

RESEARCH ARTICLE:

Learning Financial and Business Skills for the Sustainability of Female Necessity Entrepreneurs in the Informal Street Trade in South Africa

Melanie Cloete¹, Suriamurthee Maistry² and Shakila Singh³

Received: 14 April 2022 | Revised: 8 January 2023 | Published: 5 February 2023

Abstract

Western-centric studies on opportunity-based entrepreneurship have dominated the literature on female entrepreneurs. Existing research has also tended to focus on the experiences of women in the formal rather than the informal sector. In this article, we examine female necessity entrepreneurs' experiences of learning financial and business skills in the informal street trade in South Africa. The theoretical framework for this research, which was located within a critical feminist paradigm and used a feminist phenomenological design, drew on African feminisms, resilience, and informal learning. Phenomenological, in-depth, face-to-face interviews were conducted with a convenience sample of twelve women in the informal street trade in the Durban area of KwaZulu-Natal, to capture the essence of their experiences of running their businesses. The main findings showed that poor black women, especially those trading without permits in the informal street trade, faced multiple challenges, but were able to learn some of the financial and business skills necessary for survival. However, this learning was reactive, problem-centred, observation based, imitative, and partial. These findings emphasised the need for these entrepreneurs to upgrade their financial and business skills in order for their businesses to remain sustainable. The study recommended various targeted policy initiatives to support female necessity entrepreneurs.

Keywords: street trading; financial and business skills; female necessity entrepreneurs

Introduction

Women empowerment has been acknowledged as the primary stimulus for the long-term economic growth of a country (Saqib *et al.*, 2016: 376), and entrepreneurship, as argued by Loza (2011), has been identified as a mechanism for empowering women economically, professionally and socially. In South Africa, the Department of Trade and Industry views women as critical role players in poverty alleviation and economic development (South African Women Entrepreneurs Network, 2005). However, in spite of supportive factors such as government funding, training, and consultative support, 20% of female-owned businesses in South Africa fail annually (Irene, 2017). Empirical evidence has consistently identified a lack of education and training as the primary constraint on entrepreneurial activities in South Africa (Herrington, Kew and Kew, 2009; Herrington and Kew, 2018). Henning and Akoob (2017), for example, found that in the North West Province a staggering 90% of female entrepreneurs in the informal sector had not received training from the government or the private sector. Consequently, their lack of financial and business skills hindered their ability to manage their businesses successfully in a competitive environment. President Ramaphosa recently stated that “the face of poverty is African women” (Makhaye, 2022), and this holds true for women in South Africa’s informal sector. They occupy a large portion of the informal street trade, and are predisposed to higher levels of poverty than their male counterparts due to a lack of skills and the dynamics of gender-based inequalities in earnings (Khumalo, 2015; Rogan, 2018). This study therefore focused on women in the informal street trade, as they occupy the most vulnerable segment within the informal sector in South Africa.

Identifying the sources of the vulnerability experienced by women in the informal street trade is essential for designing policies that address poverty reduction, gender equality and income inequality (Rogan, 2018). An in-depth understanding of these vulnerabilities can be established by investigating women’s lived experiences in the

¹University of KwaZulu-Natal, 925348622@stu.ukzn.ac.za

²University of KwaZulu-Natal, Maistrys@ukzn.ac.za

³University of KwaZulu-Natal, Singhs7@ukzn.ac.za

field. Currently, there is a paucity of phenomenological studies on women in the informal street trade in South Africa. These women occupy the position of “knowers” in the field, since they know what they need in order to overcome the challenges they experience in managing their businesses. In this article, we argue that the state, through the development of appropriate policy, needs to pay more attention to improving conditions for this important group of entrepreneurs, so that they may survive and thrive in the informal street trade. This study aimed to contribute to the existing body of knowledge in this field by gaining a deeper understanding of how female necessity entrepreneurs in the informal street trade learn financial and business skills. It drew on data produced in a broader study that examined the lived experiences of female necessity entrepreneurs in the informal street trade in the greater Durban area of KwaZulu-Natal, and sought to establish how and why they learned their financial and business skills in the way they did. The focus of this article is specifically on the experiences and learning of necessity entrepreneurs who trade without a permit.

Contextualising Female Entrepreneurship and Informality in South Africa

Entrepreneurship has a long history and is recognised as a means of creating wealth by taking calculated risks (Loza, 2011: 29). A global perspective on female entrepreneurship reveals that while women in developed economies are primarily opportunity entrepreneurs, women in emerging and developing economies, such as those in sub-Saharan Africa, are mainly necessity entrepreneurs (Brush and Cooper, 2012: 1; Jennings and Brush, 2013: 689). However, Western-centric studies on opportunity-based entrepreneurship have dominated the literature. There is a dearth of literature on needs-based female entrepreneurs in the informal sector in the African context, thus indicating the need for an “African paradigm” (South African Women Entrepreneurs Network, 2005: 8). In developing countries, the informal sector generates essential income and employment (Babbitt, Brown and Mazaheri, 2015: 163). In South Africa, for example, informal employment accounts for 20% of total employment (Masuku and Nzewi, 2021: 60). However, workers in the informal economy are more susceptible to poverty than those in the formal economy (Bonnet, Leung and Chacaltana, 2018: 1).

Maluleke (2020: 1) found that workers in the informal economy in South Africa are prone to low earnings, unsafe environments, and a lack of protection from exploitation. Furthermore, despite the informal sector in South Africa being recognised as an important mechanism for job creation, its role in job creation has been hampered by unsupportive policies (Cichello and Rogan, 2017; Rogan, 2018). Studies from developing nations have also revealed that women are mainly present in the informal sector, particularly in trade-based employment and as own-account workers in family businesses (Chant and Pedwell, 2008). Supporting poor working women in the informal economy is vital to reducing women's poverty and gender inequality. There has also been a growing realisation that women tend to be concentrated in the more vulnerable kinds of informal employment (Chen *et al.*, 2005). Therefore, there is an urgent need for reliable and current information on the status and profile of women entrepreneurs in the informal sector. The economic empowerment of women within this sector may best be achieved if existing policies, structures, and programmes recognise the contextual influences on their business success (South African Women Entrepreneurs Network, 2005).

Upskilling Women in the Informal Street Trade in South Africa

Street traders are a heterogeneous group dominated by women who work in public locations, often on the streets or near transport hubs. They are self-employed, but act as intermediaries for other businesses whose products they sell. Since they trade in public spaces, their activities are regulated by government departments and municipalities. Consequently, they often experience challenges in relation to public infrastructure policies and by-laws (Ghosh, 2021: 72). This article focuses specifically on women in the informal street trade, as they occupy the most precarious positions within the informal sector. In addition, the economic activities they are involved in contribute significantly to the urban and national economy (Dumbu, 2018: 184), and this group of necessity entrepreneurs therefore plays a critical role in poverty alleviation, not only at the family level but also at local and national levels. However, a lack of financial and business skills on the part of these female necessity entrepreneurs often impedes the development and growth potential of their businesses (Ligthelm, 2008). They require support to develop sustainable businesses and thereby escape poverty. Hence, strategies to support this critical group of entrepreneurs should focus on upskilling them with financial and business skills, to equip them with the resilience needed for business growth and sustainability in a highly competitive environment (United Nations, 2017: 3).

Most entrepreneurs in the informal sector have acquired skills outside of the formal education system through

informal learning or training. While they can generally articulate what they need to do to manage their businesses, they are often unaware of the skills they need to carry out their business activities efficiently. Due to their lack of relevant training, they tend to complete routine tasks by trial and error instead of by using conceptual or technical mastery. To improve their abilities, these entrepreneurs can receive conventional, nonformal, and informal training (Liimatainen, 2002: 7-8). Two studies from South Africa have confirmed the need for better financial management skills within the informal sector. Smith and Perks (2006) found that black micro-entrepreneurs (i.e., street traders) in the Port Elizabeth region did not possess general business management skills, record-keeping skills, and financial management skills, either before or after start-up. Hence, they recommended training interventions for this sector that focus on all business operation skills, particularly financial management skills (Smith and Perks, 2006). Jiyane and Zawada's (2013) study on informal sector women entrepreneurs in uMhlatuze in KwaZulu-Natal revealed that these women lacked knowledge of record keeping and inventory management. They recommended providing women in the informal street trade with financial and business skills, in order to limit their dependency on assistance from their families to run their businesses, and to strengthen their agency (Jiyane and Zawada, 2013).

Theoretical Framework

This study drew on constructs from African feminist theory, resilience theory, and theories of informal learning. Women in the informal street trade are often located within vulnerable and precarious situations, and African feminist theory was able to offer a contextualised explanation of these vulnerabilities. Intersectionality, as one of its key theoretical constructs, allows researchers to unveil what is not seen when categories like gender and race are understood as separate, distinct constructs (Lugones, 2007: 192). Intersectionality foregrounds how oppressed people are subjected to numerous forms of oppression simultaneously, according to their various identities (Tamale, 2020: 65). Women in the informal street trade face multiple levels of oppression based on their gender, race, class, and level of education; hence, an intersectional approach was required in this study to gain an in-depth understanding of their experiences. This approach allowed the "layers of suppressed" meaning from their interwoven experiences to be brought to the fore (Code, 2011: 206).

Resilience is the ability that individuals possess that allows them, despite experiencing hardship, to recover from or avoid undesirable outcomes (Ungar, 2005). Women in the informal street trade face numerous risks, due to the multiple forms of oppression they face, as mentioned above. However, these women can mitigate these risks and survive in this context, not only by employing their innate strengths but also through the interplay of various protective external factors, which can range from helpful individuals to broader social phenomena. Resilience theory therefore provides an understanding of how these women negotiate adversity within their contexts. The theory of informal learning originated with Dewey (1938), who posited that learning takes place through an individual's experiences, lifelong learning, and reflective thought (Conlon, 2004). Informal learning is the most likely way in which women in the informal street trading sector acquire the skills needed to mitigate risk and experience positive outcomes. Informal learning, therefore, can tip the scales in favour of positive outcomes in the face of adversity.

Research Methodology and Design

This study was located within a critical feminist paradigm, as, in addressing equity, inclusion, and social justice, critical theory discourse speaks to the feminist agenda (Gannon and Davies, 2012). This study employed a feminist phenomenological design, which critically examined how women's lived experiences are constructed and constrained by prevailing ideological, political, and power structures (Simms and Stawarska, 2013). Phenomenology is considered feminist when an inquiry examines sexual differences and gendered experiences. Feminist phenomenologists describe and conceptualise women's gendered existence and allow for women's voices to be heard (Simms and Stawarska, 2013).

Warwick Junction and the central business district (CBD) in the city of Durban, in KwaZulu-Natal, South Africa, were ideal locations for the study due to their high concentration of informal street traders. Each of these spatial environments had its own distinct dynamics. Convenience sampling was used to select twelve participants, six from Warwick Junction and six from the Durban CBD. Tables 1 and 2 describe the participants.

Table 1: Participants from Warwick Junction

Participant (pseudonym)	Race and citizenship	Age	Home language	Marital status	Number of dependants	Level of education completed	Years in street trade	Trade permits	Previous employment
1. Thoko	Black South African	50	isiZulu	Not married	4 children	High school matric	26	Yes	None
2. Zandile	Black Mozambican	30	Portuguese	Not married	1 parent, no children	Primary school, Grade 7	3	No	Domestic worker
3. Wendy	Black South African	39	isiXhosa	Not married	3 children of her own, 5 additional children	Grade 10	20	No	Domestic worker
4. Nolusapho	Black South African	73	isiXhosa	Not married	2 children, 3 grand-children	Primary school education	29	Yes	Nanny, domestic worker
5. Thandeka	Black South African	60	isiZulu	Not married	2 children, 6 grand-children	No formal education at all	26	Yes	Domestic worker
6. Nobuhle	Black South African	58	isiZulu	Did not disclose	3 children, 7 grand-children	Grade 3	20	Expired	Domestic worker

Table 2: Participants from the Central Business District

Participant (pseudonym)	Race and citizenship	Age	Home language	Marital status	Number of dependants	Level of education completed	Years in street trade	Trade permits	Previous employment
7. Andiswa	Black South African	42	isiXhosa	Not married	6 children	Grade 5	10	Yes	None
8. Buyisile	Black South African	54	isiZulu	Not married	4 children	Grade 10	38	Yes	None
9. Imali	Black South African	39	isiXhosa	Not married	2 children	Matric (registered first-year student)	10	No	Admin work
10. Buli	Black South African	36	isiXhosa	Divorced	5 children	Grade 11	10	No	Security guard
11. Mary	Black Congolese	28	French and Lingala	Divorced	3 children	High school	4	No	Cleaner
12. Ma Rose	Black South African	60	isiZulu	Widow	4 children	Grade 10	20	Expired	Housewife

Fieldwork only commenced once ethical clearance had been obtained from the University of KwaZulu-Natal (UKZN). Since the participants were deemed vulnerable, the study required a full committee review before ethical approval was granted. The participants were provided with a letter of information, on the basis of which they gave their informed consent in English or isiZulu before the co-creation of the phenomenological material commenced. A black female research assistant fluent in English and isiZulu conducted the phenomenological interviews. As an insider, this research assistant had the required cultural knowledge to facilitate communication with the participants. Conversational phenomenological interviews were conducted twice with each participant, once in June 2020 and once in August 2020, during the Covid-19 lockdown levels four and three, respectively. All the interviews were transcribed and translated.

Presentation of Findings

To understand the phenomenon of the experiences of women street traders learning financial and business skills, the researchers chose to represent the data as emblematic typologies in which the women's diverse experiences were foregrounded, and allowed themes to emerge inductively from these typologies. Within each typology, vignettes were used to emphasise how the participants were forced into the street trade for different reasons and how they navigated the precarious circumstances of this trade to secure their livelihoods through informal learning. The vignettes trace each participant's background, followed by their daily experiences within the street trade and their learning of financial and business skills. Direct quotes from the participants are woven into the vignettes to illustrate their everyday experiences within the typology. This paper focuses on the typology of *necessity entrepreneurs trading without a permit*. As shown in Tables 1 and 2, most participants did not have permits to trade, which positioned them as illegal traders in terms of the municipal by-laws.

Typology of the necessity entrepreneurs trading without a permit

This typology of the necessity entrepreneur trading without a permit foregrounded the narrative of Wendy, the protagonist in the typology. The other street traders took on the role of the deuteragonist, highlighting the shared experiences and the surprising experiences of trading illegally. The typology commenced with a vignette that provided a brief introduction to Wendy. The subsequent vignettes allowed the themes and subthemes to develop in a grounded, inductive manner. The themes of *necessity entrepreneurs trapped in a cycle of poverty*, *lived experiences of necessity entrepreneurs trading without a permit*, and *necessity entrepreneurs learning financial and business skills through precarity* emerged from the subsequent vignettes and are analysed below.

Necessity entrepreneurs trapped in a cycle of poverty

This theme explored the circumstances that led to the female street traders becoming necessity entrepreneurs. Wendy was a 39-year-old black African woman who was an unmarried single parent to three children. She was the only one employed in her household, which consisted of four adults and ten children. Wendy had grown up in impoverished, challenging circumstances. Her family home was in the rural area of Lusikisiki in the Eastern Cape, one of the poorest and most under-resourced provinces in South Africa. Her father had died when she was eight, and her mother had begun street trading in her hometown to provide for the family. At that time, finances were limited, as her mother was the sole income earner in the household. Wendy's background was not unique. More than half of the participants had grown up in the similarly poor rural areas of the Eastern Cape or the South Coast of KwaZulu-Natal. Poverty levels are significantly higher in the rural provinces than the urban regions of South Africa. Like Wendy, the other participants recounted oppressive childhoods characterised by financial constraints and food insecurity. Wendy's father's untimely death worsened the financial constraints under which she was raised. This tragic loss of her father left the family with emotional scars and in financial distress with her mother as the sole breadwinner. Wendy stated:

'My mother worked hard to make sure that we have everything, but sometimes we would go to school on an empty stomach'. (Wendy_Warwick)

Wendy fell pregnant in Grade 10 aged sixteen, and dropped out of school to support her child. Most of the participants had a basic primary school education, with only one reporting not attending school at all due to impoverished circumstances. Although three participants had completed Grade 12, financial constraints meant they could not further their education. In poor households, parents or caregivers have to use their limited funds to either send their children to school or feed the family. Furthermore, low-income families are more likely to keep

their girl children out of school to assist with household and care responsibilities, thus reinforcing the gender normative role of women being best suited for domestic responsibilities. Nobuhle, a trader from Warwick, recounted her experience of being taken out of school:

"In my day, if you were a female, they would take you out of school once you could write your name".
(Nobuhle_Warwick)

Two participants reported that they had wished to complete their schooling but were prevented from doing so by their families' financial circumstances. Buli commented:

"I had to drop out of school when my father lost his job. He was still paying for my fees and still owed money at the school". (Buli_CBD)

Limited or no formal education placed the participants at a disadvantage when competing for jobs in the formal sector. Despite their desire for a better life, a lack of formal education relegated them to low-paying menial jobs. The informal street trade was therefore a last resort to secure a livelihood.

Having left school in Grade 10, Wendy's job opportunities were restricted to low-paying menial jobs. She worked briefly as a domestic worker, and then started trading on the streets at the age of nineteen, using the income from her domestic work as start-up capital to finance stock purchases. With limited capital, she resorted to purchasing low-end, fast-moving products such as packets of potato or corn chips. Wendy did not have a trading permit and would hawk her snacks at the busy taxi ranks at Warwick Junction. Like Wendy, before becoming street traders more than half of the participants had worked at low-paying jobs such as nannies, domestic workers, and security guards. All the participants reported becoming a street trader as a means of survival. As survivalists, their motives for establishing these street trade businesses were to use the profits generated to secure a livelihood.

As a young girl, Wendy often accompanied her mother in her street trading. She recounted:

"I would help my mother in the street trade, and I got used to life as a street trader. It was here that I learned how to manage the business". (Wendy_Warwick)

Like Wendy, two other participants were second-generation traders who had learned their trading skills from family members.

However, as discussed in the following section, the precarity of street trading was exacerbated for traders like Wendy, who did not have a permit or were trading with expired licenses.

Lived experiences of necessity entrepreneurs trading without a permit

Wendy had been a street trader for over 20 years without a permit. She had applied for a trading permit a few years prior, but had been unsuccessful. Trading permits are licenses issued by the Municipality that grant permission to trade in designated public spaces. The permits dictate where, when, and how traders should trade. The Municipality has the authority to designate trade areas, to prohibit trading in specific areas, to dictate trading hours, to prescribe the types of goods the traders are permitted to sell, and to decide on the permit expiry date. In addition, they can dictate the kinds of trading structures used, remove permits, and prohibit trading during special events. These permits are not free, and a once-off application fee is paid together with an annual rental fee for the designated area. Any infringements of municipal regulations are punishable by fines, by the confiscation of goods, or by imprisonment (eThekweni Municipality South Africa, 2019: 8–11). The Municipality controls the street trade, and consequently had power over the participants' livelihoods. Having no trade permit meant that Wendy did not have a permanent trading space; hence, she circulated around the taxi ranks at Warwick Junction all day, hawking various low-end potato and corn chips, which she found physically exhausting. Furthermore, being on the move meant that she was not able to establish a steady clientele. However, being mobile meant that she could avoid being arrested or fined by the police for trading without a permit. Wendy stated:

"The South African Police Services (SAPS) abuse us. They have never come to me since we are on lockdown. When I was still walking around and selling chips, I would notice that they would come and confiscate the trader's stock. They would not catch me because I was not situated in one place".
(Wendy_Warwick)

Wendy's earning potential was therefore severely restricted, as she could sell only small items that could be carried

around easily. Of the twelve traders interviewed, more than half were trading illegally, without a permit or with expired permits. These participants reported abusive behaviour from the police, which included confiscation of or damage to their stock or property. For example, Zandile stated:

*"I don't have a permit. They confiscated my tent and my deep freezer, but luckily, they didn't take my stock".
(Zandile_Warwick)*

This abusive behaviour was not only directed at participants who were illegal traders but also at those who were permit holders. They also suffered abuse from the police if they did not adhere to the municipal by-laws. These by-laws placed restrictions on how stock could be displayed and prevented traders from extending or adapting their trade structures in any way. The participants reported that all confiscated goods were mixed up at the impound facilities, making it impossible to identify which stock belonged to them, and therefore making it difficult for them to get their stock back. Nobuhle explained:

"The Municipality abuses us. When they come here, and your permit has expired, they take all your stock and give you a fine. They know well that you can't get your stock back because they have mixed everything up. Imagine bananas mixed with apples, oranges, and everything, so you might as well start afresh and buy new stock". (Nobuhle_Warwick)

The confiscation of stock can have a devastating effect on survivalist traders, who rely on working capital to purchase more stock and keep their businesses operating. Confiscation of stock may force their businesses to close when they cannot afford to pay the necessary fines to ensure the release of their goods. Trading without a permit therefore makes these traders vulnerable to bribery of corrupt and unscrupulous law enforcement officials. The participants reported having been coerced into paying officials bribes to avoid fines or the confiscation of their stock. These bribes were in the form of stock or cash, as recounted by Imali:

*"They always ask for a cold drink because once they have written a ticket, you will be afraid that now you must pay the Municipality R700/ \$44,51. They tell you no; we won't give you a fine give us a cold drink".
(Imali_CBD)*

Necessity entrepreneurs learning financial and business skills through precarity

This theme investigated how the participants learned financial and business skills in the street trade, including product-mix decisions, stock control and profit calculation.

Product-mix decisions: The stringent Covid-19 lockdown regulations in South Africa in 2020 placed restrictions on the movement of street traders and on the products sold in informal street trade. Only traders selling uncooked food were considered providers of essential services and were allowed to trade. These restrictions prevented Wendy from walking around the taxi ranks hawking her potato and corn chips. As a result of these restrictions, Wendy decided to sell vegetables (onions, potatoes, and tomatoes) to ensure a continued source of income for her household. She stated:

"I was selling chips, and then the lockdown started, and it was announced that only traders who were selling food or vegetables would be allowed to trade. Then I ordered vegetables". (Wendy_Warwick)

The reactive learning that Wendy displayed in changing her trading strategy and product offerings in response to the government's Covid-19 lockdown regulations was a survivalist mode of learning. However, due to the precariousness of the street trade, this reactive way of learning did not provide the foresight required for long-term business sustainability and growth.

Wendy's reactive learning was problem-centred, and was driven by the need to survive. Fruits, vegetables, and quick snacks, such as potato and corn chips, peanuts, sweets, and cool drinks, were popular uncooked food items sold in the street trade. Wendy had the option of choosing any of these products. In deciding which products to sell, Wendy drew on her trading experience and the experience of other traders she had observed during her years of hawking at the taxi ranks in Warwick Junction. It was evident that Wendy had weighed up the product options, and her decision was based on survival and provision for her family. She had already identified a supplier who sold reasonably priced vegetables. In addition, she accepted the risk of trading illegally and having her goods confiscated to ensure food security in her household. Like Wendy, most of the other participants also made business decisions based on their experience gained by spending time in the trade and observing other traders.

For example, Imali stated:

"It was purely existence. I needed to exist and provide for my child. I have never gone to study to manage a business. Maybe it's something; you know when you have to survive". (Imali_CBD)

Wendy wanted to grow her business by expanding its product range. However, as a survivalist entrepreneur without a permit, her business was trapped in a vicious cycle of negative growth, as she had limited finances to purchase vegetables and her only means of generating more cash was to increase or expand her product mix. But as an illegal trader, she was reluctant to increase her product mix for fear of confiscation of her goods. Wendy stated:

"I would like to get more money and add more stock in the future. I would like to add dishes and steel wool". (Wendy_Warwick)

Like Wendy, most of the participants used observation to direct their learning. They learned from other traders by observing their experiences, by noting popular products and fast movers, and then by imitating their successful strategies using a "copycat" technique. Zandile stated:

"I learned here on the streets. I observed the other traders and saw how they did things. I noticed that they were selling chips, so I also decided to sell chips". (Zandile_Warwick)

The street trade was flooded with traders selling the same or similar products, i.e., fast-moving consumer goods at a relatively low price. This increased competition among the street traders, as customers could dictate the prices. The lack of diversity in the products sold negatively impacted the growth and sustainability of survivalists within the trade. Therefore, their "copycat" techniques of learning restricted their strategic decision-making in relation to the development and sustainability of their businesses.

Stock-control decisions: *The sale of vegetables made it necessary for Wendy to find a fixed place from which to trade. Without a trade permit, she was not allocated a tabled structure and therefore had no choice but to operate under a bus shelter at Warwick Junction, where she utilised a small area on the floor and tried not to obstruct the commuters' walkway. She repackaged vegetables into clear plastic bags, ensuring each bag had the same quantity of vegetables. Wendy's funds were limited, so she bought stock in small quantities and only restocked once she had generated sufficient cash from her daily takings. Seven of the twelve traders also used the money generated from their daily sales to purchase more stock. Nobuhle noted:*

"I use the money I get from selling to buy more stock". (Nobuhle_Warwick)

Stock is the lifeblood of any business, including informal street trading. Hence, stock control, which involves recording and monitoring stock levels, and deciding when and how much to order, is critical for the sustainability of street trade businesses. For the survivalist entrepreneur, the quantity of stock ordered is not based on customer demand but on how much cash the entrepreneur has. Like Wendy, most of the participants had limited cash to both purchase stock and cover their living expenses. By purchasing in small quantities, the traders ran the risk of losing sales in both the short and long term, as customers might go elsewhere if they consider a business unreliable.

All the participants reported purchasing their stock using cash, as suppliers were reluctant to offer them credit. Consequently, their money was tied up in their stock and could only be converted into cash once the stock was sold. Wendy purchased her vegetable stock from the Clairwood Fresh Produce Market, approximately nine kilometres from her trade location. She had to pay for private transport of her stock to her trade site, which cost her R50 (\$3,28) a trip. Zandile and Nobuhle reported similar buying procedures:

"I buy my stock from Madiba House, which is not far away. I chose this supplier because I noticed that their prices are fair". (Zandile_Warwick)

"I purchase from a wholesaler that is close by. I buy small quantities so that I can carry them". (Nobuhle_Warwick)

Most of the participants did not keep accounting records, and therefore did not have any formal method of determining how much stock to buy. They used observation to monitor their stock levels and estimate the amount of stock that needed to be replaced. As stated by Wendy and Zandile, they measured missing stock against sales levels to determine stock replacement quantities:

"You observe and see; if you buy this much stock, it will be sold within a day". (Wendy_Warwick)

"I check and see what stock I have and what is running out. I make a note of what I need to buy, and then I go and order. The snacks get sold more quickly than the other items". (Zandile_Warwick)

Profit calculation: Wendy worked long hours. She was already at her trading spot by 7 am waiting for the "trolley boy" pushcart operators to come through with her stock, and she would only leave in the late evening. The trolley boy assisted her daily by taking her unsold stock to a nearby storage facility in the evening and bringing it back to her in the morning. She had never experienced any problems with her stock being stolen or mixed up in the storage facility, which numerous other traders used. She had built a relationship of trust with the trolley boy and would pay him R20 (\$1.26) daily. She also had to pay R40 (\$2.52) a week for the storage facility. Her fixed weekly operating expenses totalled R140 (\$8,82), which she would have to cover even if her sales were low. The accounting concept of profit measures the performance of a business. The critical profitability measures are gross profit and net profit. Gross profit consists of sales minus the cost of goods sold and is the initial profit before all other operating expenses are deducted. Net profit is the final profit after all operating expenses have been deducted from the income generated (Cloete and Marimuthu, 2021: 59, 61, 94). Wendy considered profit to be the cash left from her sales after she had covered the purchase price of the vegetables:

"A box of tomatoes now is R180 (\$11,06), so I first make packs that will give me the cost price, and then I know that the remaining stock will provide me with profit". (Wendy_Warwick)

This profit calculation was not a true reflection of her business's performance, as her operating expenses (the trolley boys' fee, storage costs, and cost of private transport) were excluded from the calculation. Wendy's business was in fact operating at a deficit, below the break-even point at which total sales equals total costs and zero profit is generated (Cloete and Marimuthu, 2021: 284). Wendy was not generating sufficient income to cover all her expenses. Like Wendy, most of the participants estimated their profitability by adding a markup to the purchase price of their products. In other words, they measured profitability using gross profit without deducting operating expenses.

The Covid-19 lockdown negatively impacted Wendy's business, resulting in a decline in her daily income as fewer commuters travelled through Warwick Junction. Nevertheless, she saw a future for her business and was desperate to secure a permit to grow her business without fear of being harassed by police and having her stock confiscated.

Discussion of Findings

The first set of findings – *Necessity entrepreneurs hope to break the poverty cycle* – pertained to the life events that drove the participants to trading in the informal sector. The intersectionality of race, gender, lack of resources, limited education and lack of skills locked these female necessity entrepreneurs into a poverty cycle. Most of the participants were South Africans aged 36–73 years, and therefore grew up during the apartheid era, when a framework of discriminatory racial legislation promoted black people's political oppression and economic marginalisation (Sonnenborn, 2010). The participants' impoverished childhood circumstances restricted their educational opportunities, and their limited education placed them at a disadvantage when competing for jobs in the formal sector, thus trapping them in a cycle of poverty. Street trading therefore became a means of survival. Tambunan (2009: 48) confirmed that street traders are comprised mostly of uneducated females from low-income backgrounds. Tambunan (2009) referred to these entrepreneurs as "pushed" entrepreneurs, forced into the informal street trade by financial difficulties. Fonchingong (2005) and Kusakabe (2012) also confirmed that street trading serves as a survival mechanism for the poor, allowing them to escape hunger by generating a small amount of cash. The money generated from street trading is used for household and care responsibilities, and any additional income is used to expand the business and save money using informal rotating savings clubs such as stokvels (Tambunan, 2009; Neves *et al.*, 2011). Dumbu (2018: 184) notes that these entrepreneurs play an essential role in creating employment opportunities and alleviating poverty in impoverished urban communities.

The next set of findings pertained to the invisible/ forgotten sector. These findings spoke to the lived experiences of female necessity entrepreneurs in the informal street trade who do not have valid trade licenses. These traders often suffer harassment and abuse at the hands of law enforcement officials. Most of the participants had traded illegally for several years, but not by choice, as they had made numerous unsuccessful permit applications. An interesting finding was that even the permit holders suffered harassment at the hands of the police. This overall

finding aligned with the two distinct views on street trading that emerged from the literature: it has either been seen as a valuable activity that contributes to urban economies, or has been criminalised and associated with illegal activities. For example, Mitullah (2003: 2) points out that for over a century street entrepreneurship has been acknowledged as a viable alternative source of income and a vital component of most urban economies. However, Callaghan and Venter (2011) focus on how, despite their important role in urban economic development, most street entrepreneurs lack the legal status to trade and are continuously harassed by municipal and law enforcement officials. Street traders are therefore afraid of confrontations with these officials, and regularly have to pay bribes to continue selling their goods on the streets, and to avoid evictions and the confiscation or destruction of their property. In addition, shop owners in the formal sector tend to view street traders as unfair competition, and street traders are frequently treated as criminals who obstruct the city's development (International Labour Office, 2013: 168).

Another set of findings pertained to the street trade business school and addressed how and why the female necessity entrepreneurs in the informal street trade in the greater Durban area of KwaZulu-Natal experienced the learning of financial and business skills in the way that they did. As necessity entrepreneurs, the participants demonstrated reactive, incidental learning. They reported that the need to survive was the driving force for their learning, and demonstrated resilience in their struggle to survive in the face of adversity. Observation was the most common technique they used to acquire skills in the street trade. By observing other traders, participants learned from their experiences. Ikoja-Odongo and Ocholla (2004) concurred that most workers in the informal sector gain skills through their experiences. However, due to the precariousness of the street trade, this reactive, problem-centred way of learning does not provide the foresight required for long-term business sustainability and growth. Women in the informal sector have a lower skill base due to their lack of access to education and training (International Labour Office, 2013: 376). Furthermore, many women in the informal economy face significant challenges in learning new skills due to a lack of childcare options, targeted training subsidies, transportation allowances and rigorous training programmes (International Labour Office, 2013: 376). Therefore, these necessity entrepreneurs must be supported to develop sound business practices for business growth and sustainability.

Jiyane and Zawada (2013) recommended that on-the-job business education interventions should be tailored to meet informal women entrepreneurs' level of education, marital status, age, business responsibilities, and so on, and that in addition, these interventions should be offered after hours to enable participants to accommodate their family and work commitments. The International Labour Office (2013) concurred, adding that informal sector training programmes have been delivered ineffectively, and should therefore adopt different instructional modalities, be short and intensive, and be followed by post-training that connects practical and theoretical training. Furthermore, Akinsooto and Akpomuje (2018: 344) found that informal training programmes provide necessity entrepreneurs with the knowledge and skills to support themselves and their families, thereby contributing to the eradication of poverty.

Conclusion

Existing research has not paid sufficient attention to female entrepreneurs in the informal sector in developing countries. This study therefore intended to make a theoretical and practical contribution to the field of entrepreneurship by focusing on women street traders in the South African context, which is characterised by persistent gender inequalities and a heightened vulnerability to poverty for women. The findings highlighted how women in the informal street trade experienced the learning of financial and business skills. While in some cases the study participants were helpless victims of the intersectional challenges they faced, in general they managed, against all odds, to learn some of the skills necessary for their businesses to survive. However, this learning was most often reactive, problem-centred, observation based, imitative, and partial, as it was based on a lack of knowledge of accurate financial assessment skills. These findings emphasised the need for these entrepreneurs to upgrade their financial and business skills in order for their businesses to remain sustainable.

Targeted policy initiatives to support female necessity entrepreneurs are recommended to address the policy silences related to the upskilling of women in the informal street trade. The creation of an enabling entrepreneurial ecosystem for this vulnerable sector is recommended, along with specific training interventions focusing on the financial and business skills necessary to sustain their businesses. Since women in the informal street trade have diverse levels of education, there is no one-size-fits-all solution, and targeted, needs-based business education interventions would be best suited to upskill these women. These informal training programmes could make a significant contribution to the eradication of poverty, which is the primary United Nations Sustainable Development

Goal. This study was limited by its research design. Feminist phenomenology is not intended to generalise but rather to construct a comprehensive, contextualised, gendered understanding of a phenomenon. The study focused on a sample of women in the informal street trade in the Durban CBD, and different results may emerge from a more diverse sample located in other contexts. The study therefore cannot be generalised.

References

- Akinsooto, T. A. and Akpomuje, P. Y. 2018. Achieving Sustainable Development Goals through Adult Informal Learning. *Australian Journal of Adult Learning*, 58(3): 426–448.
- Babbitt, L. G., Brown, D. and Mazaheri, N. 2015. Gender, Entrepreneurship, and the Formal–Informal Dilemma: Evidence from Indonesia. *World Development*, 72: 163–174.
- Bonnet, F., Leung, V. and Chacaltana, J. 2018. *Women and Men in the Informal Economy: A Statistical Picture*. 3rd edition. Geneva: International Labour Office.
- Brush, C. G. and Cooper, S. Y. 2012. Female Entrepreneurship and Economic Development: An International Perspective. *Entrepreneurship and Regional Development*, 24(1–2): 1–6.
- Callaghan, C. and Venter, R. 2011. An Investigation of the Entrepreneurial Orientation, Context and Entrepreneurial Performance of Inner-City Johannesburg Street Traders. *Southern African Business Review*, 15(1): 28–46.
- Chant, S. and Pedwell, C. 2008. *Women, Gender and the Informal Economy: An Assessment of ILO Research and Suggested Ways Forward*. Geneva: International Labour Organization.
- Chen, M., Vanek, J., Lund, F., Heintz, J., Jhabvala, R. and Bonner, C. 2005. *Women, Work and Poverty*. New York: Unifem.
- Cichello, P. and Rogan, M. 2017. Informal Sector Employment and Poverty in South Africa: Identifying the Contribution of 'Informal' Sources of Income on Aggregate Poverty Measures. Available: <https://bit.ly/317tWgU> (Accessed 30 May 2019).
- Cloete, M. and Marimuthu, F. 2021. *Basic Accounting for Non-Accountants*. Pretoria: Van Schaik.
- Code, L. 2011. 'They Treated Him Well': Fact, Fiction, and the Politics of Knowledge. In: Grasswick, H. E. ed. *Feminist Epistemology and Philosophy of Science*. Dordrecht: Springer, 205–222.
- Conlon, T. J. 2004. A Review of Informal Learning Literature, Theory and Implications for Practice in Developing Global Professional Competence. *Journal of European Industrial Training*, 28(2/3/4): 283–295.
- Dewey, J. 1938. *Experience and Education*. New York: Macmillan.
- Dumbu, E. 2018. Battling for Street Entrepreneurship Space in the Dwindling Economic Conditions: Divergent Views of the Main Players in the Game. *Scholars Journal of Economics, Business and Management*, 5(3): 184–191.
- eThekweni Municipality South Africa. 2019. Informal Trading By-law. Available: <https://commons.laws.africa/akn/za-eth/act/by-law/2014/informal-trading/eng@2019-12-05.pdf> (Accessed 5 October 2022).
- Fonchingong, C. C. 2005. Negotiating Livelihoods Beyond Beijing: The Burden of Women Food Vendors in the Informal Economy of Limbe, Cameroon. *International Social Science Journal*, 57(184): 243–253.
- Gannon, S. and Davies, B. 2012. Postmodern, Post-Structural, and Critical Theories. In: Hesse-Biber, S. N. ed. *Handbook of Feminist Research: Theory and Praxis*. Thousand Oaks, California: Sage Publications, 65-91.
- Ghosh, J. 2021. *Informal Women Workers in the Global South: Policies and Practices for the Formalisation of Women's Employment in Developing Economies*. Abingdon: Routledge.
- Henning, S. and Akoob, K. 2017. Motivational Factors Affecting Informal Women Entrepreneurs in North-West Province. *The Southern African Journal of Entrepreneurship and Small Business Management*, 9(1): 1–10.

Herrington, M., Kew, J. and Kew, P. 2009. *Tracking Entrepreneurship in South Africa: A GEM Perspective*. Cape Town: Global Entrepreneurship Monitor.

Herrington, M. and Kew, P. 2018. *Is there a Change in Attitude towards the Small and Medium Business Sector in South Africa 2017/18?* Cape Town: Global Entrepreneurship Monitor.

Ikoja-Odongo, R. and Ocholla, D. N. 2004. Information Seeking Behavior of the Informal Sector Entrepreneurs: The Uganda Experience. *Libri*, 54: 54–66.

International Labour Office. 2013. *The Informal Economy and Decent Work: A Policy Resource Guide, Supporting Transitions to Formality*. Geneva: International Labour Office.

Irene, B. N. O. 2017. Women Entrepreneurship in South Africa: Understanding the Role of Competencies in Business Success. *The Southern African Journal of Entrepreneurship and Small Business Management*, 9(1): 1-9.

Jennings, J. E. and Brush, C. G. 2013. Research on Women Entrepreneurs: Challenges to (and from) the Broader Entrepreneurship Literature? *The Academy of Management Annals*, 7(1): 663-715.

Jiyane, G. and Zawada, B. 2013. Sustaining Informal Sector Women Entrepreneurs through Financial Literacy. *Libri*, 63(1): 47.

Khumalo, S. M. S. 2015. *The Role of Informal Trading in Economic Development: The Case Study of Mtubatuba*. M.Comm dissertation, University of Kwa Zulu-Natal.

Kusakabe, K. 2012. Street Vendors in Phnom Penh, Cambodia. In: Sarker, K. ed. *Street Vendors in the Global Urban Economy*. New Delhi: Routledge India, 142-165.

Ligthelm, A. A. 2008. A Targeted Approach to Informal Business Development: The Entrepreneurial Route. *Development Southern Africa*, 25(4): 367–382.

Liimatainen, M. R. 2002. Training and Skills Acquisition in the Informal Sector: A Literature Review. Available: http://www.ilo.org/public/libdoc/ilo/2002/102B09_274_engl.pdf (Accessed 20 June 2019).

Loza, E. 2011. Female Entrepreneurship Theory: A Multidisciplinary Review of Resources. *Journal of Entrepreneurship and Women Education*, 1–2: 26–64.

Lugones, M. 2007. Heterosexualism and the Colonial/Modern Gender System. *Hypatia*, 22(1): 186-219.

Makhaye, C. 2022. Women's Day: Nothing to Celebrate. 'Even in This Day, the Face of Poverty is African Women', Says Ramaphosa. Available: <https://www.dailymaverick.co.za/article/2022-08-09-even-in-this-day-the-face-of-poverty-is-african-women-says-ramaphosa/> (Accessed 7 December 2022).

Maluleke, R. 2020. *Gender Series Volume VII: Informal Economy 2013–2019*. Pretoria: Statistics South Africa.

Masuku, B. and Nzewi, O. 2021. The South African Informal Sector's Socio-Economic Exclusion from Basic Service Provisions: A Critique of Buffalo City Metropolitan Municipality's Approach to the Informal Sector. *Journal of Energy in Southern Africa*, 32(2): 59–71.

Mitullah, W. V. 2003. Street Vending in African Cities: A Synthesis of Empirical Findings from Kenya, Cote d'Ivoire, Ghana, Zimbabwe, Uganda and South Africa. Available: <https://openknowledge.worldbank.org/handle/10986/9211?show=fullandlocale-attribute=es> (Accessed 25 June 2021).

Neves, D., Aliber, M., Mogaladi, J. and du Toit, A. 2011. Research Report to Programme to Support Pro-poor Policy Development in South Africa. Available: <http://hdl.handle.net/10566/4513> (Accessed 10 June 2021).

Rogan, M. 2018. Informal Economies are Diverse: South African Policies Need to Recognise this. Available: <https://theconversation.com/informal-economies-are-diverse-south-african-policies-need-to-recognise-this-104586> (Accessed 27 May 2019).

Saqib, N., Aggarwal, P. and Rashid, S. 2016. Women Empowerment and Economic Growth: Empirical Evidence

from Saudi Arabia. *Advances in Management and Applied Economics*, 6(5): 79–92.

Simms, E. and Stawarska, B. 2013. Introduction: Concepts And Methods in Feminist Phenomenology. *Janus Head*, 13(1): 6–16.

Smith, E. E. and Perks, S. 2006. Training Interventions Needed for Developing Black Micro-Entrepreneurial Skills in the Informal Sector: A Qualitative Perspective. *South African Journal of Human Resource Management*, 4(1): 17–26.

Sonneborn, L. 2010. *The End of Apartheid in South Africa*. New York: Infobase Publishing.

South African Women Entrepreneurs Network. 2005. South African Women Entrepreneurs: A Burgeoning Force in our Economy. Available: <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/docs/2006/061114entrepreneur.pdf> (Accessed 10 October 2018).

Tamale, S. 2020. *Decolonization and Afro-Feminism*. Ottawa: Daraja Press.

Tambunan, T. 2009. Women Entrepreneurs in Indonesia: Their Main Constraints and Reasons. *Journal of Asia Entrepreneurship and Sustainability*, 5(3): 37–51.

Ungar, M. 2005. Introduction: Resilience across Cultures and Contexts. In: Ungar, M. ed. *Handbook for Working with Children and Youth: Pathways to Resilience Across Cultures and Contexts*. Thousand Oaks: SAGE Publications, xv–xxxix.

United Nations. 2017. Sustainable Development Goals Report. Geneva: United Nations. Available: <https://unstats.un.org/sdgs/files/report/2017/thesustainabledevelopmentgoalsreport2017.pdf> (Accessed 10 June 2019).