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South Africa's Informal
Economy: Reflections
From a Second Exposure
Dialogue in Durban

Edited by Imraan Valodia
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South Africa's Informal Economy: Reflections from a Second Exposure
Dialogue in Durban

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1 Introduction

Another successful episode of the Exposure Dialogue Programme (EDP) was held in Durban over the period 19-23 March 2011. The EDP is a joint initiative of the research and policy network WIEGO (Women in Informal Employment: Globalising and Organising), Cornell University in Ithaca, USA and the Self-employed Women's Association (SEWA). The basic objective of the EDP is to continue and develop further a dialogue between labour economists, SEWA activists, and WIEGO researchers which began in 2003 with an EDP in Ahmedabad. Each dialogue is organized around a set of exposures, where researchers live with and do the work of informal workers, who act as hosts to the researchers. Through the EDP, the researchers get a detailed and 'on-the-ground' understanding of the lives of informal workers.

While EDP programme was initially planned to explore some key assumptions of neo-classical economics, which trouble academics and research who do not approach the informal economy from a neo-classical economics perspective (for example, the assumption of market-clearing), the issues explored and discussed have widened to include how best to conceptualize, understand and model informal work in the developing countries. The team has grappled with, and attempted to understand, how best to combine the complexities, fuzziness and diversity of informal work with the need for conceptual precision, clarity and parsimony.

Following the successful EDP program and discussions in Ahmedabad in January 2004, and the second and third dialogues, respectively, in Boston in September 2004 and Ithaca in November 2006, an EDP was held in Durban, South Africa in 2007 to deepen the dialogue by drawing on the experiences of informal workers in another context, where the history of economic development, the economic reforms and, in particular informal employment patterns, differs substantially from that in India. The South African experience enriched the EDP experiences of the group. The South African activities in 2007 included a unique policy discussion with high-level South African policymakers.

In March 2008, the Dialogue Group made a return trip to India. The primary purpose of the trip was to have a reunion with their hosts from the first Exposure held in Gujarat State in January 2004.

After 2007, the team met again for a further EDP in Oaxaca with Mexican workers in the informal economy, which again included a policy dialogue – this time with key Mexican policymakers.

Over the period 19-23 March, the EDP group had a reunion with their South African hosts of 2007. The group was hosted by MaNgidi, an worker in Umzinyathi who earned her incomes through a combination of block-making and small-scale agriculture; Mrs Dladla who worked in a women's co-operative making school uniforms, Choma-Choma Nolushaka, a DRC refugee who works as a street barber; Mrs Ntombela who is a member of an agriculture co-operative in Engonyameni, MaSibisi a craft worker who lives in Shongweni, and Ms Nomusa Koko, a vendor of food at Durban station. Over the visit the team was able to engage with the changes in the lives of the Hosts and deepen their understanding of the lives of informal workers in South Africa.

This report contains a collection of the personal and technical reflections of each one of the group that participated in the 2011 Durban EDP. These

reflections, which have only been lightly edited, give the reader a personal account of the relationships built up among the group over the duration of the EDP activities, and of some of the technical debates about employment, unemployment and informal work in South Africa.

2 Host: Mildred Ngidi

Facilitator: Sibongile Mkhize

Participants: Ravi Kanbur and Imraan Valodia

2.1 Personal Reflections

2.1.1 *Ravi Kanbur*

The Son-in-law¹

Imraan Valodia and I revisited MaNgidi and her close and loving family as part of the Cornell-SEWA-WIEGO Exposure and Dialogue Program (EDP). This is the second time that our EDP group has done a revisit. But the last time, in India, my host lady Kamlaben had moved and was not contactable. So the South Africa revisit was my first, and I can confirm the importance of revisits as part of an EDP process. A revisit shows ongoing engagement, and the greater degree of comfort among all participants is palpable, allowing for more free discussion and exchange. The preliminaries have all been done during the last visit, so there is now time for a more relaxed interaction.

As Imraan details in his note, there has been a shift in the economic activities MaNgidi engages in, with less emphasis on making concrete blocks and more on gardening with the output being sold as well as being used for domestic consumption—we certainly consumed a lot of it during our short time there!

The shift in economic activity comes in the wake of loss of control over a public resource—the sand by the stream which was the major input to block making. The unavailability of this resource, public in name but now ‘privatized’ by big operators, means that MaNgidi has to buy sand she once got for free. Moreover, there are alternative claims on the land by the stream, some distance away from her house, where she dried the concrete blocks. Conversations with MaNgidi highlighted the complex and sometimes corrupt dealings needed to secure access to land for small-scale economic activity. She still makes blocks, drying them on land attached to her house. But not to the same extent because of the extra costs—her husband Bongani’s leg injury hasn’t helped either. On the other hand, gardening gives a greater degree of control since it is on land attached to her house, and the availability of piped water now makes growing of vegetables possible. The overall improvement in public utilities connections—electricity, water and sanitation—that is shown by national data can be seen in MaNgidi’s house, although there are worries about the burden of rising user cost charges in the future. But the structural inequalities of South Africa’s history are very much present. The one daughter who works, Nontuthuko, has to travel a long distance to do so. Nonthuko’s baby daughter, Zewande, is looked after by the family—she is their pride and joy. MaNgidi’s two school going children, Kholiwe and Mladawi, have a similar long distance to school. Her third daughter, Xolisiwe, helps at home.

¹ Personal note: After a revisit to Ma Mildred Ngidi’s house in March 2011. The first visit was four years ago, in 2007.

I felt right at home on this revisit. The whole family welcomed me and Imraan with great warmth, cooking more food for us that we could possibly eat. We all made a great fuss of the new arrival Zewande—although she cried every time I went near her (Indian= doctor = injection was one explanation). Four years on, the two who were babies of the house last time, Kholiwe and Mlawadi, were now in their final year of schooling, and I had an interesting discussion on mathematical functions with Mlawadi.

But the most touching thing happened as we were about to leave. They would not let me carry my bag on the walk to the bus stop. I was referred to as the ‘son-in-law’, and the bag was taken from me despite my protests. Last time, as Imraan and I walked with the ladies to the bus stop, old men sitting in the front of their houses laughed and shouted out ‘Has the lobola been paid?’ Now I am the son-in-law. I am grateful to MaNgidi, Bongani, Xolisiwe, Nontuthuko, Kholiwe and Mlawadi for welcoming me into their family and giving me an insight into how structural inequalities in South Africa operate to hold back the spread of prosperity in the era of freedom.

2.1.2 Imraan Valodia

Madumbe² and Lasagna for Breakfast

Ravi Kanbur and I had the pleasure of again visiting Ma Mildred Ngidi and her family: her husband Bongani, her daughters Xolisiwe, Nontuthuko and Kholiwe, and her son Mlawadi. The effervescent Sibongile Mkhize again facilitated our visit. It was lovely being in the warm and cosy Ngidi household again. We pretended to work in MaNgidi’s vegetable fields, chatted a lot about the economics of her household, ate a lot of good food, and enjoyed a spectacular sunset over the hills of Umzinyati in the north of Durban.

Much has changed in the Ngidi households since our last EDP visit there in 2007.

There was now a seventh member of the family. Little Zewande, daughter of Nontuthuko was now the focal person in the family. MaNgidi and Xolisiwe fussed over and took care of Zewande while her mother spent most of her day in her new job as a cashier at Spar – a food retailer. Kholiwe and Mlawadi were very focused on successfully completing their final year of schooling. Mlawadi intended to study to be a nurse while his twin sister planned to study sociology at the University of KwaZulu-Natal.

The ‘economics’ of the Ngidi household had changed substantially since 2007, when the primary income source was MaNgidi’s block-making enterprise. Then Xolisiwe and Mr Ngidi also participated in the block-making enterprise. By 2011, MaNgidi’s block-making enterprise, though still operating, was no longer the primary income source.

MaNgidi still spent some of her time in the block-making enterprise but most of her work time was now spent in her garden. The block-making enterprise had benefitted from a council scheme to support small enterprises. A concrete slab was now laid at the entrance to the Ngidi property, which made it much easier for her to produce and dry the

² A locally grown vegetable

blocks. Ravi and I noted the large number of households in the Umzinyathi area that were extending their homes – lots of construction work all over the place. So there was certainly a demand for blocks. Yet, MaNgidi spent less time making blocks. Why might this be so? Here are some of the reasons that we discussed:

- MaNgidi's health had deteriorated over the years to the extent that she was now paid a disability grant by the government. This was now her primary source of income.
- Mr Ngidi had recently broken his leg so he was unable to work in the block-making enterprise.
- In 2007, none of the kids were working. Xolisiwe and Nontuthuko had both completed schooling but neither had been able to find work. Nontuthuko now worked as a cashier and her income was probably the main contributor to the household income.
- In a recent storm, the roof of the Ngidi home had been blown off and damaged. MaNgidi had to loan money to finance the reconstruction. Servicing and repaying the loan was a drain on MaNgidi's income and absorbed resources, which may otherwise have been invested in the block-making enterprise. MaNgidi told us that, in spite of the additional cash resources now coming into the household, this 'shock' made it difficult for her to purchase sufficient cement and sand for block-making.
- Though MaNgidi had been very proud of her vegetable garden when we visited in 2007, her main production activity was block-making. Agricultural production was now very much her production priority. She grew sweet potatoes, pumpkin, beans, sugar cane, maize, potatoes, madumbe, spinach and chilli, among others. She intended to start some poultry production too. The output from her garden was being sold, used for the household's own consumption, and donated to the poor and needy in the Umzinyathi area.
- MaNgidi reported that many formal-sector hardware operators were now selling blocks in the Umzinyathi area so, while demand had increased, so had supply and price competition. MaNgidi and others like her found it increasingly difficult to produce blocks profitably at prices that were competitive compared to those in the formal sector.
- The formal economy had also encroached on one of the key inputs into the block-making business. In 2007, MaNgidi had free access to sand at the river below her home. Now, formal sector block-makers were removing large quantities of sand from the riverbed. These operators were removing sand by the truck-load, and this valuable resource was now under threat.
- Her vegetable production activities were complicated by uncertainty about land ownership. Though the family had access to a fairly large plot of land, their legal title over the land was not at all clear. Some of the land had already been encroached upon and at least some of her focus on vegetable production was motivated by the need to be seen to be using the land, to discourage further encroachment.

So, MaNgidi's shift from block-making to vegetable production appears to have been the result of a number of factors: some related to her own labour supply decisions, some related to demand factors in the market, and at least some to insecure land tenure.

Another big change in the household was food consumption. While we ate bread, madumbe and chicken as we had in 2007, Ravi and I learnt that

Nontuthuko had prepared lasagna for our visit. The income and expenditure survey in South Africa, conducted in 2005, suggests that there may be an important transition occurring in food consumption patterns within South African households. We certainly saw this in MaNgidi's household. We simply had to try Nontuthuko's passionately prepared lasagna. Since we had to leave the Ngidi's early on the morning of March 22, we tucked into some madumbe and the delicious lasagna – for breakfast. Madumbe and Lasagna – a new national breakfast dish perhaps?

2.2 Technical Reflections

2.2.1 *Ravi Kanbur*

Structural Inequalities and the New Growth Path³

It is a pleasure to respond to Jeremy Cronin's speech, 'Critical Reflections on the Place of Informal Workers in the New Growth Path' delivered to launch WIEGO's Research Agenda Setting Conference on the Informal Economy. Much of what I say will support his arguments. In one or two places, I would wish to push him further.

Let me start with a simple proposition. If an economy and society has deep structural inequalities, then its growth path is likely to be inequitable, requiring corrective action to mitigate the consequences.

If by some stroke of historical good fortune a country arrives at a conjuncture with low structural inequalities, an equitable growth path is more likely. Examples of this are provided by the East Asian economies of South Korea and Taiwan in the 1960s and 1970s. By dint of their former colonial power Japan having lost in the second world war, and the policies of the victorious United States, driven partly by the imperative of confiscating land owned by Japanese landowners, these economies came to the 1950s and 1960s with an equalizing land reform in place. Further, they had had two decades of an educational policy that spread basic education throughout the population. These factors have been cited as critical in the 'growth with equity miracle' that followed in the subsequent quarter century.

There are, unfortunately, more examples of the opposite. China's spectacular growth in the last quarter century has brought down income poverty dramatically, but there have been sharp increases in inequality, especially of a spatial nature, between coastal and inland provinces. Spurred by the consequences of this inequitable growth path, the government has now adopted ameliorative measures as well as structural measures to alter radically the imbalances in infrastructure between the coast and inland.

India, too, had has fast growth in the last two decades, with falls in measured poverty but rises in inequality, once again especially between regions within the country. Some parts of the country have been left behind, or perhaps even been immiserized, as the demand for mineral resources from tribal lands has increased the displacement and exploitation of locals. Close to a fifth of the districts in India, mostly rural and tribal, are in the middle of an armed insurrection which draws succour from the inequitable growth path on which the country is set.

As my final example, let me take Brazil in the 1960s and 1970s, where growth rates were high but the growth path was inequitable, driven by

³ A Response to Jeremy Cronin, Deputy Minister of Transport, Republic of South Africa. These comments were made at the WIEGO Research Conference, immediately after the EDP in Durban.

deeply structural inequalities in Brazilian society, starting with the highly unequal distribution of land ownership. But what about the last 10 years, when there has been growth, inequality has fallen, as has poverty? Did structural inequalities in Brazil change that much? Perhaps some factors were different, including a broader spread of education comparing 1960 to 2000, but I would argue that the strong redistributive policies in the last decade have also played a role. These interventions have corrected the inherent tendency of the growth path in a structurally unequal society to be unequal. Perhaps the programs of today, like the Bolsa Familia, will work to reduce structural inequalities as well (through human capital formation—that is their intent), in which case the conjuncture facing Brazil in a decade's time will be different than the one it faced a decade ago. But it only strengthens the point that growth paths built on structural inequalities are inherently unequal.

What then are the different dimensions of concern in structural inequality? The first and most obvious one is inequality in human and physical capital of individuals, often with a substantial role of race, caste, religion and gender. The second, perhaps less prominent in the development discourse but certainly discussed, is inequality related to space and location. These two inequalities need no reiteration in the South Africa context, where inequalities in wealth, health and education are deeply linked to the racial and spatial segregation policies of apartheid. These inequalities clearly persist, and will structure the (in) equity of any growth path.

I want, however, to highlight a third type of structural inequality which is less discussed. This is the inequality between those who come under the purview of the state and its mechanisms of order, protection and redress, and those who remain outside. I recognize of course that in reality this characterization of 'insiders' and 'outsiders' is a continuum and not a sharp divide, but nevertheless I think it will be recognizable as capturing a fault-line in economies and societies the world over. It is often referred to as the divide between the 'formal' and the 'informal' (I put these in quotation marks to start with, in recognition of the intense definitional debates that surround these terms). The operations of the state privilege the insiders relative to the outsiders. Sometimes this happens deliberately—for example when urban street vendors or waste pickers are ill treated by the brutal enforcement of regulations that derive from notions of urban space usage advanced by the insiders. Sometimes it happens inadvertently, for example the requirement of three consecutive utility bills to establish identity of residence. This is easy for insiders to supply, but not so easy for a slum dweller renting space from someone who is in turn renting space from a distant landlord. The inequality is structural because each act of exclusion further confirms the insiders in their views and mechanisms, leading to a trap—for the outsiders and for society at large—that gets increasingly difficult to break out of. Finally, it should also be clear how this third type of inequality can in turn exacerbate the other two inequalities.

I want to bring these issues down to earth by relating the experience of an 'Exposure and Dialogue' group of which I am a part. We, a group of a dozen or so people—economists, social scientists, and activists—have met every eighteen months or so to discuss the informal economy, each such Dialogue being preceded by an Exposure, where we stay in the homes of informal sector workers and experience at close range the reality of their working lives. We have done this in India, in Mexico and in South Africa. In South Africa we have just completed a return visit to our host families after four years, giving us an insight into what has happened to them

during these politically eventful years in South Africa. My host lady lives outside Durban and makes and sells concrete blocks. It is a remarkable family, loving and generous, but toiling in the informal economy of South Africa. What has happened to them? The infrastructure supplied to their home has improved. They got electricity just before we saw them four years ago, and now they have piped water too. An outside toilet had been installed four years ago, and they are looking forward to an inside flush toilet. However, the spatial dimensions of inequality as experienced by our host family have hardly altered—a long commute for the daughter who works in a supermarket, long distances in to deal with officialdom, etc—set as they are by the spatial patterns of apartheid. The third dimension of inequality, the outsider status of our family vis-a-vis the operations of the government at all levels, especially the local level, has also not changed. If anything, it has got worse. We heard many stories of difficulties in accessing government schemes, the requirements being difficult to fulfil for a family with irregular income. Transactions associated with land (the family does gardening to supplement its needs and to earn income) are particularly difficult, caught as they are between multiple systems, and with much corruption in between.

Of the three types of structural inequality, this last one, between those whom the state's mechanisms encompass and nourish and those whom these very mechanisms exclude and disadvantage, is perhaps the most difficult for the state to address. For the other two inequalities, the state can in principle be part of the solution—redistribute land, ensure broader spread of education, build transport infrastructure, etc. But in the third type of inequality the state, in the broad structure and detailed operation of its mechanisms, is itself the problem to be solved.

So, what is to be done? Jeremy Cronin has laid out, in admirably self-critical style, a number of measures the government is considering vis-a-vis the informal sector. This is to be welcomed, but I want to suggest that a greater focus on the third type of structural inequality, starting with a detailed diagnosis of how current administrative and legal procedures serve to disadvantage those who are not already part of that milieu, and those who cannot access those benefits because they cannot overcome the barriers to accessing them. We can of course discuss in some technical detail specific schemes, to do with microfinance etc. But I also want to suggest that a key issue is that of mindset, particularly of senior and middle level civil servants at the Centre, and officialdom at all levels in local government. This is not just a South Africa issue. The Self Employed Women's Association (SEWA) in India has run over 50 'Exposure and Dialogue' programs in the last few years, attempting to sensitize analysts, business people and civil servants to the realities of the lives of those who earn their livelihood in the informal economy. The readiness to participate, and the impact, is greatest for analysts and business people. Invariably, the greatest resistance to participation comes from civil servants, who feel they have seen it all and cannot see the benefit of the exercise.

I believe that an integral part of a strategy to address the third type of structural inequality has to be a concerted effort to change the mindset of those who make and implement policy, fashioned as it is by their insider status, with an inability and perhaps an unwillingness to appreciate the realities of the lives of those who are outside the normal purview of the state. This is perhaps the missing element from the strategy of the New Growth Path.

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2.2.2 *Imraan Valodia*

One of the labour market puzzles in South Africa is why such high rates of unemployment occur in an economy where the informal economy is so small. Compared to many other developing countries which generally have low levels of open unemployment and a relatively large informal economy, South Africa appears to be an anomaly. Unemployment is estimated to be somewhere between 23% and 35% (depending on whether discouraged workers are included in the estimate of unemployment) and only about 12-15% of the employed workforce work in the informal economy. In other words, why do workers 'choose' to remain unemployed rather than enter the (supposedly free-entry) informal economy?

Geeta Kingdon and John Knight first explored this puzzle in the academic literature. They suggest that there may be two factors that explain this puzzle. First, apartheid actively discouraged entrepreneurship and skills among Black South Africans. Second, labour regulations in South Africa may be placing an undue burden on small enterprises thereby discouraging entry into small-scale production in the informal economy.

Others have suggested a number of possible explanations for this puzzle. Some have argued that South Africa's relatively generous social security system may discourage work. Although no social security is provided to the long-term unemployed the pooling of pension and child support grants in households may be leading to a high reservation wage among the unemployed – above the 'market clearing' wage. In a paper based on research in Khayelitsha, a township in Cape Town, Paul Cichello and others⁴ explore this issue in some detail. They suggest that crime, lack of start-up capital, high transport costs, fear of business failure and, intriguingly, jealousy among Black South Africans, may be some other factors that explain this puzzle.

Based on my experience in the Ngidi family, I had the following reflections on this debate:

- MaNgidi hailed from a peasant family and at least some of her passion for vegetable gardening must stem from that history. Her schooling and that of her husband was quite rudimentary. Her children attended the local township school where the quality of education is unlikely to be high. The family definitely lacked skills but were their entrepreneurial skills lacking? We saw what at least appeared to be poor investment decisions: two wrecked cars that the family hoped one day to repair but which had accumulated license fee arrears and penalties, an under-utilized concreted area for block-making, and the like. We certainly saw some of what appeared to the analytical economist to be 'irrational behavior'. But, there is sufficient evidence that this sort of thing happens elsewhere too, so this is not unique to South Africa.
- MaNgidi's enterprise(s) did not employ anyone. She and Xolisiwe worked in the block-making with Mr Ngidi but this

⁴Cichello, P., C. Almeleh, L. Ncube and M. Oosthuisen (2006). Perceived Barriers to Entry into Self-Employment in Khayelitsha, South Africa: Crime, Risk, and Start-up Capital Dominate Profit Concerns.

was all family labour and no employment relationships existed, at least in a formal sense. She did employ some of the local youth to source sand and stone but this is unlikely to have been affected by labour market regulation. So, no evidence in MaNgidi's enterprises to enable me to say anything about the impact of labour legislation.

- MaNgidi's labour supply decisions were definitely affected by the disability grant that she now received from the government. The family was looking forward to receiving an old-age pension too within a few months when Mr Ngidi would turn 60, the qualifying age for the South African old-age pension. The labour supply decisions of the rest of the family appeared, however, not to be negatively affected by the pension payments. On the contrary, because MaNgidi is able to take most of the responsibility for the care of Zewande, Nonthuthuko is able to work irregular hours in the retail trade.
- Crime was certainly an issue for the Ngidi family, and MaNgidi did complain about some theft of blocks.
- The family's vulnerability to shocks certainly impacted on the capital for the block-making enterprise but, on balance, access to credit did not appear to be a major constraint. We learnt about a menu of funds that the household accessed from both local and provincial government.
- Transport cost was certainly a barrier to growth for the Ngidi family. MaNgidi paid a premium for the delivery of sand and stone and her inability to transport blocks to her customers was a factor in the lack of growth in her block-making enterprise.
- Many of the above factors relate to the debate outlined above from the supply side. However, a new factor that emerged in 2011, which constrained MaNgidi's block-making enterprise, was competition from the formal producers, who had now entered the township market and were able to sell at prices below that of MaNgidi and others like her. Also, as outlined in my other note, the formal economy was able to 'exploit' the natural resources more intensively than MaNgidi, further undermining her competitiveness.
- Relatedly, I wondered whether in such a low-margin business MaNgidi was not paying a price for being outside the regulatory system – in this case the tax regulations. As a non-VAT vendor, MaNgidi's input prices included VAT whereas those of her formal sector competitors did not include VAT. Her inputs were therefore 14% more expensive than her formal sector competitors. Of course, she did not have to bear the costs of complying with the tax regulations but I wondered how much the tax system impacted on her competitiveness. An area that needs some research.

3 Host: MaSibisi Majola

Facilitator: Phumzile Xulu

Participants: Marty Chen and Gary Fields

3.1 Personal Reflections

3.1.1 *Marty Chen*

‘All is Not So Well with Us’: Return Visit to MaSibisi and her Family in the Valley of a Thousand Hills

This time we knew the route: a crowded mini-bus from Durban to Pinetown where we shifted into another crowded mini-bus from Pinetown to Isithumba. But this time the mini-buses were in better shape – we learned that the Government of South Africa had decided to upgrade the mini-buses and regulate the mini-bus system, rather than ban them.

This time we were looking for familiar sights: the winding road, the rolling hills, the settlements carved into the red earth slopes of the hills, the outcroppings of red boulders and cliffs. The landscape and settlements looked much the same – although at night there seemed to be more and longer strings of lights, indicating additional settlements and buildings, along the ridges of the nearby hills.

Home

MaSibisi and her family have not moved. Their home - a compound of buildings on the bluff of a hill - looked much the same: the L-shaped building that houses the kitchen and washroom, the single-room hut, the main rondavel, and the latrine. They still washed dishes, pots, and pans at a make-shift sink outside the kitchen building. But I soon noticed small changes. A different car is parked in the yard where the old Audi, that was used to store equipment, once stood. Biziwe, MaSibisi's husband, sold the Audi for parts and used the money to buy a functioning car: I can't help wondering what the benefits of owning a car are and whether they outweigh the costs of maintaining and operating a second-hand car. Beyond the car is a new covered shed which serves as a workshop where Bizile makes Zulu shields and other craft. There are several cow hides stretched out to dry to one side of the shed. There are a couple of make-shift work tables in the shed for cutting the hides and making the shields. The half-finished rondavel has been demolished. The original covered work shed now serves as a poultry and livestock shed: MaSibisi and her family have acquired a couple of dozen chickens, two goats, and a pig.

Family

MaSibisi's family has grown. Both her son Zimele (now 26) and her daughter Thenjiwe (now 21) have finished secondary schooling and live at home. Both have had children out of wedlock: which is not uncommon, I am told, in Zulu communities. Her daughter's daughter lives with them. Her son's son lives with his partner and her family. Neither has a job, although Zimele is trained in construction. Thenjiwe helps her mother with household chores. When we were visiting, two neighbours – a mother

and daughter – helped Thenjiwe with the cooking and cleaning. MaSibisi's younger son, Tobelani (now 13), is still in school.

Income Sources

MaSibisi continues to do Zulu bead work for a living. Since 2007, she has been selling her bead products wholesale to a supplier rather than retail on the Durban beach front. In 2008, Bizile gave up his job as a gardener in a near-by farm to work full-time making Zulu shields and other Zulu craft. While we were there, two Zulu men arrived to pick up shields that Bizile had made from cow hides that they had supplied. When Bizile showed them the shields, the two men inspected each shield quite carefully front-and-back – and then paid Bizile for them.

I asked about the economics of Zulu shield making but was not able to determine how many shields Bizile would have to make and sell each month to earn the R1000 per month he earned as a gardener. What he earns depends on whether the customer supplies the hide and on the size/quality of the shield. One thing was clear: local wage jobs do not pay well and involve high transport costs as most of them are in near-by towns requiring a daily commute by private mini-bus (as no public transport is available). A 55-year old neighbor, MaMuskanu, has worked since 1983 for the same white household in Pinetown. She cleans and irons for the family. Earlier, she also took care of the children who are now grown. She earns R1000 per month for three days of work per week plus an annual bonus (of 1000 rand) and employer contributions to a retirement fund (from which she receives annual statements). Her employer does not provide lunch, only three pieces of bread. Her transport costs are high and, as she noted, R1000 buys 'just one sack of corn meal'. One of MaSibisi's brothers has worked at a screen printing factory – cleaning machines – in near-by Pinetown for five years. He earns about R1000 per month and spends R100 per week on transport.

Dreams

MaSibisi is a community organizer. She is relieved to have her daughter back at home to take care of the domestic chores – as this frees up her own time to pursue her dreams. One of MaSibisi's dreams, which she also had in 2007, is to get a grant from the government to run a crèche. She showed us the file of documents she has had to complete to apply for funding and told us stories about how difficult it was to complete the paperwork. Another of MaSibisi's dreams, which she and the other Exposure Dialogue hosts discussed in 2007, was to start a new membership-based organization of working women like themselves. They all once belonged to SEWU (Self-Employed Women's Association), inspired by SEWA, which declared bankruptcy and closed in 2004.

On the last day of our Exposure, we were invited to the launch of the new organization SASEWA. MaSibisi had mobilized about 60 women from her area to go to the launch – some of them dressed in elaborate bead work dresses and hats. We rode together in two large buses from Isithumba to Warwick Junction in Durban where the launch was held. An estimated 150 women attended the launch which started with a round of religious and freedom songs – with the participants breaking into a circle dance – followed by a performance of Zulu dances by a young vibrant local troupe. After remarks by several persons, including yours truly on behalf of WIEGO, the crowd of 150 or more were served lunch. To join SASEWA, working women have to pay a R20 subscription fee and a R10 per month membership fee. The funds raised so far have been used to buy

equipment and set up an office. SASEWA had not yet started any activities or services for its members.

Puzzles

I came away from our one-day return visit to MaSibisi and her family with a lot of questions and uncertainty about their present status and future prospects.

The family now depends entirely on informal self-employment in the Zulu craft sector. Bizile gave up his former job as a gardener on a farm ostensibly due to low wages and high transport costs. Perhaps, he also had gained better knowledge of the demand for and cost-profit ratio of making Zulu shields and other craft. But I didn't get a clear picture from him of the demand for and cost structure of making Zulu shields, and other Zulu craft. MaSibisi gave up retail selling of her bead work for selling wholesale to a supplier. Again, I didn't get a clear picture of the economics of that shift. They clearly need to earn more from making crafts. Lower raw material and transport costs would help. More efficient production facilities would help – during our visits at least, MaSibisi and Bizile seemed to work in ad hoc and inefficient ways. Of course, higher and steadier demand at higher prices would really help. But who might intervene to help MaSibisi and Bizile address these constraints, and how?

The two older children have studied through secondary schools, the son is trained as a construction worker, both know quite a bit about Zulu craft production – but it is not clear what they will end up doing. Why did they not continue their schooling? Will they eventually marry the partners they had children with? If married, will they continue to live with their parents?

Will MaSibisi eventually receive a government grant to establish and run a community crèche? She has been trying to secure funds for more than four years. Will SASEWA develop into an effective membership-based organization?

I left MaSibisi's family and home with more questions than answers. MaSibisi is clear about two things. The family's hardships have continued – and will continue. As she reported when we first met, 'all is not so well with us'. But she feels stronger now, than before, as a woman and a local leader. Both Gary Fields and I felt MaSibisi had gained an inner strength and confidence since we first met her in 2007. She felt proud that she was able to mobilize 60 local women for the SASEWA launch. The hope for the family seems to rest on MaSibisi's strength, her community leadership, and the new organization that she is a founding member of.

3.1.2 Gary Fields

These EDP's have been truly unforgettable. They make me feel more human and alive, not only when they are taking place but afterwards as well. Why?

One reason is that I am able to focus on the hosts: their hopes and dreams, their triumphs and concerns, and their frustrations and disappointments. I have talked to many, many working people in the course of a long career. However, actually living in someone's home and spending an intense day or days learning about their lives and doing what they do is exceptional and deeply meaningful.

The second reason is that sharing experiences with the other EDP members over the last seven years has led to deep and enduring friendships. As Imraan put it, 'We're all on the same side,' and that's good to know. We often don't agree, but when we disagree, it is with good will on everyone's part.

The third reason is that being able to share the stories of the hosts and their families has made me a more interesting person and more effective teacher. Here is what seventeen students wrote in nominating me for an award for excellence in graduate teaching:

This semester, by delving into his area of specialty through *Labor Markets and Income Distribution in Developing Countries*, Professor Fields has granted us a truly rewarding learning experience. Due to his commitment to allow every interested student to take the course, he has permitted and encouraged the enrollment of over one hundred students. This class size would be unmanageable for some, yet Professor Fields succeeds in actively engaging us two nights a week from 7:30-10:00 p.m. His animated lectures provide insight into the complications of global issues in a way that has transcended our degree foci and career interests. Each night we follow him to India, South Africa, Taiwan, Brazil and many other places in an effort to understand the dynamic challenges of poverty and inequality around the world. As we have come to realize the widespread respect that his work commands, we are humbled by the commitment that he has shown to our learning, taking time both inside and outside of the classroom to ensure our understanding of challenging material and complex questions. At the end of each interaction with him, we are inspired to somehow incorporate this work into our lives.

The two General Mills Foundation Awards for Exemplary Graduate Teaching I have received are among my proudest academic accomplishments.

On a final personal note, I would like to say that I have been feeling guilty, partly on my own and partly because my wife, Vivian, made me feel so, that throughout the EDP's we have been probing deeply into the lives of our hosts but have been allowed to give only small gifts to them in return. I told the group that I feel we should give back more generously and directly. No one else expressed agreement with me. I mention it here just so the point would not drop out of view.

3.2 Technical Reflections

3.2.1 *Marty Chen*

Rethinking Informality: Cross-Cutting Themes from Cornell-SEWA-WIEGO EDPs

The purpose of the Exposure Dialogue Program (EDP) jointly organized by Cornell University, SEWA, and WIEGO was to act as a bridge between the different perspectives on labour, poverty, and growth of SEWA activists, WIEGO researchers, and mainstream economists (sometimes called neo-classical economics) represented by a team from Cornell University and elsewhere. The focus was primarily on informal labour markets.

In this note, I attempt to cull out what I think are the key cross-cutting themes that have motivated and/or emerged from the Cornell-SEWA-WIEGO Exposures and Dialogues over the past seven years. I conclude with a reflection on our attempts to bridge the intellectual divide between mainstream economists and non-economists.

Significance of the Informal Economy

The point of departure for the Dialogue group was that there are important linkages between labour, poverty, and growth – and that these need to be better understood for policy purposes.

A related point of departure was that understanding the informal economy/informal labour markets is a key to this broader understanding. As Suman Bery noted at the Durban Dialogue in March 2011, the informal economy is ‘the foundation of the economy’.

Definition of the Informal Economy

While there was some initial debate about the definition of the informal economy, the Dialogue Group endorsed the statistical definition of informal employment promoted by the ILO and WIEGO and adopted by the International Conference of Labour Statisticians in 2003: namely, that informal employment includes both self-employment in informal enterprises (i.e., unregistered or unincorporated enterprises) and wage employment in informal jobs (i.e., without social protection through the job) for informal enterprises, formal enterprises, households, or no fixed employer.

Conceptualization of Informality

The Dialogue Group recognized that, while clear boundaries between formal and informal are needed for statistical measurement purposes, most economic units, activities, and workers fall on a continuum between pure formality at one pole and pure informality at the other.

The Dialogue Group also recognized the importance of disaggregating the informal economy/informal employment into component parts. Some in the Dialogue Group (notably, Ravi Kanbur and Haroon Borat) prefer defining the component parts in relation to regulation, particularly labour regulation: see Ravi’s paper in which he presents the A, B, C, D framework. Others in the Dialogue Group (WIEGO researchers) prefer defining the component parts by status of employment: employer,

employee, own account worker, day labourer, industrial outworker, contributing family worker. All agreed that defining the component parts of the informal economy is important for policy purposes.

From the WIEGO perspective, we feel it is important to have aggregate measures of informal employment to capture policy attention and to have disaggregated components and measures of informal employment to get policies right.

Multi-Sectoral Models of Informal Labour Markets

Several members of the Dialogue Group have developed multi-sectoral models of informal labour markets: Gary Fields (high end-low end), Ravi Kanbur (A, B, C, D), and WIEGO (six employment statuses). While the Dialogue Group did not compare the strengths and weaknesses of the three models, we all agreed that disaggregating the informal economy/informal labour markets in meaningful ways is important for analytical and policy purposes.

Regulation and Informal Labour Markets

A key focus of the Exposures and Dialogues was on regulation and its relationship to informality. The first Exposure Dialogue in India focused on the impact of minimum wage regulations on employment. Gary Fields led that discussion with a presentation on the neo-classical model that asserts minimum wages, whether legislated or negotiated, lead to higher wages for some but unemployment for more. Renana Jhabvala and Namrata Bali explained that SEWA does not expect that minimum wage legislation will necessarily be enforced but use it for negotiating purposes: in such contexts, minimum wages may not lead to greater unemployment. Jeemol Unni noted that a whole swath of the informal economy in India is not affected by or responding to regulation. According to estimates she cited, only 30 per cent of trades/occupations in India are covered by minimum wage laws and only 3 per cent of the persons in those trades/occupations receive a minimum wage. Regulations regarding hiring and firing in India apply to firms with 100 or more employees. Yet the vast majority of firms in India have 10 or fewer employees. In the end, there was no closure of the debate on the impact of minimum wages on employment. Clearly, we need to know more about what percentage of informal workers – and which components of the informal economy – are affected or bothered by labour regulations, especially since such a large share of the informal economy and the workforce in general are own account operators who do not hire others.

Drawing on this debate, Gary Fields and Ravi Kanbur developed a theoretical model on the impact of minimum wages on household poverty which posits that minimum wages do not necessarily lead to greater household poverty – if there are two breadwinners in the family, the higher wages of the one who gets the minimum wage may offset the loss of earnings of the one who loses a job.

The Exposure Dialogue in Mexico focused on the impact of social protection regulation on informal labour markets. More specifically the discussion focused on the key argument made by Santiago Levy, who joined both the Exposure and Dialogue in Mexico: namely, that the social protection scheme Seguro Popular targeted at informal workers creates a perverse incentive for firms and workers to operate informally and thus contributes to low growth and productivity in the country. While the Dialogue Group agreed with his prescription to this perceived problem, namely universal social protection for all workers, there was some

disagreement about the evidence he cited in support of his argument (as the data did not include the self-employed) and his logic for universal coverage (emphasis on efficiency). In part, the first Exposure Dialogue in South Africa also focused on the impact of social protection regulation – specifically, the child assistance and old age cash transfer grants – on unemployment: with some arguing that, perhaps, these create a disincentive to seeking gainful employment. But, in large part, the Dialogue Group focused on the structural barriers to informal employment in South Africa.

Both Namrata Bali from SEWA and the WIEGO researchers in the Dialogue Group felt that the mainstream economists put too much emphasis – or the wrong emphasis – on regulation, particularly labour regulations. Namrata pointed out that regulations are often biased against informal workers and their organizations, noting that SEWA has found it difficult to register cooperatives of child care workers and to negotiate officially-recognized ID cards for its members. She called for appropriate non-biased regulations in support of informal workers and their organizations, noting that governments favor schemes for the poor/informal workers rather than appropriate policies and regulations. The WIEGO researchers argued that informality is caused by wider structural factors, not just regulations; that not all regulations lead to distortions; and that informal workers are affected by sector-specific regulations not just labour regulations (e.g. waste management regulations, urban planning and zoning regulations, urban land allocation).

The Dialogue Group did not reach consensus on the regulation vs. de-regulation vs. appropriate regulation debate. But there was, I think, a broad consensus that not all regulations lead to distortions and that regulations are not the only cause of informality. However, there was a lingering tension, as the informal workers want protection while most mainstream economists favor de-regulation – and many formal firms seek to evade or avoid regulations. Also, the formulas for how to balance these different objectives such as flex-security in Europe – often do not take into account the fact that a large share of the workforce is self-employed. Finally, the Dialogue Group spent surprisingly little time discussing informal institutions and regulations, particularly those that govern informal economic activities.

Economic Policies and the Informal Economy

The Dialogue Group spent less time discussing economic policies than regulations. But Imraan Valodia, at various points, highlighted the need to better understand the impact of taxation on the informal economy. He wrote a short note on the impact of Value Added Tax (VAT) on the competitiveness and earnings of the cement block making enterprise of his Durban host, MamaNgidi, noting that she was not able to claim the VAT refund that her formal competitors were able to claim. Ravi Kanbur and I, at various points, raised the issue of government procurement and the informal economy, noting that government tendering systems are often non-transparent and biased against informal workers (e.g. tendering for solid waste management that does not allow or encourage cooperatives of waste pickers to bid).

Economic Theory and the Informal Economy

Since the purpose of the EDPs was to bridge mainstream economics and other perspectives on labour and poverty, the Dialogue Group spent a lot of time discussing mainstream economic theories and models. The

mainstream economists in the Dialogue Group were the first to point out the following limitations to mainstream economics:

- separation of efficiency and distribution
- need for better models of:
 - labour markets – need for multi-sectoral models that integrate different kinds of wage employment and self-employment
 - competition and price-setting – need to understand how these operate within the informal economy
 - reservation wages – need to assume constrained choice, not just free choice
 - self-employment – need to develop urban counterpart to farm household model
 - trade economics – need to integrate good and bad jobs + self-employment + unemployment (not simply employment vs. unemployment)
 - economic behavior - need to integrate different motivations

On the topic of economic behavior, Namrata Bali pointed out that people will continue to work even when there is no economic profit to doing so: in order to eat even if it means going into debt, in order to maintain their dignity, in order to continue to pursue their hereditary occupation.

Membership-Based Organizations of Informal Workers

The main lesson – or take-away – from the first Exposure Dialogue in India in 2004, inspired by the example of SEWA, was the need for membership-based organizations of the poor. This led to a conference on the topic, an edited volume⁵ of selected papers from the conference, and a series of events to highlight the issue. During the second Exposure Dialogue in Durban, South Africa in 2007, our hosts were former leaders of SEWU, an organization based inspired by SEWA that had to close after declaring bankruptcy. We spent some time with them discussing their dream of resurrecting SEWU or starting a similar organization. During our return Exposure Dialogue in Durban in 2011, we attended the launch of that new organization, SASEWA.

But the Dialogue Group never seriously discussed membership-based organizations of the poor after the conference, although Ravi Kanbur continued to highlight the issue at several launches of the edited volume and SEWA and WIEGO continue to help build membership-based organizations of informal workers.

Economists and Non-Economists

The Dialogue Group was formed because there was a perceived intellectual disconnect between mainstream economists and non-economists. We managed to bridge some of the intellectual divides over the past seven years. And we came to appreciate why economists and non-economists think the way they do. Anthropologists tend to particularize and complicate analysis, to focus on the substance of economic activity and to situate economic activity within larger social-cultural practices, while economists tend to generalize and simplify analysis, to focus on the mental calculus of those who make economic

⁵ Chen, M. Jhabvala, R. Kanbur, R. and Richards, C. (2007). Membership-Based Organizations of the Poor. London Routledge.

decisions and to situate economic activity within markets and economic institutions.

But we did not manage to bridge the differences in how we think and know – we did not come up with a cross-disciplinary way of thinking and knowing that draws on the strengths of both mainstream economics and the other social sciences. We got stuck at the impasse between the non-economists' focus on complex reality and the economists focus on parsimonious models. We also got stuck at the impasse between methods. The non-economists tend to do extended field work using a mix of qualitative and quantitative methods, focusing on the substance of informal activities. The economists tend to test theories analyzing available data sets, focusing on the relationship between key variables.

In closing, the Cornell-SEWA-WIEGO Exposure Dialogues served to underscore that both perspectives and approaches are needed to understand the many forms and patterns of informality in the global economy; and that there is a role for all the social science disciplines and their respective theoretical and methodological approaches. Hopefully, our series of Exposure Dialogues over the last seen years, to be captured in an edited volume of our personal and technical reflections, has laid a strong foundation for continued efforts to bridge the intellectual divides - with a view to reducing the poverty of the working poor.

3.2.2. Gary Fields

The EDP's not only taught me a great deal but made me understand that I had a great deal to teach others. Since the Mexico EDP two years ago, I completed a book *Working Hard, Working Poor: A Global Journey*, to be published later this year by the Oxford University Press. The book's cover will show pictures of four workers, and their stories constitute one of the book's chapters. Three of those workers were my EDP host ladies: Kalavati, MaSibisi, and Angela.

My main learning from the EDP's is that I learned to understand better the hosts and people like them, not because they're informal (defined as being without labour market protections) but because they're self-employed.

We all agreed to share 'light bulb moments' - times when we have shined the light of criticism on ourselves. My light bulb moments on this last EDP were these:

- I have been insistent about defining 'informality,' 'informal sector,' 'informal employment,' and 'informal economy' clearly and consistently. In rereading some of my own papers recently, I found that I had been inconsistent about the free entry aspect of the informal sector, sometimes using it as a definition and sometimes as a characteristic. I hereby plead guilty to what I had been charging others with and resolve to be more consistent in the future.
- I have long known that at times I don't know what I think until I hear myself say it. In my professional discussions with the other EDP participants, I realize how profoundly uncomfortable I am with the views of free market economists on the one hand and the ILO on the other. I have come to be more consistent in paying the most attention to the bottom-line objective of minimizing

economy-wide poverty through labour market means rather than to other intermediate objectives.

- The more we talk about policy, the more I realize that we need better labour market models for analytical and policy purposes. Working on building such models now features prominently in my near-term research plans.

Turning now to this latest EDP, the story of the Majola family – MaSibisi, Biziwe (her husband), and their children – presented a few pleasant surprises to Marty and me:

- MaSibisi was visibly more self-assured than when we saw her last. Her personal growth and development were heart-warming to see.
- The family is living better than before. Their incomes have grown, their savings are higher, and they have no debt – this despite the addition of two grandchildren to the family (more mouths to feed) but also because of the grandchildren (one additional child’s allowance now coming into the household for the one grandchild who lives there).
- Contrary to what is widely assumed wage employment was not better than self-employment for this family. Four years ago, the husband had been working as a gardener for a white family. (It was he who brought up ‘white,’ reflecting the salience of race in every aspect of South African life.) We learned on this home stay that he had been earning R1, 000 a month, of which he paid 400 in transport. The family calculated that they could make more money if he left his gardening job and worked full time in the family craft enterprise. Indeed, we learned that after expenses he could earn as much as R400 a day making Zulu shields. This illustrates another point:
- The family had re-optimized within self-employment. MaSibisi now spends most of her time making shields rather than doing beadwork, as had been the case previously.
- The family was doing well because of a skill that previously had been underutilized: the husband’s ability to make beautiful shields (stop by my Cornell office if you want to see one), which skill he had learned from his father and had passed on to his wife and son. Previously, I had written and talked about the duality within self-employment, recognizing the coexistence of unskilled and skilled segments. The skilled segment, I wrote, consisted of people who had acquired human capital and financial capital in the formal sector, then set up their own self-employment enterprises. But now I will also write about people who acquired human and financial capital in some other way and then engage in skilled, hard-to-enter self-employment activities.

Finally, these EDP’s have reinforced my long-standing belief that public policy needs to be thought of in social cost-benefit terms and has led me to the working conclusion that the most cost-effective use of scarce anti-poverty resources is to help the self-employed do the best activity/activities as judged by themselves, which is not necessarily to continue doing what they’re doing. Not rolling more bidis per day but getting into industrial sewing. Not necessarily making more or better fireworks but getting into the celebration business. Not continuing in barbering when you get one customer in a morning.

In my view, labour economists who work on the developing world, development banks, and others devote too much attention to expanding paid employment and too little to raising self-employment earnings, and so I have devoted a complete chapter of *Working Hard, Working Poor* to the

crucial role to such policies: designing products to help raise the productivity and earnings of the self-employed, adopting a positive policy stance and avoiding hassles, providing the poor in agriculture with more to work with, facilitating supplemental off-farm employment and self-employment, making capital available to the poor, building skills and business know-how, and stimulating micro-franchising.

Writing about these areas has moved me out of my comfort zone; I hope I am a better social scientist for it.

4 Host: Choma Choma Nalushaka

Facilitators: Gaby Bikombo

Participants: Françoise Carré and Haroon Bhorat

4.1 Personal Reflections

4.1.1 *Françoise Carré*⁶

It was a great pleasure to find Choma Choma and his family doing so well, with children grown, strong and healthy. When we first arrive, the house is quiet with the women taking care of household chores. As the afternoon wears on, the boys come back from school, and around dinner time, there is a good flow of visitors, neighbours, youths who visit the children, members of the church where Choma Choma preaches as well as others who are active in supporting the Congolese refugee community. The house positively hums with activity—adults consult with each other, youths are in perpetual movement in and out, and children from the family and neighbours bounce around the edges of the conversations and food preparation, which takes place in the breezeway and back court because the house is so full of residents.

When our facilitator Gaby Bikombo, teammate Haroon Bhorat, and I arrived at the home of Choma Choma, it was a wonder for us to see the youngest daughter, age 18 months at our first visit, turned into a talkative 5 year old, going to school and extremely lively. The teenage boys have turned into tall, self confident, very pleasant young men. We were there for the early morning rising and school preparation on the next day. It was exam week for several of the youths. There was a concentrated air about. Son Lukas in particular is ‘up’ for his exams. Choma Choma reports his children are focused on school on the whole. It has been a concern of his not to lose his children to the distractions of the street in the central city. It has succeeded so far. I feel lucky to be invited into the home of Choma Choma and his wife Jeanne. It has meant a lot to me to return at another point in time and see the progress in their lives.

Household

‘This is our life... This is our life...now.’

(Choma Choma’s eldest daughter who re-joined the family in 2011 from Congo.)

Since the first visit in 2006, there have been significant changes in the household. Jeanne’s (Choma Choma’s wife) two sisters and the young daughter of one of them have moved away to establish their own household. There have been additions to the family as well. Choma Choma’s oldest daughter Yvonne has finally joined the family after living in Kinshasa, DRC. She is a nurse. It is the first time in 10 years that his family is together in one country (another adult daughter is married and

⁶ My heartfelt thank you to our imaginative and persistent EDP leaders, to our hosts for all EDPs, and the host organizations and facilitators. I have treasured the exchanges that we have had over the past seven years.

living in Free State province). Yvonne speaks French and Swahili; she is taking classes three times a week to learn English. In addition, a 17 year old young relative, the sister of the son-in-law from Free State, is now staying with them and attending school taking secretarial and business classes. These are the new members of a household that includes father (Choma Choma), mother, 4 young (approximately 14 to 19) men, and the youngest daughter.

The house itself includes several other residents. There is a young boarder, a recent arrival from Congo, who works at the barber stall and gets room and board. There is a young couple with an infant, both East African immigrants who are sharing sleeping space in the back. During the day, a woman uses the space to work on a sewing machine.

Since our last visit, the room that used to be a kitchen has been turned into a bedroom to accommodate people. The back area has been broken into two spaces to accommodate the boarders on one side.

Church and Community

After the first visit, I had noted how important the Pentecostal Church responsibilities were to Choma Choma. The church for which he preaches and counsels is the centre of his life, along with his family. It is a church of Swahili speakers, primarily Congolese. It draws and hosts refugees and appears to have become the entry point into Durban life for many refugees. A number of his sons sing with the choir and his son Reuben plays the electric organ for it. The church itself has relocated to a floor in a business building closer to Warwick Junction but further away from the commercial centre. It is a suite in a building, decorated with wall hangings and flowers. It is also a centre for recent arrivals; there were children about.

If anything, Choma Choma's responsibilities as leader of the congregation have increased significantly. There is a steady flow of visitors, all of whom come to consult with him, at the barber stall, at home, and encounters on the street. Recent arrivals from Congo come to the church, therefore to him, for assistance and orientation. People also bring family trouble, disputes, and other concerns for counsel and help. During our very short visit at the stall— a few hours on each day—a young distraught woman waited her turn. She was beaten by her husband during a domestic dispute. Over the course of our visit, Choma Choma spoke to her and visited the husband.

Being the church leader and a refugee with long history in Durban, Choma Choma is a de facto resource and leader among Congolese who work on the street as well as for recent arrivals. People came by to check in, to trade news. Barbering right on the street, with long days but also long periods without customers, enables Choma Choma to conduct much of the pastoral work during the day.

Income Earning Activities — Making it Work

Barbering on the street is the principal activity for Choma Choma and, increasingly, for his older sons. But business is slow, prices remain low, and there is much competition (see next section). Expenses are high: rent (at R2, 400 has risen), food, school fees, school uniforms, and utilities in particular. Unlike other EDP hosts who live in townships, Choma Choma does not have commuting costs for work; yet he incurs significant bus transport costs for his children's commute to secondary school.

In some ways, the cost constraints of Durban are not unlike those in the US. It is possible to afford small consumer items but it is difficult to afford core items: housing, schooling, and medical care (beyond basic clinic care).

In the process of making ends meet, Choma Choma and his family resort to other means. Among them, the family has taken in boarders, a young couple of East Africans. Jeanne watches the boarders' infant when both parents are at work. A Congolese apprentice (recent arrival) learns the trade and covers hours at the stall in return for room and board. Choma Choma has been looking for other activities, and for resources to start new businesses. Over the past couple of years, he has begun to purchase one used car at a time, get it 'retrofitted' (by informal panel beaters and mechanics in the area) and put it up for sale (weekly open air market). This has required getting an informal loan, from a member of the community, paying for repairs as well as storage and waiting for the turnaround. It took 12 months for the resale and, so far, net income from this venture has been low. Choma Choma is still looking for new ventures that will yield greater income than barbering.

Since 2006 at least two of his oldest sons have become old enough to run the stall in his absence. They set up the stall in the morning and take it down at the end of the day. (In 2002, he paid someone else to do it.) They and the Congolese apprentice/boarder—a recent arrival—cover the long opening hours, particularly on weekends. This enables Choma Choma to spend significant time away from the stall while still maximizing hours of presence and maximizing opportunities for customers.

The Business of Street Barbering

Street barbering provides low earnings, even in the case of Choma Choma who has a stall in a well located intersection in Warwick Junction, who is well known among Congolese residents, and who gets along with South African neighbours. Key vendors are the same as in 2006: the immediate neighbour, also an immigrant, who repairs and sells used shoes; the pool table for rent by the game (gets removed every night for storage), and the South African vegetable vendors. At least two Congolese women have little stocks of cosmetics or fruits on display.

Weekly earnings from barbering range from R600 to R800. The stall rent is R50 per month; there are additional costs for storage, shavers, blades, and electricity. Since 2006, Choma Choma has been able to purchase a small battery charger which he uses at home and enables him to save on this cost.

Challenges to earnings from street barbering come from several structural features already noted in 2006 but also from new ones. Long standing challenges include a limited market size. Haircuts and shaves are services sold to a population that is itself very low income—the layout of the city does not enable street vendors to tap into a slightly higher income market than their peers. Prices are low and it is difficult to raise them. One option to raise prices is enhancing the barber services for a small increase. More desirable locations for hair salon operations are available at market rent and beyond the reach of a street barber without start-up capital.

Also an ongoing problem, Congolese refugees have continued to arrive, along with each resurgence in violence and hardship in Eastern Congo. They tend to congregate in the activities where their compatriots are active. Compared to 2006, we saw a greater number of barbers and also some with semi-permanent wooden stalls installed on pieces of private

property (closest to his location, a stall was built in the front yard of a house).

Role of the Barber Association – Siyagunda

Both Choma Choma and Gaby Bikombo, our facilitator, play a significant role in the association, Siyagunda, which represents street barbers in dealings with the municipality around the use of space, for example. Since 2006, Siyagunda has carried out three plans: agreement to raise the price of haircut and shave to R15; taking some control over the provision of electricity for batteries for shavers; and establishing a small revolving loan fund. The great recession has created additional challenges; members are often too busy making a living to attend association meetings regularly.

The collectively agreed price increase—making up for years of a price frozen at R10—is significant and somewhat difficult to implement in the recent economic environment. The difficulties highlight the challenge to income generation in street barbering. Siyagunda relies on voluntary compliance from members and new arrivals. In areas on the edges of the central market area, and those away from it, members reduce the price when business is slow; Gaby reported having to mediate disputes among members over ‘caving in’. Even in the central area, toward the end of a slow day, pressure is great to reduce the price or to accept doing less, e.g. forego the shave, for only R10.

The purchase of a battery charger to provide charges at cost appears to be working. Siyagunda has worked out an arrangement whereby a member runs the charging centre as well as rents batteries (R10 per day). He pays Siyagunda R500 per month and retains the rest of earnings. This business-like arrangement instituted three years ago has worked better than Siyagunda running it with members.

The small revolving loan fund and help when a member’s equipment is stolen are welcome by members. It is dicey to manage the loan fund because there is no official means to enforce reimbursement. The association must rely on social obligation and peer pressure (plus the threat of future refusals) to receive payment.

Siyagunda has had an unsuccessful negotiation with municipal authorities over access to a new stall location in the area. Nothing explicit was said but, once negotiations were over and spaces were allocated, none were allocated through the intermediation of Siyagunda as a vendor association. There is some evidence that individuals who bribed got a space. The account here is not complete enough for me to say anything definite.

Relationship with the State and Local Government – the Continuing Challenge of Refugee Status and the Immigrant Experience

Some things have not changed since 2006. The refugee ‘ID’ still is not recognized in many official situations. They are not eligible for government run training programs or subsidies for small businesses, if any. Their children are not eligible for financial aid/tuition for post-secondary education. Once they finish school, like Choma Choma’s oldest son has, there is little to do but start work without further training. In South Africa’s modern economy, foreshortened education puts them at a disadvantage. Whereas, in South African households, some family members might access old age pension or allowances for children that

help hold the line on deprivation, official refugees and immigrants do not access these government benefits. (Historically, Choma Choma's family has received assistance with school fees and uniforms from the Catholic diocese.)

Unlike in 2006, becoming a permanent SA resident (different status) has become a goal. It takes a long time, there are administrative delays. Worse, Choma Choma, Gaby, and at least one younger man reported the process is considerably uncertain. The application may get lost, the card may be lost in the mail, and there is the risk it may get sold. In other words, they cannot count on getting a permanent resident card. Such a card would enable their children to apply for financial aid. What is conveyed to us is that immigrants have little recourse if one's residency card is sold off, effectively stolen.

Choma Choma reported that he was also turned down by a bank for a small loan for his business. This appears to have been due to his being self-employed. He is ineligible for any state sponsored incentive plan for business start-ups or investment. For him, and others like him, loans are private, informal arrangements.

Living in the central city, close to Warwick, has all the advantages noted above but also significant risks. Theft and personal violence on the street are a concern. These risks appear not to be mitigated by local policing and other local government functions. This became absolutely clear to us in two ways. The house sits nearly across a squatter house, already there in 2006 and abandoned by its owner who has not been mandated to shut it down. It is the locus of an ever shifting set of young residents, and trade in alcohol and illegal substances. Choma Choma showed us a soot-covered wall on his front veranda, the result of a fire set by someone staying in the squatter house that had had an altercation with someone staying with Choma Choma and took revenge. The owner of the nearby shebeen noticed the fire and put it out himself. Local police appears to be of little help. During our visit, a police vehicle unloaded five policemen who went for a 15 minute 'visit' in the squatter house, appearing to be friendly visitors or customers—hardly a force to count on for help with this matter.

The issue of safety for neighbourhood residents and for doing business on the street is ongoing. The fear of violence is present but not higher than before. If anything, there are some reports that things are better. Gaby noted that he does not hear of as many knife injuries as four years ago.

Tending to the Congolese community is a major task for Choma Choma, and for our facilitator Gaby, as well. Notably, they both report the appearance of new challenges among younger members of the community. More recent arrivals in particular are under great pressure from family experiencing hardship back home to deliver support and resources. Both of them commented on how more frequently they encounter incidents of significant domestic violence, wife beating in particular. During our visit, over dinner, they discussed whether there should be more than ad hoc support to the women who are victimized with a church member who had legal training in Congo. The discussion was whether there should be more systematic community attention and support.

Reflections—Anticipating Future Changes

In the write up from the first visit, I had noted how important the location of the barber stall is to the ability to make a living from it. This time, I was

reminded again of the importance of space and location. I became much more aware of how residence in the Warwick area, very near the stall, is crucial to making things work for Choma Choma. The stall remains open for long hours but he can move away from it, return quickly, and run visits home when needed. He need not be fully away from home for the whole duration of the work day. He is centrally located for members of the congregation and of the broader community, including Siyagunda members, to drop by and discuss important matters. Even though living in the central city has some dangers, it makes it possible to run the stall, the church, and to develop new activities.

We were told by the facilitator Gaby Bikombo, that the area in the back of Warwick Junction proper is slated for further development. After the last visit, when plans for turning parts of Warwick Junction into a mall were in the pipeline, we were concerned about the threat to livelihoods. Now, I wonder what redevelopment plans the city has and whether they will affect this home and work arrangement for Choma Choma and other street barbers who reside and work in the immediate area.

We attended the lively launch ceremony for SASEWA. I was awed and inspired by the audience; its serious, intent, listening, singing, attention to election results. Several women in elaborate, traditional Zulu outfit conveyed to all the seriousness of the commitment they made to the organization. I am hopeful that this organization will thrive and, indirectly through collaboration with Siyagunda, act in ways that benefit the business environment for all manner of street traders in the Durban area.

Things continue to be hard and tenuous economically. Yet, Choma Choma has four more years of experience with Durban, and South Africa more generally, under his belt. He knows more and has a better sense of how things work. His children have taken root in the country too. There is much self confidence in the family.

4.1.2 Haroon Bhorat

Waiting for the Green ID

My EDP colleague Françoise Carré and I spent one night with a family in urban Durban. As a South African I went with the *ex ante* notion that this would be a less novel experience than for example, our previous EDP visits in Mexico and India. I did not, however, give sufficient weight to the fact that I would be living with a Congolese family who had only recently fled their country of birth, and had arrived in dribs and drabs as refugees to South Africa. This was a very different South Africa I experienced, albeit for a very short 24-hour period.

Our host was the tall, regal Choma Choma Nalushaka who had fled the civil war in East Congo about 10 years ago. Over the years he has brought his entire nuclear family to Durban. Only his youngest, a beautiful spritely toddler named Bahati, was born in South Africa. However, this fact did not bestow upon her any privileged legal status in the country. Choma Choma's remaining 6 children ranged in age from 15 to 25.

Choma Choma, like many of his compatriots, operates a barber shop in the centre of bustling Warwick Junction. He is directly opposite the Zulu fruit trader, whom he sees everyday. Their interaction however is highly limiting - with a respectful distance remaining between them. The same cannot be said for his immediate neighbour, a Ghanaian, who runs a

shoe repair business. Choma Choma and the Ghanaian are very close - 'my brother from a different mother' is how Choma Choma put it. They socialise together, and of course have formed a deep friendship over the years as two refugees in search of a better life for their families in this foreign country.

Choma Choma: The Priest

Our host's long-term presence in the Warwick Junction area, and the fact that he is a priest, has meant that he plays a central role in this fragile community of refugees. It became very clear early on, that Choma Choma was spending an increasing quantum of his time on welfare-related issues. The day we spent with him, saw him dealing with at least two family crises. The one, sadly, involved a man who had beaten his wife. The couple were new refugees from Burundi, and Choma Choma spent at least an hour counselling the wife and later in the day went in search of the husband. He reported that his welfare work had increased, and he had undoubtedly seen a rise in violent behaviour within families - something which he said was definitely a product of the tough social circumstances within which they forced to live.

Religion arguably plays a more central role in struggling and poor communities. This seemed to be confirmed here as Choma Choma showed us the make-shift community hall which had secured, for his regular church services. Whilst the church was in an industrial area - and upstairs from the Bangladeshi-owned cafe - it is clear that a sizeable rental was due on the property. Choma Choma's interaction in the community and his work yielded of course the income from the community in lieu of the costs associated with running the church. It certainly seems as if the Central African refugee community, now have an identifiable presence within the Warwick Junction community. Having a well-known leader, together with a church *cum* community hall, certainly represents the seeds of a community bedding down in a new country.

The Children and their Future: Waiting for the Green ID

Choma Choma's nuclear family must be separated of course, from those who reside within his household. As far as we could tell, apart from the 6 members of his family, a Tanzanian family (husband, wife and baby boy) lived there, together with a recent addition from the Congo who was a distant family member. This is, as one would expect, a household whose size was in flux and subject to change given the precarious and uncertain environment within which the refugee communities live in South Africa. This was not all altruism though, as the Tanzanian family paid both a rental to Choma Choma as well as a babysitting fee to Choma Choma's wife, who cared for the child during the day. The mother worked as a car guard in a nearby shopping mall. The young Congolese boy who had just arrived worked in the barber shop in return for boarding and lodging.

At the heart of the struggle for recognition in South Africa, remains the wait for formal recognition as a citizen of the country. Unlike many other countries, being born in South Africa for starters, affords no citizenry rights. Hence Choma Choma's last born, Bahati, although born in the heart of Durban remains a refugee. The mathematics of waiting is simple: First there is at least a 5 year wait to ensure that you are granted an official refugee status, then a further 5 year wait before it may be possible

to acquire the much prized Green ID⁷, followed by a further 5 years to be afforded citizenship. The wait for the Green ID defines much of the struggle of these refugee communities. Without the Green ID document, it remains very difficult or impossible to do basic things such as open a bank account, purchase significant assets on account or perhaps most importantly apply for a permanent formal sector job. One significant barrier to entry for young refugees is that student scholarships and bursaries are restricted almost without exception to South Africans. It is entirely plausible then, that a scholar with exceptional grades at high school, but who is non-South African will simply not be able to access the higher education system given this barrier to entry. This cannot be right.

If one chats to the younger generation, many of whom have been here for many years, it is very clear that they bear all the hallmarks of other first-generation immigrant communities. They are much better versant in the local languages, have social networks which are with locals and less so with other immigrants, increasingly identify with the local customs and culture and so on. As I spoke to Choma Choma's eldest boy, who was at high school, it was clear that he not only spoke fluent Zulu and had only South African friends, but also that he was already on Facebook!

Urban Poverty and Crime

There were two aspects of urban South Africa, evident in the aggregate data and trends, which were immediately obvious in our short stay. Firstly, the poor quality of service delivery at the local government level and secondly the incidence of crime and criminal activity. These were both very apparent and obvious in the vicinity of Choma Choma's home and his business.

Across the road from his home, Choma Choma and his family had to contend with a noisy bar, with a fair number of drunk and unruly customers stumbling around the area. Of greater concern however, was the drug den directly opposite his home, in a dilapidated house. The drug den exists openly and has been there for a good number of years. The impact of increased resources at the national and provincial level for crime prevention is not visible at this micro level. Indeed, what does appear to be a problem is not the lack of resources for crime prevention, but very poor enforcement. During our visit a police van with at least six police officers arrived at the drug den. I thought this was the moment when arrests would take place, when drugs would be confiscated and so on. Instead, over a one hour period police men and women strolled into the drug den one by one, very casually, and then at the end of this display of striking languid behaviour, got into their van and drove off! Choma Choma and our facilitator Gaby Bikombo shrugged their shoulders. Indeed, all evidence continues to point that very poor enforcement is one of the key constraints in fighting crime in South Africa - which remains a notoriously violent society.

In terms of urban decay, it was also clear that whilst some services functioned sub-optimally, in other ways services have collapsed. Choma Choma spoke of power outages and all too often of uncollected refuse. The bigger blockage though appears to be amongst small businesses in the area which are not provided with adequate local government services.

⁷ In South Africa, the 'Green ID' is the identity document granted to all citizens - green in colour - essential for accessing a range of private and public services in the society. It is akin to the USA's social security number.

Interestingly, we heard from a program officer who has a long history in the area, that firms are willing to pay local rates and taxes, but that the local government revenue collectors are not able or willing to find an appropriate manner in which to accept this offer of payment! The local government officials insist on sending these traders to an official government office, far away deep in the CBD, which inevitably involves significant time delays and high travel costs. This is a significant barrier to purchasing local government services. The notion of taking the payment to the traders (on-site, 'bus conductor style' as it were) does not even feature in the planning of local government officials.

Siyagunda and Market for Barbers

Choma Choma ran one of many barber shops in the Warwick Junction area. They were almost all, as far as we could tell, foreign-owned. Indeed, there appeared to be a clear occupational segmentation in this local labour market, as foreigners from the continent were involved in a specific set of occupations, including for example, barber shops, car guard work, security guard services (to the formal sector); car mechanic services and micro-retail trading. These were in turn, differentiated according to the country of origin within Africa. Hence, Somalians tended to be in the retail trade, Congolese as barbers and the Burundians as motor mechanics. There is clearly more careful modelling required of labour economists, in order to understand how such occupational segmentation takes place in nascent local labour markets!

Of particular interest to me was the fact that the barbers had organised themselves into a mini business association, called the Siyagunda Association. The Association brings together all the barbers in the area, who each pay R50 per annum to join. The association offers business services, translation services, loans, court assistance and funeral services. Hence, as is clear, it is beginning to operate as an association which can offer a range of financial and personal services for contributing members. Whilst there are problems with contributions, it is clear that the Siyagunda Association plays a critical role in a community where access to formal sector networks and services (or at least those available to South Africans) is not possible.

There was also one very interesting role the Association played: it appeared that it attempted to enforce some degree of price control on the barbers. Haircut prices were thus fixed by agreement through the Association, in the search for a more equal distribution of revenue and profits. This seems to be evidence of a cartel in the market for barbers in Warwick Junction! Any deviation from price resulted in a significant reprimanding of the offender, although the details of the penalty were not clear. A battery recharging facility, run through the Association, seems to be a capital investment they have made, in order to provide a value-added service back to their members. This appears to be functioning efficiently, but is exactly the type of market failure evident in credit provision to the informal sector. The lack of innovative thinking by practitioners in the field, at least in South Africa, is truly startling.

4.2 Technical Reflections

4.2.1 *Françoise Carré*

EDP Overall: 'Light Bulb' Thoughts

- Home stays brought home to me in a very concrete way that, for the low-income self-employed in the informal economy, the length of the workday and week is greatly stretchable. Something I knew from the literature but the visit brought a different kind of realization. The day is long and the number of household members that get pulled into production grows over time. In South Africa, to maintain earnings, the barber stall has to stay open for longer hours and this requires involving the older children in manning it. In Mexico, to sell about one rug per week requires 10-11 hours on the street daily waiting for customers, on top of checking the weaving done by female relatives at home. In India, in 2004, the daily quota of bidis to be rolled is driven by the piece rate; any interruption was made up with longer hours (or the visitor took up some of the work). Older children and adults went to work for small garment shops. (Since the first visit, our host has moved to another home based activity, sewing.)
- In Mexico and South Africa and to some degree in India, the process of informalization of jobs in formal enterprises is underway and warrants more attention. We did not have home stays with workers affected by this process but the growth of more short-term employment and of contract work (rather than wage employment) is bound to affect earnings opportunities for low-income workers overall. If moving from informal work to formal work (usually in formal enterprises) has been considered as desirable for large subsets of workers, what are implications of the downgrading of job quality in formal enterprises, particularly for workers at the low end of the job distribution?
- Visits to street vending areas and to other home-based workers and their suppliers, during our visits with hosts, brought reminders of how economic activity is informally regulated — as well as affected by regulation. Informal activity in particular is regulated by convention, custom, and negotiations which affect the use of space, the terms of product exchange, and of labour exchange. These processes are important modes of regulation, and possibly more flexible ones. This point is in keeping with the argument made by Francie Lund during our last meeting.
- The field exposures have underscored the role of worker organization for me. The juxtaposition of home stays with local leaders of SEWA in Ahmadabad (along with facilitators who are union negotiators and lawyers), with a leader of an immigrant vendor association in Durban, and with a free standing rug weaver in Oaxaca who is only loosely connected with a civil society organization made this clear. SEWA members not only can access

preparation and venues for negotiation as well as an array of supports (e.g. credit union, dedicated government paid health clinics) but they also have a neighbourhood network of other SEWA members. Everyone is in precarious economic situation but not all are in crisis at the same time so that there is the possibility of extending support to each other. In Durban, Congolese barbers have each other and Siyagunda works to render explicit a community of interests as well as representation to the municipality—in those limited venues where the municipal authorities deal with street vendors. Siyagunda also now has the possibility of allying in some activities with SASEWA members (just reconstituted self-employed women association in Durban and outlying areas). In Oaxaca, craft identity and community history forge community and joint action (labour trading for example) but our host was not part of an organized movement with the ability to negotiate on his behalf.

India, Mexico, and South Africa: a Summary of Salient Contrasts

	<i>India</i>	<i>Mexico</i>	<i>South Africa</i>
Host	Home based bidi worker; cloth stitcher	Rug weaver craftsman	Man, street barber, Congolese refugee
Organization	SEWA	Loose connection, craft community	Barber association; Church congregation
Land and housing	Scarce; renter in chawl	Available and relatively plentiful; inherited compound shared with extended family	Scarce, expensive, renter
Medical care	Poor, except with clinic accessed through SEWA	Basic care accessible	Basic care accessible
Schools for children	Poor quality, poorly supplied	Average quality and fees	DK quality – fees
State provided income supports, benefits	None except for some bargained benefits	Some- subsidies for school related expenses	Old age pension and children allowance not accessible to refugees and immigrants
Debt of host	Triggered by divorce settlements of sons	Triggered by medical expenses (tests, medication not covered)	Triggered by on-going expenses (grocery store) and biz ventures (informal loan)
Consumption 'glimpses'	Produce from market, electricity, gas, cold water, no furniture	Produce from market, electricity, gas, cold water 3 times a week, furniture, refrigerator for occasional use	Supermarket goods, some fresh market goods, furniture, electricity, gas, cold water, TV, refrigerator
Relationship/ attitude toward the state	Perceived as ineffective for home-based worker	Distrust	Overlooks refugees, little means of redress, exclusionary
Relationship to banking	SEWA credit union	Avoid banks and credit unions	Informal means of credit, turned down by bank for biz loan

Themes

The third part of these reflections covers the questions raised in the memo from Ravi Kanbur regarding main themes for the book, particularly the introduction.

Regarding perspectives on informality, and its complexity—salient points for me are:

First, for a stylized model of the informal employment, there is some agreement in the group to move away from a two-sector model but lots of debate on exactly how many more sectors and how these should be defined.

Like some others, I tend to emphasize that employment arrangements are arrayed on a spectrum from formal to informal rather than drawing sharp distinctions between the two. Like Imraan Valodia remarked in our Durban meeting, I am content with conceiving of the boundary between formal and informal employment as ‘fuzzy’—shifting over time as the context for employment changes and differing across countries. Conceiving of this boundary as somewhat ambiguous has implications for policy that are different from those derived from a conception grounded in a clear demarcation. Within informal employment, I see a need for a better characterization of *dependent* self-employment. The market conditions for dependent self-employment, the relationships to suppliers and the relationship to the distribution system are important in understanding its implications for the worker—more so than a focus on the employment arrangement per se. Overall, efforts should go toward better understanding self-employment in the informal economy—how it relates to worker access to alternatives but also how it is affected by dualism in economic policies (to use Marty Chen’s formulation).

Second, the *definition of informal employment* rests on distinctions in institutional arrangements that are functionally equivalent, but country specific. These distinctions govern one group of work activities (formal) from the other (informal). It is generally accepted that all work occurs within an institutional framework—that it is ‘socially embedded.’ However, for the study of informal employment, paying close attention to the role of the institutional framework—broadly defined to cover the spheres of labour, product markets, space, reproduction—matters more. The fact that institutional arrangements are country-specific is a challenge for measuring informal employment; the bundle of markers/indicators one might use changes over time within country and as analysis moves from one country to the next.

Third, if we focus on *informal employment as livelihood*, there are several implications for research. There are several paths to informal work and it matters to distinguish among them because they represent different economic dynamics. They also reflect different household decisions regarding how to combine income generation among all household members. These household decisions vary by gender.

Importantly, over the life course, livelihood activities straddle informal and formal work. There is no one-time decision between formal and informal work, making stylized accounts challenging. The fact that workers shuttle between formal and informal activities over time, or concurrently, calls attention to the role of institutions beyond labour regulations—those most often cited as triggers for informal employment—

to include social protection institutions and those structuring market activity (product market regulation, those on use of space). It may seem trivial to note that institutions from all spheres play a role in economic activity but highlighting the role of those outside of labour regulation calls forth the consideration of a broader array of policy instruments to affect conditions for workers in the informal economy.

Fourth, in terms of future research, greater emphasis will need to be placed on the process of *'informalization' of employment in formal enterprises*. There are pressures reshaping formal employment in both developed, middle income, and developing countries. Exactly how this process takes place, and whether and how it is shaped by each country's institutional framework for employment and product markets, needs to be better understood. The issue is visible in Mexico and South Africa in particular.

Regarding the *role of Institutions*:

In this project, WIEGO has highlighted the role of regulations beyond the labour/employment sphere and taxation sphere. It has emphasized the cluster of regulations and institutions that affect market conditions for the self-employed and for production and distribution cooperatives. I concur with Marty Chen's view that there is dualism in a number of regulatory spheres—access to markets, government contracting practices, product market regulations, financial market regulations.

On labour regulations per se, there is interest in better understanding the processes of violation of regulations but also evasion. How much of informal employment is generated by evasion? Violation? These seem particularly important in middle income and high income countries—where the employment regulation is extensive and, in principle, expected to be enforced. In low income countries, where informal employment is the norm, and both evasion and violation are pervasive where employment regulation is concerned, these notions are likely to be more useful with regards to social protection schemes. In places with schemes that attempt to provide income subsidies, or social and health services, access of the poor to any scheme will very much depend on compliance with tax collection, and implementation of easy access.

Regarding the *nexus of regulation, informality, and poverty*:

I add two observations to what has been said by others. When a social protection system is inclusive *de facto*, the link between informal work and poverty is weaker. This is not only true of developing countries, but of developed countries as well (See *Low Wages in the Wealthy World*, J. Gautié and J. Schmitt, Russell Sage Foundation, 2010).

Worker organization and the access to bargaining with product buyers, supply sellers, and public authorities also alters the relationship between informality and poverty. This was noted earlier.

4.2.2 Haroon Borat

Four Microeconomic Ideas for Growing the Informal Sector

I have four key technical reflections which are specific to the informal sector, but hopefully do reflect on some of the interventions which could

assist Choma Choma and his brethren, conditional completely though on being a resident of South Africa:

- Possibly one of the most important sources of revenue for the small business sector could potentially be through state procurement. Yet, examining the policies and procedures surrounding state procurement, with a specific focus on incorporating the informal sector remains unexplored. Currently state procurement, possibly one of the largest sources of demand for goods and services in the South African economy, is ostensibly served by a framework designed to incorporate and grow black business. Formally known as Broad-Based Black Economic Empowerment (BBBEE), whilst admirable in intention, the policy has yet to reach those in the informal economy and formal micro-enterprises. What is required is a system of indirect access to state procurement be instituted, wherein those recipients of large state contracts are required to include (where practically feasible) an informal sector partner with the tender submission. In addition, monitoring of the contract outcomes should ensure that these informal sector operators are remunerated for effort at a pre-set minimum.
- State-owned banks and credit providers could be encouraged to examine and create options for including the informal sector and micro-enterprises into their loan book. Whilst credit access is appreciated as a barrier to entry for those in the informal sector, it is fair to argue that aside from the commercial retail banking system credit access within the developing world through state-owned Financial Development Institutions (FDIs) is equally abysmal. Risk-adjusted premiums for loans should be retained, but targets must be set for a minimum quantum of capital to be loaned out. This will require a fundamentally different model of loan banking for FDIs which thus far, have operated according to a model more akin to large infrastructure-based investment banks, than community-based banks such as of course the Grameen Bank. It is only through a more extensive network of these types of banking channels, that credit access to the informal sector can be improved in South Africa. Improving credit access to the informal sector, by using our existing state institutions and then using moral suasion to influence private sector lenders, is surely a microeconomic intervention within reach of local policy makers?
- Local government regulation in many instances, in the South African and developing country context, does not facilitate the growth and development of the informal sector. Examples abound of informal sector firms that are not allowed to operate in specific localities hence prevent their access to lucrative markets. Think of Sandton in South Africa, the richest square kilometre on the African continent, where no informal providers are seen. Again, revising and rewriting local-level regulations to encourage and facilitate the growth of informal employment is an innovative micro-development initiative which needs to move from the perimeters of economic policy discussion to the mainstream.
- Finally, an area highly under-appreciated, but crucial to the growth of the informal sector, is the provision of insurance to mitigate business risk. Currently very little product-based short-term insurance exists for informal sector businesses in the

developing world. Simply put, whilst many middle-income countries have for example, large, highly sophisticated domestic long- and short-term insurance industries —this industry has yet to extend beyond its traditional, formal sector, wage income boundaries. Surely vehicle, theft and damages insurance would seem to be at least three forms of short-term insurance which are basic requirements for operating a business.

5 Host: Nodumo Koko

Facilitator: Thandiwe Xulu

Participant: Francie Lund

5.1 Francie Lund: Personal and Technical Reflections

Introduction

In 2007, Carol Richards and I were hosted by Zandile Koko who lived in Chesterville, a formal township some 10 kms from the city centre. Zandile had multiple occupations, in different places. She sold newspapers on the street, early in the morning. She had one stall at Berea Station where she made and sold traditional Zulu/ Xhosa ceremonial attire, as well as ran a kitchen from which she sold hot plates of food daily (this food business was her chief source of income). In a second stall at Berea Station, Stall 8, she traded in clothes and accessories mostly from China. In addition to her income-generating work, she had started a cooperative with some 15 members, which provided a healthy cup of soup, daily, at the local clinic, to about 500 people who came to take their ART medications.

Zandile died in 2010, and her second oldest daughter Nodumo hosted me. Carol Richards was unable to be with us. Our facilitator was Thandiwe Xulu, who, following the 2007 Durban EDP, has started a new organization, SASEWA – South African Self Employed Women’s Association. She started it with Zandile, and with Ma Dlamini, the leader of traditional healers at Warwick Junction, also an EDP host.

This provides the background to what was a warm and enriching return visit, in which I was able to stay for a night with the family, of which Nodumo is now household head; visit all the previous trading places occupied by Zandile; and visit the co-operative soup kitchen at Prince Cyprian Zulu clinic. We also all attended the launch of SASEWA on Tuesday 22 March.

My main questions, in approaching the visit, were how many of Zandile’s occupations continued? What enables and constrains Nodumo to make choices about what to continue, what to change? Given her own role, which we observed, in household support for Zandile’s businesses, what household support would now be needed to enable Nodumo to make choices, and what responsibilities would constrain such choices? Are trading sites handed from one generation to the next, and if so, how?

The Household

In 2007, the household had seven people, with a closely connected extended family in Transkei in the Eastern Cape revolving around Zandile’s mother (Nodumo’s granny). Nodumo has now become the head of a household of nine people, with four under the age of 11. The connections with Transkei are still strong.

1. Nodumo, 28
2. Nodumo’s daughter, Yolande (now 11)
3. Nodumo’s three year old son, Xolo.

4. Mandla, now about 26, is Zandile's oldest daughter's brother-in-law, who has maintained his 'temporary' work as a cleaner since 2007. He is the oldest man in the household.
5. Phumla is new to the household. She is 28, and Nodumo's first cousin (daughter of Nombulelo, Zandile's sister).
6. S'nenhlanhla, now 14, Phumla's daughter
7. Leliswa, 7, Phumla's daughter.
8. Siyabonga, a cousin, who works at Stall 8 at the station ('the China stall') (I wonder if this is the same as Smamkhele who used to do this.)
9. Umsolo, also a cousin, studying.

Makhomo, Zandile's brother, who is also a trader, is not in the household any more, and it was mentioned he had become a heavy drinker (which Carol and I surmised).

Nodumo's brother Bheki is away, training to be a teacher at Walter Sisulu University. The plan is he will return here when he qualifies – and Nodumo thinks there may then be more financial security.

Occupations

Nodumo knew little of her mother's work. Nodumo had passed matric though not with a good enough mark to go and study nursing, as she wished. Her role, when we visited in 2007, was to manage the reproductive work at home, from early morning to late evening including the evening meal. She had never been to the soup kitchen co-operative; she had not known of how central Zandile was in SASEWA.

All but one of Zandile's occupations continue, the exception being the production of traditional attire.

- The newspapers are now part of a site opposite Stall 8, also run by members of the Koko family
- The accessories are still being sold at Stall 8
- Nodumo says the main source of income has become the cooked food, at the same site as previously – she cooks every day, including Saturdays and public holidays, and has a regular clientele (more later about this).

Nodumo did a ready and detailed calculation of a breakdown of her costs, related to the cost of a plate of food sold. She buys daily from the big formal Cambridge supermarket, at Berea Station. Thandiwe suggested buying more in bulk; she resisted saying there was no storage (which is not true). There was no time to follow up on this issue of the management of money.

Inheritance of Zandile's Sites for Work

Nodumo says she simply took over Zandile's sites of work, after Zandile died. She said it is just an understanding at the Station stalls that a family member will take over, if such a person is available. She has never been asked to pay rent for the two sites she has. She does not pay a license fee, and has not been asked to. She knows of rumours that the whole station where the sites are might be turned into a Mall. She did not think, as I did, that her not paying sites fees might provide the developers with a good reason for evicting whoever they want. The Berea Station sites are owned by Intersite, a property arm of the Municipality but also with private sector ownership, as far as I can gather.

‘Non-competitive Price Setting’

The cooked meals are Nodumo’s main source of income from working. Hers is a very informal ‘restaurant’, with no electricity or running water – she uses gas, and gets water from a tap nearby. She is known as a good cook, with an edge for tastier meals than those provided by others, including the four more formal ‘restaurants’ just down the passage – which have fridges, better tables, in lighter surroundings. Nodumo said that three or four times a year, the owners of these more formal places do a walkabout to all the cooking places throughout the station, and check that everyone is trading at the prices set by themselves. Nodumo would like to raise her price per plate, by adding tastier ingredients, and some customers have encouraged her to do this and said they would pay the R3 or R4 increase per plate. The ‘Gang of Four’ (my term, not hers) from the more formal restaurants will not allow either lowering or raising of prices in any of the Berea Station food stalls. So Nodumo can only get more money through serving more customers – but she is time-constrained towards the afternoon as she has to get home with Phumla in order to do end-of-day responsibilities with and for other household members.

Other Sources of Income in the Household

- Three Child Support Grants (Yolande, Xolo, S’nenhlanhla)
- Contributions to rental from the parents of the two cousins, Siyabonga and Umsolo, who are living there to study. It was not appropriate to ask her how much this rental was.

The Uses of the Child Support Grant

Three children in the household get the CSG: Nodumo’s own children, Yolande (11) and Xolo (3); and Phumla’s 11 year old daughter S’ne. The different uses to which the grants are put are really interesting.

Xolo: Nearly the whole of Xolo’s grant is used to pay crèche fees, so that Nodumo can go to work to earn for the household. She pays the fees immediately she receives the grant.

Yolande: Yolande is as bright as a button (clearly evident in our last visit) and is doing very well in school. I went through school exercise books with her, and her language skills are especially good. Every month, Nodumo puts the whole of the Child Support Grant amount to private transport to get Yolande to a school three townships away, a school with a high academic reputation, as opposed to the local government school in Chesterville which is of very poor quality. Nodumo says of this use of the grant: ‘This is the only way that I will be able to give my child the best, and see that she gets a good education.’

S’nenhlanhla: Phumla fetches S’ne’s grant monthly, and simply does not want to have any discussion about it. She feels S’ne is allowed to go out and about too much, thinks she is not going to Chesterville school at all on some days, and says the school should reach out and find out what is happening to absent S’ne, but does not. This would be an interesting example of a rationale for conditionality on the Grant – but likely the school would have limited resources or motivation to do home visits and follow ups.

The Cooperative

In 2007 we visited the co-operative that Zandile had been instrumental in starting. It was initially registered in order to get municipal contracts for cleaning; they could not compete with the larger firms. They then decided

to do a voluntary soup kitchen, daily, at Prince Cyprian Clinic, nearby, where every day about 500 HIV-infected people come to receive their anti-retroviral treatment.

In 2007, there had been 12 to 15 members; in May 2011, there were only five. Some said they simply cannot take the required amount of time off work any more, with so few members; others said also that they are now lacking Zandile's spirit and enthusiasm. They could get financial support from the Department of Social Development, but need registration as a Not for Profit Organisation (NPO). Thandiwe from SASEWA offered help to do this, but it is not clear to me that SASEWA could do it without help. I suggested approaching the Legal Resources Centre.

In Closing

It meant a lot to Nodumo to attend the SASEWA launch; she said she had had no idea that Zandile was such a leader, and played such an important organisational role – Zandile was described as having 'the spirit of a soldier' at both the cooperative and at the SASEWA launch. However, when I asked whether she would think of joining SASEWA, her answer was a definite no: 'No one has ever explained to me why I should join an organisation, what would the benefit be.'

It meant a lot to me to re-enter the household, and make a connection with Nodumo. I was struck particularly by the heavy household duties she has; the onerous responsibility of being head of such a large and young household; her lack of knowledge of who really controls the Berea Station traders; the price setting for the food stalls; and her tremendous cheer and openness to Thandiwe and my visit.

6 Host: MaDladla

Facilitator: Thabsile Sonqishe

Participants: Jeemol Unni and Nompu Nzimande

6.1 Personal Reflections

6.1.1 Jeemol Unni

Back on a return visit to our EDP host families in Durban, who we first visited in 2007. Mrs. Dladla was our host lady, an elderly women tailor (in her day) who now manages a women's tailoring cooperative. Mrs. Dladla, Thabsile, our colourful Facilitator, also an expert tailor reflected in her own dresses, and Nompu, a demographer at the University, constituted our all-women team and we set off for our host lady's home.

Housing

We returned to the Black township area, St. Wendolins after four years. There were improvements to the existing structures, but not much of an increase in number of houses, unlike urban slum areas in India that seem to multiply fast. On the plot next to our host lady's there had been a small bare room in our earlier visit, but now built into a small, smart looking house. The hills around looked as serene as they did the last time. The little stream in the valley had very little water though compared to the last time and was due to lack of rains, as explained to us. Dotted some of the hills on the other side of the tailoring cooperative we noted little houses, apparently housing provided by the government in standard format. These were very small one room units of similar size, shape and colour, unlike Mrs. Dladla's Black township settlement.

The Family

The home was very much as it was in 2007 except for the addition of a number of new electrical/ electronic gadgets. There was a TV, music system, computer, microwave and two fridges. The fridges were stuffed with all kinds of frozen foods, juices, readymade sauces, yogurt, but very little milk. Mrs. Dladla's daughter who lived with her during our last visit had constructed her own house and moved out. But she was very much there to cook and do all the household chores for her mother, leaving for her house at night. The house was full of grandchildren, with two new young men in the all-woman household. Her grandson, son of her son, was the 'man of the house' a strapping, tall 12 year old. He attended to the TV, fan, computer, and got the mattresses out from the loft for us to sleep on in the living room. The other young man was a two-year old great grandson, son of the unwed daughter of her daughter. The little fellow was cute, podgy, shuffling around and 'sho' he said sticking out his little thumb in greeting again and again. And you met it with your fat thumb 'sho', bringing a beatific smile on his chubby face!

Relationships

Mrs. Dladla is a very social person and so is her family as we had noted in our last visit. And in the evening women neighbours arrived. Unlike the last visit when we were worried about gaining insights into the social and

economic well being of the family, this time we were very relaxed. So we had the most interesting conversation, bordering on women's gossip. The broad topic of conversation was man woman relationship within marriage and how to keep peace in the household. Have never had such a conversation with my Indian women friends ever! One of the neighbours, a lady hair dresser, turned out to be a marriage counsellor. It appeared that there was much unhappiness among the young couples and we discussed complicated men-women relationships and how they dealt with them. The women's view on the role of men in the household was that men seemed to give up very easily. If they lost a job, they were discouraged and did not try hard enough. Well, this was not very different from what women from poor households in India experienced. The lack of need for a father for the child was something difficult for me to understand with my very Indian upbringing. There appeared to be no stigma or issues with bringing up children born out of wedlock in the maternal home. This had something to do with the Zulu culture, which I did not understand, but I did discover that it was not a matrilineal society.

HIV/AIDS

While this group of women had not experienced any HIV deaths within their own families, they reported number of deaths among the families around them. Increase in drug abuse by young adults was noted as an area of concern. HIV drugs are administered to people with a particular level of infection. This drug (medicine) is mixed with a kind of acid to obtain a particularly lethal drug, *Whoonga*, the addiction to which is much more difficult to cure. Stealing and attacking couples with HIV to get these drugs, HIV patients selling these drugs for high price and not taking the medicine were all reported to be on the increase.

Corruption

A lot of hope and despair was expressed about the local councillors. The local elections were due on May 18th 2011 and the ladies expressed the feeling that most of councillors were corrupt. A lot of hope was being placed on a woman candidate, Zenale, who had moved from IFP to form a new party NFP. These Zulu women felt that all women should support her. The hope it appeared was that as a woman she would be less corrupt and more receptive to the problems faced by them. At the least, they wanted a change.

The Cooperative

The next morning we went to Mrs. Dladla's tailoring cooperative. The cooperative had struggled with the issue about how to share the income received and the members had worked out a method of payment for stitching and cutting the dresses. However, the other activities that were equally important to keep the unit running were not counted or paid for. So now a new set of problems had cropped up. Apparently one member, perhaps the most skilled, received R15 for the cutting and also did the stitching of garments for another R15, while the other ladies got only R15 for stitching. There was some discomfort among the women regarding this. So we had a conversation with the ladies about the costs of running the cooperative and rethinking a better method of payment for the work or sharing of the income. The cooperative was not costing other activities, such as sweeping, cleaning, accounting, buying inputs, marketing etc. and only cutting and stitching was valued separately and paid for. This now had created mounting tension among the members which was

palpable. For the cooperative to continue to operate and grow the unit needed to seek help to manage their affairs more professionally.

The last time we visited the cooperative it was struggling with the issue of competing with a large company that monopolized the market for school uniforms. This time we discovered that they had found a solution for market demand by both reaching an arrangement with the local schools and diversifying their products. Since school uniforms had a seasonal demand, they had diversified to track suits, night suits and children's garments.

Overall the feeling we were left with was that the cooperatives in South Africa were not governed by strict laws as those in India were. Perhaps the idea of self-employment and collective organisations has not yet taken firm root in the country or in their policy framework. A lot of policy work needs to go into how to support such organisations of production given the fact that South Africa has very high rate of unemployment and a small informal economy. Workers' cooperatives is good way to create employment for the poorer sections, but only if policies regarding tendering of goods (market demand), input subsidies and so on are worked out to allow such units to compete with large commercial enterprises.

6.1.2 Nompumelelo Nzimande

Meeting Mrs Dladla again after four years was a pleasant experience. As in 2007, we took a minibus taxi home from Warwick Avenue to her home in St Wendolins. The minibus taxi took us closer to her neighbourhood but we needed to make another connection to reach her home. She called on a private car with three young gentlemen, and asked them if she could hire them to take us to her home. Although reluctant at first, we entered the private car and were pleasantly driven home. The existence of this sense of trust in the face of high violent crimes in South Africa was uplifting. Mrs Dladla is indeed a very well-known and respected member of the community.

The area around Mrs Dladla's home has seen some developments over the past 4 years. The improvements in infrastructure present new opportunities for residents of St Wendolins. More roads have been tarred, and there is better access to electricity; water and sanitation facilities. Where we had to walk a long distance from the main road, down the valley, across the river to Mrs Dladla's home in 2007, there is now a tarred road much closer to her home.

There have been changes in the composition of Mrs Dladla's household. One of her grand-daughters had a baby boy, which makes her a great-grandmother. Her daughter has also built a homestead of her own in the neighbourhood and has moved out. All her other grand-children are progressing very well in school. Two have completed school and one is now employed and has bought a car, which is a great achievement. Her home is still very warm and very welcoming.

The problem of high unemployment is affecting Mrs Dladla's home. One of her grand-daughters who had completed University is currently unemployed. She had just graduated (in 2011), but was still looking for work. She indicated that she was very motivated and enthusiastic to start employment and contribute to the pool of resources in the family.

Bambanani Women's Forum

Activities

The forum had three major activities in 2007, i.e. dressmaking; hiring of catering equipment and craft making. The forum also collaborated with the non-resident old age home, which is accommodated in a building next to where the forum is based. In 2011, the forum now focuses on dressmaking as their main activity, since this brought them the largest share of their profits. The main component of dressmaking is school uniforms (school dresses, skirts, long and short pants and tracksuits). They make these uniforms for three schools in the neighbourhood. Since 2007, they have also extended their dressmaking to producing winter children's nightwear (pyjamas) during the slow season.

Hiring out of catering equipment such as tents, chairs, and cutlery is still part of their core-business even though they face challenges with maintaining this component.

Craft making has been abandoned as an activity due to lack of personnel.

Achievements of the forum

The forum experienced growth in the dressmaking activity during the four-year period. They have developed a sustainable market with Primary and Senior Secondary Schools within the area being the main manufacturer of school uniforms for their pupils. Although this was one of their core activities in 2007, this has been more formalized. The demand for uniforms has increased as more parents prefer to buy from them rather than from the big retail company they compete with. This is the more visible part of their function as you enter their premises and see rows of completed school uniforms. They boosted demand by developing a more competitive pricing, and by marketing their product through school visits.

The ability of the forum to maintain their working space is also a great accomplishment for this striving organization. The building where the forum is housed is owned by the Municipality. They pay rent on the space they are using and are also responsible for utilities. The forum's ability to maintain this space and its upkeep in the face of all their challenges is admirable.

The governance structure of the forum has become more open and transparent. In our earlier visit in 2007, some members indicated that information regarding cost of expenses incurred and profits made was known only by the treasurer and the founder of the forum. In 2011, all members indicated that they have periodic meetings where such matters are discussed. In fact, the forum has also improved record-keeping in general. The walls of their working space have postings of their cash flow statements, the history of the organization, planned visits by outsiders, and planned meeting dates. In addition, they have documented and posted the cost of all components of their operations from the input side and also the pricing of the output.

One of the challenges of the Forum in 2007 was irregular distribution of wages over a 12 month period. Members reported that in 2006 they received two payments of R600 over a period of 12 months. This time, wages were more regular. Members reported they got wages once a month, or every other month. Even though the wages are not substantial in amount, regular income motivated members to find mechanisms to increase output and stimulate demand.

Perhaps one of the less obvious successes of the forum is member retention. As the organization continues to expand its activities, the membership has remained stable throughout the period. This is a success for this group, given that in 2007 they cited inability to retain members as a major challenge. Having the same members over time has maintained the consistency in their operations, and has ensured that they have committed persons in the group. It also has made it possible for the group to develop a better (but maybe not efficient) mechanism of sharing profits amongst each other. While in 2007 forum members complained about absenteeism of other members, in 2011, the main focus was on product output from each member.

Challenges

Equipment maintenance: One of the key challenges that the forum faces is maintenance of equipment such as sewing machinery and catering equipment. The forum owns about 20 sewing machines in total, but only six are in working condition. Although this does not limit their operations at present since only six members exist, this minimizes the prospects of future growth and would affect them greatly if even one of the current machines would stop working. The members indicated that they have in their plans to service the machines they have but that they are unable to meet this cost currently.

Product pricing and profit sharing: These two components of business operations remain a big challenge for the Bamabanani Women's Forum. As indicated above, the forum has two major income generating activities, uniform making and renting of catering equipment. They use income from catering activities to pay for rent and utilities. It is profits from the uniforms that are shared among members as wages (based on the number of school uniform parts produced). Other activities such as cleaning the working space, and cleaning and maintaining the catering equipment do not form part of tasks from which members can earn wages. This is the main source of friction among members in the forum as these tasks also require time allocation. Furthermore, time spent on tasks such as purchasing materials for making the uniforms is not remunerated.

Associated with profit sharing is profit allocation by the skills that members bring into the forum. So far, wages are earned according to the number of uniforms produced. Cutting the uniform pieces is priced equally to sewing a piece of the uniform. Some members have more advanced sewing skills than others, which imply that they are quicker in producing completed pieces and thus earning the most. As the forum continues to grow, members need to deal with this business side of their operation.

Contribution of informal work towards household income

Almost all members (except one) of the Bamabanani Women's Forum are over the age of 65 and are in receipt of the Government old age pension grant. They all indicated that the grant still remains the main source of income for their households. It is however, appreciated that the income gained from the Forum towards the household pool of income has improved. Most members stressed that even though wages are not regular, they are now motivated to engage in the forum's activities since they do see some income.

6.2 Technical Reflections

6.2.1 *Jeemol Unni*

A number of questions arose and an interesting discussion took place on the nature of self-employment at the EDP Reflections session after our visit to the homes of the host ladies. I will list some of these questions and comments for future researchers. No answers emerged that was acceptable to both the Cornell and WIEGO members as far as I recall.

Self-employment

The Economic Model

How does one categorize the economic behaviour of self-employed enterprises and workers? A large proportion of self-employed or informal enterprises record losses in the enterprise surveys of countries, for example in India. Why do these units make losses? If self-employed units make losses repeatedly year after year can there be some other form of economic behaviour that is not in the profit maximizing model? Is this some form of income maximizing activity? Or a cash flow model, where households are trying to 'keep themselves afloat'? Can this be modelled as risk management under uncertainty using conventional models?

Measurement of Net Income from Self-employment

Is the issue of loss making self-employed enterprises simply an issue of measurement? How to estimate incomes of the self-employed? How do/do not the self-employed visualize their costs as opposed to how an accountant/economist would compute costs? Are all income streams captured in accounting for incomes, including by-products? Are all costs evaluated? Should own labour costs be given an imputed value? How about imputed value for use of own premises and other infrastructure? In households engaged in animal husbandry in India, we have noted a tendency to record all input costs, but if the milch animal is not lactating or the production of milk is low, the unit appears to have large losses. How does one record net income in cases such of seasonal activity where the costs are incurred throughout the year, but incomes are obtained in only a part of the year?

Choice of Self-employment

How does an individual choose to be self-employed or undertake wage employment? The mainstream model allows for two factors: whether the household owns assets, which decides whether he opts for self- versus wage employment; and human capital, which determined whether he got high wages or sufficient incomes. Whether the wage employed person takes a second wage job would depend on whether there was rationing in the first wage job. The underlying framework is utility maximizing individuals and households.

The idea that there is a reservation wage below which a worker will not opt for wage employment is supposedly not relevant anymore. Our mainstream economists offered two solutions: the case of multi-sector models and the case of farm household models. WIEGO participants pointed out that there was the Santiago Levy Model, in which he (Levy) assumed free mobility between formal and informal sectors. He had no

data on self-employed persons, who perhaps do not face such markets with free entry and exit.

Some Questions for Mainstream Labour Market Models

Modelling economic behaviour requires framing a small clear question. Very complex situations are more difficult to model. However, simplifying the issue ends up removing much of the reality faced by workers in the labour market. The relevance of such a simplified model for economic reality is in question according to the WIEGO researchers. Some of the following assumptions can be questioned.

Separable demand and supply curves are not appropriate for self-employment.

- Self-employed both 'demand' and 'supply' labour
- e.g. underemployment → can result in long working hours
- Free entry and exit in the market is not true for the self-employment.
- Barriers to mobility constrains labour supply in self-employed
- e.g. credit, capital, unpaid care responsibilities.
- Removing these barriers can increase earnings/mobility

Implication of Self-employment for Mainstream Theory of Labour Market

- The link between real wages and unemployment / employment rates need to take into account that nearly half of the labour force (self-employed in India) does not adjust to wage signals.
- Earnings of employers and own account workers/family helpers need to be incorporated into labour market models, rather than assume trade-off between wages and employment.
- Wage employment in micro and small enterprises is not covered by minimum wage and other labour regulation (so will not respond to 'reforms').

Unemployment in South Africa and Underemployment in India

This will remain a puzzle. Why is there relatively low informal economy and self-employment in South Africa and high unemployment rate compared to India? Having spent time with people living in the Black township areas in South Africa and after listening to policy makers in our public event in Pretoria in 2007 I have arrived at my own tentative view (with no real empirical research backing).

The historical context of the two countries is the answer. In various ways the period of apartheid in South Africa by segregating the races, led to communities living together with very little variation in the distribution of income. That is, the poor were segregated from the wealthy and could not move freely to areas where better off communities lived to sell goods they may have produced. This together with deliberate de-skilling of workers in traditional and agricultural activities left little scope for self-employment. In India self-employment flourished with the encouragement of social capital, from caste and community structures. Lack of provision of jobs from the government and private corporate sector fuelled the need for self-employment. Poverty also encouraged people to take up any activity

that could provide minimal incomes, with no real restrictions imposed by the state in India.

Implication of Underemployment/Informal Employment/Low Productivity Employment for Mainstream Theory of Unemployment

What drives unemployment in a developed country and what drives under-employment and poor working conditions, under-paid workers in a developing country?

- Is unemployment a result of inflexible wages or other labour market interventions/ economic policies /corporate behaviour?
- Is underemployment a result of the labour market interventions or structural conditions/ immobility of factors of production?

I leave these set of questions for the more enlightened mainstream economists and WIEGO researchers to ponder over.

7 Host: Doris Phindile Ntombela

Facilitator: Mpume Danisa

Participants: Suman Bery, Namrata Bali

7.1 Namrata Bali: Personal and Technical Reflections⁸

Introduction

We call SEWA our mother and its members our sisters. Today my sisters are not only confined to India or to places where SEWA has spread its roots but by the virtue of Exposure Dialogue Program conducted by WIEGO and Cornell University I made sisters in Engonyameni, South Africa, also. Through the EDP I again met Doris Phindile Ntombela, the host lady, and her extended family, Stu Hill and Makhosi Dlalisa and Mpume Danisa, the facilitators. The purpose of the reunion was to observe and analyze the progress Doris and her family has made in her life especially in relation to family, work, living standards, awareness levels, and as a person of course.

Before I begin writing I am grateful to Doris for welcoming us in her house again, and allowing us personally to experience and understand her social functioning in relation to her family, work and as a person over a period of time. I am grateful to Stu too for making the EDP reunion both a fun and learning experience.

I have described my experience into various sections. The first section gives a brief about the social hierarchy of Ngonyameni village; the second section has indicators for weighing changes the Ntombela's family has undergone over a period of time; the third and fourth section highlights the changes Doris and Stu have undergone in comparison to the first EDP and in the last section I have enumerated suggestions to help bring constructive change to her life.

Social Hierarchy Of Engonyameni Village

The area of Ngonyameni is under the Cele chieftancy. Chief Ndoda Cele was the last inaugurated Chief and there have been conflicts as to who will be chief after he died a few years ago. There is an acting chief, though one of the 'headman' takes care of the administrative duties of the chief.

Below the chief are 4 'headmen' (Mehembu, Nombela, Cele and Mdabe) who are responsible for different areas of Ngonyameni, and these 'headmen' have tribal councillors. Mrs Ntombela's area (the 'headman is Nombela) has 9 tribal councillors.

⁸ I feel sad to hear about Stu one of the facilitator who died just one and half month later of our visit to South Africa. The reminiscences of her business mantras will remain in my mind forever. She was a true epitome of any successful entrepreneur!

Ngonyameni falls within two municipal wards- ward 84 and ward 100 and this can present problems when it comes to municipal service delivery.

Indicators For Weighing Change

For me to weigh the changes that the Ntombela family has undergone over a period of time, I needed to understand the fulfillment of five basic needs: food, clothing, shelter, primary education and health care. The changes I observed in Ntombela family are mentioned hereunder:

Transport

After reaching Durban the EDP group left for Engonyameni village with Ms Doris. Not much has changed in terms of mode of transport. We changed 4 mini buses to reach Doris's place. I would like to mention here that commuting from one place to another is still expensive despite of a short distance to Engonyameni village. Though the municipal buses operate they are not frequent. Also there is no direct and cheap transport available so everybody prefers the mini buses. Finally we reached Doris's house in Engonyameni village.

I would like to mention here that on our way to home Doris called up her daughter to check about the preparations done for dining; she enquired about her grandchildren and took cognisance of other house related matters. This was similar to what I saw her doing during my last visit she being a good organizer and planner.

The Ntombela's Extended Family

I was excited to meet Doris's family, I was visualizing in my mind her daughters and grandchildren. I was curious to know about them. In my first EDP visit the Ntombela's family comprised of total 11 members. This time there were more members in the family. Busisiwe, who was studying International Trade in a college in Durban, gave birth to a child named Akhona and Ms Nelisiwe who was studying in Grade 9 gave birth to a child named Mvelo, interestingly whose nickname is 'FIFA' as he was born when FIFA world cup was going on. Doris looked happy telling me about her daughters. Her three daughters are gainfully employed. One of her daughters is employed in a garment factory and the other two are in a paper factory. They now earn a steady income. However their marriage is still an issue of concern as their husbands are not yet able to pay the bride price. Doris was content because all her son-in-laws took good care of their children.

House

I mentioned in my previous EDP note about the existence of a mud house that was later on repaired and made of concrete. There was no running piped water and the toilet was a little distance away from the house. The living room or the mud house was utilized for bathing purposes. All this and much more seemed to be in a better condition this time. The house that was of concrete was painted and looked fine from outside. When I entered the concrete house the first thing that struck me was the ambience of house from inside. There were floor coverings, a concrete roof, and more furnishings in the house. The living room was well furnished with more furniture in it. There was a constant back flash of the earlier house in my mind. That was made of mud with fewer amenities. I was figuring each and every new thing that was not there last time.

To refer to my previous EDP note: earlier the kitchen was a traditional type - twigs and plastics were used as fuel and most of the cooking and

water heating was being done there. The other kitchen which was part of the concrete house had some amenities like a kettle, refrigerator, some electrical appliances and utensils. The kitchen was now well equipped with a microwave, crockery, two refrigerators (though second hand) stuffed with variety of eatables, a juicer and mixer, and an electric kettle. In addition she still had the traditional kitchen which generally was used for celebration, events with large gatherings or when we were there, to heat the water.

I would like to share my observation when I went inside the kitchen to help Doris that she was uncomfortable in using the modern electrical appliances whereas her daughters were using all the electrical appliances such as microwave very easily. It seemed to me as if Doris was not well accustomed using the electrical appliances. We can see that Doris invested her money in purchasing electrical appliances and other household amenities whereas in India, if I analyze the family of any of our members, if the per capita income of family increases they usually spend it in purchasing jewellery (primarily gold) or in real estate that is considered to be a solid asset.

Food

The kind of 'food' that was served to us made me think twice about Doris family's economic condition. There were cheeses, bread, variety of fruits and juices, toast, milk, yogurts, cold drinks at breakfast. However I could not find even a single locally grown food on the table!

I felt inquisitive and I asked Stu about this paradox. How a poor family can afford packaged food in such huge quantity with not a single locally grown food on the table compared to last time? When I asked Stu, she said that this was not so normal.

I think that this situation might be because of the advent of globalization the demand for local food is shrinking. I was reminded of Elaben's 100 miles vision on this paradox that 'The five primary needs; food, clothing, shelter, primary education and health care have to be made available to people within hundred miles of their stay. One of the mantras for poverty alleviation at least if we want to see no one goes without food and livelihood is that we consume only those products and services that are produced within a 100 miles around. What one needs for livelihood as material, as energy, as knowledge should stem from areas around us. The millennia-old link between production and consumption has to be recovered, this would help conserve local forms of knowledge and promote local innovation instead of imports. The 100 Mile Principle could apply to food, shelter, clothing, primary education, primary healthcare and primary banking.'

I tried to relate it to Mrs Doris's family and analyzed that while education and primary health care was fine, the other basic needs were too far off.

Health Care

As far as the child care support system availability goes, all the daughters of Doris who had children were getting the child support grant. Also it was noteworthy that both the daughters who recently became mothers underwent normal deliveries in hospitals. The deliveries were free of cost. On the contrary in India there is increase in the rate of caesarean birth especially in urban areas and they are expensive for our working class.

Community resources

Water was still a major problem as dams have dried up and the only source of water left was through the tankers which were not very large. Though Ms Doris said after our first EDP water connections were fixed, was but now it has again become worse.

The Changes Observed In Mrs Doris

In my earlier EDP note I have mentioned about Doris, who sacrificed her will to study further due to financial constrains. Though she learnt farming from her aunt but one thing she learnt and applied practically was her belief that 'education is mother of success' which motivated her to educate all her children. She started her childhood with a compromise for not being able to study that stretched to her adulthood even. As she faced immense struggle in first getting married (and then later her husband left her) and though he came back, this hampered the stability in relationship. By facing such crisis right from childhood made her a strong headed and responsible person. Even in my second meeting I found Mrs Doris a versatile person. She apart from being a home-based worker is also a poultry farmer and agriculturist.

The changes I observed in Doris were:

- She has developed farther sightedness in terms of work
- She now makes use of advanced farming equipment in her farm
- As a poultry farmer her poultry is rated among the best. She shared in one of the interactions that, 'We should always invest back the income made through business instead of spending it. This helps in expanding the business'

Poultry Project

The project was started by 38 women but only 15 are now active. They got a R250 000 grant from the Department of Social Development (DSD) which was used for building, buying chicks, feed and vaccines for the chicks. They also receive training from both DSD and Department of Agriculture. They raise 500 chicks at a time (6 wks cycle) and this costs R10, 000 (chicks, feed and vaccines) and they sell these for about R14 000. They are hoping to extend their building to accommodate another batch of 500 chicks. The department of Agriculture might give them a grant towards that as their poultry farm is rated as good. Although she shared that these granted are one off.

- She looked confident, assertive and conscious about the world around her
- She is a well known person in her village. She has now become an organizer and leader in her community. Her role has now changed to be a facilitator in bringing in the government schemes to her community for development like social security programs and child care security program

- On the other hand she even acts as a mediator between the community people and the government officials.

I found Doris to be a much more empowered person than before! On the other hand her husband Ellias Ntombela is earning much better income than before and is contributing gainfully in the family. In all there was more steady income in her family because of her husband's increased income as well as the daughters who were employed and the child support grant. As far as her own income was concerned there was not much information and also due to the fact her role had changed.

However I would like to mention here that while she was telling us about her farm to be in a better condition we asked her to take us there so that we could see the changes. As I have mentioned in my previous note about the difficulties we faced in ploughing the field. The plan for again visiting her farm did not work out as it was harvesting time. But she assured that had better equipments now in her farm.

The Changes Observed in Ms Stu, the Facilitator

The other person that is worth writing about is Stu. A courageous, fearless, person I ever met. She led her life with one principle that, 'Make profit and invest back into the business.' As mentioned in my previous note she earned her livings by selling fruits and other eatables in schools and other public places she continued with this line of work even this time. Yet there were several changes I observed in Stu just by interacting with her:

- Stu became an event manager in which prepared food and did decorations for ceremonies, parties, and other such celebrations. She being of a calculative nature pooled in her own family members into event management activities and paid them.
- An incident Stu shared with me very enthusiastically was about how she got the canteen contract of a police station. One day in the police station bidding for a canteen contract was being done. She barged into the police station and spoke to the police officer assertively that she can provide a better rate than what they are getting from others. This fearless and confident way of putting a proposal enabled her to win the canteen contract. Another interesting fact was that she categorized her contracts with the police station into two: one contract was for VIPs with high rate for breakfast lunch and tea, and another one was for staff. This is how she started supplying food stuff to not only police canteen but many others.
- Another interesting incident I remember is when Stu and I were talking generally about her business expansion and I suggested she search on Google for various avenues for business. Using her wit she immediately responded, 'I will only do Google search when Google would pay me for doing it.'
- Furthermore she started her business with R500 and said that she had about R50, 000 as savings, which she wanted to invest in buying a professional oven. The planned business expansion was her bakery where until now she was making cakes and other confectionary items only on order and would get the breads from outside. But now her plan was to invest in a professional oven and do the bread baking business by her own as she saw a very good income in it. She had a discussion with both me and Suman on this. The day we were going for the SASEWA launch, she said,

'You know I am a member of SASEWA and I hope SASEWA will help us in getting information on how to set up our businesses and skills. I am very happy for SASEWA to come into existence'

Overall Stu was a friendly person. Anyone who first interacted with Stu could support this statement. Her friendly nature was apparent on our trips with her in the mini bus. The daily commuters of that route, her customers, and other shop owners on that route always looked up to her marketing and networking skills. It was her niche to establish business linkages with strangers and letting them know the whole gamut of bakery products she sells.

Apart from being a business-minded person she was also a socially sensitive person. She was well acquainted with the social problems in her area. She shared about the growing problems of drug abuse, violence and unemployment among youth. In fact she herself was the victim of violence as her kiosk used to be open late at night and often she carried cash with her on her way back home. She was herself stabbed twice. She attributed the social problems emerging due to unemployment. To solve such menace in society individually she helped many people by encouraging commencing entrepreneurial activities and taking risks. She said by her own experience that, 'How long should we wait for somebody to give us jobs, if we have skills we must use them and then stay focused to expand it. This will surely help in alleviating the social problems such as drug abuse, violence and unemployment.'

Suggestions

Suggestions I have to improvise the current scenario that will enable the growth and development of not only the family I visited but even at the societal level:

- To get a subsidized transport system as it is both expensive and tiresome to travel even for short distances.
- To find a permanent solution to the water problem of the community as they are dependent on tankers as against dams or other water conservation resources. It may be that community based programmes can generate local livelihoods also.
- To improve the social security and credit services for the poor to enable them to receive some level of social protection. Without this, family is the only support system or institution available.
- To implement and execute more government schemes in the community for social and economic development,
- Organising and promoting member-based organizations of the poor. To encourage and support building of membership-based organizations of poor, as at present there are no such organizations of, for, or by, the poor. Also the organising initiatives from people are not much prevalent. Although some of the leaders from SASEWA were living very close by, but organising has to go along with generation of awareness.
- No avenues for vocational skill upgrading were available. To refer to Doris's example it took effort for her to set up a poultry farm due to paucity of any such avenues of enterprising and now that she wants to expand it she is again trying to find out further such opportunities. Also in the case of Stu who needed information/ training in baking and confectionery as a vocation and even wanted to set up her own

business, she couldn't find anything in this regard. Therefore such avenues for enterprise development should be made available.

- Exposure to SEWA can be organized to learn from each other's experiences on strategies of organising.
- In India the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) aims at enhancing the livelihood security of people in rural areas by guaranteeing one hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. NREGA has even stopped the migration of labourers from village to urban areas. If any such policy or program is formulated for the families in Engonyameni village then it will help in generating employment and in longer term decreasing the violence that has caged the youth.

7.2 Suman Bery: Personal and Technical Reflections

Namrata Bali's comprehensive note on our joint visit (together with our two facilitators, Stu Hill and Mpume Danisa) provides essential factual background on the family situation of our host, Mrs Doris Ntombela. While for Namrataben this was a repeat visit to the Ntombela household, for me this was my first encounter, not just with this family and Durban, but with the country of South Africa.

I must therefore start by thanking Imraan Valodia and Francie Lund, who have become close and dear friends through successive EDPs, for this unforgettable introduction to what previously, for me, was a near-mythical country. I would also like to thank Ravi Kanbur and Marty Chen for keeping me involved in the EDP programme, and WIEGO for the opportunity to attend the research conference in Cape Town that followed the EDP, which allowed me to see the beauty of that city for myself.

These notes are intended to complement the fuller account provided by Namrataben in two respects: first by reacting to the larger South African setting, which I was encountering for the first time; and relating this EDP encounter, though much shorter in duration than the others, to my experiences in the more truly urban settings of Ahmedabad, India and Oaxaca, Mexico.

Finally, as in Namrataben's note, I will use this memoir to pay respect to the memory of Ms. Hill who accompanied us, and who had been the facilitator at the time of the first visit to the home of Mrs. Ntombela. I learned a great deal from our conversations with her, and was awed by her energy, achievement and ambition. It is truly tragic that she has been struck down well before her prime. God bless her soul.

Material Circumstances

Let me begin by describing the setting. While technically a suburb of Durban, within sight of the Indian Ocean, the feel of Engonyameni was distinctly rural. The stunning landscape consisted of green, rolling hills stretching to the horizon. An obvious question had to do with the process of allocating and servicing such potentially valuable land. It was a question to which I received no very clear answer.

Our host's plot, a short walk from the main road and local high school, had been granted to her by the local chief under homeland administration some two decades earlier, and seemed to be one of the earlier parcels developed in the area. While there was some process by which fresh plots were allocated, there did not appear to be an active secondary market in land in this area, even though within plain view, but outside the homeland, a major suburban housing development was being constructed.

It is possible that this more relaxed attitude toward urban land tenure reflects the very different population pressure in South Africa as compared with India; alternatively it could well be that the framework for land allocation is designed primarily to accommodate agricultural homesteading.

In her note Namarataben comments on the level of service delivery enjoyed by the families of the area. On the positive side, hospital births, access to schooling until high school, and reliable electricity supply sufficient to justify the very substantial investment in household appliances, were all aspects of the family's existence that were much better than I would have expected from press accounts of the inequalities of South Africa. Also noted by Namrata, universal provision of cash grants is another 'service' that reached the family. I assume that widespread access to these services by the residents of the former homelands is a feature of post-apartheid South Africa. If correct, these are indeed significant and important achievements.

Two amenities noted by Namrataben that were considerably below what one would have expected were domestic water supply and sanitation, and public transport from the village to Durban. As a consequence, the sanitation and bathing arrangements in the household were disproportionately below the other amenities which struck me as distinctly middle class. This comparative physical comfort (affluence would be too strong a word) may be compared with what I experienced (together with Francie Lund) living in a working-class neighbourhood in Ahmedabad in 2004, and with what Namrataben saw on her own earlier visit to the Ntombela household in 2007. I have in mind here furniture, drapes, entertainment systems and the like. However, in contrast with the household in Oaxaca with which I stayed (together with Imraan Valodia) there were no laptop computers in sight. Nor was there any equivalent of the sophisticated baking infrastructure that supported the confectionery and catering business of Guadalupe's household in Oaxaca.

According to the latest World Bank figures (2009) India's per capita gross national income (GNI) is estimated at \$3280 in current international (i.e. purchasing power parity or PPP) dollars. This can be compared with \$14,020 for Mexico and \$10,850 for South Africa. These are relative standings even after India's torrid growth over the last seven years. While national figures are a poor guide to real income differences across cities, which further reflect the urban-rural divide in each country, the inter-country differences are so great to suggest a difference in kind, not just degree.

The fascinating issue raised by Namrataben is whether the differences in consumption priorities between the three households reflect cultural differences rather than differences in household per capita income. She mentions, for example, the Gujarati preference to put savings into gold and jewellery rather than household assets. It could be that, apart from

cultural mores, these differences reflect security of tenure, as well as more assured supply of electricity. In both Mexico and South Africa, the process of urban homesteading seems to have provided security of tenure to the families concerned, which is less true so far in the Indian urban environment. Reliability of electricity supply is another achievement of the two more affluent countries that India is yet to attain. In both cases this is apparently achieved through pre-paid cards, of the kind that have powered the mobile phone revolution in India, but in both Mexico and South Africa this service is provided by public utilities rather than by private firms. Although by now it might seem trite to make this point, in all three settings the vital role played by mobile telephones in the lives of the urban less well-off needs to be recorded.

Finally, like Namrataben, I too was forcibly struck by the near universal presence of packaged food and drink in what was offered to us as guests. Without having any sense of how normal this was in the family's daily diet, sugared soft drinks and processed foods dominated in a way that was quite at variance with our experience in either Oaxaca or Ahmedabad. This was admittedly truer for the late evening snack rather than the earlier hot meal, which consisted of rice, chicken and beans. The ubiquity of these packaged goods speaks to the successful marketing of these products via television, their aspirational status as appropriate for honouring guests, and their ready availability.

Physical and Economic Security

Prior to this first visit, my general reading on South Africa had led me to expect an environment of high unemployment, pervasive crime and physical insecurity, in an environment of relatively low growth. Accordingly, I was expecting an environment of precariousness and insecurity, both economic and physical.

The Ntombela household was strikingly at variance with these stereotypes. On the wall was a plaque commemorating twenty years of loyal service by Mr Ntombela in the public hospital where he had previously worked. He had since upgraded his job to making deliveries for a major commercial meat supplier in Durban. This was hard work, with long hours, partly occasioned by the length of his commute. I shared the bedroom with him, with all the ladies of the house sleeping in a large adjoining family room off the kitchen for our night there. Mr Ntombela rose at 3.30 am in order to be at work by 7 am in Durban, but the work was steady and the pay was good. (I should mention that Mr Ntombela was able to commute by suburban rail, the rail line and station having been upgraded at the time of the 2010 FIFA World Cup.)

As noted by Namrataben, all three of the Ntombela daughters (still living with their parents given difficulties by their husbands in accumulating the bride price) also enjoyed steady jobs following completion of their studies. Their ability to hold these jobs was clearly greatly facilitated by the provision of child care by their mother, while their financial contribution was augmented by the provision of child grants from the state. Quite at variance with my priors, what I saw was a stable family unit enjoying a rising standard of living based on predictable, gainful employment. It was particularly surprising that there seemed to have been little impact of the global financial crisis on this process, or on the family more broadly.

A somewhat discordant note was struck by Ms. Hill, who was attempting to strike out as an entrepreneur. One of her activities was to operate a

roadside kiosk installed in a disused transport container, quite a common temporary structure to conduct such activities. She was much more strident in commenting on the lack of physical security for her work, and the constant risk of armed break-in and theft.

Social and Moral Environment

There were striking and unexpected resonances between the family structure in Oaxaca and in Durban. In both families, the mother was the glue of a household with several successful and ambitious daughters, with the father playing a much less visible role. In Oaxaca one of the sons was also a significant presence, but more external to the household (including migration to the U.S.) than within. It may be overdoing it to refer to the social structure as matriarchal, but it seemed evident to me that both in material and in moral terms the mother was the authority figure in the household.

I was also unprepared for the vibrant role that religion (and religious music) seemed to play in the daily life of the household. Grace was said before eating each meal and a hymn was sung before we retired for the night. These were not perfunctory events; in particular the singing before retiring was an elaborate affair in multi-part harmony, in which all members of the family participated prior to Christian prayer.

Given the strength of this value system, it was interesting to obtain a deeper understanding of the partnership conventions that governed marriage and parenthood. As Namrataben has explained, there were numerous grandchildren in the household, being reared in what we in India would call a 'joint family arrangement'. All these children were technically born out of wedlock, but as was noted earlier, this was largely because of the technicalities associated with the 'bride price'. Yet the fact of the matter is that these children were being raised in a largely feminine environment, with fathers providing support, but not a part of the household. I did not gain much insight into what changes were likely to occur as and when any of the sons-in-law did manage to come up with the bride price: how a new nuclear family would be formed, where they would stay, whether the daughter would move away as is customary in India, etc.

Finally, yet another of the stereotypes of South Africa was conspicuous by its absence, and this was HIV/AIDS. Given the prevalence of this scourge, I would have expected the issue to come up somewhere in our interaction over a day, but no reference was made to it whatever. I was later advised that there is considerable reticence in South Africa about discussing such intimate matters, perhaps influenced by the shifting official stance toward the issue. For whatever reason, I was not able to get any read at all on the gravity of the situation in the community, although in truth I too did not press the matter.

Aspirations

Namrataben's note comments on the progression of the family's daughters from education to part-time employment to more steady jobs. It was heartening to see that the overall economic and social framework was so supportive of skill development by women; this too was a notable feature of our stay in Oaxaca where the daughters of the family invested continuously in their own catering and confectionery skills. These experiences point to the vital role that continuing education has to play in

middle-income countries, once the basic challenge of access to secondary schooling has been met.

Of equal interest were our conversations with Ms Hill on her catering and bakery business, and Ms Doris' poultry business, both described by Namrataben in her note. The main difference between the two situations was the role of formal finance. Perhaps because of her standing in the community, in the case of the poultry business the cooperative headed by Ms Doris had succeeded in obtaining grant finance. By contrast Ms Hill, who was fizzing with ideas and an ambition to move into bread baking, had no desire to access loan financing, preferring to fund all her expansion through saving. What was truly remarkable to me, though, was how ambition came first. She was quite ignorant about equipment available in the market, how one would do market research, etc. What drove her was a burning desire to succeed and to succeed independently. The rest were details that drive and hard work would sort out.

Concluding Reflections

This was overall an encouraging, heartening visit for me. I had expected to be plunged into a disorderly and violent urban environment with unstable social and family relationships, along the lines of U.S. inner cities today. Instead I found myself in an environment that in many ways was more reminiscent of 19th century small-town America: deeply religious, in a strong family setting, dedicated to self-improvement with some support from the state, but without any apparent culture of welfare dependency. Crucial to the stability of the family was the fact that numerous members of the family were lucky enough to hold steady 'good' jobs, to complement the additional safety net provided by a family plot and its support to the family diet. I have no idea how typical this setting was; I rather suspect that it was rather atypical. For me though it was an unforgettable introduction to South Africa.