



# **COVID-19 Crisis and the Informal Economy in Durban, South Africa: Lasting Impacts and an Agenda for Recovery**



**Cover Photo:** Warwick Junction's Informal Markets in central Durban, South Africa. Photo Credit: Dennis Gilbert

# **Key Findings**

- Economic recovery for informal workers in Durban has been slow, and in some respects conditions have worsened. In July/August 2021, fewer workers (79%) reported being able to work in the last month than in mid-2020, when 85% reported working in the last month. Average earnings across the sample have increased only marginally since mid-2020, averaging only 56% of pre-pandemic levels. Almost three-quarters of workers (73%) reported low monthly earnings of between R0 and R1,890, well below the national minimum wage of R3,500. The vast majority of workers (94%) reported that their household incomes were less than pre-COVID household incomes.
- The major driving forces behind this very weak recovery were identified as market and supply chain disruptions, with many market traders and street vendors reporting a noticeable reduction in demand, a lack of capital to re-start businesses, and ongoing harassment and punitive behaviour against workers operating in public space from local government.
- Levels of food insecurity are down from the extremely high levels reported in mid-2020 (80%), but are still high, with almost 60% of workers reporting incidents of adult hunger in their households.
- More workers (61%) reported being able to access cash relief through the social protection system than in mid-2020 (47%), and the municipal moratorium on rental fees until December 2022 has been welcomed.
- Access to business relief has been almost non-existent, with only 3% of the sample reporting access to government loans. The slow earnings recovery and the lack of access to capital has led to a significant number (18%) of workers taking out loans, mainly from informal lending institutions and from family and friends. Debt repayments are now a noticeable problem for many workers particularly those facing the high interest rates from informal lending institutions.

### **Recommendations**

- The South African government and eThekwini Metropolitan Municipality must ensure that workers in the informal sector are able to access immediate business support and financial relief, in order to clear debt and re-start businesses. The onerous registration requirements for national government business support programme TREP should be reconsidered and made more accessible to informal workers.
- Also in the immediate term, the eThekwini Metro must ensure more consistent and fairer applications of local-level regulations and by-laws, and take active measures to halt the abusive and punitive behaviour of local officials against informal workers.
- In the longer term, support for workers in the informal economy requires changes in policy to ensure greater recognition and fairer treatment of informal workers operating in public space, to ensure that their workplaces are safe, healthy and pandemic resistant, that workers have adequate and accessible social protection, and that platforms for engagement and dialogue with local government are established.

### Background

**COVID-19 Crisis and the Informal Economy** is a WIEGO-led longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households.<sup>1</sup> Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April 2020 and mid-year 2020 compared to February 2020 (the pre-COVID-19 period).<sup>2</sup> Round 2 was conducted in mid-year 2021 to assess how workers were experiencing COVID-19 resurgences and ongoing economic strains, and to what extent (if any) they had recovered. This report presents the summary findings of Round 2 of the study in Durban, South Africa. Researchers in Durban surveyed 119 of the original Round 1 respondents to assess how their situation had changed roughly a year after the initial survey. Fifty-four additional respondents were surveyed to replace previous Round 1 respondents who could not be contacted. Researchers also conducted in-depth interviews with 3 informal workers and 3 informal worker leaders. The research was conducted in collaboration with Asiye eTafuleni.

All findings that compare Round 2 findings to Round 1 findings consist of unbalanced panels, meaning that they include all participants from Round 2 and all participants from Round 1. For this reason, they are not perfect representations of changes experienced by the Round 1 sample.

### The Informal Economy in Durban, South Africa

South Africa has a relatively small informal economy in comparison to the rest of sub-Saharan Africa. Approximately 24% of urban employment is informal, with the eThekwini (Durban) Metro reporting 26% informal employment. Women make up a slightly higher share of the metro's informal workers than men.<sup>3</sup> While individual incomes are often low, cumulatively these activities contribute to the economy, and the informal economy has been shown to play a critical role in poverty reduction.<sup>4</sup>

https://www.wiego.org/sites/default/files/publications/file/WIEGO\_FactSheet\_Durban\_final\_web\_0.pdf

<sup>&</sup>lt;sup>1</sup> Study cities are Accra (Ghana), Ahmedabad (India), Bangkok (Thailand), Dakar (Senegal), Dar es Salaam (Tanzania), Delhi (India), Durban (South Africa), Lima (Peru), Mexico City (Mexico), New York City (USA), Pleven (Bulgaria), Tiruppur (India).

<sup>&</sup>lt;sup>2</sup> Results from Round 1 in Durban are available at:

<sup>&</sup>lt;sup>3</sup> Rogan, Michael. 2019. The Urban Informal Economy in South Africa: A Statistical Snapshot. WIEGO Statistical Brief No.19.

<sup>4</sup> Rogan, Michael and Paul Cichello. 2020. (Re)conceptualizing poverty and informal employment, in Chen, Martha and Françoise Carre (eds), *The Informal Economy Revisited: Examining the Past, Envisioning the Future*. London: Routledge.

## **COVID-19 in Durban: Key Dates**

March 15th, 2020: National State of Disaster declared.

March 27th, 2020: Command Council imposes first 21-day strict lockdown.

**April 23rd, 2020:** The President announces the implementation of a 5-level alert system with clearly defined restrictions (Level 1 being the lowest level of restrictions).

July 23rd, 2020: Increasing infection rates lead to school closures.

**December 9th, 2020:** The Minister of Health declares the start of the second wave of infections, driven by the Beta variant. The country remains on Level 3 restrictions – even at the worst of infections the country does not return to Level 5, the strict lockdown.

**February 17th, 2021:** South Africa starts its national COVID-19 vaccination programme with shots for health-care workers. In May it opens up for the over-60s.

**June 10th, 2021:** The country enters the third wave of infections, driven largely by the Delta variant. The country returns to Level 3 restrictions and a travel ban is instituted in the epicentre province of Gauteng.

July 2021: Civil unrest flares up in Durban and other parts of KwaZulu-Natal and Gauteng, provoked by the arrest of former president Jacob Zuma. Widespread looting occurs, severely disrupting economic activity and food supplies. While Zuma's incarceration is seen as the main cause of the violence, it is widely acknowledged to have been exacerbated by severe food insecurity and unemployment.

### **Study Dates and Sample**

Dates of study in Durban

- Round 1: June-August 2020
- Round 2: June-August 2021

#### **Total Sample: 191**

Sample by sector<sup>5</sup> and new versus Round 1 respondents

Sector	n	% of Total sample	% Women	% New respondents
Market Traders	55	29	65	16
Street Vendors	57	30	56	37
Waste Pickers	75	39	47	42
Other	4	2	100	0
Total	191	100		

<sup>&</sup>lt;sup>5</sup> Round 1 Respondents who changed their primary occupation are categorized as "Other", unless they have become one of the other main sectors of market traders, street vendors or waste pickers, in which case they are included as a member of this group. Round 1 respondents who have stopped working entirely or were not working at the time of survey are tabulated with their Round 1 sector.

#### Age distribution

Age range	n	%
18-25	4	2
26-35	43	26
36-45	51	31
46-55	45	27
56-65	17	10
>65	4	2

The sample is not intended to be representative of informal workers in each city or even of the membership of each organization.

### Impacts of and Responses to the Crisis

When asked about the overall impact of the COVID-19 pandemic on their lives, informal workers in Durban responded overwhelmingly in two ways. The first of these impacts was the insecurity of income and earnings, which had been a result of the economic crisis that accompanied the health crisis. As several respondents noted, despite South Africa officially entering into a phase of "economic recovery", economic insecurity is now a much more prominent feature in the lives of informal workers, and this is unlikely to change soon.

"Things are not back to normal and I doubt that things will actually go back to normal. Our economy is going up and down, factories open today and they close tomorrow, some people have started trading and others have stopped working. Things are not the same as before" - Market Trader, Durban

The second was the rise in punitive behaviour and state violence from the local government. Despite the fact that strict restrictions had not been implemented in the country since early 2020, frontline officials – perhaps emboldened by the earlier restrictions – have continued to harass and mete out punishments, including evictions and confiscations of goods, on informal workers working in public space.

"The main issue has been unlawful confiscation and harassment of informal workers which was at its peak in July and August 2021. People were getting fines they couldn't afford and even if they made sales they had to use that money to try and get back their goods which were confiscated" -Market Trader, Durban

Sectoral differences are apparent – for market traders and street vendors, economic insecurity is the greater challenge, whereas for waste pickers, it is punitive behaviour that has been most strongly felt. Nevertheless, it is within this wider context of economic insecurity and a punitive urban environment that the following discussion of impacts should be understood. It should also be noted that this research was interrupted by the civil unrest that hit Durban in July 2021, which was in many ways a symptom of economic insecurity, as well as an occurrence that served to deepen that insecurity.

### Impacts on Work, Earnings and Food

#### Work

One-third (34%) of workers in Round 2 had stopped working completely, and 4% had switched to a new sector. Stopping work completely or switching sectors was more common among street vendors (45%) and market traders (42%) than among waste pickers (28%).

Almost one-third (30%) of the respondents reported that they had to skip 10 or more days of work during at least one month in the last 12 months. Waste pickers were the most likely to report that they skipped 10 or more days of work during at least one month (56%); 35% had to skip 10+ days of work during exactly one month, 12% during 2 months and 5% had to skip for 3 months or more. Market traders were especially likely to skip 10+ days of work for 3 or more months (23%). Street vendors were the most likely to have worked, with only 7% reporting they had to skip 10+ days of work during one month, and 2% during 3 months or more.



At the time of the study, 72% of the respondents had worked in the last month, which is lower than in mid-2020 when 85% said they had worked. Market traders were the least likely to have worked in the last month (only 33%), a decrease from mid-2020 when 55% were able to work. Most waste pickers (94%) and street vendors (84%) were able to work. While for waste pickers this was the same as in mid-2020, it represented a decrease for street vendors considering that 93% of them were able to work in mid-2020.

For those who said they were unable to work for 10+ days during at least one month in the last 12 months, the main reasons for this were market and supply chain disruptions (35%) and a lack of capital to re-start their businesses (31%). Market and supply chain disruptions were the main reasons preventing waste pickers (29%) from working, while a lack of re-start capital was the main factor preventing market traders (50%) from working. Restrictions on working in public space was the main obstacle reported by street vendors (55%). However, here "restrictions" refer to ongoing harassment and selective application of the law from municipal officials, which has been more of an obstacle to work than any of the public health restrictions imposed by the national government. The average number of days of work across all sectors is 3.8 days per week, which is lower than mid-2020 (4.3 days per week) and in February 2020 (5.6 days per week). Reducing the number of days of work is one way to compensate for lower earnings overall.

"Since March 2020 we were unable to work but even after we were allowed back to work the earnings have decreased from before, so we started decreasing the days we spend at work. I commute for R50 so it doesn't make sense anymore for me to come to the market every day" - Market Trader, Durban

The number of days worked was especially low for market traders (1 day per week), which is less than half the number of days worked in mid-2020 (2.5 days per week) and six times lower than in February 2020 (5.8 days per week). For street vendors, however, the number of days worked per week was on par with the number of days worked during mid-2020 (5 days per week), and for waste pickers the number of days worked was higher than in mid-2020 (5.2 days vs 4.9 days per week). For both street vendors and waste pickers the number of days worked was lower than those worked in February 2020 (5.6 for street vendors and 5.3 for waste pickers). Across all respondents, women were working fewer days than men (3.4 days per week for women and 4.3 days per week for men).

Respondents who were able to work also faced obstacles, mainly linked to market and supply chain disruptions (47%). These disruptions impeded the ability to work of 70% of waste pickers and market traders, while 82% of street vendors faced obstacles linked to restrictions.

All market traders who worked reported decreases in their sales, 89% reported increased difficulty accessing stock, 61% reported rising prices of their stock and 78% reported that their selling prices are now lower than in mid-2020. This last fact is important to highlight considering that prices of stock and raw inputs have risen, meaning that traders themselves are having to absorb these extra costs. Similarly, 89% of street vendors who worked reported a decrease in their sales and 62% reported increased difficulty accessing stock. However, most street vendors (66%) reported a decrease in the prices of their stock and 53% said that their selling prices are the same as in mid-2020.

"There was an increase in the price of raw materials. The cloth that I used to buy cheap has now increased, but we cannot increase the selling price. I do not do the preparation of the pinafores I sell, and I hire the services of a lady who is stationed at my stall but now I struggle to pay her" - Market Trader, Durban

A large number (78%) of waste pickers interviewed reported that it has become more difficult to access waste as compared to mid-2020. Qualitative data suggests contributing factors to this have been harassment from local government officials when working, the hesitancy of large waste generators to allow waste pickers onto their premises to collect because of fears of contagion, the impact of business restrictions on bigger formal businesses thereby reducing their waste output, and the civil unrest. Nevertheless, 65% of waste pickers did report that the price of recyclables had also increased, and waste picker earnings have recovered the most out of all the sectors surveyed (see earnings data below).



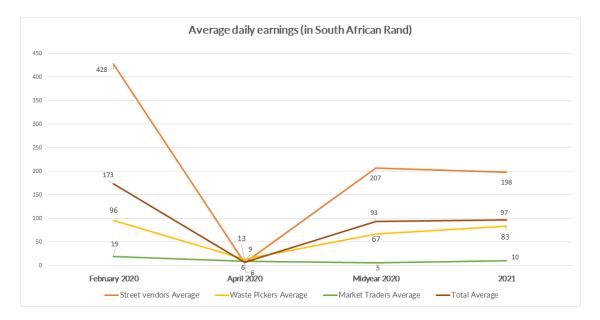
\* Respondents could select more than one response

#### Earnings<sup>6</sup>

Earnings recovery remains slow, and earnings are still down from pre-pandemic levels. The average earnings across all respondents are 56% of their earnings in February 2020, and are only slightly higher than their mid-2020 earnings.

Market traders in 2021 were earning just above half (52%) of their pre-pandemic incomes, despite having doubled their earnings from mid-2020. Street vendors were earning 46% of their pre-pandemic incomes, slightly lower than their mid-2020 earnings. Of all the sectors, waste pickers' earnings – at 86% of their pre-pandemic levels – had recovered the most.

<sup>&</sup>lt;sup>6</sup> All earnings data include Round 2 respondents who have stopped working entirely and/or respondents who were not working in the previous month, whose days of work and earnings are set to 0. All earnings data are reported as gross earnings and do not account for costs of purchasing stocks or other inputs. <u>Earnings data includes only what individuals earn from their primary occupation, not from other sources.</u>



However, reporting on average earnings – which are skewed by some higher earners – obscures the critical fact that the majority of workers (73%) reported low monthly earnings of between R0 and R1,890, well below the national minimum wage of R3,500. In terms of sectors, the majority of market traders (96%), waste pickers (68%) and street vendors (52%) were earning within this range.

Again, it is particularly market traders who suffer from low earnings, with 69% of this group reporting zero earnings in the 2021 survey. At the same time, the vast majority of workers (94%) reported that their household incomes were less than they had been before COVID-19.

Sector	% of pre-pandemic <sup>7</sup> earnings, in 2021		
Market Traders	52		
Street Vendors	46		
Waste Pickers	86		

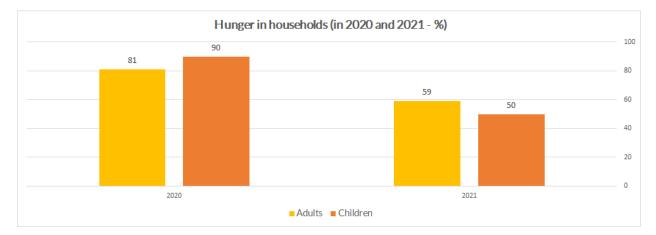
Although the quantitative data in this survey did not reveal a significant difference in the earnings of food versus non-food traders, qualitative evidence suggests that traders selling food may be doing better than those selling non-food items, as low and disrupted incomes among South Africans and high inflation in general mean that customers focus on essential purchases.

<sup>&</sup>lt;sup>7</sup> February 2020.

"When the government put a regulation that traditional rituals should close down, we are selling aprons, and our main customers are people that are doing traditional rituals and people saw no need to buy aprons and they decided to buy food instead...People are more focused on buying food. And you can't change to start selling food when you have never sold food before"- Street Vendor, Durban

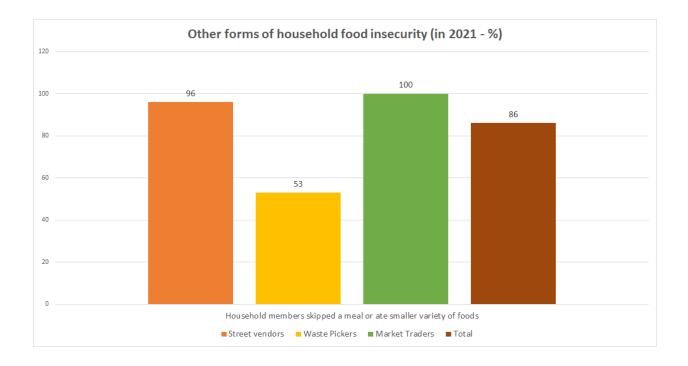
#### **Food Security**

In 2020, the food insecurity reported in Durban was one of the highest across the cities surveyed, with 81% of workers reporting incidents of hunger among adults in their households and 90% reporting incidents of child hunger. In 2021, this had dropped to 59% of respondents reporting hunger<sup>8</sup> among adults in their household and 50% reporting hunger among children in the household.



Nevertheless, this represents over half the sample reporting food insecurity, a serious situation which deepens when it is considered that 86% of respondents reported that they or a household member had skipped a meal in the last month. This was most prevalent among market traders (100%) and street vendors (96%). Furthermore, almost one-third of workers (31%) said that they or other household members ate a smaller variety of foods than they would have liked. This was highest among market traders (47%) and waste pickers (32%).

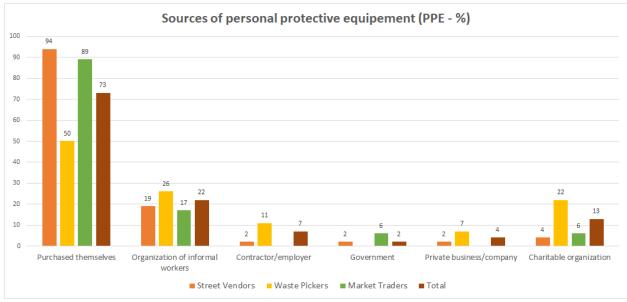
<sup>&</sup>lt;sup>8</sup> Respondents were asked whether, in the last calendar month, any adults or children in their households went "hungry because there wasn't enough food".



"The food prices have gone up and there is an older person at home who is not working, only receiving pension money. When it gets to the end of the month and there is no food, they call me and there is nothing I can do because I also do not have money. There are four people at home, my child, my mother, my uncle and sister. They are all not working" - Street Vendor, Durban

### **Health and Safety**

In mid-2021, among respondents who were working during the previous month, 96% reported using personal protective equipment (PPE), with 11% of the total sample reporting that they changed primary occupation or stopped work over the last 12 months due to health concerns. Most street vendors (94%) and market traders (84%) reported purchasing PPE for themselves, while one-quarter (26%) of waste pickers reported receiving PPE support from their membershipbased organization and a further 22% received this from a charitable organization.

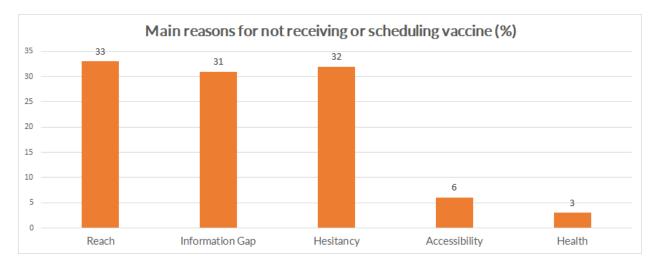


\* Respondents could select more than one response

South Africa has had a relatively slow roll-out of COVID-19 vaccines, due to global supply constraints, bungled procurement from the South African government and concerns that the Beta variant was able to resist certain vaccines. Although health-care workers began receiving vaccines in February 2021, it was only in May that this was opened up to people aged 60 years and older and some groups of essential workers, and in July to the over-50s. By September it had expanded to the over-40 age group and is now open to everyone aged 12 and older. The two vaccines in use – Pfizer and Johnson & Johnson – are provided free of charge in both public and private health facilities. At the time of writing it was estimated that approximately 40% of the adult population had had at least one shot of vaccine.<sup>9</sup>

In this study, one-third (34%) of respondents have been vaccinated or were scheduled to be vaccinated. Across all respondents, women were less likely than men to be vaccinated or scheduled to be vaccinated (28% of women and 41% of men). Among those who were not vaccinated or not scheduled for a vaccine, the main reasons were lack of availability of vaccines (reach) (32%), vaccine hesitancy (32%) and lack of information (31%).

<sup>&</sup>lt;sup>9</sup> https://sacoronavirus.co.za/latest-vaccine-statistics/



\*Respondents could select more than one reason

While not mentioned specifically in the study, there were indications that workers' mental health has been affected by the various crises that have destabilized Durban, including the civil unrest. As one street vendor put it, "...but you see what's happening now in the world is really ruining our mindset and does not give hope. First they said it was just a virus, but people are now going crazy with everything that's happening. You don't know what will happen tomorrow...We have to ask ourselves what is really happening in the world?"

### **Household Stress**

### **Care and Other Household Responsibilities**

While in 2020, 35% of respondents had increased their cooking responsibilities, 44% their cleaning responsibilities and 31% their child care, in 2021 considerably fewer respondents were reporting an increase in care work. None reported an increase in cooking, 7% reported an increase in cleaning and 16% an increase in child care. Across all respondents, women were more likely than men to report these increases in both 2020 and 2021.

It was noted during qualitative interviews, however, that women traders with young children were having to bring young children with them to the market "because they have nobody to leave their kids with at home." The challenges of homeschooling during the July 2021 school closures also emerged in interviews.

"Homeschooling was a big challenge for the traders because they are uneducated and do not have enough information about how to use gadgets. Most of the schools ask the kids to use the internet and not all of us have smartphones, even some of the kids can't use them. So homeschooling was not ideal" - Market Trader, Durban

## **Relief Measures**

In response to the COVID-19 crisis, the South African government put in place a number of relief measures. Large-scale measures included:

- Top-ups to the existing Child Support Grant (CSG), Old Age Pension (OAP) and Disability Grant: From May 2020 until October 2020 the CSG was increased by R500 per caregiver, and the OAP and Disability Grant increased by R250.
- Introduction of a COVID-19 Social Relief of Distress Grant (SRD): From May 2020 this new grant of R350 was instituted for individuals outside of formal employment and without access to any other form of government grant. The grant was extended until April 2021. However, after the civil unrest in Durban, the grant was reinstated from August 2021 until March 2022. This second round of SRD grants also allowed applications from caregivers receiving the CSG. By November 2021, 14.5 million people had applied for the grant, with 56% of applicants being women and 44% men.<sup>10</sup>
- Social Relief of Distress Food Packages: These were instituted in Durban in response to the civil unrest and the food shortages that ensued.
- Business support in the form of the Township and Rural Enterprise Programme (TREP): Launched in June 2020 and continuing into 2021, this support from the Department of Small Business Development came in the form of a 50% grant and 50% loan of between R7,000 and R10,000. It was targeted at autobody repairs and mechanics; small-scale bakeries; clothing, leather and textile businesses; spaza shops; butcheries; and cooked food and personal care services. To this was added smaller grants of R1,000 targeted at fruit and vegetable vendors. This support was disbursed through the Small Enterprise Finance Agency (SEFA) and participating private bank Nedbank.

#### **Receipt of Government Relief**

Overall, 61% of respondents reported receiving cash relief in the last 12 months. This is significantly higher than the number of workers reporting receipt of cash relief from April to mid-2020, which was 39%.

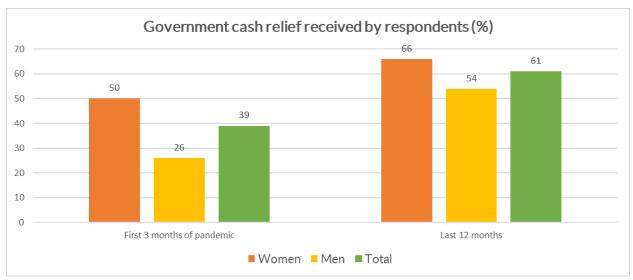
Market traders were the most likely to have received cash relief (75%), followed by street vendors (63%). Waste pickers were the least likely to receive this form of relief (46%). Across all respondents, women were more likely than men to receive cash relief (66% women and 54% men). This is likely to be related to the relative efficiency of attaching relief to the existing CSG, from which many more women benefit than men.

Although several workers stated that the grants were "of great help" especially during the times when they were unable to work, allowing them to "put food on the table" and had in a minority of cases (8.5% of the sample) contributed to the restocking of businesses, there were also suggestions that they were inadequate and could not make up for the loss of business.

<sup>&</sup>lt;sup>10</sup> South African Social Security Agency. 10 November 2021. Report on Covid-19 Social Relief of Distress Grant.

"The grant really helps me a lot because I use it to buy my family monthly grocery which is not enough but we are surviving" - Street Vendor, Durban

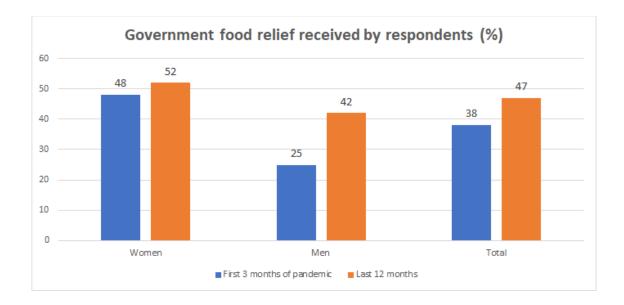
"Yes it did help for a few weeks but due to lack of customers all stock purchased went bad and l was back to zero" - Market Trader, Durban



Among all respondents, the main reason for not receiving cash relief was lack of documentation (34%) and not receiving despite applying (19%). Similar to findings in 2020, waste pickers were especially likely to report that they lacked documentation (48%).

Furthermore, 47% of respondents reported receiving food relief, higher than the 38% reporting access to this in April to mid-2020. However, it should be noted that this food relief was most likely to be provided locally in response to the civil unrest. Market traders were again the most likely to receive (80%), followed by waste pickers (50%), with street vendors the least likely to receive (12%). Across all respondents, women were more likely than men to receive food relief (52% women and 42% men).

Among all respondents, the main reason for not receiving food relief was said to be political favouritism (29%). Street vendors (38%) and market traders (36%) were especially likely to report that there was political favouritism, while waste pickers reported that there was no food support.



Despite the presence of the TREP, the vast majority of respondents (97%) did not receive any type of loan from the government. This is perhaps to be expected, considering that the registration requirements for TREP were onerous, including registration with the Companies Intellectual Property Commission, the South African Revenue Service and the Unemployment Insurance Fund. While the support to fruit and vegetable vendors did not have these requirements, this was a relatively small proportion (4%) of the TREP budget.<sup>11</sup> Where traders reported attempts to make applications, difficult administrative procedures had created an insurmountable barrier, there was a lack of support for these applications, and a lack of accountability from local officials.

"...we haven't received support from the local municipality. They just handed out a few forms that were so difficult to fill and which had a lot of requirements which most of the traders did not comply with" - Market Trader, Durban

Almost two-thirds of respondents (61%) reported that they needed capital to resume work. Street vendors (80%) and market traders (100%) were especially likely to need capital, while one-quarter of waste pickers (26%) reported that they needed capital to resume work. Across all respondents, women were more likely than men to report that they needed capital to resume work (67% of women and 53% of men).

However, due to the inaccessibility of the business support grants, the main sources of capital workers have been able to access were to borrow money from friends and family (40%) or to take loans from formal or informal institutions (36%).

Finally, 20% of respondents reported that they had rent, utilities, tuition or loans cancelled, forgiven or deferred. This rate was higher among men (24%) than among women (17%). Moreover, the eThekwini municipality made an announcement that there will be a moratorium on permit fees until December 2022, which was welcomed by traders.

<sup>&</sup>lt;sup>11</sup> See Skinner, Caroline et al., 2021. Informal Work in South Africa and COVID-19: Gendered Impacts and Priority Interventions. WIEGO Policy Brief No. 22.

### **Adaptation and Coping Strategies**

There is a strong sense from the Durban data that informal workers are struggling to find ways to cope with the many crises that have hit their city over 2020 and 2021. *"We cannot say there have been any effective coping mechanisms that have been utilized,"* reported one market trader. Nevertheless, the quantitative data identified some of the major adaptations and coping strategies that have been adopted.

The most prevalent coping mechanism in the past 12 months was to borrow money from informal institutions (18%), many of which are locally known as "loan sharks". Another prevalent coping mechanism was drawing down savings (12%). Street vendors were the most likely group to have taken out a loan, followed by market traders. The average amount borrowed amounted to R1,132 – almost 40% of average current monthly earnings across the sample. With high interest rates attached to loans, these traders now face the uphill battle of repaying the loans with less income.

"There are loan sharks in the market and their interest is very high...By borrowing this money you have to pay this person back and pay the interest on top of that...these people are trying to make money out of us because they can see that we are vulnerable and need their help" - Street Vendor, Durban



\* Respondents could select more than one response

For those who had drawn down their savings since the start of the pandemic, 94% had not yet been able to replenish those savings.

## **Recovery and Beyond: Informal Worker Needs and Demands**

What do informal workers in Durban need to enable their recovery? Below is a summary of the key demands that emerged from the data:

**Immediate material support:** The fact that subsidized business support from the government has largely bypassed informal workers, a strong short-term need especially for market traders and street vendors is to access financial support from the government in order to restock and restart their businesses adequately, as well as to pay off the debt that has been incurred over the worst periods of the crisis. This support should be no-interest and should be comparable to the benefits offered through TREP without the onerous registration requirements.

**Recognition:** A second key demand that emerged is for greater recognition by the government of workers in the informal economy, and for all levels of government to engage with workers in a respectful manner. The need for recognition was particularly strongly articulated by waste pickers, who suffer most severely from the lack of recognition in the form of punitive behaviour from the local state.

"We just get called when the government needs something from us. Most of the time when we speak about our challenges we are not given the proper audience we require" - Market Trader, Durban

**Policy change:** In the longer term, informal workers are asking for policy change to ensure that their rights as workers are upheld and – once their businesses are operating again – that these may flourish. Specific policy changes include:

- The need to better regulate the waste picking sector to reduce the exploitation of waste pickers by middle-men and state officials.
- To amend discriminatory laws and practices that hinder recovery for market traders and street vendors. These include:
  - The selective application of municipal regulations and by-laws; and
  - Inconsistent application of the rules on operating hours and COVID-19 protocol regulations for both market traders and street vendors.
- Ensuring adequate and accessible water and sanitation facilities in informal places of work to support pandemic-resistant public spaces.
- Ensuring access to social protection in the longer term, including the conversion of the Social Relief of Distress grant into a long-term basic income grant set at a level that ensures food security.
- The establishment of an institutionalized consultative forum to ensure the participation of informal workers in proposed policy changes.

**Do No Harm:** Local government in particular should desist from its punitive and unsupportive behaviour, which is undermining recovery for workers in the informal economy. Again, this demand was articulated particularly strongly by waste pickers who have felt the brunt of this behaviour. It was suggested that local government should "...treat us with dignity and create job opportunities instead of physically abusing us."

**COVID-19 Crisis and the Informal Economy** is a collaboration between the global network Women in Informal Employment: Globalizing and Organizing (WIEGO) and local partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Pleven, Bulgaria; and Tiruppur, India. The mixed-methods longitudinal study includes survey questionnaires of informal workers and semi-structured interviews with informal worker leaders and other key informants, all conducted by phone. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.

Asiye eTafuleni is a not-for-profit organization that has worked for the past 12 years in Warwick Junction (Durban's main transport and informal trading hub) to enhance the lives of the informal workers who earn a living in the area. Working largely with street and market traders and waste pickers, among others, AeT has developed a strong degree of trust with the informal worker communities in the area. Projects that AeT is involved in include infrastructural interventions in the various markets in Warwick Junction; facilitating engagement with local government; educating traders about their constitutional rights and advocating alongside them for their rights to be realized; improving child care options for informally working mothers; and, more recently, assisting with the immediate needs of informal workers during the COVID-19 crisis.

This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors



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