream economy' more women are unemployed or underemployed compared to men."

Labour market flexibility also exacerbates gender inequality, which remains a major barrier to human development. In South Africa, for example, as the country continues to transition to democracy, persistent colonial and

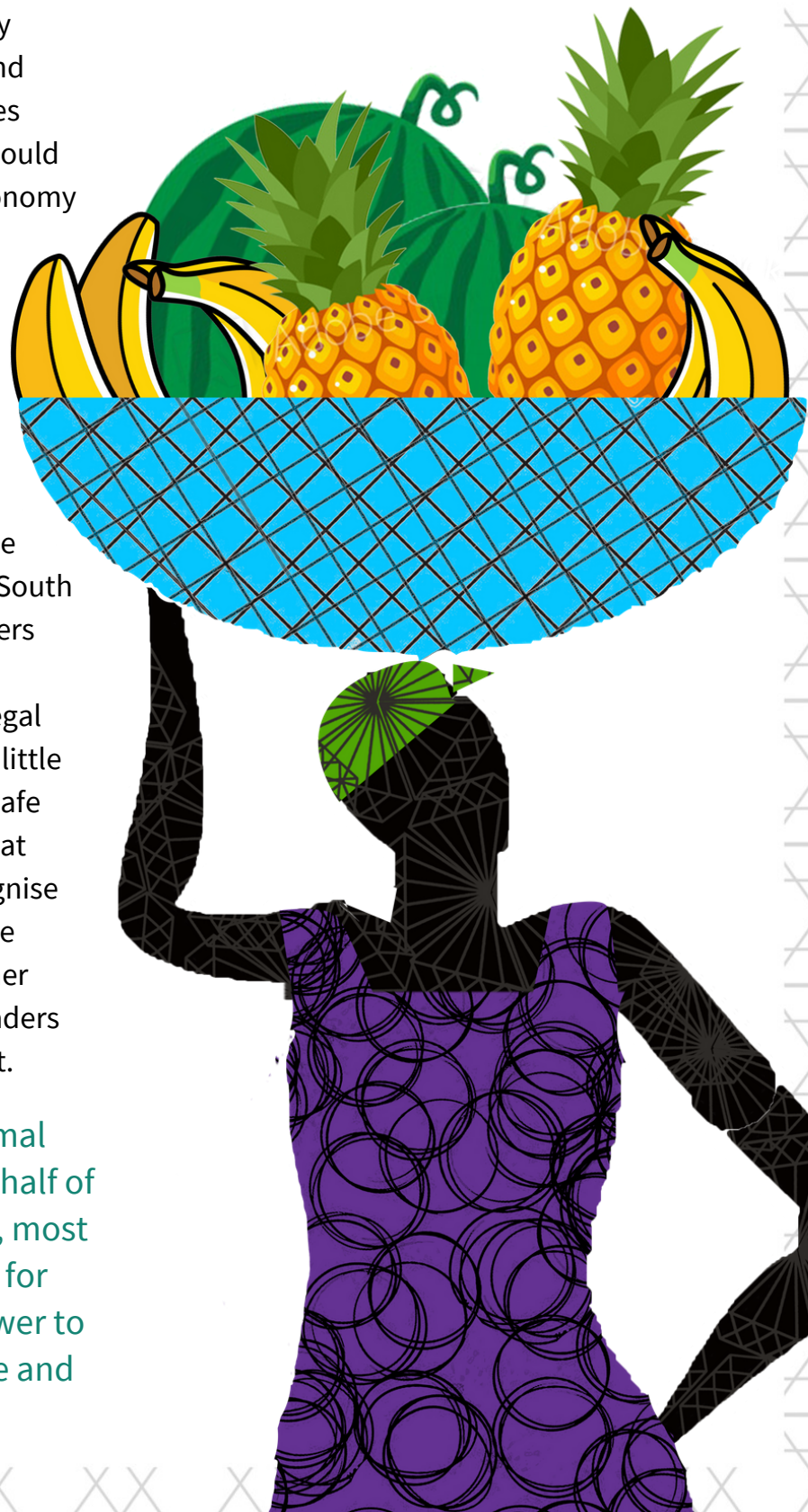
apartheid era structures fuel inequality and poverty, threatening its democratic stability and economic growth. South Africa is not a unique case; the reality is that across the region, women still face obstacles that are entrenched in patriarchal values and practices that continue to underpin and sustain sexist economic and political systems, including traditional leadership structures.

Gender inequalities continue to undermine decent work objectives. The International Labour Organisation (2013) states that while the informal economy is a major source of employment and livelihoods in many developing countries and closely interacts with the formal economy, governments still fail to recognise this sector and to extend social protection measures accordingly. In its survey of 47 countries globally, including five countries in sub-Saharan Africa (Namibia, Lesotho, South Africa, Zambia and Zimbabwe), the ILO found that the number of persons employed in the informal sector greatly exceeds those in formal employment outside the informal sector. In all of these countries, the percentage of women in informal employment is higher than that of men (Chen, 2008; Heintz & Valodia, 2008 as cited in Madzwamuse, 2015) underscore the high representation of women in vulnerable work, including informal economy. They estimate that women comprise 60 percent of the 572 million working poor in Sub-Saharan Africa (with the exception of South Africa).

Street vendors constitute a significant proportion of urban employment in Africa. The concentration of women in low-paid jobs, with limited access to job security and benefits, increasingly contributes to the "feminisation of poverty" (Visser and Ferrer, 2015). The direct relationship between low wages and poverty cannot be ignored. Making decent work a central pillar of the policy strategy would not only alleviate the jobs crisis and address social gaps, including inequalities and gender based violence (GBV), but would also contribute to putting the global economy on a better and more sustainable economic growth path.

However, despite the apparent socio-economic contribution to the economy and communities, informal economic activity in sub-Saharan Africa remains largely unrecognized and ignored in trade and economic growth programming. In South Africa, although informal economy workers can create up to half of a country's gross national product, most fall outside the legal framework for formal workers, and have little power to advocate for living wages and safe and secure work (SERI, 2015). The fact that financial institutions largely do not recognise informal trade as 'work' and are therefore averse to extending loans, credit and other forms of financial support to informal traders and cooperatives is another case in point.

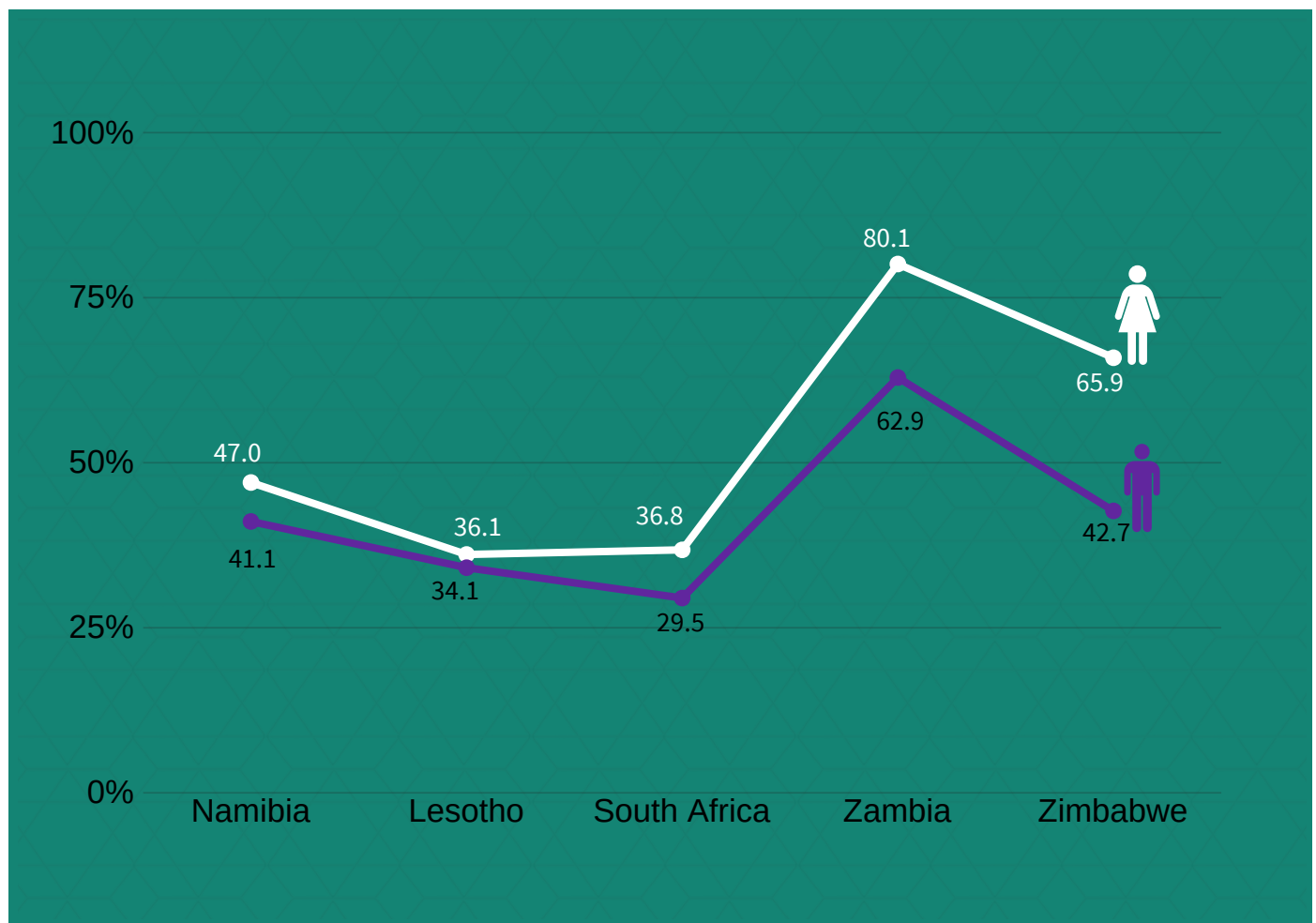
Mashingo & Schoeman, (2012:1) as cited in Stokvel co-op magazine Lunch Edition] note that stokvels have not received recognition or support commensurate with their current and potential contribution to improving the living standards of the economically marginalised.



"In South Africa, although informal economy workers can create up to half of a country's gross national product, most fall outside the legal framework for formal workers, and have little power to advocate for living wages and safe and secure work"

WOMEN AND MEN IN INFORMAL ECONOMY: A STATISTICAL PICTURE

Sex disaggregated information of informal economy workers in five countries in Southern Africa. More women compared to men were found to be working in the informal sector.



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

□ WOMEN
■ MEN

MAKING POLICY WORK FOR WOMEN

"While it is encouraging that the president sees the underlying, systemic causes of inequality, nothing tangible or practical has been done to make this policy instrument sensitive to women's needs."

(Lowe Morna, CEO, Gender Links, 2018)

Policy focus on decent jobs and gender equality is critical. In most of Southern Africa, there is a lack of specific policies to address the informal economy, particularly for women, despite the widely documented gender disproportionate experience of informal work, as noted by (Blumberg, et al. 2016). In South Africa for example, South African President, Cyril Ramaphosa is on record for his bold pronouncements on the need for making policy work for women. On Radical Economic Transformation (an economic policy that seeks to address the economic injustices of the past), Ramaphosa said that it "requires that we fundamentally improve the position of Black women and communities in the economy, ensuring that women are owners, managers, producers and financiers" (Morna, 2018). Lowe Morna highlights that 'while it is encouraging that the president sees the underlying, systemic causes of inequality' (ibid.), nothing tangible or practical has been done to make this policy instrument sensitive to women's needs.

Jawando, et al (2012); Morris and Saul (2000); Shaw (2010); Titeca and Kimanuka (2012) argue that in countries where there are laws specific

to informal traders, they are often outdated or inaccessible. This knowledge gap also promotes bribe-seeking and corruption (Blumberg et al., 2016). The second challenge is that where such laws exist there is a lack of political will to enforce their implementation, thereby exposing the system to corruption and abuse. In reference to the 2013 "Operation Clean Sweep" in Johannesburg, South Africa, where three thousand street traders in Johannesburg were illegally evicted, (Webster n.d) concluded that street trade regulations in Johannesburg is restrictive, inconsistent and enforcement-oriented, rather than development-oriented.

A conference for women informal cross border held in Bulawayo, Zimbabwe revealed that laws regulating vendors and hawkers in the city are outdated. For example, the city still uses the 1976 Hawkers and Vendors bylaws. A periodic review of policy instruments is critical in order to meet the ever changing needs of citizens. These changes could be brought about by developments in the economic system amongst other factors. The current neo liberal economic model coupled with globalisation continues to disproportionately impact lives, with women and girls bearing most of the ill effects. Without understanding the impact of macroeconomic policies on the advancement of women's rights and gender equality, governments will continuously fail in responding to systemic and persistent gender inequalities (The African

Women's Development and Communication Network 2015).

Throughout post-colonial Africa, the need for a redistribution of socioeconomic rights in ways that translate to poor people's expectations of democracy still remains. For women, this means equal and meaningful participation in economic, social and political decision making at all levels.

Gender inequalities and neoliberal economic models continue to undermine this as rights of women both in communities and the economy continue to be eroded. To address this, there is a need for policy pronouncements and practise sensitive to the needs of vulnerable workers particularly women in township economies and other macroeconomic practices. Oxfam International believes this can be fixed through building a 'human economy'. Oxfam International (2018) further advances:

"To tackle extreme economic inequality, we must end gender inequality. Equally, to secure equality between women and men, we must radically reduce economic inequality. To achieve this, it will not be enough to integrate women further into existing economic structures. We must define a vision for a new human economy, one that is created by women and men together, for the benefit of everyone and not just a privileged few."

Gender, age and race still remain some of the key barriers to accessing state resources, with poor Black women often being pushed to the



periphery. The need for a shift to policies that protect women's economic rights is crucial. Shifting social norms is critical to addressing the growing inequalities and increasing level of gender based violence (GBV) and the amount of violence against women's bodies. As a society, we need to critically engage such issues as patriarchy that limit women's participation in the economy and society. These barriers are usually structural and directly related to how power and the corresponding access to basic needs and scarce resources in any society are constituted.

"Without understanding the impact of macroeconomic policies on the advancement of women's rights and gender equality, governments will continuously fail in responding to systemic and persistent gender inequalities."

POLICY IMPACT ON WOMEN'S PARTICIPATION IN TOWNSHIP ECONOMIES

An analysis of policy impact from a gendered lens is critical. While the general exclusionary nature of economic policies in countries under review have been highlighted elsewhere in the paper, women are disproportionately affected. For example, financial institutions require collateral from traders seeking to borrow money to expand their businesses. Given the poor economic status of most women in informal work, a sector characterised by low profit margins, women might find it challenging to secure the collateral needed. It is even worse for women in single households as the burden of care and the provision of daily needs for the family often falls on women. Left with very little choice, they might find themselves forced out of work or they might find themselves forced into unwanted relationships with men for financial support. Such a set up often results in unequal power relations manifesting in abusive relationships and HIV/AIDS.

Informal traders in the region fall outside social protection schemes; for example, governments have no medical aid schemes/insurance aimed at women working in township economies or informal traders in general, this despite the provision of social protection being state responsibility. According to Matandiko (2017:9) 'social protection is a public responsibility typically

provided through public institutions, financed from either social contributions or taxes or both'. Lack of medical protection for example would mean a lack of income for a woman (and her family) if she were to fall sick. In most of Africa the burden of care for sick relatives, the elderly or the very young often falls on women. Failure to extend social protection to informal economy actors, particularly women speaks to governments' failure to recognise women's unpaid contribution to the economy through care work and providing poor communities with affordable and accessible goods. Failing to give women an income when they are performing what is otherwise a state's responsibility is a cause for concern.

"Given the poor economic status of most women in informal work, a sector characterised by low profit margins, women might find it challenging to secure the collateral needed."

Policy constraints faced by informal economy actors are multi-faceted. In Swaziland for example, informal traders are critical of by laws that push them into areas that are secluded and not profitable. Informal traders in South Africa have expressed similar sentiments. A study by the Socio Economic Rights Institute (SERI) into the experiences of informal traders in Johannesburg found that none of the trading

areas under review had ablution facilities forcing traders to walk up to five blocks to the nearest toilet which they had to pay to use. The effects of this are dire for women. Walking up to five blocks to the nearest toilet places them at greater risk of sexual assault, rape and other forms of harassment than their male counterparts. They might be more at risk in the early hours of the morning or late evenings thus impacting the number of hours they trade and by extension their profit margins. Furthermore, the costs associated with using paid toilets have a gendered impact. A woman who is having her period, a biological process; which she has no control over, or a woman with a small baby would need to use the toilet more than her male counterparts, again this negatively impacts her profit margins as she would need to pay every time she visits the toilet.

It is noteworthy that there have been some positive policy developments that recognise the contribution of women's work in township economies to mainstream economies. A case in point is the Southern African Development Committee (SADC) Advocacy Strategy on Informal Cross Border Trade (2012).

"Lack of medical protection for example would mean a lack of income for a woman (and her family) if she were to fall sick."

This policy which seeks to reduce poverty among SADC citizens calls for a multi-dimensional and multi sectoral approach to

addressing challenges faced by cross border traders in the region. The creation of a one stop border post; the Chirundu border post between connecting Zambia and Zimbabwe whose aim is to reduce constraints and delays for cross border traders is another example. While these policies are not specific to women, they are notable because, firstly they recognise problems within the sector and secondly they are a means to addressing constraints in a sector that largely comprises of women.

South Africa has good schemes aimed at addressing power imbalances through the equitable distribution of resources and addressing other historical imbalances. These schemes such as the National Empowerment Fund (NEF) are meant to help small business, particularly women owned businesses with capital and other forms of support however, accessing the services often proves difficult as they are often fraught with bureaucracy and red tape.

The failure by most governments in the region to develop policies specific to women in township economies is indicative of the way governments view township economy as a sector and women as citizens. Governments in the region (and beyond) are challenged to adopt policy and regulatory framework specific to women in informal economies.



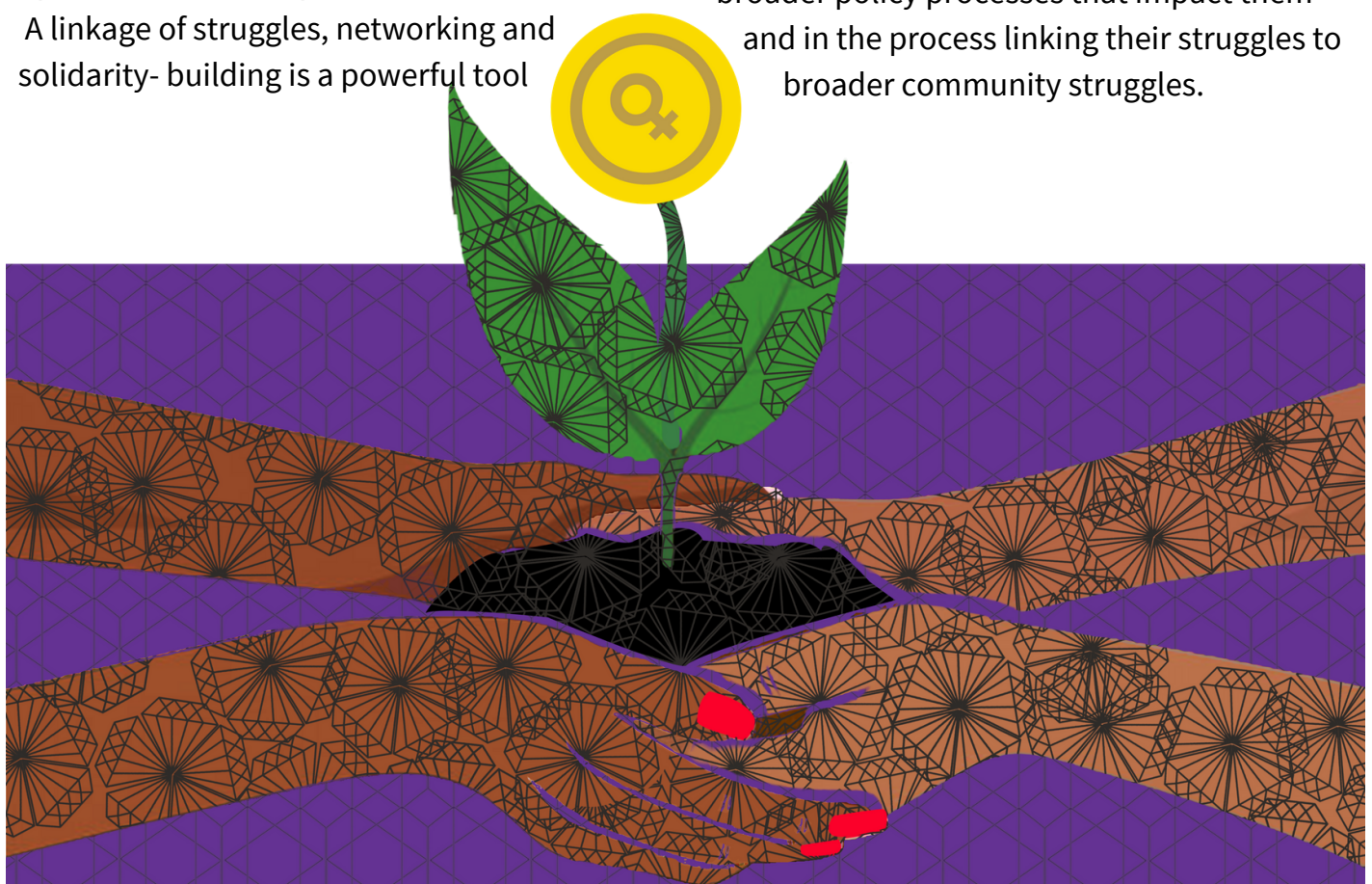
SOLIDARITY ECONOMIES

"A linkage of struggles, networking and solidarity-building is a powerful tool for marginalised communities seeking to achieve economic and social justice."

In the face of these structural economic barriers, Southern African women continue to innovate and find solutions through collective economic support- growing what is known as solidarity economies. Cooperatives are guided by solidarity economy principles, a form of economic cooperation based on the democratic organisation of production and consumption allowing members to share the fruits of their labour and savings equally Dlotu (2017). Baatjes (n.d:14) however, cautions against overstating the potential of the solidarity economy as an alternative to the capitalist market economy, as it still operates within a capitalist framework.

A linkage of struggles, networking and solidarity- building is a powerful tool

for marginalised communities seeking to achieve economic and social justice. Practically, this would entail linking struggles of women in cooperatives with others sharing similar struggles and experiences as a consequence of capitalist onslaught. For example, women in cooperatives could link their struggles with community struggles against pre-paid electricity or struggles for free education. Leading up to the presidential elections in July, members of the Bulawayo Vendors and Traders Association (BVTA) held door -to- door campaigns to mobilise citizens to register to vote. This development follows alarming statistics of voter registration in the province and its consequences on democracy, strengthening accountability at local levels and improving service delivery (BVTA, 2017). This is one example of cooperatives taking part in broader policy processes that impact them and in the process linking their struggles to broader community struggles.



LOOKING TO THE FUTURE

"Where women participate equally in the global economy, the impact is far reaching; they go beyond the immediate to be seen at the community level."

The economic and socio-political role that cooperatives play cannot be denied. In fact, one can safely argue that cooperatives comprise the principal foundation for food security in Africa especially at a time when food security is threatened by inequalities and environmental degradation. It is imperative that governments recognise cooperatives as one of the major economic actors and reward them as such. Though governments have yet to fully realize the role of cooperatives as key economic and social actors, it is noteworthy that cooperatives have not given up the fight to amplify their voices in policy forums on trade, society and the economy. Indeed, despite the challenges they face, grassroots women in Africa continue to organise and mobilise for a just, free, peaceful and equal society. Sustainable development and inclusive economic growth can only be achieved when gender equity, a key human rights component, is integrated throughout the process. Where women participate equally in the global economy, the impact is far reaching; they go beyond the immediate to be seen at the community level.

According to the Gender and Development Network (2016), full participation can be achieved through building women's capacity and autonomy to exercise power and control over their lives and strengthening the terms in which they engage with social, political and economic structures. Sibanda (2017) asserts that cooperatives are a step towards carving a way for women to participate in the global economy.

Madzwamuse (2015) underscores the need for gender mainstreaming as a means towards economic justice:

"To mainstream gender into society and the economy, a set of specific strategic approaches and institutional processes needs to be adopted in national public and private spheres, amongst them, gender conscious budgets and laws. Economic justice is dependent on three essential principles which govern both the social and economic order in a society. These are the principles of participative, social and distributive justice."

In sum, making decent work a central pillar of the policy strategy would not only alleviate the jobs crisis and address social gaps including inequalities and GBV, but would also contribute to putting the global economy on a better and more sustainable economic growth path.

RECOMMENDATIONS

The following recommendations could counteract existing economic and social structures which limit women's active participation in the economy including full participation township economies.

Perhaps the most critical recommendation is **the need to collate data related to the informal economy**. Reliable and accurate data, taking into account the diversity of situations within the informal economy, is crucial for the development of effective policy and legal interventions to address the challenges of informality with specific attention to township economies.

Need to formalise the informal sector: Linking the informal sector with the formal sector. Consider extending social protection and other rights and benefits to workers in the informal economy.

Introduce **affirmative action policies** aimed at supporting township economy models including women's cooperatives. In countries where such mechanisms already exist, there needs to be structures to support policy, for example gender budgeting aimed at supporting female-run cooperatives and other businesses.

For civil society and other development actors – strengthen the capacity of informal actors, including women in cooperatives to take part in policy making as well as in defending their rights.

Financial reforms removing the bureaucracy and red tape around access to finance and markets; for example, lower interest rates for cooperatives.

Women who are economically secure are in better positions to take key decisions on both their personal and private lives, as such it is critical to increase efforts at policing Gender Based Violence (GBV) through expanding its definition to include cultural practices, social norms and attitudes which restrict women's active social and economic participation. Introduce stricter penalties for perpetrators of GBV and other forms of violence against women.

REFERENCES

- Baatjes, B. (n.d). Work: [Hope and Possibilities](#). South Africa: Education Rights Project.
- Blumberg, R.L., Malaba, J. & Meyers, L. (2016). United States Agency for International Development (2016). [Women cross border traders in Southern Africa: Contributions, Constraints, and Opportunities in Malawi and Botswana](#). USAID Southern Africa
- Bridges Africa. (2018). [Trade and Sustainable Development News and Analysis on Africa](#). 7 (4), 3.
- Bulawayo Vendors and Traders Association, (November 2017) BVTA and BPRA on voter registration drive. [The Vendors' Voice](#)
- Dloto, A. (2017). Solidarity economy of marginalised communities: An analysis of stokvels, [South African Labour Bulletin 41 \(2\), 28-30](#).
- Gender and Development Network [Breaking down the barriers – Macroeconomic policies that promote women's economic equality](#).
- International Labour Office (2013). [Women and men in the informal economy: a statistical picture. \(Second edition\)](#), Geneva, Switzerland: International Labour Office.
- International Labour Organisation (2002). Recommendation 193 on the Promotion of Cooperatives. Geneva, Switzerland: International Labour Office.
- Lowe Morna, C. (2018). [Mr President, please declare a feminist state](#). Retrieved November 11, 2018 from <http://genderlinks.org.za/news/sa-gl-calls-president-ramaphosa-declare-feminist-agenda/>
- Madwamuse, M. (2015). [Economic Justice as a site for women's empowerment](#) Retrieved October 31, 2008 from <http://www.osisa.org/buwa/economic-justice/regional/economic-justice-site-women%E2%80%99s-empowerment>
- Mashingo, P. & Schoeman, C. (2012). [In Stokvel co-op magazine Lunch Edition](#) Fordsburg: Malaika Media.
- Matandiko, P. (2017). [Social Protection & Informal Economy –Introduction](#). In Decent Work Academy proceedings held at the Industrial Development Corporation, 2-6 October 2017. Sandton: Johannesburg.
- Morris, G. A., & Mahir S. (2000) [Women's Business Links: A Preliminary Assessment of Women Cross-Border Traders in West Africa](#). Washington, DC: WID Tech.
- Olayiwola, J.J., Adeyemi, E.O., & Oguntola-Laguda, B. (2012). Survival Strategies of Women in Informal Cross Border Trade Along Lagos-Seme Border Axis. [Global Journal of Human Sociology Science, Sociology, Economics & Political Science, 12\(9\), 29–37](#).

Oxfam GB (2018). *Reward work, not wealth*. Cowley, Oxford: Oxfam House.

Shaw, A. (2010). *Gender and trade in East Africa: A review of the literature*. London: UK Department for International Development (DfID).

Sibanda, S. (2017). *Creating change through women's cooperatives, Voices from the South*
Retrieved November 8, 2018 from <http://www.karibu.no/upload/voices/Voices%20from%20the%20South%20October%202017.pdf>

The African Women's Development and Communication Network (2015). *Unravelling Gender Dimensions in Macroeconomic Policy Frameworks in Africa*. *Africa Women's Journal Issue (ix): p4*

Titeca, K., & Kimanuka, C. (2012). *Walking in the dark: Informal cross-border trade in the Great Lakes region*. London: International Alert

Visser, M. & Ferrer, S. (2015). *Farm Workers' Living and Working Conditions in South Africa: key trends, emergent issues, and underlying and structural problems*. Pretoria: International Labour Organisation.

Webster, D. (n.d.). *The end of the street? Informal Traders' Experiences of Rights and Regulations in Inner City Johannesburg*. Johannesburg: Socio- Economic Rights Institute.



Sehlaphi Sibanda

Sehlaphi Sibanda is a researcher and human rights activist based in Johannesburg. She would like to continue nurturing her experience in the broad domain of human rights and social justice including the right to dignity. Her research interests include globalisation, labour flexibility and resistance; forced migration; economic Justice; women's rights; gender and gender identity; movement building.