

# **THE CONTRIBUTION OF THE INFORMAL ECONOMY TO THE SOCIAL AND ECONOMIC DEVELOPMENT OF WOMEN-HEADED HOUSEHOLDS IN THE CHEGUTU URBAN DISTRICT IN ZIMBABWE**

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## **INTRODUCTION**

Of the millions of people living in poverty, women and children are the most detrimentally affected. It is believed that 60-70% of the world's poor are female and that the trend towards greater poverty among women is intensifying (Chant, 2003). Women who are poor are not only deprived of basic needs; they lack access to resources such as education, land and credit facilities. According to Buvinić and Gupta (1997), women who head households are worthy of special attention because they are triply disadvantaged: firstly, they experience the burdens of poverty; secondly, they experience gender discrimination; and lastly, they have to deal with an absence of support.

In times of economic crises households and families tend to supplement their livelihoods and incomes from the informal economy (Chakanya, 2008). The informal economy refers to those enterprises that are not registered and legally outside the tax net. It is often identified as lacking structure and as being unorganised (Guha-Khasnobis, Kanbur & Ostrom, 2007). In developing countries the impact of the informal economy is great, because of poor economic performance, high population growth, civil strife, big financial debts and the HIV/Aids pandemic (Mofokeng, 2005). Women in particular are affected by the informalisation of work and they tend to be over-represented in informal employment both in developing and developed nations (Mofokeng, 2005). Leach (1999) propounds that the informal sector has provided an opportunity for work for most women who have few or no skills.

In accordance with the commitment of countries throughout the world to halve poverty by 2015, the call for eradicating poverty is stronger than ever before (Kalwij & Veschoor, 2007). Poverty is a multidimensional phenomenon in which many factors such as economic, socio-cultural and demographic factors interplay and overlap (Skalli, 2001). Thus, poverty cannot be measured in economic terms alone, but the scope should also be broadened to include socio-cultural, demographic factors and exclusion in key areas of society. The adoption of a social development agenda provides a policy framework for integrated social and economic development (Midgley, 1995).

This paper will discuss what contribution the informal economy has made in some social and economic development areas of women-headed households (WHH), namely in their income, budgeting, health, education, skills development, decision making, household management, self-esteem and social capital. Firstly, the socio-economic background of Zimbabwe will be briefly outlined, followed by a discussion on social development as a policy framework for integrated social and economic development. The discussion will focus next on the informal economy and women-headed households. The outline of the research methodology will be followed by the presentation and discussion of the research findings. Finally, conclusions will be made on how to enhance the lives of women-headed households in the informal economy through integrated social and economic development.

## **THE ZIMBABWEAN SOCIAL, ECONOMIC AND POLITICAL CONTEXT**

According to Shah (2008), the political situation has led to dire conditions in many poorer nations. The economic crisis in Zimbabwe arose in the aftermath of the Economic Structural Adjustment Programme (ESAP), which was adopted by the Zimbabwean government in October 1990, among other factors. Though there has been rapid growth in industry, the money generated was used mainly for consumption and not for development (Chakanya, 2008). The results of the ESAP were devastating and Sichone (2003) notes that the economic policy reforms did not improve the social and economic welfare of the larger population, but rather resulted in the downsizing of Zimbabwean economic structures (Chirisa, 2009). This left thousands of people unemployed and they had no option but to turn to the informal sector for their livelihood. The global economic recession and political instability accompanied by sanctions contribute to the continuing economic, social and human development crises in Zimbabwe.

Zimbabwe is faced with an economic crisis that is characterised by a high inflation rate, high unemployment, food shortages, fuel shortages, a soaring black market and a thriving informal economy. The greatest challenge is the poor public service provision to the ordinary citizens. Basic amenities such as health, water, sanitation and education have become a luxury that ordinary citizens are struggling to access. The UNDP Zimbabwe (2004) points out that Zimbabwe faces a major humanitarian challenge, which has led to a high degree of vulnerability among the people.

Mhone (n.d.:2) asserts that like any other developing country with a poor economy, the Zimbabwean informal economy has proliferated with the intensifying and persistent economic crisis. After independence there was a rise in the informal sector caused by the deregulation of some laws, and the stagnation and decline in the economy. The informal employment rate rose to 20% in 1986/7, 27% in 1991 and an estimated 40% in 2004 (Tibaijuka, 2005).

Women were the hardest hit by the ESAP because of the retrenchments and a cut in their household income (Chirisa, 2009). As a result the majority of women moved to the informal sector, forming the greatest proportion in this sector. It is in the informal sector where women, and in particular WHH, are challenged to earn a living without any tangible support. From the government's perspective, Shinder (1998) argues rather unconvincingly that it is difficult for the government to monitor and regulate the informal economy, because it is not well structured and is insecure, which therefore makes it difficult for the government to encourage it.

## **SOCIAL DEVELOPMENT AS POLICY FRAMEWORK FOR INTEGRATED SOCIAL AND ECONOMIC DEVELOPMENT**

The International Council for Social Welfare (2000) points out that sustainable social development and sustainable economic development are mutually interdependent. Economic development is essential to expand resources and opportunities for social progress (ICSW, 2000); social progress, in turn, is essential to nurture and preserve economic development (ICSW, 2000). Interventionist strategies that create jobs, raise income and contribute to better standards of living counteract distorted development (Midgley, 1999) and promote integrated economic and social development (Lombard, 2005).

The interplay of economic and non-economic factors is thus of great importance in understanding the dynamics of socio-economic development (Szirmai, 2005). It is important to integrate economic development with social policies to have holistic and integrated development that leads to the total wellbeing of the population. Sen (2007) asserts that the

wellbeing of people is more rapidly attained through good social policies that are accompanied by economic growth and development.

Social development aims at removing impediments to economic participation such as racial and gender discrimination (Lombard, 2007; Midgley, 1999). According to the World Bank (2009), it is important to channel resources and efforts towards the upliftment of women. Economic progression and improvement in the quality of life for all people is more rapidly achieved when women's status is higher (World Bank, 2009). Mehra (1996) adds that effective development is based on the notion that women are fundamental to the process of economic development, rather than where investment is centred on their reproductive role. Social development enhances people's social rights by expanding, promoting and creating an environment conducive to economic participation and economic development.

## **THE INFORMAL ECONOMY AND WOMEN-HEADED HOUSEHOLDS**

There are two main categories in the informal economy, namely the self-employed who work in small unregistered enterprises and wage workers who work in insecure and unprotected jobs (Chen, Vanek & Carr, 2004). Despite the diversity in the informal sector, there are common factors among those engaged in it. The informal economy is characterised by difficult working conditions that are risky and insecure and the employees are not protected by any labour regulations (Chen *et al.*, 2004; Mofokeng, 2005).

Women in the informal economy are generally found in low-income activities that barely guarantee survival (Leach, 1999). They often face difficult working conditions, long hours and unscheduled overtime (UNICEF, 2006). The lack of job security and benefits such as paid sick leave and childcare provisions might leave women and their children at a higher risk of poverty, especially if they are in women-headed households.

Women-headed households (WHH) are identified as households with female headship, where women are financially responsible for their families, are the main economic contributors, the key decision makers and household managers, while they manage the household economies on behalf of an absent male head (Bianchi, 1999; United Nations, 1995). Though women-headed households face many common challenges, there are differences in the way women experience life depending on their age race, phase in the life cycle, size of their household and access to resources. In Zimbabwe the status of women, though being continuously addressed, remains low. This occurs because gender inequality reaches beyond empowerment, social injustice and discrimination (UNDP Zimbabwe, 2004). Owing to the current economic crisis, the degree of gender imbalance in the economy has increased. The number of women-headed households has grown and this has been as a result of many factors, including divorce, widowhood, choosing not to marry and labour migration of men (Buvinić & Gupta, 1997), loss of jobs or inability to find a job.

Despite the hardships that women encounter in the informal economy, the role they play in the socio-economic development of the country is paramount and should not be undermined (Tripathy, 2003). Tripathy (2003:1) rightfully argues that the pace of economic growth of a country can be accelerated by enhancing the status, position and living conditions of women, in view of the following facts: women head a quarter or more of families in many developing nations; they produce half the food in the developing world and even more in Africa; they constitute a quarter of the developing world's industrial labour force; they carry the main responsibility for child care and household chores; produce they 50% of the world's food supply; they account for 60% of the working force and contribute up to 30% of the official

labour force, but receive only 10% of the world's economy; and astoundingly, women own less than 1% of the world's estate.

It is against this background that the study was conducted to explore the contribution made by the informal economy towards the social and economic development of women-headed households in the Chegutu Urban District. The Chegutu Urban District is one of 10 municipal councils of Zimbabwe. The district consists of the residential, industrial and the central business district. For the purposes of this study participants were recruited from both the residential and central business districts.

## **RESEARCH METHODOLOGY**

In order to understand in depth the social and economic experiences of women-headed households in the informal economy, the research study adopted a qualitative approach (Fouché & Delport, 2005) and an applied research focus (Fouché & De Vos, 2005). The research design was a collective case study (Fouché & De Vos, 2005) and the data-collection method was semi-structured interviewing (Greeff, 2005). Non-probability sampling was used and the sampling methods included target and snowball sampling (Strydom, 2005). The sample was comprised of eight participants, six of whom were recruited by questioning the community members to ascertain whether they knew any women who were heads of households and were involved in the informal economy. Two participants were identified through snowball sampling. Data were analysed by using the guidelines of Creswell (1998 in De Vos, 2005). Recorded interviews were transcribed and common themes and subthemes were identified.

### **Research findings**

The research findings will be provided in two sections, namely the demographic profile of the participants and the key themes which emerged from the data. The demographic profile contextualises the women's background in relation to becoming involved in the informal economy.

### **Demographic profile**

All participants interviewed were black females and lived in the different locations of Chegutu Urban District. Of the eight women interviewed, one woman was 30 years old; two women were between 34-39 years old; two were between 40-44; another two were between 45-49 and one was between 50 and 54 years. Three of the women were married, but were not staying with their husbands. Two of the women's husbands were working, but lived in other cities where they are employed; they occasionally came home, however, at least once a month. One woman said her husband was retired and stayed at their rural home and that he rarely came home. Two of the women were widowed and the other two were divorced. One of the participants was separated from her husband. The average size of the participants' household was four.

One participant had no education at all; one had primary education up to Grade 7; one progressed to secondary level (Form 2) and four participants attained secondary level (Form 3-4). Only one participant had a university degree. Three participants had received some other form of vocational training. Four participants had been involved in the formal economy at some point in their lives and the other four has never been involved in the formal economy. With regard to the four who had been involved in the formal economy, one worked as a social worker in a government department; another as a cashier in a supermarket; one worked as a clerk in a municipal office; and one as a receptionist and typist. The longest period served in the formal economy was 30 years and this participant had left the sector six months prior to the

interview. The social worker had served 18 years in formal employment and the cashier had worked for two years before she got married and left the job. The clerk was not so sure for how long she had served in the formal economy. The reasons for leaving formal employment included getting married (two participants); three left because of poor working conditions and poor salaries; one left because of medical reasons and one cited expensive transport to work. The participants who had the least years in the informal economy had been involved for six months; two had been in the informal economy between 3-5 years and another two had been involved between 6-8 years. The other two had been involved between 9-11 years and 15+ years.

## Key themes

The identified themes and subthemes are outlined below.

### *Theme 1: Self-employment*

Subthemes which emerged from this theme were economic activities, home-based operation and being skilled versus unskilled.

The participants were involved in a range of different *informal economic activities*, namely hairdressing, tailoring, flea market, poultry and small-scale crop farming, fish, maize and poultry, cross-border trading and retail. From the quotes below it becomes clear that in order to survive women engage in more than one economic activity, which is in line with the finding of Mofokeng (2005):

*“I rear chickens, grow groundnuts, brown beans, both here at home and at the plot. This is more or less farming.”*

*“I sell fish... the other one is not really business, I just help my family by going to the farms to look for maize so I can have mealie meal for my children.”*

All the enterprises were operated from *home*, however, not necessarily as a matter of choice, as reflected in the following remark:

*“If I had a shop, the problem with a shop sometimes you can work (sew) and not be able to get enough returns to pay the rent. So sometimes you realise it’s better to run the business from home.”*

Despite the fact that one participant did not have any education, all the women were *skilled* in some way. Their skills were categorized into two main areas: those acquired through some formal or professional training courses, as indicated in the demographic profile, and those acquired from practice experience in the informal economy, which they also referred to as “on-the-job training”. The women agreed that the current economic conditions in Zimbabwe’s formal economy such as poor income forced them to leave and look for alternatives in the informal economy, thus making them entrepreneurs by default (Lombard, 2003). One participant articulated her experience in the following words:

*“I left due to the country’s economic situation; we were being given six months unpaid leave due to the difficult economic conditions.”*

*“Ok, you learn new skills; they say experience is the best teacher. There are some things you take for granted, but when you are in the field you learn more; you learn new skills, methods and improve on what you have.”*

Participants lacked skills such as business management and entrepreneurial skills, which they regarded as critical in running their enterprises. None of the participants had received any training in business-related areas such as business management, budgeting, writing business proposals, entrepreneurship and investment. Most of the women had learnt to run their businesses by trial and error. The women indicated that, in order to move their businesses from merely a subsistence level to more profitable businesses, they needed training in managing businesses. They were in the informal economy because they had to provide for their families as a form of survival. The women involved had been drawn to the informal economy from all walks of life and for different reasons as indicated above. Musiolek (2002) states that informal employment attracts people from all possible backgrounds and all levels of education and qualification. On the other hand, Blunch, Canagarajah and Raju (2001) propound that the majority of informal sector workers are low-skilled or unskilled, and that on-the-job training is the norm and usually considered sufficient to obtain the knowledge and skills required for undertaking various economic activities in the informal sector. However, this study indicated that the lack of jobs in the formal sector not only affects the low-skilled and unskilled, but also the professionals. When professionals are not in a position to find work across their country's borders, they are left with no choice than to resort to the informal economy and self-employment in an attempt to earn an income. It is apparent that the informal economy has become a distinctive source of income for most people in Sub-Saharan Africa and Zimbabwe in particular.

Self-employment is a form of non-wage employment, which is said to be the norm in most parts of Sub-Saharan Africa (Blunch *et al.*, 2001). This was typical in the research undertaken; all the women were self-employed, and their enterprises were unregistered and unrecognised with no security whatsoever.

### ***Theme 2: Benefits of the informal economy***

The participants indicated that the informal economy had offered them a better alternative to provide for their households. The following subthemes emerged from this theme: livelihoods; survival; sustainability of income; self-esteem and social support networks.

The informal economy provided the platform for participants to earn a *livelihood*. Their different enterprises were the main or only source of income for most participants, providing the means to meet the household necessities which included food, rental, utility bills (water and electricity), school fees and medical care. Most women agreed that the informal economy was their means of survival. One participant's view reflected the women's struggle:

*"Yes, that is where I get money for everything that I need, to take my children to the hospital, to school, to buy food, pay my rent, everything. It's everything; electricity has to come from there, food for the children. But I am still struggling with the budget because when the money comes, something will be finished in the house like mealie meal and I have to buy and I can't wait for the money to accumulate. Like when I plait someone for \$2, I have to take that money and send the children to buy vegetables, salt or soap. So I am still trying to budget so that at least the money lasts until the end of the month because the money doesn't come all at once."*

This finding verifies Luebker's (2008a) view that many of the activities in the informal economy are survivalistic in nature and in general the income is inadequate to meet everyday needs.

Although participants were struggling to make ends meet, they indicated that life was better for them, because they were working for themselves and were able to feed their families. Their experiences taught them and their children resilience. A participant remarked that being in the informal economy has given her the chance to impart survival and practical skills to her children; in the event that they fail in mainstream education, they had backup in their lives. Participants indicated that most of their children have learnt to be responsible in their households. Some responsibilities included helping with household chores and helping in taking care of the younger children. This includes having to undertake housework and care of younger siblings, or they may also have to contribute to household finances. Chant (2003) warns, however, that children in female-headed households may be forced to take on high labour burdens within and even outside the home. This, however, contradicts the rights of the child.

The participants had varied opinions with regards to the *sustainability of their income* from their different enterprises. The income of most women was uncertain and erratic, because of the economic situation in Zimbabwe. This affected the sustainability of their income. Income was more sustainable for those who had been in the informal economy for a longer time. Three participants indicated that they were confident in their enterprises and that the income was stable and able to sustain their families. Two of the participants had stopped the activities that they had been engaged in and had opted for new activities. Other participants were encountering a lot of competition and this made the sustainability of their income uncertain and their income irregular. Others also cited the economic climate as a factor that made the sustainability of their income uncertain and the income erratic. Luebker (2008b) cites that the economic hardships directly affect the income of any ordinary citizen, high inflation, rising cost of inputs and lack of working inputs remain the main problems faced.

The participants said that their *self-esteem* and status had been enhanced through their participation in the informal economy. Most of the women remarked that they felt confident about themselves; they felt independent and proud that they did not always depend on other people for their survival. The self-worth that the women experienced is evident from the following remarks:

*"I feel proud that I can look after my children as the only surviving parent."*

*"Like now I don't look down on myself, because people encourage me and tell me to thank the Lord for the gift (hairdressing) that I have and that I am able to look after my children."*

*"It helps uplift your status in that, firstly it does not make you look poor, and secondly, it helps you associate with other people at community meetings."*

These findings are in accordance with the view of Osirim (2001), namely that women empowerment is not only centred on the modes of participation in the labour market, but also comprises women's status in the private sphere of home and family, in their communities and their perceptions of self.

Participants identified *support systems* as being critical in their lives, which included the immediate family, extended family, friends and other networks like church members, work colleagues (those in the same industry) neighbours and community members. For most women their nuclear family played a crucial role in supporting them. The older children played a critical role in the household. It was apparent that the older children help with household chores, looking after the younger children and in other cases they helped in the enterprise. The

married women pointed out that their husbands also formed part of their support network, giving them moral and physical support. Most women acknowledged that they received a lot of support from their family of origin. Support offered included finances, food, motivation and general advice. Friends and other (neighbours, customers, church members, work colleagues and community members) were also cited by the participants as sources of support. Reference was also made to institutional support by one participant involved in small-scale farming. The following quote reflects the range and appreciation of support systems:

*“I can say the people who support me are my fellow church members, and other community members that live around me. Even when I have problems, they respond quickly despite that we do not worship together and that we are not related. They really support me; the others even give me advice; you know advice that is very important. So I can say my church mates and community members those are the people I trust even when times are hard. I know they support me.”*

The findings are echoed by Skalli (2001), indicating that in times of difficulty and need it is the family network that is usually expected to provide necessary support to the member in need. This also points to the importance of social capital, which Gittel and Vidal (1998) define as networks and norms that enable people to act together effectively to pursue shared objectives.

### ***Theme 3: Lack of registration of enterprises***

The findings show that enterprises in the informal economy are not registered with governing authorities and they lack any form of social protection and representation. All the participants remarked that they were unaware of organisations or institutions that they could register their enterprises with. Participants' voices were strong on this limitation on registration:

*“No, there is no organization I am registered with... ahh there is no such place, I just started on my own.”*

*“I am not registered, there is nothing, there is a lot of politics.”*

*“I haven't heard of any place not here.”*

This finding correlates with the view of Luebker (2008b) that informal workers are unaware of organisations that represent their interests. It furthermore attests to the view of Guha-Khasnobis *et al.* (2007) that the informal sector refers to being outside the reach of different levels and mechanisms of official governance. It refers to those enterprises that are not registered and legally outside the tax net. Mofokeng (2005) concurs that the informal economy refers to economic activities outside the world's regular, stable and protected employment and legally regulated enterprises.

### ***Theme 4: Inaccessible resources***

Most participants remarked that resources were not accessible to them, but only available to a few people. Their experience was that the government and the local municipality were not very supportive in assisting people in the informal economy, as summarised in the following response:

*“They don't have money to help people, there was this programme on small developments, but only a few benefited; they only help a few and you have to struggle on your own.”*

Becker (2004) affirms that the informal economy enterprises cannot access resource institutions generally available to the formal economy such as banks and other financing institutions,



training and education institutions, marketing and consultancy firms. Blunch *et al.* (2001) add that people engaged in the informal sector face a variety of constraints, including limited or lack of access to resources and markets as well as to land and physical infrastructure.

### ***Theme 5: Religion***

The participants reflected that religion was a fundamental aspect in their lives and they believed God was their sole provider and that their situation was according to His will. Some participants indicated that religion played a crucial role in their parenting, because their children were God-fearing and learnt a lot about morals in church, which made it easier to discipline them. It appears that participants' faith plays a huge role in accepting where they were at in their lives as opposed to giving up, helping them to live with hope for a better future.

### ***Theme 6: Challenges***

All the participants indicated that they encounter a lot of challenges in their lives that were both work-related and personal. These challenges emerged in the following themes: health, economics, place of operation and credit system.

The most common challenge cited with regards to *health* was stress due to work-related problems, such as difficult customers who do not pay on time, and working or standing for long hours. Physical strain was also identified as a health challenge. Most women admit that the bulk of the work they were involved with required physical strength and this resulted in backaches, muscle tension and chest pains. The views of the participants captured their experiences:

*"No, there is no, it was stressing, that's where the BP (blood pressure) came from."*

*"I can say as a person who works with hair, it can be a health risk because I work with a lot of different people and this health-wise is not good."*

*"You as the business person suffer because where I horde the fish is very far, so I have to walk long distances."*

The main *economic challenges* cited by the participants were the current economic situation in Zimbabwe and capital constraints, which in turn affected their businesses. Participants alluded to the fact that business was low because customers were not earning much, and some considered the services and goods offered as non-necessities. Participant's views on the economic challenges included the following:

*"Now things are hard, so even the business has gone down."*

*"I can say the current economic situation is making life very difficult to live, because you can't even borrow a dollar from someone, so it's just the hardship in general."*

Capital investment was a great challenge in that the participants lacked financial resources to expand and invest in their enterprises, and as a result their businesses were stagnant and in some cases regressing. Blunch *et al.* (2001) corroborate that financial capital investments in the informal sector tend to be low and are relatively scarce. However, as the remark of the following participant indicates, they do not lose hope:

*"In terms of my business, the plan is if I could get more money this November I would buy a lot of stuff to sell, say, three pairs of sofas, room dividers then look for a shop where I can use to sell these things. This may help me a lot to survive..."*

The other economic challenge participants face is competition in the market:

*“Yes, the market is there; it’s only that there are many of us now selling, there are too many.”*

Canagarajah and Sethiraman (2001) point out that competition in the informal economy arises because there are few entry barriers, and this competition has also kept the income of those involved at a minimum, most of which is essentially a return on their own labour.

The participants did not benefit from their customer *credit system*; it created stress for them. Customers are unable to pay on time and this affects the running of the business. Customers were provided with a service or goods with the hope that they would pay on a future date, but this was causing a lot of stress for most of the women, because the customers fail to pay off their credit on time. As a result not only did it affect the business, health and relations between the customers and the participants, but it also affected the household budgets, cash flow and sustainability of the business.

Working at home and from home was not the ideal situation for the participants; they wanted to have a normal business *place of operation*. Blunch *et al.* (2001) mention that the working and workplace conditions in the informal sector are often a cause for concern as legislated standards and regulations are generally not applied. Mofokeng (2005) adds that working conditions in the informal economy are unstable, unsafe and very poor, both in terms of remuneration and occupational health and safety. Most women used their homes as business places and this had some disadvantages for them, such as their products or services were not well marketed; their enterprises were not growing; and work and personal life became difficult to separate.

### ***Theme 7: Future planning***

All the women had future plans for their households, of which personal and work-related plans emerged as key sub-themes.

*Personal plans* referred to plans that were directly related to the personal lives of the women and their household members and not to business or work. Most women cited they wanted to have homes of their own which they owned and, even in the event that they died, they would leave their children with a home. Their future plans as captured below also reflect the hope that they live with:

*“The plans that I have are for ... I wish God will help me and I get money, I would like to get a house of my own, even a two-roomed house. That is my wish.”*

*“Ok, five years from now I plan to have my own house for my children. So I can have my space. I can’t be a lodger for the rest of my life, I should have a place of my own.”*

Other personal plans were to work towards the education of their children so that they could become better people with brighter futures. Buvinić and Gupta (1997) suggest that children's education is more likely to receive priority in female-headed households.

The *work-related* future plans of the women with regards to their work were all positive. The main indication was expansion of the enterprises in the following ways: moving the enterprises to better business-oriented places; buying more equipment to grow the business; diversifying the products; installing a security system; and creating employment.

The plans of those participants who were in the informal economy for more than two years were to extend and grow their business, compared to those who had recently engaged in the sector, whose plans were more focused on doing something different and more profitable.

## DISCUSSION

Poverty is a common phenomenon among women-headed households because of societal and structural factors that discriminate against women, placing them at a disadvantage and more vulnerable and at risk. They are over-represented in the informal economy because of poor education and training and their disadvantaged status, exacerbated by gender hierarchies in the household, and lack of access to and control over resources. They are exposed to the characteristics of the informal economy, namely difficult working conditions, long working hours, low income earnings and a lack of security. They also lack legal protection and representation and face a competitive disadvantage from the larger formal market, which reinforces the link between working in the informal economy and being poor (Becker, 2004).

However, women become heads of households through different routes and are a heterogeneous group who experience their poverty and situation in different ways. As this study has indicated, women do not only engage in the informal economy because of a lack of education. Political decisions have an impact on formal employment and job creation, and hence on socio-economic development. Women, and especially women-headed households, are left vulnerable to exploitation. There is a lack of government and municipal support for women in the informal economy. The informal economy lacks recognition, is not legally and socially protected, lacks representation as well as health and occupational safety measures (Becker, 2004). As a result, most women are on their own with nowhere to turn to when they need resources and professional advice, which has a negative impact on the growth of their enterprises. The lack of legal recognition contributes to the inaccessibility of resources; in particular land and formal credits are constrained, either because of government control or by regulations (Canagarajah & Sethiraman, 2001). Luebker (2008a) affirms that people who operate in the informal economy often suffer from a range of disadvantages, including access to institutional support. In contrast to the lack of support by government, women-headed households rely strongly on their social support networks, including their nuclear family, family of origin, friends, church members and community members for financial and other forms of support (Horrell & Krishman, 2006).

Although most women are in the informal economy for survival and are struggling to make ends meet (Luebker, 2008a), the informal economy enables women in women-headed households to be self-employed, which helps them to feed their families, send their children to school, shelter them, ensure health care, and pay rentals and utility bills. The informal economy affords them empowerment opportunities from a human, social and economic development perspective, including developing and enhancing their competence and skills in making decisions; becoming more economically productive and independent; and building their self-confidence and self-esteem. Osirim (2001) asserts that psychological well-being, self-esteem, self-respect and autonomy, coupled with the striving for or achievement of economic independence, all define empowerment for women.

As a result of improved self-worth and confidence, women are more respected in their communities and, in turn, become more involved in community activities, which facilitates integrated economic and social development. This affirms that addressing unemployment and poverty is not only about income and economic development, but also about human and social development (Midgley, 1999). Integrated social and economic development empowers people to become economically productive and self-sufficient (Lombard, 2007; Midgley, 1995). This, however, will not be achieved if the associated risks of women-headed households are not addressed and their enterprises taken beyond a survivalist level. This includes creating a better

future for themselves and their children as opposed to being caught up in the cycle of poverty. Because of the lack of additional adult labour and low income, children of women-headed households are often forced to drop out of school to assist in housework and child care. However, their children's education remains a priority for women-headed households and forms part of their vision for their enterprises. Even in the case where two participants noted that their older children had to discontinue their education because they could not afford to further support them, their focus was on raising funds to send them back to school. Buvinić and Gupta (1997) affirm that children's education is more likely to receive priority in female-headed households.

Although women-headed households are being afforded the chance to develop their skills through their day-to-day work, they still lack the most critical business management, entrepreneurial and business skills which are essential for them to manage and grow their small enterprises. In order to grow their businesses, they need the support of both government and the private sector to build their competencies and skills.

## **CONCLUSION**

The research findings show the interrelatedness between political decisions and social and economic development. Where the government fails to create jobs in the formal sector, women-headed households are left with no choice than to resort to the informal sector to fend for themselves by creating sustainable livelihoods. Although there is a relationship between low-skilled and unskilled women and the informal economy, in the absence of jobs and economic development, all women in Africa remain vulnerable. Women should be recognised for their resilience in creating an income in the informal economy and for the unpaid work they do in the social economy in their capacity as caregivers for their children and the extended support they provide to their communities. Drawn from the research findings, lessons can be learnt from women-headed households in Zimbabwe for social development.

Social development recognises women's right to socio-economic development. Governments must give voice to the vulnerable in society by including the informal economic sector into macro-economic policy. In a scenario where the country's political and socio-economic context do not provide for a favourable environment for social and economic development, the government should at least protect women in the informal sector by developing, implementing and monitoring legislated standards and regulations for the informal economy. In addition, gender equality policies should continue to be a priority for government to address the societal and structural factors that hinder women from becoming more aware of available resources and gaining access to key resources.

Government and the municipality should facilitate easy access to registration of enterprises in the informal economy. Women should be informed and educated about the registration process, and incentives for registration should be developed to encourage women-headed households to register their informal businesses. The government should engage with banks to develop a credit system whereby women can borrow small loans with low interest rates to develop and expand their businesses and which they can repay over a period of time.

Poverty-eradication programmes and strategies should be developed for women-headed households, with a strong emphasis on women and child development. Such strategies should include individual assessments of women-headed households and be embedded in an integrated social and economic development framework. An integrated framework for social and economic development will provide woman-headed households with legal and social protection

as well as representation on economic platforms. Programmes should focus on providing support and skills development as well as training in business management and entrepreneurial skills, basic adult education, and how to establish and maintain cooperatives. The emphasis on human, economic and social development programmes should strengthen self-esteem and confidence, social cohesion and social capital, and on building strong supportive networks within the community.

Government should provide subsidies for the education, medical care and rentals for women-headed households, so that they can meet their basic needs and improve their quality of life; create a better future for their children; and contribute to a better society characterised by political, economic and social stability. However, this is only feasible where states have the capacity to deliver. As many African states are weak on delivery, a strong partnership between government, including municipalities, NGOs and the private sector is required to develop, implement and monitor policies and regulations that will ensure the contribution of the informal economy to the social and economic development of women-headed households in Africa.

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