

# **WOMEN'S RESILIENCE: PERSPECTIVES FROM ENTREPRENEURS IN THE INFORMAL SECTOR, POST-COVID-19 IN MBOMBELA LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE, SOUTH AFRICA**

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## **INTRODUCTION**

The Coronavirus (Covid-19) pandemic resulted in unprecedented shocks that severely impacted businesses worldwide. The Covid-19 pandemic and national lockdowns caused a global economic downturn in 2020. While the lockdowns aimed to slow down the virus's rapid spread, it left informally employed individuals financially vulnerable. In 2019, before the outbreak of the pandemic, 2 billion workers worldwide were engaged in informal employment, accounting for 6 in 10 workers globally and 5 in 10 workers when excluding agriculture (International Labour Organization, 2023). In Africa, 84% of employment is found in informal jobs, with informal employment being a more predominant source for women than for men in the continent (International Labour Organization, 2023). The informal sector provides employment and income opportunities for workers who would otherwise be jobless, especially in developing countries with a significantly growing workforce. While formal work is covered by the South African Labour Relations Act (Labour Relation Act 66 of 1995), the International Labour Organisation (2024) indicates that work in the informal economy is typically found in small or undefined workplaces, with hazardous working conditions, low skills and productivity, inconsistent income, long work hours, and limited access to resources and technology. Nevertheless, the eighth objective of the United Nations' Sustainable Development Goals emphasises promoting sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all (United Nations, 2023).

The informal sector is increasingly acknowledged as a viable alternative to the rising unemployment rate. The official unemployment rate in South Africa has remained persistently high at 27.1% in 2018 quarter 4 and above 30% in 2020, 2021, and 2022 (Statistics South Africa, 2022; Statistics South Africa, 2018). The private and public sectors combined cannot create sufficient jobs for the growing labour force in South Africa. Additionally, unemployment numbers for women remain higher than the national average (32.6%), with 35.7% of South African women in the labour force currently without work and actively looking for employment compared to a 30% unemployment rate among

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men (Statistics South Africa, 2023). According to the Competition Commission South Africa (2023) and the International Finance Corporation (2021), however, women's economic inclusion benefits economies and helps bridge the gender inequality gap.

The informal sector's contribution to South Africa's Gross Domestic Product was estimated at 6% in 2017. Informal employment grew from 4.2 million jobs in 2013 to 5 million jobs in 2019, accounting for almost a third of total employment (Statistics South Africa, 2021). However, some experts working with informal enterprises believe that the informal sector is larger and more dynamic than official numbers suggest (Centre for Development and Enterprise, 2020). Most jobs in the informal sector are in the trade industry with more women than men employed in this sector (47.6% of women compared to 30.6% of men) (Statistics South Africa, 2018). In South Africa, a higher percentage of women (50.8%) work as 'own account holders' (i.e., owners of one-person enterprises or self-employed individuals) in the informal sector compared to men (49.2%), with the majority of the women being 35 years and older (Statistics South Africa, 2023). This difference is important as own-account workers require distinct support strategies compared to informal firms with more resources. The informal sector in South Africa consists of more than just street vendors and spaza shops; it encompasses a variety of industries and trades, including also fast-food restaurants, bakeries, shebeens and pubs, backroom rentals, street vendors, taxis, mechanics and panel beaters, hair salons, stylists, and barbers, among others (Centre for Development and Enterprise, 2020).

The importance of the informal economy in developing countries makes this study significant. Although its scope is restricted to the street vendors in the Mbombela Local Municipality, it is intended to spark additional research on the resilience of female street vendors during and after Covid-19. The study explores the challenges encountered by women informal traders in Mbombela Local Municipality, with a special focus on street vendors. Lived experiences and perspectives on disruptions caused by Covid-19 are documented. Additionally, the study analyses the strategies used by street vendors to maintain their resilience and recover from the impacts of Covid-19.

## **WOMEN AND THE INFORMAL SECTOR IN SOUTH AFRICA DURING COVID-19**

The informal sector in South Africa, like anywhere in the world, was caught off guard by the Covid-19 pandemic. Notably, the formal sector is better equipped to withstand economic shocks due to increased social security and government support, while on the other hand, the informal sector lacks social security and measures to protect livelihoods from the economic effects caused by Covid-19 or any severe cyclical downturns. To this effect, those who are in the informal economy, women among others, are most vulnerable to extreme poverty. For instance, women-owned firms are primarily concentrated in informal or low-paying sectors and lack basic formal social protection that would provide a buffer against economic distress (Competition Commission South Africa, 2023).