CHAPTER 11

POLICING THE INFORMAL ECONOMY OF ZIMBABWE: LESSONS FROM ETHEKWINI MUNICIPALITY, DURBAN, SOUTH AFRICA

Esther Makuyana and Norman Pinduka

INTRODUCTION

The informal economy, as defined in accordance with the precarious nature of employment, has always existed in the territory that is now termed Zimbabwe. However, the 90 years of settler rule as Southern Rhodesia (1890-1965) and Rhodesia (1965-1979) was imbued with the informal economy existence denial mythology, which was based on racial policies that were pursued by the governing authorities. The colonial authorities, particularly of Rhodesia, blatantly repudiated the reality of an informal economy by claiming that "there was no unemployment in Rhodesia" (Clarke, 1978:118). It is an undeniable fact that through witting and unwitting measures, orthodoxly and historically, informality, which largely thrives in urban settings, is faced with an unaccommodating formal economy.

A historiographical overview of informality in Zimbabwe reveals that in the colonial period there was a deliberate attempt by the colonial regime to restrict efforts that were made by Blacks to establish their own informal enterprises. The colonial regimes devoted their attention to the formal economy on the basis that it had linkages with the global economy and therefore it ignored the informal economy. The Land Apportionment Act of 1930 witnessed the Black majority being sidelined in the economy by being sent to areas known as the reserves, which had infertile land that was not conducive to productive activities. Even the internal migration policies were restrictive in approach, only allowing Blacks to enter urban areas after securing employment. The economic situation in the colonial period in Zimbabwe is summed up by Patel and Adams (1981) and Mkandawire (1986) who pithily put it that Blacks were tolerated in towns as workers but not as urban dwellers; they were in the town but not of the town; and in addition, there were racist licensing laws and constant police harassment. Nonetheless, the informal economy existed in Zimbabwe. Chirisa (2009:3) notes, for instance, that the famous Siyaso-Magaba home industry was opened in as far back as the 1950s as a way of promoting self-help employment for the excess Blacks who could not be absorbed into the formal system.

With the redemption of the Zimbabwean state from colonial bondage in 1980, two economically related trajectories emerged. Firstly, was the end of the white supremacist

system which obviously led to rural to urban migration; and secondly, the immediate acceptance of the existence of the informal economy. With regard to the former, the relaxation of migration laws saw the growth of the urban population from 13% of the total in 1960 to 23% by 1982 and 30% by 1990 (Ledriz, 2017). This trend was necessitated by the need to seek greener pastures in the urban areas. On attaining independence in 1980, Zimbabwe had a relatively small economy by Global South Country standards, which are still developing. Ledriz (2017) states that Zimbabwe's informal economy accommodated just 10% of the labour force in the country. Home industries had increased in number from the famous Siyaso-Magaba Industry in Mbare to other areas within African suburban areas such as Gazaland in Highfield in Harare.

The government of the First Republic (the first government led by the late Robert Mugabe) immediately after independence considered and acknowledged the importance of the informal economy that unequivocally manifested in the regime's post-independent policies. Such a trail was a calculated move based on the fact that the smaller formal economy created for the fewer Whites in the colonial times could not accommodate the majority Blacks who were not only perceptibly expecting an end to the social, political and economic deformities of colonialism, but who had high hopes of securing employment formally. Policy-wise, the official economic policy statement Growth with Equity (Government of Zimbabwe, 1981) immediately identified generation of employment as one of its major immediate objectives, and stated that government would, among other things, provide the informal economy with the necessary infrastructure and assistance to promote productive employment (Mkandawire, 1986). At the same time, it was noted that:

> *Rapid population increase and the failure of the modern sector to absorb much of the net additions to the labour force together with substantial influx of rural migrants into urban areas and the need or desire to supplement incomes from formal employment has given rise to a large vibrant and dynamic sector. Its exact size is unknown, even though casual observation suggests that it is a large employer of labour and supplies a wide variety of goods and services to the economy. Since entry is free and unimpeded, the goods and services of producers are competitively priced though in some instances there could be grounds for concern about the levels of quality especially for some services (National Transitional Development Plan, 1982-85:14).*

The extract aptly portrays the fact that the Zimbabwean government had accepted that the 'Lewis Turning Point model' was a vision in Zimbabwe just as in any place around the world. The Lewis Turning Point refers to the 1954 prediction made by Arthur Lewis that economic development in developing countries would, in the long-term, generate enough modern jobs to absorb surplus labour from the traditional economy. Consequently, this would lead to a turning point when wages would begin to rise above the subsistence level in what is referred to even today as the 'Lewis Turning Point' (Lewis, 1954). Lewis's prediction remained a vision for the next decade but led writer Hans Singer to argue in

1970 that he saw no sign of the 'Lewis Turning Point', especially in developing countries. As such, the failure of the formal economy of the independent state to absorb surplus labour from traditional labour led to the continued growth of the informal economy in Zimbabwe. At independence, 10% of the total labour force was employed in the informal economy while current statistics reveal that over 60% of the total labour force is employed in the informal economy. As such, Zimbabwe has the second largest informal economy as a percentage of its total economy in the world, after Bolivia (International Monetary Fund, 2018). The pulsating growth of the informal economy in the past four decades makes the segment too important to ignore not only in the academic discourse but in policing at state level. Ultimately, the 'what ought to be done' question has been central to informal economy policy making in Zimbabwe. With this, the aim of this chapter is to initially conceptualise the term 'informal economy' and then to examine Zimbabwe's informal economy. The chapter also examines informal economy policing of the eThekwini Municipality and suggests that measures employed in that Municipality are worth considering in policing the informal economy of Zimbabwe.

CONCEPTUALISATION OF THE INFORMAL ECONOMY

The term 'informal economy' has been one of the frequently debated concepts in the development discourse. It needs to be appreciated that on hearing the phrase 'informal economy', most people think of illegal activities, such as trading in drugs or prostitution, paying bribes or avoiding taxes (Chambwere, MacGregor & Baker, 2011:3). Various African governments have reacted to the informal economy and practices with anti-informal economy sentiments, which in some cases have resulted in the use of hard power to stop the activities that are pursued in the segment. The countless number of permissible and impermissible activities make the sector highly contested and attempts towards elimination of it in pursuit of the formal economy infuse policy making discourses around the globe.

The various names that have been used to label activities that fall outside the formal economy suggest that the segment is highly disputed. Numerous labels have been used by scholars to refer to the informal economy. Sibhat for instance, notes that:

> *The informal economy is known by many different names such as the informal economy, black market, casual work, clandestine activities, community of the poor, family-enterprise sector, hidden sector, informal opportunities, informal sector, intermediate sector, invisible sector, irregular sector, lower-circuit of the urban economy, non-plan activities, non-westernised sector, one-person enterprise, parallel economy, people's economy, petty commodity production, shadow economy, trade-service sector, transient sector, underground economy, unobserved economy, unofficial economy, unorganised sector, unrecorded economic activities, unremunerated sector, unstructured sector, urban subsistence sector (Sibhat, 2014:14).*