

COVID-19 Crisis and the Informal Economy: Informal Workers in Durban, South Africa



The vast majority of informal workers were unable to work during the lockdown in April 2020. The effects have been long lasting — by July, none of the occupational groups surveyed had returned to pre-lockdown average levels of daily income. (This photo was taken prior to the start of the COVID-19 pandemic). Photo credit: Angela Buckland

Key Findings

Restrictions and the economic crisis associated with the COVID-19 impact have had a profound impact on informal workers in Durban, South Africa, in terms of their ability to work, income, and household and care responsibilities.

- 1 97% of street vendors, 95% of market traders and 74% of waste pickers stopped working in April 2020 during the heaviest restrictions. By July, none of the occupational groups surveyed had returned to pre-lockdown average levels of daily income, with 72% of workers reporting a drop in household income compared to pre-lockdown levels. Waste pickers reported earning 70% of their pre-lockdown earnings and street vendors were earning less than half of pre-lockdown earnings.
- 2 Although the majority of street vendors and waste pickers were able to return to work by July, 50% of market traders were not able to continue working after the strict lockdown, with 53% reporting zero earnings in July. Reasons for this include the high price of produce, insufficient capital to re-stock, health concerns and municipal regulations that have interrupted the footfall into the market.
- 3 Food security has been a major concern for informal workers, with 81% of workers reporting incidents of hunger among adult members of their household during lockdown. In households with children, 90% reported incidents of hunger among children.
- 4 The dire situation of informal workers has been exacerbated by punitive and unsupportive interpretations of lockdown rules and regulations by the eThekweni (Durban) Metro, including a lack of consultation with informal workers, the impounding of goods and produce, overly restrictive regulation of market spaces, and continuing hostile and sometimes violent behaviour towards waste pickers and street vendors.
- 5 During the lockdown, workers across occupational groups reported increases in unpaid household responsibilities such as cooking, cleaning and child care. Women reported increases more frequently than men.
- 6 In July, 39% of workers reported receipt of cash support from the government, and 38% of workers reported receiving food aid. The receipt of cash and food assistance was uneven across sectors and genders. Waste pickers were less likely than other occupational groups to have received a cash grant from the government, while market traders were significantly more likely to have received food aid. Women were twice as likely to have received cash relief than men.

Background

COVID-19 Crisis and the Informal Economy is a WIEGO-led 12-city longitudinal study that assesses the impact of the COVID-19 crisis on specific groups of informal workers and their households. Using a survey questionnaire and in-depth interviews, Round 1 assessed the impact of the crisis in April 2020 (the period of peak restrictions in most cities) and in June/July 2020 (when restrictions had been eased in most cities) in comparison to February 2020 (pre-COVID-19). Round 2 will assess continuing impacts versus signs of recovery in the first half of 2021, compared to the pre-COVID-19 period and Round 1. This report presents the summary findings of Round 1 of the study in Durban, South Africa. Researchers in Durban surveyed 185 informal workers in three sectors who work with Asiye eTafuleni, the local partner organization of informal workers. They also interviewed nine informal worker leaders to gather qualitative insights.

Informal economy in South Africa and Durban

South Africa has a relatively small informal economy in comparison to the rest of sub-Saharan Africa. Approximately 24% of urban employment is informal, with the eThekweni (Durban) Metro reporting 26% informal employment. Women make up a slightly higher share (27%) of the metro's informal workers than men (25%) (Rogan, 2019)¹. While individual incomes are often low, cumulatively these activities contribute to the economy, and the informal economy has been shown to play a critical role in poverty reduction (Rogan & Cichello, 2020)². Asiye eTafuleni (AeT), WIEGO's partner for the Durban study, is a not-for-profit organization that has worked for the past 12 years in Warwick Junction (Durban's main transport and informal trading hub) to enhance the lives of the informal workers who earn a living in the area. Working largely with street and market traders and waste pickers, among others, AeT has developed a strong degree of trust with the informal worker communities in the area. Projects that AeT is involved in include infrastructural interventions in the various markets in Warwick Junction; facilitating engagement with local government; educating traders about their constitutional rights and advocating alongside them for their rights to be realized; improving child care options for informally working mothers; and, more recently, assisting with the immediate needs of informal workers during the COVID-19 crisis.



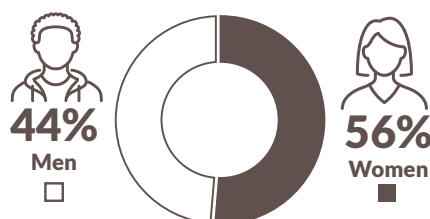
"COVID has been a rollercoaster for most informal workers...Prior to lockdown, I used to make R500-R600 per day selling spinach, amadumbe [taro] and sweet potatoes. I could clock R2,000 monthly. After COVID-19, I barely make R500 per month."

– Woman Street Vendor, Durban

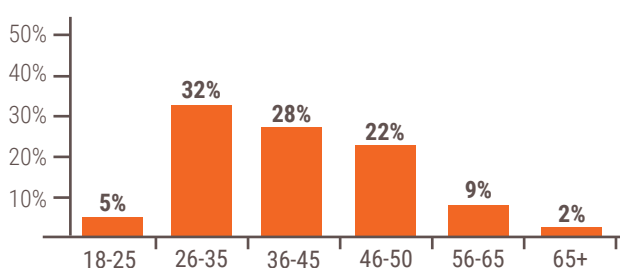
Number of participants by sector group



Gender of respondents



Age range



Dates of Study:

The phone surveys were conducted from 1-30 July 2020 and the semi-structured interviews were conducted from 1-14 September 2020.

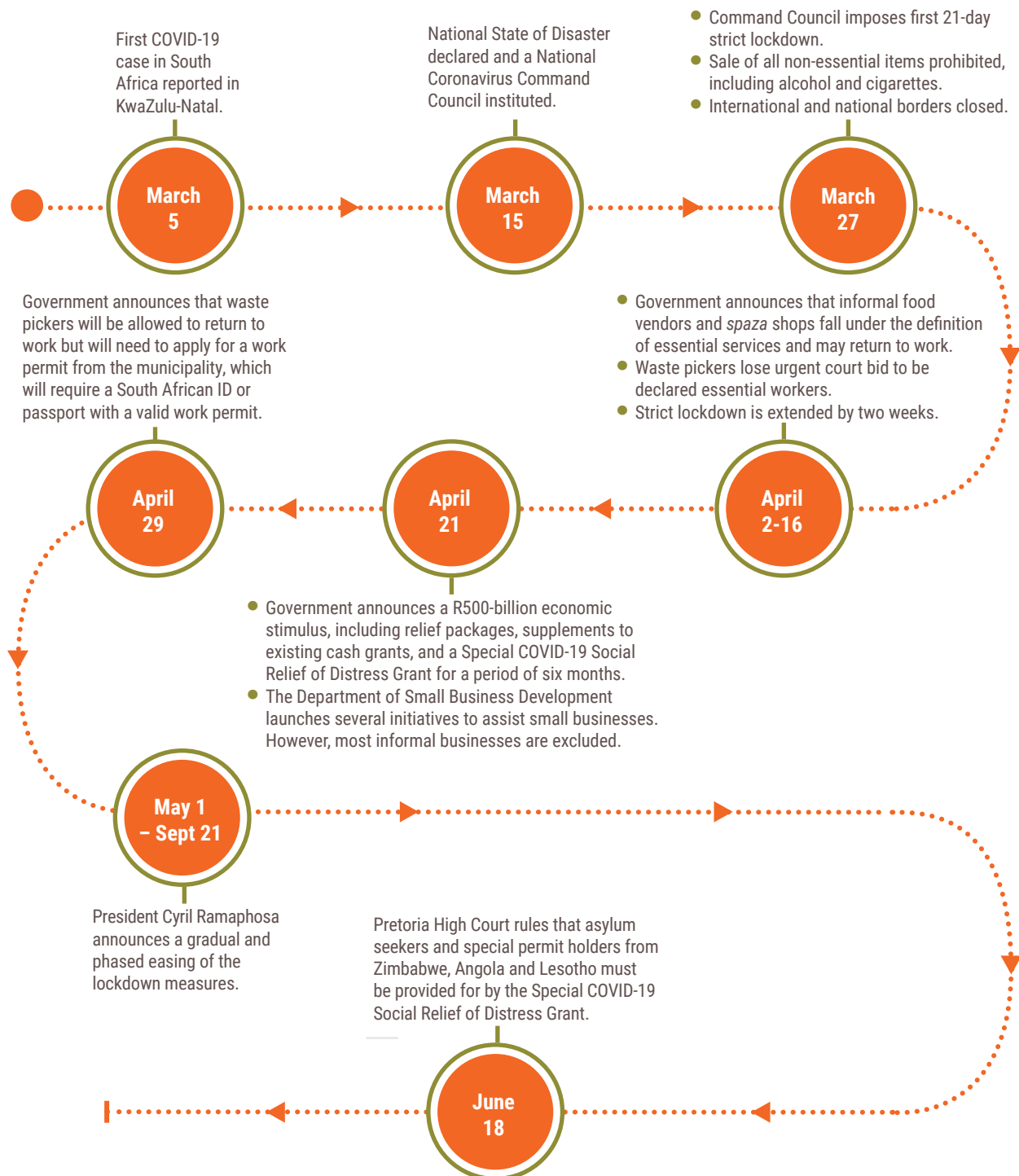
*The survey sample is intended to reflect the composition of Asiye eTafuleni's constituency and is not representative of market vendors, street vendors and waste pickers in Durban more broadly.

1 Rogan, M. 2019. Informal Workers in Urban South Africa: A Statistical Snapshot. WIEGO Statistical Brief No. 19.

2 Rogan, M & Cichello, P. 2020. (Re)conceptualizing poverty and informal employment in M.Chen and F.Carre (eds), The Informal Economy Revisited: Examining the Past, Envisioning the Future. London: Routledge

Policy responses to COVID-19

Timeline



"I think this will take another 2 to 3 years for people to recover. People have lost their jobs, which has a really negative impact on their livelihoods. There are traders who have no income at all who are struggling and it will take them time to recover."

– Woman Market Trader, Durban

Work, Income, and Food



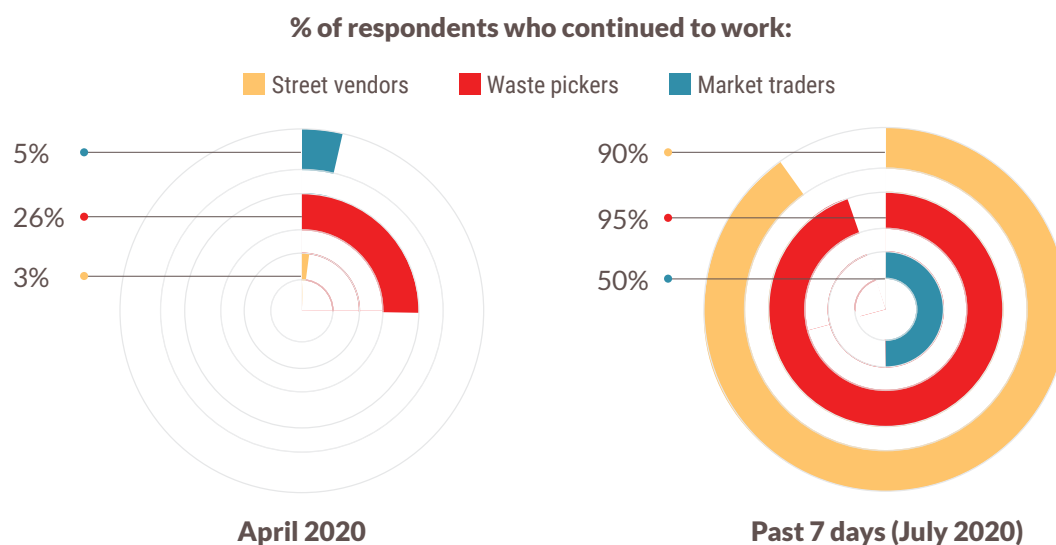
Market traders have been less able to get back to work than the other occupational groups surveyed. This is mainly due to the lack of capital to acquire new stock, health concerns, and ongoing municipal restrictions which have interrupted footfall in the markets. Photo credit: Gerald Botha

Work

The COVID-19 crisis dramatically affected informal workers' ability to work and earn.³ The vast majority of market traders and street vendors were unable to work in April 2020 during the heaviest restrictions.

More waste pickers were able to continue working than other occupational groups, although average earnings reported in April were only 13% of those reported for pre-lockdown, due to a combination of restrictions and interruptions in market relationships.

Although by July most street vendors and waste pickers had returned to work, market traders have been less able to recover. This is mainly because of lack of capital to acquire new stock, health concerns and ongoing restrictions that have interrupted footfall in the markets and reduced access to passing trade.



³ Note that earnings data for market traders is not available.

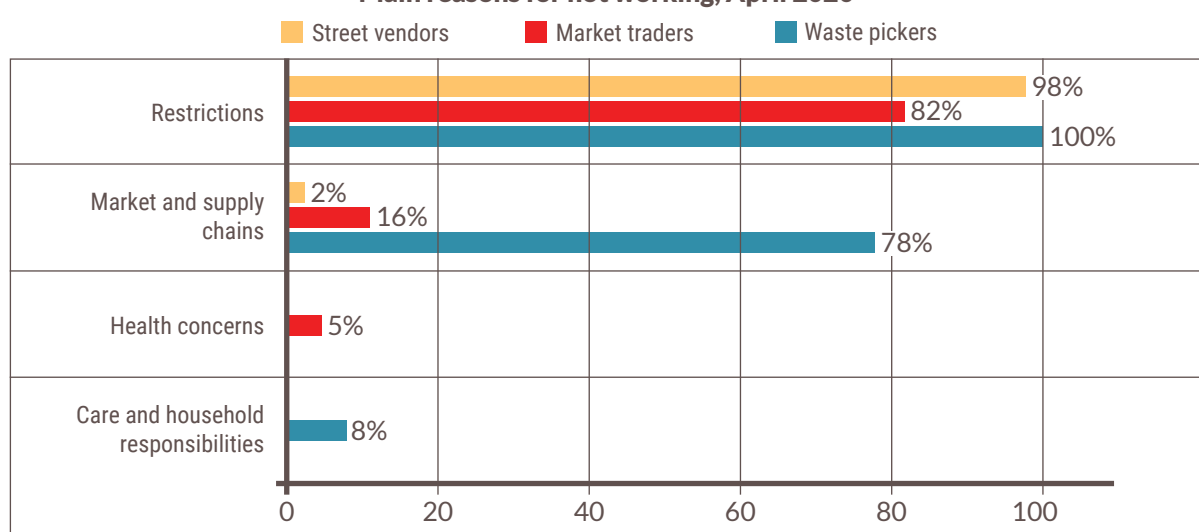
Women waste pickers were less able to continue working during the April lockdown than their male counterparts and were also less likely to have returned to work in July. Interrupted market relationships and violent harassment from police contributed to this situation. The same is true for women street vendors, although the gender differentials are less significant. For market traders, the reverse is true – more women than men have been able to return to work.



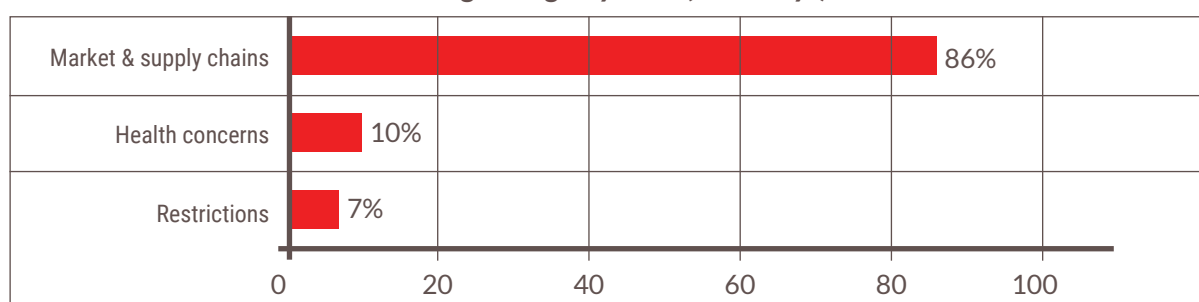
“I’m not sure if we will recover as recyclers. The big companies do not want us anymore. Accessing waste is a mission now because the police are also adding a strain in our lives. The middle agents are still exploiting us and taking advantage.”

– Woman Waste Picker, Durban

Main reasons for not working, April 2020⁴



Reasons for not working during July 2020 (last 7 days) – Market Traders



“Access to the market itself has been limited by frivolous rules imposed by the municipality requesting each and every customer entering premises to duly submit their ID details, address, contact details etc. In as much as it is understandable, it is however, a deterrent as most clients complain about the time-consuming process. Also, four primary gates were closed with only one gate opened, meaning all traders located in places far from the entry gate lost a lot of money.”

– Man Market Trader, Durban

⁴ Respondents could select more than one reason for not working

Earnings

Average earnings⁵ plummeted during April. Most street vendors and market traders were unable to earn during this period, and waste pickers reported average earnings of 13% of pre-lockdown average earnings. Despite the return to work by July for most street vendors and waste pickers, the number of days worked per week and typical gross incomes have not recovered to pre-lockdown levels. In July, waste pickers reported earning 71% of pre-lockdown average incomes, and street vendors 48% of pre-lockdown incomes, with 53% of market traders reporting zero earnings. In total, 72% of workers reported a household income that was less than pre-lockdown earnings.



Market traders have been less able to get back to work than the other occupational groups surveyed. This is mainly due to the lack of capital to acquire new stock, health concerns, and ongoing municipal restrictions which have interrupted footfall in the markets. Photo credit: Jonathan Torgovnik/Getty Images

Pre- and post-lockdown average daily earnings (SVs & WPs):

	Street vendors	Waste pickers
Pre-lockdown (February)	R428	R96
Post-lockdown (May/June)	R207	R68

The decrease in average daily earnings has been most significant among women waste pickers, who already face very low earnings. In July, these workers reported a 50% drop in days of work, and earnings that amounted to 53% of average earnings pre-lockdown. Male waste pickers, on the other hand, reported slightly more days of work in July, and reported incomes of 78% of pre-lockdown earnings. Gender differences were less apparent among street vendors where the decreases reported were similar between men and women.

Food Security



81% of respondents reported incidents of hunger experienced by **adult members** of their households

90% of respondents reported incidents of hunger experienced by **children** in their households⁶

⁵ Earnings data is reported for gross income for street vendors and net income for waste pickers.

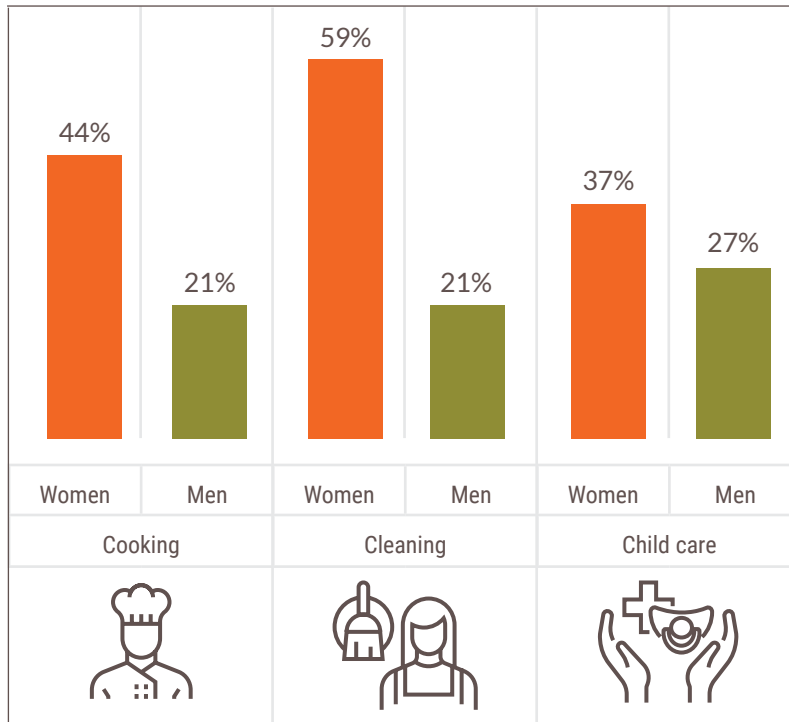
⁶ In households with children present.

Household Stress

Care and other Household Responsibilities

While incomes have shrunk, changes in household structures and the closure of schools and child-care centres have increased unpaid, household labour for informal workers.

% of respondents reporting increase in care and household responsibilities by gender



"I have a grandchild and I leave her with siblings at home. Some traders bring their kids to the market. If they don't have anyone to look after them, it's difficult to bring a kid on a taxi every day. We have to take extra precautions."

– Woman Street Vendor, Durban



Women informal workers in particular have seen their household responsibilities increase more than their male counterparts. Photo credit: Gerald Botha

Increased Health and Safety Concerns

% Respondents reporting COVID-19 cases and deaths and % of cases where treatment was sought



4,3% of respondents reported COVID-19 symptoms, illness or deaths among household members

Market traders reported COVID-19-related deaths among their colleagues and talked about the limited capacity of those who had tested positive to stay at home with no income.

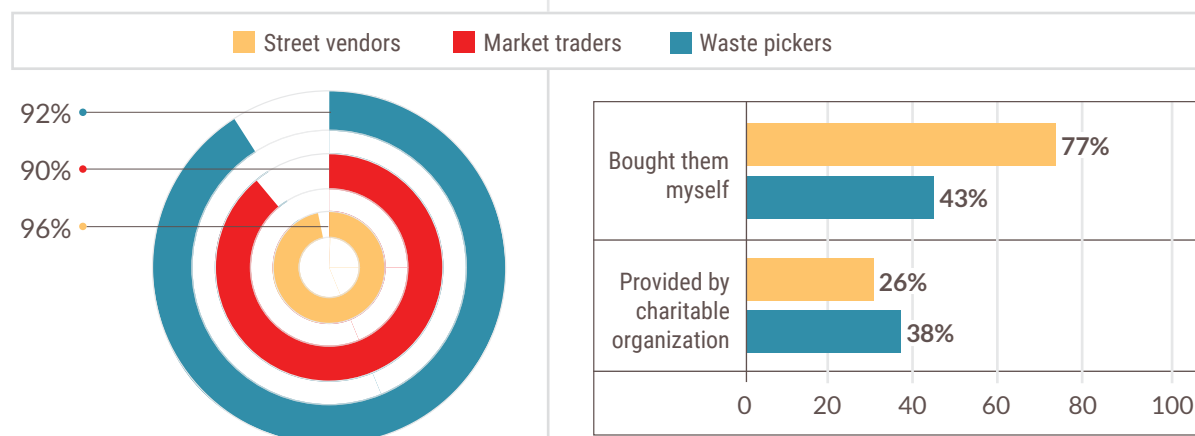


“For those who might have tested positive, it was difficult to stay at home while hungry without any income. So the majority didn’t divulge any [COVID-19 test] outcomes but continuously came to work.”

– Man Market Trader, Durban

% of respondents who worked in June/July and used personal protective equipment

Providers of PPE used in the 7 days prior to the survey



High levels of personal protective equipment (PPE) usage may, at least in part, be attributed to the proactive approach to promoting health and safety in Warwick Junction and surrounds by Asiye eTafuleni. In collaboration with WIEGO and public health experts, health and safety guidelines for traders and *spaza* shop owners were produced, handwashing stations were installed through the Geza Isandla (Wash Your Hands) campaign, and hand sanitizer was provided. However, aside from the support of Asiye eTafuleni, street vendors and waste pickers reported little other support in relation to PPE, meaning that many had to bear the cost of keeping healthy at work themselves.



“COVID-19 had taught me a lot about hygiene. I wash my hands often and I clean my table with disinfectant and the area around my table, even the floor. Lots of people come past my stall and want to know about my wash station and I am educating them about the importance of good hygiene.”

– Woman Street Vendor, Durban



Asiye eTafuleni has worked with traders to set up the “Geza Isandla” (Wash Your Hands) campaign, which includes the provision of these mobile hand washing stations.

Photo credit: Misiwe Maphumulo

Relief Measures

As part of the relief package announced on April 21, the Child Support Grant was increased by R300 per child in May 2020, and then by R500 per caregiver for five months. All other grants (disability and old-age pension) were topped up by R250 for six months. A new grant, the Special COVID-19 Social Relief of Distress Grant of R350 per month for six months was instituted in recognition of informal workers not covered by the existing grants. To qualify, recipients could not be a current grant recipient or on the Unemployment Insurance Fund (UIF) database. Applications were cross-checked through seven different government databases and then through banks to verify banking details. This has been a complex process, implementation has been slow, and there have been significant exclusion errors (Rogan & Skinner, 2020)⁷.

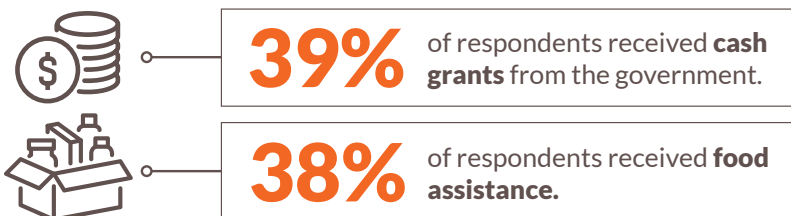
Over half of street and market vendors reported receiving a cash grant from the government in response to the crisis. However, only 15% of waste pickers were reached by the cash support measures. Until the implementation of the Special COVID-19 Social Relief of Distress Grant, the South African Social Security Administration (SASSA) distributed food aid through municipal structures. Noticeably, a much larger number of market traders reported access to food support than either street vendors or waste pickers, although more waste pickers received food as opposed to cash. The unevenness in distribution can be attributed to differences in places of residence and the relative efficiency of local councillors in distributing the food relief. This is reflected in the fact that 47% of street traders reported “political favouritism” as a reason for not receiving food support.

Civil society organizations were also an important source of food support, with 31% of workers reporting receipt of food relief from various organizations outside of the state.

Women workers were almost twice as likely as men to receive cash support. This is linked to the fact that more women than men are primary caregivers receiving support through the existing Child Support Grant. They were therefore more likely to be reached by cash than male informal workers relying on the new and administratively complex COVID-19 grant.

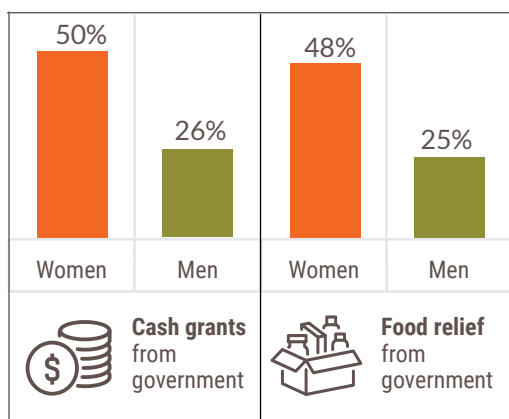
% who received cash grants and food aid

Total Sample:



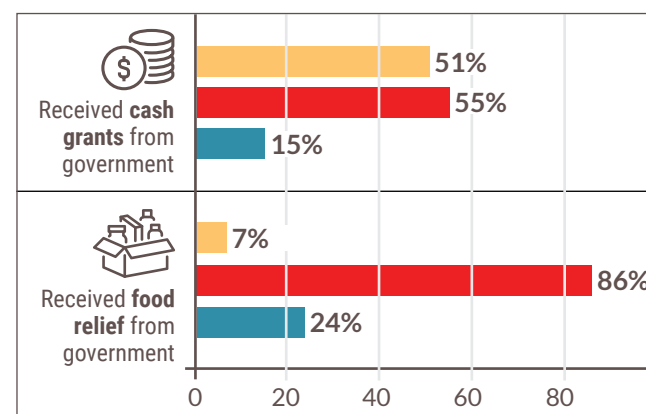
By Gender:

Women Men

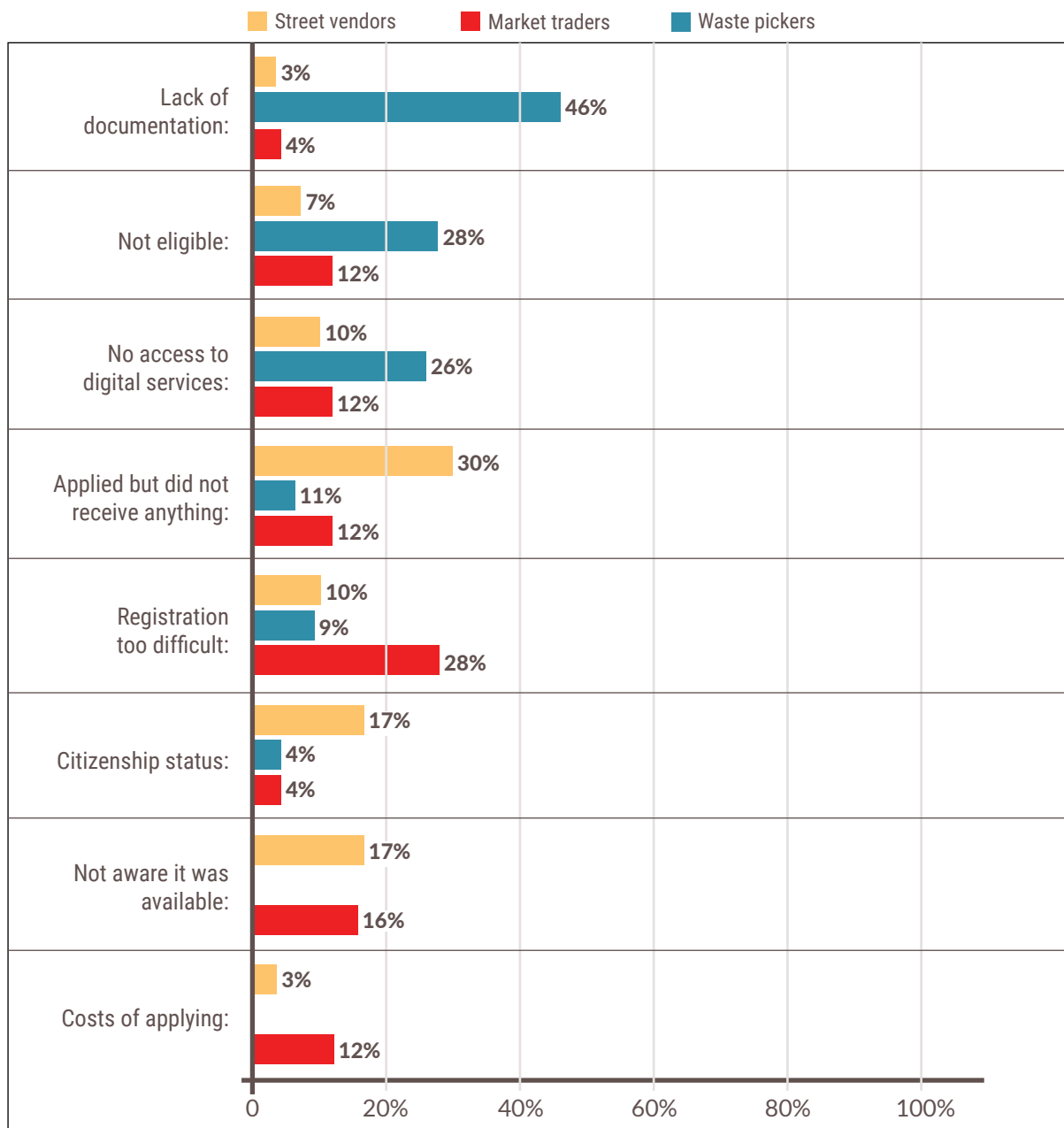


By Sector:

Street vendors Market traders Waste pickers



⁷ Rogan, M & Skinner, C. 2020. The COVID-19 Crisis and the Informal Economy: 'Locked out' of livelihoods and employment. National Income Dynamics Survey - Coronavirus Rapid Mobile Survey Wave 1, Working Paper 10.

% reporting different reasons for not receiving cash grants by sector

"There were a lot of recyclers that did not receive the R350 grant because most of the mothers receive the Child Support Grant...but the unemployment support grants were important and I wish that the government will continue providing it even after the pandemic."

– Woman Waste Picker, Durban



Coping and Adaptation Strategies

State relief measures have been important for those informal workers able to benefit. A number of workers referred to the cash grants as an important coping mechanism, and something that had allowed them to re-stock once they were allowed to trade.



“The biggest challenges for most street vendors are now economic related. The majority rely on grant money to restock goods and produce despite the fact that business is quite slow.”

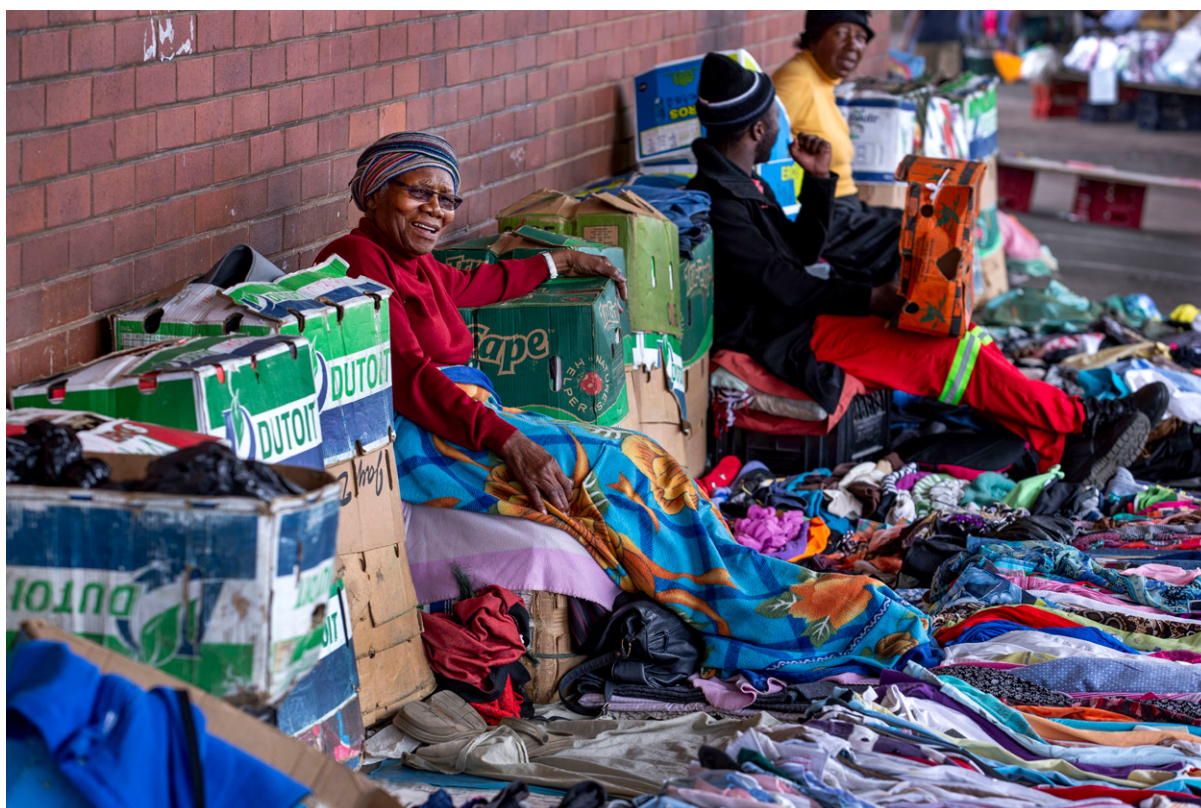
– Man Street Vendor, Durban

However, many workers also reported resorting to coping strategies that either increased the likelihood of debt or eroded their savings and assets. While important for short-term coping, these may have a negative impact on workers’ resilience and ability to recover in the longer term. The majority of waste pickers (82%) reported that they had not used any of the coping strategies mentioned in the survey; revealing their precarious social and economic position. Market traders – who tend to occupy a less vulnerable social and economic position, but who have also been hit hard by the lockdown – were the occupational group most likely to draw on coping mechanisms such as borrowing money and selling assets.



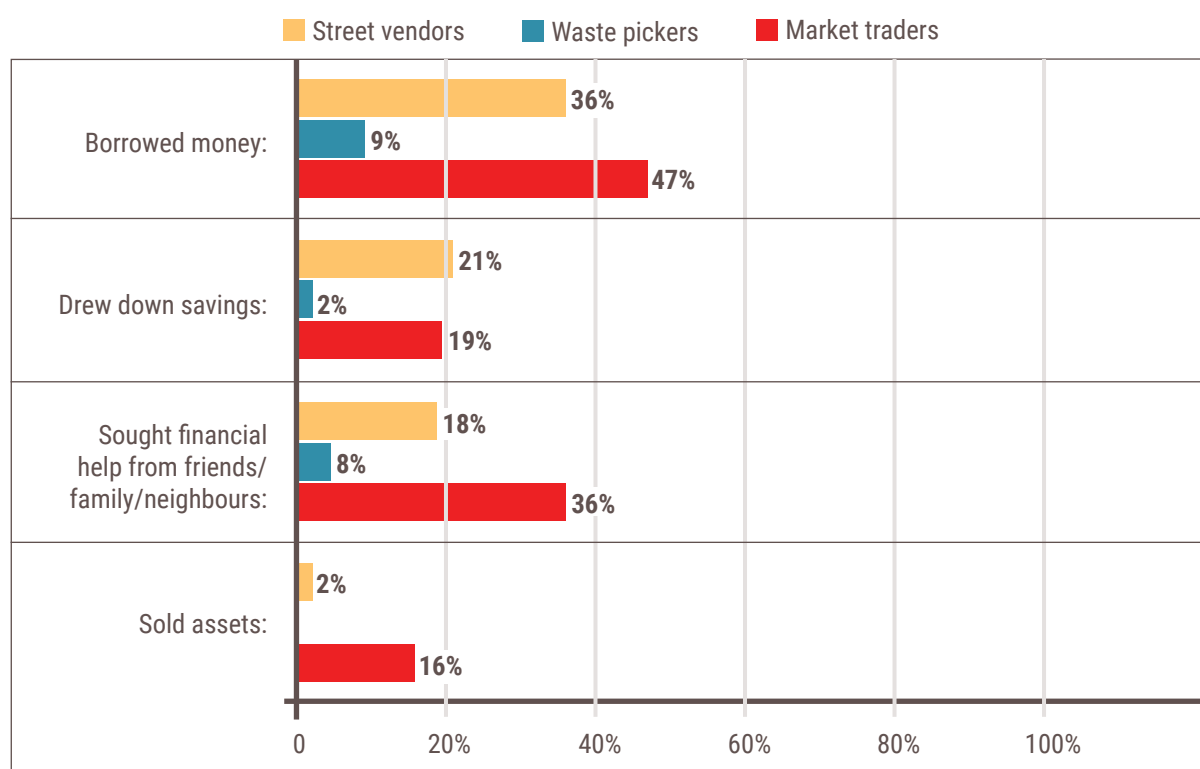
“We are all in debt, we had to make loans to assist us with restocking; even worse, some had to take loans to buy groceries during lockdown and now there is no business.”

– Woman Street Vendor, Durban

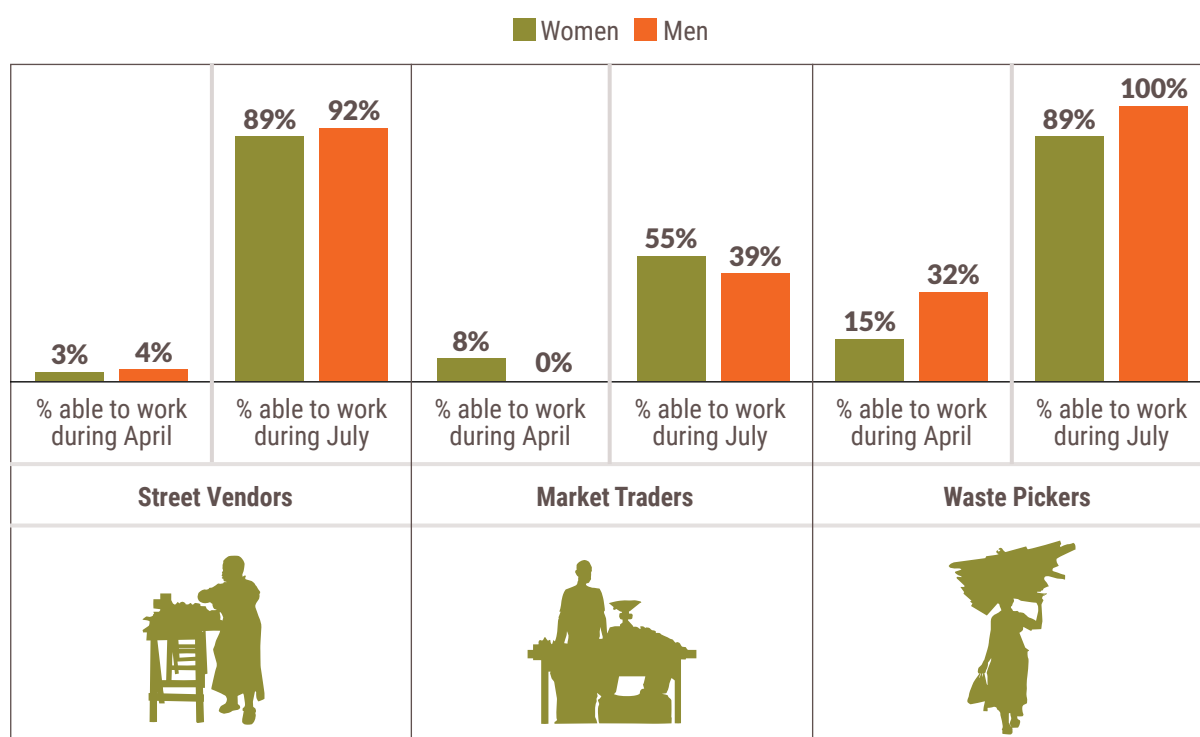


In order to cope with the loss of income during and after the lockdown, many informal workers have had to resort to coping strategies which eroded savings and assets and increased debt. This will have a significant impact on their ability to recover. Photo credit: Jonathan Torgovnik/Getty Images

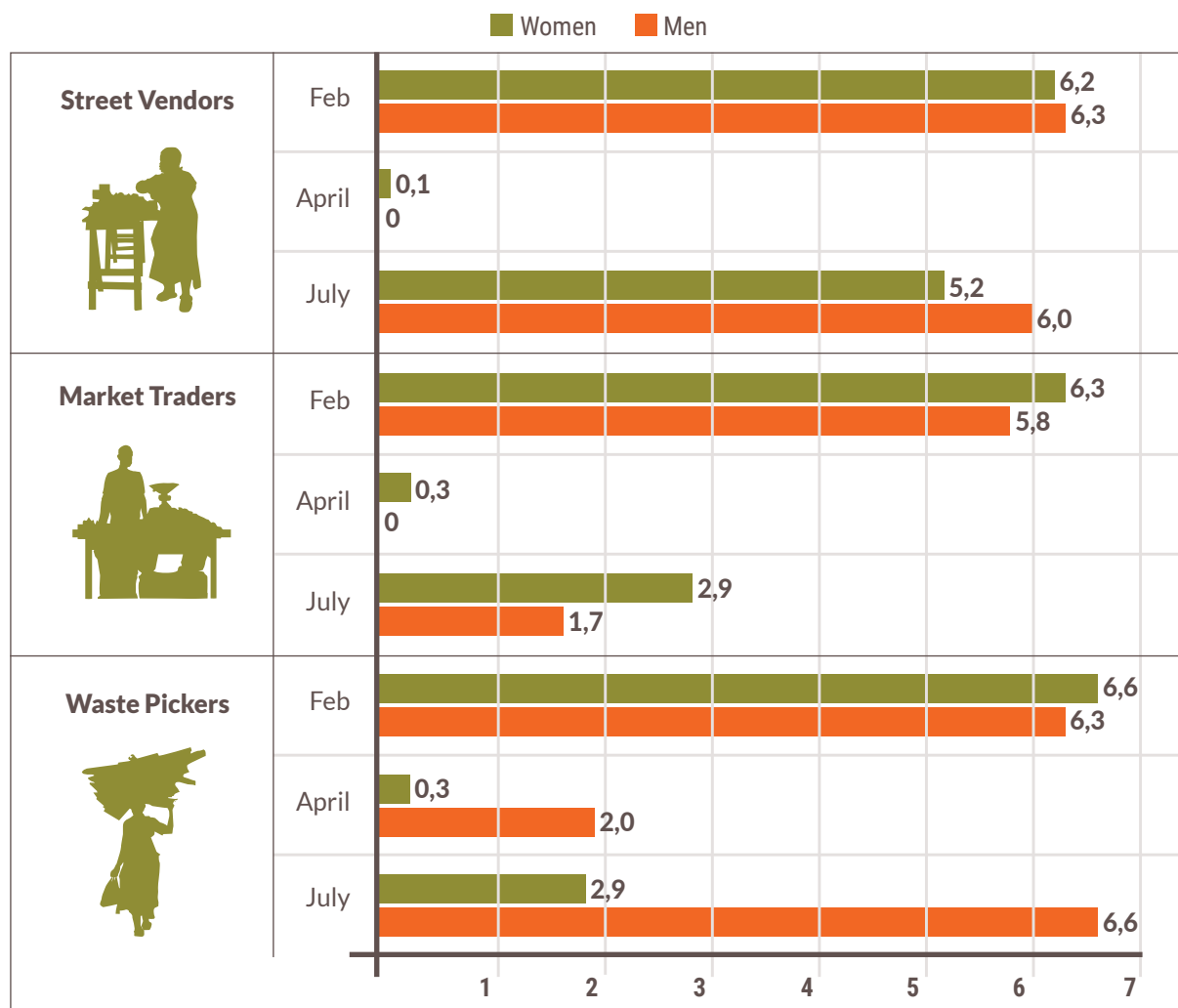
Sectoral breakdown of coping strategies as a percentage



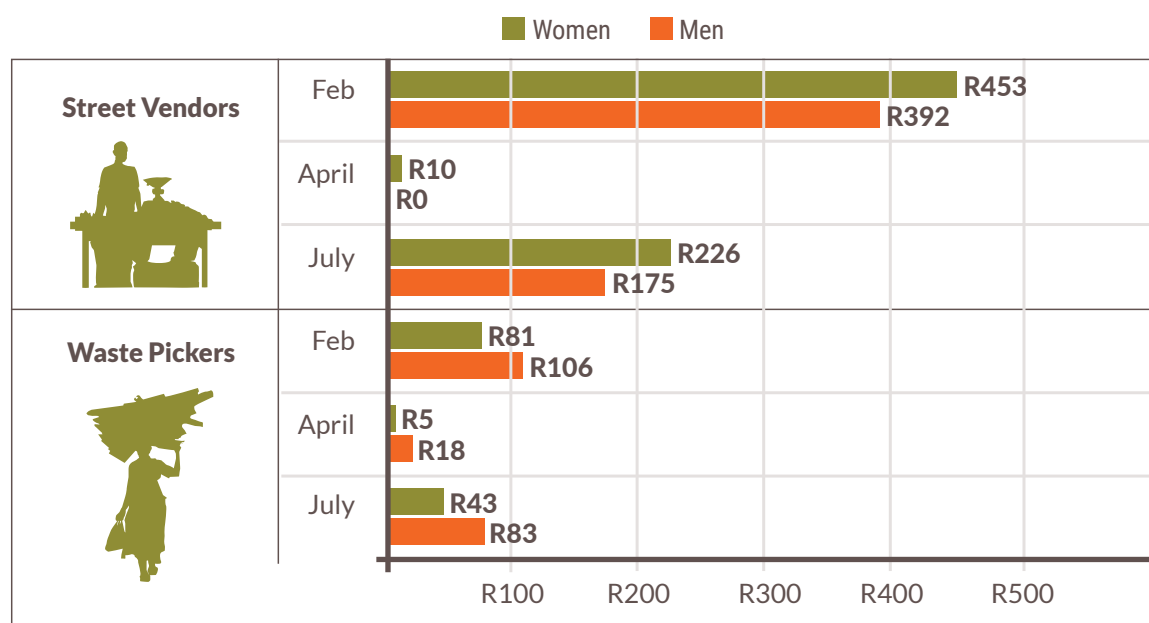
% of respondents able to work during April and July by gender and sector



Average number of days worked per week in February, April and July by sector and gender



Average daily earnings in February, April and July by sector and gender



Recovery and Beyond: Informal Worker Needs and Demands

Asiye eTafuleni provided its members with support including:

- Disseminating information about COVID-19
- Distributing disinfectant for trading surfaces, masks and food parcels
- Piloting and distributing handwashing stations for trading stalls
- Assisting with applications for relief/grants
- Developing a health champions campaign
- Providing a regular forum for COVID-19-related discussions with informal worker leaders



“We need support from the government; our markets are not safe and not hygienic. Some of the traders do not even have a shelter to trade under. Sanitation is the biggest issue during this pandemic, but there is no access to water and some toilet facilities are not functioning. If the government can fix it so that customers will feel safe to come and purchase goods in the market.”

– Woman Street Vendor, Durban

Since March 2020, Asiye eTafuleni has provided specialist input to the KwaZulu-Natal Provincial Economic Recovery Plan as members of the informal economy workstream.

Many of the workers who participated in the study stressed the need for the municipal government to recognize informal workers' contribution to Durban.

Key areas of support at the local level would include:

- Reactivating public ablution facilities.
- Moratorium on permit fees (irrespective of whether informal workers are in arrears or not).
- Stopping harassment and impoundment and confiscation of goods.
- Economic relief benefits that are more appropriate and with more accessible application processes.
- Provision of affordable and accessible child care facilities, near places of work.
- Inclusion of informal workers in all decision-making processes related to their work and workplaces.

Key areas of support at the national level would include:

- Extension of social protection measures aimed at informal workers.
- Policy recognition of the significance of the informal sector and its contribution to the national economy.
- Immediate implementation of legislation that recognizes the pandemic environment, e.g. health by-laws.

Key areas of support from the private sector would include:

- Chambers of Commerce adopting a new awareness and sympathy for the plight of informal workers during the pandemic, and not exerting pressure on local government to act punitively against informal workers operating in public spaces.



“We need policies that go hand in hand with our situation on the ground and must be fully implemented as such for the benefit of informal workers.”

– Market Vendor, Durban

COVID-19 Crisis and the Informal Economy is a collaboration between Women in Informal Employment: Globalizing and Organizing (WIEGO) and partner organizations representing informal workers in 12 cities: Accra, Ghana; Ahmedabad, India; Bangkok, Thailand; Dakar, Senegal; Dar es Salaam, Tanzania; Delhi, India; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York City, USA; Pleven, Bulgaria and Tiruppur, India. The mixed methods, longitudinal study encompasses phone questionnaires of informal workers and semi-structured interviews conducted with informal worker leaders and other key informants. Round 2 will be conducted in the first half of 2021. For more information, visit wiego.org/COVID-19-Global-Impact-Study.

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

Asiye eTafuleni is a Durban-based NGO which has used an urban infrastructure approach in Warwick Junction (Durban's main transport and informal trading hub) for the past 12 years, in order to enhance the lives of the informal workers who earn a living in the area. Through years of effective social facilitation, AeT has developed a strong degree of trust with the informal worker communities. The projects that AeT is involved in have a wide range: infrastructural interventions in the various markets in Warwick Junction; facilitating engagement with local government; educating traders about their constitutional rights and advocating alongside them for their rights to be realized; improving child care options for informally working mothers; and, more recently, assisting with the immediate needs of informal workers during the COVID-19 pandemic. AeT has been recognized locally and internationally for its relevance and innovation. See a timeline of AeT's key achievements and milestones, 2008–2018: <https://aet.org.za/resources/asiye-etafuleni-at-10-aet10/>



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