

# The Impact of Systemic Gender Inequalities on Women's Participation in South Africa's Informal Economy

[TIYANDZA SENAMILE MNGOMEZULU]

## Introduction

In the crowded alleys of Johannesburg's street markets, Promise Mazondi joins other women every day to sell all kinds of red meat such as beef, pork and lamb, and cow heads. They face countless challenges, from unpredictable earnings to restrictive policies, yet they have built a powerful support system. When one vendor's child is sick, others pitch in to help; when one is in debt, they lend a helping hand. For these women, resilience isn't just a word—it is a way of life forged in adversity.

In post-apartheid South Africa, many individuals hoped to find secure and well-paying jobs that would allow them to live comfortably. High unemployment has led to an expansion in the informal sector, where “among 6.8 million working women, almost 2 million were working informally, the largest groups being informal traders, agricultural workers and workers in private homes (domestic workers).”<sup>1</sup> The overlapping systems of oppression such as gender, race, and class not only underscore the main factor that pushes women into informal work but also highlight how their majority presence in the informal sector could create a space for fostering networks of solidarity among women striving to sustain their livelihoods.

While systemic gender inequalities in South Africa's informal economy marginalize women by reinforcing economic and social barriers—including urban policies rooted in colonial legacies, the undervaluation of women's labor, and the lack of childcare and protection from violence and harassment—these

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1 Christiane Horwood et al., “A Descriptive Study to Explore Working Conditions and Childcare Practices among Informal Women Workers in KwaZulu-Natal, South Africa: Identifying Opportunities to Support Childcare for Mothers in Informal Work,” *BMC Pediatrics* 19, no. 382 (October 2019): <https://doi.org/10.1186/s12887-019-1737-7>.

same inequalities also cultivate resilience, as women transform exclusion into empowerment through innovative strategies and collective action. By applying an intersectional feminist lens, this paper will explore how these dynamics reflect broader global trends in the neoliberal structuring of informal economies, demonstrating the critical role of gender in shaping both the challenges and strategies within marginalized economic systems.

Women's significant representation in South Africa's informal economy underscores why they deserve particular focus in any examination of this sector. Statistics from the Labor Research Service reveal that "47.6% of women are employed in the informal sector, compared to only 30.6% of men."<sup>2</sup> This disparity reflects the systemic barriers women face in accessing formal employment. As Meyiwa et al. observe, "the majority of women have no space in the formal sector, and they tend to swell the ranks of workers in the informal economy."<sup>3</sup> The marginalization that women face in the formal economy through gender discrimination pushes them toward informal work, where they encounter further challenges. By focusing on women—who make up close to half of South Africa's informal economy—this paper sheds light on the colonial legacy of urbanization and its lasting impact on women, as well as the influence of neoliberal economic governance on urban policy schemes. It also examines the systemic undervaluation of women's labor, persistent pay disparities, vulnerabilities such as lack of childcare and exposure to gender-based violence, global trends shaping these challenges, and the resilience strategies women employ to navigate and counter these systemic barriers.

## **Gendered Challenges in South Africa's Informal Economy**

The combination of inadequate childcare, law enforcement harassment, and the trauma associated with gender-based violence reflects the broader systemic barriers that impact women's participation in South Africa's informal economy. This section first examines the colonial and neoliberal foundations of these challenges and highlights how, from a feminist perspective, these obstacles are deeply entrenched in historical and systemic inequalities that disproportionately marginalize women today.

In the South African urban context, the exclusion of informal workers is deeply rooted in a colonial legacy. As Mba and Mzileni argue, there are lasting effects of what was once a city governed by a colonial state divided into two

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2 Labour Research Service, "Women's Human Rights in the Informal Sector," August 22, 2023, <https://www.lrs.org.za/2023/08/22/womens-human-rights-in-the-informal-sector/>.

3 Thenjiwe Meyiwa et al., "Black Women's Lived Experiences of Informal Street Trading in East London, South Africa," *Journal of Intercultural Communication* 24, no. 2 (June 2024): 162, <https://doi.org/10.36923/jicc.v24i2.812>.

different zones of racial categorization.<sup>4</sup> In postcolonial South Africa, informal workers face systemic challenges where their rights and needs are subordinated to the priorities of neoliberal urban development. This is disguised as “class categorisation in bureaucratic speech.”<sup>5</sup> Such divisions perpetuate inequality by targeting informal workers—predominantly poor Black people—under the guise of maintaining urban order and cleanliness.

This systemic exclusion is further complicated by the gendered dynamics of the informal economy. As Skinner and Rogan observe, the “post-apartheid informal economy is characterized by a large degree of heterogeneity” and is “highly gendered in its segmentation.”<sup>6</sup> Women, who form a significant portion of this sector, often occupy roles that are more precarious and make less of a living wage for themselves compared to their labor. This structural segmentation highlights how the informal economy reproduces broader social and economic hierarchies, reinforcing the legacies of apartheid and colonial urban planning. Meyiwa et al. note that street vendors, who are predominantly Black women, frequently face harassment by law enforcement.<sup>7</sup> Specifically, vendors reported experiences such as “avoiding fines or having their goods confiscated,” which undermines their economic security.<sup>8</sup> Such practices exemplify how compounded economic vulnerability interplays with gendered disparities to disadvantage women informal workers.

Similarly, the exclusion of street vendors from urban spaces highlights the intersection of economic marginalization and class-based inequalities. Benjamin Etzold emphasizes that “the rights of access to public space are crucial livelihood assets of the urban poor” engaged in the informal sector.<sup>9</sup> However, these rights are frequently denied, limiting the economic opportunities of these workers. This denial often results in the removal of street vendors from their selling spots, effectively excluding them from economic participation to “maintain the cleanliness of [what was once] a white settler’s town.”<sup>10</sup> This denial has a distinctly gendered impact, as “in most countries of the Global South, the street

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4 Thembi Mba and Pedro Mzileni, “Stokvels and Livelihoods of Black Women Street Vendors in Urban South Africa,” *African Journal of Development Studies*, special issue 1 (June 2023): 172, [https://hdl.handle.net/10520/ejc-aa\\_affrika1\\_v2023\\_nsi1\\_a9](https://hdl.handle.net/10520/ejc-aa_affrika1_v2023_nsi1_a9).

5 Mba and Mzileni, “Stokvels and Livelihoods of Black Women,” 172.

6 Michael Rogan and Caroline Skinner, “The South African Informal Economy,” in *The Oxford Handbook of the South African Economy*, ed. Arkebe Oqubay, Fiona Tregenna, and Imraan Valodia (Oxford: Oxford University Press, 2021), 3, <https://doi.org/10.1093/oxfordhb/9780192894199.013.33>.

7 Meyiwa et al., “Black Women’s Lived Experiences,” 162-171.

8 Meyiwa et al., “Black Women’s Lived Experiences,” 168.

9 Benjamin Etzold, “Selling in Insecurity, Living with Violence: Eviction Drives Against Street Food Vendors in Dhaka and the Informal Politics of Exploitation,” in *Street Vending in the Neoliberal City: A Global Perspective on the Practices and Policies of a Marginalized Economy*, ed. Kristina Graaff and Noa Ha (New York: Berghahn Books, 2015), 5, <https://doi.org/10.3167/9781782388340>.

10 Mba and Mzileni, “Stokvels and Livelihoods of Black Women,” 172.

food trade is largely in the hands of women,” urban renewal schemes frequently demolish their workplaces, while urban planning fails to integrate informal economic activities into city layouts.<sup>11</sup> Hence, intersectional feminist frameworks reveal how these policies not only erase women’s economic contributions but also reinforce patriarchal control over urban spaces.

In addition, systemic gender inequalities manifest as pay disparities and the undervaluation of women’s labor across both formal and informal sectors, a key feminist critique of capitalist systems. Michael Rogan and Laura Alfers demonstrate that, even though women’s participation in the labor force has increased since the end of apartheid, this shift has not led to meaningful financial gains. Instead, “the overrepresentation of women in informal employment has been identified as a key source of gender inequality in the labor market.”<sup>12</sup> This is largely due to “the gendered structure of earnings and occupations within the informal economy.”<sup>13</sup> These dynamics align with feminist critiques of neoliberalism, which emphasize how market-driven policies exploit women’s unpaid and underpaid labor to sustain broader economic systems. As Comins highlights, this results in heightened exposure to insecurity, harassment, and economic instability for women, where “the non-recognition of the economic value and contribution of women’s unpaid labour persists,” and the legitimacy of their labor is continuously undermined.<sup>14</sup> The gendered structure of earnings restricts women’s access to not only financial resources but also social protections, forcing them into economic vulnerability and necessitating reliance on informal work for survival. This underscores the structural challenges within South Africa’s informal economy and the need for women to engage in resourceful efforts to survive within these constraints.

Furthermore, women in South Africa’s informal economy face the dual pressures of contributing as income earners in the productive economy while fulfilling caregiving responsibilities in the reproductive economy. Unlike women in the formal economy, who may have access to childcare services or work more stable hours, these women often lack such support, intensifying the challenges they face. The absence of formal childcare options forces women to juggle precarious work conditions with family responsibilities, as Horwood et al. notes that “mothers relied on family members to take care of the child while they were working.”<sup>15</sup> While some supportive environments allow women to keep infants at workstations, facilitating breastfeeding, such supportive environments remain rare, with most women operating in unsanitary and unsafe public spaces as street

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11 Etzold, “Selling in Insecurity,” 18.

12 Michael Rogan and Laura Alfers, “Gendered Inequalities in the South African Informal Economy,” *Agenda* 33, no. 4 (2019): 92, <https://doi.org/10.1080/10130950.2019.1676163>.

13 Rogan and Alfers, “Gendered Inequalities,” 92.

14 Lyse Comins, “South Africa’s Gender Pay Gap Leaves Women Behind,” *Mail & Guardian*, August 28, 2024, <https://mg.co.za/business/2024-08-28-south-africas-gender-pay-gap-leaves-women-behind/>.

15 Horwood et al., “A Descriptive Study,” 4.

vendors.<sup>16</sup> This lack of support not only compromises their ability to fulfill their roles as mothers and caregivers but also to participate fully in economic activities.

The intersection of gender-based violence and economic vulnerability is particularly pronounced for women navigating South Africa's informal economy. Loretta Pyles highlights that women who experience severe physical abuse are often left more traumatized, which limits their ability to work in the formal sector and drives them toward informal economic activities out of desperation.<sup>17</sup> Despite the overwhelming challenges, women demonstrate resilience. As Pyles notes, "in a sample that experienced psychological abuse at a rate of 97 percent, almost one-third still managed to start a small business at least once."<sup>18</sup> This statistic underscores the determination of women to leverage the informal economy as "a coping skill for dealing with poverty and violence."<sup>19</sup> Through their agency, these women navigate an oppressive environment and transform it into an opportunity for survival and independence.

## Global Context

The experiences of violence against women in South Africa's informal economy mirror similar struggles across other global contexts, demonstrating the pervasive nature of neoliberal policies on informal economies worldwide. Etzold describes how vendors in Dhaka—20% of whom are women—face heightened risks of eviction, harassment, and exploitation. He notes that the eviction drives against hawkers were legitimized through "powerful narratives that delegitimize the street economy," a dynamic similar to patterns observed in South Africa.<sup>20</sup> By framing street vendors as a nuisance, state authorities erode public support for the informal street economy and justify repressive and exclusionary actions that deepen the economic vulnerability of informal workers. Additionally, in the context of Dhaka, women's roles in the informal economy, while crucial, are often "invisible." Women are typically involved in the home-based preparation of food sold by men on the streets or in the preparation of home-cooked meals, a pattern documented by Etzold.<sup>21</sup> However, framing vendors as burdens to society rather than contributors to the economy in any context reveals how systemic oppression renders women's critical roles invisible. These parallels also underscore the need for women's resilience in the face of their worldwide oppression, offering diverse perspectives for global feminist thought.

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16 Horwood et al., "A Descriptive Study," 2.

17 Loretta Pyles, "Economic Well-Being and Intimate Partner Violence: New Findings about the Informal Economy," *Journal of Sociology and Social Welfare* 33, no. 3 (2006): 119, <https://doi.org/10.15453/0191-5096.3183>.

18 Pyles, "Economic Well-Being," 118.

19 Pyles, "Economic Well-Being," 123.

20 Etzold, "Selling in Insecurity," 7.

21 Etzold, "Selling in Insecurity," 18.

## Resilience and Collective Action

Despite the systemic challenges rooted in the colonial composition of the modern city, South African women prove not to be passive victims of systemic inequalities but rather active agents engaging in collective action to counter economic exclusion efforts in an inherent knowledge economy, similar to the agency described against gendered expressions of violence towards women above. They leverage collective strategies, such as stokvels, to survive and thrive in the informal sector. As defined by the National Stokvel Association of South Africa, a stokvel is “a type of credit union in which a group of people agree to contribute a fixed amount of money to a common pool weekly, fortnightly or monthly.” Mba and Mzileni discuss how stokvels “create strong solidarity networks of caring for each other, teaching each other financial literacy, and growing sustainable streams of wealth.”<sup>22</sup> Women transform street vending into “self-empowerment pedagogy” that challenges patriarchy, poverty, and indignity.<sup>23</sup> These collective strategies not only provide economic resilience but also foster a sense of community and empowerment, illustrating how women in South Africa’s informal economy use the power of community to redefine their socio-economic realities.

Stokvels, as a form of African feminism, demonstrate the power of community-based financial solutions to challenge the neoliberal organization of urban life. This approach, highlighted by Gwendolyn Mikell, contrasts sharply with Western feminist ideologies, which, as some African women have argued, emphasize “a movement defined by extreme individualism, by militant opposition to patriarchy, and, ultimately, by a hostility to males.”<sup>24</sup> In contrast, African feminism draws strength from cultural traditions that legitimize female organizations and collective action, creating a framework where women work together for their mutual benefit. These strategies are deeply rooted in “African communal, historical, symbolic, and experiential constructs, rather than in cultural constructs based on Western individualism and competition.”<sup>25</sup> By transforming marginalization into opportunities for empowerment, these acts of collective action embody the tension between exclusion and empowerment and redefine urban life through solidarity and mutual support.

To cope with multi-layered vulnerabilities such as financial struggles, women employ innovative strategies. For example, Meyiwa et al. describe the “half a loaf is better than no bread” approach in which vendors lower prices for certain marginalized racial groups to ensure affordability, while charging higher prices for foreign customers.<sup>26</sup> This is in response to the unfavourable nature of the value of the South African rand against foreign currencies. Despite limited

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22 Mba and Mzileni, “Stokvels and Livelihoods of Black Women,” 175.

23 Mba and Mzileni, “Stokvels and Livelihoods of Black Women,” 174.

24 Gwendolyn Mikell, “African Feminism: Toward a New Politics of Representation,” *Feminist Studies* 21, no. 2 (Summer 1995): 406, <https://doi.org/10.2307/3178274>.

25 Mikell, “African Feminism,” 407.

26 Meyiwa et al., “Black Women’s Lived Experiences,” 168.

formal education and knowledge of foreign exchange, these women demonstrate remarkable adaptability in integrating such considerations into their business practices. These examples illustrate how systemic inequalities not only create obstacles for women in South Africa's informal economy but also compel them to develop creative strategies for economic survival in the face of persistent adversity.

Furthermore, female leadership plays a critical role in advocating for better working conditions and access to social protections for informal workers. Organizations like the International Domestic Workers Federation (IDWF), described as the "first International Labor Federation run by women for work dominated by women," exemplify this leadership.<sup>27</sup> South African women working in the informal economy are "pioneering movements to demand rights, including health insurance, pensions, and better pay," while pushing back against the societal undervaluation of labor.<sup>28</sup> During the height of the pandemic, informal workers' unions in South Africa, often led by women, stepped in to support some of the most vulnerable members of society when formal authorities fell short. These unions developed innovative solutions, including socially distanced methods for accessing food ration stations and collaborations with police to conduct welfare checks on home-based women workers, as documented by Barry. Such actions highlight how female-led initiatives not only address immediate crises but also pave the way for sustainable protections and improvements for informal workers.

## **Conclusion**

By applying an intersectional feminist lens, this paper argued that while systemic gender inequalities significantly marginalize women in South Africa's informal economy, these challenges have also inspired collective resistance among women. This paper explored how urban policies rooted in colonial legacies, the undervaluation of women's labor, and the lack of childcare and protection expose women to economic insecurity. At the same time, women demonstrate agency through strategies like stokvels and other initiatives to sustain their livelihoods, transforming exclusion into empowerment.

These findings underscore the need to center women's voices and experiences in policymaking and urban governance. Where is a good place to start? In fueling the collective strength demonstrated by women in the informal economy. Their initiatives offer a powerful blueprint for change, proving that even under repressive conditions, solidarity can drive transformative progress. Governments and international organizations must adopt intersectional approaches that recognize the compounded effects of gender, race, and class on economic participation. This can be accomplished by integrating feminist voices

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27 Eloise Barry, "Meet the Women Leading the Global Fight for Workers' Rights in the Informal Economy," *Time*, November 17, 2021, <https://time.com/6120121/women-informal-economy-ford-foundation-grant/>.

28 Barry, "Meet the Women Leading the Global Fight."

into urban planning, including designing inclusive city spaces that accommodate informal economic activities while safeguarding the rights and dignity of marginalized workers.

Without such reforms, the cycle of exclusion and exploitation will persist, jeopardizing the social well-being of South Africa's most vulnerable workers. Ultimately, addressing gendered inequalities in informal economies requires a shift in how we value labor, community, and care. Women's resilience strategies not only highlight their agency but also provide a roadmap for reimagining economic systems to prioritize equity and collective well-being. In this way, the struggle of women in South Africa's informal economy becomes a powerful testament to the transformative potential of feminist principles in achieving global justice.