Dilemmas of collective action in the informal economy:

How the other quarter lives?

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1.   INTRODUCTION

Are people who live or work in the margins of the mainstream economy able – and willing – to participate in the affairs of the state as democratic citizens?

The struggle for liberation in South Africa was concerned chiefly with the extension of the franchise to all over the age of 18 irrespective of colour, gender, or creed. The advent of democracy has ensured that government policy is now concerned actively to promote a non-racial order: laws and polices to achieve that goal are now in force. But it was widely expected that democracy, since it clearly meant that millions of poor people would gain the vote, would also empower the poor to secure policies that would improve their lives. Nearly ten years after democracy's arrival, this has not occurred: South Africa has experienced increasing economic disparities between its poorer and richer citizens and the poor are said to outnumber the rich 20 to one.[1] South African is considered the most unequal country after Brazil.

The persistence or growth of high levels of inequality has negative social consequences. According to TH Marshall, "Inequality provides the incentive to effort and designs the distribution of power. But there is no overall pattern of inequality, in which appropriate value is attached, a priori, to each social level. Inequality therefore, though necessary, may become excessive."[2] But it also has implications for democracy. The current democratic wave is in sharp contrast to the path taken by the older democracies of much of the West where "the extension of the franchise to all prompted significant reductions in inequality as working people and the poor used their ballot to elect coalitions that implemented programmes to reduce social inequality."[3] In the current wave, extending the vote to all does not result in the adoption of policies that significantly reduce inequality. Unless we assume that the poor prefer to remain at the bottom of the pile, this suggests that they are unable to turn their formal right to vote into an ability to change policy.

One explanation attributes the current mismatch between the right to vote and the poor's ability to compel governments to address inequality to changes in the environment making it more difficult for the poor to organise. In societies in which democracy did lead to sharp reductions in inequality, strong, organised, working class movements in alliance with other groups initiated these processes – they became strong enough to elect governments that would adopt and implement programmes that fought inequality. But, Steven Friedman argues, under the current circumstances labour movements do not have the organised presence among the poor that gives them the leverage they need to push for policies that will narrow these inequalities. He therefore suggests that those interested in whether the poor can organise to turn democratic rights into social policy influence look elsewhere – to

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[1]   Bruce P. *Business Day*. 4 June 2003

[2]   Marshall TH, Bottomore T. *Citizenship and social class*. London: Pluto Press. 1996: 19.

[3]   Friedman S. *Equity in the age of informality: Labour and markets and redistributive politics in South Africa*. IDS Working Paper 160. Brighton: Institute of Development Studies. 2002.

the informal economy, because the poor are increasingly found in informal economic arrangements.[4]

Informality, it is argued, makes organisation more difficult and therefore ensures that the poor face considerable barriers to collective action. It may also be inimical to democratic values and practices. To name but one example, South Africa has witnessed an increase in vigilantism. This practice is more prevalent in poor communities, where levels of poverty are very high and where levels of lawlessness have increased. It might be linked to informalisation, for it may indicate that those who participate in it see no value in remaining engaged with the state on the protection of their lives and property. Changes in the production process which force the poor out of the formal workplace could also place citizens beyond the reach of formal institutions and the norms which underpin them, prompting lack of faith in formal government institutions, which might be seen to require the poor to submit to regulation, but without offering incentives or rewards for active citizenship in return.

This hypothesis, however, is only the beginning of an attempt to understand whether and how the poor living or working informally can use the rights of democratic citizenship to secure the formulation and implementation of policies that will narrow social inequality: it opens a host of questions that need to be addressed if we are to shed light on the circumstances in which the informal poor might participate effectively in democratic politics.

We need, for example, to determine whether structural factors are at play in the informal economy that have a negative effect on the organisation of the poor. Some of the literature implies that no such barriers exist – it points to the opportunities that the informal economy presents for union organisation. But this analysis has failed to demonstrate empirically how this is possible: the evidence suggests that there are structural dynamics which make it difficult to organise in informal settings in the ways in which trade unions traditionally organised. But it is also possible that new circumstances have not made organisation impossible (or even, perhaps, more difficult) but that they have created an environment in which new types of organisation are needed. This suggests a need to determine the dynamics of any form of organisation and mobilisation that could be identified in informal settings – the identities of those involved, their methods, strengths and weaknesses and the extent to which we can distil out of these experiences general conclusions about the circumstances in which organisation among the informal poor is possible as well as its possibilities and limits. We need to find out if people in the informal economy organise to make use of their status as enfranchised citizens. And if they do, under what circumstances do they do it? If the poor do not use democratic politics to advance their interests, what strategies do they use?

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[4]   Ibid.

This paper seeks to contribute to a greater understanding of these issues by looking at the issues we need to consider in assessing whether people who work and live informally are able to act as democratic citizens by using the rights that they are granted by the constitution. It will examine what the literature says about some of these questions, as well as South African experiences. Its purpose is to identify the gaps in the literature and our experience in the field that need to be filled by future research if we are to gain an adequate understanding of the exercise of citizenship through collective action among people living under conditions of informality.

2.   THE PROCESS OF INFORMALITY

The growth of informality in work, it is argued, has two main causes: the global economic crises and the way production is being organised.[5] Others, however, have tended to see it as a result of policy by employers.

The key question for our purpose is whether this process is reversible – clearly, if it is simply the result of a temporary policy shift, an analysis that assumes that the poor will, in future, work only or mainly in informal settings, may be quickly overtaken by events. Gallin, writing from the perspective of the trade union movement, argues that even if the inclination towards informality is the product of policy decisions, which can by its nature be reversed, a reversal involving the adoption of different macroeconomic policies at a global scale depends on a fundamental shift in global power relations between capital and labour.[6] He argues for a union position which accepts informality as a given because:

> Whether such a shift can be brought about depends in turn, at least partially, on the very question of whether the informal sector can be organised by unions. Even assuming a shift of a global economic policy can occur in the short term, its effects will be felt at the earliest in about a decade or two.[7]

On the face of it, it appears that the trend towards informality is reversible because it is partly a result of strategic decisions – the casualisation of labour is not an inevitable process but is influenced by business decision-making. But the brokering system and informalisation of the economy appears to be working perfectly for business and therefore we are unlikely to see it reversed in the near future – already some organisations are advising business on how best to implement these changes. For example, the Confederation of Employers of South Africa "advises employers on restructuring their production such that employment contracts are converted into service contracts, and employees become independent contractors."[8]

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5   Gallin D. 'Propositions on trade unions and informal employment in times of globalisation.' *Antipode*. Geneva: Global Labour Institute. 2001: 534.

6   Ibid.

7   Ibid.

8   Valodia I. 'Economic policy and women's informal work in South Africa.' *Development and Change*. 2001; **32**: 877.

These are some of the strategies that employers are embarking on to bypass labour legislation and collective bargaining agreements.[9] Those pushing for such arrangements insist that they are empowering workers. But in the process the unions have lost many of their members and there are fewer interruptions in the production process. It has made it more difficult and expensive for unions to organise.[10]

In the current global context it appears that a radical shift in how the economy is managed is unlikely. On the contrary, for the foreseeable future we can expect more deregulation and a further growth of the informal economy,[11] which constitutes at least half of some Third World countries' economy. In South Africa, it is estimated at 16 to 40% of gross domestic product[12] – although some analyses suggest that this is an underestimate. This is likely to grow because the strategies that produce informality are partly supported by policies approved at an international level – global institutions such as the International Monetary Fund and the World Bank usually press for them. This is in itself a reflection of a global balance of power in which the voice of organised labour, and the poor, is barely heard. A shift in this balance towards labour and the poor is unlikely when union memberships have been falling in most countries.

South Africa seems an exception to the trend in union membership: its largest and most dominant union federation, the Congress of South African Trade Unions (COSATU), reports a growth in membership from 1 317 496 in 1994 to 1 770 155 in 2003.[13] But this growth is deceptive because it has occurred mostly in the public sector, where political change has opened up new organising options. In fact, COSATU membership has been falling by approximately 100 000 members overall: the decline has been happening mostly in the traditional sectors such as mining and manufacturing.[14] This decline has been happening in the past three years, which is said to be the first membership decline in the in COSATU's history. If you look at this over the period of 10 years it would be difficult to point to this decline and this only become apparent if one looks at the past three years. This has meant that unions concentrate on preserving current membership rather than organising new members.[15]

With the labour unions on the defensive here too, it is unlikely that the current pattern could be reversed. The trends discussed here have been successful in undermining the gains made by labour in fighting for the rights of their members. For now business appear to have

9   Ibid.

10   Freeman RB, Rogers J. 'A proposal to American labour.' *The Nation*. 24 June 2002.

11   Ibid.

12   Shinder L. 'Zimbabwe's informal sector.' *Monthly Labor Review*. 1998: 73.

13   Naidoo R. 'The union movement and South Africa's transition, 1994 – 2003.' Unpublished paper presented to the Harold Wolpe Memorial Trust & the Centre for Policy Studies on 23 June 2003 at CPS.

14   Ibid.

15   Freeman and Rogers.

an upper hand in policy debates. In the past, the unions had been able to counter the power of business through their numbers. But, with the weakening of the labour movement we are unlikely to experience shift in the current policies in favour of labour.

The deconstruction of the formal economy through outsourcing and subcontracting is a long-term trend that cannot be reversed unless the cost-benefit calculations of companies on employment policies change[16] – unions clearly lack the muscle to change them. The impact of these policies is already impacting negatively on the lives of the poor and are, it is argued, shaping the nature of urban politics. Thus, in his narration of experiences of poor people, Desai argues that the casualisation of labour, that meant workers only received wages for two months of the year, the labour brokering system that meant that they were no longer eligible for any benefits and similar changes in the labour market were all linked to the failure of families to meet escalating rent, water, and electricity costs and thus were partly responsible for evictions and cuts in services.[17] While this creates the potential for protest, it also means labour is more fragmented and dispersed, making collective action more difficult.

Can this trend be changed by a vigorous union effort to organise informal workers? South African unions, like those elsewhere in the world, have been debating the issue of recruiting informal workers because there is a feeling that a failure to do so is detrimental to their survival because the pool of formal workers is shrinking.[18] The key question, however, is whether it is possible for unions to organise these workers, given that they work in very different conditions from those that spurred union organisation.

3.   UNION ORGANISING

Gallin, a strong advocate of union efforts to organise informal workers, admits that the heterogeneous nature of employment relations, the difficulties of locating and contacting workers in informal employment and – in some instances – obstacles created by legislation make organising informal workers difficult.[19] But he goes on to claim that unions underestimate the capacity of informal workers to organise – contrary to some of the views suggested here, he believes that it is easier to organise informal workers, as they are resourceful and dynamic.

His optimism does not, however, seem to be borne out by evidence, certainly not in South Africa. Recent research[20] here has shown that there are various obstacles to organising

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[16]   Ibid.

[17]   Desai A. *We are the poors: Community struggles in post-apartheid South Africa.* New York: Monthly Review Press. 2002.

[18]   Naidoo.

[19]   Gallin 531.

[20]   See Bennett M. *Organising in the informal economy: A case study of the clothing industry in South Africa.* SEED Working Paper No 37. International Labour Organisation: Geneva. 2003.

the informally employed, both by the traditional unions, as well as by unions established solely to organise informal workers. The Self Employed Women's Union (SEWU), an association formed specifically to cater for women working in the informal economy, and the Southern African Clothing and Textile Workers' Union (SACTWU), a COSATU-affiliated union which has taken a particular interest in organising workers working in informal conditions,[21] find it difficult to recruit new members in the informal economy. One of the most daunting tasks has been to solicit membership fees – this has proved detrimental to SEWU, which lost 35% of its members when it shifted from accepting cash for membership fees and introduced debit orders.[22] The change alienated most of its membership and one of the reasons cited was the inability to open and maintain bank accounts because of the lack of steady income: there appears to be a huge gap between the informal workers and the formal institutions such as the banks. This can affect mobilisation of these workers, as they cannot rely on these institutions to take care of some of their business. It also shows the lack of resources and poverty engulfing this sector. SACTWU has encountered a number of difficulties in trying to recruit in the informal economy.[23] It also realised that recruiting and mobilising informal workers needed more resources than those usually devoted to formal workers.

SEWU has cited another reason for its limited success in organising informal workers. It reports that it encounters informal workers who are reluctant to join because of their previous experience of union membership.[24] Thus while, as this paper will note below, some of the literature and preliminary research suggests that a union background may encourage organisation by the informal poor, there may also be cases in which union experience discourages it. The other obstacle, the union argues, is that some of these potential members expect immediate benefits. These workers also often expect private benefits and do not see engaging in unions as a public good that is likely to benefit their circumstances in the long run.

Further to these factors, the diversity of interests in the informal economy and the lack of a clear employer-employee relationship emerge from the literature[25] as some of the reasons that make organising difficult. For example, most informal street traders work independently and have nobody to bargain against for salaries. Their protests are often directed at the municipalities that control the streets but no for salaries. Optimistic assessments of potential for organising the informal also tend to neglect of the role of informal power holders and all those groups who might have an interest in retaining the status quo because they benefit from current arrangements to which informal workers are

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[21]   For the history of these two unions see Bennett.

[22]   Ibid.

[23]   Bennett.

[24]   Ibid.

[25]   See Sanyal B. 'Organising the Self-employed: The politics of the Urban Informal Sector.' *International Labour Review*. 1991: 130; Widner J. 'Interest group structure and organisation in Kenya's informal sector: cultural despair or a politics of multiple allegiances?' *Comparative Political Studies*. 1991; **24(1).**

subject. There are powerful groups that benefit from informality – whether within a particular sector, in business generally, or in government.

To some authors, these obstacles do not mean that organising the informal is impossible – merely that it needs to be approached differently. Sandoval argues that in Brazil the national trade unions failed to respond to the needs of informal workers. He argues that they have not taken advantage of the organisational capabilities of street vendors and informal taxi operators[26] who have been involved in various confrontations with their local government. But the question he does not ask is whether these workers were prepared to be represented by the labour movement. His assumption that they are interested in channelling their energies into union-organised activity lacks the backing of grassroots interviews that seek to test whether these workers recognise the legitimacy of formal trade unions to intervene on their behalf. Nor are we told whether the informal workers have ever tried to forge links with the formal trade unions. Sandoval never mentions the identities, strategies and activities of informal sector unions. One of the challenges for union organisation is that the confrontation with local governments in these settings appears to be spontaneous and it will be difficult for the unions to forge these alliances with the informal sector associations where there are no clear leadership structures.

For example, Sanyal argues that informal workers are rarely organised into groups with which trade unions of formal worker can easily cooperate.[27] Most informal sector unions are very localised – based in particular cities – while formal workers' organisations are national in scope. This makes it difficult for the informal associations to forge alliances and combine resources to maintain a national presence that might give them more leverage in negotiations especially at national level. Informal sector unions are also often loosely organised internally, while trade unions are required by their constitutions to have a well-established internal hierarchy. Informal unions are, as suggested earlier, also less financially stable than national trade unions. Informal workers are not organised into trade groups and will require huge resources to organise, something that even the national trade unions cannot afford.

While this prognosis is largely pessimistic for those concerned to champion union organisation of informal workers, some of the literature does suggest that there may be opportunities for organisation. It has been argued that informal workers who reside or work in the same area are more likely to be organised than those who are scattered.[28] Proximity is said to create conditions for shared experiences, which can be a cohesive factor and make the task of organising in that sector easier – it may be no coincidence that mineworkers have been one of the most vociferous of workers in South Africa. Whether, however, this factor outweighs the drawbacks noted above is an area for further research.

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[26] Sandoval SAM. *The Demobilization of the Brazilian Labour Movement and the emergence of alternative forms of working-class contention in the 1990s*. Unpublished paper.

[27] Sanyal.

[28] Ibid.

Even if it is found that traditional unions are unable to organise informal workers – and this is not assured – union experiences may play a crucial role in shaping organisation outside the formal economy. Thus some studies[29] have identified retrenched union members as the key initiators of collective action in informal settings. Common sense would tend to support this claim – the poor usually lack the resources to organise in a way that would enable them to take part in formal democratic politics and this explains why movements of the poor are so often organised by people who are themselves not poor. Retrenched workers would be expected to possess skills and experience of organisation which most of the poor do not have – and, because they are retrenched, to have developed a common interest with the informal poor. This hypothesis has also been supported by this author's research[30] in informal settlements, where these workers are at the forefront of some organisations: former union members facilitated the initial land invasion in the Freedom Park informal settlement south of Johannesburg. But we know little about their role once they have assumed leadership positions. Initial evidence suggest that they rarely behave as democratically as when they were engaged at shop floor. If further research supports this finding, it opens up an important area of inquiry – into what prompts people subject to one set of values and ways of acting socially when they are formally employed to adopt new ways when they are forced into informality.

4.   ASSOCIATIONAL ACTIVITY IN THE INFORMAL ECONOMY

Whether or not union organisation proves a means to participation in policy debates by informal workers, this is not the only form of collective action among these workers. Even if they do not appear to organise to exercise democratic rights, informal workers do not live and work in environments devoid of collective action, associational life – and politics.

Despite much writing about the importance of informality, limited information is available about the politics of the poor who derive their livelihood in the informal economy: the home-based workers, informal street traders, and working poor who, even if they work in the informal economy, can be expected to live in informal environments because they are unlikely to be able to afford to live in formal residential areas. Indeed, the respective influences on collective action of informal work and residence is itself an important area of study because little is known about the differing effects on collective action of informal work and residential settings – it will be important to investigate how people who work formally but live in informal settlements engage in collective action. We also need to understand how these arrangements impact on the behaviour of these individuals in their relationship with the state.

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[29]   See Desai.

[30]   The author is currently conducting field research in Freedom Park informal settlement, officially known as Devland, in the Greater Johannesburg area.

Thornton argues that workers in the informal economy are engaged in economic activities for which the state either plays no supportive role or may actually be an impediment.[31] Workers in the formal economy have a workplace in which the state regulates safety and enacts other regulatory protections (even a state hostile to worker protection may regulate the work environment, giving it a formal character). According to Thornton, connections to the state would seem to create an environment in which formal sector workers have more of a stake in government action and, therefore, more of an interest in supporting and participating in the political system.[32]

But the assertion that workers in the informal economy have limited connection to the state has been challenged. Jennifer Widner argues that there are instances where participants in the informal economy have a commonality of interest with some government officials. In these cases, they are more likely to cooperate with government.[33] This is a view supported by other researchers. According to John C Cross, some street vendors have been successful in defending their interests in Mexico City because they were able to take advantage of certain structural features of the Mexican state, notably the weak integration of interests between policy-makers and policy-implementers,[34] which integration was often manifested when local government officials failed to implement policies formulated at national level. They then forge alliances with representatives of informal workers by striking deals such as recognising one association and excluding the others. South Africa has also experienced cases of this sort – this is illustrated in a case to which this paper will return, where the Pretoria city council forged links with one of the informal traders' unions.

Diana Mitlin's analysis of the development literature reveals some interesting insights into the dynamics of association among the informal poor. In general, these draw attention to severe limitations on democratic organisation among people working informally.

Mitlin's literature review shows that the extent to which organisations provide vehicles for the informal poor to participate, and to develop a belief in their ability to change their circumstances through collective action, is questioned. It has been "expressed that community leaders dominate the organisations that they belong to, reinforcing the belief among residents that they have little control or influence over their lives and their local organisations."[35] This might be reflected in low turnout in meetings organised by some community organisations. These organisations have also sometimes been shown to command limited visible support. What seems to sustain them is not their support base among citizens

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[31]   Thornton DS. 'Political attitudes and participation of informal sector workers in Mexico.' *Comparative Political Studies*. 2000; **33(10)**.

[32]   Ibid.

[33]   Widner.

[34]   Cross JC. *Informal politics: Street vendors and the state in Mexico City*. Stanford: Stanford University Press. 1998.

[35]   Mitlin D. 'Civil society and urban poverty – Examining complexity.' *Environment and Urbanisation*. 2001; **13(2)**.

that is often assumed to be the key source of influence in democratic systems, but their ability to establish strong links with politicians or state bureaucrats.

This finding is supported by the South African literature, which, for example, paints a bleak picture of membership density in organisations of informal traders. A number of informal traders claim that they do not belong to any association, because they do not know them.[36] Some argue that association leadership does not deliver on its promises.[37] Most of the unions in the informal sector cannot deliver any consistent membership numbers nor can they claim to represent specific constituencies.[38] Some traders are said to become members of the associations in an involuntary way,[39] by virtue of where they are located. This power is sometimes accorded to these associations by the municipalities who are desperate to demonstrate that they are consulting their constituencies. These factors might be impacting on the levels of collective action amongst those participating in the informal economy.

Some writers have shown little faith in the ability of grassroots organisations to represent the interests of the urban poor and help them to solve their problems.[40] Mitlin believes that this pessimism stems from problems linked to leadership and participation within these organisations. She argues that this cannot be separated from the broader context of state officials' and politicians' relations of patronage with community leaders. Another concern which has been raised is that some associations in the informal economy remain unrecognised by those with whom they need to bargain:[41] in the absence of clear-cut employer-employee relationship, unions in the informal economy bargain not with employers or with others who may be able to influence their circumstances (labour brokers, for example) but with local councils. Local government often passes rules that work against the interest of informal traders or informal settlement residents – for example, the provision of housing or the allocation of trading sites – and this may suggest that, contrary to this literature, informal unions negotiate with councils because their members are directly affected by council decisions, not for a lack of any clear power-holder with which to negotiate. But the choice of bargaining partners, both by the informal poor and those with the power to influence their circumstances, requires further investigation.

There are, as suggested above, cases in which negotiation relationships are determined by strategic decisions by local governments that exclude some associations. In the case of informal settlements, the relevant local authority might decide to recognise one association and ignore its rivals. In the inner city, local government might declare that all traders should

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36   Lund F. *Women street traders in urban South Africa: A synthesis of selected research findings.* CSDS Research Report No 15: 1998: 36.

37   Interviews conducted by the author amongst informal traders in the Hillbrow market, Johannesburg.

38   Lund.

39   Ibid.

40   Ibid.

41   Gallin 544.

belong to one association. This tends to give the designated union power over the other associations. In Pretoria for instance, the Council is said to have a close relationship with one street trader organisation and was instrumental in establishing it.[42] This association was made responsible for selecting those who were to be given trading sites.[43] The situation results in a closing of democratic space and limits choices for the traders. This raises the possibility that the powerlessness among the informal poor that has been mentioned in the literature might be emanating not from deep-rooted structural problems but from arrangements chosen by government actors who, wittingly or unwittingly, give some actors in the informal economy a powerful hold over others.

This is not, however, to say that divisions among the informal poor are always created by external agents such as local government. It is important to emphasise that deep divisions sometimes characterise communities that are normally seen as homogenous. Research has shown that elites usually dominate these organisations, exercising an influence which goes well beyond the 'normal' leadership role found in democratic organisations. Fluency in English is crucial for those people who want to take up leadership positions because this provides access to official decision-makers. Fieldwork by this author in informal settlements found that the same individuals, all of them able to speak English, dominate the proceeding in meetings.

An indication of how some unequal power relations can operate in a rural setting is provided by a study of Botswana, where the *kgotla*[44] system of local deliberation in rural areas is said to offer a form of direct democracy. But this is complicated by the existence of a variety of ethnic identities within most geographic areas, which in turn shapes power relations. According to Mompati and Prinsen:

> The issue of ethnicity cannot be ignored when community participation is becoming a cornerstone for development planning. This is not only because most communities are composed of different ethnic groups, but because if participatory development efforts prioritise the most marginalized areas for intervention, as they often do, then it is likely that it is precisely these areas that are also characterised by strong ethnic divisions.[45]

The authors suggest that during elections the subordinate groups usually vote for a candidate from a dominant group because the well entrenched belief among the ethnic minority groups is: "We cannot speak so eloquently and do not understand things."[46] As an almost inevitable consequence of these ethnic power imbalances, subordinate ethnic groups were systematically impoverished by being denied the right to own cattle and access to land.

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[42]   Skinner C. 'Getting institutions right? Local government and street traders in four South African cities.' *Urban Forum*. 2000; **11(1)**.

[43]   Ibid.

[44]   A traditional meeting place, especially for the major ethnic *Tswana* groups.

[45]   Mompati T, Prinsen G. 'Ethnicity and participatory development methods in Botswana: Some participants are to be seen and not heard.' *Development in Practice*. 2000; **10(5)**.

[46]   Mompati, Prinsen 628.

In the *kgotla* not everybody feels free to talk – it provides a forum for the dominant ethnic groups to exercise power and authority. It is natural therefore, that the group in power will feel threatened when members of the subordinate groups attempt to speak in this forum, as it is seen as undermining their power base: "subordinate groups are very conscious of the risk of reprisals and will normally withdraw before they expose themselves to such risks."[47] This power relation confirms that, where subordinate people do not have independent resources, their rights will always be at the mercy of power holders. Poor people in rural areas and in the informal economy have rights guaranteed by the constitution but have always found it difficult to exercise them.

In informal settlements, some people do not have legal rights to what they own. This sometimes puts them in a similar situation to their rural counterparts. These people in theory have access to certain defined rights of citizenship. They are all entitled to elect the leaders they desire, have access to social grants, and they can lodge cases in civil courts. But in rural areas some people have found it difficult to exercise some of these rights and it is possible that this could also be the reality in informal settlements. A key task is, therefore, to examine the degree to which they do exist and, where they do, to identify those groups that have a vested interest in the maintenance of the status quo.

There is also evidence in the literature that change in power relations – either in their immediate environment or in the society – is not seen by organisations of the informal poor as a means to improve their circumstances. Mitlin notes that:

> Despite the enthusiasm of development agencies and other professionals for civil society, many grassroots organizations are more concerned with poverty alleviation than with poverty reduction; with maintaining existing social relationships rather than with securing ones that are more equitable.[48]

The reason for this may be varied. But it appears that the leaders have no other forms of livelihood and therefore might be scared that, if they empower the poor, there is a strong possibility that they will lose some of their privileges that comes with being a leader. This should be expected particularly in countries affected by high levels of inequality and absolute poverty.

5.   COLLECTIVE ACTION IN THE INFORMAL ECONOMY

Are people who work or live informally willing and able to use collective action to advance their interests and enforce their rights as citizens? Bryan Roberts argues that the poor do not lack an interest in collective solutions, but that there are structural conditions which foster

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[47]   Ibid.

[48]   Mitlin 151-173.

individualism.[49] He contends that the poor are rarely in a similar life situation to their neighbours: informality has meant that they are "differentiated by the type of employment, by stage in the life cycle, and above all, by the importance of individual household and its labour resources as a means of survival."[50] Social and economic fragmentation in this environment tends to encourage "vertical, rather than horizontal, political relationships as individuals sought patronage and protection from above as a means of securing what little they had gained in housing or as a means of obtaining more benefits for themselves and their neighbours."[51] Therefore, organisation for collective benefit might emerge where informal settlement residents or workers are concentrated in a similar occupation where benefits are almost equal and they play a complementary role – as in the taxi industry and this might emerge from the new municipal market establish by the City of Johannesburg for the informal traders. If the experiences in Latin America are anything to go by where market traders have often become one of the most vociferous interests in the urban politics. Where these markets have a long history. In sectors where there is excessive competition among traders we are likely only to experience periodic cooperation – for example, when there is threat of eviction.

Some studies have found the level of association to be lower among the urban informal sector,[52] in relation to urban interests such as factory workers. This has been linked to the reality that the organisational resources of most societies tend to be heavily concentrated among the economically and educationally advantaged.[53] It is argued that "the dispersion and economic vulnerability of the urban informal sector do not facilitate collective organisation."[54] Which means informal but not dispersed occupations in the informal economy such as the taxi industry mentioned above might produce a different finding since the employer-employee relations are clear. This tells us that lack of resources and proximity might present a serious challenge to organisation in the informal economy and that those sectors that have overcome these factors might be at an advantaged position.

But resource constraints and logistical barriers may not be the only factors impeding collective action by the informal poor – according to Douglas Thornton "there is a relationship between informality and political attitudes and behaviour,"[55] although he argues that informal employment may not always be an important variable in relation to political

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[49]   Roberts B. 'The Social Context of Citizenship in Latin America.' *International Journal of Urban and Regional Research*. 1996; **20(1).**

[50]   Ibid.

[51]   Ibid.

[52]   Davis CL, Aguilar EE, Speer JG. 'Associations and Activism: Mobilization of Urban Informal Workers in Costa Rica and Nicaragua.' *Journal of Interamerican Studies & World Affairs*. 1999; **41(3).**

[53]   Ibid.

[54]   Ibid.

[55]   Thornton 1306.

attitudes and political participation.[56] If the latter two terms refer purely to participation in party politics, Thornton's qualification is relevant to South Africa: the author's fieldwork in informal settlements suggest informality is not a bar to participating in formal politics. During the interviews some informants articulated negative attitudes towards the ruling party, the ANC, but still state that they will vote for it and attend meetings organised by its affiliates or branches. The often-mentioned reason is that they want to keep abreast of the latest developments. Therefore, political attitude is not always linked to political behaviour or participation. More research is need, however, not only in to the link between informality and participation in formal politics, but also in the extent to which informal actors participate in politics understood more broadly as attempts to influence the content of public decision-making.

What is often seen as the unwillingness of people to participate in issues that affect their lives might not be what it appears to be: it might reflect not unwillingness to act but power relations within that community, whether it is composed of informal traders or informal settlement residents. Several studies have reported situations in which the likely beneficiaries destroy projects that are meant to benefit them. For example, Sihlongonyane found that in Mohlakeng, a township situated west of Johannesburg, shack and backyard dwellers affected by high rent and ill treatment by the landlords favoured a project that was meant to build them houses.[57] But the SA National Civic Organisation (SANCO), dominated by people who had formal housing, was against this project. It was joined by some people in the informal dwellings who participated in the project's destruction. This suggests that there are powerful pressures within informal settlements to maintain existing arrangements.

There may be reasons why people who live or work informally prefer to maintain prevailing arrangements rather than risking something new. But by implication, some of the literature suggests that this mobilisation to maintain the status quo may be initiated by leaders who are not responding to their constituents but mobilising them to preserve the leadership's dominance. Mitlin states that, "… questions have been raised about the motivations of leaders within the community and the extent of membership participation."[58] In some contexts, it might be a reaction to leaders who fail to win the trust of constituents. Scheper-Hughes illustrates how the elected official in a small town in Brazil began to control access to resources in the community.[59] It is alleged that this official was using general meetings for his personal benefits. "When one such meeting was called, the level of violence was such that the meeting was abandoned and he then declared himself president for life."[60] Mitlin argues that these relations within organisations in informal settlements are not

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[56]   Ibid.

[57]   Sihlongonyane MF. 'The Rhetoric of the Community in Project Management: The Case of Mohlakeng Township.' *Development in Practice*. 2001; **11(1)**: 38.

[58]   Mitlin 156.

[59]   Quoted in Mitlin 156.

[60]   Mitlin.

predetermined but are a reflection of several factors, such as pressures on local the leadership and the difficulties of self-organisations where there are scarce resources.[61]

The view that associational leadership may prompt violent behaviour from constituents is challenges by Widner:

> [O]nly where government prevents legal association or where local bosses prevent association by resorting to coercion, is spontaneous rebellion or rioting on the part of those heavily invested in informal activities and without clear opportunities for advancement likely.[62]

Nevertheless, this is the form of political action that is usually identified by academics and evidence from Kenya[63] suggests that it is not the only possible strategy or the one that is often used by the traders. It remains the task of this exercise to identify other likely forms of participation in this environment. More research is needed not only into relations between leaders and constituents, but into the structural conditions which may make responsive and accountable leadership in organisations less or more likely.

There might also be other groups within the informal economy who have an interest in maintaining prevailing arrangements. Friedman argues that,

> [w]hile organizations with the ability to mobilise protest clearly cannot be excluded [from development decisions], those who do not may represent important constituencies and may have the capacity to disrupt any agreements at the forum.[64]

This role of less visible and vocal organisations (whether or not the associations are formal themselves) is a feature that our research in the informal settlements has failed to identify so far. We have concentrated more on visible organisations. There is a need for research to move towards a greater understanding of less visible organisation. We still need to identify informal networks that have a stake in various outcomes and see how much influence they have in these settings, if any. As one informant exclaimed, "I was surprised to see how many foreigners are in our settlement."[65] This may not be the only surprise awaiting an attempt to understand patterns of organisation among the informal poor.

The informal economy is characterised by various interests that are not easily identifiable. Widner notes:

> People move in and out of the informal sector for a variety of reasons, from a desire to supplement farm income where either land or labour are short, to a lack of formal sector alternatives for new entrants to labour markets, to unattractive wages for local contract work, to the expectation that

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[61]   Ibid.

[62]   Mitlin 39

[63]   Ibid.

[64]   Friedman S. *The Elusive 'Community': The Dynamics of Negotiated Urban Development*. Research Report 28. Social Contract Series. Johannesburg: Centre for Policy Studies. 1993.

[65]   Interview with a civic leader in Freedom Park.

children, especially adolescents, will help their families or at least supply their own needs during seasons where stores of food are diminished and purchase of food is costly.[66]

This makes it difficult to organise these individuals because they appear less likely to share interests with other informal workers – many key issues may affect them differently, making united action impossible. People who expect to be engaged in informal work temporarily are also unlikely to be willing to act to change their circumstances. Some studies[67] have also established that some workers in the formal economy keep jobs in the informal economy. This is particularly true when the formal job market is affected by wage freezing and increasing prices of basic commodities. The informal sector becomes an option for those who want to supplement their incomes. Again, this militates against organisation or mobilisation.

The extent to which it is possible for an entrepreneur to move from lower income informal pursuits to higher income activity, or, indeed, to graduate to formal activities, affects perceptions of interest and form of participation.[68]   According to these understandings, informal sector entrepreneurs are more likely to organise politically to demand lower license fees, more amenities, less regulation, lower food costs, or other benefits if they believe themselves trapped in a particular occupation or a particular income level.[69] In South Africa there is still a strong perception by those participating in the informal economy that they or their children will get jobs in the formal economy despite the overwhelming evidence to the contrary.[70] This is probably the consequence of a history unlike that of many Southern countries in which occupying a job in the formal economy was, until relatively recently, the norm, but its consequence is clearly that informal economy participants still see their conditions as temporary. If it is true that perceptions of mobility affect levels of participation,[71] South Africa might have a long way to go before we see strong organisations in the informal economy. Again, it would be enlightening to test these propositions by examining whether there is any evidence of informal workers becoming more inclined to act collectively the longer they remain in informal activity and the more it beings to seem as if informality is likely to be permanent.

Another crucial factor highlighted in the literature[72] which affects availability for, and the nature of, collective action, is that of information. It was argued that participants have to understand the impact of government policies before they can challenge them. But the levels of misinformation in the informal settlements are sometimes frightening. One case in

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[66]   Widner 34.

[67]   See Sanyal and Widner.

[68]   Ibid.

[69]   Ibid.

[70]   This I based on the interviews with informal street traders in the inner city and the residents of Freedom Park informal settlement.

[71]   Widner.

[72]   See Sanyal and Widner.

point is an interview with a local civic leader who said that, "the President on national television said that people who do not vote for the ANC will not be given an AIDS cure which he already possesses. He said people will only be given this drug if they vote convincingly for the ANC." This civic leader does not possess a television: the fact that there is no electricity makes it difficult for most of these people to acquire a set. So it is not clear where she obtained this 'information'. More generally, it is important to examine where people in informal environments get their information. Information gaps are a serious issue and need to be investigated.

Another feature that has been observed is that organisations in the informal economy have a very short life span and are less likely to take on even the form of democratic interest associations: while in some associations of the informal, leaders purport to take on representative functions on behalf of members, here the organisation does not even attempt to play a representative role. According to Widner, "[a] significant proportion of those in the sector do participate in economic associations, but rarely take on either clear-cut representational functions or democratic form."[73] These are usually partnerships or business associations designed to yield private benefits, not public goods, and they tend to collapse after a few months' or few years', unless they are based on family ties. This last point is also of some importance: since family and kin ties do often play an important role in the social and economic life of people outside the formal economy, the extent to which these influence association among informal workers and residents is an important area for research.

6.   CONCLUSION: CHARTING THE ADVENTURE INTO THE FUTURE

This paper has argued that, under current conditions, it will be difficult for those who have an interest in improving the lives of the poor to exact enough pressure on government without organising informal workers and residents. Gallin is correct to insist that the trend towards informality is unlikely to be reversed in the immediate future. Therefore, it would be a legitimate research exercise to begin enquiring into its politics. The literature offers some pointers but a number of questions remain unanswered. The answers that we have remain speculative and are not supported by empirical evidence. There is an urgent need to move beyond the obvious and to chart a research agenda for those working and living informally to determine whether there are circumstances in which they may engage in similar political behaviour to people who derive their livelihood in the formal economy.

It is only through pressures from those affected negatively by these policies that we are likely to witness any significant changes. The changes in the production process have weakened the labour movement. For the working and the non-working poor, few new opportunities have opened up, apart from backyard sweatshops where people toil long hours

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[73]   Widner 37.

without any protection from labour legislation or trade unions.[74] It is in these areas where we have limited understanding of the politics of those who are engaged in it. The literature highlights the following issues as possible inhibitors to collective action: lack of resources, reliance on government to upgrade areas, lack of property rights, and the prevalence of identity consciousness over class or material concerns. And the time spent at informal working places might be making it difficult to organise.

Some studies[75] have shown that when the reality has sunk in to the poor participating in the informal economy that these arrangements are likely to be permanent, they are likely to attempt to change their circumstances. In those countries where there is the longest history of informality, informal sector workers appear to be more organised. This, of course, makes it possible that many of the impediments to informal organisation identified in the literature are temporary. We need to establish how those perceptions are likely to influence organisation in South Africa. In addition to the inquiry into longer-term informal workers discussed above, it would be appropriate to determine if people with the longest history in informal settings present different political attitudes to those now in the environment. Does time spent in informal settings matter to political attitudes and participation?

We need to investigate how the leaders of the organisations of the poor come to dominate the organizations they lead. This paper has adopted Mitlin's line of reasoning that the lack of opportunities for status, power and wealth makes leaders resistant to change that, in this environment, might mean the loss of resources. In return, these powerful interests then forge alliances with high-level politicians in exchange for votes at local level.

In order to find answers to this problem we might have to look at the role of local government policies in the organisation of interests in the informal economy: in understanding the constitution of power in the informal economy, the role of government cannot be ignored. We need to establish whether informal power is also responsible for the inactivity of people in informal settings or whether the poor in these settings put too much faith in leaders. A second concern emanates from this, what makes one a good leader in the informal settings? What leadership styles and strategies make for effective and legitimate leadership?

One other issue that appear to be prevalent in dealings with the people who ply their trade in the informal settings is the question of what the organisation is going to do for them. Therefore, a question that needs to be asked is what these people are doing to change their circumstances. Concerns have been raised about the power of leaders in informal settings but little has been asked about the role of poor people in informal settings in fostering these power relations. We need to determine the role played by illiteracy. It is

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[74] Van Kessel I. 'Review of Ashwin Desai, We are the poors: Community struggles in post-apartheid South Africa.' *H-Safrica. H-Net Reviews.* December 2002. URL: <http://www.h-net.msu.edu/reviews/showrev.cgi>

[75] Widner.

important to find out if people in informal settings believe that community organisations can ameliorate their lives. If they do, we then need to ask why they think that would be possible.

Some actors in the informal sector tend to express hostile attitudes to those in power but continue to give support to those institutions through voting and attending the meetings. However, the majority of residents do not attend these meetings. This would be understandable where democratic institutions are functioning properly but there is little or no evidence that this is a consequence of satisfaction with residents' circumstances or the extent to which their voices are heard. Indeed, it is difficult to conceptualise how people affected by poverty become so withdrawn from these institutions. Do the power holders keep them away? If not, what is keeping them away? Are the institutions in the informal settings hostile to grassroots participation? Or there is something else keeping people away?

The author's fieldwork has highlighted the issue of resources as one of the obstacles to effective participation. How much of this is as a result of informalisation of the economy? There are valid reasons to believe that there are structural factors that prevent the poor from participating effectively and their leaders appear to be trapped in similar circumstances in relation to the state and politicians.

To conclude, although the literature provides rich insights into the circumstances of the informal poor and their impact on participation in public life, there is much we still need to know before we are able to discern whether the relative absence of organised pressure within democratic rules for social policy change among the informal poor is a temporary phenomenon while people living and working informally learn how to exercise their rights or whether the dynamics of informality place structural constraints on the exercise of rights and the practice of democratic politics among the informal poor, making it very difficult for them to participate in democratic policy-making . The answers may tell us much about the circumstances in which the weakest members of our society may be able to turn the promise of political participation into reality.