



WIEGO Women in Informal Employment Globalizing and Organizing

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Informal Workers in Urban South Africa: A Statistical Snapshot

Mike Rogan¹

In South Africa, around 30 per cent of total employment is informal (just under 5 million workers) while in the country's 8 major metropolitan areas, around 24 per cent of employment is informal.

An important share of the workforce in South African cities works informally as, for example, street vendors, market traders, domestic workers and waste pickers (2018 South African Quarterly Labour Force Survey²). Informal employment is employment that is not covered, or is insufficiently covered, by formal arrangements through work—such as social protection contributions to pensions and medical aid or the right to paid sick leave or annual leave.³

Informal employment represents about 24 per cent of total (agricultural and non-agricultural) employment in the 8 major South African metropolitan areas⁴ and around 30 per cent of total employment in the country. It represents a significantly larger share of total employment in the rural parts of the country (48 per cent) relative to the major metro areas (24 per cent).

Photos: (top) a market vendor in Durban and (centre) a waste picker in Johannesburg by Jonathan Torgovnik for WIEGO. Photo (bottom): a domestic worker in Johannesburg by Jonathan Torgovnik/Getty Images Reportage.

Table 1: Informal employment (agricultural, non-agricultural and total) as a percentage of total rural and urban employment

	Agricultural informal employment	Non-agricultural informal employment	Total informal employment
Total South Africa	2	28	30
Rural areas	3	45	48
8 major South African metros	0	24	24

By City

Of the three major cities in South Africa, **Cape Town** has the smallest informal economy. Just under a fifth (19 per cent) of total employment in Cape Town is informal. In **Durban** and the greater **Johannesburg** metro areas, informal employment makes up about one-quarter of total employment (26 per cent and 25 per cent, respectively).

Table 2: Informal employment as a percentage of total employment, by city

8 major South African metros	24
Cape Town	19
eThekweni (Durban)	26
Johannesburg/Pretoria	25

By Sex

In these South African cities, rates of informal employment for women and men are similar. In the country's major cities, 23 per cent of employed women and 24 per cent of employed men are in informal employment.

Table 3: Informal employment as a percentage of total, women's and men's employment

	Women	Men	Total
8 major South African metros	23	24	24
Cape Town	18	20	19
eThekweni (Durban)	27	25	26
Johannesburg/Pretoria	24	25	25

By Age Group

Differences by sex and age group show that a significantly larger share of the youngest age group (15-24) and the oldest age group is in informal employment, relative to the 25-64 age group (29 per cent and 31 per cent vs. 23 per cent, respectively) in South African metros. There is a similar pattern in the Johannesburg/Pretoria metro, but the survey margins of error are large.

Table 4: Informal employment as a percentage of total employment in South African metros, by age group

	Age 15-24			Age 25-64			Age 65 and over		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
8 major South African metros	23	33	29	23	24	23	36	28	31
Johannesburg/Pretoria	21	31	26	23	25	24	50	33	39

By Industry Sector

In the South African metros, the lowest percentage of informal employment is in agriculture (about 1 per cent), while about three quarters (78 per cent) is in the service sector. There is very little variation across the cities. Manufacturing is only about 22 per cent of informal employment in the major metros.

Table 5: Composition of informal employment by branch of industry in South African metros

	Agriculture	Services	Manufacturing
8 major South African metros	1	78	22
Cape Town	1	73	27
eThekweni (Durban)	1	78	22
Johannesburg/Pretoria	0	78	22

*Due to rounding, some totals may exceed 100 per cent.

By Status in Employment

Informal wage employment is about 15 per cent of total employment in South Africa's 8 major cities. Across the three major metros (Cape Town, Durban and Johannesburg/Pretoria) there is very little variation. However, the share of total employment in informal self-employment varies by city. Informal self-employment makes up 10 per cent of all employment in Johannesburg/Pretoria but only 5 per cent in Cape Town.

Table 7 presents wage employment and self-employment as a share of total, formal and informal employment, respectively. About 15 per cent of total employment in South African cities is self-employment and 85 per cent is wage employment (employees). Formal employment in South Africa, on the other hand, consists almost exclusively of wage employment. As a share of total informal employment in the major cities, about 62 per cent is wage employment and 37 per cent is self-employment. But these averages mask marked differences between the major cities. The Johannesburg/Pretoria metropolitan area has a significantly higher share of self-employment (43 per cent), and a lower share of wage employment (56 per cent) relative to the other metros.

Data on women and men in the various employment statuses (table 8) are presented only for the Johannesburg/Pretoria metropolitan area. The margins of error were too large for the other cities. Overall, women are more likely than men to be contributing family workers, the most vulnerable category of informal employment. Conversely, men are much more likely than women to be employers, the best-off category of self-employment, though few men or women are employers (11 per cent and 3 per cent, respectively, in the 8 major metros). In the Johannesburg/Pretoria, men in the informal economy are nearly three times more likely to be employers than are women (11 per cent and 4 per cent, respectively). Men and women are equally likely to be own account workers, another vulnerable category of self-employment.

Table 6: Share of informal wage employment and self-employment in total employment

	Per cent of total employment	
	Informal wage employment	Informal self-employment
8 major South African metros	15	9
Cape Town	14	5
eThekweni (Durban)	17	9
Johannesburg/Pretoria	14	10

Table 7: Share of wage employment and self-employment in total employment, informal employment and formal employment

	Per cent of total employment		Per cent of formal employment		Per cent of informal employment	
	Wage employment	Self-employment	Wage employment	Self-employment*	Wage employment	Self-employment
8 major South African metros	85	15	100	0	62	37
Cape Town	88	12	100	0	73	27
eThekweni (Durban)	88	12	100	0	66	34
Johannesburg/Pretoria	83	17	100	0	56	43

*The relatively small sample size has not identified the few cases of formal self-employment in South Africa.

Table 8: Composition of informal employment by status in employment and by sex (per cent)

	Employers			Employees			Own account			Contributing family workers		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
8 major South African metros	3	11	7	67	58	62	29	30	30	1	1	1
Johannesburg/Pretoria	4	11	8	60	54	56	34	34	34	2	1	1

By Types of Worker

Using the disaggregated occupational classifications, it is also possible to identify three specific types of informal workers: street vendors, market traders, and workers in private households.⁵ In the major metros, about 10 per cent of informal employment (representing just under 200,000 workers) is in street vending, 2 per cent (46,904) is in market vending (including spaza shops), and 21 per cent (419,183) is in private households (table 9). There is some variation across the metro areas with Johannesburg/Pretoria having the largest share (11 per cent) of informal employment in street vending. This is significantly greater than the share in Cape Town (only 5 per cent).

Table 9: Categories of informal workers as a percentage of informal employment in South African metros

	Street vendors			Market traders ⁶			Private household workers ⁵			All 3 categories		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
8 major South African metros	13 (108,141)	7 (80,717)	10 (188,858)	2 (18,099)	3 (28,805)	2 (46,904)	38 (318,601)	9 (100,582)	21 (419,183)	53 (444,840)	19 (210,104)	33 (654,945)
Cape Town	7 (9,427)	4 (6,273)	5 (15,699)	0 (0)	3 (6,063)	2 (6,063)	34 (43,942)	6 (10,297)	18 (54,239)	42 (53,369)	13 (22,632)	25 (76,001)
eThekweni (Durban)	8 (11,500)	8 (13,126)	8 (24,626)	5 (7,369)	3 (5,063)	4 (12,432)	47 (70,398)	13 (22,228)	29 (92,626)	60 (89,268)	24 (40,417)	41 (129,685)
Johannesburg/Pretoria	16 (71,457)	8 (54,440)	11 (125,898)	2 (7,019)	2 (14,498)	2 (21,517)	35 (159,688)	8 (49,239)	19 (208,927)	53 (238,164)	18 (118,178)	32 (356,342)

*Absolute number of workers in parentheses.

Street vending and work in private households (consisting largely of domestic work for women) are more important sources of employment for women than for men. For example, in the 8 major metros, street vending makes up 13 per cent of women's informal employment but only 7 per cent of men's informal employment. Most notably, work in private households is a large share of women's informal employment in all metros. Overall, it makes up about 38 per cent of women's informal employment in the major metros but only 9 per cent of men's work. When these three types of work (street vending, market vending and work in private households) are combined, they make up over half of women's informal work (53 per cent) in the metros but just under a fifth (19 per cent) of men's informal work. Employment in these jobs is a smaller proportion of total than informal employment; comprising 12 per cent of women's total employment and 5 per cent of men's (table 10). As with informal employment, work in private households is the largest percentage of the three categories, comprising 9 per cent of women's total employment and 2 per cent of men's.

Table 10: Categories of informal workers as a percentage of total employment in South African metros

	Street vendors			Market traders ⁶			Private household workers ⁵			All 3 categories		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
8 major South African metros	3	2	2	1	1	1	9	2	5	12	5	8
Cape Town	1	1	1	0	1	0	6	1	3	7	3	5
eThekweni (Durban)	2	2	2	1	1	1	13	3	8	16	6	11
Johannesburg/Pretoria	4	2	3	0	1	1	8	2	5	12	5	8

¹ Mike Rogan is a Research Associate in WIEGO's Urban Policies Programme and Associate Professor at the Rhodes University.

² The data presented are calculated from the 2018 South African Quarterly Labour Force Survey (first quarter). The data are weighted by original selection probabilities, adjustment for non-response, and benchmarking to known population estimates from the Demographic Division of Statistics South Africa.

³ ILO. 2003. Guidelines concerning a statistical definition of informal employment, ILO Seventeenth International Conference of Labour Statisticians (Geneva).

⁴ These data do not cover all urban areas in South Africa, only the 8 major metropolitan areas.

⁵ Work in private households includes occupations such as domestic work, gardening, maintenance and building type activities. However, domestic work is the single largest of these (80%) and the great majority of South African domestic workers are women. In some countries, "domestic work" as a category is more broad and includes gardening, maintenance and driving for private households.

⁶ Based on the 4-digit occupational classifications in the QLFS, this category includes "Stall and market salespersons" and "Spaza shop owners".