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**THE INFORMAL SECTOR AND ITS
IMPLICATIONS FOR VOCATIONAL
TRAINING AND JOB CREATION**

by

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INTRODUCTION

Conceptual Issues

This paper takes a cursory look at the informal sector and explores, briefly, its implications for vocational training and job creation, especially in the rural areas.

The International Labour Organisation (ILO) characterises the sector by ease of entry; reliance on indigenous resources; small-scale operations; labour intensity; adaptive technology; unregulated and competitive markets. In addition, the sector tended to experience difficulty in raising loan finance and was susceptible to legal repression.¹

Dominant approaches to the informal sector, however, view this sector in "residual" terms, that is, its capacity to absorb the unemployed and underemployed. The informal sector is, therefore, either placed in a "supplementary" or "complementary" role to the formal sector.

Firstly, the "supplementary role" approach. This approach tends to place the informal sector in a "subordinate" role to the formal sector and treats the informal sector quite distinctly, that is, as a relatively autonomous unit in society.

Alternatively, the complementarity approach (capital accumulation and links to the formal sector) also argues that the informal sector is relatively autonomous from the formal sector ("modern sector") but that although there does exist a basis for income generation and capital accumulation, it is somehow lagging behind the "modern" formal sector.²

It is our view that the informal sector may be viewed as an area of the economy within which petty commodity production is the primary basis, albeit under capitalism or generalised commodity production. The concept "petty commodity production" is derived from a definition of capitalism as generalised commodity production where this category of commodity producers (i.e. petty commodity producers) possess the means of production necessary to produce commodities and who engage in production on the basis of largely unpaid household labour. It is assumed that such producers are capable of reproducing themselves as private producers of commodities without mainly employing wage-labour and without selling (part of) their labour-power. The general definition of petty commodity production, however, does not totally exclude those producers who do hire some labour-power, albeit on a temporary or permanent basis.

What is being emphasised, however, is that petty commodity production exists as an effect of generalised commodity production and as such is an integral aspect of the capitalist mode of production. Petty commodity production, in other words, exists under conditions whereby individuals are unable to produce and reproduce their existence outside the commodity relations of capitalism.³

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- 1 ILO/SATEP, "The Informal Sector in Zimbabwe: Its Potential for Employment Creation"; February 1984.
 - 2 Mkandawire, T. "The Informal Sector in Labour Reserve Economy of Southern Africa with Special Reference to Zimbabwe", ZIDS Working Paper No. 1. 1985. See Also Sandbrook, R. *The Politics of Basic Needs: Urban Aspects of Assaulting Poverty in Africa*, Heinemann, London 1982.
 - 3 Gibbon, P. and M. Neocosmos, "Some Problems in the Political Economy of 'African Socialism'", in Bernstein, H. and B.K. Campbell (eds), *Contradictions of Accumulation in Africa: Studies in Economy and State*, Beverly Hills; Sage, 1985.

Government Policy Towards the Informal Sector

The labour absorption view characterises Government thinking on the informal sector. Briefly, the labour absorption view claims that the informal sector is a consequence of the failure of the formal sector to absorb labour and, as such, is also a direct result of the poor wages structure prevailing in the formal sector. Added to this, one may suggest that the anthropology of "urban pull"/"rural push" is not absent from the discourse.

The earliest statement advanced by the Government of Zimbabwe *vis-a-vis* the informal sector is contained in the economic policy statement of February 1981, *Growth with Equity*⁴

However, official recognition of the sector is more pronounced in the *Transitional National Development Plan (TNDP)*⁵ of 1982-1985 which not only makes recommendations but puts forward an explanation of the problem and even its class character. The TNDP states the reasons for the emergence of this sector and the promises it holds as "rapid population increase and failure of the modern sector to absorb much of the net additions to the labour force together with a substantial influx of rural migrants into urban areas and the need or desire to supplement incomes from formal employment has given rise to a large, vibrant and dynamic sector".⁶

It is significant that the Government of Zimbabwe in conjunction with the International Labour Organisation commissioned a study on the informal sector in Zimbabwe.⁷

It has been estimated that about 132 000 (or 5 percent) of the national labour force are engaged in some form of informal sector activity.⁸ This sector is self-sustaining, that is, it generates its own employment and income.

The Government has agreed to assist this sector in the following manner:

- provision of funds
- provision of training, especially in business affairs
- technical advisory services
- people's markets.

However, Government's support is conditional, that is, assistance can only be given if the sector is "formalised" or "registered" as co-operatives. The latter is a clear expression of Government's intent to support collective entities at the expense of individual enterprises in its programme of encouraging the participation of national domestic capital.

4 Republic of Zimbabwe, *Growth with Equity - An Economic Policy Statement*, February 1981.

5 Republic of Zimbabwe, *Transitional National Development Plan 1982/83-1984/85*, Vol. 1, May 1983.

6 *Ibid.*

7 ILO/SATEP Study 1984, *op.cit.*

8 Ministry of Finance, Economic Planning and Development, *Socio-Economic Review of Zimbabwe, 1980-1985*, Harare 1986:103.

THE INFORMAL SECTOR

The ILO/SATEP study looked at the potential or self-employment which the informal sector offers. It reported that on average more than half the enterprises have a span of five or more years. The data also shows that the majority of informal sector undertakings are small, not only in employment terms but also in terms of ownership of capital equipment, which explains its labour-intensive production processes.

Goods thus produced can compete with those sold by the formal sector because they are either cheaper and/or more accessible. As the escalation in the cost of living continues to erode the socially necessary consumption level of the workers and peasants, the informal sector plays an important role in providing relatively cheaper goods for these social groups. Generally speaking, the informal sector in Zimbabwe operates to produce traditional and other consumer goods for the consumption of the home market.

Skill-based activities in the informal sector include clothing and footwear, including hat-making, crocheting, embroidery, carpentry, electrical repairs, tinsmithing, metalwork, motor repairing, fence making, hairdressing, along with vending and selling, for example. It is apparent that the gender classification is also strong in informal activities.

Educational Profile of Respondents

Using the data from both the ILO/SATEP (1984) and ZIDS (1987)⁹ studies of the informal sector the data implies that the majority of informal sector participants interviewed left school several years prior to joining the informal sector (1984: 17). The ZIDS study, which focused upon female participation in manufacturing-based activities in the informal sector, noted that 59 percent of the women interviewed had attained between Grade 4 and Grade 7 of primary schooling. This study also pointed out that a further 7 percent attained between levels 1 and 4 in secondary school thereby making the overall observation that the level of general education of women in the informal sector of Zimbabwe is thus quite high (1987:99).

What is also interesting is that both studies show that the vast majority of their respondents also reported to having received vocational training in various fields to reinforce their skills for their work in the informal sector. The ZIDS study identified some 21 different skills among the various women interviewed (1987:100). Although the majority are those traditional female skills such as dressmaking, crocheting and knitting, there is evidence of a base of other skills attributed to occupations in the manufacturing sector generally. The data in Tables 1 and 2 is reproduced from the report.

9 ILO/SATEP Study, *op.cit.* The ZIDS study was prepared by Jassat, E.M. and Jirira, K.O. *Industrial Development in Zimbabwe: The Case of Women in Manufacturing Activities*, ZIDS Consultancy Report, 7a, December 1987.

Table 1
SPECIFIC SKILLS IDENTIFIED IN THE INFORMAL SECTOR

SPECIFIC SKILL	NUMBER	PERCENT
Designing/dressmaking/sewing	87	35.7
Crochet/Knitting	57	23.4
Weaving/Looming	13	5.3
Embroidery	6	2.5
Basketry	14	5.7
Pottery	16	6.6
Leatherwork	1	0.4
Beadwork	2	0.8
Tie and Dye	3	1.2
Hats	1	0.4
Snuff-making	1	0.4
Soap-making	1	0.4
Cookery	3	1.2
Coffee Processing	1	0.4
Fence-making	2	0.8
Paper technology skills	3	1.2
Bookkeeping	1	0.4
Typing/Secretarial	4	1.6
Herbalist	1	0.4
Tutoring	1	0.4
Community Development	1	0.4
Nothing special/No response	25	10.3
TOTAL	244	100.0

SOURCE : Jassat, E.M. and Jirira, K.O. *Industrial Development in Zimbabwe : The Case of Women in Manufacturing Industries*, ZIDS Consultancy Report (1987:101).

Forty-five percent of the skills reported were acquired at home, primarily from family or relatives. (This corresponds to the percentage reported of traditional female-related skills). Of the remaining 55 percent, the largest number reported to have acquired their skills by attending private or public training centres. With the relatively high level of general education of women in Zimbabwe, those who aspire to self-employment (formal or informal) are as much in need of specialised skills as employees in formal manufacturing.

Table 2
IF SKILLS WERE ACQUIRED OUTSIDE THE HOME, WHERE?

SKILL ACQUIRED FROM	NUMBER	PERCENT
Private Training Centres	33	25.2
Public Training Centres	23	17.6
Women's Clubs	21	16.0
Neighbours	22	16.8
Primary Schools	11	8.4
Secondary or Technical Schools	5	3.8
Churches	5	3.8
Formal Sector	5	3.8
Abroad	1	0.8
No response	5	3.8
TOTAL	131	100

SOURCE: Jassat, E.M. and Jirira, K.O.: *Ibid.*

Although the ILO/SATEP study did not explicitly look at "source of training", it does implicitly show that informal sector participants originate directly from formal sector-related activities (1984 : 19). What is most interesting about all this data is that both studies show that among the interviewees the majority of the participants originate from the formal sector, where they spend some years (the gap) and then later end up in the informal sector. This suggests that the in-transit camp for school-leavers (including school dropouts) and recent migrants may actually be the formal and not the informal sector. For example, the ZIDS study showed that some 45 percent of the female informal sector participants originate directly from formal sector-related activities. A further 41 percent originate from subsistence farming (1987 : 93). It is evident that a considerable proportion of women in the informal sector are in transit or are unsuccessful job-seekers in the formal sector. Women have a lower chance of entering the formal sector and a large proportion of them have found subsistence farming insufficient to live on.

It can, furthermore, be argued (on the basis of the findings of both studies) on residential status that the majority of informal sector participants are not recent entrants either on the basis of migration or completion of education.

The Creation of Skills

The ILO/SATEP survey showed that a limited amount of on-the-job training was taking place through some form of apprenticeship. Of the 345 respondents, 290 (84 percent) said they did not take any inexperienced workers for training on the job. Thus only 16 percent of the respondents undertook some form of training. The content, form and quality of this training is, of course, an unknown quantity, but given their meagre

resources - managerial, capital and infrastructural facilities - it cannot be more than rudimentary in most cases (1984 : 44).

The study also noted that employers themselves, though experienced men, seldom hold the requisite qualifications recognised in the trade. Moreover, they usually do not employ enough skilled workers to comply with the legal ratio of number of apprentices to number of qualified journeymen. The whole training process is characterised by a high degree of informality.

The actual numbers of apprentices undergoing training are very rough, indicating orders or magnitude only (see Table 3 below). Most apprentices were found, as can be expected, in productive activities such as carpentry, metalwork and tailoring as well as in some service-related activities such as motor and electrical repairs. The average period of training was just over 10 months.

Table 3
APPRENTICESHIP BY MAIN ACTIVITY

ACTIVITY	NO. OF RESPONDENTS	NO. OF APPRENTICES
Electrical Repairer	22	4
Carpenter	48	23
Shoe Repairer	13	1
Tinsmith	19	6
Poultry Seller	5	2
Metalworker	63	34
Grower	25	1
Hairdresser	7	1
Tailoring	31	19
Motor Repairing	14	7
Fence Maker	5	1
All others	93	2
Total	345	101

SOURCE: ILO/SATEP, *The Informal Sector in Zimbabwe - Its Potential for Employment Creation* (1984 : 45).

CONCLUSION

In conclusion, three points merit attention. These are : Firstly, on the basis of the data from the studies cited, it is apparent that people tend to move to the informal sector after spending some time in the formal sector. Secondly, this process is stronger among men than it is among women, given the less favourable opportunities available to women in society. Thirdly, on-the-job training for men and additional sources of skills training for women emerge as the main form of training for informal sector participants.

The question then has to be posed : In what manner should the informal sector be stimulated and opened up to school-leavers, trainees so as to begin to reduce the unemployment crisis and enhance forms of self-employment/co-operative ventures in Zimbabwe's invisible sector?



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