

The art of survival



Economic agency, strategy and informal self employment
at the margins of the South African economy

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Andries du Toit and David Neves

Institute for Poverty, Land and Agrarian Studies



understanding survivalist improvisation

What are the key strategies and mechanisms for dealing with marginalization and adverse incorporation that inform the choices and behaviour of informally self employed people at the margins of the South African economy? [The dominant discourse about the informally employed is one of exclusion and depression. This study wanted to get away from that discourse, to view informally self employed people as economic agents – to get away from normative notions about the choices poor people make.]

structural poverty and adverse incorporation

The spatial legacy of apartheid
excludes people as workers, producers & traders, imposing
obstacles to market access...

... and **includes** them as consumers, linking them to an
overdeveloped, concentrated and anticompetitive
corporate core

a methodological problem

Informal sector 'businesses' are deeply entangled in intra and inter household resource flows and dynamics [Are they selling their groceries or selling their stock?]

Analysis of 'firm behaviour, ' household poverty surveys both miss part of the picture [hidden transfers, free family labour are invisible to enterprise analysis. On the other hand household surveys don't look at the business logic]

The challenge: 'stereoscopic' research that integrates analysis of business logic with an understanding of household / social network dynamics

some findings

Informal self employment serves a wide range of aims, not simply income stream maximisation [can involve attempts to reposition themselves in their social networks; intergenerational livelihood strategies e.g. To keep a foothold in the city so that kids can be sent to better schools; sometimes food security more important than profit].

Livelihood strategies are plural, hybrid, cross-subsidising, synergistic [formal incomes/social grants supplement informal incomes].

Notion of hand-to-mouth 'survivalism' underestimates the vitality and subtlety of adaptive strategies [large range of activities cobbled together to maintain the household]

strategy

Competitive strategy is based not on efficiency, price and quality but on locational advantage, niche focus, super-exploitation and 'social capital'

not 'market' transactions; rather socially networked 'value chains' [key to overcoming issues associated with non face-to-face transactions]

not formal credit; rather social reciprocity in clan / kin networks

economic agency is both founded on and constrained by social agency
eg. Choosing to keep businesses small.

points for an agenda

policy should focus on restructuring the context, not remediating behaviour [comes back to the point that you cannot solve problems of the informal economy by working in the informal economy, change has to be structural].

E.G. Infrastructure, assets, safety, governance

key challenge: the local spatial configuration of marginal economies [a need also to think about this at the regional level; need to think further about the role of land reform in addressing spatial inequalities].

don't fiddle on the margins

Remember: the dynamics of adverse incorporation
are *continuing* and *intensifying*

questions of pro-poor growth and employment should inform core
economic policy