



Women in Informal Employment  
Globalizing and Organizing

# HOW WIEGO WORKS: A SECTOR-BASED APPROACH

# VISION: INCLUSIVE CITIES

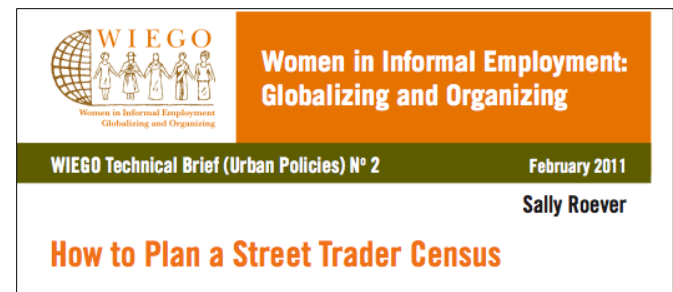
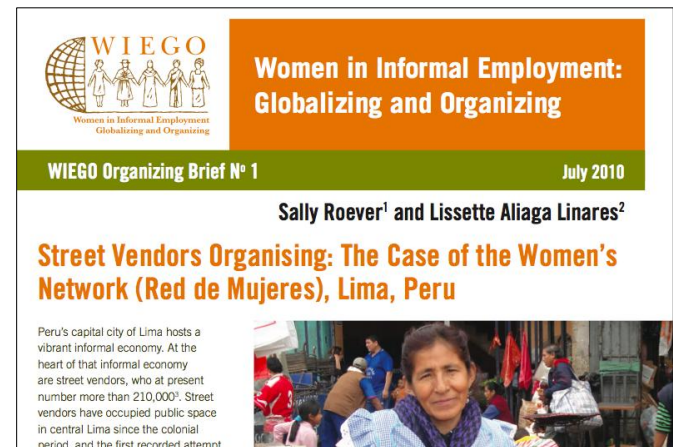
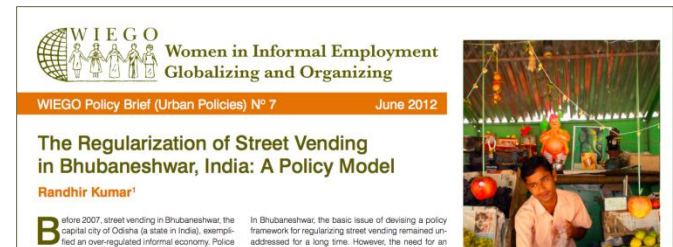
- **Underlying principle:** More inclusive cities are required for more secure livelihoods
- **What “more inclusive” means, by sector:**
  - ▣ **Home-based workers:**
    - Recognition of the home as workplace
    - Understanding of infrastructure and service provision as it relates to work that takes place in the home
  - ▣ **Street vendors:**
    - Secure space to work, in a good location, as part of a city’s natural market areas
    - Basic legal protections against harassment
  - ▣ **Waste pickers:**
    - Access to waste
    - Inclusion in solid waste management systems

# SECTOR SPECIALISTS: THREE ROLES

- **Develop specialized, grounded knowledge of each sector**
  - ▣ A core niche of WIEGO
  - ▣ Expertise used to support MBOs, other stakeholders
  - ▣ Focus on livelihood risks and vulnerabilities
- **“Rapid response” to MBOs as needed**
- **Research advisory and coordinating roles**
  - ▣ Knowledge of academic literature and policy environment
  - ▣ Grounded links to MBOs and workers
  - ▣ Focus on breaking new ground – again with focus on risks, vulnerabilities, & costs

# EXAMPLE #1: SPECIALIZED KNOWLEDGE

- **Better practice documentation**
  - ▣ Example: policy, organizing
  - ▣ Impact: to inspire “possibility thinking”
- **Global monitoring system**
  - ▣ To identify hot spots, bright lights
  - ▣ To systematize data on trends (example: SV evictions)
- **Technical briefs**
  - ▣ Example: how to plan a street trader census – emphasizing stakeholders
  - ▣ Impact: helped document abuses, win law suit in São Paulo, Brazil



# EXAMPLE #2: RAPID RESPONSE

## □ **March 18, 2013**

- ▣ South African Department of Trade & Industry publishes draft Licensing of Business Bill, 2013: invitation for public comment
- ▣ Stated intent: “To provide for a simple and enabling framework for procedures for application of business licenses by setting national norms and standards”

## □ **April 2, 2013**

- ▣ StreetNet International requests assistance from WIEGO

## □ **April 3, 2013**

- ▣ WIEGO provides input on bill to South African Informal Traders' Alliance (SAITA) via StreetNet

# EXAMPLE #2: RAPID RESPONSE (cont.)

6. (1) Any person who is a South African citizen or is a foreigner as defined in the Immigration Act, who seeks to apply for a licence to carry on business in any premise or sell goods or service as a hawker must lodge such an application—  
(a) at the relevant licensing authority's office;  
(b) in the prescribed manner and form;  
(c) in compliance with this Act, provincial legislation or by-law;  
(d) upon payment of the prescribed application fee; and  
(e) if the applicant is a foreigner, such application must be accompanied by a valid business permit issued under the Immigration Act, 2002 and any other valid documentation required to verify the status of such a foreigner in the Republic issued under Immigration Act, 2002 or Refugees Act, 1998.

- Page 10, Section 6 (1): The requirements for lodging an application must not assume an ability to read and write, fill out complex forms, speak a certain language, or undertake an onerous commitment of time and other resources. In particular:
  - To implement (1)(a) the relevant government office should provide mobile services to reach the population of business operators that may not have the resources to make an appearance at the central office.
  - (1)(b) the prescribed manner and form must be accessible and achievable for all segments of the population
  - (1)(d) The prescribed application fee must be nominal and accessible for all segments of the population

The licensing authority should issue a dated receipt for the application and this receipt should serve as a temporary license until the application is approved or denied.

## EXAMPLE #2: RAPID RESPONSE (cont.)

### □ April 15, 2013

- ▣ StreetNet International submits comments to DTI

### □ April 18, 2013

- ▣ WIEGO submits comments to DTI: requirements too onerous, discretionary powers too broad, costs of implementation too high

### □ May 15, 2013

- ▣ Minister of Trade and Industry announces that bill will be re-drafted

An avalanche of disapproval rained on the draft Licensing of Businesses Bill, which business, civil society and informal traders said would strangle the small business sector in red tape, increase the scope for bribery and corruption by municipal officials and overburden municipalities.

— Linda Ensor, “Licensing bill to be redrafted after avalanche of disapproval,” *Business Day Live* (16 May 2013).

# EXAMPLE #3: RESEARCH (IEMS)

## □ **Research design**

- ▣ Developed in conjunction with MBO partners
- ▣ Developed to address “myths” about the informal economy
- ▣ Includes quantitative and qualitative components
- ▣ Covers 3 sectors across 10 cities

## □ **Research framework: driving forces**

## □ **Research findings: street vending sector (two examples)**

- ▣ Segmentation within the sector (e.g. by sex, product category)
- ▣ Pervasiveness of debt as a coping strategy

## □ **Impact**

- ▣ Clear “points of change” for MBOs
- ▣ Re-framing urban policies debates



# EXAMPLE #3: RESEARCH (IEMS) (cont.)

## □ Findings #1: Segmentation

- Earnings, low profits by sex
- Employment status by sex
- Earnings, low profits by employment status
- Education levels by product category
- Earnings, low profits by product category

**Education Levels by Product Category (%)**

	Produce	Consumables	Durables	Services	Other
Complete primary or less	60.36***	36.23*	31.46***	33.67**	46.07
Some secondary or more	39.64	63.77	68.54	66.33	53.93
N	280	69	213	98	257

\*\*\*Statistically significant at the .001 level. \*\*Statistically significant at the .01 level. \*Statistically significant at the .05 level. Level of significance denotes column difference in education ( $\chi^2$ ). Livestock vendors are omitted from the table.

# EXAMPLE #3: RESEARCH (IEMS) (cont.)

## □ Findings #2: Debt and livelihood insecurity

### ▣ Debt as a coping strategy in response to all driving forces

#### Use of Debt as a Response to Driving Forces, by City

	Macroeconomic	City	Value Chain
Accra	Currency depreciation, rising prices	Evictions / demolitions of posts	Giving credit to customers
	“Ninety per cent of us traders do it” [borrow money] / “there are so many people who have had to run away because they have defaulted on their loans”	“Sometimes our goods are destroyed...we try to relocate by asking for money from friends, [or] looking for money from a bank”	“We no longer sell on credit to people we don’t know” [because they cannot pay back their own loans]
Ahmedabad	Competition, rising prices	Harassment of police, “anti-social elements”	Lack of capital
	“In case any vendor buys on credit, wholesaler charges Rs/.5 more on Rs/.100 purchase”	“They just come to my stall and take whatever they want, without paying” so vendors take out small loans from money lenders	“There is sometimes no initial capital to pay the brokerage, so I take loans from moneylenders or neighbours at 5-10 per cent rate of interest”