

# RESILIENCE OF WOMEN-OWNED INFORMAL HOME-BASED BUSINESSES IN THE YEARS OF ELECTRICITY LOAD-SHEDDING IN NEWTOWN, SOUTH AFRICA

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## INTRODUCTION

This chapter explores the sustainability and resilience of women's informal home-based businesses in the years of electricity load-shedding in Newtown, South Africa. Globally, the informal sector, also known as the informal economy, is conceptualised as consisting of economic activities that are unregistered, run by the self-employed, small-scale, and not regulated by the government (International Labour Organization, 2002). Generally, this sector is a dynamic and multifaceted component of any economy and is crucial, particularly in developing countries (Chen, 2022). The literature highlights that, globally, this economic sector improves people's livelihood, addressing poverty and other socio-economic dynamics (Madzivhandila & Niyimbanira, 2020; Habib et al., 2023). In developing countries, especially in the Global South, the informal sector plays a critical role by providing employment and income opportunities in the context of a high unemployment rate (Sultana et al., 2022). Wang and Wei (2021) highlight that it contributes to economic resilience and social stability by offering essential goods and services, often at lower costs and with greater flexibility than the formal sector. South Africa exemplifies this with its vibrant informal sector filled with unregistered micro-enterprises (Dladla, 2020). The International Labour Organization (2023) emphasises the informal sector's role in offering opportunities for populations with limited education or skills. These businesses provide a critical source of employment and income generation, especially for those facing difficulties entering the formal job market due to skills or qualification requirements (Schneider, 2018). Mulibana and Rena (2021) describe the informal sector in South Africa as a catalyst for entrepreneurship that fosters economic activity.

Despite the sector being populated by individuals from diverse socio-cultural backgrounds, studies (e.g., Joseph et al., 2022; Chen, 2022; de Groot et al., in Yousafzai et al., 2002) highlight that women appear to be a dominant force within the informal sector. This dominance is attributed to structural inequalities and high unemployment rates that disproportionately affect women, perpetuating the 'feminization of poverty' (United Nations Women, 2023). For instance, Statistics South Africa (2023) reveals that women

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are more vulnerable to unemployment than men are, despite constituting a higher percentage of the national population (52% compared to 48%). Women's unemployment rates remain higher than the national average, with 35.7% of South African women in the labour force currently without work and actively looking for employment (Stats SA, 2023). Consequently, women-owned informal home-based businesses have emerged as a powerful driver of economic empowerment within the informal space (Tsekane, 2020). For example, StatsSA (2018) highlights that approximately 50% of women participate in the informal economy compared to 30.6% of men. These businesses are often established due to limited childcare options, lack of access to formal employment, or the need for flexible work arrangements (Tsekane, 2020). In turn, they significantly contribute to household income, poverty alleviation, and local economic development (Mitra & Desai, 2016; Sanyal, 2024). Studies such as that of Dolan et al. (2019) and Joseph et al. (2022) have documented the resourcefulness and entrepreneurial spirit of informal home-based business with women owners, who navigate complex regulatory environments and operate with limited resources to establish and grow their ventures. These businesses often operate in the food production, clothing manufacturing, or beauty services sectors, catering to the immediate needs of local communities while highlighting the adaptability and innovation inherent in the informal sector (Shet et al., 2024).

However, the sustainability of women-owned informal home-based businesses in South Africa faces a significant threat from electricity load-shedding – frequent power outages that disrupt business operations and hinder productivity (Moyo, 2023; Odeku, 2022; Tsekane, 2020). For instance, businesses heavily reliant on refrigeration, such as those producing food, are at risk of food spoilage, impacting both income generation and long-term viability (Food and Drug Administration (FDA), 2023). For these reasons, this chapter investigates the sustainability of women-owned informal home-based businesses in Newtown, a community within the Steve Tshwete Local Municipality, under the constraints of load-shedding. The chapter examines the impact of power outages known as load-shedding on these businesses and explores their resilience strategies through the lens of the sustainable livelihoods approach framework. Following this introduction and background, the chapter explores and discusses relevant literature on the impact of load-shedding on these informal businesses. Thereafter, it discusses the research methodology employed in this study. The emerging findings from the interviews, and their analysis are presented and discussed. Finally, the chapter concludes by presenting a summary of the key argument raised in the chapter and recommendations for further research.

## **LITERATURE REVIEW**

This section examines the resilience of women-owned informal home-based businesses in South Africa amid electricity load-shedding. It explores the concept of load-shedding, its causes, and its implications for small businesses, particularly those operated by