Journal of Social Development in Africa (1986), 1, 53-74

One Dollar Workplaces: A Study of Informal Sector Activities in Magaba, Harare

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ABSTRACT

In spite of the informal sector's role as a major 'employer' of labour and source of income for many in Africa very little research has been done in this area: this paper reports on one study of informal sector operations in a specific urban location, Magaba, in Harare, Zimbabwe.

The study concludes that while the informal sector can be seen as an 'employer of last resort' for some, a significant number of operators are committed to their informal sector enterprises and would continue in them even if other options were open. The Magaba study highlights the operations of the informal sector as distinctly heterogeneous with a stratification within the sector that appears to be related to tenure of workplace and type of economic activity. These factors imply the necessity for differential treatment of the various subgroups of informal operators and unemployed in terms of local and national policy.

Introduction

Informal sector operators from part of the proto-proletariat and as such they form an important sector of the occupational structure of most Third World countries today. The distinguishing characteristics of their economic activities have been delineated in a number of ways. The ILO Report on the Employment Strategy Mission to Kenya in 1972 identified the general characteristics of informal sector activities as ease of access and entry, small scale, labour-intensive undertakings, usually family-owned, with a reliance on indigenous resources and informally acquired skills, and operating in unregulated, competitive markets. The model developed by Santos (in MacGee 1977) distinguished between upper and lower circuits of economic activity. The latter are seen to be labour intensive, having little dependence on overhead capital, negligible fixed costs and small inventories of goods and raw materials.

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In the widely popularised terminology of Schumacher, their level of technology determined by the 'equipment costs per workplace' comes close to being 'one dollar' as opposed to the so-called thousand dollar technology that typifies industrial production in developed countries and in the modern industrial sector of Third World economies. It is the very low level of input costs, as well as the mobility of the operation, that makes it an attainable option, often the only one, as a source of livelihood for large numbers of the urban poor.

The informal sector concept has been criticised on a number of counts. Sinclair (1978) identifies the three most important shortcomings of the concept as the assumed homogeneity of the units, the lack of recognition of important linkages between the 'informal' and formal sectors of the economy and the static framework of analysis it prescribes. However, its wide usage and the lack of a meaningful alternative have led to its adoption for the purposes of analysis in this study.

Surprisingly little research has been done on informal sector operations in Africa. Economists have only recently acknowledged this large 'hidden economy' operating in both urban and rural areas which acts as a major 'employer' and provides a source of income for many thousands of people in most African countries. Research studies have been both limited and localised and information available is largely incomplete and locality specific. Little documented information exists on informal sector operations in Zimbabwe. At the same time, there has been growing recognition that this sector is, in point of fact, the major employer in the Zimbabwean economy, employing more than 450 000 people (Davies, 1978). Information relating to the current employment situation in the country suggests that this is likely to remain true for some years to come, as the expansion of jobs within the formal sector cannot keep pace with the number of people entering the job market. This was recognised by the Riddell Commission (1981) which put forward the recommendation that "as soon as possible a comprehensive study of the informal sector be undertaken".[1]

Methodology

A preliminary count and classification of informal sector workplaces in Magaba was made in November 1981, while the fieldworkers engaged in the project made themselves known in the area and carried out a familiarisation exercise. On the basis of the observations made and the casual information gathered, a preliminary questionnaire was drawn up. A small pilot study was then carried out in a neighbouring area following which certain modifications to the questionnaire were made.

Interviews were then conducted at Magaba during December 1981. It was decided to interview all the self-employed informal sector workers who were

operating in Magaba during that period and who had an identifiable workplace. People who were employed by shop owners were thus eliminated by definition – even if they engaged in small-scale productive activities. It was anticipated that due to the timing of the research exercise a complete count of informal sector operators would not be obtained, as some would be temporaily absent while engaged in agricultural activities (plouging and planting) in the rural areas. To minimise the effect of this the fieldworkers returned to the area during the first week of January and interviewed any informal sector operators who had been missing during the previous count.

Included among the interviewees were 36 stall-holders at the Nenyere Magaba Shopping Centre market (unofficially known as 'Pedzanhamo'). The status of these people differed from that of the other respondents because they paid Z$1,05 per week to the municipality and were registered with them. Only one of the remaining 148 people interviewed was licensed, and he was the owner of a 'hot dog' stand.

Socio-economic background

Description of sample

A total of 184 informal sector operators were interviewed, of these 72,2% were men and only 27,8% women. The group ranged in age from 18 to 70, with the majority falling in middle age group (30 – 54 years). Women were found to be under-represented in the under 30 age group.

Of the respondents, 77,2% were Zimbabweans by birth and 22,8% were born in neighbouring countries. This figure is high compared to the national figure of 7% (based on the 1969 census) and the figure of 16% found in the socio-economic survey of the Chirambahuyo-Zengeza 4 settlement (Patel and Adams, 1981). All the aliens except four were men, thus supporting the contention that past migration policies have contributed to the growing problem of aliens who have been filtered out of formal sector employment and have few options open to them but to engage in informal urban-based activities.

The aged, considered here as those falling in the 55+ category, represented 40% of the alien informal sector operators interviewed, compared to 12,7% of those of Zimbabwean birth, whereas 32,4% of the indigenous respondents were under the age of 30, only two young aliens were interviewed. This finding is consistent with the widely supported contention that two groups particularly affected by the economic recession and cut back in employment during the 1975—1980 period were the young men coming into the labour market and those older alien workers who lost jobs on farms, were 'retired', and because they lacked employable skills found it difficult to acquire formal sector employment.

Of the male respondents, 73,7% indicated that they were married, 15,0% (mostly the under 30 age group) were single and 11,3% widowed or divorced. However, widows represented 51,0% of the female respondents and only one third of the women interviewed were currently married. The marked differences between the sexes in terms of marital status has a number of implications for assessing the importance of the sector as a cushioning mechanism, providing a livelihood for those who tend to be marginalised by the mainstream economy. The mean number of children per household of the married, divorced and widowed respondents was 4,0 but 'other dependents' mentioned totalled 536, representing an average of 2,9 per respondent.

Area of origin and duration of residence in Harare

Contrary to the commonly held belief that the informal sector offers a haven to the urban newcomer, the majority of self-employed people interviewed at Magaba are long term urban residents. More than half of the sample had been resident in Harare for more than 15 years and close to one fifth for more than thirty years. Seven respondents said they were born in Harare and had spent all their lives in the city. Using Mitchell's index of stabilisation as a criterion, it can safely be asserted that the self-employed at Magaba are characterised by a high degree of urbanisation.

Great diversity was evident in terms of the area of origin of the respondents. The majority said they had come from a rural setting and only a small minority mentioned smaller urban centres. Hence there was little evidence of the 'migration by stages' common in West Africa, whereby in-migrants move first to smaller towns before migrating to large urban centres.

Educational background

Although a certain amount of variation was evident among the informal sector workers in terms of educational attainment, the vast majority (93,5%) had not gone beyond primary schooling. The median grade level of schooling completed was grade four, with average attainment slightly higher for men than women. Of the men interviewed 50% had gone beyond grade five in comparison to only 30,3% of the women. Those who had never attended school at all represented a significant proportion of the group, slightly more than one fifth. The percentage of uneducated men was slightly lower than that of women. A strong association was indicated between level of education obtained and place of birth. Slightly more than half of the aliens interviewed had never attended school, as compared to only 10% of the Zimbabweans. In general it appears that educational differences noted among the respondents can largely be explained by differences in age and place of birth and upbringing. This finding is consistent with the historical development of the colonial educational system in Zimbabwe and the neighbouring territories.

In response to a question regarding further studies completed since leaving school, only 14 respondents (12 men and 2 women) indicated any involvement. Courses taken ranged from correspondance courses in watch-repair (3) to welding and mechanics taken at local commercial colleges. Apart from one illiterate adult, all had completed at least six years of primary schooling. These findings indicated minimal participation by informal sector workers in non-formal education programmes. The degree to which the respondents had access to such opportunities and their perception of the expected benefits to be derived from them were not explored in this study.

Employment experience

Contrary to expectation, the informal sector workers established at Magaba have had considerable employment experience in the formal sector. Of the respondents 77,7% gave details of their prior employment. A significant difference was noted by sex, with 86,5% of the men having had prior formal employment experience as compared to 54,9% of the female respondents. The type of work in which the respondents had been engaged in the formal sector varied greatly from semi-skilled and clerical jobs in commerce and industry to farm work and domestic service. Some of the respondents indicated that they had been employed in more than one job prior to their taking up informal sector work. The duration of time spent in their last place of formal employment varied from a couple of months to 39 years. Long-serving employees represented a fairly sizeable proportion of the respondents, although the median length of time spent in the last job was five years.

The high percentage of respondents who had formal sector work experience raises the question of job type preference in relation to the factors that have influenced their moving from formal to informal sector economic activity. Respondents were asked to indicate the reasons why they had left their last job. These generally fell into three categories: termination of employment by the employer, resignation of employee because of dissatisfaction with wages and conditions of service and dislike of the job being performed, and family and personal problems. Most of the reasons given for leaving employment fell into the first category. These findings reflect the generally deteriorating employment situation in the country over the period 1975—81. It is significant that 51,4% of the informal sector operators interviewed left jobs in the formal sector involuntarily, either laid off because of firms closing down or cutting back their staff complement or because employers left the country. Long-serving employees (those working 11 years or more in one job) were over-represented and constituted approximately one fifth of this category.

This finding underlines the need for protective legislation governing loss of employment, and suggests that the current laws, while serving the interests of those who were engaged in formal sector employment at the time of their

implementation, fail to touch a large unknown group who have been sifted out of the formal sector and have entered the informal sector as a last resort. In fact, they may seem to operate against them in that the chances of their finding formal employment again are decreased. The fact remains, however, that more than one quarter of the sample of informal sector workers voluntarily chose their present occupation in preference to their former job. The significance of this will be considered later in relation to aspirations for the future. A surprising finding indicated in the Magaba survey is the fact that only four men claimed to have 'retired' from their former job—a low figure for a group of respondents of whom nearly one quarter are in the 55+ year old age category.

Characteristics of Harare informal sector

Informal sector experience

Termination of previous employment is closely linked with entrance into informal sector activity. Most of the people interviewed (57,1%) indicated that they had been led to engage in their present activity because they could not find employment in the formal sector. The second was most frequently mentioned reason (by 25% of the respondents) was the experience of poverty and the need to support their family through the provision of supplementary sources of income. Other reasons for entry into the informal sector were low wages in the formal sector, family problems, instructions given by the ancestral spirits (in the case of herbalists), the influence of others and poor health.

From this analysis of reasons given for leaving formal sector employment and engaging in informal sector activities, it is apparent that the lack of meaningful alternative employment options coupled with the inability of most respondents to meet their basic needs has led to the drift into small scale, informal sector activity. In some cases the need to supplement low wages in the formal sector was a direct factor in the choice of job in that self-employment provided a preferable alternative to low-paid jobs in the domestic and agricultural sectors. Some responses also suggested that for some informal sector operators current activities were an extension of past secondary income-producing efforts, which had taken on increased importance on the loss of a 'formal' job.

Respondents differed greatly in terms of their length of experience in their current activity, from one day to fifty years. Dependence upon petty trading and small scale production in town are by no means a new phenomenon, and to ignore the deep-rootedness of this mode of production is to obscure the important relations between the modern economy and informal sector activities.

The ILO Employment Strategy Mission identified as one specific characteristic of the informal sector the acquisition of skills outside the formal

school system. This was found to be true for the respondents at Magaba when asked as to where and how they had learnt their trade. Thirty-six people (19,6%) of the respondents did not consider their activity a 'trade' that could be learnt and did not respond to the question. While 48% of the remainder said that they had learnt from friends or associates, only 3,4% claimed to have learnt their skills through a recognised educational institution. Twenty-three (15,5%) claimed to be self-taught through observation of the activities of others. Dependence on relatives as a source of skill was surprisingly low, given the commonly accepted 'kinship' bias of small scale enterprises. Only 37 respondents said that they had learnt their trade from a relative—11 of these were herbalists who said that they had been taught their skills by a male relative on their father's side and five of them claimed that they had been directly endowed by the *vadzimu* and had been instructed in dreams. Although 143 respondents had been in formal employment prior to their taking up their present activity, only seven claimed to have learnt their current trade in their former place of employment, through on-the-job training. These findings suggest that informal rather than formal channels of communication play a key role in the development of skills in the informal sector. The link between job experience in the formal sector and the informal sector activities that serve as a source of livelihood after the termination of formal employment would appear to be minimal.

Gutkind (1963) has argued that association-based networks that cut across tribal affiliations and provide the urban newcomer with instruments to obtain a job are prevalent in African urban settings. Urban blacks are said to be anchored in a kin-based network, but are found to participate increasingly in these associations which are said to arise in response to new opportunities and demands of urban living. The dependence on friends and associates as a primary source of learning a trade which is indicated by the Magaba findings supports Gutkind's contention. This is further demonstrated by the fact that of the 118 respondents who indicated where they acquired their skill, 90 (76,3%) mentioned Harare. For many of the informal sector operators interviewed, Magaba itself has provided the type of learning environment where skills were acquired and information gained regarding reliance on small-scale production, repair or trade activities as a source of livelihood.

Workplace

Most of the workplaces in Magaba are located on the pavements or along the side of footpaths that link the area with commercial and residential areas of the city. The popularity of the area for informal sector operations seems to be derived from its location and the fact that it is a transit area for many thousands of urban workers in the formal sector who travel into the centre of the city daily. People interviewed in the Magaba survey represented four different types of

locations. (Distribution of the respondents by location is indicated at the end of each section).

(1) *Pedzanhamo*—Covered market stalls established by the municipal authorities. The area is fenced and tables are provided. Stalls are allocated to registered vendors who pay a weekly rent of Z$1,05 (36;19,6%).

(2) *Shop Pavements*—Most of the people working on the verandahs of shops in Magaba were either engaged in production activities (e.g. making canvas bags, belts, etc) or were watch repairers. The majority of this group possessed some type of basic furniture and capital equipment such as a table, chair, sewing machine or watch-repair stand. All those interviewed said they paid 'rent' for the pavements space allotted to them, usually to the owner of the shop outside which they worked (31;16,8%).

(3) *Roadside*—These people sell their wares and carry out their production and repair activities in the open spaces and along the major thoroughfares in the Magaba area. The majority of these own no capital and are engaged in either selling fruit, vegetables or cooked food, or in simple production and repair activites. None of the pople in these workplaces pay any rent for their workplace (48;26,1%).

(4) *Footpaths*—Most of the respondents in this category were established on the open space beside the footpath leading from the Cameron Road underpass at the northern fringe of the Magaba area. Like those in category (2) and (3), they are not registered with the municipal authorities. Because they operate in an open space, they have a degree of freedom not permitted in the other types of location. Their workplaces are marked by innovative attempts to establish a workbench or stand. None of the workers operating near footpaths paid any rent for their 'stands' (69;37,5%).

Categories (2), (3) and (4) are unregistered informal sector workers. As has been seen above, differences in location are associated with different types of tenure of workplace. For purposes of analysis, it is useful to identify three categories of lower-circuit workers among the respondents at Magaba, according to their tenure of workplace: a) *Pedzanhamo stall holders* who pay rent to the municipality for the use of their stalls, b) *Store front workers* who workplaces to the shop owners, and c) *Fringe workers* who are located besides roads and footpaths in the area and who do not pay any rent for their workplace. These categories will be used hereinafter in differentiating between classes of respondents.

Type of activity

Informal sector activities carried out at Magaba as investigated in this survey fall into three main categories classed as 'legitimate' in Hart's (1973) scheme.

Access to information regarding illegitimate informal sector operations is always difficult, so that no attempt was made to explore such areas as prostitution, beer brewing, gambling and pawn-broking. All the activities investigated were sedentary and were identified by a specified workplace as already indicated. Hence, pirate taxi operators were not included in the survey.

The workplaces investigated in Magaba were the sites of three different types of activities: a) small-scale production enterprises, b) petty trading and small-scale distribution activities, and c) maintenance and repair services. A number of respondents were engaged in more than one kind of activity.

a) *Small-scale production enterprises.* A total of 60 respondents were engaged in some type of small-scale productive enterprise. A limited range of products was found, and there was a tendency for people engaged in similar activities to be clustered in the same area. The only production workers to pay rent for their workplaces were 22 respondents with sewing machines who used the verandahs of shops, and carpenters who worked in makeshift wooden structures adjacent to some of the shops. For the rest, production activities were carried out by fringe workers on the open stretches of land alongside the underpass footpath. Twenty-six respondents were involved in leatherwork, 16 in making sandals of old car tyres, and 12 in simple metal work.

b) *Repair and maintenance activities.* Thirty-seven respondents were found to be engaged in a limited range of repair and maintenance activities, 30 as shoe repairers, and all of them 'fringe' workers in terms of the classification schema developed earlier.

c) *Petty trading.* A total of 57 respondents were engaged in petty trading and small-scale distribution activities, in addition to 35 stall holders at Pedzanhamo. Most of these activities related to the sale of food and provisions. Most of these trading occupations were carried out at roadside workplaces. Herbalists were counted among the petty traders.

Rental and workplace

As was noted earlier, 31 respondents (21% of the unregistered respondents) paid rent for their workplace, although, in all cases but one, the workplace is at best a piece of pavement sheltered by shop awnings. The rental paid varied from a minimum of Z$4,00 per month to a maximum of Z$36,00, with the median rent at Z$10,00. Payment of rent also entitled the workers to store their materials, articles and working equipment in the shop at night. This need for storage space in close proximity to their workplace was an obvious priority for these workers and posed a particular problem for a number of non-rent-paying informal sector operators who had to make arrangements with shop owners to store goods, carry their goods home with them, hide them in the area of the workplace or take them to the nearby hostels.

Mode of Operation

The ILO Report on employment in Kenya focused on the informal sector as a major part of its analysis and highlighted the identifying characteristics of informal activities. These were specified as ease of entry, reliance on indigenous resources, family ownership of enterprises, small-scale of operation, labour intensive and adopted technology, skills acquired outside the formal school system and unregulated and competitive markets. Findings of the Magaba survey support the small-scale nature of the operations as characterised above, but suggest a predominantly individualistic mode of operation and ownership. Of the respondents, 85,9% claimed that they worked alone as compared to only 14,1% of respondents who said they worked with one or more others. The maximum number of people working together was five. It appeared that a higher percentage of women than men worked alone, most of them engaged in selling fruit, vegetables and cooked food and none of them were engaged in any productive or repair activities. Seventeen of the 27 people who worked with others mentioned relatives, and in three cases they worked with one hired employee. The large majority of informal sector operators indicated that they worked alone because they wanted to, whereas only six said that they would prefer to work with others.

The advantages of individual ownership and the one-man scale of operation were stressed by a large majority of the respondents, viz the avoidance of conflict in the working situation, greater financial gain and the freedom to make independent decisions without recourse to others. In response to a question regarding what they considered to be the advantages of working together with others, 54,4% of the self-employed individuals said that they saw no advantages at all, while 13 respondents expressed the view that mutual help was the main advantage especially where people were ill or handicapped.

The type of joint or co-operative activity engaged in by informal sector workers at Magaba seemed to vary considerably from situation to situation. Generally, materials were purchased by a pair of individuals or by the group. Earnings were shared differently according to working arrangements. Knowledge of co-operative ventures was very limited as was indicated by the fact that only 43 respondents claimed to know of any other groups of people who worked together, 78,8% said that they did not know of any such co-operative enterprises.

These findings reveal a limited knowledge and experience of co-operative working arrangements on the part of the self-employed individual operators interviewed at Magaba. This point will be returned to later in relation to the potential for co-operative formation among informal sector workers. It is significant to note that in the pilot study in a neighbouring area a number of questions designed to explore attitudes towards the formation of co-operatives

were included. These were found to generate a certain amount of fear and hostility among the respondents, prompting the more indirect style of question in the actual survey.

The mode of acquisition of raw materials and items for sale by informal sector workers is one way in which linkages between the formal and informal sectors of the economy are revealed. In the Magaba survey, the majority of respondents engaged in small-scale production said that they acquired the materials used from commercial firms. Informal channels of acquisition of materials were more marked among the group engaged in repair activities. Most of the shoe and watch repairers said that they purchased items from their customers, thus obtaining the materials necessary to mend other shoes and watches. Four respondents in this category said that they acquired some of their materials from the rubbish dump and through their own efforts at collection.

Petty traders in the Magaba survey obtained most of their items from *musika* (Mbare) or directly from hawkers and vendors from the rural areas. Most of the herbalists interviewed said that they collected some of their herbs themselves from the bush.

Despite the unstructured appearance of informal sector operations, as judged by the casual observer, closer examination reveals a higher level of informal structure and organisation. For the majority of respondents at Magaba, 'work' is a 6 or 7 day per week activity that begins and ends at a regular time. This finding is in contradiction to the irregularity of working hours suggested by Santos (1972) as being characteristic of lower-circuit economic activity.

For most of the informal sector workers at Magaba, business is conducted on a small scale basis. Only 64 respondents (34,8%) said that they sometimes sold their goods in bulk. Most of these were petty producers, tyre sandal makers, stall holders at Pedzanhamo and herbalists.

Generally the above findings appear to underline the importance of central location for informal sector operations in Harare. Petty production, repair and trade activities are carried out on a regular basis but accessibility to the potential customer is viewed as paramount. Hence the need for such operators to cluster in a geographic area that affords them proximity to sources of raw materials and guarantees them accessibility to shoppers, beerhall patrons and passersby who form the bulk of their clientele.

Difficulties experienced in the work situation

All but 10 of the informal workers interviewed admitted that they encountered difficulties in their work. These difficulties varied according to the nature of the workplace and revealed some basic differences between the three categories of

workplace mentioned earlier. However, a number of fundamental problems underlay the comments made by the large majority of respondents. Difficulties encountered can be categorised into three main groups: a) environmental, b) economic, and c) social and personal. These will be considered in greater depth, first with respect to the unregistered operators, the storefront and fringe workers.

a) *Environmental problems.* Sixty-nine of the unregistered respondents (46,6%) spoke of the problems experienced in their work because of weather conditions and 42 made specific reference to the lack of adequate shelter. Fringe workers in particular spoke of the hardships they experienced because of their vulnerability to rain, sun, wind and dust, and the inadequacy of operating in an open-air, unsheltered workplace. Closely linked to this was the problem of storage, noted particularly by those who make their living by selling cooked food, meat and fruit and vegetables. A further problem noted by a number of respondents was theft and the lack of security of tools, completed items and capital equipment.

b) *Economic problems.* A second category of problems faced by the informal sector workers related to economic constraints experienced. Thirty three respondents mentioned the lack of customers as a problem they faced; the greater number of these being people working in the shoe repair trade. Lack of finance to acquire more materials or capital equipment was another economic constraint frequently mentioned. Other economic constraints noted by some of the storefront workers were the high rents charged for their workplaces. Delay in payments also posed a difficulty for a number of workers, especially those engaged in repair work.

c) *Social and personal problems.* The most frequently mentioned social problem affecting informal sector workers interviewed was theft. Usually this was mentioned in relation to the lack of adequate provision for storage — particularly where tools and capital equipment were concerned. Inadequate transport, poor sanitation and water facilities as well as harassment by police of unlicensed operators were also identified as problems experienced in the workplace. On the personal side, poor health or physical disability constituted a problem affecting the work of a number of respondents. Several fringe workers linked the difficulties experienced in carrying out their work to lack of appropriate living accommodation. Only two respondents identified lack of skills or knowledge about their area of work as a difficulty — a rather surprising finding.

The distinction between social, economic and environmental problems indentified by respondents is a somewhat artificial one, and must not be seen to blur the fact that for many informal sector workers life is a holistic entity. Any attempt to separate out component parts, or distinguish between a work

situation and home responsibilities for the purposes of analysis runs the risk of misinterpretation. The linkages between the difficulties mentioned above is self-evident.

Difficulties experienced at Pedzanhamo

Difficulties mentioned by the Pedzanhamo group of informal sector operators show some marked differences when viewed in relation to responses given by the groups examined above. Three quarters of the Pedzanhamo stall holders mentioned theft as a serious problem. This was frequently related to the lack of adequate security provision in the form of lockers and the failure of the authorities to provide a security guard. Lack of satisfactory physical shelter, inadequate storage facilities and the vulnerability to the physical elements (rain in particular), also featured prominently in the Pedzanhamo group's list of difficulties. In mentioning these difficulties relating to shelter and security, a number of respondents expressed their grievances regarding the failure of the municipal authorities to whom they paid rent to remedy the situation. Problems relating to the expensiveness of materials, payment of retail prices, lack of customers and difficulties in transport echoed the difficulties mentioned by the other groups of informal sector workers.

Resolution of difficulties

As has been seen above, the majority of respondents in the Magaba survey highlighted the environment problems stemming from inadequate storage and security provision. Nearly 50% of the fringe and storefront workers indicated that these problems could be resolved by the provision of sheltered places of work and secure worksheds. Many expressed the view that they would be prepared to pay rent for shelters. Most indicated the responsibility of 'the authorities' or government to provide these facilities and to ensure that there were good storage and security arrangements.

With regard to the economic difficulties experienced, a number of solutions were envisaged. Bulk purchase of inputs at wholesale prices was mentioned by a number of respondents. It was suggested that a license or 'permission' be obtained from government to entitle informal sector workers to purchase goods at wholesale prices. The need to obtain a loan in order to do this was mentioned by several respondents. The need to work cooperatively with others to overcome these economic difficulties was expressed by several individuals. In contrast to this were those who saw the resolution of their difficulties in the need for continued effort on their own part. For a minority of respondents, most of whom were fringe workers, the only resolution to the difficulties encountered was seen to lie in opting out of the situation, eg three aliens spoke

of their desire to be repatriated. Several respondents said that they saw the solution to their difficulites in looking for alternative employment and a better workplace. Some saw no solution at all.

Some notable differences were apparent between the responses given by the fringe and storefront workers and the Pedzanhamo stall holders in relation to ways of dealing with the difficulties encountered. The latter offered more clearly articulated suggestions and were more unified in their prescription of solutions. The main suggestions made related to the security situation at Pedzanhamo. A strong and concerted plea was expressed for the authorities to take action on employing a security guard at night, adding lockers, improving the sheds and building walls.

Income and personal welfare

TABLE I

ANALYSIS OF INFORMAL SECTOR OPERATORS BY CATEGORY OF WORKER AND SELECTED CHARACTERISTICS (%)

	Fringe workers	Store-front workers	Stall-holders Pedza-nhamo	Total
Residential arrangements				
in hostels	35,6	16,1	2,8	25,8
in high density housing areas	52,1	80,7	97,2	65,9
no fixed abode	10,4	–	–	6,6
Residential status				
house owners	13,7	7,7	38,9	17,9
tenants	25,6	19,4	19,4	23,4
lodgers	26,5	51,6	27,8	31,0
squatters	12,8	–	–	8,2
Financial security				
having rights to land in rural areas in Zimbabwe	42,7	45,2	36,1	41,8
earning more than minimum industrial wage	11,7	61,0	22,2	21,7
with ability to save	30,8	67,7	75,0	45,7
with other sources of income	17,9	19,4	38,9	22,3
wealth rating ≥ $2 000	16,2	35,5	47,2	26,5
Job preference				
preferring to remain in present job	30,8	48,4	55,5	38,6
preferring job in industry	54,7	35,5	36,1	47,8
	(N = 117)	(N = 31)	(N = 36)	(N = 184)

The heterogeneity of informal sector workers at Magaba is indicated by the diversity evident in their place and status of residence. The majority of these workers travel to their workplace each day from some distance. Half of the

respondents travel distances in excess of 20km each day, many of them carrying their wares with them.

As can be seen from Table I, some interesting differences are apparent when the three groups of informal sector operators are compared. Thrity-five percent of the fringe workers are resident in the hostels as compared to only 2,8% of the Pedzanhamo stall-holders and 16,1% of the storefront workers. This high concentration of fringe workers in hostel accommodation contrasts strongly with the prevalence of residents in housing units in Mbare which charaterised Pedzanhamo traders (38,8%). More then one third of the Pedzanhamo stall-holders and storefront workers are resident in Chitungwiza. Another significant difference between the fringe workers and the other two groups is shown by the fact that all 12 respondents who said they had no fixed place of abode and lived in shanties in the surrounding area were fringe workers, and represented 10,4% of this category. It should also be noted that a number of the respondents who said that they were currently living in the hostels nearby said that they had been squatting prior to their being moved to the hostels.

Another interesting difference between the registered and non-registered operators is evidenced in the higher percentage of owners represented among the Pedzanhamo stall holders than in the other two groups. Fifteen of the fringe workers identified themselves as 'squatters' whereas none of the stall holders or storefront workers fell into this category. A surprising finding is the fact that half of the storefront workers claimed to be lodgers, a significantly higher proportion than in the other two categories of workers.

Wealth and security

Rights to land in the rural areas indicate a degree of land-based security that is commensurate with traditional rural community life. Less than half of the respondents claimed that they presently had rights to a plot of land in the communal areas. The percentage of unregistered workers (43,2%) was somewhat higher than that of Pedzanhamo stall holders (36,1%), suggesting possible differences in terms of rural versus urban based security. Forty-five percent of the respondents interviewed said that they presently had a house in the rural areas or that they were in the process of building one.

Ownership of livestock was limited, with only one third of the total group of respondents claiming possession of any at all. All these respondents were people who had built or were in the process of building a rural home. The type of livestock varied from poultry and rabbits to pigs, goats and cattle. A number of respondents indicated that the livestock they had possessed had been lost in the chimurenga war.

Length of residence in town seemed to bear little relationship to the amount of wealth that was accumulated in rural areas. Furthermore, almost half of the

respondents who owned houses in town claimed to also have some rural-based wealth, in the form of rural home and livestock. This supports the contention that a substantial proportion of urban residents continue to maintain a stake in the rural areas and rely on the security that this affords, even while developing an urban-based security (Stopforth, 1971).

Respondents were also asked whether they owned any or all of the following: a motor vehicle, a scotch cart, a bicycle, a sewing machine or other capital equipment. An attempt was then made to assign an approximate monetary value to the wealth possessed by the informal sector operators, using a rough conversion scale. Wealth was thus taken as comprising possession of a house (rural and urban area), livestock, vehicle (motor car, scotch cart, or bicycle) and means of production (eg sewing machine). Respondents were then classified into three categories according to their wealth rating: low (where the total estimated monetary value was less than Z$1 000), medium (approximate monetary value of between Z$1 000 and Z$2 000) and high (where the value exceeded Z$2 000). A significant relationship was found to exist between wealth rating and category of worker indicated by tenure of workplace. Nearly half of the Pedzanhamo stall-holders (47,2%) (with greater security of tenure of workplace) were in the high wealth category, as compared to only 16,2% of the fringe workers (who have no security of tenure of workplace). A total of 72 respondents, 27 of them aliens, owned none of the items investigated, and hence had a wealth rating of 0. Aliens were over represented in this group, such that 64,3% of the aliens interviewed had no identifiable wealth as compared to only 31,7% of the Zimbabweans. More than three quarters of those who had no measurable wealth were fringe workers.

Income

Details of earnings of informal sector workers are notoriously difficult to obtain and can be termed as little more than estimates. As Davies (1974) pointed out in his Hartley study, lack of written records of incomes and expenditure, the need experienced by many marginal workers to consume daily earnings immediately, and the inevitable fluctuations in takings according to season make it impossible to do more than form some type of 'order of magnitude' estimate of earnings. Estimates are also likely to be influenced by the most recent levels of takings — something which could introduce a bias in either direction. Since the Magaba study was carried out in the December/January period, it could be argued that recent levels of earnings are likely to have been higher because of the holiday season, year end bonuses, etc. However, it could also be postulated that increasing demands placed on the prospective buyers for expenditure on other items during the planting and festive season are likely to have lowered the level of takings.

A further problem associated with the use of income data gathered in the Magaba study relates to the failure of most respondents to distinguish between net profits and total takings. This results from the fact that only 19% of the respondents claimed to keep any records of income and expenditures. Lack of clarity with regard to the level of earnings received is evidenced by the fact that close to 10% of the respondents (most of them women vegetable vendors) were not able to offer even an estimate. The range of weekly earnings is very wide: from a minimum of Z$0,65 mentioned by an alien man of no fixed abode who depends on the sale of tobacco for his livelihood to a weekly turnover of Z$350,00 claimed by the owner of a 'hot-dog' stand.

The adequacy of these incomes can be assessed roughly by comparing them with the minimum wage for industrial workers as specified in January 1982 (Z$105,00 per month). On the basis of a 4½ week month, this can be put at Z$23,30 per week. Slightly more than one fifth of the respondents claimed to earn more than this figure. Compared to domestic and agricultural work, however, the earnings appear in a more favourable light as 68,3% claim to earn in excess of Z$10,00 while the equivalent weekly wage of domestic and agricultural workers was Z$11,10.

The level of earnings of the Magaba informal sector operators was found to vary significantly according to a number of background variables. As has already been indicated, there is an evident stratification of informal sector workers that appears to relate to their tenure of workplace. This differentiation between fringe workers, Pedzanhamo stall-holders and storefront workers is born out in terms of weekly earnings. The average earnings of storefront workers as indicated by the median income is significantly higher than that of the stall-holders and the unregistered fringe workers. Sixty-one percent of the storefront workers earn in excess of the minimum wage in industry as compared to only 11,7% of the fringe workers. Significant differences in levels of earnings are also evident when the respondents are classified according to sex. This is particularly evident in the case of the registered Pedzanhamo stall holders, where the median incomes of the men (most of them are herbalists) is more than three times that of the women. Aliens are over-represented in the lower income categories with 45% of them earning less than Z$10,00 a week and only 9,5% earning more than the minimum industrial wage. An association is also suggested between the type of economic activity engaged in and the average level of earnings derived from it. People engaged in small scale productive activities generally reported higher weekly earnings then those in the repair and petty trading categories, although considerable variation was noted between different sub-groupings.

Savings

Nearly half of the respondents reported that they were able to save some of their weekly earnings. Once again, a marked difference was evident between the three groups identified. Seventy-five percent of the Pedzanhamo stall holders claimed to save as compared to only 30,1% of the fringe workers. Security of tenure of workplace was found to be associated with higher levels of earnings and a greater propensity to save. The majority of stall holders at Pedzanhamo who indicated that they were able to save some of their weekly earnings belonged to a thrift and savings club that operated among the women traders at the market. There was a membership of 14, and each member contributed Z$2,00 daily to enable one member of the club to have sufficient funds to purchase her wares or attend to other financial commitments once every two weeks. There was little evidence of involvement in savings clubs among the storefront or fringe workers.

Other sources of income

Only a minority of respondents indicated that they had sources of income other than their main income producing activity. For the most part, those with additional sources of income were the married respondents, who had a spouse in employment—either in the formal sector (usually the husband of a female respondent) or engaged in informal activities (generally the wife of a male respondent). Pedzanhamo stall-holders had a significantly higher proportion of respondents who claim other sources of income than the fringe and storefront workers. This may partly be explained by the fact that the majority of Pedzanhamo group are married women. Only 11 respondents mentioned receiving any income from agricultural activities, most of these referring to production in rural homesteads. The amount of supplementary income received ranged from Z$2,00 per month to Z$120,00. A conclusion drawn from these findings suggests that supplementary sources of income are available to only a minority of Magaba informal workers. For most of them, the informal sector activity in which they are engaged is their only source of livelihood.

Work aspirations

The extent to which informal sector operators are committed to their present undertaking is indicated by their responses to a speculative question: if given the opportunity, would they choose to get a job in industry, go home to the rural areas, remain in their present activity, or some other unspecified alternative? The responses given varied significantly among the three workplace tenure groups. Of the Pedzanhamo stall-holders 55,5% stated their preference for remaining in their present activity as compared to 48,4% of the storefront workers and 30,8% of the fringe workers. Conversely, 54,7% of the fringe

workers said they would prefer a job in industry to their present activity as compared to little more than one third of the Pedzanhamo and storefront respondents. This would appear to suggest that the greater security afforded the latter through their greater security of workplace tenure, coupled with the higher income levels that characterise these groups, served to offset the disadvantages of informal sector activity. Preference to remain in their present activity was frequently linked with the desire to one day start up one's own business—this was usually envisioned as being in the present area of activity and included a grocery shop, shoe factory, restaurant, etc. These ambitions were most clearly articulated by the storefront production workers and repairers. By and large the informal sector operators interviewed in Magaba expressed a commitment to urban living. Only 15 respondents (8,2% of those interviewed) said that given the choice they would opt to return 'home'.

Conclusion

In the light of the data obtained from the survey of informal sector operators in Magaba a number of tentative conclusions can be drawn.

— Informal sector operations in Magaba are distinctly heterogenous. They display significant differences which necessitate differentiated treatment of various sub-groups of the self-employed. As Sinclair has noted, one of the difficulties encountered in using the informal sector concept concerns the artificial homogeneity it apparently assigns to all the enterprises 'lumped' within it. Recognition of the differential nature and status of informal sector operations in Magaba is essential if policies adopted towards the sector are to be informed and enlightened, and if the supportive measures indicated by government are to have optimum effect.

— Differences among the self-employed at Magaba were found in a number of pertinent background variables including age, nationality, level of education, duration of urban residence and experience within the formal sector. The mode of operation of the various enterprises as well as the level of earnings and general welfare of the operator were also found to differ considerably. Thus, the 'informal sector' in Magaba must be viewed as a "heterogeneous multidimensional phenomenon" (Sinclair, 1978).

— A significant number of informal sector operators at Magaba earn a reasonable livelihood from their work, are committed to their enterprise, and have every intention of continuing and expanding it, even if other employment options were open to them. This tends to concur with the findings of a number of recent empirical studies reported by Sinclair, which underline the fact that the informal sector is not solely constituted by those who would prefer to work elsewhere. Personal independence, higher income and prestige appear to be

more attainable in a situation of self-employment than in the highly competitive formal sector economic structures.

— The group mentioned above contrasted strongly with certain groups of disadvantaged individuals for whom the informal sector was an 'employer of last resort' and a means of subsistence in a hostile environment. These include a number of people in the Magaba study who, for the most part, were classified as 'fringe workers'. Among these could be mentioned a) elderly alien men, most of whom lacked education, skills, wealth and viable source of livelihood; b) individuals whose poor health, physical handicap or disability made it impossible for them to acquire alternate employment or to maintain themselves adequately in their present situation; c) widows who lacked alternative financial support for their dependents and whose incomes were inadequate to provide for their dependents. It was noted that division of labour by sex appeared to be deeply embedded in informal sector operations at Magaba. All the women interviewed were engaged in petty trading activities and the large majority earned inadequate incomes that fell far below the Poverty Datum Line. These groups of disadvantaged are in need of assistance from the Department of Social Services, and adequate referral processes need to be established.

— The stratification that was evident within the 'informal sector' at Magaba appeared to be largely related to tenure of workplace and type of economic activity. Productive workers, watch repairers and herbalists (most of whom owned some 'capital' and had greater security of workplace) constituted a singularly different class from certain categories of fringe workers. Security of tenure of workplace appeared to be associated with higher levels of income and wealth and a higher degree of commitment to continuing and expanding the present economy activity. Hence the classification system developed appeared to have been useful in disaggregating the informal sector operations in Magaba.

— Informal sector workers at Magaba are not urban newcomers and any provision for their future must take due congnisance of this fact. 40% of the respondents claimed to have lived in Harare for more than 20 years. Although a small minority of fringe workers looked forward to repatriation to their mother country or to returning to rural homes, the large majority of workers are urbanised, and provision for their welfare is a matter for urban authorities.

— Location plays a central importance in informal sector activities in Magaba. This is attested to by the long distances travelled each day by close to half of the self-employed. The long established nature of some of the operations and the fact that many people claimed to have learnt skills in the area, points to the need to stablise the workplace in Magaba. Provision of various types of assistance by the municipal authorities could be significant, particulary in relation to the enviromental difficulties identified by the respondents.

— Although the large majority of informal sector workers at Magaba had been engaged in their present activity for some time, very few had entered it immediately upon arrival from the rural areas. 86,5% of the men and 54,9% of the women had had employment experience in the formal sector. Hence it appears that the informal sector in Magaba serves as a 'safety net' for those who are squeezed out of formal employment in the money economy and who lack alternative sources of income and livelihood. Little evidence was found of transfer of skills learned in formal employment to informal sector activities, which is partly due to the predominantly unskilled nature of the employment experience. Urban-based associations provide a significant support system to the informal sector workers, in addition to kin-based networks. This is seen particularly in the form of sources of knowledge and skill 'training', acquisition of raw materials and arrangements relating to storage provision for goods.

— The level of technology utilised at Magaba is simple, and, with the exception of certain categories of production workers, the term 'one dollar workplace' is an apt description. Partly because of this, the informal sector in Magaba shows a marked tendency towards the proliferation and maintenance of the 'one-man' scale of operation.

— There is minimal evidence of co-operative formation among informal sector workers at Magaba. Even where enterprises are run jointly by two or more partners, the mode of operation is primarily individualistic. For the lower income operators, it could be asserted that being close to the margin of survival appeared to increase the tendency to 'risk minimisation' by retaining the existing form of mode of operation. The majority of informal sector operators at Magaba appeared to have a very limited knowledge of co-operatives and indicated little understanding of the potential advantages to be derived from co-operative endeavours. It would seem that a considerable amount of ground work would be necessary prior to assisting in co-operative formation.

— The degree of organisation among self-employed operators appeared to be higher among Pedzanhamo stall-holders who all paid a similar fee to the municipality than among the fringe and storefront workers who lacked any common bond. This was reflected in the number of actions taken to support group interests (eg hiring of a security guard and formation of a savings club) and in the unequivocal statement of complaints and difficulties that they put forward. The problems and difficulties raised by informal sector operators could be more easily resolved if concerted efforts were made by people engaged in similar activities. This seems unlikely to occur unless provision is made for a community worker to assist in this regard.

The situation of informal sector operators at Magaba is symptomatic of deeper problems within the total socio-economic system in Zimbabwe. Unemployment and under-employment—historically created by actions and

omissions of the past—cannot be separated from insecurity and poverty. As Bromley and Gerry (1979) have pointed out,

> the poor are part of the total system but they have no control over the system and little possibility of changing it . . In most cases, the poor are too busy making a living to think of organisation and mobilisation, and their dependent vertical linkages within the socio-economic system are much more significant than their horizontal linkages and potential solidarity.

It would appear that community work could play a key role in helping to develop those 'horizontal linkages' at Magaba, but that in itself is not sufficient. Policies must be directed to resolving the root problems of poverty and insecurity which perpetuate 'one-dollar workplaces' in an urban world of plenty.

Footnotes

1. Subsequent to the completion of this report a study of the informal sector was undertaken by the ILO SATEP for the Ministry of Labour Manpower Planning and Social Welfare.
2. The median income was used in preference to the mean because of the few individuals that earned excessively high incomes and thus made the mean a biased indicator of central tendency.

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