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Organizing in the Informal Economy: A Case Study of Street Trading in South Africa

by

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InFocus Programme on Boosting Employment
through Small Enterprise Development
Job Creation and Enterprise Department



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Foreword

The ILO's longstanding concern with the realization of freedom of association and its commitment to all workers, whether in the formal or informal economy, are well exemplified by the Decent Work agenda and the ILO Declaration on Fundamental Principles and Rights at Work (1998). In addition, ILO Recommendation No. 189 on Job Creation in Small and Medium-Sized Enterprises (1998) advocates adequate representation of these enterprises and their workers – including those in the informal economy – and calls on organizations of employers and workers to extend membership therein. In 2002, the Conclusions adopted by the International Labour Conference at its general discussion on decent work and the informal economy recommend future ILO work and activities be aimed, inter alia, at removing obstacles to the formation of organizations of workers and employers in the informal economy and assisting them to organize.

For the ILO, the right to organize is an enabling right in that it paves the way for the exercise of a range of other rights at work. However, the right to freedom of association is often denied – *de jure* or *de facto* – to those in the informal economy. The present report is part of an international research project jointly initiated by the ILO InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and the InFocus Programme on Promoting the Declaration (IFP/DECL), to probe how collective representation in the informal economy can generate positive social and economic outcomes. Countries under review are Bolivia, Colombia, Pakistan, Peru and South Africa. The intention of this project is to foster policy dialogue activity at the national level with a wide range of stakeholders.

ILO research counterparts in South Africa were the Community Agency for Social Enquiry (CASE) jointly with the Southern African Labour Research Institute (SALRI). Representational processes in South Africa's informal economy are assessed using a case study methodology. Within this framework, four sectoral studies (on clothing, construction, street trading and transport) have been conducted. This report investigates the street trading sector and is published under the series on "Representation and Organization Building" by IFP/SEED.

Despite severe constraints, street traders in South African cities have organized collectively to resolve problems that they cannot overcome as individuals. Nonetheless, street trader organizations remain weak, volatile, inefficient and narrow in scope. What constraints are undermining their performance? Understanding the dynamics, rules and actors driving organizational processes in the informal economy is crucial to shaping and implementing policies that constructively bridge the formal-informal rights gap.

This report has been written by Shirin Motala, development researcher. Lindiwe Mayisela, translator, assisted with the interviews in Durban. Tanya Goldman, responsible for CASE coordination of this ILO research in South Africa, provided support and guidance throughout the research process. IFP/SEED supported this research and jointly with IFP/Declaration coordinated its implementation. Giovanna Rossignotti (IFP/SEED) and Manuela Tomei (IFP/Declaration) designed the analytical framework for the research and guided this study to its completion.

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Abbreviations and Acronyms

ACHIB	African Council of Hawkers and Informal Businesses
ANC	African National Congress
CASE	Community Agency for Social Enquiry
CBD	Central Business District
CJP	Central Johannesburg Partnership
COSATU	Congress of South African Trade Unions
CSDS	Centre for Social and Development Studies
DTI	Department of Trade and Industry
GHA	Gauteng Hawkers Association
IFP	Inkatha Freedom Party
ILO	International Labour Organization
ITGLNF	International Textile, Garment and Leather Workers' Federation
ITMB	Informal Traders Management Board
ITSBO	Informal Traders Small Business Opportunities
JDA	Johannesburg Development Agency
LRA	Labour Relations Act
MTC	Metro Trading Company
NAFCOC	National African Federated Chamber of Commerce
REC	Regional Executive Committee
RSA	Republic of South Africa
SACOB	South African Chamber Of Business
SACCAWU	South African Commercial and Allied Workers Union
SALRI	Southern African Labour Research Institute
SAMWU	South African Municipal Workers Union
SARHA	South African Railways Hawkers Association
SEWU	Self Employed Women's Union
SMME	Small Medium and Micro Enterprise
UNI	Union Network International

Executive Summary

“What contributions can be made with regard to meeting the representational needs of workers, employers and others conducting business?”

— *Decent work and the informal economy*, Report VI,
International Labour Conference, 90th Session, 2002. ILO, Geneva, p. 120.

The ability of workers in the informal economy to exercise their right to freedom of association (establish or join organizations of their own choosing without fear of reprisal or intimidation) is critical to shaping regulatory frameworks and institutional environments that ultimately help informal workers and economic units to move into the formal economy. Lack of voice at work is marginalizing informal economic actors in the labour market and in society at large. This paper analyses organizational strategies adopted by street traders in South Africa’s informal economy. It focuses on three organizations – the Informal Trade Management Board (ITMB) in Durban, the Gauteng Hawkers Association (GHA) in Johannesburg and the Self Employed Women’s Union (SEWU), operating in various cities across the country, Durban in particular.

The purpose of this study is to examine how these different organizational strategies contribute to (i) reduce the vulnerability of informal economic actors by enhancing their access to resources, facilities and public institutions, (ii) empower members to channel their concerns and aspirations in policy circles and influence decisions in their favour, (iii) address women’s gender-specific needs and secure women’s voice, and (iv) build strong and sustainable organizations at the local and national level.

Gender and race are key determinants in the patterns of participation in informal street trading. The survivalist segment of street trading is predominantly African and women. Reasons to profile street trading include (i) the presence of a wide range of organizations representing informal actors in the sector (traders’ associations, women’s groups, trade unions), and (ii) the high concentration of women in the sector, representing 62.5 per cent of street traders in Durban in 1997.

Available estimates for the two cities that form the focus of this study show that in 1999 the Durban Metropolitan Area contained approximately 19,000 street traders and Johannesburg’s Central Business District between 3,000 and 7000. Street trading is an important means of survival for many people engaged in the informal economy, particularly women. Data obtained from previous studies indicate that almost three-quarters of street traders are their household’s main breadwinner. Approximately one-third of street trader households have no other earners.

In South Africa, the ultimate responsibility for regulating street trading lies with local government. Countrywide, municipalities are devoting special attention to this highly visible segment of the informal economy. During the 1990s, the approach taken by local governments to

deal with street trading varied from city to city, although it was largely influenced by national government measures launched to promote the SMME¹ sector. These measures mirror the emergence of a more sympathetic thinking about the informal economy – street trading in particular – and in turn have contributed to prompt a shift in local government attitudes towards it (from persecution to dialogue).

The three street trader organizations profiled in this report were founded for different reasons that in turn shaped their historical objectives and *modi operandi*. ITMB originated as a response to the need for a number of small street traders' organizations to have "one voice" vis-à-vis local government authorities. GHA was instigated to mobilize against foreign traders who were usurping local trading sites and against whom violent confrontations occurred. SEWU, a women-only organization, was established to represent self-employed women engaged in the informal economy, whose interests had been largely neglected in existing organizations.

The comparative analysis of the diverse strategies adopted by ITMB, GHA and SEWU highlights some common patterns across these three organizations – albeit their specific objectives, means of action and approaches.

Accountability to members is often shallow and does not seem to be at issue for leadership. Although all three organizations have constitutions, these appear to be paper exercises and are not used to hold leaders accountable. SEWU is the exception in this regard.

Severe financial and human resource constraints are evident in all three organizations. ITMB operates on a purely voluntary basis, drawing on office bearers' time and resources. In GHA, three of the five members of the Executive Committee continue to work as street traders. Only SEWU employs full-time staff and relies on trained organizers. In addition, only SEWU makes a priority issue of enhancing members' skills and capabilities.

Collection of fees remains problematic and impedes the efficient functioning of all three organizations. For ITMB and GHA, the critical issue remains their ability to deliver tangible benefits and services for which members are willing to pay fees.

Women play only a token role in the organizations, except in SEWU. Changes in deep-rooted perceptions of women and men at work and in society are required to secure women a "voice" and enhance their presence in leadership positions.

Organizational strategies tend to concentrate largely on protest marches, rallies and mass meetings. Only in a few instances was the long-term perspective considered. In ITMB and GHA, for example, a narrow agenda and limited geographical coverage are two obstacles to creating a longer-term vision and a role that extends further than the next crisis.

Building strategic alliances with formal labour unions is not perceived as a way to achieve common goals. Only SEWU has established channels of cooperation with a wide range of actors and institutions at the national and international level.

¹ Small, Medium and Micro Enterprises.

All three organizations have had interaction with local governments, although different approaches have been taken. GHA has at times been confrontational (with some positive results, for example, in ensuring that MetroRail's trader eviction policy was rescinded). Both ITMB and GHA have been active in lobbying for or negotiating space with local authorities. They also claim a great deal of success in protecting street traders from police harassment. SEWU has demonstrated some innovative policy advocacy work within the Durban Metro, as exemplified by the interventions around accommodation for *muthi* (herb) traders. The adoption of the Informal Economy Policy in 2000 stands as a major breakthrough in the establishment of an enabling environment for street trading in Durban. To date the Policy remains the most far-reaching result of a constructive dialogue between local government and street traders in South Africa. The ability of different street trader organizations to coordinate their efforts and collectively voice their concerns and aspirations has been one key to the successful outcome of this experience.

1. Introduction

In 2001 the International Labour Organization (ILO), through two of its technical programmes,² launched an international research project aimed at gaining insights into the organizational strategies of informal economic actors in the study countries of Bolivia, Colombia, Pakistan, Peru and South Africa. The purpose of this research is to acquire deeper insights into the nature of membership-based organizations in the informal economy, their strengths and weaknesses, with a view to understanding the incentives and rules that shaped their creation and function, and the constraints that hamper their potential as effective “voice” institutions. Such an understanding is critical to devise regulatory and institutional environments conducive to poverty reduction and decent work.

The Community Agency for Social Enquiry (CASE) in partnership with the Southern African Labour Research Institute (SALRI)³ was commissioned to conduct the South African component of this research. Four sectors have been selected for study: clothing, construction, street trading and transport. This report covers the street trading sector.⁴

1.1 Defining features of the street trading sector

The three main reasons for selecting street trading as a study focus are:

- Its predominance of women who, due to the legacy of cultural norms and practices, are concentrated in low-income, low-skilled and mostly scattered activities, which in turn weakens their bargaining position and their ability to organize and act collectively.
- For women, it is an important source of survival and escape from poverty.
- Unlike other sectors of the economy, local government is the key party with which street trader organizations currently negotiate. Organizations in other sectors negotiate with formal sector suppliers and distributors and with other spheres of government (namely, provincial and national), with various ministries and with organized labour.

In addition to the above, this sector incorporates the following features:

- Street traders may also negotiate with suppliers in the formal or informal economy.
- The street trading sector includes examples of different types of organization, such as unions, bulk-buying clubs, trader associations, and public benefit groups, such as Traders against Crime, for example.
- Street trading encompasses a wide range of entrepreneurial activities (production, sales, buying) and a wide range of products (clothing, fresh produce, household goods, etc.).

² The InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED) and the InFocus Programme on Promoting the Declaration [on Fundamental Principles and Rights at Work] (IFP/Declaration).

³ CASE is a non-governmental organization specialized in applied social research, with extensive experience in the areas of labour and gender. SALRI provides a range of applied research services to the labour movement with which it has direct links.

⁴ An electronic version of the report is available on <http://www.ilo.org/seed>

1.2 Aim of the research

The overall objective of the research is to map the organizational strategies of worker organizations – but, where appropriate, also employer organizations – in the informal economy in South Africa, focusing on how these strategies can:

- build strong and sustainable organization at local and national level;
- ensure the inclusion of poor women, and address their interests;
- empower stakeholders to have a recognized voice, as well as access to and influence over decision-making processes affecting them;
- reduce the vulnerability of informal economic actors by enhancing their access to facilities, services, public institutions, markets and other resources.

This research is part of the ILO's broader ongoing effort to:

- identify factors shaping representation of workers and operators in the informal economy, as a key means of providing decent work for women and men;
- improve the ability of policy-makers, trade unions and employer organizations to cater to the needs of informal economic actors and address them appropriately;
- understand processes that enable workers and operators in the informal economy to have a recognized voice and influence policy decisions in their favour;
- develop actions and methods to help workers and operators in the informal economy increase their representation in employer organizations and trade unions and/or establish their own democratic representative associations.

1.3 Focus of this study

Organizing strategies in the street trading sector

This report explores the organizing strategies of three membership-based street trader organizations. The research priorities are to:

- investigate why these organizations were set up, their type and legal status;
- examine their structure, function and achievements – in terms of financial viability and services offered to members;
- assess their capacity to deal with coordination and management issues and resolve conflict among members;
- look at how accountable leadership is, how the organizations respond to members' needs, foster cooperation among members, build legitimacy in the eyes of public authorities, and interact with non-governmental actors;
- identify the policy and institutional factors that encourage or hamper representation in the informal economy;
- analyse gender-specific issues within these representational processes.

Selecting the organizations

The selection of the organizations to be audited was done, as far as possible, within the criteria set by the ILO:

- minimum existence of three years;
- independent from government, political parties, and other outside interest groups – specifically, external funding must not be more than 40 per cent of their budget;
- membership of not less than 500 (paid-up not specified);
- operating within a legal framework (i.e. not involved in crime or socially undesirable activities).

An additional criterion agreed between the ILO and its research counterparts in South Africa was that the research would have an urban focus across the four sectoral studies and should allow for a comparison of at least two urban centres.

Geographical focus

Durban and Johannesburg were identified as the most appropriate study sites for two reasons. First, because the patterns of street trading in these two cities and/or the approach adopted by local government to deal with it are specific. In Durban, street trading has been on the policy agenda of local policy-makers for many years. Substantial resources have been allocated for infrastructural development and policy measures have been adopted and implemented through extensive consultation between local government and this sector. In Johannesburg, street trading has also been in the political limelight although the approach has been far less structured. Violent fights between South African and foreign street traders have occurred, posing a serious threat to street traders and local authorities alike.⁵

Second, it was CASE's understanding that local government in each of these cities had chosen to negotiate with one key organization it saw as representing street traders – the Informal Trade Management Board (ITMB) in Durban and the Greater Johannesburg Planning Committee in Johannesburg, since renamed the Gauteng Hawkers Association (GHA).

Initially, the aim was to study only these two organizations, but discussions with a key informant engaged in research and policy formulation⁶ on the informal economy in Durban prompted the inclusion of the Self Employed Women's Union (SEWU).⁷

⁵ Skinner, C., 1999.

⁶ Caroline Skinner, Centre for Social and Development Studies (see also Bibliography).

⁷ The terms of reference suggested that SEWU should not be covered as a separate organization, since members hold joint membership of the ITMB. SEWU has also been the focus of previous research. However, the informant confirmed SEWU as an important role player in liaising with local government on behalf of street traders in the Durban Metro. This informant also countered as incorrect the identification by local government of GHA and ITMB as the sole organizations negotiating on behalf of street traders. The Durban Unicity local authority has additionally recognized a few other trader associations. In the Johannesburg Metropolitan Council, a scan of newspaper articles confirmed a similar situation.

1.4 Methodology

Research team

Research was coordinated and implemented by Shirin Motala, development researcher. Lindiwe Mayisela, translator, assisted with interviews in Durban. In Gauteng, the GHA arranged a woman member to assist with translation in the focus group session. Support and guidance were provided by Tanya Goldman, responsible for CASE coordination of the South African component of the ILO research project. Debbie Budlender provided assistance with data analysis and editing the original report. Caroline Skinner of the Centre for Social and Development Studies supplied ongoing advice and support.

Sources of information

In accordance with the terms of reference set for the research, the methodology for assessing organizing strategies of street traders organizations includes in-depth interviews with key informants, focus group discussions with members of organizations, and literature review.

Interviews with key informants

Annex 1 provides a list of the individuals and organizations contributing information collected for the present study. Interviews focused on leadership at different levels within the trader organizations. In addition, interviews⁸ were conducted with representatives of local government, the private sector and also with other researchers. Annex 2 gives the leadership interview guidelines (developed by CASE in consultation with SALRI and the ILO), which were adapted for each interview to ensure that the key focus areas were covered in all interviews.

Focus group discussions

Ordinary members of all three organizations were asked to contribute their views on their organization and its perceived effectiveness. Annex 3 gives the focus group guidelines developed by CASE (in consultation with SALRI and the ILO) to facilitate this informational process.

To set up the focus group sessions, the researcher approached leaders of each organization for assistance. This involved an introductory telephone call, a faxed or emailed letter explaining the project and a follow-up meeting, in which the need for the focus group was again clarified. Participant recruitment was requested as follows:

- To invite six to eight members and to include women participants.
- To meet at a time, date and venue chosen by the street traders.
- To try to ensure that traders traded in a range of different goods.
- To try to ensure that they traded in different parts of the region.

⁸ A total of 23 interviews were conducted. Of these, 7 were telephone interviews, to accommodate the respondents' needs.

- Participants needed to be available for a 2-hour joint session. In recognition of the difficulties of bringing street traders together, given the nature of their work, an alternative offer was also made to conduct in-depth interviews instead.
- A translator would be present at the focus group sessions for each organization.

The GHA sessions

The GHA Chairperson invited members from across the Johannesburg Central Business District (CBD) and organized the GHA focus group session. Over 15 women participated, joining the session over a period of 40 minutes. Initially this was disruptive, requiring several introductions intermittently. Given the size of the group, it was difficult to cover all participants or relevant issues in any significant depth. The focus group facilitator requested those whose voices had not been heard to discuss their views with a neighbouring participant, one person summarizing the outcome of joint or individual concerns. GHA assisted in making arrangements for a translator to accompany the researcher.

The ITMB sessions

Initially, it was thought that the ITMB President would recruit participants and organize these sessions. When this expectation failed to materialize, he arranged for the Women's Task Team Chair to facilitate a focus group meeting. Coincidentally at the time that the researcher met with the President, a group of women from the Warwick Junction area committee of the ITMB were at the same venue and were introduced by the President as a group of potential focus-group participants. The researcher met briefly with them to explain the research and seek their participation. Although they indicated their willingness to participate and tentative plans were made, they requested the researcher to ensure that the Task Team Chair be fully consulted on this matter. To this end an interview was organized with the Task Team Chair. When the issue of a focus group session was broached with her, she expressed concern that the Warwick Junction group traders had agreed to meet without her consent, despite the researcher's assurances that the group had merely indicated their interest and availability and were awaiting confirmation from her. She agreed to communicate with the group and to inform the researcher of the outcome. Several telephone calls by the researcher remained unanswered and no arrangements were made. A call to the President resulted in referral to the Vice President, who was also briefed by the researcher on the need for a focus group session and the requirements for recruiting participants. As a result a session was organized with eight members from the Durban CBD. Only one was a woman, although the Vice President said he had invited at least four other women to participate.

The SEWU sessions

These were requested through the SEWU General Secretary. On the appointed day only one participant arrived and was duly interviewed. Subsequently the General Secretary asked a regional organizer to assist the researcher to contact beachfront traders for a focus group meeting, the result being a session with four beachfront traders. An additional

interview with another SEWU trader was undertaken, making a total of six ordinary members whose views had been sought and recorded.

Review of documents

Other sources of information include press clippings; relevant research reports, academic literature; documents made available by all three organizations, including constitutions, newsletters and annual reports, where available; relevant policy documents of labour, business and government; documentation on the informal economy and street trading; and other government documents pertaining to this sector including policy and legislative documents.

1.5 Structure of this report

The present report is divided into six parts. Part 1 presents the defining features of street trading in South Africa and outlines the research objectives and methodology used. Parts 2 and 3 provide an overview of street trading in South Africa and examine the economic and policy framework in which this sector operates. The organizing challenges are assessed in Part 4, which includes a case study of each organization – ITMB, GHA, SEWU – highlighting how these three organizations came to be seen as representative by local governments. Their degree of representativeness and how it could be improved upon is discussed in detail. Part 5 draws a comparative analysis of organizational strategies in these three organizations and also selects for illustration good organizing practice in two other organizations. Finally, Part 6 concludes this analysis with a summarized profile of the three organizations. It recommends some critical issues that all three organizations need to explore if they wish to deliver tangible benefits that will bolster membership and further representational security for operators and workers in the street trading sector in South Africa.

2. The street trading sector in South Africa

“Street traders are those who belong to the informal economy and who trade in the streets.”⁹ According to Witt (2000), “the term street trading, when referring to a specific activity within the ‘informal’ economy is accurate only in that it describes the physical presence of traders operating from a street. What it does not do is elaborate on the intricate and diverse economic interests and ‘employment relationships’ within any particular sub-sector on the street.” Neither does the term capture the distinctive patterns of the wide range of actors operating in the sector, as there is a “world of difference between women in up-market flea markets trading in niche antique or luxury goods and women in the survivalist sector trading in fruit and vegetables produced by someone else.”¹⁰

Street traders are the most visible segment of the informal economy and comprise a significant proportion of the total number of informal workers in South Africa. Although some traders are likely to be earning well, this report focuses on those involved in survivalist activities. These traders can be found in varying locations and different circumstances. Some may have a shelter, others only a mat, some a table and stool. Women comprise the largest number of street traders in this category and as such street trading is an important poverty alleviation mechanism for them.

2.1 Size and characteristics

South Africa’s informal economy as a whole is difficult to measure. Estimates¹¹ of the number of people working in the informal economy range from just under 2 million to just under 4 million people. According to Budlender,¹² the latest labour force surveys show an upsurge in street traders. Based on the 2000 Labour Force Survey, she estimates a figure of up to 500,000 street traders nationwide, over 70 per cent of whom are dealing in food items and just under 70 per cent of whom are women.

Budlender suggests the increase is likely to be the result of a number of factors, including:

- A real change in the economy and in policy, resulting in less regulation of informal economic activity, in combination with an ailing formal economy that is forcing more people to find income-generating alternatives.
- An improved survey questionnaire, which catches much more economic activity, even if respondents do not consider street trading as “a job”.
- Heightened awareness among survey coders of street trading as “a job”.

In 1999 in the Durban metropolitan region, there were approximately 19,000 street traders and between 3,000 and 7,000 in Johannesburg’s Central Business District.¹³

⁹ Lund, F. et al., 2000.

¹⁰ Lund, F., 1998:15.

¹¹ Lund, F. et al., 2000.

¹² Personal communication with Debbie Budlender of Statistics South Africa on 26 October, 2001.

¹³ Lund, F. et al., 2000.

2.2 Socio-economic aspects

The pace of growth of informal trading in Africa reflects its role as one of the key mechanisms for a survivalist strategy to cope with increasing levels of poverty in this region.¹⁴

Data obtained from studies on street trading in South Africa¹⁵ indicate that:

- Traders are generally between the ages of 25 and 49;
- A higher proportion of street traders are women. In Durban (1997) 62.5 per cent of traders are women;
- Men traders tend to be younger than women traders;
- Almost three quarter of the traders are their families' main breadwinners;
- About half of the traders are married;
- Educational levels vary according to age and gender. Older traders are more likely to read only their mother tongue and less likely to be able to read English;
- Approximately one-third of traders have no other earners at home;
- The survivalist end of the street trading sector is predominantly African.

Reasons for becoming a street trader are due to economic pressure rather than choice and include retrenchment, lack of skills and poverty. One telling observation¹⁶ is that few traders actually produce the goods they sell and are mainly engaged in retailing goods made by others. Section 3.5 of this report comments on the potential for exploitative practices within the sector and the street trader's entrepreneurial/employment status as self-employed or a "disguised worker".

Part 3 contextualizes street trading within the policy framework presently in effect in South Africa.

¹⁴ Mupedziswa, R. and Gumbo, P., 2001.

¹⁵ Lund, F. et al., 2000; James, S., 1997.

¹⁶ Lund, F. et al., 2000.

3. Contextualizing street trading within the present policy framework

3.1 Historical background

According to Lund (1998), the emergence of the informal economy in South Africa stems from its apartheid history of political and economic repression of Black¹⁷ people – and also from Black entrepreneurial spirit. Harsh and restrictive legislation on mobility and property rights for Blacks resulted in skewed urban development and settlement patterns. Local municipal by-laws controlled informal trading. For example, the enactment of the “Move On” law forced street traders to move from their trading site every half hour, or face harassment.

In the 1980s the State lost control over the movement of people into urban areas, and subsequently began to change its attitude towards activities in the informal economy. This was part of a broader thrust of deregulation aimed at promoting Black businesses, a key measure being the 1991 Business Act (see also Section 3.2). This removed barriers to informal activities, such as making enforcement of the “Move On” law an offence. In the early 1990s, substantial political and legislative changes resulted in a massive influx of labour into South African cities, which the formal economy could not absorb.

3.2 The role of national and provincial government

As part of broader deregulation efforts by the apartheid State in the late 1980s, the State introduced the Business Act of 1991, which remained in force until 1995. This national law aimed to reduce the power of local authorities to shape and implement policies that would hinder informal trading. The Act acknowledged street traders as business people who were of consequence for the economy and, as such, entitled to receive assistance. Before the Act came into effect, only street traders with licenses were allowed to trade. The new Act protected the right of traders to trade on the street. In all urban areas, the number of street traders increased rapidly.

In 1993, the Act was amended and some powers to limit trading were given back to municipalities. Specifically, they were empowered to regulate the way in which trading took place but were not allowed to prevent it. In 1995 the Business Act was devolved to a provincial level, thereby giving each provincial government the authority to change the Act if it so wished.¹⁸ At the time of writing this report, no provincial government in South Africa had completed its amendments to the Business Act.

In 1995 the national Department of Trade and Industry (DTI) introduced a White Paper on the Small Medium and Micro Enterprise (SMME) Sector¹⁹ aimed at creating an enabling environment for small business in South Africa.²⁰ This led, inter alia, to the establishment of institutions to support the small business sector. These are:

¹⁷ The term refers to African, Indian and Coloured in South Africa.

¹⁸ Skinner, C., 1999.

¹⁹ RSA, 1995.

²⁰ For further details on an enabling policy environment for SMMEs in South Africa, see also Mollentz, J., 2002.

- The National Government's Small Enterprise Promotion Agency, Ntsika, is a facilitation and promotion body for the SMME sector.
- Khula Finance is a body set up to provide financial services to the SMME sector.
- The Centre for Small Business Promotion, located within DTI, is responsible for the coordination and implementation of strategies for small business development.

Another instrument to promote economic development are the Local Business Development Centres (LBDCs), aimed at providing integrated, localized, accredited services to micro-enterprises.²¹

The DTI 1995 White Paper specifically identifies support to women's advancement in all business sectors, including those in the informal economy, as one of its key objectives. While it acknowledges that women are heavily concentrated in survivalist activities,²² the Paper envisages little, if any, concrete support strategies for this segment in general or for women survivalists in particular.²³

3.3 Local government involvement

Local governments have the authority to decide on how to govern the area under their control. This is done in terms of national and provincial laws. The primary regulatory tools for governing at the local level are the by-laws.²⁴

Since 1994, local government, as a separate and independent sphere of government, has a broader developmental mandate. Developmental local government is described²⁵ as local government working with citizens and groups in communities to find sustainable ways to meet social, economic and material needs. It has four key functions, which relate directly to poverty reduction:

- Provision of household infrastructure and services;
- Creation of livable integrated cities, towns and rural areas;
- Promotion of local economic development; and
- Facilitation of community empowerment and redistribution.

The ultimate responsibility for promoting and controlling street trading lies, therefore, with local government. Countrywide, South Africa municipalities have focused their attention on street trading as the most visible form of the informal economy, though in very different ways.

Adding to its visibility, street trading occurs in public spaces over which there are often competing demands. These demands, as shown below, can present greater challenges to local authorities than less visible forms of informal activity.

²¹ Lund, F., 1998.

²² The survivalist segment of the informal economy also includes most street traders.

²³ Skinner, C. and Valodia, I., 2001.

²⁴ Lund, F. et al., 2000.

²⁵ White Paper on Local Government, 1998, Department of Constitutional Development.

Street trading by-laws across South African towns are similar in many respects as they all derive from the Business Act. Thus, most street trading by-laws have the following clauses in common:

- Traders must not obstruct the movement of traffic or pedestrians;
- Safety and service vehicles must be free to move;
- The public must be protected from equipment that could be dangerous (e.g. cooking fires, gas or electrical equipment);
- Street trading equipment must not obstruct fire hydrants, road signs, or other structures
- Traders must keep sites clean;
- Local authority indications of areas in which trade is restricted (i.e. trading is permitted but only for a certain number of traders) or prohibited completely.

In practice, these by-laws can often restrict rather than facilitate street trading. However, local government responsibility to promote the economic development of their area can also result in by-laws that are developmental in nature.²⁶

At city level, the approach and policies adopted to deal with street trading are influenced by the institutional location of street trading responsibilities within each local government, traditionally within the Traffic Department. Over the years, this responsibility has been shifted to other departments, which can vary from city to city. The two urban centres under review here have given two different local departments responsibility for street trading.

In Durban, it is the Department for Informal Trade and Small Business Opportunities (ITSBO), under a sub-directorate on street trading. The existence of ITSBO is regarded as showcasing the city's approach to street traders.²⁷ Local government officials spend time on the street sites and are accessible to the traders, with whom they maintain regular contacts.²⁸

In Johannesburg, it is with the Local Economic Development Unit in the Urban Development Department. The Johannesburg Metropolitan Structure has been undergoing extensive restructuring and it remains unclear where policy and regulations on street trading and markets will be ultimately located. A large number of aspects of the management²⁹ of street trading have been outsourced to different agencies, including the Johannesburg Development Agency, the Metro Trading Company and the Central Johannesburg Partnership.

Of great significance for street traders is the obligation that the Constitution places on local government to consult with the people – including street traders – in matters of local government.³⁰ This strengthens the argument for strong, effective and representative street trader organizations.

²⁶ Lund, F. et al., 2000.

²⁷ Skinner, C., 1999.

²⁸ Lund, F. et al., 2000.

²⁹ Interview with Adam Goldsmith, Johannesburg Development Agency, October 2001.

³⁰ Lund et al., 2000.

3.4 Economic context

The economic value of the informal economy is measured in terms of the flow of goods and money in the economy and the employment that it generates.

“In peak season, some 28 tonnes of cooked mealies are sold every working day to commuters arriving in the central city. This amounts to a daily turnover of around ZAR 200 000,³¹ and in a five-day week, a turnover of around ZAR 1 million.”

– Formal and Informal Economy Linkages in the Fruit and Vegetable Sector (Witt, 2000).

“The informal economy makes an important contribution to job creation. In 1996, there were about 20,000 street traders in the DMA area. About 60 per cent were women. Thousands more people work from their houses.”

– Durban Metro Informal Economy Policy, 2000.

3.5 Work/employment relationships in the informal economy

Self-employed entrepreneurs or disguised dependent workers?

A previous study³² commissioned by the Durban Informal Economy Policy Implementation Working Group drew on a conceptual model³³ of the employment status of the street trader. Excerpts from the study are presented below, in conjunction with Table 3.1:

“There are two widely held beliefs, internationally, about informal trade and the linkages between formal and informal. The first is that ‘disguised workers’ rather than true ‘entrepreneurs’ dominate the sector. There is an implication that disguised employment is exploitative, while entrepreneurial activity is both a viable proposition and desirable (Cross, 1995). Second, and linked with this, is the widely held view that ‘informal traders’ are fronts for formal trading outlets who extend the space from which they sell by utilizing public space and thereby receive an indirect subsidy from local government.”

Table 3.1: Poles of independence and dependence

	One Supplier	Multiple Suppliers
One client	Pole A: One client and one supplier (disguised workers)	Pole B: Multiple clients but one supplier (sales commission)
Multiple clients	Pole C: One client but multiple suppliers (sub-contractors)	Pole D: Multiple clients and multiple suppliers (entrepreneurs)

Source: Cross, J. (1995).

³¹ US\$1 = approximately ZAR 12 in early 2002.

³² Motala, S., 2000.

³³ Cross, J., 1995.

“Using this framework we could pose the question of the degree to which an informal economic actor was self-employed or a ‘disguised worker.’”

“The policy assumption in the model is that, if it is disguised employment, then it can be exploitative and our response will alter in that we would want to remedy this situation. If the activity was entrepreneurial, then our focus would be on making the activity viable.”

Scant research has been done on this aspect of street trading activities and the issue should be further explored.

Street traders may be self-employed, wage employees, or employed by family members (perhaps unpaid). Some may indeed be disguised workers employed in formal businesses. Others may be employed in recognizably contractual relationships with no concealment. The employment relationship is more complex in terms of the extent of independence; for example, a street trader who is self-employed but is perhaps purchasing from a single supplier or selling to a single person. The extent of exploitation is much more subtle and thus more difficult to respond to appropriately.

It is clear from the above that street trading encompasses a full range of work relationships. In the survivalist segment, people are generally in desperate need of an income, which makes them more vulnerable to exploitation. Many street traders may perceive themselves as self-employed, while they are clearly dependent on someone for the inputs, equipment, trading space and marketing of their products. The lack of clarity of their employment status makes their collective representation particularly hard. The policy concern is that, regardless of employment status, street traders should enjoy rights – at the workplace and in society at large – and have decent work.³⁴

Part 4 defines some critical organizational issues in the street trading sector and provides a case study of each representative organization under review.

³⁴ ILO, 2002a, pp. 35-38.

4. Organizing street traders in South Africa

4.1 Organizational issues for the informal economy

Globalizing roll-on effects

Globalization has brought with it changes in the organization of production processes and has altered the structure and nature of work. Large numbers of workers have been retrenched to less protected jobs. Non-standard forms of employment have emerged and grown across countries and industry sectors.

The accelerating pace of the informal economy is a widespread phenomenon. The magnitude of the informal economy in most developing countries raises serious challenges to governments and labour market institutions alike, in that it threatens the overall pattern of growth and development, distributive justice and social cohesion.

On the one hand, the factors underpinning the worldwide informalization of the economy reflect the declining ability of the State to guide processes that, decided at the global level, create serious effects on the economic, social and political stability within countries. On the other hand, until recently, trade unions and employer organizations in most countries paid scant attention to the needs of informal economic actors. This also largely holds true for South Africa. The rights of a large number of operators – workers in particular – in the informal economy are (and continue to be) largely unprotected.

Opportunities for improving living and working conditions in the informal economy are influenced by the impact of social, institutional and economic environments. Evidence shows that existing policy and institutional frameworks tend to marginalize the informal economy. Barriers continue to impede the access of informal economic actors to government services and facilities as well as to capabilities and entitlements. Similarly, many obstacles restrict the freedom of informal workers and operators to form and join organizations of their choice.

Strong, independent and democratic membership-based organizations are crucial to help informal economic actors break out of poverty and acquire full economic and social citizenship. Collective representation in the informal economy also contributes to enhancing accountability and effectiveness of local governments. It paves the way for a more equitable allocation and use of resources and helps shape policies conducive to social and economic integration.

“Building up fresh approaches to representation of workers and employers in the informal economy can play an important role in protecting workers in this sector.”

– Your Voice at Work, ILO, Geneva, 2000, p. 13.

In the context of protecting the rights of informal workers, Lund and Skinner (1999) argue for new and appropriate forms of organizing to be developed.

In the case of women, SEWU former General Secretary, Pat Horn, strongly advocates that “working women have to be well organized, not only as workers, but specifically as women focusing on the root causes of their oppression as women.”³⁵

Barriers to organizing

Organizing street traders is often considered less difficult than organizing other informal economic actors. As the most visible segment of the informal economy, they are easier to locate and to access. Yet the barriers to organizing them are evidenced in the number and variety of constraints they face, including the precariousness of their activities and their lack of financial resources, capabilities and skills. Time is an added constraint. Street traders are often reluctant to devote time and effort to organizational activities, perceiving the opportunity costs of participation as considerable and the returns uncertain. This is particularly true for women street traders, who have multiple and opposing demands on their time. Various studies confirm that women lack the time and opportunities available to men for developing contacts, as well as the necessary education and experience needed for entrepreneurial activities.³⁶

As local police often regard the informal activities of street traders as a “nuisance” (sometimes even a threat to security), local government should devise workable solutions to meet the needs of these operators and to listen to their concerns.

The Constitution of South Africa upholds the principles of freedom of association and the right of different stakeholders to participate in governance. The White Paper on Local Government (1998) calls for participatory democracy in the management and functioning of local government. Informal sector workers have the right to organize in order to voice their needs. This includes the right to belong to a trade union, or to join/form an association of their own choosing and to determine how such an organization will function.³⁷

However, the key law regulating the right to organize in South Africa, the Labour Relation Act of 1995 (LRA) only refers to “employees” – a definition that implicitly excludes informal workers who are own-account workers.³⁸ The LRA stipulates how employees can exercise their rights, including their right to join or form a trade union. Among the requirements for a trade union to register is the need for the organization to be independent of control or influence by any employer or employers’ association. This provision restricts organizations of self-employed to members to register as a trade union, since many of them may employ other workers, including those in the survivalist segment of the informal economy.³⁹ This is often the case among street traders and, coupled with the absence of an employer bargaining counterpart, explains why street traders in South African cities have often opted to register with the national Department of Social

³⁵ Horn, P. 1994:85 quoted in Lund, 1998.

³⁶ ILO, 2002b, pp. 25-27.

³⁷ South African law is broad enough to enable civil society organizations to pursue the interests of their members insofar as their interests do not infringe the rights of others and do not in any way encompass criminal activity.

³⁸ Since this report was written, the LRA has been amended (2002) and a broad presumption in favour of the employee status introduced. Accordingly, a worker is deemed to be an employee if one or more factors set out by the new law are satisfied.

³⁹ It should be noted, however, that existing trade unions can include self-employed workers as members, provided that this is envisaged in the constitution of a given union.

Welfare as a non-profit organization. A major advantage of this option is the tax exemption incurred.⁴⁰

4.2 Scope and membership of street trader organizations

A Rhodes University study found that only 11 per cent of street traders in Grahamstown were in an organization, although a majority of respondents acknowledged it was important to belong to one.⁴¹ A majority of respondents also acknowledged that they were unaware of their rights. Although the Rhodes University study included a very small sample and cannot be generalized, it adds to a body of research showing similar trends. For example, a study in Durban (1998) found that 2 per cent of men and 6 per cent of women in the sample were members of trader organizations.⁴² Research undertaken by CASE in Johannesburg (1998) confirmed that 15 per cent of traders belonged to associations. It also revealed that the majority were new members (joined within past two years), tended to be older and had a higher level of education. This pattern is similar to that reported by Lund and Skinner (1999).

4.3 Case studies

The three street trader organizations selected for further analysis in this report are:

- The Informal Traders Management Board (ITMB) operating in Durban;
- The Gauteng Hawkers Association (GHA) operating in Johannesburg;
- The Self Employed Women's Union (SEWU) operating in five provinces after 2001, with headquarters in Durban. Membership is women only.

As will be shown below, these three organizations have a variety of objectives, legal status, internal structures, responsiveness and accountability to members, and they differ considerably in how they relate to and interact with other stakeholders, including local authorities and social partners.

Sections 4.3.1, 4.3.2 and 4.3.3 present a separate case study of each organization, focusing on their:

- Background history and objectives;
- Legal status and organizational structure;
- Current functioning, including financial viability;
- Benefits and services offered to members;
- Capacity to deal with coordination and management issues, and resolve conflicts among members;
- Accountability of leadership to members;
- Organizing strategies.

⁴⁰ For more details on the institutional and legislative framework governing collective representation in South Africa's informal economy see Goldman, T. (forthcoming).

⁴¹ Moller, V., 2001.

⁴² Lund, F., 1998.

4.3.1 Informal Traders Management Board (ITMB)

Background

The ITMB was formed in 1995 in Durban, the outcome of a meeting of a number of smaller organizations of traders who agreed with councilors that street traders needed “one voice”.⁴³ As an umbrella organization covering various organizations, its steering committee was based on electing two people from each founding organization as members of the Management Board.

Although a list of founding organizations was requested from the President, it was not provided. Some members verbally listed four: the African Council of Hawkers and Informal Businesses, SAVUKA (details of acronym not found), the Self Employed Women’s Union and the IPA (details of acronym not found).

Objectives

Members of the organization reported that ITMB objectives were to create a united voice that would speak to local government authorities on behalf of traders in order to improve their working conditions and address their concerns. In the focus group discussion, participants cited their reason for joining as the expectation that ITMB would assist traders to access credit facilities. This was not mentioned by ITMB office bearers and there was no programme to address credit access. In the absence of any written records it is not clear how this expectation came to arise. It may have been used verbally by members of the Management Board to recruit.

Legal status

According to the President, the ITMB is a voluntary association with a constitution. In South Africa there is no compulsory registration process for a group wishing to form an organization. The Board does not have plans to be registered with the Department of Social Development as a non-profit organization.

Membership: Criteria, size and patterns

Criteria for joining ITMB are 1) being a trader and 2) having a trading stand. The focus is on organizing informal sector workers. Traders with no stand are invited to join a wait-list to obtain a stand. It was not possible to clarify whether this list was a local government list or an ITMB-managed list. Wait-lists were kept in the hands of the local street committee chairs. Verbal references were made to the list being checked frequently by local government officials. Foreigners are not accepted as members.

ITMB does not ask members to pay a joining fee. It is felt that collecting fees could create division and conflict among the different groups and encourage power struggles. The President shared the view that fees could be collected via an additional levy paid to local government for the stand or site allocated. This is still subject to negotiation. This idea was not voiced by any other members or office bearers, did not appear in any documents the researcher was given access to, or

⁴³ Interview with Mr. E.Dlamini, President, ITMB.

mentioned by local government officials. The organization confirmed that it accepted applications from *bambelas*.⁴⁴

Asked about the approximate membership of their organization, respondents' estimates ranged from 7,000 to 15,000. In the absence of written records, it was not possible to verify. Nor was it possible to ascertain the number of women among members. According to ITMB, all members have been given identification cards. However, there is no way of knowing if a trader is still active as a member (or even as a trader), so this is also unreliable as a guide to membership numbers.

According to ITMB President, the street or area committee chairpersons should have a list of the number and the names of traders who belong to ITMB. Given that these office bearers meet weekly, it is hard to understand why ITMB does not have current, updated membership lists available. There seems to be insufficient cognizance of the role that properly maintained membership lists play in conferring legitimacy and in enhancing the image of the organization.

Organizational structure

ITMB operates purely on a volunteer basis, drawing on its offices bearers' time and financial resources. Office bearers are themselves traders with their own work priorities and can devote only a certain amount of their time to the organization. ITMB organizational structure is based on an 11-person Executive Committee with a range of office bearers including a President, Vice President, Chairperson, Vice Chairperson, Treasurer, Secretary and Vice Secretary. Four members of the Executive Committee are women, with the Chairperson, Treasurer and the Secretary positions being held by women.

The Executive Committee is elected by the Management Board, which in turn comprises representatives of street or area committees. According to the President, about 80 people are on the Management Board and the majority (over 60 per cent) are women. Finally, there are street or area committees, in which the members participate. It should be noted that the street or area committees were set up only once the broader structure was established. No minimum numbers are required to form a street or area committee. ITMB has an unknown number⁴⁵ of area or street committees in the Greater Durban region. They cover the CBD, including Warwick, Brook Street, Durban Station, Dalton, West Street, Grey Street, Beachfront and Besters, KwaMashu, Berea Station and Umbilo.

The Executive Committee meets weekly on Mondays and the Management Board weekly on Tuesdays. The Secretary of the Executive Committee displayed a notebook showing the attendance register for the executive meeting held the previous day. The register indicated 13 members when only 11 should have been present. Verbally she indicated that the attendance for the executive meeting the previous week had been even higher (15 attendees).

⁴⁴ These are workers in the informal economy who are employed by traders to assist them at their stalls. They may be family members or non-relatives, working on a paid or non-remunerative basis.

⁴⁵ Interviews with different officials yielded conflicting information (some estimated 43; others, 70).

At the Management Board meeting attended by the researcher, 46 people were present. The register indicated that there had been 43 attendees the previous week. It was not possible to ascertain from the register the extent of representation of traders from different areas or different streets in the Greater Durban region.

The ITMB President stated that he had been elected Chairperson of the Board in 1995 and again in 1997. In 1999 he was elected to the newly created position of President of the Board. Despite requests for documents on the annual general meetings and the constitution of the Board, these were not made available.⁴⁶

*Achieving gender equity*⁴⁷

In terms of gender participation in the Management Board, 28 of the 46 participants present at the meeting attended by the researcher were women. It is accepted wisdom that having a larger presence of women does not guarantee more gender-balanced participation and that to facilitate greater participation of women requires more than simply boosting the number of women. For example, although women were in the majority at the meeting, only 6 women contributed to the discussions.

The head of the Women's Task Team, when asked how the organization was catering to women's specific needs, commented: "Women are too shy to speak up in meetings. We need to build them up to speak. That is why we set up this Women's Task Team."⁴⁸ The role of the Women's Task Team was explored with the Chairperson and the researcher anticipated that it would be explored further with some members of the Task Team during the focus group discussion. This unfortunately did not occur, as mentioned in Section 1.4 of this report. According to the Chair, the Task Team meets weekly at the ITMB storage venue during the afternoons. Its purpose is to assist women traders to develop new craft skills so that they can diversify their income base as they sit at their stalls, especially during quiet trading times. She reported that recently a member had learnt thin-wire basket crafting and this skill had been shared with other members.

Activities and achievements

ITMB has succeeded in dealing with the police harassment of street traders to such an extent that it now works cooperatively with the South African Police Service and serves on the CBD Community Policing Forum.

The key focus of ITMB activities is on assisting traders to obtain trading sites, negotiating with local government on behalf of traders, and helping to stop crime. It is also trying to help traders with bulk-buying schemes and with problems involving prices and corruption.

⁴⁶ A question directed by the researcher to a member of the Executive Committee on whether ITMB had a constitution and if so, could a copy be made available, received the following response: "Yes, we have a constitution. It was written in 1996. No I don't have a copy. You must get it from the President." Another informant noted that although a constitution was drafted in 1996, it was not clear that it was ever adopted by any structure of the ITMB.

⁴⁷ Gender equity is a set of actions, attitudes, and assumptions that provide opportunities and create expectations about individuals, regardless of gender.

⁴⁸ Interview with member of the ITMB Board.

Members indicated that some ongoing initiatives the ITMB had been involved in had yielded successful results. These included the “Traders Against Crime” initiative and the “Keep Durban Clean” initiative.

“Traders Against Crime”, the initiative of a network of traders, aimed to make the streets of Durban CBD safer – for traders and the general public. The rationale was that if crime is not dealt with adequately, it will have an adverse effect on traders, in terms of personal safety or loss of goods, and also reduce the flow of pedestrian traffic in that area. This initiative won the Durban Local Authorities Mayoral Award for Excellence in the Crime Prevention Category in 1998.⁴⁹

“Keep Durban Clean” was a joint initiative by Durban Unicity and traders, to improve the image of the inner city by reducing city grime and street waste. This initiative was focused on traders who discard waste boxes or *mealie* leaves and asked them to contribute to street cleanliness by keeping the space around their trading site clean.

Both initiatives were also a response to complaints from formal business operators who felt that the “crime and grime” of the inner city was seriously affecting their profitability and was contributing to more formal traders wanting to leave the inner city for the safety of suburban shopping centres.

Cooperation and partnership with local government

In 2000, the Informal Traders Small Business Opportunities Department (ITSBO), of the Durban Municipality set up a Trader Representative Forum to which ITMB was invited, together with other trader associations. Through this forum, ITMB claims to represent the voice of traders in Durban. The ITMB has bargained on several issues: trading sites, storage facilities, site demarcation to avoid new traders taking over sites, and patrolling sites to monitor crime. According to traders, this has had a significant impact on reducing their vulnerability to crime and has created stronger and more cooperative relationships between traders and the police.

Issues that ITMB Executive Members indicated they want to address in future on behalf of traders include:

- developing a Micro-Business Bank to help traders access credit facilities;
- extending training and support services to street traders to negotiate for more trading sites;
- training of traders on good record keeping to avoid problems of stolen goods;
- helping traders secure insurance cover for loss and damage to goods;
- dealing with the problem of large numbers of people flooding the streets wanting to become street traders (market saturation).⁵⁰

ITMB appeared not to have taken these ideas further in terms of any form of strategic planning. Also, they had apparently not been widely discussed with membership, as none of the

⁴⁹ *Daily News*, Durban, 7.05.1998.

⁵⁰ Interview with Mr. E. Dlamini, President, ITMB.

members (outside of the Executive Committee) had participated in discussions on these ideas or were aware that the organization had identified them as important issues.

Challenges

The lack of infrastructure, resources and technical capabilities are major obstacles undermining ITMB ability to respond effectively to members' demands. Efforts concentrate mainly on reactive approaches rather than a proactive stance more geared to developmental and sustainable outcomes. Most of the organization's effort goes into crisis intervention. Long-term initiatives, such as policy development, which do not necessarily reap immediate results, are not given due attention.

The lack of capacity means that insufficient time is spent on recruitment and the provision of services. According to members of the Board, the last training offered by ITMB was in 1999. It focused on organizational management issues. If the Board is serious about developing the skills of its members (i.e. the Board members' management skills and members' entrepreneurial skills) then it must build their capacity to exercise those skills. Merely hoping that capacity will be built on a voluntary basis is clearly not the solution. The organization has not approached any external institutions, with the exception of the Durban Metro, for any type of support, training or resources. ITMB has maintained a close relationship with the Durban Metro ever since being established by them.

Organizational strategies that ITMB referred to as successful in mobilizing members were mass meetings and rallies, marches, pamphlet distribution and talking to traders on the streets.

ITMB is now faced with the following challenges:

- *Services and benefits to bolster membership*
The organization has been actively engaged in negotiating with the city to provide some services and benefits to its members, including lobbying for facilities such as toilets and shelters, and negotiating for storage facilities and bulk-buying schemes. It has been suggested that other factors have motivated its leadership to focus on these particular services. For example, an office bearer is alleged to be operating a fruit and vegetable wholesale scheme, which is patronized by large numbers of the Warwick Junction traders. Another office bearer successfully obtained council premises at a reasonable rent to operate a storage facility as his business. Clearly, conflicts of interest are at play. The critical issue remains the ability of ITMB to provide a core set of services and benefits to street traders for which they will be willing to remain members and eventually pay a membership fee.
- *Promoting gender equity*
The sector predominantly comprises women, yet key leadership positions are largely male-dominated. Even where women are highly present – the Management Board – they seem to constitute a “silent” majority. The President indicated that some members of ITMB, in particular male members, are reluctant to accept the need to promote gender equity in the leadership of the organization. During the focus group discussion several of the men present raised the issue that a focus on women was “discriminatory”.

4.3.2 Gauteng Hawkers Association (GHA)

Background

The Greater Johannesburg Hawkers Planning Committee was formed in 1992 at a mass meeting in Johannesburg, during which an interim Chairperson, Mr. M. Solomons, was elected. In 1997 the name was changed to Gauteng Hawkers Association in order to reflect its outreach across the province. Interestingly, although the constitution does not mention it, the historical reason that brought founding members together was to mobilize against foreign traders who were usurping street sites and against whom violent confrontations occurred.⁵¹

According to the Chairperson, when GHA was formed, many organizations were competing to serve hawkers in Johannesburg. However, none of their leadership were hawkers themselves. Although these leaders collected subscriptions from street traders and sponsorships, there was little accountability or transparency. Mr. Solomons has been serving as GHA Chairperson since its foundation.

Objectives

According to its constitution,⁵² GHA objectives are to empower hawkers by training and by opening up opportunities for them to grow and join the mainstream economy; to organize all hawkers to become members; to develop a code of conduct that will enhance the image of (and confidence in) the street-hawking sector; and to liaise and cooperate with other organizations that have the same objectives.

Legal status

In 2000, GHA applied for and received a non-profit registration number from the Department of Social Development. GHA considers this number is important if it wishes to fund-raise and benefit from a tax exemption.

The Non-Profit Organizations Act obligates GHA to hold an annual general meeting and follow the rules of the Act's constitution in holding the meeting. This includes hosting annual elections of office bearers, keeping records and auditing financial transactions.

Membership: Criteria, size and patterns

Eligibility to join GHA comprises hawkers⁵³ including those trading in *spaza* shops, *bakkie* sellers, railway-station traders and street traders. GHA initially did not register foreigners as members, but has since changed this provision. Its constitution restricts membership to those over the age of 21; those aged over 18 may join if approved by the Executive Committee.

⁵¹ Several key informants referred to this and it is similarly reflected in some media reports.

⁵² Two Constitutions of the GHA were provided. The first is the original, written in 1994; the second is a pro-forma constitution provided by the Department of Social Development in 2000.

⁵³ An office bearer provided this interpretation, as the GHA constitution does not include a definition of hawkers.

GHA claims a membership of over 7,500 but its actual size is debatable.⁵⁴

A Metro Trading Company official expressed frustration at the lack of GHA membership records. In view of its non-profit registration with the Department of Social Development and the requirement that membership records be kept, GHA began registering newly recruited members. Between May 2000 and October 2001, approximately 4,000 new members were registered. There does not appear to be a method of monitoring lapsed membership. So, although their present record system yields more accurate data, it does not give an absolutely clear indication of membership. At one meeting a figure of 10,000 was mentioned, while the minutes of the previous meeting mentioned 4,000 members and 30 sub-structures.⁵⁵

The demographic patterns of GHA membership show that 90 per cent are African and 10 per cent White, Indian and Coloured traders.⁵⁶ About 70 per cent of members are fruit and vegetable sellers. In terms of gender, it is estimated that over 80 per cent of members are women (approximately 85 per cent owners and 15 per cent *bambelas*). GHA estimated that the street trader population in Greater Johannesburg is between 12,000 and 15,000, with about 100,000 traders in Gauteng province.

To join GHA, street traders complete a form and pay a fee of ZAR 50. This was previously a once-off fee but in June 2001 the Executive Committee decided to charge this fee annually. Members receive a personalized accreditation card from the GHA. The card is perceived as useful in preventing goods being confiscated by security service personnel (see Box 4.1).

Box 4.1: An “innovative” approach to boost membership?

One informant suggested it is likely that the Central Business District security service personnel and the GHA may be in partnership to boost GHA membership. The popular theory holds that every time a raid is threatened by the security company, large numbers of traders are seen rushing to GHA in an attempt to register as members and avoid having their goods confiscated. Whether this is urban legend or fact could not be ascertained.

Organizational structure

GHA operates an office in central Johannesburg with one full-time volunteer who serves as the Administrative Officer and also on the Executive Committee. The other members of the Executive Committee are the Media and Liaison Officer, the Finance Officer, the Membership Coordinator. The Finance Officer also manages one of the two storage facilities that GHA owns. Together with the President they comprise the 5-member Executive Committee, of whom the

⁵⁴ A pile of boxes was indicated to the researcher as the location of the membership forms that have been collected since the organization began in 1992.

⁵⁵ Telephone interview with Metro Trading Company, October 2001.

⁵⁶ A White street trader and a Coloured volunteer are both members of the Executive Committee.

Media Officer, the President and the Membership Coordinator continue to work as street hawkers. The Finance Coordinator was formerly a street hawker. All these officials are men.

Table 4.1 shows the GHA organizational structure. All Committee and Branch⁵⁷ office bearers are nominated to their positions, not elected. The GHA constitution does not mention an electoral process for choosing office bearers, but refers to a nomination process right through from Area/Block Committee level to the appointment of sub-committees. Although the constitution stipulates how all office bearers are nominated, it does not define how the central 12-member Management Committee is to be “appointed”. This structure is alleged to be the core decision-making body of the GHA. The constitution does, however, explain how they may be “re-elected after the first year”.

Table 4.1: GHA organizational structure

Nature of Structure	Size of Structure	No. of Women	Frequency of Meetings	Purpose of Committee
<i>Executive Committee</i>	5 Members	None	Weekly	Day-to-day decision making and running of GHA
<i>Management Committee</i>	Approx. 30 Members comprised of representatives from Branches	More than half are women	Weekly	Policy/decision making body of GHA
<i>Branches</i>	Each Branch is made up of 2 representatives from an Area/Block Committee	Not clear how many representatives are women	Not clear. Some branches meet weekly, while others do not seem to have met for some time.	Coordination structure for Block and Area committees. Provides a channel of communication.
<i>Block/Area Committees</i>	Representing all traders in a local geographical area		Weekly or as the need arises	Provides a channel of communication between traders in a given area. Forum for addressing local problems.

Source: GHA, 2001.

The GHA Management Committee comprises 30 Members (although the constitution only calls for 12) of whom approximately 5 are women. According to Executive Committee members, women are not eager to participate actively, owing to their illiteracy, their lack of helpers and their lack of time because of other chores. These Members agreed that men have more helpers than women do. Meetings of the GHA Management Committee are held weekly on Thursdays (12h30-15h00) at the storage facilities venue (near the site of the new market being built in the

⁵⁷ “Branch” in the South African trade union context does not refer to an industry sector but to a geographical area where a group has formed.

Johannesburg CBD). Executive Committee meetings are also held weekly at the GHA offices in the Johannesburg CBD (14h00-16h00 or 17h00, if necessary).

According to office bearers, GHA operates in various regions in Gauteng, with seven branches, namely Pretoria, East Rand, West Rand, Johannesburg Central, Vaal Triangle and Soweto and Randburg. One office located in Johannesburg Central serves the entire region. Regional representatives are expected to attend meetings in Johannesburg on Thursdays. At the Management meeting attended by the researcher, representatives from Johannesburg Central, Randburg and East Rand were present.

Achieving gender equity

An assessment of women's roles in GHA structures revealed that none of the seven branch chairpersons are women and only two branch committees, namely Thokoza and Randburg, have women on their Executive Committee. In terms of Block (local) leaders, it was estimated that perhaps 20 per cent or less are women.

Lilian Mvumvu of the Central Johannesburg Partnership (CJP)⁵⁸ commented:

“There is a lack of women in GHA leadership, especially when 7 of every 10 traders are women. Women's needs are not provided for in the GHA programme.”

Activities and achievements

Services and benefits provided by GHA to members are:

- Legal support, by referral to the Legal Resources Centre;
- Help with incidents of harassment;
- Providing storage at ZAR 15 per week;
- Bargaining with local government on behalf of members, by actively participating in the Informal Traders Forum established by local government;
- Providing information and education.

GHA successfully negotiated an agreement with the Johannesburg Local Council and the SA Police Service to cooperate on the demarcation of trading sites in CBD, which was implemented in October 2001. This issue had been on the agenda for over a year with no effort made by the municipality to ensure properly demarcated sites for traders. The agreement by Johannesburg Local Council to demarcate trading sites and to accept GHA assistance in undertaking this activity was viewed by traders as implicit acceptance by the authorities that

⁵⁸ The CJP was set up in 1991 as a tripartite partnership between the then local authority, business and community to promote urban renewal. Following the 1995 local government elections, the tripartite nature of the CJP was no longer seen as appropriate and the CJP was restructured into a section 21 company representing the inner city business community's commitment to urban renewal. In 1998 the CJP was given management responsibility for influencing inner city policy and implementing private urban management. It currently manages six City Improvement Districts (CIDs) in the CBD of Johannesburg. In terms of this responsibility CJP interacts daily with street traders, ensuring that they maintain health and cleanliness standards and support efforts to keep the inner city crime-free. The CJP also regulates the numbers of traders and the areas in which they can trade.

street traders had a right to trade on the streets at specially designated sites. Previous reasons given for neglecting this matter included the municipality's lack of financial and human resources to undertake this task. Throughout the negotiations, GHA members offered to assist with the physical process of demarcation and provide additional human resources to the municipality to achieve this goal.

Another success story is the negotiations between GHA and Shoprite/Checkers for kiosks to be developed in front of their new store in the Johannesburg CBD, and for these to be managed by the GHA on behalf of Shoprite. However, conflict arose within GHA. Why (some traders queried) was GHA, which had been given these kiosks free, now renting them out to traders? Poor communication about the costs involved in the management of this facility, including the hire of security guards, was apparently the cause. As an observer at the Management Board meeting, the researcher perceived that a further problem was the inability or unwillingness of leadership to address this issue at first hand. The researcher perceived the Chairperson's repeated absences as disruptive to the progress of the meeting (for example, to answer cellphone calls, to respond to trader enquiries and at times simply to leave the room during intense periods of conflict). However, these interruptions appeared "normal" to other Committee members, as the meeting continued and a temporary Chair took over the proceedings.

Informants from the CJP consider that the GHA is not effectively advising its members on how to market their products and on understanding business management skills. In their opinion, the GHA newsletter could be put to more efficient use as an educational tool. The Central Johannesburg Partnership perception was that GHA had seemed threatened and undermined when advice was being offered by CJP in the spirit of constructive engagement.⁵⁹

GHA affirms it would like to extend its role to providing management training but is hampered by the lack of a training centre and financial resources.

Two campaigns successfully undertaken by GHA on behalf of its membership and street traders in general are highlighted in Box 4.2.

⁵⁹ Interviews with Neil Frazer and Lilian Mvumvu of the Central Johannesburg Partnership, October 2001.

Box 4.2: Two GHA campaigns on behalf of street traders

1. The Metrorail eviction of hawkers

In March 1999, Metrorail won a court action to evict all informal trading in its area of operation.

Reasons cited for the eviction were the unhygienic conditions caused by hawking, the lack of ablution facilities and the danger to commuters occasioned by hawking (the rail tracks were damaged by discarded aluminium soft drink cans). A total of 200 hawkers were affected by this decision. In response, GHA organized a mass march to protest against “unjustifiable apartheid-style oppression”. Protesters first marched to the Johannesburg Central Police station, where a memorandum was handed to the Station Commander requesting that hawkers accused of trading on Metrorail premises should not be detained overnight without trial, as had happened on previous occasions. Protesters then marched to the Metrorail Head Office in Braamfontein, delivering a memorandum to request Metrorail to stop calling hawkers “criminals” and start to negotiate a sustainable plan for platform and train traders with the relevant organizations.

As a result of the march, Metrorail was forced to cancel its eviction plans. In subsequent negotiations, agreement was reached that traders be allowed to trade on platforms and trains, based on a range of mutually agreed conditions. These included that hawkers are registered with identity cards and all registered hawkers wear identifying clothing for easy recognition by the general public.

2. Police harassment of hawkers in Johannesburg CBD

In September 1999 the Greater Johannesburg Council evicted 500 street traders from the pavements of Braamfontein, amid clashes between police and hawkers.

In response, the GHA organized a mass protest against the by-laws that restrict hawkers from trading. In its memorandum, GHA asked the Council to recognize the permanence of street trading on the Johannesburg streets. They also called for all material confiscated by the police in the past 15 months to be returned to traders either in goods or appropriate compensation.

The outcome of this protest rally was a fact-finding mission of Johannesburg city officials and GHA representatives. The mission began a process of negotiations on the rights and responsibilities of street traders and city officials.

Source: GHA, 2001.

A former local government official⁶⁰ who worked closely with GHA in the past and now heads the Johannesburg Development Agency (JDA),⁶¹ suggested that the organization should expand its current activities to include:

- Development of crèche facilities for street traders;
- Establishment of micro-credit and saving schemes;
- Development of health and social insurance packages and benefits for survivalist workers;
- Training on product diversification;

⁶⁰ Interview with Adam Goldsmith, Johannesburg Development Agency, October 2001.

⁶¹ JDA is the development arm of local government concerned with promoting development initiatives in the Johannesburg metropolitan area.

- Pension and social security schemes;
- Discount and bulk-buying schemes.

He further suggested that GHA should build a strategic alliance with the South African Chamber of Business and the National African Federated Chamber of Commerce to obtain skills and capacity building.

Challenges

In the focus group sessions, during the Management meeting and in discussions with office bearers, it was observed that the issue of membership monies was repeatedly mentioned. Ordinary members are unaware of how the money they pay in fees is used. Committee members cannot understand why one storage facility was in a serious overdraft situation and why money was taken from the other storage facility to bail it out, thereby placing both facilities in overdraft. Office bearers were continually making pleas for money without effective plans or accountable structures that instilled confidence. The accountability of leadership is of significant concern to members.

GHA is aware of the need for improvement, as ascertained from a chance meeting at the GHA offices with the Transformation Task Team. This team has been recently established to explore issues and make recommendations to change and improve GHA functioning. The team was appointed during the Chairperson's absence from the meeting; he has not actually consented to this initiative. It is not evident what progress can be made at this stage, given the Chairperson's frequent absences and his lack of cooperation with the provision of documents, as mentioned earlier. It was clear from some of the views expressed during the GHA Management Committee meeting and from reviewing the Terms of Reference of the Transformation Task Team and its report, that there is some dissatisfaction with leadership (perhaps to the point of a power struggle and plans for a takeover). How widely this view is shared was not possible to gauge.

Nevertheless, considerable effort is needed to upgrade leadership accountability and the proper functioning of street trader organizations, in order to serve and retain their membership.

Box 4.3 describes the practices of two street trader organizations that also have a presence in the area. Although not part of the scope of the present report, both provide good examples of how to achieve accountability.^{62,63} During interviews with officials from the Metro Trading Company, the GHA and the Johannesburg Development Agency, reference was made at different times to both these organizations.

⁶² The research did not allow for further in-depth interviews with these organizations and hence no other conclusions can be drawn.

⁶³ It is not clear how much of this has to do with issues such as levels of education, nature of goods being sold, racial differences and access to training on negotiation.

Box 4.3: Setting a good example: Accountability and proper functioning in the Hillbrow and Yeoville Street Trader Associations

Leadership focus in both the Hillbrow and Yeoville Street Trader Associations is on effective interaction with members. Both organizations have points in common that are worth noting.

Small area of operation

Both organizations operate in a fairly discrete area. This local concentration enables street traders to identify each other easily and facilitates the exchange of views and concerns.

Small membership

According to reports, each association has approximately 80 members, facilitating membership-leadership interaction.

Reporting back by leadership and consultation sessions

Proper reporting and consultation sessions are held during which hawkers' views are heard. Each hawker is treated with respect. Leadership does not adopt a confrontational approach.

Effective leadership propels effective associations.

Source: Interview with officials of Metro Trading Company, GHA and the Johannesburg Development Agency, 2001.

4.3.3 Self Employed Women's Union (SEWU)

Background

SEWU was established in 1993 to represent the interests of self-employed and survivalist women engaged in the informal sector of South Africa's economy. It was modeled on the Self-Employed Women's Association (SEWA) in India.

Objectives

The SEWU aim is the empowerment of self-employed women to organize themselves and to demand recognition and support for their work. SEWU has a constitution that is binding on the organization and explains its formation and function.

Legal status

SEWU structure and *modus operandi* resemble those of a trade union but the organization is not registered with the Department of Labour as such. Anyway it is not able to make use of provisions under the various labour laws since they do not generally apply to the type of worker who is a member of SEWU. Since members are not in a direct employment relationship, they would not benefit from labour provisions such as access to employers' premises for organizing activities, or those related to collective bargaining with employers. Moreover, many of SEWU members are self-employed, and the labour laws have not yet taken account of self-employed or own-account workers. SEWU has recently registered as a non-profit organization with the Department of Social Welfare in order to qualify for exemption from company tax.

Membership: Criteria, size and patterns

According to the SEWU constitution, membership consists of women only. The SEWU commitment to recruiting solely women stems from the conviction that other informal economy and street trader organizations are not gender-sensitive and inadequately address the specific needs, interests and vulnerability of women.

A member must be working for herself and not employing more than three people. Membership is open to traders in any type of goods.⁶⁴ A *bambela* can also be a member of SEWU, although the aim is to help members own their own stall. Members pay ZAR 10 joining fee and then ZAR 8 per month by debit order, which necessitates members having a savings account (see below).

As shown in Table 4.2, paid-up membership in 2001 was approximately 2,276, mainly concentrated in KwaZulu-Natal. Membership comprises street traders and home-based workers. According to Ms Nthunya, General Secretary of SEWU, about 2,000 members (paid up and lapsed) are street traders.

Table 4.2: SEWU membership and branches, 2001

Area	Paid-up members		Lapsed members		No. of branches	
	2000	2001	2000	2001	2000	2001
KwaZulu Natal	1,465	1,650	6,173	7,032	50	58
W. Cape	507	20	480	589	16	3
E. Cape	1,123	606	1,698	3,024	44	48
Total	3,095	2,276	8,351	10,645	110	109

Source: SEWU Half Yearly Report January – June 2001.

Membership fees were collected by hand by SEWU staff until 1998, when the organization was robbed at gunpoint of ZAR 12,000 in cash. Subsequently, the Annual Conference decided that fees should be paid by debit order linked to their savings account. This proved difficult because of member resistance, banks' reluctance, and the costly and cumbersome bank requirements entailed. As a consequence, SEWU lost about 35 per cent of its paid-up membership in 1999. At that stage SEWU had more than 3,500 paid-up members. The introduction of the new debit order system resulted in more members not paying their fees as they did not have bank accounts, for various reasons:

- Most SEWU members are self-employed survivalists who do not earn enough income for banks to be interested in allowing them to open a bank account.
- Unfamiliarity with the banking system makes some traders fearful that their money will be stolen; others were unfamiliar or unsure about bank charges or procedures.

⁶⁴ SEWU defines a street vendor as someone who sells goods and services in a public place. This is usually a fixed location where other street vendors are already operating, with the target market being passers-by. Street vending activities include buying and reselling products such as fruit and vegetables, meat, hardware, toiletries, health products, household goods and clothing.

- The banking system does not accommodate the needs of low-income self-employed. Banks routinely insist that a salary slip be produced – impossible for almost all SEWU members.
- The banks stipulate the requirement of a minimum deposit (between ZAR 250 and ZAR 500) to open an account – too high for most SEWU members. Some banks were prepared to accept a minimum deposit of ZAR 100 but this amount was also beyond the means of most SEWU members.

To remedy the fee-paying situation, SEWU initiated meetings with the banks to make sure that their services became more user-friendly to the poor. As a result, it obtained the banks' agreement on lowering the opening deposit requirements for SEWU members and accepting that SEWU members could not produce salary slips when opening a bank account.

To familiarize women traders with banking procedures and charges, SEWU initiated an education and awareness programme that included the importance of saving and explained clearly why SEWU was introducing a debit order system for the payment of membership fees. These efforts resulted in SEWU having 1,650 members with savings accounts in KwaZulu-Natal in June 2001. The debit order system had only become fully operational in January 2001.

Despite these efforts, many of which are ongoing, the SEWU General Secretary considers the debit order system is still not working well. However, in the interests of achieving financial self-sufficiency SEWU has no better option but to persist in trying to overcome the difficulties being experienced with this method of fee payment.

Recruitment of members at foundation originally focused on all self-employed women in this sector (street traders, self-employed home-based workers making clothes, subsistence farmers). In mid-1995 SEWU also organized the cardboard collectors, but they subsequently resigned. SEWU members are mainly Black women. In Cape Town, membership is mixed, with African and Coloured members. In KwaZulu-Natal in 2002 only one SEWU branch, in Stanger, included both African and Indian members.

Organizational structure

As shown in Table 4.3, SEWU operates nationally in three provinces, KwaZulu-Natal, the Eastern Cape and the Western Cape with a total of 109 Branches. The organization has offices in Durban, Gugulethu (Cape Town) and Umtata and is opening offices in the Free State and Mpumalanga.

Table 4.3: Outline of SEWU organizational structure and locations, 2001

Location	Organizers	Administrator	Office	Total
National Office 1 General Secretary	1 National Educator	1	*	3
KZN	3	1	*	4
E. Cape	3	1	*	4
W. Cape	2	1	*	3

* = Equipped with telephone and fax facilities.

Union outreach is dependant on its financial and human resources. Only about 5 per cent of its funding needs are covered by the monthly subscriptions received. The balance is raised from international donors, overseas trade unions and governments. (See Section 5. 6 of this report for more details.)

At present SEWU employs a staff of 14 and will be employing more for Free State and Mpumalanga. The General Secretary is an elected official, but serves in a full-time capacity. This office bearer holds considerable power. According to the current incumbent, this power is mediated by accountability to the National Executive Committee, and more especially, the National President with whom she consults regularly about decisions.

The SEWU branch structure was devised to facilitate leadership reporting back. It was therefore designed so that members would be in proximity. A minimum of 10 members is required to form a Branch; if a Branch loses members and has less than 10, it also loses its branch status. Branch meetings take place once a month, either at night or during the day. A Regional Executive Committee meets monthly and is attended by 2 delegates per branch (109 Branches in all). Regional office bearers are the Chairperson, Vice Chair, Treasurer, and Secretary. Branches are unevenly distributed across regions: KwaZulu-Natal Region has 50 per cent, the Eastern Cape Region 40 per cent, and the Western Cape Region 10 per cent.

The National Executive Committee (NEC) sits every 3 months. Each region can send 4 voting delegates and the Regional Secretary (ex-officio). The NEC takes decisions on issues arising in the regions. The National Office Bearers are the President (located in Durban); Vice President (located in the Eastern Cape – Mount Fletcher); National Treasurer (located in Durban); and General Secretary (located in Durban).

A National Conference is held annually and at least one delegate per branch attends. If a Branch has 20 or more members then more delegates attend – one for every 20 paid-up members in the branch. The September 2001 Conference was attended by 145 delegates.

Decision-making follows this hierarchy, and if a problem cannot be solved at one level it is referred to the next. In intervals between meetings the General Secretary will consult with office bearers to make a decision.

The SEWU constitution serves as a guide for dealing with problems that occur within the organization. Corruption is endemic in South African institutions and the street trading sector is not immune. Box 4.4 illustrates how SEWU responded to internal corruption – with an encouraging commitment not only to its constitution but also to strengthening the organizational principles of transparency and accountability.

**Box 4.4: Practicing transparency and accountability:
SEWU newsletter reports on internal corruption**

The SEWU newsletter published an article informing its readership of the mismanagement of finances in the KZN region. It also reported how SEWU had dealt with the situation. The article stated that large amounts of money could not be accounted for by the KZN region and, consequently, the General Secretary had called for disciplinary action to be taken against those responsible.

As a result of this incident, the newsletter told its readers that the Regional Secretary had resigned prior to the planned disciplinary procedure and that the National Executive Committee had suspended the entire Regional Executive Committee. It further reported that subsequently new office bearers were elected at the KZN region's Annual General Meeting.

Source: SEWU NEWS No. 36, November 2000.

According to SEWU former General Secretary⁶⁵ this incident and the manner in which the SEWU structures managed it strengthened the organization's ability to deal with fraud and helped develop a better understanding of the legislative framework concerning labour practices in South Africa such as the LRA.

Three main channels of communication run between the General Secretary and membership:

1. Informing membership in print.
A four-page newsletter currently produced every two months in 2 languages (English and isiZulu), but soon to be published in 5 languages: English, Zulu, Xhosa, Sotho and Seswati (Swazi).
2. Reporting back from the National Executive and Regional Executive Committee meetings to membership. At these meetings reports of the activities of the head office are provided and plans for the coming months are shared with members.
3. The General Secretary can be invited to the regions. If regional members consider they are not treated fairly, they may contact head office with their grievances. This message is repeated annually at the National Congress and intermittently via the newsletters.

Activities and achievements

SEWU supplies training in literacy skills development, negotiation and lobbying skills, as well as a range of other support services. SEWU has also been engaged in policy work to improve the situation of women in the informal economy. This has included research.⁶⁶

⁶⁵ Interview with Pat Horn, November 2001.

⁶⁶ James, S., 1997.

SEWU empowers women by familiarizing them with the South African Constitution, which enables them to understand their rights. It also offers education and training workshops to attract new recruits. Topics covered include domestic violence, child maintenance laws, and disability.

Apart from providing assistance in securing trading space for women traders, SEWU considers that women need help in improving and diversifying their skills. The decision was made to focus training not on traditional “female” skills but rather on areas that are traditionally “male” (building, carpentry, upholstery) or more modern (welding, plumbing). SEWU allots larger subsidies as an incentive to its members to undertake traditionally “male” skills-training.

Cooperation and partnership with different actors

Since its creation, SEWU has been actively interacting and cooperating with a wide number of actors at the local, national and international level.

Local

SEWU has been proactive in engaging with local government. It introduced itself to the ITSBO Department and has participated in the Informal Traders Forum established by local government.⁶⁷ SEWU achievements in its negotiations with local government include the issues outlined in Boxes 4.5, 4.6 and 4.7.

Box 4.5: Managing an infrastructure utility for street traders

Muthi sellers⁶⁸ were provided with floor space for sleeping and ablution facilities by local government at a nominal cost in the Warwick Junction area. Through an agreement made with SEWU representatives, a system for managing the maintenance and cleaning of the premises was developed, in which traders rotate responsibility for the maintenance work involved. The SEWU role was to ensure that the relevant fees were collected and paid to local government and that the roster system was adhered to.⁶⁹

⁶⁷ Local government in Durban appears to have recognized a number of street trader associations including the ITMB (initially an umbrella body) as well as SEWU, Simunye and Jabulani Trading Club (JTC), that have all been members of ITMB.

⁶⁸ Traditional herb sellers.

⁶⁹ Interview with Pat Horn, January, 2001.

Box 4.6: Criteria for the local government allocation of trading sites

The criteria applied by local government in the allocation of trading sites were criticized as unfair by SEWU members. Beachfront sites were being allocated to traders who already had one or more sites. SEWU approached Dean Botha, the head of ITSBO, and asked to discuss these criteria. The outcome was an agreement on a procedure to be followed by Metro officials for checking whether a trader applying for a site already had other sites.

Box 4.7: Negotiating a foreign traders' market

SEWU started discussion with local government about the establishment of a foreign traders' market. At the time of this research, the Regional Secretary had made an appointment to meet the Deputy Mayor, with the aim of reducing conflicts between local and foreign traders. The plan is to establish a wholesale facility with space allocated by Durban Metro. While the outcome of this effort remains to be seen, this is an encouraging sign of a less xenophobic and more positive attitude.

In-country

SEWU has also established good cooperation with a wide range of organizations in South Africa. It draws on a number of them for assistance, and not only on a one-off basis. For example:

- Ditsela, a trade union education facility, gives training and negotiation skills.
- OLIVE, an organizational development NGO, gives assistance in capacity building for members and staff.
- PSA Consultants were engaged to help with the debit order system.
- Workers' College, an NGO, helps with training.
- Kuphuka, a skills development NGO, assists with building and electrical installation skills.
- Umtapo Centre, an NGO, provides education for members.
- Legal Resources Centre, an NGO, provides legal assistance and advice.
- Mineworkers Development Agency (MDA), an NGO, gives assistance in skills training in rural areas.

However, cooperation has not always proved easy. For example, at one point SEWU members wished to clarify their relation to ITMB, which claims to be an umbrella structure. While SEWU members previously participated in ITMB (some serving on the Executive Committee), it would appear that this is no longer the case. According to SEWU members, they discontinued participation in ITMB activities because ITMB was not committed to ensuring and promoting women's participation. SEWU members confirm no women represented ITMB at the

Street Traders Forum in November 2000 or at the Racism Conference Preparatory Meeting held in June 2001.⁷⁰

Abroad

At the international level, SEWU has been able to link with a variety of networks, concerned with the empowerment of women in the informal economy, and street traders in particular. SEWU is a member of Women in Informal Employment: Globalizing and Organizing (WIEGO),⁷¹ StreetNet⁷² and HomeNet.⁷³ This international exposure gives SEWU, despite its relatively small membership, a much bigger voice policy-wise. (See also Section 5.4, which outlines the cooperation between SEWU and StreetNet for the Bellagio International Declaration of Street Vendors, 1995.)

Challenges

SEWU office bearers have identified the following difficulties:

“It was difficult initially to attract street traders because they have had bad experience with numerous fake organizations trying to recruit them. Hence they are very wary, as they have been exploited before.”

– SEWU KZN Regional Organizer

“Many members would like loans – but we do not have the money available. If we provided loans we would attract considerably more members. We are now negotiating with the finance institutions to help our members access credit.”

– SEWU General Secretary

An additional challenge mentioned by the SEWU General Secretary is that “at present there aren’t any critical ‘moments of conflict’ around which SEWU can mobilize traders.” In Durban, for example, local government is no longer the disruptive force it previously was for street traders. Several steps have been taken to create an enabling environment for traders. The irony is that some street traders now see no necessity to belong to an informal economy trader association, perceiving that their needs appear to be met by the local authority. However, the real challenge for SEWU is to expand its organizational strengths so that street traders – and women in particular – will be enabled and empowered in the short- and the long-term perspective.

Part 5 investigates the critical issues now in the balance for street traders in particular and, in general, for all workers in the informal economy.

⁷⁰ The ITMB delegation to the Racism Conference Preparatory Meeting consisted of 8 men.

⁷¹ <http://www.wiego.org>

⁷² <http://www.streetnet.org.za>

⁷³ <http://www.homenetww.org.uk>

5. Strengthening representation and voice: Lessons and challenges

5.1 Protecting the rights of street traders

As Part 4 shows, the needs of informal traders in the cities under review have been addressed with varying degrees of success, depending on local government approaches and policies.

Durban Unicity

Undoubtedly, Durban Unicity, the local government structure of the Durban Metropolitan Government, has devised the most progressive policies on informal trading, in comparison with other metropolitan areas in South Africa. It is the first local authority in the country to have developed an Informal Economy Policy.⁷⁴ This promotes a coordinated response and guides service delivery to this sector. The policy is largely informed by its recognition of the contribution that informal activities in general and street trading in particular are making to the economy in Durban.

The Informal Economy Policy was the outcome of a broad consultation process in which, for the first time, street vendors and home-based workers, including informal sector traders from other African and developing countries, were given the possibility of voicing their concerns. The Policy explicitly states that the success of its area-based management approach to support for economic development hinges on:

“... the orderly growth of organizations of workers in the informal economy ... The interests of local government will be best served when there are strong and stable partners to negotiate with.”

Johannesburg Metropolitan Council

As a result of formal private sector lobbying and the exodus of the formal private sector from the Johannesburg CBD, the Metropolitan Council has been aiming to remove all street traders progressively from CBD street sites. It holds the view that street trading is clogging up pavements, obstructing pedestrian and vehicle traffic and is also responsible for the increased levels of inner city crime and grime. The solution opted for was that street vendors be relocated in specially built markets. One of these, the Yeoville Market, still remains a “white elephant”.

The Yeoville Market proposal provoked street traders into vehement response. They contended that this type of dedicated markets would have insufficient “passing feet”. In essence, street traders offer shoppers goods that they would otherwise not go out of their way to purchase. The traders argued that as their businesses are directly linked to the volume of pedestrian traffic, the location of their trading site is highly relevant to their earnings.

Both the Durban and the Yeoville experience demonstrated to local government that street traders have the ability to organize collectively to protect their rights and advance their interests.

⁷⁴ North Central and South Central Local Council (2000), *Durban's Informal Economy Policy*, Durban.

Both experiences also confirm the need for traders' associations to be able to present a unified front in voicing their concerns. In addition, they need the capacity to take action that goes beyond reactive approaches such as mass meetings and rallies to encompass proactive responses. For example, informal traders must develop the capability to devise well-considered plans and ideas and to voice them collectively to local government as alternative solutions.

5.2 Constitution and legal status

Although all three organizations⁷⁵ have a constitution, its use and value in daily practice is revealing. Only SEWU adheres to its constitution in dealing with grievance procedures, suspension of members and in holding elections.

Of the three organizations, only SEWU explored the possibility of becoming a registered trade union to increase their bargaining power vis-à-vis government authorities. Currently, SEWU members seem to be rejecting trade union federation membership because of the political alignment of South African unions. SEWU does not organize women along political lines; for example, in KwaZulu-Natal it has members from the two dominant political parties (the African National Congress (ANC) and the Inkatha Freedom Party (IFP)). In view of COSATU participation in the ANC alliance, it was considered that SEWU affiliation would create the impression that SEWU was politically aligned. Members view this as problematic because SEWU has been able to organize members across the political divide.

Registering as a non-profit organization, as two of the organizations profiled have done, legalizes the status of an organization. Under the terms of registration, it also ensures that certain democratic practices are adhered to, such as annual audits, record keeping, annual general meetings and elections.

5.3 Creating strategic alliances with the trade union movement

In the researcher's view, SEWU members were unable to recognize to what extent building alliances with the trade union movement could benefit them. This is certainly an issue to which further attention should be given. In principle, the potential exists for better coordination and productive synergies between street trader organizations and trade unions. For example, within the South African trade union movement, the mandate already exists to engage with the informal economy. In 1997, the September Commission on the Future of Unions⁷⁶ recommended that:

“COSATU [the Congress of South African Trade Unions] should start discussions with the organizations that already exist among informal sector working people, with a view to understanding their concerns, how they organize and who they represent. On the basis of this, COSATU should debate the possible options, and develop its own strategic perspective.”

⁷⁵ Researchers were not shown the ITMB constitution.

⁷⁶ This Commission was set up to advise the labour movement on how to face up to the challenges confronting it in the 21st century.

In 2000, the COSATU 7th National Congress identified the “recruitment and unionization of informal sector and atypical workers as a major part of the recruitment drive”. It also committed each of its affiliates to develop a strategy to meet this goal and release resources as appropriate.

While this commitment is still on paper for most affiliates, some are well placed to strengthen cooperation with street traders. For example, the South African Municipal Workers Union (SAMWU), in common with street trader organizations, has local government as its key bargaining partner. SAMWU members include the employees of local government, or utility companies associated with local government (water and sanitation, electricity, waste removal, electricity, parks and gardens).

In addition, since 1990 the SAMWU has been campaigning for the establishment of a National Bargaining Council for Local Government. This was finally set up in 1997 on an interim basis pending registration. The Bargaining Council has nine provincial counterparts. For unions, these Bargaining Councils play a critical role in negotiating minimum wages centrally.⁷⁷

The suggestion⁷⁸ that an alliance with SAMWU might lead to the creation of a special bargaining chamber for street traders within the local government Bargaining Council, was put to interviewees from labour, the Bargaining Council and local government, but rejected by them. A common reason given was that street traders are not employees and do not have the same basis on which to bargain with local authorities. A further point noted by a local government representative is that this bargaining chamber would privilege one sector of civil society against all others who have claims against local authorities, and this could be considered discriminatory in terms of constitutional law. It seemed that none of these interviewees was able to conceptualize street vendors as workers with rights to negotiate about their working conditions.

According to SAMWU General Secretary Roger Ronnie:

*“SAMWU has not given any thought to its relationship with street trader organizations. But having some kind of alliance with street trader organizations would not be out of line with union resolutions on economic development, for example. If there were to be a relationship, it would be in the form of some kind of alliance. SAMWU could not claim to represent those workers.”*⁷⁹

SAMWU officials indicated that in 1998, when local government tried to evict street traders from trading on the pavements, SAMWU joined in solidarity with the trader organizations to protect these workers’ rights. It sees no obstacle in continuing to play such a role. The SAMWU preference was clearly for working with street trader organizations. As one SAMWU official noted, reflecting on his past experience of working with the GHA, in 1998:

“Street trader associations were in need of substantial training in how to organize and how to run their organizations more efficiently.”

⁷⁷ <http://www.cosatu.org.za/samwu/labourlaw.htm>

⁷⁸ Communication between Tanya Goldman and Pat Horn.

⁷⁹ Interview with Roger Ronnie by Tanya Goldman.

However, as Box 5.1 shows, not all union attempts to forge alliances with street traders have yielded expected results.

Box 5.1: Organizing informal newspaper sellers

The South African Commercial, Catering and Allied Workers Union (SACCAWU) began organizing newspaper sellers in 1984.⁸⁰ These were mainly newspaper vendors contracted to the Allied Newspaper group in Durban and Johannesburg. This initiative arose from concerns about exploitation of this category of worker, who were casually employed and worked extended hours. SACCAWU had already been engaged with workers formerly employed by Allied Newspapers.⁸¹ Initially, it was through the shop stewards that the needs of these workers drew SACCAWU attention. During this period there were six union structures operating in the company – three of them COSATU-affiliated.

From 1984 until 1996, SACCAWU organized several hundred newspaper sellers countrywide.⁸² It succeeded in negotiating agreements with Allied Newspapers for recognition of the union as a representative of the sellers and in terms of wage negotiations. It was able to draw on its existing shop stewards, especially the drivers, to assist with recruiting the newspaper sellers.

However in 1996, COSATU asked its three affiliates to consolidate their membership at Independent Newspapers into one union and SACCAWU handed over its membership to another affiliate. Almost at the same time, Independent Newspapers began outsourcing many functions, including driving and delivery of newspapers. This resulted in a drop in membership and the loss of the informal workers as members.

Although the SACCAWU National office indicated that they did not have any plans at present to organize workers in the informal economy, it is left to the regions to decide how they take up similar challenges.

Source: South African Commercial, Catering and Allied Workers Union, 2001.

It is worth noting that in several African countries the labour movement (in some cases) has been more innovative, in comparison to South African labour organizations, in its response to the challenges posed by globalization and the growing magnitude of the informal economy. Box 5.2 illustrates how one trade union bolstered its membership with workers from the informal economy.

⁸⁰ Information based on a telephonic interview with Moses Makhanya, SACCAWU Office, KZN, October 2001.

⁸¹ Now known as Independent Newspapers.

⁸² KZN Regional Organizer, who made this point was unable to provide figures.

Box 5.2: Ugandan labour movement organizes informal workers

The Uganda Public Employees Union (UPEU) amended its constitution in 1999 in response to a serious membership crisis. It was faced with possible collapse because its membership was restricted to those employed in the public service at all levels of government. When structural adjustment focused on reducing government expenditure, these employees were seriously affected by job cuts.

Under the creative leadership of its General Secretary, the Union effectively reconceptualized itself. It redefined its earlier narrow concept of public service employees as civil servants to include all those who serve the public. Its constitution reflected this broader concept in defining the aims and objectives of the Union:

“To organize all those employed, directly or indirectly, within those areas of employment which provide services to the public, whether in the public, informal sector, private or voluntary sector of the economy.”⁸³

The UPEU constitution allows for a range of membership options, including full membership, retired members, and informal sector workers (both self-employed and those employed by others). The constitution also specifically allows informal workers to belong by associateship or by affiliation through informal sector workers’ associations.

In order to manage the different needs of members, the National Executive Council is structured to ensure that an Assistant General Secretary is appointed to cover the various categories of employment: local government, central government, parastatals, NGOs, informal sector, and private companies.

The arrangement allows the union move to dispense with rigid bargaining structures. Instead, it permits different categories of members to bargain and negotiate with relevant stakeholders in respect of their specific needs. The constitution allows for sub-councils, committees and service groups to be constituted and ensures that they report the results of their activities at least three times annually, one of which is the annual report.

Source: Uganda Public Employees Union, 2001.

5.4 Forging alliances and linkages at the international level

Of the three organizations profiled in this report, only SEWU has forged a wide range of alliances and linkages with institutions abroad, for solidarity and to strengthen street trader organizations globally.

SEWU is one of four⁸⁴ founding organizations of StreetNet, a network of individual vendors, activists, researchers and supporters, that set up office in Durban in 1999 and launched an international organization in 2002 with the aim of increasing the visibility and bargaining power of street vendors throughout the world. It is envisaged that, through participation in StreetNet activities, members will gain an understanding of the common problems experienced by street vendors and develop ideas for strengthening their lobbying and advocacy efforts. It is

⁸³ Constitution of the Uganda Public Employees Union, 1999.

⁸⁴ The three others are Self-Employed Women’s Association (SEWA) of India, Women’s World Banking in New York and the International Coalition of Women and Credit in New York.

also hoped that they can join international campaigns to promote policies and actions that contribute to improving the lives of millions of street vendors.

Through SEWA, SEWU helped develop the Bellagio International Declaration of Street Vendors, 1995 in Italy. The Declaration provided a significant platform for interested stakeholders, an extract of which is highlighted in Box 5.3. The Declaration urged governments to develop national policies for hawkers and street vendors, to ensure that street vendors are recognized for the contribution they make to the local economy and to ask for protection and expansion of vendors existing livelihoods.

Box 5.3: Extract from the Bellagio International Declaration of Street Vendors, 1995

... Having regard to the fact:

That because of poverty, unemployment, forced migration and immigration, and despite the useful service they may render to society, they are looked upon as a hindrance to the planned development of cities, both by elite urbanites and town planners alike;

...

We urge governments to form a national policy for hawkers and vendors by making them a part of the broader structural policies aimed at improving their standards of living, by having regard to the following:

Set up appropriate, participatory, non-formal mechanisms with representation by street vendors and hawkers, NGOs, local authorities, the police and others.

After the formation of WIEGO (Women in Informal Employment: Globalising and Organising) in 1997, also in Bellagio, SEWU participated in an international research study aimed at deepening the understanding of the needs of street traders and how the sector functions. The research conducted by Francie Lund (1998) formed part of that research initiative and remains one of the few reliable sources of data on street trading in South Africa.

SEWU recognized these historical linkages have been forged through the vision and insight of the SEWU former General Secretary.⁸⁵ For SEWU, and for street trader organizations in general, the challenge lies in skilling and maintaining a leadership that is proactive and geared to long-term vision.

5.5 Meeting the specific needs of women

There is a notable lack of women's representation in the leadership of the ITMB and the GHA, but the issue of gender sensitivity goes beyond numbers. It is also reflected in the lack of interventions concerning the specific needs of women traders.

Although SEWU addresses women's needs through informational talks on domestic violence, child maintenance laws, and disability, the issues of child care and health care do not seem to have been identified for special attention. Women's leadership is emphasized, and the choice of issues to be taken up by the organization is dictated by what the members identify as the issues they wish the organization to prioritize.

⁸⁵ Pat Horn, former General Secretary of SEWU, is currently the International Coordinator of StreetNet.

5.6 Developing leadership and organizational strength

Trust, accountability, transparency and membership fees

The ITMB was constituted as an umbrella body of organizations, and collection of individual fees was thus not envisaged. Instead, affiliation fees would be collected from member organizations. It appears that lack of trust between various ITMB constituent groups has resulted in their not collecting fees, and this is hampering their ability to grow. The public face of the organization is almost totally limited to the President and occasionally the Vice President. The Board has not held regular annual general meetings, citing lack of funds as the key reason, and no previous annual reports or financial statements, or minutes of proceedings could be found for the researcher to peruse. It was also not possible to access a copy of the ITMB constitution.

Aside from the issue of the constitution, GHA has a similar problem with trust. Given that GHA collected fees and ran a storage facility, the lack of transparency with respect to financial management raises questions about the level of trust in the organization. The appointment of a Transformation Task Team is encouraging. As mentioned earlier, the Task Team was established in a Management Committee meeting during a two-week absence of the Chairperson. It appears that only in his absence did members have the courage to raise this matter and to make a decision to establish a task team. During the focus group sessions and during key informant interviews, a number of references were made to the need for the GHA leadership to conduct their own business with integrity and honesty and to serve as role models for other street traders.⁸⁶

SEWU seems to have the strongest controls in place in terms of decision-making and accountability structures and in terms of the regional organizers providing training and support on building the organization. Despite this, the SEWU KwaZulu-Natal office was found to have conducted its financial affairs fraudulently and the Regional Executive Committee (REC) has apparently been negligent in its management responsibilities. However, it is encouraging that subsequent actions were taken by the National Committee to address alleged fraud in this Province. These included disbanding the entire REC, (the Regional Secretary had already resigned), reporting the matter to the local police for further investigation, and finally assisting with the election of a new committee at the subsequent annual Regional General Meeting. Transparency and accountability are necessary mainstays for street trader organizations.

The new debit-order system of collecting fees has resulted in a drop in SEWU membership. This means a heavy dependence on outside resources, which in turn could result in financial instability and might in the long term undermine SEWU independence. However, SEWU refutes this view, stating that it had developed a long-term (five-year) plan from 2000 to 2004 to ensure its financial sustainability. The plan has been supported by donors. In accordance with the plan schedule, in the first year SEWU revenue will be derived from 10 per cent fee collection and 90 per cent donor support. However, by the end of the five years, the SEWU goal is to ensure that fees and donor funding contribute equally (50 per cent each) to the operating costs of the organization.

⁸⁶ It had been suggested to the researcher by three informants, independent of each other, that GHA leaders had a history of engaging in “illegal” activities. No evidence or proof was provided or names mentioned.

Leadership and management skills

The ability to manage conflict, the acceptance of the need for freedom of expression and the flow of information and communication between members and office bearers do not threaten leadership. They are all essential components in the development of the organization and its leadership. The foregoing case studies reflect that ITMB and GHA do not appear to have developed conflict management skills or facilitated effective flows of information to members.

Street traders are not homogeneous; deeply rooted cultural and social divisions create diverse issues that leadership needs to understand and respond to effectively. It is crucial to develop these leadership skills if street trader associations are not to be perceived as xenophobic in their policy positions. For example, both ITMB and GHA explicitly excluded foreigners from their membership at the time, although the GHA's stance has since changed in response to a letter from the Department of Home Affairs. SEWU conference resolutions from as early as 1996 demonstrate that SEWU members do not share this attitude. It is crucial for leadership to develop the necessary skills and understanding to deal with this aspect of their organization's image and outreach.

5.7 Providing services and benefits to members

A common feature of all three organizations is the limited package of services and benefits they offer to membership. As shown in this report, both GHA and ITMB have been active in lobbying for or providing storage facilities and negotiating space with local authorities. They also claim a great deal of success in protecting street traders from police harassment. SEWU, in addition to this type of assistance, has also been supplying training in literacy and technical skills, negotiating and bargaining skills, and workers' rights.

Building up membership

The SEWU view is that since the local government has now delivered on most of its commitment, no "moments of conflict" are emerging to facilitate the recruitment of members. The GHA and ITMB services are limited to a reactive response to problems and crises as they arise. This underlines a lack of vision and mission, to envisage a broader role for street trader organizations and to develop long-term strategies. Reasons include the financial instability of these organizations, a lack of effective communication between members and leadership, and the high rate of turnover among members. Street traders tend to become members only when they need to solve problems that they cannot handle individually. They generally leave the organization once the problem is collectively resolved. Here, for example, could a "collective memory" be encouraged in street traders?

In comparison with other African regions, the services delivered by street trader organizations in South Africa are narrow in scope. For example, in Sub-Saharan Africa, a wide range of activities is being instigated – including micro-credit facilities, health insurance, education and training.⁸⁷ Unlike in South Africa, not all of these activities involve street vendors'

⁸⁷ Xaba, J. et al., 2002.

organizations. Elsewhere, some are initiated by government development agencies which recognize the importance of the informal economy.

In this connection, Lund and Srinivas (2000) have outlined some broad programmes to extend social protection to informal actors around the world. These innovations include:

- Provision of free maternity benefits for members subscribing to a fixed deposit plan;
- Provision of financial services to defray funeral costs of members' families;
- Health care coverage in general for all members of the household;
- Child care and other social support services;
- Pension and retirement schemes;
- Life and disability insurance schemes.

Responding to members' needs collectively

Some recent interventions for informal workers are beginning to focus on protection against loss of assets or income, such as theft of property or loss of goods arising from natural disasters, to which street traders are also exposed. In the analysis of these innovative responses, Lund and Srinivas conclude that collective action in associations is critical for ensuring that such services are developed and are responsive to the needs of informal sector workers.

5.8 Influencing policy

It is accepted wisdom that the interests of a particular group or set of stakeholders can be adequately served only if it can bargain from a position of strength and confidence, derived from its capacity to act collectively and pursue common goals.

For example, some innovative policy advocacy work within the Durban Metro is demonstrated by the SEWU interventions on the issue of accommodation for *muthi* (herb) traders. The adoption of the Informal Economy Policy in Durban is also the outcome of an intense lobbying activity in which SEWU and ITMB played a significant role.

GHA has used a more confrontational approach but has also demonstrated success in ensuring that MetroRail's trader eviction policy was rescinded.

However, three aspects need to be addressed. First, street traders have inadequate awareness and understanding of the policy environment that affects them. Second, the absence or limited availability of informed staff to participate actively in policy processes is marked. Third, some local authorities underestimate the need to sustain relationships with street traders, which hinders the latter's input to shaping more favourable policy decisions.

Developing wider skills in policy advocacy work is an obvious necessity for street trader organizations. Further, leadership require education and training on why it is important to invest time and energy in issues relating to policy work, including research conducive to policy development.

5.9 Organizing challenges

Proactive contact with street traders

The organizing strategies in GHA and ITMB rely mainly on “events” and “crises” to recruit members. Neither organization has full-time staff and the leadership themselves are traders. Only SEWU has invested in organizers who spend considerable time in the streets working with the traders.

Street traders need to see the direct benefits of belonging to an organization. In the absence of this evidence, the likelihood of recruiting or sustaining membership is limited. Organizing strategies need to demonstrate clearly how street traders can benefit from joining and sustaining their membership.

However, several obstacles impede the effective organizing and serving of street traders. Street traders contend with a variety of economic constraints and often do not wish to allot time away from productive work to organizational work. The opportunity costs entailed by participating in the organization’s activities act as a powerful deterrent to traders’ involvement in organizations. Traders are more likely to become active participants if they have someone who can look after their stall (a neighbour, employee or household member) and, as the interviews and focus group sessions indicate, men traders have this option more frequently than women traders. For *bambelas*, active participation is even more difficult, as it would incur a loss of (or severe drop in) the subsistence income they eke out from their work for the street traders.

Managing diversity and self-sustainability

The patterns and structures of organizations of street traders often mirror the power relationships and asymmetries existing in the labour market and in society at large. Previous studies on South Africa street trading suggest that organizations in the sector appear to be mostly male-dominated.⁸⁸ The findings of the present research confirm this trend. In some instances, restricting membership to women, as SEWU has done, seems to be the only way to secure women a “voice” and ensure that women’s gender-specific needs are addressed. There is also a discernible class pattern. On the one hand there are more higher-income than survivalist traders in leadership positions in the organizations which define themselves as small business associations. In SEWU, on the other hand, which defines itself as a workers’ union, leadership comes mainly from the survivalist sector. In the long-term, however, organizations need to shape policies and measures that take account of the diversity (gender, age, race and nationality) of workers and operators in the informal economy.

Associations often lack sufficient resources to sustain the organization and serve members. The three organizations profiled all face severe constraints in this respect. They mostly operate on a voluntary basis or, as in the case of SEWU, are heavily dependent on external funding. However, organizing is not an end in itself. To be sustainable in the long-term, organizing must be accompanied by measures tailored to meet the needs of members. Strategic planning of

⁸⁸ Lund, F. and Skinner, C., 1999.

resources conducive to financial self-sustainability in the long run is one key to consolidating healthy and independent organizations.

Corruption and credibility

Past (bad) experience with organizations often deters street traders from further involvement or membership. Widespread corruption also discourages trader affiliation. In the course of this report, members acknowledged various forms of corruption. For example, an ITMB office bearer was alleged to have obtained council premises at a reasonable rent to operate a storage facility as his own business. Other interviewees acknowledged that they were often unclear as to how resources were being used in their organizations. Here again, accountability is imperative because organizations need for credibility in their organizing drive.

All the organizations under review have a relatively small membership. In order to obtain legitimacy and maintain power, the leadership often made exaggerated claims about large membership even when unable to show evidence of this. Instead they provided estimates, some of which are open to question. Only SEWU could show up-to-date records of its members, based on records received monthly from the banking institution.

It should be remembered that a small organization is not necessarily weak. However, the ability of an organization to bring about long-lasting and far-reaching changes depends largely on its capacity to advance the interests of its own members – and those of the larger society. The experience in other countries shows that organizations that pursue a comprehensive set of (economic and social) goals, within a holistic and integrated framework (at the local, national and international level) – across the economy and the labour market – seem best equipped to meet this challenge.⁸⁹

Part 6 concludes this report, with some recommendations of relevance for improving representation in the current context.

⁸⁹ See for example Seidman, G. W., 1994.

6. Conclusions

In the two years since the Lund and Skinner (1999) analysis of street trader organizations in South Africa, it would appear that this sector has remained much the same. The comparative analysis carried out in the present report highlights some major features and patterns across the three trader organizations profiled – the Informal Traders Management Board (ITMB), the Gauteng Hawkers Association (GHA) and the Self Employed Women’s Union (SEWU).

All three organizations have emerged as a response from street traders themselves whose needs and aspirations were finding no or little echo in existing workers’ or employers’ organizations. These organizations have been established to ease the development of economic activities, pursue the interests of traders as a group (more specifically, women in the case of SEWU, domestic traders in the case of GHA) and facilitate dialogue with local government authorities.

Two of the three organizations have registered as non-profit organizations, this option being perceived as the most attractive in terms of tax exemption. In SEWU the possibility of registering as a union was not considered, as it was uncertain whether union status would entail specific advantages for a membership that has hardly any direct employment relationship with employers and is not covered by the provisions of the LRA. None of the three organizations belongs to a national confederation. Only SEWU has international affiliations (StreetNet, HomeNet, WIEGO, Union Network International (UNI), and International Textile, Garment and Leather Workers’ Federation (ITGLWF)).

Membership in all three organizations is relatively small and confined to narrow geographical areas. ITMB and GHA leadership claimed a large membership but were unable to provide supporting evidence. The role that properly maintained membership lists play in strengthening the legitimacy of the organization seems largely underestimated by ITMB leadership. Only SEWU could provide up-to-date membership records.

Internal structure appears uneven at times. In both ITMB and GHA, structures are heavy in terms of office bearers and management, but weak at block/area level. Moreover, even where area committees exist, little attention seems to be paid to their effective functioning. In this respect, it is indicative that available information was not helpful in ascertaining the exact number of ITMB area or street committees. In GHA, all members serving in the different structures (Executive Committee, Management Committee, Branches, Block/Area Committees) are appointed and not elected. The situation is different in SEWU where a considerable number of area branches spread over three provinces appear democratically managed. SEWU structure is alleged to be instrumental in fostering channels of communication between the management and the membership, while concomitantly improving understanding of members’ needs.

Apart from SEWU, leadership positions are by and large held by men. In ITMB, women occupy some organizational control posts. All members of the GHA Executive Committee are men. The management structures meet regularly. However, SEWU is the only organization holding a National Conference annually.

The participation of members in the life of the organization presents particular challenges to women. Members of GHA Executive Committee alleged that women were not keen on participating due to their illiteracy, the lack of available helpers to substitute them in their absence, and the competing demands on their time because of their multiple roles and responsibilities. Discussion held with ITMB leaders and members showed that a large presence of women among members does not automatically translate into higher women's participation in the organization's activities. Promoting gender equality in both ITMB and GHA requires more than just boosting the number of women in key positions. A change in attitude and behaviour is also needed.

The sustainability of the organizations is hampered by severe financial constraints, which in turn restricts their independence. The collection of fees remains problematic. ITMB deliberately does not collect fees because it deems this could create division and conflict and encourage power struggles. GHA members pay an annual fee that entitles them to an accreditation card –a useful tool in preventing confiscation of their goods by public authorities. Only five per cent of SEWU's financial needs are covered by the monthly subscriptions paid by members, the remainder is raised from donor agencies as well as overseas trade unions and governments. It is encouraging to note that SEWU has developed a five-year plan to cut its reliance on external funding down to 50 per cent by the end of the plan period.

The operational functioning of the organizations faces equally important limits. ITMB operates on a purely voluntary basis, drawing on office bearers' time and resources. In GHA three of the five members of the Executive Committee combine organizational responsibilities with their own economic activities. Training of members in leadership skills does not appear as a priority for ITMB or GHA. SEWU is the only organization that employs full-time staff and has invested in skilling its organizers.

Organizational strategies focus on short-term solutions instead of long-term vision. Only in few instances was there evidence of considered and informed strategies. In general, although at different degrees, ITMB and GHA appear unable to envisage a role for their organizations conducive to the long-lasting empowerment of their members. In this connection, it is indicative that ITMB offers very limited services to its members. GHA and SEWU have proved more proactive in this respect. However, the critical issue for all three organizations remains their ability to expand and tailor services that meet the needs of their members and for which members are willing to pay fees (micro-credit schemes, health and social insurance packages, training in business and negotiating skills, for example).

Achievements have been uneven across the three organizations. In sum, their main results are i) the protection of members against harassment or eviction from public space, ii) secured trading-site space; and iii) a recognized legitimacy vis-à-vis local authorities. This has evolved into direct benefits for members by helping to create a more conducive environment for the smooth running of their economic activities. The research could not ascertain to what extent these improvements enhanced the economic self-reliance of members.

Local government stands as the main counterpart with which street traders organizations interact. The approach and policies adopted at the city level seem to be influenced by the institutional location of street trading responsibilities within each local government. The

establishment of the Department for Informal Trade and Small Business Opportunities (ITSBO) in Durban appears as a decisive element in what is generally regarded as the city's successful approach to street trading, as exemplified inter alia by the adoption of the Informal Economy Policy. Now the challenge lies in translating the Policy into reality, which requires concerted efforts and input by all interested parties, including street traders themselves.

With the exception of SEWU, street trader organizations have not seen the need for creating alliances with labour unions and/or employers' organizations. Nor did the research provide evidence of significant efforts by either of the latter to reach out and connect with street trader organizations. SEWU is also the only organization that established channels of cooperation with a wide range of organizations (trade unions, NGOs, donor community) at the national and international level.

Despite the presence of a number of smaller associations operating within the same area, there did not appear to be much evidence of conflict or rivalry between street trader organizations. Conflict was not reported in any of the interviews with local government officials, with street traders themselves or with leaders of the organizations profiled.

To date, the challenges facing these organizations (and all street trader organizations in South Africa) are enormous. The limited evidence gathered in this report shows that overall the three organizations have played an important role in giving voice to and pursuing the cause of this otherwise neglected segment of the workforce. However, several drawbacks still hamper the ability of these organizations to bring about significant changes in their members' life as workers and as citizens.

The report also demonstrates that promoting the right to organize in the informal economy is not just about setting up organizational structures and recruiting members. More importantly, it means creating organizations that are driven by democratic rules and represent their members' interests in full respect for the principles of independence, transparency and accountability. The strength of any such organization lies first and foremost in its membership. The higher the sense of ownership members have vis-à-vis the organization, the more likely they will be willing to allocate time and resources to make it function effectively. Achieving this goal entails devoting more efforts to awareness-raising on the benefits of organizing and building members' organizational culture. The capacity of the organization to be part of a wider drive aimed at fostering people's empowerment and development – across the economy and the labour market – is another equally important key to building strong and sustainable organizations in the informal economy.

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Annex 1: Organizations, agencies and individuals contacted

Name of Organization/Agency – Individual	Acronym	Nature of contact
Durban Unicity – Informal Traders Small Business Opportunities Department	ITSBO	Telephone interview with 2 officials
Self Employed Women’s Union	SEWU	Interview with General Secretary and Regional Secretary Focus group interview with beachfront traders Interviews with 2 SEWU members
University of Natal, Centre for Social Development – Caroline Skinner	CSDS	Interview
University of Witwatersrand – Chris Rogerson	Wits Univ.	Telephone interview
Informal Traders Management Board	ITMB	Interview with President, Vice President, Chairperson of Women’s Task Team Focus group session with 8 members
Gauteng Hawkers Association	GHA	Interview with Executive Members (Chairperson, Media Coordinator, Administrator, Treasurer and Membership Coordinator) Focus group session with 15 members
Johannesburg Development Agency	JDA	Interview with CEO
Metro Trading Company, JHB	MTC	Telephone interview with CEO
Central Johannesburg Partnership	CJP	Interview with CEO and Organizer
South African Municipal Workers Union	SAMWU	Telephone interview with official
South African Local Government Bargaining Council	SALGBC	Telephone interview with CEO
South African Commercial and Allied Workers Union	SACCAWU	Telephone interviews with 2 National and 1 KZN office official
Institute for Social and Economic Research, Rhodes University	ISER	Telephone interview with researcher
StreetNet		Interview with Coordinator

Annex 2: Guidelines for leadership interviews

Note to interviewers

The aim of the interviews is to get an in-depth understanding of who is organized and how, how the organization really operates and what it really does – not just what the leadership people you interview think their organization should be doing or wish their organization was doing. This means that you need to get people to talk as concretely and honestly/self-critically as possible. We don't just want the official "line". So feel free to ask them how they know something or what makes them have a particular view. Obviously, you need to do this politely and in a way that builds trust.

When you ask people who they organize, you need to get as much clarity as possible about differences between workers in the informal economy. For example there may be workers who own their own informal operations (for example a street trading stall, a building sub-contracting outfit, a home-based operation, a taxi). These people may work alone. Or they may be helped by family members – a husband, a wife, children, sisters, brothers, aunts, uncles, cousins. Or they may have people who are not family members who work for them (for example a stall assistant, a labourer, a machinist or ironer, a *gaatjie*). The people who work for them may be "employed" in a range of ways – regularly or irregularly; part-time or full-time; piecework, commission-based or hourly paid. We can refer to these different situations as differences in "employment status".

There are a couple of confusing situations to look out for. The first is that some organizations' members may see themselves as working for themselves – on their own or with others. But they may actually be dependent on a single customer (like a homemaker who sews clothing for one agent or company, or an owner-driver who provides transport for only one company) or a single supplier (like a street trader who relies on a CocaCola or pantyhose distributor). The second confusing situation is where some members do dependent work as described above as well as independent work. They may shift from one kind of work to the other in the course of a year (for example a clothing homemaker may sew for a company in peak season and independently for her neighbours in between), depending on the season, or even during the same day (a taxi driver may drive for an employer by day, and use the taxi or a self-owned vehicle to work for his/her own account at night). So some organizations may organize both independent and dependent workers.

Get interviewees to describe how the organization understands employment status and ask them what the employment status of their members is. Don't be too concerned about terms – use the terms they use. What is most important is to find out what the terms they use mean about who the workers and members are and what they do. For example, some organizations may only be organizing people who own their own informal operations, and may not be reaching or representing the people who work for them. They may not be doing this on purpose. They may not even be aware of it. It may just work that way because people who own their own operation are more likely to be able to take time off and have the skills and knowledge to participate in organization, or access to facilities like a telephone. On the other hand, it might be their conscious decision only to focus on this group.

These guidelines are as general as possible. But in some cases they apply specifically to leaders of worker organizations and are geared towards the taxi industry. They can be adapted to your sector, and for use with employer organizations.

Organizational leadership interview guidelines

Introduction

- What is your position in your organization?
- How long have you served in this position?
- How does someone become a member of your organization?
- What are the criteria for joining and remaining a member?

Organizational history

- (For those previously organizing in the formal economy only...) Why did you start organizing in the informal economy? (For those set up to organize in the informal economy...) What factors or problems led to the creation of your organization?
- What is the organization's legal status (trade union, employer organization, NGO, not formally registered, other – specify)?
- What are the good and bad effects of having this legal status?
- Has this changed at all? Why? What good things came of any changes? Did the changes have any bad effects?
- On which levels do you organize (local/metro, provincial, national, international)?
- Which level did you start organizing on first? How did you progress? Why did you do it this way?
- What are the advantages of organizing on only this level/more than one level? What are the disadvantages?
- Is your legal status and level(s) of organization the same or different from other organizations in the industry?
- Why was the organization designed this way?
- What does your organization aim to achieve overall?

Membership profile

- Who do you organize in the sector?
- Who don't you organize in the sector? Why don't you organize them? Are these people in another organization?
- Do you also organize workers/employers in the formal economy?

- Did you start organizing workers/employers in the formal economy or informal economy first? How did you progress? Why did you do it this way?

[For the following questions, ask for as concrete information as is available. If there are problems with the figures you are given, explain these in your report. If specific figures aren't available, ask for estimates, ask how they were worked out, and explain this in your report.]

- How many members do you have:
 - by race and sex; [race and sex, at least, should be cross-tabulated if possible]
 - by income level;
 - by job category: [for example, in the taxi industry: drivers, administrators, washers, queue marshals, *gaatjies*];
 - by employment status (see common definitions);
 - by membership status: signed up or paid up;
 - by province?
- What is total employment in the industry? And what is your source for this? *[You may have this information from your document review. But you may also want to cross-check different sources, and get an understanding of what leaders know and how leaders see the position of their organization relative to the industry as a whole.]*
 - by race and sex; [race and sex, at least, should be cross-tabulated if possible]
 - by job category: [for example, in the taxi industry: drivers, administrators, washers, queue marshals, *gaatjies*];
 - by employment status [describe how the organization understands employment status – don't worry about terms, worry about what they mean to your interviewee];
 - by province?
- How is your membership the same as that of other organizations in the industry? How is your membership different from that of other organizations in the industry?
- Has your membership in the informal part of the sector increased or decreased? Why?
- Has your membership in the formal part of the sector increased or decreased? Why?
- What are the problems with statistics for employment and organizational membership in the sector?

Organizing strategies

- What is the main thing your organization does for its members (representing interests – bargaining, policy; service – marketing, training, pension, health; single issue-driven)?
- What else does your organization do for its members?
- What strategies for organizing in the informal economy have worked? Why?
- What strategies for organizing in the informal economy have not worked? Why?
- How are organizing strategies in the informal economy the same or different from those in the formal economy?
- What makes it easier or more difficult to organize in specific areas?

- What things make it easy or difficult to keep members once you have recruited them?
- What kind of public policies would help you to recruit more members and keep those you have recruited? [*Press interviewees to be as concrete as possible, e.g. if they say laws, ask what do you want the law to say and how will this help you?*]

Organizational processes and capacity

- Do members pay membership fees?
- How are they collected?
- What are your organization's main sources of funding?
- What percentage of your total budget comes from each of these sources?
- Who staffs your organization (employees and/or members who volunteer and/or outside volunteers)? How has this changed over last year? How has this changed over the last five years?
- How many people are there in each category?
- Does the organization rely on outside organizations (e.g. labour support organization, research institutions, legal firms) for support, planning, management, negotiation, or representation?
- Does your organization have offices (national, provincial, local)? How many and where? Are these permanent or temporary, rented or owned?
- What office equipment do you have? If you had to buy one new item of office equipment, what would it be?
- Does your organization have a constitution?
- What leadership structures does your organization have?
- How is your leadership chosen?
- How are decisions made in the organization?
- If decisions are made at structural meetings, ask: How many times has each structure met in the past year? What was attendance at the most recent meeting of each structure like?
- How do ordinary members participate in the organization?
- What is the main method you use to communicate with your members?
- Is your organization contactable by telephone at the office? Is somebody there all the time to answer the phone? How else can your organization be contacted?

Representation and voice

- How many people are on each of your main leadership structure(s) (national, provincial and/or local)? How many of these are women?
- If your organization includes workers/employers from the formal AND the informal economy, how many people on the leadership structure(s) operate in the informal economy?

- Are there any conflicts of interest between different groups of members (e.g. taxi members vs. public bus company drivers, between employers over routes, between long distance taxi companies and others, conflicts that are defined in terms of race or gender)
- What has happened in these conflicts?
- What has the organization done?

- What are the particular interests and needs of women workers/employers in the industry?
- What has the organization done to meet these needs or address these interests?
- How has this changed over the last year? How has this changed over the last five years?

- Does the organization bargain around wages and conditions of employment with informal worker/employer organizations in the industry? Or are there other collective agreements that apply to informal workers/employers in the industry?
- How long has this been the case?
- What happens in the bargaining process? *[Probe to develop an understanding of skills, practices and systems. Also, ask about changes in the past year and past five years (or longer) to catch changes from the apartheid institutional arrangements.]*

- Does the organization participate in policy-making forums where it interacts with government (local, provincial and/or national)?
- How and when did the organization get representation?
- What has happened in these negotiations/discussions? *[Probe to develop an understanding of skills, practices and systems relevant to members in the informal economy. Also, ask about changes in the past year and past five years.]*

- Are there policy-making or rule-setting bodies (local, provincial and/or national) from which the organization has been excluded? Why?
- Where should the organization be represented?
- What will it take to win representation?

- What relationship does the organization have with other worker/employer organizations in the industry?
- Does the organization belong to a national or international federation? Why? What are the advantages and disadvantages of these connections?
- Does the organization interact with other NGOs? What does this interaction involve?
- Does the organization have any contact with international agencies? What does this contact involve?

Annex 3: Guidelines for focus group discussions

Introduction (± 20 minutes)

[Introduce yourself and say where you're from.]

We have asked you to come here today because we want to learn about how to organize workers in the [$>>>$] sector/like yourselves better.

Before we begin, I must explain that discussion in the group is informal and it is very important that everyone participates. There are no right or wrong answers. Even though I'm from [the union], I still want to know what is right about what we do and what we can do better. So relax and feel free to say what you really think. You are also free to disagree with one another.

We are taping the discussion, but that is just to help us remember your input. The discussion is confidential, so you don't need to worry about us using your name in our reports. Do you have any questions we need to clear up about how this discussion group works?

To start with it will be good for us to get to know something about each other. Please tell us your name, what work you do, and what is happening with your work while you are part of this discussion. *[Spend a bit of time on each participant, asking about their work history.]*

- How long have you been doing this work?
- What were you doing before?
- Were you a member of a worker or other organization before?

Opening discussion on joining the union (± 20 minutes)

Let's talk about how it was that you came to join the union. *[Make sure each person gets a turn to answer the first question so that everyone speaks, but be more flexible afterwards.]*

- How did you find out about the union?
- When did you join the union and what did you have to do?
- Was it easy or difficult to join?
- What do you have to do to stay a member of the union?
- When you joined, what did you hope the union would do for you?

Discussion about what the union does (± 30 minutes)

Now let's talk about what the union actually does.

- What happened after you joined the union? Has the union done what you expected?
- What are the main things the union does for you?
- What are things that the union doesn't do that you would like it to do?
- Are there things the union does that you think it shouldn't?
- Can you describe a typical member of the union? *[Probe for race, gender and give pen sketches of different types of informal workers according to job category and/or job status to*

see if there are certain categories of workers that are more likely to join, and others that are less likely to join. And how this relates to different organizing strategies.]

- Why do they join? Why do others not join?

Discussion about how the union works (± 20 minutes)

Let's move on to talk about how decisions are made about what the union does.

- How does the union make decisions about what to do for its members and how to spend its money? *[Probe for workers' understanding of what the structures and decision-making processes are.]*
- Do you have any influence on what decisions are made?
- What can you do if you don't like the decisions that are made?
- How do you find out about what decisions have been made?

- What are the kinds of things that members disagree about in the union? *[Probe to understand if disagreements have anything to do with different interests of workers in the formal/informal economy or of different categories of workers or race and gender issues as appropriate.]*
- What has happened with these disagreements? Were they resolved? Are they still there?

Discussion about organizing strategies (± 20 minutes – depending on what has been covered)

The last part of our discussion is to make sure we get all your suggestions about how best to organize workers like you.

- What are the things that make the union strong for workers like you?
- What are the things that the union needs to improve to organize workers like you better?
- Are there opportunities for organizing more people like you, or for serving members like you better that the union could take better advantage of?
- What are some of the things that could make it difficult for the union to organize people like you?

Concluding comments (± 10 minutes – depending on how much time you have left)

Take a minute to think about this, and then we can talk about it. Thinking about all the things we have talked about today, what do you think the union should be doing to recruit the most workers or serve workers in [$>>>$] sector better?

Thank you all for making the time to come here and for participating in the discussion.

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6. “Home Work in Argentina” (*Series on Homeworkers in the Global Economy*), Elizabeth Jelin, Matilde Mercado, Gabriela Wyczykier, 2000
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36. “Organizing in the Informal Economy: A Case Study of Street Trading in South Africa” (*Series on Representation and Organization Building*) Shirin Motala, 2002