

**MAINSTREAMING THE INFORMAL ECONOMY IN SOUTH AFRICA: A
GENDER PERSPECTIVE OF TRADE UNION POLICY RESPONSES
(1994-2001).**

by

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ABSTRACT

The study examined the policy responses of organised labour towards the informal sector. It is based on a qualitative survey of trade unions in the textile, clothing and footwear sectors. The dualistic, Marxist structuralist, feminist and growth theories of the informal sector were used to evaluate policy responses towards the informal sector. The investigation of the dynamic relationship of trade unions with workers in the informal sector was informed by the transformation of the nature of work that is characterised by informalisation and the increased employment of contingent workers, the majority of whom are women. Informalisation was found to manifest itself through the use of homeworkers and ‘independent’ contractors. The study further showed that the formal and informal sectors were interdependent. This makes a compelling case for trade unions to organise vulnerable workers and to pursue the mainstreaming of the informal sector. However a rigid gender discourse was found to militate against the development of solidarity with the informal sector. The findings of the study suggest that gender mainstreaming within trade unions is a prerequisite for effectively mainstreaming the informal sector and that organising the informal sector is a gender issue.

OPSOMMING

Die studie het die beleidsresponse van georganiseerde arbeid op die informele sektor ondersoek. Dit is op 'n kwalitatiewe opname van vakbonde in die tekstiel-, klere- en skoeiselsektore gegrond. Die dualistiese, Marxisties strukturalistiese, feministiese en groeiteorieë van die informele sektor is gebruik om beleidsresponse op die informele sektor te evalueer. Die ondersoek na die dinamiese verhouding van vakbonde met werkers in die informele sektor is gegrond op die transformasie van die aard van die werk wat deur informalisering gekenmerk word en die toenemende indiensneming van deelydse werkers waarvan die meerderheid vrouens is. Daar is bevind dat informalisering deur die gebruik van huiswerkers en “onafhanklike” kontrakteurs gemanifesteer word. Die studie het verder getoon dat die formele en informele sektore interafhanklik is. Dit maak dit 'n dwingende saak vir vakbonde om kwesbare werkers te organiseer en om die insluiting van die informele sektor in die hoofstroom na te streef. Daar is egter bevind dat 'n rigiede genderdiskoers teen die ontwikkeling van solidariteit met die informele sektor werk. Die bevindings van die studie suggereer dat genderhoofstroomplasing binne vakbonde 'n voorvereiste vir die doeltreffende vestiging van die informele sektor in die hoofstroom is en dat om die informele sektor te organiseer 'n gendraangeleentheid is.

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DECLARATION

I declare that apart from the assistance recognised this dissertation is my work submitted for the degree of Master of Arts in Comparative Labour Studies at the Rand Afrikaans University. It has not been submitted before for any other degree or examination in another university.

..... Date



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LIST OF ACRONYMS

BCEA	Basic Conditions of Employment Act
CASE	Community Agency for Social Enquiry
CMT	Cut, Make and Trim
COFESA	Confederation of Employers of South Africa
COSATU	Congress of South African Trade Unions
DBSA	Development Bank of Southern Africa
DOL	Department of Labour
DTI	Department of Trade and Industry
FEDUSA	Federation of Trade Unions of South Africa
GHA	Gauteng Hawkers Association
ILO	International Labour Organisation
ILGWU	International Ladies Garment Workers Union
LRA	Labour Relations Act
MPE	Ministry of Public Enterprises
NACUSA	National Canvass Union of South Africa
NACTU	National Council of Trade Unions
NACTWUSA	National Clothing and Textile Workers Union of South Africa
NEDLAC	National Economic Development and Labour Council
NDA	National Development Agency
NULAW	National Union of Leather and Allied Workers
SACTWU	South African Clothing and Textile Workers Union
SADC	Southern African Development Community
SADWU	South African Domestic Workers Union
SATAWU	South African Transport and Allied Workers Union
SATUCC	Southern African Trade Union Coordinating Council
SETA	Sectoral Education and Training Authority
SEWA	Self Employed Women's Association
SEWU	Self Employed Women's Union
SMME	Small, Micro and Medium Enterprises
STEP	Strategies and Tools Against Social Exclusion and Poverty
TAWU	Textile and Allied Workers Union
TCF	Textile, Clothing and Footwear sector
TCFUA	Textile Clothing and Footwear Union of Australia
UN	United Nations
WIEGO	Women in the Informal Economy: Globalising and Organising

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CHAPTER ONE

1.1 Background

Globalisation has brought forth a fundamental transformation of the structure and nature of enterprises and organisations. Part of this transformation has been the changes in the nature of employment, as well as the structure and composition of the labour market. A salient feature of this transformation has been the growth of the informal economy and the corollary increase in the number of jobs that are characterised as informal in nature. The International Labour Organisation (ILO) concluded that in South Africa the increase in the total number of employed persons from 8.7 million in 1997 to 9.4 million in 1999 was not in the formal sector. 'The rise in employment was mainly due to the casualisation of labour and the increase in self-employment' (ILO, 2001(a): 1). In its globalisation report on South Africa, the ILO also noted that non-standard forms of employment' i.e subcontracting and homework were on the rise. (Hayter et al, 2001: 33) Results of the September 2001 Labour Force Survey (LFS) reflected a figure of 6,9 million employees in the overall formal sector (excluding formal agricultural industry) whereas the September 2001 Survey of Employment and Earnings (SEE) for the same category reflected a total of 4,7 million employees. The difference of 2,2 million between the two surveys was attributed to non-coverage of some formal sector services in the SEE as well as the casualisation of labour. (Statistics South Africa, 2002)

The informal economy has been characterised by a high level of participation by women. Therefore a discussion of the informal economy is intertwined with the work of women. Results of the October (1999) Household Survey showed that among employed women, the largest portion was in elementary (19.4%), domestic (17.8%) and clerical occupations (16.3%) whereas among employed men the largest portion (19.6%) was in artisan and craft related occupations. (Statistics South Africa, 2001: 54) However both women's work and the informal sector have largely been discounted as marginal to the 'real' economy and have therefore been historically neglected in most scholarship on the economy and the labour market. This is despite overwhelming evidence of the significant contribution of the informal sector to the

economy. According to Charmes, between 1991 and 1996 the informal sector made up 20.4 per cent of non-agricultural employment in South Africa. Within the same period, South African women constituted 61.4 per cent of informal sector workers outside agriculture. Women in the informal sector made up 30.4 per cent of total female employment outside agriculture whereas for men this category constituted 13.6 per cent. Of informal sector workers in wage employment, women and men constituted 13.8 and 37.2 per cent respectively. Women further constituted 86.2 per cent of total self-employed workers in the informal sector. (Charmes 2000(b): 5)

The recent phenomenal growth of the informal economy and the increasing interaction and interdependence of the formal and informal economy led to growing interest in studies of the informal economy particularly among scholars who are proponents of the dynamic approach. A significant outcome of this wave of scholarship was the inclusion of informal sector activities in official economic statistical surveys and the broadening of the definition of 'employed or economically active persons.' (Charmes, 1999, UN, 2000)

The increased recognition of the informal economy encouraged the emergence of women's movements in the informal sector, such as Self Employed Women's Association (SEWA) in India. SEWA and some of its global allies mounted a global campaign for the recognition of women's work, specifically homework. The outcome of this campaign was the adoption by the ILO of the International Convention on Homework (the first international policy instrument recognising the rights of informal sector workers) in 1996. The convention came into force in 2000 and is therefore open to ratification by ILO member states.

The complex process of ratification is the next hurdle for SEWA and its informal sector counterparts. The process leading to ratification requires major policy accommodation for the informal sector as well as resources to give effect to such policies. For most countries the process of ratification is based on the ILO principles of tripartite consultation between government, labour and business. In South Africa, the ratification process is handled through the National Economic Development and Labour Council (NEDLAC). Within NEDLAC, informal sector workers are looking up to organised labour to champion their cause and to steer the ratification process

forward. Such expectations are informed by what has been described as labour's new attitude towards the informal sector. This view argues that against the backdrop of increasing informalisation of formal sector jobs and the growing linkages between the formal and informal sectors, organised labour no longer views informal sector workers as a competitors, but rather as potential partners with which it needs to form a united front in order to cope with the negative effects of globalisation. (Gallin, 1999)

The study broadly examined the dynamic links between organised labour and informal sector workers as well as the preparedness of trade unions to accommodate informal sector workers within its ranks. The study attempted to analyse the position of trade unions towards the informal sector through a gender perspective.

1.2 Structure

The first chapter commences with a background followed by sections on the key concepts and definitions, research aim, methodology and literature review. The methodology is dealt with extensively in the discussion of the research design in chapter three. The inclusion of a theoretical section in the introductory chapter was informed by an intention not to isolate the entire literature in one chapter. This format enabled me to introduce key literature when it was required further on in the study. According to Silverman, this is a flexible format, which employs literature in two useful ways. Firstly, literature is used for purposes of 'nesting the problem' in the introduction and secondly, literature can be introduced in later parts of the study when it is relevant. (2000: 231)

The literature review section in chapter one is a discussion of the theoretical approaches to the informal sector. The four theoretical approaches were introduced to enable a critical assessment of policy responses towards the informal sector. Chapter two is a discussion of the policy responses towards the informal sector. It commences with a discussion of the international context and proceeds to a specific discussion of policy responses in South Africa. The third chapter outlines the methodological framework of the study. The fourth chapter is a discussion of the findings. Chapter five is the concluding chapter. The format used for the final chapter is not a mere

summary but it is an attempt to discuss the interesting issues that emanate from the study as well as to provoke further research and debate.

1.3 Key Concepts and Definitions

Bargaining Council

A bargaining council is a forum for workers and employers of a particular sector, through which they engage in collective bargaining and related matters within that sector (in terms of Section 27 of the Labour Relations Act). Bargaining councils play an important role in setting minimum conditions of work and related standards in the respective sectors. They further provide social protection in the form of pension, medical aid and related social funds. It is estimated that in 1997, 49 per cent of employees in South Africa, including the public sector were covered by collective agreements. (Hayter et al 2001: 87)

Contributing family workers

These are persons working without pay in an economic enterprise operated by a related person living in the same household and cannot be regarded as partners because their commitment in terms of working time or other factors is not at a level comparable to that of the head of the enterprise. In some countries the related person may not be living in the same household. (United Nations, 2000 a)

Decent Work

Refers to the quality of participation in the labour market and inclusion in society. Decent work encompasses quality of work, the rights pertaining to it, protection, representation and economic security. (ILO, 2001 d: 28)

Employer

Employers are persons who operate alone or with one or more partners, their own economic enterprise, or engage independently in a profession or trade, and hire one or

more employees on a continuous basis. Partners may or may not be members of the same family or household. (UN, 2000 a)

Employee

An employee is any person, excluding an independent contractor, who works for another person or for the state and who receives any remuneration which may be in the form of wages, salaries, commissions, tips, piece rates, or in kind payments

Employee further refers to any other person who in any manner assists in carrying on or conducting the business of an employer. (UN, 2000, Labour Relations Act No 66 of 1995)

Homeworker

A homeworker refers to a person who carries out work from home on behalf of an employer or another party under some contractual arrangement. The homeworker is provided with raw material by the contractor and has no control over how it is used nor does the homeworker have control over the final product, including its sale and distribution as well as the profits accruing from the sale. A homeworker receives remuneration by piece rate. Although they do not share the rewards of the entrepreneurial activity, homeworkers share the market risks because they have no work when product demand declines. They further absorb some of the production costs such as the cost for premises and electricity. (WIEGO, 1998)

Independent Home Based Workers/Outworkers

These are workers who buy their own material and bear the risk of selling the final product to the consumer. Although they may have a relationship with suppliers and buyers of materials, independent home based workers have no agreement on the supply of raw materials, the sale of the final product and do not enjoy the full rewards of their entrepreneurial activity. (WIEGO, 1998) Although the outworkers sometimes possess their own machines, control over the labour process is limited. They are not fully proletarianised, and have few of the privileges of independent artisans. They can be defined as semi-autonomous workers. (Chu, 1992: 427)

Informal Economy

The term informal sector and informal economy are used interchangeably to refer to that segment of the economy and labour market, which has absorbed significant numbers of job seekers and unemployed workers outside government regulations and formal systems of labour and social protection. (ILO, 2001 b: 29) Keith Hart coined the term informal sector. Hart found that multiple informal employment with or without simultaneous wage employment was a universal feature of the economic behaviour of Accra's sub-proletariat. (1973: 78) This indicated that 'wage incomes were only part of the urban opportunity structure.' (Hart, 1973: 88). From his study Hart came up with the following typology of informal economic activities:

1. Primary and secondary activities e.g. farming, self employed artisans
2. Tertiary enterprises with relatively large capital inputs e.g. mill owners, landlord, transport operators
3. Small scale distribution e.g. hawking and street trading
4. Other services e.g. photographers, musicians
5. Private transfer payments e.g. gifts, borrowing, begging

Informalisation

Informalisation refers to the exclusion of a large sector of the working class, often with the acquiescence of the state, from labour market regulations and mechanisms that protect formal employees. (Portes 1994, Castells et al 1989) According to Castells et al informality is normally treated as the obverse of proletarianisation. (1989: 308)

General causes of informalisation:

1. Economic restructuring by companies
2. Deregulation
3. International competition
4. Industrialisation (mainly in Third World), under conditions that forbid enforcement of standards i.e EPZs
5. Global recession. (Castells et al, 1989: 27-9)

Mainstreaming

Mainstreaming refers to sustained efforts aimed at institutionalising concerns of a vulnerable category into main activities, policies and programmes and dealing with obstacles that undermine and subordinate such categories. (2000, Razavi, 1995)

Own Account Worker

Own account workers are persons who operate alone or with one or more partners, their own economic enterprise, or engage independently in a profession or trade, and hire no employees on a continuous basis. Partners may or may not be of the same family or household. (U.N, 2000 a) Own account workers can be based at home.

Piece-Rate Payment

Refers to an output based remuneration system whereby a worker is allocated a batch of items to manufacture and is paid on the basis of how many items he or she has completed. This form of remuneration normally does not include any other employment benefits outside the pay rate. The “no work no pay” rule applies in this system irrespective of the reasons for no work. This is in contrast to the standard payment by hourly rate. (UN, 2000 a)

1.4 Research Aim

According to Hyman, the growing importance of the female workforce as well as contingent workers ‘is an impetus towards a renewal of trade unionism and the development of new demands in collective bargaining, new methods of organisation and action and new forms of internal democracy’ (Hyman, 1992: 164). The ILO argued that ‘in the context of today’s flexible labour markets and global production systems, it will be increasingly impossible for either trade unions or employers’ organizations to maintain or improve conditions in the formal economy without at the same time addressing the informal economy.’ (ILO, 2002: 73) Union strategies to bridge the gap between the formal and informal sectors are therefore becoming central to the future of trade unions.’ (Jose, 1999: 10) According to Sanyal, this challenge

was magnified by the fact that there had been limited empirical research on the overlapping interests of the formal and informal sectors. (1991: 50)

In South Africa there is a dearth of scholarship on policies of trade unions towards the informal sector. Recent literature i.e Rogerson (2000) has mainly focused on analysing the impact of state policies on the informal sector. This study is an investigation of the views and policies of organised labour towards the informal sector. It is based on a qualitative survey of trade unions in the textile, clothing and footwear (TCF) sector. According to Prugl and Tinker trade unions in Australia, Canada and Holland had begun 'pilot programmes to organise homeworkers, bargain on their behalf, lobby for improved legislation, and disseminate information about their legal rights.' (1997:1474) These case studies are used to situate the study within a comparative perspective.

The study is premised on the dynamic theory of the informal sector, which argues that due to the changing nature of informal work, informal workers are becoming increasingly classed as 'proletarian.' (Connolly, 1985:84) However Connolly cautioned against generalising and therefore applying this hypothesis to the informal economy in its entirety. The informal sector is dealt with as it relates to the TCF sector. Employment within the TCF sector is predominated by women. The TCF sector is therefore useful in providing a gender context for the study.

1.5 Methodology

The study is based on a survey of trade unions in Gauteng, Kwazulu-Natal and Cape Town. The survey involved conducting in depth face to face as well as telephone interviews with twelve (12) trade union officials. Eight (8) of these respondents were representing the main trade unions in the TCF sector. There were also two respondents from the Self Employed Women's Union (SEWU). In depth, face-to-face interviews were also conducted with key informants and policy makers from the Department of Labour (DOL), ILO, Confederation of Employers of South Africa (COFESA) and the leather sector bargaining council. Out of a total of twenty (20) interviews, four were conducted telephonically and three of these were recorded. A

detailed discussion of the research design is contained in chapter three. The survey was conducted between November 2001 and August 2002.

1.6 Literature Review

The informal sector as a conceptual framework has only gained currency within the last three decades. (Peattie, 1987) As a result, scholars of the informal sector are still grappling with developing a solid theoretical framework for what is certainly a complex subject. However a key achievement of existing work on the sector is the legitimizing of the informal sector as a theoretical concept that warrants further empirical attention. Thus the concept of the informal sector has ‘sufficient flexibility and content to provide a suitable framework of analysis for the non-formal sector. (Turnham 1990)

1.6.1 Characteristics of the Informal Sector

The informal economy is vertically stratified and comprises of purely survival oriented economic activities at the lower end and successful entrepreneurial activities at its apex. This complexity entails that the informal sector has a number of components. Therefore a functional discussion of the informal sector requires a disaggregation of its components. However all the components share one or more of the following characteristics: the activities are outside the ambit of labour regulations; they are largely excluded from official statistics; they are not organised through bargaining units such as trade unions or interest groups; they comprise of self employment and employees lack employment or income security and are not entitled to fringe benefits. The informal sector is predominantly an urban phenomenon, it comprises of individuals who are either not absorbed or who are laid off from the formal sector and it is a sector in which women, immigrants and disenfranchised population groups have significant representation.

Employment in the informal sector is characterised by ease of entry and departure relative to the formal sector. In policy discourse the sector was largely viewed as a deviation from the norm and went by the acronyms; irregular, illegal, black, residual, marginal etc. (Turnham 1990, Chen et al, 1999, 1999, Rogerson, 2000, Mehra and

Gammage 1999, Prugl & Tinker, 1997) In South Africa the September 2001 Labour Force Survey recorded 1,9 million employees in the informal sector (excluding agriculture).

The ILO has clearly been the trendsetter in developing literature and creating awareness of the informal sector and its challenges. It was credited with popularising the concept of the informal sector in mainstream development literature. The ILO broke new ground by elevating economic activities that were not regarded as part of the real economy, onto the policy agenda. Through its study of the informal sector in Kenya (in 1972), the ILO found that the informal economy was not entirely 'illegal, or unacceptable, or unsustainable but that it was a structural feature of developing economies.' (Standing et al, 1996) In acknowledging the contribution of the ILO, Peattie argued that the concept converted informal economic activities into a category of economic planning.

The concept at one stroke gave way to what a lawyer would call *standing* to a variety of economic activities which would otherwise have been ignored in policy. (Peattie, 1987:855)

Studies of the informal sector in South Africa largely correspond with the international trends in terms of conceptual analysis and periodisation. The literature on the informal sector in South Africa can be described as broadly patterned and covering the following historical phases:

1. The early industrialisation period characterised by migration to the mining cities. This period was also characterised as decisive in determining the nature of women's participation in the urban economy. Van Onselen (1982), Bozzoli (1991) and Harries (1994) provided a lucid portrayal of the informal sector during this period.
2. The deregulation era commencing in the late 1970s to the present which encompasses the relaxation of pass controls, licensing of black enterprises and the gradual official recognition of informal economic activities. During this period, the character of the informal sector in South Africa has been

increasingly 'internationalised', with immigrants from other African countries, Asia and Europe playing a visible role in the informal sector (Rogerson, 2000). Chester (1988), Preston-Whyte & Rogerson (1991), Mckeever (1998), Rogerson (2000) and Standing (1996) have provided impressive accounts of developments in this period.

The general literature on the informal sector is largely premised on four theoretical models, namely the marginality, petty commodity production, dynamic and feminist approaches. Both the marginality and petty commodity production approaches are premised on a Marxist analysis. The next section provides a discussion of these four approaches.

1.6.2 The Marginality Approach

The marginality or dualist approach argued that the informal sector is a residual part of the economy. According to Obregon the defining element of the informal sector was the lack of stable access to basic resources of production and it therefore operated through residual resources and activities. (1974: 404) Obregon introduced the concept of a marginal pole of the economy and a marginalised labour force. Workers in the informal sector are marginalised from both the hegemonic and intermediate levels of economic activity and their position is permanent rather than transitory. As a result this labour force 'inevitably tends to be forced to take refuge in the roles characteristic of the 'marginal pole' where it fluctuates among a numerous range of occupations and labour relations. In this sense the principal tendency of this labour force is to turn marginal and to differentiate itself and establish itself as such within the economy.' (Obregon, 1974: 414-5)

Although the ILO conducted groundbreaking work on the informal sector it is now regarded as a leading proponent of the marginality thesis. Portes outlined how the ILO found itself in this paradoxical situation:

Hart emphasised the notable dynamism of and diversity of these activities, which, in his view, went well beyond "shoeshine boys, and sellers of matches". This dynamic characterisation of the informal sector was

subsequently lost, however, as the concept became institutionalised within the ILO bureaucracy, which essentially redefined informality as synonymous with poverty. This characterisation of informality as an excluded sector in less developed economies has been enshrined in numerous ILO/PREALC, and World Bank studies of urban poverty and labour markets. (Portes, 1994:427)

According to Portes, features of this new definition include; low skill, family ownership, labour intensive production, outdated technology, low productivity and low capital accumulation. (1994:427) The marginality thesis further assumed that there is a distinct dichotomy between the formal and informal sectors and it therefore dismisses the linkages between the two. In his work on the informal sector in Kenya, King concluded that although there was a rapid horizontal spread of low-level skills (in the form of the informal cum workshop sector at the bottom of the technological pyramid) the real problem for the informal sector was the 'lack of vertical integration into the next technological level' which is normally facilitated by a craft sector (1977: 206) According to King, Kenya's experience of vertically integrated modes of production had been through the activities of skilled Indian craftsmen and artisans; and this partly explained why the notion of the informal sector was not first applied to India or to countries with a continuing craft base. (1977: 206, 212)

The marginality thesis received wide currency among economists in the developed world where it was viewed as a 'subsystem in opposition to (and generally to the disadvantage of) the formal economic system.' (Connolly, 1985: 59)

Scholars of the marginality thesis 'assumed that the informal part of the economy would decline or disappear with modern industrialised growth'.... As a result of this assumption, 'the so-called informal sector failed to capture the attention of mainstream development economists in any significant way.' (Chen et al 2001: 3-4)

Connolly argued that the differing perceptions of the informal economy between the developed and developing world 'is fundamental because, even though certain shared characteristics could be identified, the developed and underdeveloped informal sectors necessarily fulfil widely differing theoretical and ideological roles; as concepts they

respond to different social and political preoccupations. (1985:59) Thus the marginality thesis may not be an appropriate model for analysing the informal sector in the developing world.

1.6.3 The Petty Commodity Production Approach

In contrast to the dualistic theory propounded by the marginality thesis, scholars from this perspective argue that ‘the informal economy is subordinated to the formal sector via direct links which enables the formal sector to extract surplus from the informal sector.’ (Natrass, 1987: 862) These scholars further argue that ‘in order to reduce their labour and input costs and thereby increase their competitiveness, privileged capitalists in the formal sector seek to erode employment relations and subordinate petty producers and traders.’ (Chen et al 2001: 9) The link between the formal and informal sectors is therefore viewed as one of structural exploitation. Moser (1978), Tokman (1978), Wellings and Sutcliffe (1984) are the key proponents of this approach.

According to Tokman the subordination of an autonomous informal sector operates mainly through the lack of access to resources of production and product markets. (1978: 1069) Moser argued that as a result of the ‘dependent relationship between large-scale capitalism and petty commodity production, policy solutions designed to assist the latter almost invariably end up by promoting the former and this contradiction could only be addressed through fundamental changes in the overall political and economic structure.’ (1978: 1062)

Focusing on the South African context, Wellings and Sutcliffe argued that the informal sector should be ‘conceptualised as a specific form of production and reproduction, which is dependent on, integrated with, and subordinate to the capitalist mode of production which therefore determines the space in which the informal sector may develop.’ (1984: 518) ‘The informal sector’s capacity to accommodate a large proportion of the unemployed was functional to the state in the sense that it solved a substantial fraction of the unemployment problem and further provided a substitute for more effective and appropriate welfare services.’ (Wellings and Sutcliffe, 1984: 523) This argument bears a parallel to De Soto’s Peruvian case study. De Soto (1989)

argued that the state developed structural and bureaucratic barriers aimed at undermining access to essential services for the bulk of the population. The explosion of the informal economy was therefore a response to an oligarchic state in which access to services and social justice was the preserve of a few.

Thus the petty commodity production approach identifies capital and the state as key factors with respect to the growth of informality. According to Castells, informalisation is a social process that often occurs with the acquiescence of the state. (1989: 27) The petty commodity production approach is useful in analysing the growth of informality as well as in explaining some aspects of the structural relationship between the formal and informal sector.

1.6.4 The Dynamic Approach

The dynamic approach challenges the marginality and exploitation thesis, on the basis of the dynamic nature of the informal sector. According to Thomas, the limited longitudinal studies of the informal sector meant that there was limited knowledge on its dynamics and role in the growth process despite the fact that globalisation has transformed the nature of work to the extent that certain types of informal work are now part of the production chain. (1990:89) This approach has been effective in capturing the transformation of work and new trends in the labour market. Chu (1992), Portes (1992) Standing et al (1996), Chen et al (1999) Rogerson (2000) and Carnoy (2000) are the leading proponents of this view.

Chu argued that there were observable nuances in the informal sector, for instance, some informal workers have higher income than their formal sector counterparts and therefore conventional statistical categories can be misleading (1992:422). He further noted that the marginality thesis ignored the dynamic links between the two sectors such as that some workers oscillate between the two sectors or even hold jobs in both sectors or that the formal sector 'preserves and recreates informal work.' Chu summed up his argument:

Later studies suggest that world economic downturn (since the mid-1970s) and intensified international competition have exaggerated the need for cost

reduction and flexibility in industrial production. This is held responsible for the perpetuation of informality in most export-dependent developing countries and in addition for the resurgence of informal work in major cities of the USA. (1992:424)

A key contribution of this approach is that it concretised the link between the formal and informal sector and sought to integrate informal sector workers in studies of the labour market. Chen et al were instrumental in attempts to count the 'invisible' workers of the informal sector. By including informal sector workers in labour market statistics, they sought to make the informal sector 'policy relevant' and highlighted the fact that activities in the informal sector are governed and affected by macroeconomic and sectoral policies and regulations.

In South Africa, the informal sector received prominence in research journals and dissertations in disciplines such as Town Planning, Urban Studies and Business Management. Within these disciplines, the emphasis focused on creating an enabling business environment for the informal sector to flourish. This includes urban planning policies to create dynamic zoning for traders as well as the development of infrastructure that aims to integrate rather than isolate the informal economy. Some of this work was undertaken by Kennedy (1992), Hirschowitz and Orkin (1994), Rogerson (1996), Dithlaga (1998) and Che-Fru (2000).

The volume produced by Hirschowitz and Orkin and commissioned by the Community Agency for Social Enquiry (CASE) was a study of various aspects of the informal sector in South Africa including the peculiar position of women and the skill levels that obtained in the informal sector. Rogerson's 1996 study, which was commissioned by the Development Bank of South Africa, was aimed at developing a policy framework, which would strengthen the capacity of the informal sector to contribute towards economic growth. At the conceptual level the report called on policy makers to disaggregate the informal sector and to distinguish between survivalist and growth aspects. Furthermore they were advised to embrace empirical studies on the informal sector and its segments. The report further recommended the development of policies aimed at developing viable enterprises, developing supply, service and production linkages between micro and tertiary enterprises.

One of the most comprehensive reviews of the South African labour market was the ILO commissioned study, which was carried out, by Standing, Weeks and Sender (1996). The study came at an opportune time, as it coincided with the work of the Presidential Commission to Investigate Labour Market Policy. The Presidential Commission acknowledged the ILO review as its major source of empirical information and a major source of influence in its approach. (SA Govt, 1996:x)

The ILO review provided a lucid account of how state regulation impacted on the nature and characteristics of the informal sector in South Africa. Against this backdrop, the report called for a substantial research programme on the impact of state regulation on the informal sector and for a disaggregation of the sector into various business categories. Such categories would be modeled on the Hirschowitz and Orkin report, which categorised micro-enterprises into a) survival businesses, b) units with a potential to expand and c) expanding units. (Standing et al, 1996:87-89)

This approach was motivated by the realisation that most micro-enterprises were in fact survival activities. 'Most analysts seem to agree that spaza operations have been predominantly survival strategies rather than an economic growth strategy.' (Standing et al, 1996:87) Standing et al further noted that men dominate the more productive aspects of the informal sector. Standing et al as well as Natrass argued that there were structural limitations that subordinated the informal sector and undermined prospects of its transformation. (1987:87) These limitations included low education, lack of skills, training, start up capital and credit.

However Standing et al (1996) and Mckeever (1998) took the analysis further by identifying South Africa's disempowering legislative framework as having created chronic damage to the potential of SMMEs. Mackeever identified four 'key' areas of detrimental regulation during apartheid, namely:

- Labour market restrictions
- Property and spatial land zones
- Regulations on the distribution of different categories of products and services
- Direct regulation of the informal economy. (1998:1215)

Mckeever noted that whilst these regulations were gradually ignored or abolished in the 1980s, they continued to affect formal economy labour market positions and opportunities well into the early 1990s. (1998:1215)

Mckeever embraced the dynamic approach and argued that ‘studies that conceptualise the informal sector as comprising either bad jobs or independent entrepreneurs were too simplistic’ and he preferred an analytical framework that would examine the ‘dynamic processes leading to variation and stratification of informal economy jobs.’ (Mckeever, 1998: 1214) Mckeever further called for the mainstreaming of the informal sector, arguing that an ‘attempt to improve employment through the informal economy was likely to reproduce and reinforce the social inequalities so entrenched in the formal economy.’ (1998:1235)

In contrast to the work of scholars such as Cachalia (1983) whose studies were distinctly oriented towards the visible informal business activities that dominated the inner city, the work of Rogerson represents a paradigm shift in the study of the informal sector in South Africa. Rogerson introduced the largely ‘invisible’ informal sector in his analysis. His survey of the informal sector in Gauteng included the crucial category of homeworkers. Women workers dominate this category, which is not confined to the inner city. More importantly, this category epitomises both the informalisation of formal work as well as the increasing feminisation of flexible labour. Rogerson argued that

while certain general “blockages” can be identified across all informal enterprises, for purposes of policy formulation and project development there is a need to disaggregate the analysis and focus on the specific problems that confront different types of informal enterprise (2000:690).

The conceptual clarity of the dynamic approach, and its attempt to disaggregate the informal sector, both statistically and conceptually gives it sound empirical validity as a theoretical model. It further provides a useful theoretical framework to study the informal sector in both the developed and developing world.

1.6.5 The Feminist Approach

The feminist approach has been represented in efforts to analyse the structural position of women within the informal sector. (Mitter, 1994, Razavi, 1995 Prugl, 1996, Elson, 1999)

Working within a somewhat different theoretical tradition, feminists also contend that informal work has emerged from such a broad structural context, and that much of this work is gendered...and that patriarchal institutions and values have been instrumental in creating a pool of low-waged, unprotected and flexible labour force. (Chu, 1992: 424)

Although part of the wider feminist project, this view has been specifically motivated by growing empirical evidence showing the disadvantaged position of women in the informal sector as well as the role of the informal sector in perpetuating existing gender inequalities. The link between working in the informal sector and being poor was found to be stronger for women than for men (Chen et al, 2001: 16). According to Beattie, 'there is a widespread tendency for women to remain trapped in the informal economy for much of their working lives, whereas for many men it is merely a temporary stop-gap. This difference has important implications for long-term income security (e.g. in old age).' (2000:132) Findings from the October 1999 Household Survey revealed that among employed African males, there was a shift from elementary to artisan and operator occupations but a similar trend was not evident among employed African females. (Statistics South Africa, 2001: 56)

Feminist scholars such as Nattrass (1987), Horn (1991) called for a new gendered approach to the informal sector, which would recognise the significance of the informal sector, particularly with respect to the employment of women. In pursuing the campaign for women's participation, Horn argued that a gendered approach would reduce the 'invisibility of women in economic analysis.' (1991:31) According to Chen et al, a gendered approach does not simply mean 'adding women on 'but understanding the relationships and how allocation and access to resources are mediated. (2001: 54) The call for greater visibility for women's work, led to more in depth studies of the role of women in the economy.

In her work on the participation of women in the South African economy, Verhoef attempted to disaggregate the economic data by gender. Verhoef included the informal sector in the analysis of the role of women in the economy, despite the fact that the official classification of 'economically active individuals, excluded the self employed.' (Verhoef, 1996:225) Verhoef found that by 1991 almost half of the people in the informal sector were women:

This trend, taken together with the rising (female activity rate) FAR and increasing levels of female education, indicates the increasing inability of the formal sector to absorb female labour. (1996: 229)

The ILO review of the South African labour market also pursued a gendered approach. According to Standing et al, women in South Africa 'have been disadvantaged by being concentrated in the least conducive segments of the labour market referred to by some authors as the 'secondary labour market.' (1996:405) Standing et al further noted that in 1991, 54.7 per cent of the informal sector comprised of women, 83 per cent of whom were African women. Rogerson also discerned a trend 'towards the feminisation of the survivalist kinds of informal enterprise with men dominating within the groups of growing micro-enterprises.' (2000: 680)

Standing et al highlighted several structural disadvantages which undermined the labour market position of women. These included:

1. Unequal schooling and training system
2. Disadvantage by sector of employment
3. Discrimination by income
4. Unequal occupational allocation of opportunities
5. A low degree of worker representation security. (Standing et al, 1996)

The development of skills was restricted through the Guidance and Placement Act No 62 of 1981, the Apprenticeship Act No 37 of 1944 and the Manpower Training Act No 56 of 1981. Entrepreneurship was curtailed through the following legislation:

- Black Urban Areas Consolidation Act No 25 of 1945
- Group Areas Act No 36 of 1966
- Licences Act No 44 of 1962
- Income Tax Act No 58 of 1962
- Unemployment Insurance Fund Act No 30 of 1966
- Health Act No 63 of 1977
- Physical Planning Act No 88 of 1967 (Standing et al 1996)

These legal instruments undermined both blacks and women entrepreneurs through restrictions on operating a business, through expensive licensing and protracted licensing procedures, restrictions on movement to lucrative markets in the cities, nebulous hygiene and public health standards, lack of access to certain types of businesses and other forms of restrictions. According to Rogerson the community of women beer brewers, who flourished in the Johannesburg slum yards 'were the first to suffer from the state's concerted drive to limit black small scale enterprise through policies aimed at cleansing the city by harassment, demolitions and an intention to maintain a municipal monopoly on sorghum brewing. (1991:370-1)

Legislation that worked to undermine good incomes such as the Industrial Conciliation Act No 36 of 1937 and the Wages Act No 5 of 1957 were partly responsible for the lack of start up capital for most black entrepreneurs (Standing et al 1996). The lack of capital was further compounded by segmented capital markets, which limited access to credit. (Rogerson, 1991)

In addition to segregation and apartheid (mainly for Black women) Bozzoli attributes the labour market disadvantage of women to the nature of their proletarianisation. She argued that the primacy of male proletarianisation and the lateness of women's proletarianisation was a disadvantage both in the urban and rural setting:

It is to the patterns of proletarianisation that we must look for an explanation of the fact that women entering the urban areas, while proletarianised (in that they were separated from the means of production), were not by and large to become part of the industrial proletariat. (1983:163)

In this context, Bozzoli argued that women were left with residual informal sector occupations where they could apply their rural occupational skills such as beer brewing. (1983: 164) Thus in the case of women, Bozzoli argued that South African capitalism had a 'peripheral character' which accounts for the 'resilience of women on the land, and for the non-capitalist character' of their occupations in urban areas. (1983:170)

According to Prugl and Tinker, women in home-based work are inserted differently into the labour force than men because of socially constructed roles, which tie them to the home. (1997: 1472) Thus homework exposes the contradictions in women's work, such as the passing of homework as household work and the subordination of women to the home (largely as dependent on the male breadwinner), even though they have independent contracts with formal enterprise. As a result,

Home based work, more than any other type of female employment, challenges the gender bias in constructions of workers as legal and economic subordinates.... On the other hand, they reveal that a dualistic understanding of workers as either employed or self-employed fails to capture the complexity of women's insertion in the labour market. (Prugl and Tinker, 1997:1476)

According to Elson, homework reflects how the market contingently adapts itself to exploit vulnerable workers. In 'general, risk-reducing mechanisms have been much more a feature of male forms of market participation. Such mechanisms include trade unions, job security rights, social insurance benefit, business and professional associations. Therefore the tendency to categorise workers as self-employed, or homeworking is often a way for employers to avoid including such workers in risk-reducing arrangements.' (Elson, 1999: 616)

However on a cautionary note, Bozzoli postulated that there was some compatibility of women's household roles and their work in the informal sector and highlighted the possibility that women sometimes chose to work in the informal economy. According to Bozzoli (1991) the informal sector provided forms of employment that could be combined with childcare and housework whereas domestic and factory work could not adequately provide for these household roles.

The informal sector appears to have operated as a defensive mechanism –both against full proletarianisation, and as a means of protecting the less than traditional household. By avoiding work that involved long absences the informal sector enabled women to partake in the construction of their own households. (Bozzoli, 1991:126-7)

The feminist view exposes the easy entry of women in the informal sector and their incomplete proletarianisation, which links their wage work with household work. It further helps to explain the structural position of women in the labour market.

1.7 Conclusion

The four approaches provide a rich framework for conceptualising the informal sector. Scholars within the four approaches are in agreement with respect to the informal sector's lack of voice representation and limited inclusion in policy discourse. The marginality theorists represented by the ILO are credited for giving wide recognition to the concept of the informal economy in development literature. However the dynamic approach and to a lesser extent the feminist approach brought a paradigm shift in the conceptualisation of the informal sector. The feminist model introduced a gender dynamic in the analysis of the informal economy. This is significant in view of the disproportionate number of women working in the informal sector worldwide. Gender scholars further demonstrated how the informal economy worked to perpetuate the link between women and their traditional household roles on the one hand and how women used informal sector work as a defensive mechanism against their proletarianisation. Thus historically the informal sector has a dialectical relationship to women. On the one hand it provides them with room to exercise agency and on the flipside it gives a free hand to forces (i.e patriarchy) that perpetuate their subordination.

The dynamic approach views the informal sector as a growth sector. It further conceptualises the informal economy as having an interdependent relationship with the formal economy, whereby in its quest for profiting the capitalist enterprise uses the informal sector to absorb certain risks as well as costs. Proponents of the dynamic approach argue in favour of mainstreaming the informal sector into the formal

economy. Mainstreaming is viewed as an important step in realising the full potential of the informal economy. The next chapter is a discussion of policy responses towards the informal sector.



CHAPTER 2

POLICY RESPONSES TOWARDS THE INFORMAL SECTOR

2.1 Introduction

Until very recently the burgeoning informal economy has received limited attention in national policy discourse throughout the world particularly in Africa. A key factor has been the conceptual debate as to what constitutes the informal sector. The lack of a clear definition led to an inability on the part of policy planners to record the extent and magnitude of the sector as well as its contribution to the economy; and this lack of statistical data meant that the sector was largely ignored in the economic planning process. (Peattie, 1987, Elson, 1999.) Some policy makers have failed to embrace the informal sector, and have treated it as a social problem, rather than as an economic sector that requires informed policy interventions. According to Adedeji, ‘the attitude of most African governments to the informal sector can best be described as ambivalent. Development plans put strong emphasis on employment creation and basic needs satisfaction, however the day to day reality is the harassment of the informal sector.’ (Adedeji, 1990: 168)

The outcome of the informal sector’s exclusion from policy discourse has had a negative impact on the management of the economy particularly in Third World countries, where the informal sector constitutes the bulk of the labour force. This argument is well elucidated by Portes, who argued that as a consequence of the ‘growth of informality, (i.e the increase in self-employment, established firms bypassing formal labour market to subcontract to sweatshops, homeworkers etc;) the real economy acquires contours quite different from those assumed by government planners.’ (1994: 444) The outcome of this paradox is that as state policy continues to ‘adhere to the assumption that the only real economy is the measured economy, it leaves itself open to increasing biases and distortions.’ (Portes, 1994: 444)

In calling for a policy shift, Elson argued that ‘maintaining a strong dichotomy between a formal sector in which attempts are made to set and enforce standards and

an informal sector which is left completely outside the realm of standards, will tend to undermine the purpose of having standards.’ (1999:624) Peattie also cautioned that if policy makers maintain this dichotomy they risk ‘glossing over the linkages which are critical for a working policy, and which constitute the most difficult elements politically in a policy development.’ (1987: 858) In their case studies of the informal sector in less developed countries, Portes et al found that the state has the ability to manipulate the boundary between the formal and informal sectors, and that the determination of such boundaries is open to political bargaining. (1989: 6)

Elson called for the implementation of universal basic standards in areas such as health and safety, minimum wages and the right to organise and bargain collectively. (1999 642) This call is premised on the assumption that these standards can be effectively extended to both the informal sector and the lower ranks of the formal sector. According to Okpaluba most SADC member states have a basic floor of rights but such rights are limited to employees (as defined in current legislation) and certain categories of workers are excluded. (2000: 8)

The case studies covered by Portes et al in their study of the informal economy in advanced and less developed countries revealed examples of successful ‘informal economies of growth. A factor of success that could be identified was that ‘the posture of state agencies in each instance of growth had been one of support.’ (1989: 302-3) The studies further revealed that people involved in the ‘informal economies of growth’ tended to demonstrate potential when threats to their survival were eliminated. (Portes et al, 1989: 307) This highlights the significance of basic rights, social security and employment protection for the informal sector.

Bajaj has identified three approaches to the organisation of the informal sector:

1. Administrative measures covering those things that can be accomplished with current laws through extending the reach, expanding the scope or making more effective the implementation of existing projects, schemes and programmes of governments; i.e registration of entities employing homeworkers and maintenance of records of homeworkers;

2. Organisation and empowerment of workers into an effective bargaining position and pressure group vis a vis employers and;
3. Legislation to bring these workers within the purview of national labour laws (1999: 5)

The various policy responses discussed below correspond with this typology.

2.2 INTERNATIONAL POLICY RESPONSES

2.2.1 The ILO

The ILO is the custodian of international labour standards and it is the key UN agency responsible for employment and labour market issues. Compared to many other development organisations, the ILO's tripartite governance structure is remarkably 'permeable.' (Razavi 1995: 48) According to Razavi, the ILO 's mandate has provided the most hospitable environment (for vulnerable groups) given the easy organisational fit between social justice and gender equality. (1995: 66)

Another strength of the ILO relates to its ability to monitor and enforce labour standards in ILO member states. All member states that ratify ILO conventions and those that have failed to do so have an obligation and a duty to report respectively. In line with article 19 of the ILO constitution, member states are required to ensure that they 'practically implement a convention and give it effect in law. (ILO, 1995:14) In line with ratification obligations arising thereof, article 22 of the ILO constitution requires each member state to submit an annual report on measures taken to give effect to the provision of conventions to which it is party. (ILO, 1995:15)

2.2.2 Measuring the Informal Sector

A key policy intervention was the development of an internationally accepted framework for defining and measuring the informal sector. (UN, 2000 a) Earlier disregard for the informal sector had been attributed to the 'lack of a standard definition and a common methodology for data collection.' (UN, 2000 a: 121) The new measurement framework was in the form of the Resolution on Statistics of

Employment in the Informal Sector adopted by the 15th International Conference of Labour Statisticians in 1993 which recommended that the concept and measurement of the informal sector be confined to non-agricultural and market oriented activities. The framework allows countries to adapt basic operational definitions to national circumstances and varying criteria such as registration and size of employment. (UN, 2000 a: 126) According to WIEGO, progress was made in compiling data on self-employment and the informal sector including statistics on non-agricultural self-employment by industrial sector in about 100 countries covering the past three decades. (WIEGO, 2000: 25)

However Charmes argued that, the 1993 definition did not clearly distinguish the category of outworkers. In the definition, the outwork category was split between the informal and formal sector thus making it difficult for outworkers to be captured as a single category. This gap was accentuated by the fact that employers would not voluntarily declare workers who would have to be identified at the household rather than at the enterprise level. The effect of this is perpetuation of the false linkage of remunerative home-based work with unpaid household work; and the underestimation of outworkers despite the fact that firms increasingly employ outworkers to maintain flexible labour markets and to bypass social and labour legislation. (Charmes, 2000a: 19, Chen et al, 1999: 605) As a result, WIEGO statistical experts have recommended a definition of place of work to be included in labour force surveys and population censuses.

Following recommendations of the Fourth World Conference on Women held in 1995, at least 22 countries including South Africa have begun work on national time-use surveys. (United Nations, 2000 b) Time use surveys are considered an important tool for measuring paid and unpaid work for men and women as well as increasing the visibility's of women's work both within and outside the household. In 2000 Statistics South Africa conducted the first national study of time use (published in 2001, *A Survey of time use: How South African women and men spend their time*). The survey sought to provide new information about the division of paid and unpaid labour between men and women and about less understood productive activities such as subsistence work and work in the informal sector. (Chobokoane and Budlender, 2002: 1)

WIEGO has further called for measurement of the degree of dependence. This call is motivated by evidence that large firms subcontract work to a significant proportion of streetworkers/vendors/traders. Secondly, a significant number of streetworkers were found to be dependent workers who were employed by formal traders (Charmes, 2000 a: 18). In his study of informalisation in Kwa-Zulu Natal's clothing sector, Fakude found that street traders were either self-employed or working on behalf of employers who are either manufacturers of locally produced garments, such as pinafores, or suppliers of imported goods. (2000: 15) Due to the lack of start up capital most street traders find it easy to enter into exploitative employment relationships with intermediaries and wholesalers.¹ According to WIEGO (1999), these trends raise serious gender issues as women represent the majority of workers in the category of streetworkers in most regions of the world.

2.2.3 The Recognition of Homeworkers

The second (ILO mediated) milestone was the adoption of an international instrument on Homework, the ILO Homework Convention No 177 of 1996 that gave employee rights to homeworkers. The convention is intended to harmonise labour standards concerning homeworkers, as well as to streamline their wages in line with national legislation. The convention is the first international treaty to set labour standards for the informal sector. (Chen et al 1999) The convention constitutes a significant victory for homeworkers, in view of past failures. In the late 1970s and in 1987, the Yorkshire Homeworking group (UK) and SEWA (India) respectively, failed to get approval of legislation aimed at improving the rights of homeworkers in their respective countries. (Prugl and Tinker, 1997: 1477-8)

Although countries such as Portugal and the United States of America (US) already recognised homeworkers in their national legislation, such legislation had been applied inconsistently. In the US for example, homework was proscribed for some TCF sectors through the Fair Labour Standards Act and it was subject to national legislative provisions on minimum wages and working hours. However the US maintained a two-tier system of restricted and unrestricted homework. (ILO, 2000 c)

¹ Interview with D. Jaars, GHA, 20/08/02

Similarly in Portugal homeworkers in the embroidery industry in Madeira were regulated (with a guaranteed salary and benefits) whereas homeworkers in the clothing and leather industry (in northern Portugal) were largely unregulated. (ILO, 2000 c) Thus the value of the ILO convention is that it will provide governments with the institutional mechanism to implement a standardised legal framework.

The ILO Homework Convention was adopted during the 83rd session of the ILO, with 246 votes in favour, 14 against and 152 abstentions. South African delegates from government (Selebi and Johannes) and labour (M.Malete) voted in favour whilst the delegate representing business abstained. (ILO, 1996a) The Convention came into force on 22nd April 2000 and it has been ratified by Finland and Ireland. The preamble to the convention stated that one of the motivations for the convention was that ‘many international labour Conventions and Recommendations laying down standards of general application concerning working conditions would be applicable to homeworkers. (ILO, 1996 a: 530) This entails that the ILO recognised the fact that in the technical sense, homeworkers are effectively employees. According to the Department of Labour (DOL), South Africa has not yet considered ratification and the government position on the Convention itself is very cautious. As one DOL respondent put it “it was a contentious convention at the time even in ILO and I think it is going to be a difficult convention to implement.”²

Since the adoption of the convention, the ILO held a number of symposia (mainly for trade unions) aimed at developing strategic options on how trade unions can deal with informal sector workers. Through its decent work programme the ILO encourages its members to focus more attention on vulnerable workers. The ‘Decent Work for All’ strategy aims to ‘promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The strategy adopts a broad perspective on work including work at home in order to take gender roles into consideration.’ (ILO, 2001 c: 4)

² Interview with Charlene Stepischneck. ILO-Division, DOL, 19/03/02

2.3 SOUTH AFRICAN POLICY RESPONSES

The state has a key bearing on the informal sector; it has an effect on its emergence, its magnitude and the form it assumes. As Portes (1994) has noted, successful informal economies of growth depend on a positive posture on the part of the state. Scholars of the informal economy have noted how a disempowering legislative framework as well as overregulation influenced the nature of the informal economy in South Africa. (Standing et al 1996, Bozzoli, 1983) However with the advent of a democratic dispensation, the South African state has now developed an empowering legislative framework aimed at redressing the labour market disadvantage of women, Africans and other historically disadvantaged groups.

2.3.1 The RDP

The Reconstruction and Development Programme (RDP) was the main policy framework of the post 1994 government. The RDP called for the development of micro-producers so that they may transcend from being a 'set of marginalised survival strategies into dynamic small enterprises that can provide a decent living for both employees and entrepreneurs.' It called for policies to be specifically targeted on women, who are represented disproportionately in this sector, especially in the rural areas. (RDP, 1994) The document further called for an integrated approach to micro-enterprises, and this would include facilitating access to credit, markets, skills, supportive institutional arrangements as well as basic rights. In pursuance of this objective, King asserts that the Department of Labour intends to use the Skills Levy from the Skills Development Act to 'subsidise skills training on micro-enterprises and rural non-farm enterprises. (2001: 99)

The RDP document recognised that 'a disproportionate share of the burden of poverty and inequality had fallen on black women who had been subjected to systematic gender oppression.' It therefore called for a specific programme to ensure government support for women entrepreneurs. (RDP, 1994 Part 4) The RDP further called for improved national statistics, as a precondition for effective policy responses. According to the UN, 'Statistics, though sometimes mind-numbing, are the engines that drive the decision-making process.' (UN Chronicle, 1995: 45)

2.3.2 Promoting Small Entrepreneurs

The Ministry of Public Enterprises (MPE) has defined operational empowerment as measures ranging from meaningful access to state regulated activities, training and skills development, affirmative action in management, to entrepreneurial opportunities through outsourcing, partnerships, procurement and easier access to financing. (2000) However it has noted that a key factor militating against increased investment in the SMME sector is the structure of the financial sector where only a few second tier banking institutions exist that can absorb savings and extend credit to SMMEs. Furthermore there is a dearth of strong alternative financial institutions providing credit to the self-employed for productive purposes. (Government of South Africa, 2000)

Limited support is provided to micro enterprises through Ntsika Enterprise Promotion Agency and Khula Enterprise Fund. Ntsika facilitates access to and coordinates provision of quality business support services to emerging entrepreneurs in SMMEs in accordance with the National Small Business Strategy (Rogerson, 2000: 686, National Small Business Act No 102 of 1996). Khula facilitates access to finance for SMME development. It 'acts as a national wholesale SMME funding facility providing loans, grants and guarantees for retail banking institutions servicing the SMME market (Rogerson, 2000: 686). Despite the existence of Khula Rogerson has argued that the nature and scale of existing finance is inadequate and that there is a dearth of support directed to women entrepreneurs and support groups or organisations of women entrepreneurs (2000: 690-91). According to Skinner and Lund,

the policy for the promotion of the informal sector is not well developed with respect to women's needs. Survivalists are identified in the emerging policy as a specific category of poorer economic actors with an acknowledgement that most are women. However there has been relatively little strategic thinking around the support strategies for this group as yet. (1999: 5)

This gap can be addressed through development of special purpose vehicles that target lending to female micro-entrepreneurs. The Swaziland Enterprise Trust Fund (ETF) is

a case in point. The primary goal of ETF (capitalised with R 44 million in 1995) is to create jobs by providing financial support to rural and female owned and operated enterprises (without requiring collateral). At first ETF used the same model as Khula whereby it provided this support mainly through intermediary organisations or 'safe' institutions such as banks and cooperatives. However ETF soon realised that it was still bypassing its most vulnerable target groups. ETF then modified its strategy by providing direct support to groups in the form of 'retail' lending alongside the wholesale lending. As of March 2001, ETF had a 91% repayment rate (ETF Annual report 2001).

2.3.3 Labour Market Reforms

According to the ILO, the overlap between being poor and working in the informal sector was found to be greater for women. (2001c: 9) Mckeever argued that in South Africa 67% of informal jobs were occupied by women as opposed to 35% of all other jobs. Women also occupy the least 'desirable' of the informal sector jobs. (Mckeever, 1998: 1218-24) Thus the extensive level of vulnerability for women in the informal sector requires some form of mainstreaming as most of the informal sector jobs held by women cannot be assumed to have the capacity for economic take-off. Thus it appears that the best approach is one that supports entrepreneurship for the 'stronger' elements of the informal sector, and mainstreaming measures for the vulnerable categories. This entails strengthening support for basic livelihood such as social security, maternity support, employment security, skills development and housing.

Employment security is defined as an institutional framework for continuing employment. (Dasgupta, 2001: 3-4) Dasgupta argued that security of employment for self-employed workers was dependent on availability of or access to credit to continue or expand the business, on the marketability of their products and services, and on the access to skill training to diversify to other work, in case markets for their existing products or services shrink (2001:3-4). Thus employment security is correlated to income and representation security. (Dasgupta, 2001: 5) This suggests that the employment environment should be one that facilitates continuous employment and basic rights (and voice) for workers.

Effective employment protection is determined by the following factors:

- Extent of coverage
- Sectors covered by these laws
- Work status covered by the laws
- The proportion of workers that are organised or unionised and
- Age group and size of establishments covered. (Dasgupta, 2001: 17& 21)

In South Africa there have been significant policy initiatives aimed at widening employment protection. These are in the form of legislation, namely the Basic Conditions of Employment Act, No 95 of 1997, Labour Relations Act No 66 of 1995, Skills Development Act No 97 of 1998 and the Employment Equity Act No 55 of 1988.

The Skills Development Act No 97 of 1998 (SDA) is one of the most significant policy initiatives aimed at transformation. It has a wide scope, covering even those outside full employment, such as the unemployed, women, and those in the informal sector. This universal access is made possible by the skills levy paid by companies to the state. Education is one of the main types of indirect social security and by extending access to skills development and learning, the SDA addresses one of the fundamental needs of the population. The Act seeks to develop the skills of historically disadvantaged individuals in an attempt to address the skill and occupational imbalances resulting from segregation and apartheid. The Act also recognises prior learning in the form of work experience and learners in this category will be eligible to a certified qualification. As part of its purpose, the Act seeks

- To promote self-employment
- To provide learning opportunities to new entrants in the labour market
- To assist retrenched employees to 're enter' the labour market
- To assist work seekers to find work,
- To improve the employment prospects of persons previously disadvantaged by unfair discrimination and to redress those disadvantages through training and education. (Skills Development Act, No 97, 1998)

The Basic Conditions of Employment Act No 95 of 1997 (BCEA) represents an interventionist approach to the labour market. The BCEA covers workers that are not covered by the LRA and it further establishes minimum conditions of employment for vulnerable workers. The express purpose of the BCEA is to promote development and social justice by establishing and enforcing basic conditions of employment. The BCEA provides for the establishment of an Employment Conditions Commission whose mandate is to secure a social safety net through the establishment of minimum wages in the form of sectoral determinations and variations, establishment of provident funds and sick funds.

Furthermore the Act provides that the Minister may deem certain categories of employees (not covered in existing definitions) to be employees for purposes of establishing basic conditions of employment and for making sectoral determinations. The BCEA is progressive legislation and an important mechanism for mainstreaming the informal sector. The BCEA was instrumental in establishing, provident and sick funds for workers in vulnerable sectors such as the cleaning and the taxi industries.³ However the ILO does not encourage social security based on provident funds:

“Provident funds involve the accumulation of an account of certain amounts and when risk appears the account is opened and the individual receives a large sum, which according to ILO conventions is not very good because lump sum payments can be squandered... the ILO favours social security schemes with regular payments and national legislation in socially developed countries make such schemes compulsory in order to provide minimum protection.”⁴

The DOL is also responsible for the Social Plan scheme, which is aimed at providing training (i.e entrepreneurship skills) to retrenched employees.⁵ The Social Plan also facilitates arrangements for workers who want to use retrenchment packages as collateral for business loans. (Hayter et al, 2001: 92) The Social Plan is however largely confined to the mining sector. The plan includes mineworkers who are not South African citizens. Officials within the DOL have mooted it as a forerunner to more comprehensive initiatives for harmonising regional labour standards.

³ Interview with Anne Marie Van Zyl, DOL, 11/04/02.

⁴ Interview with N. Shinkov, ILO, 23/03/02.

⁵ Interview with E. Ramaite, DOL, 06/11/01.

2.4 Trade Union Responses to the Informal Sector

The increasing importance of social protection to cushion workers against the vagaries of flexible production, has led to legislative reforms similar to those of the BCEA. However, Mitter has argued that such legislation can only be of effect, when organised workers 'help to enforce it.' (1994: 31) As Portes et al have argued, informalisation creates a new geometry of class relations requiring a minimum level of social protection and adaptive modes of organising. (1989: 309-10) It is therefore our interest to examine whether organised labour has woken up to this new reality and the extent to which it has embraced the informal sector.

According to Yu, globalisation and increasing informality is 'causing widespread rethinking about how unions should respond to the changing forms of work in order to meet the expectations of workers in general and their membership in particular.' (1999: 48) Beattie argued that the labour movement has actually experienced a shift in thinking, which has largely been inspired by the increasing risk of formal workers to end up in the informal sector as well as the competitive advantage of firms employing atypical workers. (2000: 132)

The ILO has been leading efforts to orient the trade unions on their changing roles as well as the changing nature of the labour market. In 1999, the ILO hosted an International symposium on Trade Unions and the Informal Sector. The purpose of the symposium was to discuss ways to organise and represent the interests of workers in the informal economy more effectively. (ILO, 2002) According to Gallin the ILO organised the meeting after it realised that the importance of organising the informal sector was not equally recognised by all sections of the labour movement. Instead the labour movement demonstrated confused and contradictory perceptions of the informal sector. (Gallin, 1999: 1) This is despite the fact that changes in the structure of the labour market makes it 'impossible to conceive of organising workers at the global level without considering the informal sector.' Furthermore, it is only through organising the informal sector that the trade union movement 'can maintain a critical mass in terms of membership and representativity for it to remain a credible social and political force.' (Gallin, 2000: 4)

2.4.1 Establishing an International Coalition

An ILO Symposium on the Social and Labour Consequences of Technological Developments, Deregulation and Privatisation of Transport (held in Geneva, 20-24 September 1999) resolved that the tripartite partners, namely organised labour, employers and governments, should work towards the creation of conditions conducive to the integration of informal sector workers, be they independent traders or employees of micro and small businesses into the mainstream economy. (ILO, 2000 a) As part of its resolutions the Ninth African Regional Meeting of trade unions, (held in Abidjan, 8-11 December 1999) called for the implementation of measures aimed at promoting the progressive integration of the informal sector into the formal sector. They further requested the ILO to assist countries in designing and developing sustainable and viable systems of social protection, which extend coverage to the entire population and especially to the informal sector. (ILO, 2000 b)

Okpaluba has argued that the task of defining standards is not only an issue for the state, but requires the attention of the social partners, namely organised labour, business and the state. (2000: 20) This therefore suggests that mainstreaming efforts for the informal sector are not the exclusive preserve of the state, but rather there is a vital role for labour as well as the state. In line with the role of labour, SATUCC, which comprises of trade union federations in most SADC countries, has developed a SADC Social Charter of Fundamental Rights aimed at harmonising labour standards across the SADC region. The objectives of the Charter include organising women and extending social protection to vulnerable workers. (SATUCC, 2001) At present, the Charter is awaiting ratification by SADC heads of state.

Groups within the informal sector itself have also been organising at a global level. These groups, most of which are women based, have demonstrated the unprecedented social capital that individuals (particularly women) can import into organisations. SEWA and its global campaign for the Homework Convention is a case in point. The campaign involved extensive lobbying and networking by women and groups representing homeworkers worldwide. The 'Homework movement' organised its members through international study circles, which proved to be an effective method of global organising. It is this rigorous form of organising that Gallin attributes to the

success of the Homework Convention on the one hand and the lack of it, which led to the failure of the Convention on Contract Labour. (1999, 2-4)

Experience relating to the Homework Convention inspired the formation of WIEGO (Women in the Informal Economy: Globalising and Organising), which is an alliance of SEWA, Homenet, Streetnet, Harvard University and UNIFEM.

WIEGO is a global coalition of those who are concerned with improving the status of women in the informal sector of the economy and those who are concerned with building the organizations and strengthening the bargaining power of those women at the local level and also at the international level. WIEGO aims to improve the status of women through better statistics, research programmes and policies. (WIEGO, 2000: 5)

WIEGO's founders were motivated by a 'lack of public recognition and policy support for the informal sector.' Its priority areas are: urban policies, global markets and investment patterns particularly as they affect homebased workers, social protection, statistics on the size and contribution of the informal sector organization of and representation of informal sector workers in relevant policy making bodies at all levels. (WIEGO, 2000: 7) According to WIEGO, 'organising in the informal sector is a gender issue and means organizing women as women are over-represented in the informal sector.' (2000: 21)

According to Ratnam, several micro-level case studies on organising workers in the informal sector (in India) pointed to the need to forge a wider platform and broad alliance to focus attention on the larger policy framework rather than the unit in isolation. (1999: 41) According to the DOL, trade unions (except SATAWU) played a marginal role in organising vulnerable workers earmarked for BCEA protection. The DOL had to scout around for representatives of these vulnerable workers as well as conduct public hearings.⁶ The non-participation of federations such as COSATU indicates that the process of forging long-term broad alliances aimed at addressing the informal sector policy framework (as elaborated by Ratman) has not yet manifested itself in South Africa's labour movement. This is despite the labour movements'

⁶ Interview with A.van Zyl, DOL. 11/04/02

familiarity and (reasonable) success with alliances such as the COSATU/SACP/ANC tripartite alliance as well as consensus driven forums such as NEDLAC.

2.5 Conclusion

The advent of the ILO Homework Convention was a significant victory for the informal sector on a world scale. The SEWA led international coalition was also a milestone for women's global solidarity. The key challenge is the ratification of the Convention by the member states and the subsequent translation of the convention into national policies and programmes. This stage will provide a 'litmus test' for the social partners particularly labour and the state, with respect to their commitments to mainstreaming the informal sector. Although the Convention is now open to ratification, it has received negligible attention in South African labour policy discourse.

State responses such as those encapsulated in the RDP have appropriately problematised the informal sector within the dynamic approach. However this conceptualisation has not been widely translated into policies and programmes. This lacuna is exemplified by policy responses aimed at transforming the labour market. Labour market reforms are largely oriented towards the wage-earning sector and therefore there is the underlying danger that existing disparities between workers in the formal and informal economy will be maintained. However the extensive coverage of the SDA, which extends beyond the formal wage sector is a positive development.

Despite the social movement discourse that seems to prevail in regional and international fora, organised labour within South Africa has not effectively embraced the informal sector. The experience of WIEGO indicates that organising the informal sector is a gender issue and thus little headway can be made in embracing the informal sector unless there is corresponding change in gender relations particularly within the labour movement. The next chapter is a discussion of the methodological framework of the study.

CHAPTER 3

RESEARCH DESIGN

3.1 Introduction

The study was carried out through a qualitative research approach whereby data was collected through unstructured interviews. According to Creswell, the method of qualitative research explores a social problem, within a holistic picture; it involves in-depth interviews, it normally occurs in a natural setting and the qualitative research question normally starts with what? or how? as opposed to the why? oriented questions used in quantitative research. (1998: 17)

The study has attempted to satisfy these methodological aspects. It is an exploration of a social problem, relating to the informal sector and its marginalisation. Secondly the early parts of the study sought to develop a fairly comprehensive theoretical framework of the informal sector in a global context. Thirdly the study involved in-depth interviews ranging from 35-92 minutes and fourthly most respondents were interviewed in their place of work. The interview guide is attached as appendix A.

According to Huysamen, unstructured interviews are usually employed in exploratory research to identify important variables in a particular area, to formulate penetrating questions on them and to generate hypotheses for further investigation (1994: 17). By problematising the policy responses to the informal sector the study has been able to unravel some of the variables that undermine informal sector mainstreaming and it has also identified interesting questions for further enquiry. It is by stimulating further research interests that a study of this nature goes beyond what Creswell refers to as the qualitative narrative.

Qualitative research is both inductive and interpretive with a strong interdependence between theory and research. Creswell described the inductive approach as one of an 'emerging design' whereby the researcher begins with general questions and refines them as the study proceeds. (1998: 78) Bulmer refers to analytical induction as a more guided procedure, intended to maintain faithfulness to the empirical data while

abstracting and generalising from a relatively small number of cases. (Bulmer 1984: 253) Bulmer outlined four steps in the analytical induction process, namely articulation, logical correctness adaptation to the structure of the situation and adaptation to the respondent's frame of reference. Articulation means aggregating similar observations into small groups, proceeding from the general to the particular. Bulmer argues that such categories should be mutually exclusive and once these mutually exclusive categories are formed, they have to be adapted to the material and problem being studied. The fourth step involves presenting as clearly as possible, the respondent's own definition of their situation (Bulmer, 1984: 253-4). In this study similar observations were categorised into themes and the respondents were allowed to express themselves as much as possible on the respective themes.

According to Creswell, a hallmark of qualitative research today is the deep involvement in issues of gender, culture and marginalized groups in general. (1998: 19) The specific attention focused on SEWU enabled the researcher to analyse trade union responses within the social movement unionism paradigm premised on social integration and networks of solidarity. According to Moody, social movement unionism arises from the recognition that while the new industrial working class has a great deal of power within the economy, unions of industrial workers can only compose a minority of this new class and this necessitates forming alliances and integrating with other organisations of the class such as unions in other sectors of the economy, women led organisations etc. (1997: 207)

3.2 Interview Themes

Taking the ILO Homework Convention, as a point of departure, the study examined the views of organised labour towards mainstreaming the informal sector. Thus an attempt to establish evidence of informality and the subsequent response of organised labour informed the interview themes. Awareness of the ILO Homework Convention was useful in determining the awareness of trade unions to international policy responses towards the informal sector. An attempt was made to measure the responses of organised labour through the views of policy-making bodies and stakeholders such as the ILO and DOL. Interviews with policy makers and stakeholders were used to both contextualise the existing policy framework as well as to measure the

involvement of trade unions in mainstreaming programmes. Thus interviews with policy makers and stakeholders pursued similar themes as those with trade union respondents.

An examination of organised labour's commitment to the informal sector was pursued through the theme on affiliation or other forms collaboration with informal sector organisations. A detailed discussion of the discourse between the informal sector and trade unions informed the theme on SEWU. The specific theme on SEWU further sought to unravel the gender dynamics within the informal sector. The salient position of women in the informal sector informed the theme on organising women. This theme was premised on the assumption that the extent to which trade unions were able to organise and respond to the needs of their female membership would be an important variable in organising the informal sector, particularly in view of arguments that organising the informal sector is a gender issue. (WIEGO, 1999) The theme on extending social security to the informal sector was informed by the predominance of vulnerable workers (i.e who lacked basic social and employment protection) within the informal economy. Following the inductive approach, the study commenced with broad general themes, which were refined and developed in the process of interaction with respondents. The interview themes were as follows:

Trade Unions

1. Views on the ILO Homework Convention
2. Views on organising women
3. Current experiences in organising the informal sector
4. Organised labour's affiliates in the informal sector
5. Organised Labour's view and (possible) collaboration with the Self Employed Workers Union of South Africa (SEWU).
6. Forms of atypical work within the TCF sector

7. Views on mainstreaming the informal sector
8. Policies and best practices towards the informal sector
9. Views on extending social protection to the informal sector

Policy-Making Bodies

1. Views on mainstreaming the informal sector
2. Policy responses towards the informal sector (priorities and programmes)
3. Ratification of ILO Homework Convention No.177
4. Views on labour responses to the informal sector
5. Views on extending social protection to the informal sector



3.3 Data Collection

The data was collected through qualitative unstructured interviews. According to Pawson, unstructured interviews allow the interviewees' reasoning process to take off. He advocated the creation of a situation in which the theoretical concepts under investigation are open for inspection in a way that allows the respondent to make an informed and critical account of them. (Pawson, 1996: 313) Huysamen argued that between the completely structured interview and the completely unstructured one, various degrees of structuredness are possible. Instead of an interview schedule, interview themes/guides can be used and these have a list of topics and aspects, which have a bearing on the given theme. (1994: 145) Huysamen argued that this type of interview may be considered when experienced and expert interviewers are available for conducting the interview (1994: 145). In this study the researcher, (crafted the questions and) conducted the interviews, which qualifies him as an appropriate interviewer for the unstructured interview. The researcher was able to tease out and probe the key issues envisaged by the study.

The unstructured interviews were audio taped and transcribed. Recording was carried out with the explicit permission of the respondent. Only two respondents declined a recording of the interview and in one instance the recording was discontinued due to a high level of background noise. In both these instances the researcher had to rely on written interview notes.

According to Huysamen (1994), analytical induction uses negative evidence to build a dependable theory. Data collection is carried out until the researcher reaches a level where he is satisfied that he has unravelled almost all possible relevant data. 'The unstructured interview (or series of interviews) is terminated when a point of saturation is reached, that is, when the topic under discussion is exhausted and further interviewing is unlikely to reveal any new perspectives.' (Huysamen, 1994: 176) This approach is used to determine the final size of a sample under investigation. Although it is not possible to employ the term saturation, the researcher did reach a point where it was felt that further interviews would not reveal new perspectives in labour responses to the informal sector. This determination was further enhanced by the fact that the study had covered all the main trade unions in the TCF sector. However the regional interviews did reveal certain interesting permutations that can lead to future study. An example is the racial undertones that seem to inform homeworking and subcontracting in KwaZulu-Natal.

3.4 Sample and Techniques

The researcher carried out in-depth qualitative interviews with 8 trade union respondents in the TCF sector to test the commitment of organised labour to mainstreaming the informal sector. The respondents were trade union office bearers in significant decision-making positions. In addition to being the custodians of trade union policies and values, these respondents provided a useful reference for contextualising existing policy responses towards the informal sector, particularly state responses. The respondents are from the main trade unions in the TCF sector. These have a national membership and three of them are affiliated to the three main federations in South Africa, namely COSATU, FEDUSA and NACTU. In terms of trade unions in the TCF sector, the sample is representative. Interviews conducted with respondents from the three federations helped to validate the findings from the

TCF sector respondents. There was also a respondent from SATAWU' who represented the contract cleaning and domestic work sub-sector, which is dominated by women. The mainstreaming efforts of Unite Canada and Australia's TCFUA are used as international precedents and examples of good practice towards the informal sector.

Non-probability sampling techniques were used to identify respondents. This involved a combination of purposive, snowball and accidental sampling (although this was limited to one case). According to Huysamen in purposive and snowball sampling, preference is normally given to key informants who, on account of their position or experience, have more information than regular group members and are better able to articulate this information. (1994: 176) There was a conscious intention to avoid accidental sampling and this technique was used in one instance, when the identified respondent excused himself from an interview due to other pressing duties. Although the same respondent introduced the researcher to the new respondent that was regarded as accidental because that particular respondent had not prepared for an interview.

3.4.1 Purposive Sampling

According to Creswell, the purposive selection of participants represents a key decision point in a qualitative study. (1998: 118) Huysamen described purposive sampling 'as the most important kind of non-probability sampling; whereby researchers rely on their experience, ingenuity or previous research experience to deliberately obtain participants in such a manner that the sample obtained may be regarded as representative of the relevant population.' (1994: 44) The study selected respondents from trade unions in the TCF sector who were on or above the level of a union organiser. Trade unions that had organisers in more than one sub-sector (i.e. SACTWU) had more than one respondent. Purposive sampling was also used to identify key informants in the DOL and ILO.



3.4.2 Snowball Sampling

This technique relies on a few members of the population to identify other members of the population. (Huysamen, 1994, Fink, 1995) According to Fink, this technique is used when a population listing is unavailable and cannot be compiled. (1995: 34) In this study, this technique was used to identify trade unions that were not listed in the directory of trade unions. The technique was also used to identify important stakeholders in the mainstreaming process such as SATAWU. It was further applied to identify other important role players in the labour sector such as COFESA.

3.5 Data Analysis

Creswell argued that there is no consensus on the analysis of qualitative data, however most approaches have common steps commencing with a general review of the information, sorting the information and reducing the data by subject or theme. (1998: 140) In the study, information was classified according to the selected themes. The themes inform the structure of the research report.

3.6 Standards in Qualitative Research

According to Ornstein, effective policy research requires more subjective measures, which might be reliable but whose validity is difficult to establish. (1998: 17) He further noted that the distinction between qualitative and quantitative research corresponds to the difference between textual and numerical data, and also to orientations to particular as opposed to sampled general populations. (Ornstein, 1998: 118) In view of this distinction, qualitative researchers have developed a different set of standards for assessing the quality of qualitative research. Furthermore, qualitative concepts such as credibility, transferability, dependability and confirmability have been developed to correspond with the concepts of validity, reliability and objectivity employed in quantitative research. (Creswell, 1998: 197)

Credibility

Refers to the trustworthiness of the study and it is established through prolonged field research, saturation and triangulation in order to make the research confirmable and dependable. (Creswell, 1998)

Triangulation

Triangulation is the use of multiple and different sources, methods, investigators and theories in qualitative research to provide corroborating evidence. (Creswell, 1998: 202)

Population Validity

Population validity refers to ‘the degree to which findings obtained for a sample may be generalised to the total population to which the research hypothesis applies.’ (Huysamen, 1994: 45) According to Huysamen, generalisations from the experimentally accessible to the target population can only be made on extra-statistical grounds i.e. by extrapolation (1994: 45). In the study, the trade unions in the TCF sector constitute the experimentally accessible population, whereas the entire South African labour movement would constitute the target population. However the interviews conducted with COSATU, FEDUSA, NACTU, SATAWU, DOL, GHA and SEWU were useful in the process of extrapolation since these views are subsumed within a national context.

3.7 Limitations of the Study

Like most qualitative research, the study has its limitations similar to those outlined by Lazarsfeld:

The limitations of survey methods are obvious. They do not use experimental techniques; they rely primarily on what people say and rarely include objective observations; they deal with aggregates of individuals rather than

with integrated communities; they are restricted to contemporary problems. (in Bulmer 1984: 55)

The use of non-probability sampling and the limitations accruing from the size of the sample itself can be held against a study of this nature. Secondly, although the researcher may mean well in the use of the interview technique, there is always the danger of the questions creating a response rather than 'eliciting it.' (Marsh in Bulmer, 1984: 99) It can be argued that the use of unstructured in-depth interviews and the use of extensive probing contributed to the mitigation of this problem. Ornstein argued that information gathered in a one-off survey is limited by time. (1998: 116) This limitation was mitigated by the advantage of having to bounce off common themes and gaps identified from previous interviews with the next set of respondents. Thus the study was characterised by a genuine process of feedback and testing.

Ornstein further noted that often too little effort is spent on understanding what respondents know about survey topics and how important the topics are to them and the standard format of asking a respondent whether they have an opinion on a question does not provide this information. Another fundamental problem is the limitations on the part of respondents both in terms of memory and variability in how a question is asked, understood and answered by different respondents. (1998: 116) However the fact that most respondents were experienced trade unionists with first hand experience of informality and atypical work arrangements, helped to minimise the first limitation. The second limitation was alleviated by fact that all respondents were part of or had worked in the TCF sector. Ornstein's argument that one cannot standardise respondents and their context was countered by the use of unstructured interviews as well as by interviewing respondents in their occupational settings. The use of recording devices also helped to create a conversational climate where the respondents could express themselves without interruption.

3.8 Conclusion

The study attempted to meet all the methodological requirements of qualitative research. The research data was classified according to the interview themes. The

sample was based on trade unions in the TCF sector. The next section, which is a discussion of the findings, is structured according to the themes. However some of the related themes have been consolidated into a single subheading. The ILO Homework Convention is, for example discussed in the section on mainstreaming the informal sector.



CHAPTER 4

RESEARCH FINDINGS

4.1 Introduction

This chapter is a discussion of the main findings of the study. It is structured according to the main themes introduced in the previous chapter. As pointed out in the first chapter the study is an attempt to examine the dynamic relationship between trade unions and the informal sector. Within the TCF sector there are several variables that come into play when considering this subject. The nature of informal work within the sector, the conditions of employment and the composition of trade unions are some of these variables. The early parts of the chapter therefore include a discussion of these factors.

Since the study is premised on examining the discourse between trade unions and the informal sector, the chapter includes a fairly extensive number of quotes. These provide a rich tapestry of the mainstreaming discourse. The predominance of women in the TCF sector and their marginalisation partly explains the strong attention given to gender dynamics particularly in sections 4.5, 4.6 and 4.7. Evidence of informality within the TCF sector is discussed in section 4.8. Mainstreaming and social protection are discussed in section 4.9 and 4.10 respectively. As an attempt to relate the study to a global context the section on mainstreaming commences with a discussion of international experiences. Section 4.11 discusses trade union responses to informality.

4.2 Profile of Respondents

Female Respondents

Within the mainstream trade unions in the TCF sector, the researcher was able to interact with only two women respondents (out of a total of eight) because most of the full time union officials were male. There were a total number of eight female respondents including those from federations, SATAWU and SEWU. The FEDUSA

and NULAW respondents were the first women to hold the respective positions of president and provincial organiser. This reflects the contrast between the men and women respondents. The FEDUSA respondent was in her third term as president. The SACTWU and NULAW respondents had ten and five years experience as union organisers respectively. The respondents from SATAWU FEDUSA and SEWU were women. Among the respondents representing the DOL, three of them were women.

Male Respondents

The research was able to interact with six male respondents, representing trade unions in the TCF sector, namely SACTWU (2), NULAW, NACTWUSA, NACUSA and TAWU. These were experienced trade union officials who had spent between 6 and 25 years as union officials (within the TCF sector) in different capacities. There was one male respondent from the informal sector representing GHA.

Positions and Experience

All the respondents were occupying leadership positions that link them to the policy process in their respective trade unions. As part of their work these respondents represent their respective unions in the bargaining councils, decide in which companies and sub sectors to organise new members, liase with the federations on behalf of their unions and some participate in NEDLAC. The respondents from NACTWUSA, NACUSA, TAWU and SEWU were formerly with SACTWU. However they did not display any discernible bias against SACTWU.

Table 1: Positions held by Trade Union Respondents

Trade Union of Respondent	Position Held
NACUSA	Deputy General Secretary
NACTWUSA	President
NULAW	Provincial Organiser
NULAW	Provincial Organiser*
SACTWU	Provincial Coordinator
SACTWU	Provincial Organiser
SACTWU	Provincial Organiser*
TAWU	General Secretary
FEDUSA	President*
COSATU	Gender Coordinator*
NACTU	Gender Coordinator*
SATAWU	National Coordinator*
SEWU	General Secretary*
SEWU	National Education Coordinator*

*Female Respondents.

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4.3 Profile of Trade Unions

SACTWU

The South African Clothing and Textile Workers Union (SACTWU, formerly the National Union of Textile Workers) is historically the largest trade union in the textiles and clothing sector. SACTWU is affiliated to COSATU. Although it draws the majority of its members from garment manufacturing, textile and clothing sector, SACTWU also organises in the leather and footwear, knitting and tanning, wool pulling and fellmongering, canvass and rope working, laundry, dyeing and dry cleaning sectors.

SACTWU is the largest trade union in the clothing and textiles sectors with an estimated membership of 11 000 mainly concentrated in Cape Town which is

followed by Durban and then Gauteng. However Gauteng has the largest membership in terms of the leather sector. The current membership of 11 000 represents a decline of more than half when compared to the estimated figure of 25 000 members in 1985. The decline is attributed to the post-1994 reduction in tariffs, which led to factory closures, and retrenchments particularly in the labour intensive leather sector.⁷

The decline in jobs due to tariff reductions holds true for the leather sector. According to the ILO, the South African accelerated tariff reduction and rationalisation programme which took effect in January 1995 exceeded WTO recommendations i.e tariff reductions were below WTO binding levels, signaling a strong commitment to trade liberalisation by the new government. (Hayter et al, 2001: 12-13) The ILO further argued that relative employment losses related to tariff reductions were higher in export-oriented sectors such as leather. (Hayter et al, 2001: 58) According to SACTWU, the tariff reduction programme did not have a safety net for job losses.

“In the 1993 National Congress, our union took a decision that we cannot wish away globalisation, therefore what we needed was to be given enough time, to challenge at the operational level, the effects of globalisation. However the problem we had is that during the GATT negotiations, the ANC took a different view in that they wanted an accelerated tariff reduction for us to be accepted in the world economy and the effect of that was massive job losses in South Africa particularly in the leather sector because it is labour intensive.”⁸

NULAW

The National Union of Leather and Allied Workers (formerly the Transvaal Leather Workers Union) is currently the largest trade union in the leather and footwear sector, with 12, 344 members. NULAW is affiliated to FEDUSA, which is the second largest trade union federation after COSATU. NULAW and the Farm, Food and Rural Workers Support Association are the only blue-collar unions in the predominantly

⁷ Interview with C. Leuw. SACTWU, 10/04/02

⁸ Interview with J. Mahlatsane. SACTWU, 22/04/02

white-collar federation. NULAW organises in the leather and allied sectors which include; footwear, handbags, general goods, shoe retail and distribution. NULAW experienced a rapid decline in membership from an estimated 40 000 in 1984 to 12 000 in 2001. The membership is concentrated in Cape Town followed by Durban, Pietermaritzburg and Gauteng respectively. The decline in membership is attributed to factory closure as a result of tariff reductions and the importation of cheap foreign products after 1994. In terms of regions, the decline in membership was also attributed to the emergence of SMMEs in Cape Town, specialising in the niche market of general goods and handbags and to the increase in ‘backyard outsourcing’ in Durban and Pietermaritzburg.⁹

According to Hayter in 1995, unit labour costs in labour-intensive manufacturing sectors (such as textiles, clothing and footwear) were indeed higher than in several other African countries and higher than those of potential Asian competitors such as Bangladesh, India and Indonesia specialising in unskilled labour intensive products. (Hayter et al, 2001: 58) Hayter therefore corroborates the view held by NULAW that cheap foreign imports contributed to job losses in the leather and footwear industry. With regard to regional variations, the NULAW view is also held by Fakude (2000) who argued that in Cape Town, manufacturing was directed towards upper chain and export markets whereas Kwa-Zulu Natal was catering to the lower market segment and therefore more prone to the informalisation of production.

NACUSA

The National Canvass Union of South Africa is an independent union organising in the rope, tans, tarpaulin, bedding, clothing, and textiles sectors. NACUSA is the newest arrival, having registered in 2001. NACUSA is made up of members who broke ranks from SACTWU. The NACUSA leadership is also comprised of former SACTWU organisers. NACUSA membership is estimated at 1, 500 and is concentrated in Gauteng, Mphumalanga and North West Province. However despite the seemingly low membership, NACUSA is the main trade union in the canvass and goods sector and it is part of the industry bargaining council.

⁹ Interview with D. Diale. NULAW, 17/04/02.

TAWU

The Textile and Allied Workers Union is an independent trade union based in Durban. TAWU was officially formed in 1986 as a breakaway from the then National Union of Textile Workers (now known as SACTWU). TAWU membership as of February 2002 was estimated at 1000 spread between Kwa-Zulu Natal and Gauteng. Like the other unions, TAWU experienced a decline in membership from 6,500 in the early 1990s reportedly due to 'heavy retrenchments and closures' in the industry.¹⁰ TAWU organises in the textile, clothing, leather and canvas sectors and the bulk of its membership is working in textiles.

NACTWUSA

The National Clothing and Textile Workers Union of South Africa is affiliated to the National Council of Trade Unions (NACTU). NACTWUSA was registered in 2001 and it organises in the clothing, textiles, leather and canvass sectors. NACTWUSA was started as a project of NACTU in the TCF sector and a significant number of its members are former SACTWU members who were reportedly disillusioned with SACTWU operating on the basis of closed shop arrangements.

Gender Ratio

Women were found to constitute a majority of workers in the TCF sector and they are concentrated in work that requires a lot of stitching and sewing such as glossing and tanning respectively (see table 2). Women also dominate the membership of trade unions within the sector. However the profile of the leadership as well as the gender discourse are not indicative of this positive ratio. This issue is further dealt with in section 4.5.

¹⁰ Interview with I. Ndlovu. TAWU, 07/05/02.

Table 2: Trade Union Membership by Gender Percentage Ratio*

Trade Union	Female	Male
SACTWU	60	40
NULAW	61	39
NACUSA	80	20
NACTWUSA	50	50
TAWU	65	35

*Ratio figures cover the period up to February 2002.

SEWU

The Self-Employed Women's Union (SEWU) is not a mainstream trade union and it is not registered with the Registrar of Trade Unions. It mainly organises workers in the informal sector. However SEWU has all the trappings of a trade union and its activities cover trade union activities and those of a self help movement. It is therefore difficult to categorise SEWU appropriately. However in this context SEWU is discussed as an organisation of informal sector employees and its experience and interaction with the mainstream trade unions will be an important part of this narrative.

Pat Horn, a former trade union official with the Paper and Allied Workers Union (PAWU) founded SEWU. The decision to establish a women only union was informed by Pat Horn's experience with the mainstream trade unions. She realised that women had a limited awareness of their rights and that women were not taken seriously even in instances where they commanded a majority in terms of the membership. "Even in the unions where women had a 90% membership one would find that when it comes to leadership, only men took seats in the leadership."¹¹ Horn was also inspired by her experience of SEWA during a visit to India. On returning to South Africa she raised funds to establish SEWU, which was then called EFESWU (Establishment for Self Employed Women's Union). SEWU was launched in 1994.¹²

¹¹ Interview with N. Malemebe. SEWU, 07/05/02

¹² Ibid.

SEWU's vision is to empower women to move into predominantly male occupations. In line with this vision, SEWU provides a training subsidy, which amounts to eighty per cent for women training in traditionally male oriented skills and a fifty per cent for women oriented skills. In terms of its aims and objectives, SEWU works to:

1. Build unity between women whose work, which they do for a living, is not recognised
2. Assist women to organise and gain access to credit, skills training, health and social welfare benefits
3. Develop leadership skills for women outside the formal sector (SEWU, 1997).

SEWU has 5000 registered members concentrated in Natal and the Eastern Cape. SEWU also has members in the Western Cape, Mphumalanga and the Free State. However the current paid up membership is 1, 500 and this is attributed to problems in rolling out the new debit order subscription system and due to hiccups faced by some members when opening bank accounts.¹³

4.4. The Profile of Employees and Conditions of Employment

Most respondents corroborated the view that wage rates in the TCF sectors are extremely low. The profile of working conditions for permanent employees in the sector will later be contrasted with those of informal workers in the sector.

Clothing

According to SACTWU, “less educated workers dominate the clothing industry due to extensive manual work involved and it is the lowest paid” in comparison with textiles and footwear. As a result, clothing workers are reportedly “more militant ‘than textile workers because they are extremely exploited.’”¹⁴ A study by Skinner and Imraan showed that the short-term costs of trade liberalisation in South Africa, were being borne disproportionately by women through massive job losses in clothing

¹³ Interview with N. Malemebe. SEWU, 07/05/02

¹⁴ Interview with Chris Leuw. SACTWU, 10/04/02.

sector where they predominate. (Chen et al 2001: 26) In the clothing industry many affected companies “relocated to places where they could pay lower wages. For example in less organised Provinces like Mphumalanga and Northern Province.” What compounded the plight of workers in the clothing industry is that the employers, represented by the Transvaal Clothing Manufacturers Association (TCMA) pulled out of the bargaining council in 2001.¹⁵

The typical job for a worker in the clothing industry is a machinist and the average wage is R350, 00 per week. Benefits include provident fund, sick pay, unemployment insurance (UIF), and maternity benefits. This pay range corresponds with the NACTWUSA estimate, which puts the average weekly wage of the clothing sector at R350, 00.

Textiles

According to SACTWU employment in the textile sector has also been shrinking. However in terms of wages, the textile sector has been more robust than the clothing sector. The textile employers are also part of the TCF bargaining forum. The minimum wages of textile workers range between R450 and R540 and benefits include provident fund, sick pay, UIF and maternity benefit.¹⁶

In terms of the wage agreement for 2002/03 reached by SACTWU with cotton textile employers representing an 8.2% wage settlement, textile workers will receive the increase on the current minimum covering wages and annual bonuses. A significant part of the settlement is the agreement to establish and register a national bargaining council for the industry by January 1st 2003 (Inggs, 2002: 13). The increment was with effect from 1st July 2002 and wages will range from R515 to R590 per week. The SACTWU wage rates are similar to those of workers organised by TAWU whose average minimum wage rate is R450 per week and benefits include provident funds, sick funds, UIF, and retrenchment benefits.

¹⁵ Interview with Chris Leuw. SACTWU, 10/04/02.

¹⁶ Ibid.

Leather and Footwear

The leather sector comprises of three sub sectors namely footwear, tanning and general goods and handbags. Tanning is the most lucrative sub sector with a minimum weekly wage of R489 in contrast to R474 and R326 for footwear and general goods respectively. Benefits for workers include provident fund, sick pay, maternity leave, death cover and UIF.

4.5 Views On Organising Women

The purpose of this theme is to examine the prevailing gender discourse in the trade unions under examination. The gender discourse is particularly important because women dominate the informal sector and thus a response to the informal sector, is largely a response to women. According to the ILO, 'obstacles to organisational processes are normally more severe for women than for men because of women's multiple roles and responsibilities at the workplace and in the home. And within mixed-sex organisations, functions and positions tend to be influenced by gender so that women are under-represented in decision-making positions.' (2002: 72)

According to (Chobokoane and Budlender, 2002) results of the national survey of time use (2000) revealed that the likelihood that a person will be engaged in household maintenance activities was more dependent on the person's sex than on whether the person was employed. 'Overall throughout the day non-employed women are more likely to be involved in household maintenance followed by employed women, non-employed men and employed men.' (Chobokoane and Budlender, 2002: 27)

4. 5. 1 Women's Participation in Trade Unions

The limited number of women respondents can partly be explained by the historical context of their participation in trade unions in South Africa. This context involved labour market discrimination against women as well as the circumstances relating to their proletarianisation. (Standing et al, 1996, Bozzoli, 1991) However in terms of participation, women embraced unions that recognised their multiple roles. According

to Berger (1992), the South African literature on trade unions supports the idea that women were drawn to trade unions that allowed them the space to express personal and community concerns that extended beyond their lives in the factories.

During the periods of their greatest strengths, the policies of both the GWU and the FCWU/AFCWU showed a deep understanding of how women perceived and negotiated the conflicts and confluence among these different aspects of their lives. Whenever possible, these unions sought to respond to their members not only as workers, but as mothers, daughters, wives, widows and as members of racial and communities, whether black or white or Afrikaner. (Berger 1992: 13-14)

According to Berger, 'some black women who worked in industries with active, progressive trade unions did develop a new consciousness of themselves as workers, which, depending on local circumstances, sometimes led them to take part in their unions and in the protest of the 1950s.' However Berger also conceded that even under supportive circumstances women were more likely to engage in collective action when their behaviour did not threaten male power and when structural features of a particular industry were conducive to organising. (Berger, 1992: 294)

Historically the leading role taken by black women in union organisation was facilitated by the fact that the main law covering labour organisations, the Industrial Conciliation Act, excluded pass bearing natives from its provisions. 'Because women were peripheral to the economy and until the end of the 1950s they did not have to carry passes; this enabled them to play an active role particularly in the 1940s and 50s even though African trade unions had no official status.' (Bernstein, 1985:78)

Bernstein argues that through the enforcement of job reservation in 1956 (through the Industrial Conciliation Act) and the inclusion of women in the definition of employee, the government was dismantling the hard won influence of women in the trade unions. However despite these setbacks, women continued to lead 'illegal' strikes. (1985:79)

Nicol illustrated the equally peripheral role of women in white trade unions. Nicol argued that although women members of the Witwatersrand Tailors Association (WTA) constituted a majority in the factories, none of them were members of the central committee of the union and there were no women organisers and most were ignorant of the purpose of the trade union. (Nicol, 1987:211) Thus historically the labour movement (in the TCF sector) has been dominated by a patriarchal discourse, which affected white and black women in a similar manner.

The subordination of women in trade unions where they predominate has continued up to this time. In explaining the prevailing gender discourse, whereby women dominated trade unions are led by men, one respondent submitted as follows:

“Women feel that they are inferior and it goes back to patriarchy that’s the way we were brought up. We have to look up to the men and the shift is not there yet completely especially from the grassroots. Women still have to look up to the man even within the marriage.”¹⁷

Women’s real and perceived obligations that emanate from their household and community roles militate against their effective participation. Women reportedly find themselves ‘obliged’ to attend all community activities and therefore their priorities in terms of how to spend their time is largely based on their gender roles rather than informed by their empowerment needs.

“The thing is time management; we still have to manage our time. I don’t mean that I am not a sociable person, I do socialise but I have my own priorities and I think that is some of the things we women have to do because if its death I have to go to the funeral if its party I have to be there, you know there isn’t any other area where one could say but this time I can’t do that.”¹⁸

However in addition to patriarchy, there are other fault lines pertaining to women themselves. During the study, it was found that women’s voting patterns tended to be in favour of men even in unions where women constitute the majority of the

¹⁷ Interview with J. Williams, NULAW. 05/06/02

¹⁸ Interview with M. Maletle, FEDUSA. 30/05/02

membership. Secondly women have not yet shown adequate support for women that are in leadership positions. With regard to voting patterns, two respondents submitted as follows:

“The influence still comes from males because there is that element that indicates that women still haven’t got that trust to elect women but I think that because men are now beginning to accept, they have started to identify women that can be elected to leadership positions.”¹⁹

“But the males are not the problem it’s the females. We have to conscientise them and encourage them to come to meetings and I always tell them that it doesn’t make sense that you are sitting with an executive that consists of more males than females yet the majority constituency is female”²⁰

With respect to women’s confidence in women leadership, one respondent submitted the following:

“There is still that element that women are not believing in themselves because even when I go to organise meetings in the factories, you can see that they lack confidence in me as a woman but I think it is changing for the better.”²¹

“I always point out that we always moan at the obstruction of women by the men, but who puts them there it is the women. You see the problem with women and now I am speaking from experience, is that when you get a position they do not give you support.”²²

4.5.2 Current forms of organising women

One method of organising has been through women’s study circles that are organised by various gender action groups. In these circles, which are normally held on a

¹⁹ Interview with N. Mthembu, SACTWU.18/06/02

²⁰ Interview with J. Williams, NULAW. 05/06/02

²¹ Ibid.

²² Interview with J. Williams, NULAW. 05/06/02

monthly basis, women get to network with women from other trade unions as well as from various organisations including those from the informal sector. One respondent submitted that they got to learn about SEWU in one of these meetings.

The gender forums are one of the main forms of organising women in the labour movement today. The significance of the forums is that women themselves initiated them. The forums deal with various issues affecting women and among these issues is the debate on gender quotas for leadership positions. According to one respondent, the issue of gender quotas has been a rallying point for women in all three federations. One respondent explained the role of gender forums as follows:

“If you sit around a table and you take the issue forward together you reach a goal and that is what we are doing now in our gender forum, we come up with resolutions and these resolutions we test them on the males that are there on the forum because if the males in the forum accept that then we workshop the resolutions in the entire federation and we broaden the whole thing.”²³

Asked about the issues discussed at the forums, a respondent reported as follows:

“We discuss issues that affect workers but predominantly women for example the issue of quotas has been an issue in the federations it was not only an issue with FEDUSA.”²⁴

Women view the gender quotas as an important vehicle for leadership development and capacity building. Among the three federations, only NACTU and FEDUSA have adopted gender quotas. The NACTU constitution stipulates that there should be not less than three women in the national Executive Committee. Currently the committee comprises of three women in the positions of deputy president, vice president for organising and the vice president for finance.²⁵ FEDUSA has yet to implement its resolution on quotas.

²³ Interview with M. Maletle, FEDUSA. 30/05/02

²⁴ Ibid.

²⁵ Interview with J. Maqhekeni, NACTU. 07/11/01

The Central Committee, which is COSATU's supreme governing body, failed to adopt the COSATU Congress resolution on the implementation of gender quotas and this is viewed as a setback for gender empowerment. Men constitute a majority in the Central Committee.

“The resolution on gender quotas was not adopted because they said quotas were tokenism and not empowerment. However the problem is that the decision to say we oppose gender quotas did not include an alternative plan to empower women.”²⁶

“At the moment when we are pushing for gender quotas it is a huge struggle to convince each other within the organisation. Although in principle the organisation recognises that we are struggling over capacity when we attempt to address that issue they use it against us by saying you cannot assume a position because you lack capacity and therefore you are not ready.”²⁷

4.6 Partners and Affiliates in the Informal Sector

This theme examines current experiences of trade unions in organising the informal sector. It seeks to determine whether trade unions have any partners or affiliates in the informal sector as well as the nature of those linkages.

FEDUSA, which is the parent federation of NULAW, was reported to have an official affiliate in the informal sector. Simunye is a street traders organisation based in Mphumalanga and it comprises a large female membership. Simunye itself applied for affiliation to FEDUSA. FEDUSA is currently providing capacity building and leadership assistance to Simunye.

“When they came we said there is no way that we can ignore them, in their capacity, they are workers and they need to be serviced ... and FEDUSA said fine but after deliberation, after debate, a hard debate.”

“The assistance they are getting is to try and bring them together within their organisation and to have that cohesion so that when they speak then they

²⁶ Interview with N. Mthembu, SACTWU.18/06/02

²⁷ Interview with M. Jafta, COSATU. 03/07/02

...speak as one voice..and at first we did not even understand the way they were organised and operated but we said if these people come together, if these people pay an affiliation fee to their body and they have an office where they operate from why can't we take them on board and assist them to organise themselves.”²⁸

NACTU has collaborated with GASEWU, which is modeled along the lines of SEWU but based in Gauteng. The NACTU gender unit was tasked with providing organisational support to GASEWU. However since the launch of GASEWU in 2001, there has been no communication between NACTU and GASEWU.

“We do not have an affiliate in the informal sector but we are working with GASEWU. We have offered to develop them and run programmes that will be determined by them through a twinning arrangement. We have assisted in the launch of GASEWU in 2001 and we are still awaiting their proposals for assistance.”²⁹

According to the Gauteng Hawkers Association (GHA), which has a registered membership of 5000 (70% women) trade unions only make contact when they want hawkers to join their gatherings (i.e marches and demonstration) but there is no continuous collaboration between GHA and trade unions.

“There is no coordination between us and those organisations and we have tried but the complaint was that the government does not like to deal with small groups so that's why we have formed the traders forum that will regulate the activities of hawkers throughout the country. We have invited COSATU and other unions to join.”³⁰

SACTWU apparently had a mandate to organise homeworkers, but this was not carried through. Feeble attempts by SACTWU to engage SEWU did not have any significant outcome. SACTWU's efforts were summarised as follows:

²⁸ Interview with M. Malete, FEDUSA. 30/05/02

²⁹ Interview with B. Modise, NACTU. 11/07/02

³⁰ Interview with D. Jaars, GHA, 20/08/02

“The executive secretary of SACTWU and I wanted to talk to us about the homeworkers because SACTWU was supposed to organise the homeworkers, but unfortunately we did not meet....but he was interested.”³¹

Despite the limited contact with SEWU, SACTWU does seem to have a positive interest in SEWU, which is premised on SACTWU’s resolution to organise the informal sector.

“With respect to informal sector women there is a union, SEWU, which we plan to work with, and we also took a resolution to organise homeworkers because they are from our union. We now have a programme to organise these workers. Our general secretary initiated the programme because he sits in the ILO and I think there is international funding for that programme.”³²

At the national level, the discourse on the informal sector and on mainstreaming has been mute and NEDLAC has not been instrumental in this regard. Although NEDLAC comprises representatives of various civil society organisations, it has not embraced the informal sector and it has rather been more preoccupied with the large and influential trade unions. As one SEWU respondent noted:

“There are other problems even within NEDLAC and last year we were not invited to NEDLAC only this year as a community organisation even this year’s invitation was verbal – someone met Pat (*Horn*) and informed her of the meeting and that’s how we got involved – it was done at the eleventh hour.”³³

A related shortcoming of NEDLAC has been its inability to facilitate job summits in sectors dominated by smaller trade unions (i.e TCF sector). Job summits can provide an effective forum to discuss and embrace the informal sector. The unions in the TCF sector where there are vulnerable workers seem to lack ‘voice’ in pursuing the mainstreaming agenda. As an example of this lack of voice, SATAWU and SACTWU

³¹ N. Malembe and K Nthunya, SEWU. 07/05/02

³² Interview with N. Mthembu, SACTWU.18/06/02

³³ N. Malembe and K Nthunya, SEWU. 07/05/02

claim to be marginalised in COSATU and subsequently in NEDLAC at the expense of the big unions. According to SATAWU, COSATU showed a lukewarm support in the process of setting up provident funds and related benefits for contract cleaners.³⁴ COSATU is also reportedly girdled by its partnership with the government. One respondent described COSATU's position as follows:

“We view things the same way but because of the affiliation of COSATU to the ruling party they cannot oppose the ruling party strongly. They will come to our meetings as labour, we will reach conclusions and then one two three you find that they toe the line and then we don't know where the workers stand because we have to be there for the workers if we say no to something let it be no.”³⁵

This position puts COSATU in a precarious position with respect to policy advocacy and it has led to an upsurge in independent unions and to attrition within COSATU affiliates.³⁶

There are several factors that explain the lacuna with respect to organising the informal sector. The first explanation is that most unions are still recovering from the heavy retrenchments in the TCF sector. The second basic explanation is the age of mainstreaming measures themselves. The ILO Homework Convention is still relatively new and there have been limited awareness campaigns in respect of this instrument. None of the respondents had been part of the ILO organised symposia on the informal sector, but the Secretary General of SACTWU had reportedly attended an ILO organised meeting on the informal sector in Geneva. Another significant factor is that South Africa has not had a strong informal sector driven lobby (like SEWA or Homenet) pushing for the recognition of informal sector workers in the TCF sector. The concentration of SEWU members in street trading and related activities, has largely kept SEWU out of the mainstreaming debate.

³⁴ Interview with D. Mlotjwa, SATAWU. 18/04/02

³⁵ Interview with M. Malete, FEDUSA. 30/05/02

³⁶ Interview with Z. Thwala, NACUSA. 02/05/02

4.7 Views on SEWU

4.7.1 SEWU and Affiliation

At the international level, SEWU is affiliated to the Self Employed Women's Association of India (SEWA). As a result of this relationship, SEWU was involved in the studies that formed part of the background papers to the ILO Homework Convention. However SEWU is not as big as SEWA both institutionally and numerically. In terms of affiliation to mainstream trade unions, SEWU is affiliated to the Union Network International (UNI). SEWU has also made applications to affiliate to the International Garment Workers Union (ITGWU) and the International Chemical Union (ICHEM). SEWU was declined an affiliation to ICHM and it is still awaiting the ITGWU response. Locally SEWU is not affiliated to any trade union federation.

When asked to explain the need to affiliate to ICHM, whilst its members are predominantly in the informal sector, SEWU explained as follows:

“Some of our members are from garment, street vendors, farmers but our intention is that women should learn to do the male oriented skills and that they be affiliated like the electrical installation technicians who are affiliated to COSATU.”³⁷

With respect to local affiliation, SEWU is still studying the options, which are centred on the three federations, COSATU, FEDUSA and NACTU. All federations have made submissions to SEWU on the benefits they could offer to SEWU members (such as death cover, sick pay, pension etc). However SEWU concedes that they did have a relationship with COSATU because they shared the same donor and due to an interest in SEWU by COSATU's former president J. Gomomo. However this relationship ended when Gomomo left COSATU. This relationship also explains why most of SEWU's views are based on COSATU, because there were serious attempts

³⁷ N. Malembe and K Nthunya, SEWU. 07/05/02

to link SEWU to COSATU particularly by the donors. However the donors themselves soon gave up on this option. SEWU explains their experience as follows:

“He (*the donor official*) was also pushing them, saying that I come from the Netherlands and I know a lot about SEWU why don't you know about SEWU as a local union.”³⁸

SEWU expressed disappointment at the fact that COSATU has not followed up its 2001 resolution to organise the informal sector. According to SEWU, it had not received any communication or seen any initiative on this issue from COSATU and instead SEWU still gets a cold shoulder from COSATU, which sometimes does not even respond to correspondence from SEWU. According to the SEWU respondents, in COSATU they mainly dealt with men because they dominate the leadership. This becomes a huge hurdle for SEWU as it influences the manner in which COSATU perceives SEWU. As one respondent explained:

“They see SEWU as a sexist union when you are at meetings they will say ‘self employed workers union’ and when you correct them they are upset... some say yes we understand your position but we do not know why you want to be a union why you are not an ordinary organisation, why are you not including men.”³⁹

According to SEWU, COSATU had also been instrumental in the failed application to ICHEM where it has more members than the other federations:

“The person who gave us the report was a trade union delegate from another African country and he said that they do not have a problem with SEWU but that the problem was here in South Africa within COSATU.”⁴⁰

SEWU is reportedly a regular recipient of disdain from COSATU shop stewards. As one SEWU respondent explained:

³⁸ N. Malembe and K Nthunya, SEWU. 07/05/02

³⁹ Ibid.

⁴⁰ Ibid.

“I happened to go to Cape Town to speak about the informal sector and the questions that were coming from the COSATU shop stewards they were like

- They see SEWU as a sexist union
- They do not reflect on how SEWU was established
- They do not think that one day they might be self employed or might be informal sector workers.”⁴¹

However a discussion with FEDUSA revealed a different dimension to the SEWU-COSATU affiliation saga. FEDUSA argues that from the outset, it showed a forthright willingness to work with SEWU, but SEWU has been ambivalent in its stance partly because of misconceptions about FEDUSA and partly due to a power game involving the outgoing founder of SEWU.

“You know SEWU is confused, SEWU they don’t know whether to organise from us..its Pat (Horn). Pat doesn’t know whether to affiliate to FEDUSA or COSATU because I have spoken to Pat and she knows me because we once were together at the ILO (*Geneva*) and she was with three ladies from SEWU. its power with Pat, she doesn’t want to let go, because some of those (*SEWU*) women you can see that they are clever people and if you train them they can take over effectively. And with us FEDUSA they were not yet sure whether our federation has got more blacks than whites, because that has been the perception out there that FEDUSA was a white organisation, but that is not so.”⁴²

The failure of Pat Horn to let go from SEWU can justly be attributed to a power game, because for several years, the SEWU leadership has been going through a capacity building programme in preparation for the departure of Pat Horn (Skinner and Lund 1999). According to a respondent, Horn “is no longer with SEWU but she is still involved.”⁴³

⁴¹ N. Malembe and K Nthunya, SEWU. 07/05/02

⁴² Interview with M. Malete, FEDUSA. 30/05/02

⁴³ N. Malembe and K Nthunya, SEWU. 07/05/02

The power game linked to Pat Horn reflects the weak institutional structure of informal sector organisations. However this does not exonerate mainstream trade unions for not organising the informal sector. The discourse between SEWU and COSATU reveals a rigid gender discourse. The failure of COSATU to adopt gender quotas indicates that the labour movement does not fully appreciate the labour market disadvantage of women and the historical role of patriarchy in marginalising women from leadership positions.

4.7.2 International Trade Unions and SEWU

With respect to international trade union perceptions, SEWU reported a receptive approach. These unions reportedly embrace the informal sector, and “they are really interested that COSATU would do something about SEWU and the informal sector.”⁴⁴ SEWU further noted that its Indian counterpart SEWA had not experience the hurdles that SEWU was experiencing with the local trade unions. Indecision on the affiliation issue, is also affecting SEWU’s participation at the ILO. As one respondent explained, “now there will be an ILO convention in Geneva and we cannot just go there as SEWU, but we must get a seat from either FEDUSA, NACTU OR COSATU.”⁴⁵



4.7.3 SEWU and Gender Empowerment

SEWU provides a training subsidy to its members and those learning male oriented skills get an eighty per cent subsidy. The electrical installation technicians are women who were part of a SEWU project in this area. In 1994 they won a tender to carry out electrical installations in RDP houses. According to SEWU, these members subsequently resigned from SEWU because ‘one of the SEWU aims is that we do not keep our members once they are beyond survivalist activities’. One of SEWU’s key achievements has been to make all the banks to reduce their opening balances for its members to R50 without the requirement of a pay slip. SEWU hopes that developing a culture of saving will be the basis to enhance the social security of its members.

⁴⁴ N. Malembe and K Nthunya, SEWU. 07/05/02

⁴⁵ Ibid.

The Skills Development Act has enhanced the prospect of developing women beyond survivalist activities. The act provides for the establishment of SETAs, which can extend training to the self-employed and the informal sector. According to SEWU, it has been invited to make a claim from the skills levy in its capacity as a service provider.⁴⁶

4.7.3 SEWU and the State

A major problem faced by informal economy organisations is their lack of defined interface with those with whom they need to dialogue. In fact, it is this lack of official recognition and hence lack of legitimacy that contributes to informality or hinders the move towards formal activities within the economic and social mainstream and regulatory frameworks. (ILO, 2002: 75)

Municipal authorities have increasingly recognised that SEWU and its members are part of the urban planning forums, in Durban, Cape Town and in towns such as Eshowe and Stanger. The forums discuss key issues relating to the working conditions of streetworkers, such as access to water, lighting toilets, garbage removal, and viable trading space. (WIEGO, 1999) The positive response of the municipal authorities is significant in view of the argument that ‘it is local authorities who are in a position to ‘operationalise the national commitment to gender equality and the recognition of the informal sector as developmentally important.’ (Skinner & Lund, 1999: 5)

DOL officials showed ambivalence when they were asked about SEWU. This is partly due to the fact that SEWU is not registered with the DOL. SEWU also admitted that it had not had extensive contact with DOL technical staff. However SEWU had met the Minister of Labour who was a guest speaker at SEWU’s congress in 2000. The Minister was invited to speak on social security. According to SEWU, the Minister indicated that it would be possible for SEWU members to receive assistance from the National Security Fund. SEWU has also been invited by the DOL to participate in the Skills and Education Training Authorities (SETAs) for service providers. The National Development Agency (NDA) has also been funding SEWU training projects.

⁴⁶ N. Malembe and K Nthunya, SEWU. 07/05/02

4.8 Views on A-Typical work

In his study of the clothing sector in Durban, Fakude (2000) identified four types of informality. The first type involved the use of informal retailers, the second was subcontracting for CMT to homeworkers, the third was the use of informal producers producing for chains stores and the fourth type was the converting of employees to independent contactors. In my findings, trade union respondents reported evidence of homework and 'independent' contractors. The common feature of the two types of informality is that they both pay by piece rate.

4.8.1 Homework

In most countries where it is occurring, homework, which is dominated by women, is linked to childcare and household roles. In their study of homeworkers in Japan, Canada and the UK respectively, Kamio, Dagg and Tate (1995) found that the key reason why women engaged in homework, was due to the lack of adequate childcare. Most respondents had encountered homework in their respective sectors. The majority of homeworkers are women.

Women represent the great majority of the workforce in the new bastions of globalisation in the developing countries: the informal sector, the export processing zones and homeworking, exposed to deplorable working conditions, exploitation and fierce anti-union repression. (COSATU, 2000: 9)

The encounter of trade unions with homeworkers has placed them in a position to develop specific responses to homework. Although most respondents in Gauteng have evidence of homework they also attest to the fact that homework is prevalent in Cape Town and Durban and that in these provinces it has racial as well as gender permutations. The respondents identified most of the homeworkers as women. One respondent described his experience of homework as follows:

“In terms of homework there are no wages. I am talking workers, homeworkers who are not covered even by the BCEA and collective agreements negotiated by the unions from time to time year after year. In one

particular company, workers' monthly rate of pay ranges from R250 per month and in the metro areas i.e Joburg, Cape Town, and Durban (particularly in Phoenix and Chatsworth) that would be an ante wage rate of a clothing worker per week not per month. In this particular company the highest paid homemaker earns R601 per month and no benefits. It is very difficult to organise workers in this industry. In the main R250 would be the ante wage in the clothing industry. A machinist would earn R350 per week.”⁴⁷

Another respondent submitted as follows:

“We recognise that there are people working from home, they are given work and are paid according to CMT. If a machinist in the formal sector is getting R430 in the informal sector, an equivalent person is getting R90 per week.”⁴⁸

According to NACTWUSA the clothing industry was increasingly subcontracting jobs such as sewing to homeworkers and contract workers and both these types of workers had no employment benefits. The extensive use of the CMT system was corroborated by COFESA. “In the clothing industry, most of them outsource, they send out (stuff) for cut make and trim.”⁴⁹ SEWU argued that homework was prevalent in Cape Town and Durban among the Coloured and Indian people respectively.

4.8.2 'Independent' Contractors

According to NULAW 'independent contractors' are widely employed in KwaZulu Natal (i.e Durban and Pietermaritzburg). These employees were reported to be mainly women. The duration of the contracts ranges from three months to two years.

“The people down there especially in Pietermaritzburg and Durban itself are outsourcing in the backyards they get the people who were retrenched from

⁴⁷ Interview with C. Leuw, SACTWU. 10/04/02

⁴⁸ Interview with J. Mahlatsane, SACTWU. 22/04/02

⁴⁹ Adv. H. van der Walt, COFESA. 25/04/02

the formal sector and make them independent contractors and they earn not more than half of what they used to get in formal employment”

“What we have found out and that’s in relation to liquidations and so forth, they are now abusing the LRA they take workers and say now you are a contract workers. They say now in that fashion, if you agree with me as an employer that I will pay you R250 as a machinist (and yet you were previously earning R500) now since it’s ‘a new company’ (as the old one was liquidated).”⁵⁰

This view is corroborated by TAWU, which argues that employers now prefer contract employees to permanent employees most of whom are former formal employees who were retrenched. The contract employees are normally not entitled to any benefits and because of their vulnerability, they become difficult to organise.

“What makes things even more difficult is that those workers are difficult to organise into the trade union mainly because they are always at the mercy of the employers so it is difficult to organise them and bargain for them and this is what makes them so vulnerable.”⁵¹

A NACUSA respondent explained the difference between an ‘independent’ contractor and a permanent employee as follows:

“The difference between a contract worker and a permanent employee is the pay rate and the termination because in most contracts they do not stipulate the period of employment.”⁵²

NULAW argued that the Confederation of Employers of South Africa (COFESA) was the chief proponent of the piece rate system in the leather industry. This view is corroborated by COFESA, which claimed that they have introduced extensive restructuring in the leather industry. COFESA claimed to have 2000 members in Durban (half their national total) and these are mainly in the leather and footwear

⁵⁰ Interview with D. Diale, NULAW. 17/04/02

⁵¹ Interview with I. Ndlovu, TAWU. 07/05/02

⁵² Interview with Zigi Thwala, NACUSA. 02/05/02

sector. COFESA changed the status of an employee to that of an independent contractor who would then be remunerated at piece rate. The employee resigns and is re-employed as a contractor (see Appendix D). In terms of benefits the, 'contractor' has funeral cover, death cover and injury benefits. Independent contractors still work within the same factory and use the same equipment. The rationale for promoting outsourcing is to reduce the number of factory closures:

“Tariffs have gone down and we are competing in international markets and over so many years members have been retrenching and closing despite the skills, equipment and the market and it got to a point where we started to advocate restructuring and outsourcing, entering joint ventures and that’s where our incubator system started.”⁵³

The COFESA incubator concept seeks to develop micro-entrepreneurs (private contractors) and this enables companies to optimise productivity through outsourcing.

Through this concept, the entrepreneur is developed in a protected environment of an existing business and is assisted by mentors. The employer changes his role to mentor and transfers his knowledge and skills to the entrepreneur who learns the basics of business, production and finance the factory is his school. The entrepreneur accumulates his own tools and equipment and when he is ready, depending on circumstances, he leaves the incubator (COFESA, 2002: 1).

According to COFESA empirical research found that these entrepreneurs are 60-300 per cent more productive than permanent employees and their income normally increases with an increase in their productivity. However trade unions disputed this and argued that the system was merely forcing workers to work longer hours.

“COFESA is saying that if payment is based on the per unit produced the guy will have an incentive to work harder, instead of working 8 hours a day the employee/contractor will work 12 hours a day so obviously the person works

⁵³ Adv. H. van der Walt, COFESA. 25/04/02

more hours but the full benefits are decided by the employer. So this person will earn more money due to higher output, which is based on piece rate. Therefore COFESA argues that a person takes more money home if his work is based on output paid per unit and the productivity will increase but what they do not look at is the level of efficiency and the time spent on producing the item as it is calculated on a per unit basis.”⁵⁴

Some employers allow factory based piece rate work to be taken home after hours. This is also in line with a submission by COFESA that some of its members in the clothing industry are now allowing employees to take sewing machines home.

“When I was an organiser for SACTWU in the late 80s there was a company at Kidsdrift it was a shoe company, where the employer used to give employers work to do at home and the whole family would come together even though it would only be the mother who is employed. The employees were given a target to achieve you had to put more hours at work to get paid a certain amount and when it was knockoff time the employer would say you can take the work home as long as you meet the target.”⁵⁵

In developing independent contractors, COFESA takes advantage of a loophole in the LRA. The COFESA explained this loophole as follows:

“You see section 213 of the LRA excludes ‘independent contractors’ from labour legislation’ so we transform the worker into an independent contractor and we develop a new middle class.”⁵⁶

“COFESA is exploiting a loophole in the LRA which stipulates that any person who is a contractor cannot have benefits and the rights of employees and now COFESA makes workers to sign a contract and the contract stipulates that the employee is contracted to render a service to the company exactly the same manner in which an employee comes in and clocks in his card and carries

⁵⁴ Interview with G. Naidoo, Leather sector Bargaining Council. 07/06/02

⁵⁵ Interview with I. Ndlovu, TAWU. 07/05/02

⁵⁶ Adv. H. van der Walt, COFESA. 25/04/02

on with normal duties the only difference is that the contractors present the company with an invoice for services rendered and these invoices are prepared by the company itself.”⁵⁷

Furthermore, the ‘independent contractors do not seem to be independent. Trade unions have developed several criteria in support of this view.

“Because of the similarities to normal employees we have developed a dormant factor test which is used to evaluate the employment relationship and some of the test factors is 1) who controls the flow of work, 2) who allocates work, 3) what happens if there is misconduct because if you are full contractor rendering services you have full control of the time worked, hours worked and you have full discretion just like the painter where the contract in that context, will be appropriate because there is no continuity. However in an assembly line production environment like we have in the footwear industry where you have jobs that are integrated, you have a guy cutting certain components of the shoe and the guy who has to do completion of the shoe has to wait on for the flow of production and he does not have the discretion to control the flow of work and therefore his work arrangement is of a permanent nature in terms of the task he is performing, he cannot decide when not to come and on what days to be off like a contractor so what we are saying is that the contracts system cannot work in a manufacturing environment.”⁵⁸

The growth in the number of independent contractors suggested that increased emphasis on ‘numerical flexibility involved a multiplication of non-regular forms of employment accompanied by a decline in employment quality (Hayter et al, 2001: 34). The DOL has recognised the increasing rate of informalisation, leading to a large number of (‘contingent’) employees falling outside the definition of employee as they become more vulnerable. As a result, the DOL has made amendments to the BCEA and LRA (through the BCEA No 11 of 2002 and the LRA No 12 of 2002). The intention of the amendments is among other things to ‘respond more appropriately to present realities including increased casualisation so as to enhance the protection of

⁵⁷ Interview with G. Naidoo, Leather sector Bargaining Council. 07/06/02

⁵⁸ Interview with G. Naidoo, Leather sector Bargaining Council. 07/06/02

vulnerable workers.’ (Government of South Africa, 2002: 5-6). The amendment to the BCEA creates a series of rebuttable presumptions as to whether or not an employment relationship exists. The effect of this is to provide that where a dormant factor exists, the worker is presumed to be an employee unless the contrary is proved.

The envisaged effect of the amendments is to increase the number of vulnerable workers in a-typical employment who would receive the effective protection of labour law, including the right to lodge a dispute in the event of an unfair dismissal or unfair discrimination and the right to basic conditions of employment. The LRA amendments further aim to strengthen the powers of a bargaining council, particularly with respect to regulating and monitoring a-typical work.

4.9 Views on Mainstreaming Informal Workers

This theme examined the views of trade unions towards mainstreaming the informal sector. This included examining the awareness by trade unions of the ILO Homework Convention, which provides the framework for mainstreaming the informal sector, particularly homeworkers. The LRA and its provisions for extending collective bargaining agreements to non-parties as well as the ministerial variations of conditions of employment (provided by the BCEA) were found to be important mainstreaming instruments in the South African context.

4.9.1 International precedents

Gender mainstreaming appears to be the key to informal sector mainstreaming. The South African case study as well as the international experiences in Canada and the UK shows that women have either been initiators or been at the helm of mainstreaming campaigns (Dagg, 1995). According to Tate, the massive campaign for the rights of homeworkers (UK) in the late 1980s was accompanied by a change in the attitude of many trade unions towards women in general. Increasing attention was being given to the specific needs of women (1996:195). Tate argued that ‘it takes a conscious process to break down the idea of work as being outside and what goes on in the home as not being work whether domestic, unpaid labour or paid employment.’ (1996: 202)

According to Tate, surveys conducted in the UK (between 1987-9) revealed that the majority of homeworkers were in the clothing and textile industry and they comprised of individuals that were disenfranchised from the labour market such as immigrant Asian women who were restricted by labour market discrimination and pressure from their communities to stay at home. (1996: 201) Thus household roles such as childcare were important determinants of homework.

According to Dagg, organising in non-traditional areas where members have no experience with a trade union, was found to require ‘a long and patient approach and ‘ historically there has been a reluctance by trade unions to engage in this form of organising because the resources required are more considerable than those required for organising in workplaces such as in factories where workers are clustered together.’ (1995: 48) According to Tate, organising informal workers presented itself as a paradox to trade unions particularly when such informal workers were subcontracted from a union organised firm and the immediate reaction would be to try to stop homework. However this option would only serve to drive homework underground. (Tate: 1996: 211)

To organise and represent informal workers more effectively, unions in Benin established secretariats for the informal economy. The Confederation of Workers of Colombia has a secretariat for self-employed workers. Four informal economy associations are fully represented in the structures of the Timber and Woodworkers Union in Ghana and full-time officials service their needs. (ILO, 2002: 80)

In Canada, the Toronto based Homeworkers Association (HWA) is affiliated to the International Ladies Garment Worker Union (ILGWU) which is viewed as an intermediary organisation that can be useful for gradually introducing workers to the concept of unionism. ‘HWA organises by first examining why its members end up as homeworkers and this knowledge is used as a basis for developing an appropriate organising strategy.’ (Dagg, 1995: 49) According to Dagg, HWA holds monthly legal clinics and social functions for homeworkers.

The Textile, Clothing and Footwear Union of Australia (TCFUA) is one of the cases of international best practices towards the informal sector. TCFUA successfully campaigned for minimum wages and benefits for 300 000 homeworkers (mostly

immigrant women) in the clothing industry in Australia. It also targeted those employers in breach of these minimum labour standards. At present, TCFUA is pursuing a legal claim of half a million dollars on behalf of underpaid homeworkers in the clothing industry. (WIEGO, 1999)

In Japan, (which had 958 000 homeworkers in 1989) 95 per cent of homeworkers are women (Kamio, 1995: 55). Homeworkers are protected by the Industrial Homework Act (1970), which stipulates minimum pay and restricts employers from giving excessive work to homeworkers (Kamio, 1995: 56-7). According to Kamio, Japanese homeworkers are organised in small associations called Homeworkers Friendship Associations (HFA). HFAs provide members with a secure and steady flow of work, education and training on terms and conditions of employment, mutual fraternity and social support.

HFA staff carry out research to identify employers and to obtain work from them. A collective contract is negotiated between the company and the association, which then distributes its work among members without specifying who they are to the employer. (Kamio, 1995: 61)

The appeal of the Japanese model is that the system of HFAs eliminates exploitative intermediaries and it is based in the community. Eligibility for HFA membership is open to homeworkers, active work seekers, retired employees who are residents of the community where the HFA is based. (Kamio, 1995: 61-2)

4.9.2 Mainstreaming in South Africa

At the policy level, South Africa voted in favour of the ILO Homework Convention. The delegate who represented organised labour, explained the rationale for the ratification as follows:

“The fact that the unemployment rate has gone up in SA and if there is retrenchment they usually start with women because women have to go on maternity leave etc. At the same time if a woman has to go back to work with children they need child minders at workplaces and we realised that those

things are expensive, whereas homework helps in this regard particularly where women work as a group even though we realised that in the long run when the output runs up then that economic activity has to be taxed and the issues around taxation are those that worried us.

And in a way we were also looking at the Japanese model where they assist the small entrepreneurs. They will use them as an outlet and companies even take their outworkers on board in training them at the factories.”⁵⁹

Only SACTWU and NACUSA respondents were aware of the ILO Homework Convention. According to SACTWU, the first step towards mainstreaming was to bring all employers into the industry bargaining forums. The same view is shared by NACUSA. Clothing sector employees plan to embark on strike action to compel employers to join the industry bargaining forum. The strength of bargaining forums is that they provide a platform for bringing up other issues and not just to isolate wages. Furthermore in these forums, employers are represented as an association and this ensures that agreements receive an industry wide application. This tends to strengthen solidarity among workers.⁶⁰ At the moment, the clothing, knitting and fabric sectors are ‘forced’ to bargain regionally because some of the employers are outside the national bargaining forums.



With respect to homeworkers, SACTWU has developed a policy, which aims to regulate the working conditions of homeworkers through bargaining council agreements. The policy was explained as follows:

“We have realised that these people we cannot wish them away, what we have got to do is to organise them and bring them within our fold and then do away with the element of exploitation and try to regulate it through a bargaining council agreement, and establish a threshold for the people giving them work as to how to treat homeworkers. The policy was established in the last SACTWU Congress held in 2001.”⁶¹

⁵⁹ Interview with M. Malete, FEDUSA. 30/05/02

⁶⁰ Interview with Chris Leuw, SACTWU. 10/04/02

⁶¹ Interview with J. Mahlatsane, SACTWU. 22/04/02

With respect to the ILO Homework Convention, SACTWU submitted that it would push for ratification through the bargaining council because the bargaining councils have the powers and obligations to deal with any issues pertaining to an industry. It further argued that the ratification would be in line with COSATU principles on gender empowerment:

“COSATU has taken a position at the 2000 National Convention that the South African government must ratify all ILO conventions that seek to do away with exploitation based on gender and if you look at the Homework industry it is predominantly female and therefore that would also be included in the ratifications. The other thing is that the government does not have too much responsibility where there is a bargaining council. The council takes its moral and administrative obligation to pursue everything pertaining to that industry, and what they would seek is only ratification by the Minister. Like if we agree on wages we send the agreement to the minister to sign and gazette.”

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At its seventh Congress, held in September 2001, COSATU passed a resolution to organise workers in the informal sector. COSATU's higher body, the central committee, adopted this resolution in November 2001. In its preamble to the resolution, COSATU stated that

“We have not always shown solidarity across sectors including the unorganised sections of the working class. The Federation must support a discussion of how to strengthen this aspect in particular.” (COSATU, 2001: 6-7)

COSATU's poor record with the informal sector is attributed to a pre-occupation with organising workers in the formal sector. This narrow orientation led to a neglect and subsequent collapse of SADWU, which was COSATU's affiliate for domestic workers.

⁶² Ibid.

“As an organisation we do not translate or operationalise our principles in a manner that prioritises vulnerable workers. When you look at our campaigns we focus on mainstream unions and when we measure our success (as a working class organisation) we do not consider vulnerable workers because when you look at our programmes they do not reflect that orientation. As custodians of the working class, we have been lacking in this area. Take the issue of the collapse of SADWU, where were we? Even now we are still at the stage of strategising on how to sustain them when are supposed to have made tangible progress.”⁶³

According to NULAW, the most effective way of mainstreaming the informal sector (within the TCF industry) is to bring the small entrepreneurs and SMMEs that are employing informal employees (i.e homeworkers) into the sectoral industrial councils. NULAW is the majority union in the leather sector industrial council. NULAW has made some progress in this regard as the NULAW respondent explained:

“Our union has fought very hard to try and bring these small businesses within the council fold so that they can be easily known and identified in order to secure our members and as a result some of them are now under the industrial council. Why did we do that? Well we wanted the formal sector not to outsource work to any informal business, which is not registered with the council (they must pay council levies to the council)...we want the formal sector employers to outsource work to registered organisations...

Then we can be able to organise the employees working for these people.”⁶⁴

In line with this mainstreaming model, initially the SMMEs are exempted from paying out industrial council levies (used for employee benefits) until they are able to afford them. In this context the unions can bargain on behalf of SMME employees through the industrial council. NACUSA is also in favour of the recognition and mainstreaming of homeworkers. However NACUSA had reservations with respect to the commitment of large federations as well as NEDLAC to mainstream homeworkers and to ratify the ILO Homework Convention. According to NACUSA,

⁶³ Interview with M. Jafta, COSATU. 03/07/02

⁶⁴ Interview with D. Diale, NULAW. 17/04/02

at NEDLAC the big federations have a tendency to focus their attention on the concerns of affiliates with large memberships at the expense of the smaller unions.

“The only problem with the affiliates who have a lot of say at the national level is that their attitude sometimes becomes selfish, they look at the bulk of their membership, and they will tend to turn a blind eye to the small trade unions and that leaves employees in the smaller unions to be vulnerable ...the smaller you are the less attention...That’s the weakness of NEDLAC because whatever union is going there it’s going with the attitude that my core union with 10 000 or 5000 members is here and the big employers are here.”⁶⁵

The TAWU respondent admitted that the issue of organising the informal sector had not received serious consideration within TAWU even though TAWU did support their mainstreaming. TAWU believes that informal sector workers need to be educated on the value of being organised because unless they are organised, these workers will remain vulnerable. According to TAWU, organised labour has an obligation to organise the informal sector, particularly because a significant number of informal workers were previously organised.

With respect to contract employees, NACUSA is using a Trojan horse strategy, which contends the definition and status of a contractor worker. In line with its strategy, NACUSA is negotiating benefits for these employees in the form of UIF, provident and sick funds. NACUSA has already secured these benefits for some of the workers.⁶⁶ According to NACUSA, by having employee benefits, the status of these workers is effectively transformed to that of employees; and the only difference between a contract worker and a permanent employee, boils down to the rate of remuneration and the length of service. This strategy may also benefit from the BCEA amendments relating to the definition and status of employees.

⁶⁵ Interview with Zigi Thwala, NACUSA. 02/05/02

⁶⁶ Ibid.

4.10 Extending Social Protection to the Informal Sector

This theme examined organised labour's efforts at extending social protection to the informal sector. According to the ILO one of the key barriers to extending social security is the lack of effective political pressure from the unprotected and limited awareness of the benefits of social protection. This partly relates to the low level of organisation and voice representation among people that are not protected. (ILO, 2001 c: 22) The ILO argued that given the sheer size of the formal sector in developing countries, it is imperative to address the social protection the needs of informal sector workers.

Korea and Namibia are examples of good practices in this regard. In Korea the national pension system was extended to the rural and urban self-employed workers and to firms with less than five employees. (ILO, 2001 c: 23) In Namibia the national social security scheme (providing for the payment of maternity, sick leave and death benefits to employees) includes self-employed workers. The Namibian Social Security Act (No 34, 1994) has a broad definition of employee. It defines eligible employees as any person who is entitled to receive remuneration in respect of employment for at least two days in a week.

Typical social security benefits for a formal sector employee involve those formal benefits mediated by the bargaining council. These are the basic benefits an employee is entitled to and are subject to bargaining council regulation. The benefits are study subsidy, maternity pay 1/3 of wages for 13 weeks, maternity leave for six months, pension, medical cover, UIF etc. An employee who is a member of a particular trade union may be entitled to union benefits. Typical benefits for a female employee who is a member of NULAW include a local unemployment benefit fund, supplementary sick funds based on a 13 week contribution, study subsidy, long membership subsidy, death fund, distress fund (long illness, maternity fund) and local motherhood fund. This is a simple illustration of the level of social protection that is available to formal workers in contrast to informal sector workers who are largely unprotected.

In responding to a question on social protection for the informal sector, a respondent summarised the position of organised labour as follows:

“One thing that worries me is that now the unions are not very involved with the community and that link needs to be revived.”⁶⁷

At its 2002 Congress, FEDUSA adopted a resolution calling for the extension of social security to the informal sector. According to FEDUSA, the trend towards greater informalisation or flexibility in labour conditions contributes to high numbers of workers being excluded from social security schemes. Women are often heavily represented among the excluded. (2002: 212) It further argued that insufficient attention had been paid to the more short term social protection needs of the informal sector and the self employed and to the development of social safety nets.’ (FEDUSA 2002: 217) FEDUSA therefore resolved that:

‘South Africa should broaden the social protection partnership. Central governments, workers and employers constitute the core partners, and should broaden their approach to promote social protection for low-income workers in self-employment and the informal sector. An important role will also have to be played by local government, by associations that directly represent informal sector workers and by intermediary organisations that work on behalf of low-income (wage) workers.’ (FEDUSA, 2002: 212)

COSATU’s call for a basic income grant is also significant with respect to the extension of social protection to the informal sector. Their policy with respect to extending social protection to the informal sector has also called for a basic income grant and this would assist those members of the informal sector who work in survivalist activities. SEWU collaborated with COSATU on the campaign for a basic income grant. SEWU attributed the basis of this solidarity to the women’s lobby within COSATU.

“Maybe its because the people at the forefront of that were women...meetings were convened by GAP (Gender Advocacy Programme) in Cape Town.”⁶⁸

⁶⁷ Interview with J. Williams, NULAW. 05/06/02

⁶⁸ Interview with N Malembe And K. Nthunya, SEWU. 07/05/02

In its report, the state commissioned Committee of Inquiry into Social Security has also recommended a basic social grant for those who fall outside the social safety net. The committee argued that the nature of structural employment in the face of a changing global economy is such that it marginalises unskilled workers and creates a need to expand the scope of the social safety net. (Government of South Africa, 2002: 60)

A universal Basic Income Grant has the potential to fortify the ability of the poor to manage risk thus contributing to socio-economic multiplier effects related to improved household self-reliance, efficiency of social capital and societal cohesiveness. (Government of South Africa, 2002: 62)

The proposed grant is based on an individual's circumstances and therefore it is envisaged that a number of individuals within the same household may benefit from the grant separately. This could have positive implications for poor women and their savings potential.

COSATU has also called for the DOL Social Plan to be extended 'to assist workers in sectors in crisis, to go beyond industries that have very large closures such as the mining sector.' COSATU further proposed a sector specific threshold under which retrenched workers can apply for social plan assistance, arguing that this amendment would be important for sectors where women are the 'dominant victims of closure.' (COSATU, 1998: 7)

COSATU holds the presidency of the Southern African Trade Union Coordinating Council (SATUCC). In this capacity, COSATU was responsible for the SATUCC Social Charter of Fundamental Rights. The Southern African Development Community (SADC) Council approved the Charter in February 2001 and it now awaits final approval by the heads of state. Among its aims, the Charter seeks to promote:

1. The establishment and harmonization of social security schemes
2. Gender equity in access to employment, employment conditions and social protection. (SATUCC, 2001)

4.11 Campaigns Against Informality

This theme sought to examine the manner in which organised labour seeks to reduce or eliminate informality. Elimination of informality is particularly important where it manifests itself in extremely exploitative employment arrangements such as in sweatshops. According to the ILO, international trade unions are increasingly seeking information on processes and the flow of work along a commodity chain from the point of sale of the final product up to the most basic unit of production in order to isolate those responsible for undermining the rights of workers within the production chain. (ILO, 2002: 81)

Most trade unions have had campaigns against informality with various degrees of success. These campaigns have targeted atypical work arrangements and employers who are manufacturing in sweat shop conditions. Although these campaigns initially did not have the informal sector in mind, (i.e they were aimed at protecting formal sector jobs;) they do have the effect of ultimately organising atypical workers. Informal sector workers particularly outworkers are largely invisible and these initiatives enable organised labour to identify informal sector workers and once they have been identified, it becomes much easier to start organising them.

One campaign against employers that are manufacturing in sweatshop conditions is that by SACTWU against Mr Price. Mr Price is a middle market clothing retail chain store. According to SACTWU Mr Price is producing its goods under exploitative conditions in Kwa-Zulu Natal. SACTWU has therefore embarked on a campaign to expose Mr Price, in order to ensure that it pays its workers legitimate wages and that these workers are employed under conditions stipulated by the bargaining council. SACTWU argued that all employers have a social responsibility to ensure that their products are manufactured under good conditions.

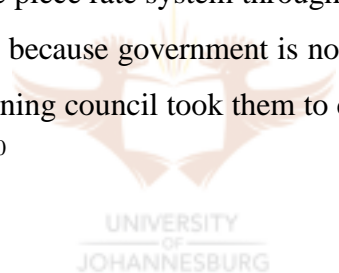
“Mr Price is doing your homework kind of thing, but it is much more formal. He is operating from sweatshops, in factories that are working under sweat shop arrangements they are paying workers R50 per week in the bundus of KwaZulu Natal and then what they do is they come and compete with other

mainstream department stores that source work from legitimate manufacturing.”⁶⁹

SACTWU and NULAW were also at the forefront of the ‘buy South Africa’ campaign. This campaign was initiated as a response to the influx of cheap imports and counterfeit goods, which were eroding the market for local products as well as jobs in the TCF industry. The campaign is aimed at encouraging consumers to buy local products in order to save jobs.

NULAW has been legally contesting the introduction of the piece rate system for factory workers. Most of the litigation has been directed against employers who are also members of COFESA (see Appendix C). According to NULAW, the campaign is yielding positive results.

“We are contesting the piece rate system through litigation and they (*employers*) are losing because government is not supporting them. The national leather bargaining council took them to court and we always win cases against them.”⁷⁰



4.12 Conclusion

The predominance of male respondents is a reflection of the skewed power relations in trade unions. Despite a membership dominated by women, the leadership and officials of trade unions are predominantly male. This entails that the gender discourse is one that is largely premised on patriarchy. This was starkly demonstrated by the rejection of gender quotas by the COSATU leadership. The decision was made without prior consultation with women’s representatives. The voting patterns that favour male trade union leaders are a reflection of the lack of gender awareness among women themselves. However the gender forums could become useful mechanisms for raising gender awareness and empowering women.

⁶⁹ Interview with J. Mahlatsane, SACTWU. 22/04/02

⁷⁰ Interview with D. Diale, NULAW. 17/04/02

The state and the Durban city authorities demonstrated a positive policy towards SEWU. However this positive stance is not matched by organized labour despite the recognition of SEWU by international organizations. The experience of SEWU suggests that there needs to be transitional arrangements for organising workers in the informal economy. The twinning arrangements proposed by NACTU could be a useful method of organizing and empowering the informal sector.

The findings further suggest that women trade unionists have more empathy towards the informal sector. The role of women in supporting the affiliation of SIMUNYE to FEDUSA is a case in point. This further relates to the class issue. The female respondents demonstrated a stronger awareness of class solidarity than their male counterparts. Women labour activists therefore identify informal sector workers as members of the working class in their own right. The prominent role of women in the campaign for a basic income grant is a useful example of this class identity.

Evidence of informality discards any notions of a prevailing labour aristocracy in South Africa. The experience of homeworkers and independent contractors challenges the notion of having distinct boundaries between the informal sector and formal sectors. However most of the responses against informality were largely premised on the need to protect formal workers. The campaigns against informality as well as litigation against COFESA can be understood within this context. The shift in terms of a concerted effort to mainstream the informal sector has still not been realized. Despite strong evidence of informal work, such as homeworking in Durban, plans to organize informal workers still remain as work in the pipeline in the form of unimplemented resolutions and policy proposals.

As Dagg (1995) noted, organizing in non-traditional areas requires a concerted and patient approach. In Australia the TCFUA was initially opposed to informal workers but later realised that informality was part of the global labour market reality and it therefore embraced the informal sector. (WIEGO, 1999) However in South Africa this shift in thinking has not yet been effectively realised. The labour market reality is still presumed to be within the formal sector. This could also be partly attributed to the fact that at the time, South African trade unions recorded an increase in union density. Union density grew from 61.6 per cent in 1993 to 67.8 percent in 1997. (Hayter et al

2001: 87-9) This was partly a result of labour market reforms in the late 1980s and those that accompanied liberation in the mid 1990s.

Attempts to rope in SMMEs within the bargaining council agreements are a significant development for mainstreaming the informal sector. Most SMMEs, are exempted from numerous labour protection provisions and therefore attempts to monitor and regulate their employment practices could represent a milestone for vulnerable workers. Although not all SMMEs have reached a level where they could implement high labour standards, there are significant numbers that are adequately developed, such as those with lucrative outsourcing, supply and subcontracting arrangements with large industries. Mainstreaming SMMEs into industry bargaining councils will also expose SMME employees to opportunities such as those provided by the Skills Development Act.

Mainstreaming efforts by SACTWU indicate that there does exist an enabling institutional framework for trade union collaboration with the informal sector. However most trade unions in the TCF sector have not taken advantage of this opportunity. The experience of FEDUSA with Simunye further indicates that trade union members do not have serious objections to affiliating with informal sector organisations. Amendments to the LRA and BCEA, including the broadened definition of an employee provide a permeable context for organising informal workers. This task can be made easier by first collaborating with those entities that are already organised such as SEWU and GHA.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study has been useful in exploring the informal sector as a conceptual framework and the manner in which informality manifests itself in South African industry. From the onset, the study disaggregated the informal sector and that is why it specifically dealt with informality as it relates to the TCF sector. However as the example in appendix C illustrates, the types of informality found in the study were not confined to a specific sector, they can be applied to other production sectors. The study has demonstrated that there are dynamic links between the formal and informal sectors. These linkages are well captured in the discussions under the various themes, particularly the two themes dealing with a-typical work and mainstreaming.

The theoretical framework has also been useful in enabling us to evaluate the manner in which the informal sector is conceptualised in the wider policy discourse in South Africa. The chapter on policy responses to the informal sector was an attempt to outline and elaborate this discourse critically. The study found that state responses such as those encapsulated in the RDP, have appropriately problematised the informal sector within the dynamic approach. However this conceptualisation has not been widely translated into policies and programmes. This lacuna is exemplified by policy responses aimed at transforming the labour market. These are largely directed at workers in the wage-earning sector. The limited attention given to mainstreaming measures poses the danger of perpetuating the existing dichotomy as well as the disparities between the formal and informal sector. The adoption of the Homework Convention by ILO member states was a paradigm shift in the treatment of informal sector workers in labour market policy discourse. The Convention was a resounding statement in favour of labour market reforms that were oriented towards mainstreaming the informal sector, particularly those aspects of the informal sector that were non-survivalist.

The study showed the dynamic links between the informal and formal sectors and the extent to which informality pervades formal enterprise. I was also able to identify a selective application of labour standards, whereby formal workers work side by side with informal workers within the same production environment. The links between the informal and formal sector as well as informality received adequate treatment from other scholars, however the discourse of organised labour towards the informal sector had not been fully explored.

The responses of organised labour towards the informal sector informed the research question. This perspective was useful in probing several variables (i.e gender, patriarchy and working class solidarity) in relation to the informal sector. The study established a correlation between the prevailing gender discourse within trade unions and their attitude towards the informal sector. The findings suggest that a patriarchal gender discourse informs the timid responses of trade unions towards organising in the informal sector. A summary discussion of the key themes is dealt with below.

5.2 Limitations

The study had obvious limitations. The first limitation relates to the qualitative nature of the study itself. This limitation was dealt with in detail in chapter three. The study's focus on the views of organised labour towards mainstreaming the informal sector was compromised by the fact that this is a relatively new area of interest in international policy discourse. The International Homework Convention set the stage for increased attention on the informal sector and the ILO held its first informal sector symposium for African trade unions in 1999. However the gender discourse within organised labour cannot be explained on the basis of this limitation. Thus although there was a low number of women respondents, this limitation is an indictment of organised labour both as an employer and as a non-sexist working class movement.

The fact that the researcher was unable to interact with many respondents from the informal sector is a serious limitation. Attempts to solicit views from other informal sector organisations such as GASEWU were unsuccessful. However this is partly a reflection of the level of organisation amongst many informal sector organizations. GASEWU was having internal problems and proved difficult to locate. This

experience draws a parallel to that of another scholar's attempt to trace ACHIB (an informal traders organisation based in Johannesburg). 'The only thing stable about ACHIB is instability. ACHIB can become so inactive that they appear to have vanished, then suddenly they will re-emerge again in another form. One month they will have one set of offices, the next they will be somewhere else and the next you will not be able to contact them at all.' (Skinner and Lund 1999: 22-3) A national survey of informal sector organisations conducted by Skinner and Lund (1999) revealed that few organisations had consistent membership fees, permanent office space and few could be contacted by fax or telephone.

It would have been interesting to capture the voices of informal workers themselves (homeworkers, 'independent contractors') and to solicit their views on the respective themes even though this was not part of the research design. However the findings in this study should be viewed as a useful guide towards a further exploration of the discourse between the informal sector and the labour movement. The discussion on SEWU, GHA, SADWU and Simunye provide a useful beginning for articulating and further elaborating this discourse.

5.3 Summary of Conclusions

5.3.1 Policy Responses to the Informal Sector

Although policy responses such as the RDP are clearly premised within the dynamic approach, the informal sector has received limited attention in policy discourse dealing with the labour market. Despite the lucid analysis provided by the ILO labour market review, the Presidential Commission on the Labour Market as well as subsequent policy initiatives failed to give adequate attention to the informal sector. Therefore the existing policy framework fails to develop the 'informal economies of growth' as enunciated by Portes. (1994)

The mainstreaming efforts by the DOL do not include an attempt to disaggregate the informal sector and their orientation is mainly towards wage earning employees. This failure undermines the development of a systematic response to the informal sector and risks perpetuating the unhelpful dichotomy between the formal and informal

sectors. However the application of time use surveys are an important start in the disaggregation process. Furthermore the new skills development framework, which is being implemented through the SDA and the SETAs, is an important response to the skills gap for women. Unequal access to skills training was one of the key factors through which the labour market was gendered.

5.3.2 Social Protection

From the findings, there appeared to be a link between the lack of access to formal social security and activity in the informal sector. This linkage is consistent with trends established by the ILO in other countries where a high proportion of women work in the informal economy because they can more easily combine informal sector work with the burden of family responsibilities and due to reasons related to discrimination and marginalisation in the formal economy. (ILO 2001 c) The lack of social protection for these women who are also caregivers may have wider implications for the health and welfare of their families and communities. However such implication can only be elaborated through an empirical impact study. South Africa has not ratified the ILO Homework Convention No 177 of 1996, which seeks to extend social security benefits such as health care, parental care and child support to homeworkers.

5.3.3 Women and Informality

It has been shown that women and the informal sector are used to cushion capitalist enterprise against the vagaries of globalisation and international competition. The study was able to demonstrate the relationship of women (particularly black women) to the labour market. Feminist scholars (Bozzoli, 1983, 1991; Berger, 1992) outlined how women were inserted (differently from men) into the labour market under conditions of structural discrimination. There is obvious continuity in the labour market position of women during the wartime production period covered by Berger (1992) and the present period (globalisation era) even though in the current period, this feminisation involves a high number of black women particularly in the TCF sector. Both periods indicate an increasing feminisation of contingent or flexible labour.

The study showed that women continue to be a reserve labour force and are used as contingent workers to cushion capitalist industry against certain risks as well as costs. Homeworkers and 'independent contractors' emerged as key examples of contingent workers. Thus there is also a strong correlation between working in the informal sector and being a woman. The study further showed how South African industry, as represented by COFESA uses informal workers to bypass or circumvent labour legislation particularly the LRA. An important variable in the increasing reliance on informality is the household. The increasing practice of shifting regular production work to the household has serious implications for the role of the household and specifically women, in capitalist production. Shifting production work to the household may also have implications for child labour.

The increasing reliance on homework may reverse efforts to transform intra household relations in favour of women. Furthermore this may undermine efforts to separate household work from non-household work, particularly for women. This creates greater urgency for the effective use of time surveys to identify different forms of work. Measurement of dependency and place of work may be useful in clarifying the permutations that inform different types of informal work. (Charmes, 1999)

It is also important to be mindful of women's agency in opting for homebased work. The (South African) decision to vote in favour of the ILO Homework Convention due to a preference for the Japanese model is a salient example of this agency. In the present context, homework is carried out under exploitative conditions and therefore it is not empowering to women. However the Japanese model would certainly provide more scope for agency and choice on the part of women.

5.3.4 Mainstreaming

Labour market reforms are largely oriented towards the wage-earning sector and they therefore tend to maintain and perpetuate the disparities between workers in the formal and informal economy. This is despite increasing evidence that the formal sector is relying on informal sector linkages for its profitability. This dichotomy

further undermines efforts that seek to empower women through clarifying the distinction between women's paid and unpaid work within a policy framework. The significance of mainstreaming the informal sector, particularly homeworkers is that it may reach into the last frontier of patriarchy, the household. According to Batliwala 'the family is the last frontier of change in gender relations ...you know (empowerment) has occurred when it crosses the threshold of the home.' (1994:131)

This awareness could be responsible for the fact that women trade unionists showed a strong interest for organised labour to mainstream the informal sector. Support for Simunye, FEDUSA's informal sector affiliate, largely came from FEDUSA's women members. However this optimism should be qualified by the fact that to a large extent women themselves are still a marginalised group within trade unions. Trade unions are still dominated by men even in industries where women constitute the majority of the workers. In the TCF sector the leadership is predominantly male. The section dealing with women in trade unions, clearly demonstrated how the gender discourse is still very patriarchal. The rejection of gender quotas by the leadership of COSATU is a salient example of pervasive male power. Thus unless women make serious inroads into the leadership of trade unions the mainstreaming efforts pioneered by the women's lobby risk being scuppered.

In both COSATU and NACTU, the gender coordinators are tasked with organizing the informal sector. However only time will determine whether giving the informal sector portfolio to the gender units is a genuine policy response or a strategy of shifting a substantive policy problems to the women, particularly because most of the informal sector organisations such as GASEWU, and SADWU consist mainly of women. Another important question to ponder is whether the gender units have the capacity to carry this responsibility given the problems they experience in getting union funds for gender activities. This belated quote from a gender activist is pertinent:

“When it comes to activities for women, there is no money but when its activities involving men there is money, there is transport and there is a big hotel.”⁷¹

Current forms of informality (e.g. independent contractors prohibited from organising, see also Appendix C) were shown to be disenfranchising and therefore efforts aimed at challenging informality are significant for protecting the rights of informal workers. However one of the key challenges to mainstreaming informal workers is their low level of organisation. A key obstacle to organising informal workers is their lack of trust. According to SEWU most informal workers go through a bad experience with fly by night organisations.

“Our members are not mentally empowered to stick to the organisation and understand its objectives and there are these fly by night organisations that informal sector workers join and they get hurt after which they do not want to hear about the union at a time when we are coming up with a good programme.”⁷²

The other challenge is that informal workers (i.e.) street traders do not attend meetings. “They do not always attend meetings because they are business people and they do not have time. They sit in meetings for half an hour or less.”⁷³ This creates a barrier for disseminating important information as well as educating informal workers about their rights.

The poor communication between NACTU and GASEWU symbolises the fragility of informal sector organisations and challenges trade unions to introduce new methods of organising. According to Horn ‘the challenge to formal sector trade unions is to be able to adapt their traditional organising practices to suit the conditions of workers in the informal sector. This includes having to adapt their traditional patriarchal habits and practices where the informal sector is more dominated by women.’ (2001: 46) Organising skills is one of the strengths organised labour could import to the informal sector. FEDUSA’s collaboration with Simunye is a good example. Thus twinning

⁷¹ Interview with B. Modise, NACTU. 11/07/02

⁷² N. Malembe and K Nthunya, SEWU. 07/05/02

⁷³ Interview with D. Jaars, GHA, 20/08/02

informal sector organisations with organised labour may help to empower and improve organisation of the informal sector.

5.4 Recommendations and Issues for Further Study

Positive international precedents by trade unions such as the TCFUA clearly demonstrated that organising the informal sector is not impossible. The marginalisation of SEWU by trade unions on grounds of sexism reflects a failure to appreciate the significant (historical) labour market disparities between men and women. There is also limited mileage with respect to women's empowerment in formal trade unions despite the existence of gender units. The imbalances in gender representation in formal trade union structures appear to have a strong impact on the timid nature of South African trade union responses to the informal sector. The crucial question is what informs and sustains the representational imbalances and a rigid gender discourse in view of the global trends embracing grassroots empowerment, gender transformation.

Answering this question requires a critical examination of the impact of globalisation on South African trade unions in terms of social equity and solidarity (global social movements theory). Does global social movement unionism lead to sustainable alliances or to issue based and ad-hoc alliances such as those representing the basic income grant and anti-privatisation lobbies. Furthermore it is crucial to examine whether global social movement unionism enhances organisational democracy.

Gender dynamics within trade unions still require further investigation. Strategies aimed at changing voting patterns to reflect a gender balance are still lacking. An investigation of the gender discourse within the emerging independent unions vis-à-vis affiliated unions would be a useful beginning. The growing strength of the women's lobby and the gender forums create interesting prospects.

The challenge of mainstreaming informal sector organisations suggests that there should be transitional arrangements for organising informal workers. Although twinning informal sector organisations with trade unions organising within the same sector is a useful strategy industrial sector summit policies that make reference to

informal workers may also be useful. However there also needs to be wider policy responses from the state, which could focus on mainstreaming and empowering informal sector entities. This would go some way in operationalising the principles of the RDP. One option is the recommendation by Chester (1988), calling for the appointment of informal sector ombudsmen to introduce standards, enforce fair play and to mediate between the informal sector and the state.

However effective interventions are dependent on clear knowledge of the size and impact of the informal sector. The lack of statistical impact studies on the nature and effects of informalisation militates against effective interventions. The disaggregation of the informal economy in population censuses and economic surveys is a prerequisite for effective interventions.



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APPENDIX A
INTERVIEW THEMES

Trade Unions

- 1) Views on the ILO Homework convention
- 2) Views on organizing women
- 3) Current experiences in organising the informal sector
- 4) Organised labour's affiliates in the informal sector
- 5) Organised Labour's view and (possible) collaboration with the Self Employed Workers Union of South Africa (SEWU).
- 6) Forms of a-typical work within the TCF sector
- 7) Views on mainstreaming the informal sector
- 8) Policies and best practices towards the informal sector
- 9) Views on extending social protection to the informal sector

Policy-Making Bodies

- 1) Views on mainstreaming the informal sector
- 2) Policy Responses towards the informal sector (priorities and programmes)
- 3) Ratification of ILO Homework Convention No.177
- 4) Views on labour responses to the informal sector
- 5) Views on extending social protection to the informal sector

APPENDIX B

LIST OF RESPONDENTS

E Ramaite & G. Petersen, Department Of Labour (International Division-Africa)
Venue: Pretoria, Kudu Arcade
Date: 06/11/01, 9:00am

Telephone Interview with J. Maqhekeni President, NACTU
Date: 07/11/01

Charlene Stepischneck. ILO-Division, Department of Labour.
Venue: Pretoria, Kudu Arcade
Date: 19/03/02, 10:30 am

N. Shinkov, Deputy Director – ILO Country Office -
Venue: Pretoria ILO Office.
Date: 22/03/02 11:30 am,

Chris Leeuw: South African Clothing & Textile Workers Union (SACTWU):
Organiser for Gauteng region.
Venue: Doornfontein, Johannesburg.
Date: 10/04/02, 8:40 am

Anne Marie Van Zyl Head of Secretariat, Employment Conditions Commission,
Department of Labour) –
Venue: Department of Labour. Pretoria
Date: 11/04/02 9:30 am.



D. Diale – Organiser, Northern District (Bloemfontein to Thoyandou including
Gauteng): National Union of Leather and Allied Workers (NULAW).
Venue: Johannesburg, Stannic House
Date: 17/04/02, 11:30am.

John Rebombo Acting President, National Clothing and Textiles Union of South
Africa (NACTWUSA).
Venue: Johannesburg (Park station).
Date: 18/04/02, 5.00pm

Dolly Mlotjwa, National Coordinator: Cleaning Sector. South African Transport and
Allied Workers Union (SATAWU),
Venue: Johannesburg, Sanlaam Building
Date: 18/04/02, 1.00pm

Jonas Mahlatsane , SACTWU. Branch Secretary – West Rand and Regional Leather
Industry Coordinator for Gauteng.,
Venue: Johannesburg, Garment House
Date: 22/04/02, 9:00am

Adv. Hein van der Walt, Director: Confederation of Employers of South Africa (COFESA),
Venue: Constantia Park, Johannesburg.
Date: 25/04/02, 10.00am

Zigi Thwala, Deputy Secretary General, National Canvass Union of South Africa, (NACUSA)
Venue: Johannesburg. Glazco House.
Date: 02/05/02, 9.00AM

Neli Malembe And Kgoboso Nthunya, National Education Coordinator and General Secretary respectively, Self employed Women's Union,
Venue: Sangro House, Durban.
Date: 07/05/02, 9:00am

Isaac Ndlovu, General Secretary – Textile & Allied Workers Union (TAWU)
Venue: Union Main Building, Pinetown, Durban
Date: 7/05/02, 11: 30 am

Mary Malete, President: FEDUSA.
Venue: Devonshire Hotel, Braamfontein, Johannesburg.
Date: 30/05/02, 2.00pm

Recorded Telephone Interview with Gerald, an Official at the Leather Sector Bargaining Council
Date: 07/06/02, 8:3am

Recorded Telephone Interview With Joan Williams, Branch Organiser (Western Cape) And Gender Coordinator- National Union Of Leather And Allied Workers
Date: 05/06/02, 2; 30 Pm.

Recorded Telephone Interview with Nomusa Mthembu, Organiser Durban Branch, SACTWU 18/06/02.

Interview with Mummy Nomvulazana Jafta, Gender Coordinator, COSATU
Date: 03/07/02
Venue: COSATU House, Braamfontein, Johannesburg

Interview with Brenda Modise, Gender Coordinator, NACTU.
Date: 11/07/02
Venue: Metropolitan Building, Johannesburg

Interview with D. Jaars, Organising Secretary, GHA
Date: 20/08/02
Venue: Old Allied Building, Johannesburg

APPENDIX C

