

# The Challenges Faced by Female Street Vendors in Mbombela Municipality

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**Abstract:** With the advent of democracy after 1994, South African cities such as Johannesburg, Cape Town and Durban saw an influx of people looking for jobs. Due to scarcity of jobs many found themselves selling on street pavements. South Africa is argued to have a high rate of unemployment which is currently standing at 29%. Out of the population of 38.4 million people of working age, only 23 million are said to be employed. Street trading is said to be one of the areas that creates jobs for millions of people, especially women since they are in the majority about selling on the streets as compared to men. The aim of the study was to assess the challenges and constraints faced by female street vendors in Mbombela Local Municipality under Mpumalanga Province, and the responses made by various stakeholders including the vendors themselves. A qualitative research design was applied since the study was aimed at exploring and giving an in-depth analysis of the challenges faced by women as street vendors. Data was collected through semi-structured interview schedules from sixty (60) women who are street vendors from seven major markets in the Mbombela Municipality. Data was then summarised to capture emerging themes as well as opinions, attitudes and perceptions. The findings revealed that women trade on the street due to the high level of unemployment in the country. The results also revealed that street trading is supporting the economy of the country and neighbouring countries such as Mozambique and eSwatini by creating jobs for women. According to the results of the study, a majority of the female traders face challenges such as lack of storage for trading, waiting for long periods to get trading licences and lack of access to credit and training.

**Keywords:** Business, Commodities, Economy, Infrastructure, Households, Street vendors

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## 1. Introduction

Worldwide women contribute to countries' economies through informal trade. The unemployment rate and the fact that it is not costly to enter the informal street trade make it a viable option for many women world-wide. A lot of jobs are thus created through street vending and women are able to take care of their families (Chen, 2001; Chant & Pedwel, 2008; Sassen *et al.*, 2018). This report is a synthesis of seven street vending markets in Mbombela Municipality which is situated in the Ehlanzeni District of Mbombela city in Mpumalanga, South Africa. The aim of the study is to assess the challenges, opportunities and constraints faced by female street vendors. South Africa's past discriminatory laws such as the Native Act of 1923 declared urban areas as white thwating black people from staying or even being in urban areas at certain times of the day. Due to poverty and hunger and the need for people to feed their families, they resorted to street vending which is a lucrative business venture for many black people in South Africa. Initially apartheid laws did not allow informal businesses

in urban areas (Rogerson, 2000). Around the 1980s street vending was delegated to municipalities within traffic policing or security-related municipal departments (Mitullah, 2003). After 1994 street trading was then relocated Local Economic Development (Municipal Systems Act, 2000). South Africa is argued to have a high rate of unemployment which is currently standing at twenty-nine percent (29%). Out of the population of 38.4 million people of working age, only 23 million are said to be employed (STATS SA, 2019). Street vending is said to be one of the areas that creates jobs for millions of people (Ramani *et al.*, 2013; Roever, 2016; Sassen *et al.*, 2018; Alcock, 2018; Monga *et al.*, 2019), generating up to 32 billion ZAR (Gamielien & van Niekerk, 2017) and thus contributing to South Africa's Gross Domestic Product (Chen, 2001; Motala, 2008; Sassen *et al.*, 2018).

## 2. Street Vending Defined

Monga *et al.* (2019) defines street vendors as "*people who sell their goods on pavements, market places and mobile street hawking*". Street vending is referred to as informal work and is defined as a form of productivity

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where workers are self-employed, or work for those who are self-employed (Gamieldien & van Niekerk, 2017; ILO, 2018). It is said to be done by one person in a family or done by several members of the family, all responsible for different aspects of the business (RSA, 1995; Rogerson, 2000; Chen, 2001; Monga *et al.*, 2019). Sweets, food, hair services, cigarettes, vegetables and meat are sold on pavements at taxi ranks, bus stops, railway stations, etc. Street vending is characterised by insecure vending sites, no labour protection, not registered for tax, mostly no policies to protect street vendors from municipal by-laws, exposure to illness due to working in the open without shelters and lack of sanitation or running water (Nugundu & Lombard, 2012; Sassen *et al.*, 2018; Monga *et al.*, 2019). They are said to target low to medium income customers hence where they are situated (Chen, 2001; Mitullah, 2003).

### 3. A Synopsis of Street Vending within Mbombela Municipality

Mbombela, which was previously called Nelspruit, is a city in northeastern South Africa. It is the capital of the Mpumalanga province. Located on the Crocodile River, Mbombela lies about 110 kilometers west of the Mozambique border, 330 kilometres east of Johannesburg and about 82 kilometres North of the Eswatini border. Mbombela Local Municipality is an administrative area in the Ehlanzeni District of Mpumalanga in South Africa (Wikipedia, 2020). Mbombela has trading markets in Matsulu on the N4, Matsulu Shopping Centre, another market on the N4 near Mataffin, Nelspruit CBD, Ekukhanyeni Centre, Plaza Taxi Rank and Kabokweni Shopping Centre. According to the information on Mbombela's street trading database, there are presently three hundred and fifty (350) trading licenses that have been issued by the municipality, with over a thousand (1000) on the waiting list. The trading licenses cost 60ZAR a month, however, for the past two years no licenses have been issued due to the influx of illegal trading. The city aims to go on a cleaning campaign to have all illegal street traders removed before new licenses can be issued and revenue collected.

## 4. Literature Review

### 4.1 South African Legal Framework Regarding Street Vending

The argument of this paper is that even though street vendors contribute to South Africa's Gross

Domestic Product, they have little influence over decisions taken by the city of Mbombela regarding their businesses. The vendors have no influence on any policies developed for managing their operation. Previous legal framework on street vending in South Africa and in many parts of the world are argued to have been hostile and discriminatory towards street vendors since they were more on policing and evictions (Mitullah, 2003). Things changed for the better with the dawn of democracy with the promulgation of the Business Act of 1991 and the White Paper on National Strategy for Development and Promotion of Small Businesses in South Africa (1995) which are argued to have changed the legal approach to informal trading because they acknowledged the value of street trading on the South African economy and allowed street vendors to trade freely as long as they traded within the ambits of the by-laws of the municipalities. In terms of and under the provisions of section 156 of the Constitution of the Republic of South Africa, 1996 the Mbombela Municipality enacted the Mbombela Local Municipality Street Trading Law of 2014 giving permission for people to trade whilst also laying down procedures to be followed when trading in the municipality.

### 4.2 Women as Street Traders

Besides ratifying treaties that compels countries to empower women, the South African government developed the following policies to protect the rights, promote gender equality and facilitate women's empowerment; the Constitution of South Africa (1996), the Promotion of Equality and Prevention of Unfair Discrimination Act (PEPUDA) of 2000, the Employment Equity Act (EEA) of 1998 and the National Policy Framework for Women's Empowerment and Gender Equality (WEGE) of 2000 amongst others. WEGE lays down the processes to be followed in developing laws, policies, procedures and practices that would ensure equal rights and opportunities for both women and men in all spheres. The situation in South Africa is that most street vendors according to perused literature are women (Skinner & Valodia, 2001; Mahadea, 2002). Even though men do participate in pavement economies, it is argued that it is not at the scale that women do (RSA, 1995; Rogerson, 2000; Chen, 2001). South African demographics may differ in that street vending is mostly done by black women.

By selling on the streets, women are able to meet basic needs such as food, water, health and

education for their children (Mitullah, 2003). The argument presented by Reddy & Moletsane (2009) about the face of poverty being female is that, due to high unemployment rates and the need to survive and meet basic human needs, street vending has become rampant all over the world where women sell wares on the streets or designated market places to earn a living. Street trading does not need a lot of capital to start a business hence it is easier for women to borrow from each other or from family members and buy the commodities to sell on the street (Cohen *et al.*, 2000; Ramani *et al.*, 2013; ILO, 2018). Due to movement restriction caused by household activities which are normally done by women due to patriarchal division of household labour, women normally find themselves trading in places that are nearer to their home to be able to balance both their reproductive and productive responsibilities (Mitullah, 2003; Ngomane & Sebola, 2016).

#### **4.3 Benefits of Street Economies**

The work that is done by women in the informal sector is said to be contributing immensely to South Africa's GDP (Chen, 2001; Mahadea, 2002; Mitullah, 2003; Motala, 2018). Other researchers argue that street vending generates about R32 billion annually (Gamielien & van Niekerk, 2017) and thus assist the government in the creation of jobs in the informal sector. The work done by women as street vendors is also beneficial to the formal economy because women source the goods they sell from formal enterprises. Without street vendors, most formal enterprises that deal with the commodities sourced by street vendors will collapse (Mkhize *et al.*, 2013) because street vending is an organised business setting where transport arrangements are made to deliver goods, setting of delivery dates and times, collection of payments, etc.

According to perused literature, most women involved in street trading have lower educational levels (Cohen *et al.*, 2000; Motala, 2008; Nugundu & Lombard, 2012; ILO, 2018) hence they are found in the majority on the streets. Women are said to normally trade in low value commodities such as vegetables and fruits. These are said to be highly perishable and the fact that they lack cold storage facilities and to circumvent stock loss they are forced to sell at lower prices (Ngomane & Sebola, 2016).

## **5. Challenges Faced by Women in the Informal Sector**

### **5.1 Pavement Tenure**

Most surveyed literature has indicated street vendors protest about harassment by municipal police and that their goods get confiscated (ILO, 2018). According to Mbombela Municipality, they have not been able to raid any street market since 2015 to search for counterfeit goods or those trading without licenses because of lack of law enforcement since raids include several stakeholders. The impact of the lack of raids according to Mbombela Municipality is that there has now been an increase of illegal trading especially by illegal immigrants from countries such as Mozambique, Zimbabwe, Swaziland, Nigerian and other African nationals. On the other hand, surveyed literature also argues that women do not have pavement tenure security due to arbitrary evictions which are said to be a norm (Mitullah, 2003; Roever, 2016; Monga *et al.*, 2019). For women to trade on pavements in South Africa, it is a requirement that they buy trading permits at a cost of ZAR60 a month.

### **5.2 Access to Infrastructure**

It is important that street vendors have access to infrastructure however; perused literature indicates that most street vendors do not have access to storage space, shelter, water, sanitation, electricity to enable them to stimulate local economic growth. Should there be some form of infrastructure, it is normally in a dilapidated state and not maintained (Mkhize *et al.*, 2013; Gamielien & van Niekerk, 2017; Monga *et al.*, 2019). Progress has been made in South Africa regarding the provision of water, sanitation and storage facilities by cities such as Durban through the municipality. The argument though is that these might not be accessible by everyone due to the high pricing (Mitullah, 2003).

### **5.3 Access to Credit**

Perused literature on street vending indicate that women struggle to have access to credit from formal institutions such as banks (Cohen *et al.*, 2000; Rogerson, 2000; Chen, 2001; Nugundu & Lombard, 2012). It is generally very difficult for informal traders to borrow money from banks because they have nothing to put up as security for their loans and as such do not qualify for funding. Others, according

to Mitullah (2003) start savings clubs and use the money to open or expand their trade.

#### 5.4 Lack of Skills to Take Business Further

The low educational levels of women involved in street vending mean that they lack the skills needed to grow their businesses. The results of a study done by Nugundu & Lombard (2013) in Zimbabwe on the contribution of the informal economy to the social and economic development of women indicate that most women involved in street trading do not have financial or marketing skills that can assist them to grow their business or compete in the formal market. The South African situation is that street vendor associations take the responsibility of training their own members by utilizing the services of Non-Governmental Organisations and other stakeholders. A street vendor association such as the Pretoria Informal Business Association (PIBA) is said to be working together with the municipality to assist street vendors to access markets, get training of financial management and marketing (Mitullah, 2003).

### 6. How Street Vendors Respond to Challenges

As a way of dealing with the challenges women encounter within the street vending sector, several street vendor associations were established by women all over the country to advocate for their needs. Associations give legal leverage for street vendors to hold municipalities to account on challenges faced by street vendors. The power of the ability of street vendors associations was seen when South African street vendors in Durban organized themselves and representation by an association, won a case when Durban City wanted to demolish Warwick Junction informal markets to make way for a shopping mall (Skinner & Valodia, 2001; Mutillah, 2003). Mbombela Association for Street Vendors represents those trading in Mbombela in all the seven markets under study and it is responsible for assisting street vendors by advocating for their rights such as the right to sanitation, water, electricity, safe trading spaces, protection from harassment and so forth.

### 7. Theoretical Perspective

The study is anchored on the Gender and Development (GAD) approach which argues systematic and structural inequality between women and men which

leaves women more disadvantaged as compared to men. This approach is suitable to this study due to its focus on the importance of social, economic and political factors in women's lives. As it seeks to analyse the causes of gender inequality, GAD also puts emphasis on the economic empowerment of women (Miller & Razavi, 1995; BRIDGE, 2001; Sarker, 2006). Since reviewed literature posits that most street vendors are women, this is an indication of gender inequality which leaves women without any economic empowerment.

## 8. Research Methodology

The study was undertaken in Mpumalanga Province in the Mbombela Local Municipality. A qualitative research design was applied since the study was aimed at exploring and giving an in-depth analysis of the challenges faced by women as street vendors. The rationale for utilising a qualitative research design is because of the rich narratives, experiences and ideas to be shared by respondents which are due to qualitative data collection methods. Qualitative designs give a good perspective of those who experience phenomena as opposed to the view point of the one administering the tool (Fox & Bayat, 2007) for data collection. A purposive sampling method was used to collect data through semi-structured interview schedules from sixty (60) women who are street vendors from the seven major markets controlled by the Mbombela Municipality. The questionnaires were administered through interviewing the women and filling in the questionnaire on their behalf. Data was then summarized to capture emerging themes which was done by listening and writing notes to answers given by the women as well as opinions, attitudes and perceptions. The extensive literature on women and the pavement economies was also analysed to extract relevant information to support the study.

## 9. Results and Discussion

### 9.1 Demographic Information

The ages of the women trading from all the seven markets in Mbombela municipality ranged from 25 to 65, an indication that women of all ages trade on the streets due to a need to take care of their households. Most of them are heads of households judging from the fact that seventy percent (70%) were unmarried, eight percent (8%) divorced and only twenty-two (22%) were married. Ninety

percent (90%) of the women did not have matric as a qualification. Those without qualifications were mostly from Mozambique and eSwatini whilst South Africans had up to grade 11 qualifications.

## 9.2 Reasons for Trading

All the women who participated in this study indicated that they chose to trade on the streets due to unemployment, an assertion buttressed by Mitullah (2003) and Reddy & Moletsane (2009). The outcome of the IEMS survey data (2012) also confirm that the reason women trade on the streets is so that they can provide for their households, by buying food and paying school fees for their children and thus eliminate hunger and poverty at household level.

## 9.3 Storage

Storage space according to the respondents was depicted to be a problem with eighty percent (80%) of the women storing their goods for a fee with those who have trading storages or with nearby shops. Mbombela municipality has got limited storage space reserved only for those who have trading licenses. Sixty percent (60%) of women trading at Ekukhanyeni market, of which thirty percent (30%) are foreign nationals, do not have trading licenses which impacts on them getting storage space.

## 9.4 Job Creation and Skills

Perused literature on street vending indicates that street vending generates a lot of revenue for South Africa and as such assist the government in the creation of jobs (Chen, 2001; Mahadea, 2002; Mitullah, 2003; Motala, 2018). The majority of women (97%) trading in Mbombela only created jobs for themselves since their businesses were small and only suffice for them to feed themselves and their families. Only two (2) women from the sixty (60) interviewed made enough money to enable them to have savings, which supports the argument stated by Mkhize *et al.* (2013), Gamielien & van Niekert (2017) and Monga *et al.* (2019). Women are said to traditionally trade in low value commodities such as vegetables and fruits which are highly perishable. Women seldom diversify their products hence you find them congregated in one area, selling the same thing. This is argued to cause high competition amongst the women resulting in lowering of prices; hence they sell their wares cheaper than if you were to buy from shops (Nugundu & Lombard, 2012; Mkhize *et*

*al.*, 2013; Ngomane & Sebola, 2016). It can be argued then that this has a negative impact on their ability to make profit, have savings and create more jobs.

An overwhelming majority of the women (99%) have no other skills except to sell on the pavements. When asked what skills they would like to have, seventy-eight percent (78%) said they would like to have financial management and marketing skills, so they can grow their businesses. A majority of the interviewed women (99%) said they bought their wares from businesses that were around them. Only one (1) of them manufactured what she was selling, and these were traditional SiSwati clothing and beads.

## 9.5 Access to Credit

The results of the study back the arguments posed by Cohen *et al.* (2000), Rogerson (2000), Chen (2001) and Nugundu & Lombard (2012) that women struggle to have access to credit from formal institutions such as banks. Sixty percent (60%) of the interviewed women borrowed money from family members to start their businesses whilst forty percent (40%) used money from savings clubs they have formed in their respective villages to kick start their businesses. They indicated that no formal lending institution would lend them any money since they do not have formal work or collateral.

*"Nobody wants to give us loans since we do not have collateral, what we do is to borrow from each other", said one of the respondents.*

## 9.6 Street Trade Associations

There is only one active street trading organization within Mbombela called Ekukhanyeni Association for Street Vendors where members pay an affiliation fee of ZAR10 a month. The results of the study show that most women (79%) stopped affiliating to this association because they claim it is of no help to them. Women indicated that they had no running water in some parts of the market, no electricity, lack of shelter, lack of storage facilities and the fact that the municipality does not control illegal trading. They indicated that even though they have been paying an affiliation fee to this association, those trading illegally do not pay any affiliation fee and the municipality is doing nothing to evict them and as such they decided not to affiliate *anymore*.

"When we joined the associations, we were promised that it will help us address our challenges, however that has not happened, all they are good at is pocketing our subscriptions", said one respondent.

## 10. Conclusion and Recommendations

The study confirms that women choose to trade on the streets due to the high unemployment rate and as such can create jobs for themselves. Women use the proceeds from trading on the streets to take care of their families. Female street vendors are argued to be responsible for contributing to country's economies even though this is often overlooked. They however have a lot of challenges they face on the streets such as lack of infrastructure suitable for street vendors. The paper recommends the following:

- Street vendors need to have access to credit and other resources to support their businesses as this will create a culture of entrepreneurs especially amongst women.
- There is a need to up-skill female street vendors to enable them to diversify their commodities based on the acquired skills, grow their businesses and be able to create more jobs.
- Mbombela Municipality should control illegal trading and ensure provision of storage facilities for those trading legally.

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