I. INTRODUCTION

The informal economy has become an important source of livelihood for many men and women in developing countries affected by poverty and unemployment. The definition of the informal economy has evolved over the past three decades, as a consequence of new scholarship, to include “all remunerative work –both self-employment and wage employment –that is not recognized, regulated or protected by existing legal or regulatory frameworks as well as non-remunerative work undertaken in an income-producing enterprise” (Chen et al. 1999; Becker 2004; UNSHP 2006). Both micro and macro studies have illustrated that the informal economy is growing rapidly, and has formed an integral part of the modern capitalist economies, particularly in developing and third-world countries (Chen 2004). Informal employment constitutes 72% of the non-agricultural employment in sub-Saharan Africa, 65% in Asia and 51% in Latin America (ILO 2002; Chen 2004). The fluctuation of global markets, impact of globalization and the pervasive dependency of capitalist intensive technology have collectively contributed to the informalization of the workforce (Chen 2004; UNHSP 2006). Women constitute a major component of the informal workforce. Lack of employment, minimal education, chronic poverty and cultural and religious constraints have forced many women to engage in this type of work.1

The informal economy in South Africa must be understood within the context of South Africa’s political history. During apartheid informal trade was an important source of livelihood for many non-whites, especially African men and women. It was in response to the discriminatory legislation enacted against non-whites, which restricted their economic, political and freedom of movement within the country. Given this political scenario, the vast majority of African men and women, were confined to employment outside the formal economy. They worked as mine labourers, domestic servants and field-labourers. Street trading, however, was prohibited via a series of municipal by-laws. In post-apartheid South Africa, the informal economy had grown considerably due to a combination of economic and social factors. It has become the primary source of employment, particularly for African men and women outside the formal economy (ILO 2002). Both economic and social factors have played a pivotal role in sustaining the informal economy. The government’s adoption and implementation of neo-liberal economic policies, such as RDP (Reconstruction and Development Programme) and GEAR (Growth, Employment and Redistribution), did little to enhance the lives of the working classes. The RDP, a social development programme adopted in 1994, which aimed at improving the quality of life of ordinary South Africans was abandoned after two years due to poor administration, inept political leadership and
insufficient resources. In 1996 GEAR was introduced, which focused on economic stability and an investor-friendly environment with the aim of redressing past inequalities through development. Emphasis was placed on curbing government expenditure, lower fiscal deficits, lower inflation, deregulation and privatization of state assets. (Munslow et al. 1999; Le Roux 2001; Bhorat 2002). Overall, these policies did little to improve the socio-economic status of ordinary South Africans and perpetuated high unemployment levels and chronic poverty amongst the masses.

These socio-economic problems have been further magnified by the HIV/AIDS pandemic. Given this scenario many men and women were forced to seek alternative livelihoods, particularly in the informal economy. In 2001 approximately 1 million people were employed in the informal economy, in 2003 it doubled to 1,899 million. By March 2007 it was estimated at over 2 million (Orr n.d.). Given the gender component on the statistics on unemployment and poverty and HIV/AIDS it is not surprising to find, that demographically women constitute a key element of the informal economy. Women are more likely to enter the informal sector, due to higher levels of unemployment among them, lack of skills and training, and many are sole breadwinners in the family. They engage in a variety of activities such as street trading (buying and reselling various products, such as fruits, vegetables, clothing, household items etc), home-based workers (they generally produce their own goods for sale, designing and manufacturing clothes, food catering and craft-work), cardboard collecting (collection and selling of waste cardboards) (Budlender and Theron 1995; SEWU 1995). This paper aims at illuminating the lives of home-based workers in KZN. Given the nature of their work, they remain “hidden” and “invisible”. It is thus vital that this “invisibility” be remedied. Research capacity needs to be strengthened in the areas of documentation, monitoring and evaluation, and to examine and analyze women’s responses to poverty and unemployment and sustainable livelihoods. Without such capacity, women’s engagement in home-based work will continue to depend too much on anecdotal evidence rather than empirical research. Thus, this paper, to some extent, makes a contribution in addressing these gaps.

I.1 Conceptualizing Home-based Work

Over the past decade both macro and micro studies have illuminated and documented the status of workers in the informal economy. However, few studies have highlighted the plight and challenges of a “highly invisible” segment of the informal economy namely home-based workers (Budlender and Theron 1995; Bajaj 1999; Heikel 2000; Tomei 2000; Sudarshan and Unni 2001; Chen et al. 1999; Unni and Rani 2004; Cunningham and Gomez n.d; Tipple 2005). While these studies have certainly contributed to the sparse literature on home-based workers, there appears to be no uniform definition on its terminology. Home-based work is a “difficult empirical concept” (Cunningham and Gomez n.d.). Some studies have used the terms home-based workers and home workers interchangeably, while others have used varied criteria to define home-based work. (Budlender and Theron 1995; Bajaj 1999; Heikel 2000; Tomei 2000; Chen et al. 1999; Unni and Rani 2004; Cunningham and Gomez n.d).

For example, studies in Latin America, Asia and Africa, where home-based work is prevalent, the place of work, the home, is a common determining variable in identifying and defining home-based or home-workers. However the nature of work undertaken, the degree of autonomy, remuneration, varies amongst home-based workers in different parts of the globe thereby creating confusion in the conceptualization of these informal workers. In fact, many women in these studies identify themselves as “not employed” or as “housewives” despite the fact that “they are spending 14-16 hours a day earning income to support their families” (Jhabvala R and Tate J 1996). Home-based-workers are generally characterized as self-employed or independent workers, piece-rate workers, contract wage labourers and small family firms who work for a “middle man” or a chain store (Cunningham and Gomez n.d.). Studies in Latin America has shown that home-based work is more common amongst women than men. Women were more likely to be found in the traditional sectors, for example in the clothing and textile industries, leather and footwear, as well as the wood industries (Heikel 2000; Tomei 2000). They are also visible in non-traditional sectors such as metalwork and information technology (IT). Due to the revolution in technology a new
group of workers has been identified, known as “new home workers”. They are contracted to assemble electronic parts and processing technological data. In most cases these are individuals who are skilled professionals and specialists in their field (Heikel 2000; Jelin 2000; Tomei 2000; Vaderea 2000). Quite interesting, in Latin America is that home-based work is not the main source of livelihood for many women, but a secondary occupation to supplement their main income. Some individuals due to poor economic circumstances, work in paid employment in the mornings and thereafter engage in self employed work later in the day. Those who run family firms are semi-independent. Their autonomy is determined, to some extent, by the companies they are subcontracted. For example in the clothing and garment industry, the contracting company selects the raw materials in terms of the fabric, colour and design. In addition, the company also “retains control over acceptance or rejection” of the completed product (Heikel 2000; Jelin 2000). Other studies have shown that in some cases due to economic hardships home-based family firms or individuals are subcontracted to multiple companies (Vaderea 2000).

In Asia, particularly India, home-based work is both an urban and rural phenomenon. Women are predominantly visible in this form of work. They can be found working from home as weavers, bidi (cigarette) rollers, potters, papad (bread) makers, garment producers and craftwork. Many work on a piece rate basis for selected companies. The company provides the raw materials such as bamboo-sticks. Women are often assisted by their children in the production of agarbatti rolling. However the overall income levels of these women are generally low. Subsequently, as in Latin America, given the poor remuneration, many women supplement their income by engaging in domestic labor, petty trading and hawking of fruit and vegetables (Bajaj 1999).

Studies in some parts of Africa have shown that there are no gender differentiation amongst home-based work. It was undertaken by both men and women, plagued by poor socio-economic conditions. In Africa, unlike their counterparts in Asia and Latin America home-based workers, to a very large extent, are self-employed and work independently from home. In a pilot study undertaken in Zambia’s Copperbelt Province, research has shown that home-based work is largely a family-orientated enterprise, with family

members providing the main source of labor. The family enterprise is independent, has full control of the resources and determines pricing, labeling and marketing of the product. They engage in a variety of activities from fruit and vegetables, carpentry, garment and reed mat manufacturing (Kazimbaya-Senkwe 2004). Research in South Africa has shown that home-based work is characterized by gender, class and race (Budlender and Theron 1995; May and Stavrou 1990; Snyman 1990; Napier and Mothwa 2001; Kellett et al. 2002). It is most prevalent amongst Africans, particularly women in low income groups. This type of work is often described as “survivalist” generating a low income. Women are forced to undertake this type of work due to poor economic conditions. They are self-employed individuals who run small scale businesses from home, sometimes described as “micro-enterprises”. They engage in a variety of economic activity from beadwork, to garment stitching, running a “spaza” (small store) shop and food catering. In most cases they run their businesses independently with no intermediaries or middlemen. Very few work as contract employees or piece rate workers. (Budlender and Theron 1995; May and Stavrou 1990; Napier and Mothwa 2001; Kellett et al. 2002; Napier and Liebermann 2006). They are assisted mainly by family members or sometimes recruit assistants. To a very large extent this type of work is undertaken “not out of choice” (Budlender and Theron 1995).

This paper situates itself within the above theoretical framework. It provides a feminist perspective of informal work in KZN, with particular reference to home-based workers. It examines women’s agency in informal work, and profiles the nature, content and form of work undertaken. It focuses on women who are primarily self-employed and independent and who engage in economic activities within the confines of their home. It also illuminates some of the challenges women face as home-based workers given their “hidden” and “invisible” status. In this paper I have opted to use the term home-based workers to describe the women who engage in this type of informal work. This paper seeks to add to the sparse literature on home-based work in KZN and women’s contribution to the informal economy.

I.2. Kwazulu/Natal: An Overview

This study was primarily undertaken in KZN,
a province located on the east coast of South Africa. It is the largest of all nine provinces in South Africa and home to approximately 10 million South Africans. Demographically, Africans constitutes approximately 83% of the population, followed by Indians 9%, whites 6% and Coloureds 2% (Provide Project 2005). It is one of the most cosmopolitan provinces in South Africa, inhabited by people of varied ethnic, religious and linguistic groups. The African population are predominantly Zulu-speaking and there is a strong adherence to Zulu religious and cultural practices. The Indian community are mainly descendants of indentured labourers and traders who arrived in Natal in the 1860s. The labourers were mainly Hindi, Tamil and Telegu speaking Hindus while the traders amongst them were Gujarati speaking Muslims and Hindus. The province is plagued by high levels of crime, poverty and unemployment. It has also one of the highest HIV infection rates in the country. Since 1994 the KZN legislature has sought to enhance economic growth and job creation through the Expanded Public Works Programme. This involved the construction of roads, bridges and residential homes (Provide project 2005). However, despite these initiatives the KZN government has not been successful in sustaining job creation and alleviating poverty. In 2006 unemployment levels in KZN were approximately 30%. (Ndebele 2007). Thus given this socio-economic status of the province, many men and women have opted to enter the informal sector to generate a sustainable livelihood.

In KZN informal trade constitutes a wide range of economic activities. Street trading is one of the most common and visible forms of informal work. Home-based work is also common and widespread but not visible. Preliminary fieldwork was undertaken in 2005 to determine the nature and extent of home-based work in the province. The findings reveal that this type of informal work was most prevalent among African and Indian women in low income groups. These women were located in and around the city of Durban, as well as the predominantly African and Indian township of Inanda and Umlazi, and Chatsworth and Phoenix respectively.

II. RESEARCH METHODOLOGY

The main research site for this study was Chatsworth. This residential area, approximately 25 km from central Durban, was created as a result of the Group Areas Act of 1950, which confined people of a particular race group to trade and reside in specific areas. Chatsworth was created in the 1960s and early 1970s and was designated for use by the Indian population. Chatsworth is still mainly Indian in occupation and over the past decade has contributed to the industrial and business environment of Durban. However, the area is still largely a working class area with high levels of poverty and unemployment. A pilot study over a three month period between January and March 2007, was conducted with 25 Indian women who engaged in home-based work. Interviews were conducted with the assistance of four postgraduate students. The main medium of communication was English during the fieldwork. The questionnaires were semi-structured. Biographical information was elicited to assess how gender, race, age and education levels impacted on this type of informal activity. Detailed questions were also asked about their work history, labouring conditions at home and occupational risks to establish some of the challenges the women confronted as home-based workers. Focus group discussions were also held with women engaged in informal work, 15 women per group. This generated important information about family businesses and community life. It also permitted the analyses of gender roles in different households and in varied socio-economic settings.

III. RESULTS AND DISCUSSION

In South Africa there is no statistical data to determine the size and nature of home-based work. Our understanding and knowledge of this type of informal work is largely informed via ethnographic data (Budlender and Theron 1995; May and Stavrou 1990; Snyman 1990; Napier and Mothwa 2001; Kellett et al. 2002; Napier and Lebermann 2006) which shows that home-based work is conducted by both men and women, but predominantly women. However, comparative research undertaken in Durban and Cape Town on home-workers in the garment industry revealed some interesting facts. For example, men were more visible in home-working activities in Durban than Cape Town where women largely predominated. Men engaged in diverse activities such as “cutters”, drivers, as well as engaging in “traditional female work” such as machinists,
undertaking trims, ironing and packaging (Clarke et al. n.d.). The overrepresentation of women in this type of informal work is common in other developing and developed countries. In Europe (United Kingdom, France, Germany, Greece and Italy) and Latin America, over 80% of known home-based workers are women. Both ethnographic data and surveys have yielded similar consensus. In Asia, for example in Pakistan, India and Bangladesh women work largely as piece rate workers and constitute the main source of labour (Bajaj 1999).

Fieldwork conducted in Chatsworth has revealed that home-based activity was largely undertaken by women plagued by poverty and unemployment. One respondent stated she undertook home-based work “to fight poverty which was confronting her family”. The majority of home-based workers in this research were primarily between the ages of 20-60 years. Well over 60% of the interviewee’s were between the ages of 30-60 years. It would appear that there was no defining age when one enters the informal economy. This is largely determined by personal and socio-economic conditions. For women between the ages of 20-29, many engaged in home-based work after completing high school. They were mainly single parents, unmarried and lived with unemployed parents. Moreover, they found it difficult to acquire stable employment and subsequently sought alternate ways of seeking a livelihood. Well over 80% of the women in this study were married. Others were divorced, single and unmarried mothers. Of the 25 respondents at least 18 were women-headed households. The spouses of 5 of the women respondents were plagued by poor health and were unemployed. Spouses who were employed often engage in casual work as bus and truck drivers, cashiers in retail chain stores, hawking fruit and vegetables and crockery. Three of the respondents indicated that their spouses assisted in their home-based business on a full-time basis. For many women in this survey, engaging in home-based work was their only source of income. Interestingly, 10 of the respondents indicated that they opted to live in an extended family system to curtail living and household expenses.

Both macro and micro studies over the past decade on home-based work have indicated that chronic poverty, low levels of education and high unemployment were amongst the main factors for men and women engaging in this type of informal work. However recent studies have revealed that cultural factors (Prugl 1996) played an important role in determining not only a women’s social status but also her economic activity. In an ethnographic study of women piece rate workers in Pakistan in the 1980s, research showed that observance of purdah (practice of seclusion, wearing of the veil) brought not only respectability to a women’s family but also to herself. For example, the practice of purdah, in many instances, confined women to the home. Women were only allowed to engage in economic activity within the confines of their home. Purdah was particularly enforced amongst young unmarried girls as their reputation was zealously guarded. Young women engaged in home-based activities such as tailoring and embroidery to accumulate funds for their dowry upon marriage (Prugl 1996).

In KZN cultural factors did to some extent, determine a women’s status at home, but did not necessarily confine her economic activities within the home.

III. 1 Education Levels

The education profile of women in this study were generally low. Over half of the women had completed formal schooling. The women between the age categories of 20-35 all completed twelve years of formal schooling. Due to economic hardships, such as poverty and financial
constraints they were unable to pursue tertiary education. Furthermore, 5 of the women in this study indicated that they were forced to leave high school to support their unemployed and ailing parents. The older women between the ages of 40-60, did not complete formal schooling and 6 women amongst them received no schooling. The above findings to some extent correlates with research undertaken in Latin America and Asia. Studies in Peru, Argentina and Chile has shown that the educational status of home-based workers were generally low but in some instances varied depending on the type of work undertaken. For example, individuals who engaged in home-based work as a secondary occupation, particularly in the promotion of goods, had some form of post secondary qualification (Tomei 2000). Studies in Brazil and Mexico indicate that education levels among contract workers and self employed individuals were generally low with many “less than a secondary education” (Cunningham and Gomez n.d.). In Asia, particularly in Pakistan, India and Bangladesh, the education profiles of home-workers, predominantly women, were overall very low (Bajaj 1999). Very few women entered formal school.

III. 2 Nature of Home-based Work

Global studies on home-based workers has shown that “production processes and outputs vary” (Cunningham and Gomez n.d.) depending on the economic climate and personal circumstances of individuals. In South Africa qualitative studies reveal that individuals in home-based enterprises engage in economic activity that can be categorized as follows: Retail sector which involves economic activities such as spaza shops, informal fast foods, shebeens and street vendors; Service sector: public phones, hair salons, shoe repairs, selling of car and truck spares and lastly production: tailoring, dress making and carpentry (Napier and Liebermann 2006; Tipple 2004). Regional location, to some extent, determined the nature of economic activity pursued. For example in the Inner city areas in the province of Gauteng the retail and service sector predominated. In the Townships for example in Soweto men and women ran shebeens, engaged in craftwork and clothing production and manned successful spaza stores. In this study the women engaged in a variety of economic activities. They can be identified as follows:

- Bottling home-made chutney and pickles
- Tailoring clothes for children and adults
- Home-made confectioneries
- Selling crockery and household items
- Floral arrangements
- Beadwork
- Craftwork and Embroidery

All the women in this study, with the exception of one, were engaged in their businesses on a full time basis. Of the 25 interviews conducted, 6 women started their business in the 1980s, 10 in the 1990s, 6 between the period 2000-2005 and 3 in 2007. Eleven of the 25 women interviewed, on average, were engaged in home-based work for approximately 12 years. These findings indicate that home-based work is not transient or necessarily temporary, but to some extent, provides a sustainable livelihood for many women. None of the respondents in this study were contract workers and had no formal employer. In addition, the women in this study did not have any supplementary or secondary employment. In other words home-based work was their only source of income. In this research it was difficult to establish actual earning capacity of the respondents. Women were rather very reluctant to divulge their approximate earnings on a monthly basis. However via personal interviews and focus group discussions it became evident that among some women the income derived from home-based work generally sustained their rent and food expenses, while the vast majority lamented the low earnings, which did not always cover their household and living expenses.

III. 3 Home as a Place of Work

All the respondents in this study worked from home. The home served both as a place of dwelling and workplace. Many women either rented their dwellings or lived with their parents or in-laws. The size of these dwellings varied according to the income levels of the individuals. In most cases they were often one or two bedroom homes, which included a kitchenette, small living room and a combined toilet and bathroom. From the personal interviews conducted, most noticeable was the problem of overcrowding. Many women complained of their small working space and strongly felt that it was not conducive to running a successful business from home. There was no spare room to utilize as
a workstation and often women used either the kitchen or the living room as their place of work. Tipple (2004) has argued that “not only do small and crowded spaces provide few choices for domestic life, but also they constrain HBE (home based enterprises) activity, not by preventing it but by restricting its scale and likely profitability” (Tipple 2004). While the home was an important place for the production of their goods, there were however respondents who sold their completed products in the open market. For example, four of the respondents purchased crockery and household items, such as tea-cups, saucers, glass bowls, brooms, dish clothes from local wholesalers. These items were in storage at home either in the garage or in some cases the living room. During the week day the respondents sold these items from home. However during the weekend they sold their wares in the local market. Three of the respondents were in the food industry, baking daily fresh cakes, cookies and tarts from home. These women took private orders from the local residents and also sold their products during the week at flea markets, church halls, pension pay points and school grounds.

The above examples cite some of the challenges Indian women encounter as home-based workers. There were however, advantages that were clearly highlighted in the interviews. The home not only provided an opportunity for women to generate income but also to attend to domestic and child rearing responsibilities. Many of the respondents in this study first sought to attend to their domestic and childcare duties before engaging in their home-based activity. Thus the number of hours women spent on their economic activity varied. For example, four of the women who engaged in craftwork and beading, indicated that they started their home-based activity once their children were at school and their household chores were completed. One stated “I do most of the work whilst they are at school). Thus their craftwork began around 10.00am and often ceased around 2:00pm once their children returned from school. This would later resume at 9:00pm in the evening once the children were asleep. Other advantages were the low overheads (depending on the nature of work undertaken), particularly in terms of transport costs, fuel, and renting of work premises. Most of the respondents commented on the flexibility of hours which enabled them to some extent, to balance their roles as wives, mothers and informal workers.

III. 4 Setting Up a Home Business

All the respondents in this study were sole owners of their business venture. They were not contract workers or unpaid labourers. None of the respondents were in partnership with family members or friends. Depending on the nature of work undertaken, many women experienced difficulties when initially establishing their businesses. Access to finance and raw materials were among the major problems confronted by women. For example, women in garment production required sewing machines, needles, fabric, cotton and sewing accessories. Women who engaged in food catering required refrigerators, stoves, and baking equipment and confectionery items to start their business. A common complaint from the respondents was the lack of seed capital in their business ventures. One respondent stated “I had to struggle on my own to get funds” while another stated “There was no money to start the business. Attempts by some women to secure loans from local banks proved fruitless. Many banks requested collateral and securities which many women were not in a position to submit. Three of respondents approached the local Town Council for funds but were unsuccessful. Lack of start up capital meant that women were forced to secure alternative funding. Many of the respondents sought the financial assistance of family and friends. For example, their spouses, brothers and sisters and parents provided them with funds ranging between R500-R1000. Funds were used to purchase raw materials and advertise their business in community newsletters. Other expenses incurred were electricity and water usage as well as telephone bills. None of the respondents employed assistants, but during peak seasons, for example the Easter and Christmas vacations, their spouses and children often assisted with packaging, labelling and selling of the product. Very few respondents provided their customers with credit, in fact only immediate family and close friends were afforded that privilege. Very few of the respondents kept business records, in terms of cash registers and receipts.

IV. CONCLUSION

In conclusion this research has shown that home-based work is not a homogenous informal economic activity. It differs in terms of regional
location, nature of work undertaken and the socio-economic challenges women encounter. Home-based workers in South Africa unlike their counterparts in Latin America and Asia are mainly independent workers. For the vast majority of women in KZN, plagued by poverty and unemployment it is a survivalist livelihood. The income derived, albeit limited, to some extent sustains their daily needs. By examining the varied nature of home-based workers in KZN and the challenges women encounter, we are better engaged in the way we understand and conceptualize informal workers in the South African economy. Moreover, these findings are also relevant in informing and creating public awareness of these “invisible workers” and their contribution to the informal economy. Fieldwork undertaken in this study has revealed that there are instances where men work from home for a livelihood. However we know very little about this aspect of informal work amongst men. Further research needs to be conducted on this issue to inform our understanding of the gendered nature of informal work.

NOTES
1. In Africa 84% of women are engaged in informal employment, 58% in Latin America. Theses statistics based on a statistical booklet compiled by the International Labor Organization ILO in 2002.
2. We need to be cautious of these figures as the informal economy is rather volatile, people ease in and out of this sector once formal employment acquired. These figures are just rough estimates.
3. Spaza shop an informal business in many parts of South Africa usually run from home. They mainly serve as convenience shops and sell everyday small household items.
4. Home-based enterprises-small scale businesses run from home
5. In Africa 84% of women are engaged in informal employment, 58% in Latin America. Theses statistics based on a statistical booklet compiled by the International Labor Organization ILO in 2002.
6. Spaza shop an informal business in many parts of South Africa usually run from home. They mainly serve as convenience shops and sell everyday small household items.
7. Phoenix – predominantly Indian residential area south of Durban
8. Home-based enterprises-small scale businesses run from home
9. Shebeens in South Africa are most often located in African townships as an alternative to pubs and bars. During the apartheid period Africans could not enter a pub or bar reserved for whites.
10. Gauteng is a province located in South Africa which formed part of the old Transvaal. Initially named Pretoria-Witwatersrand-Vereeniging (or PWV) and was renamed Gauteng in December 1994. It is the smallest province in South Africa.
11. In South Africa townships usually refers to underdeveloped urban living areas reserved under apartheid for non-whites. They were built on the periphery of towns and cities.
12. Soweto (South Western Township) is an urban area (occupied predominantly by Africans) in Gauteng, South Africa.

REFERENCES
THE “INVISIBLE” WORKERS OF THE INFORMAL ECONOMY


