Globalization and Development at Grass root in Africa: The case of women street vendors and household producers in the developing Island of Mauritius

Mr Asrani Gopaul, Lecturer in Social Policy and International Social Work, University of Mauritius

**Purpose** - Contribution of women in the economy cannot be neglected when accounting for development. Recent globalization trend, leading to contractions mainly in the demand for manufacturing and tourist sectors, coupled by the last financial crisis, have accentuated the participation of women in the informal economy in Mauritius. However, even if they seem to be actively independent in this informality their well being usually depend both on whether they are navigating in the highest economically return sectors and their level of dependence on male counterparts. This research examines in which areas, whether low returning or high returning, women in the informal sectors in Mauritius are clustered and whether they still depend on male counterparts in their daily dwellings which include access to raw materials, resellers for their end products, and access to suitable areas where they can put their products on sale.

**Design / methodology/approach** - Both desk and primary research methods were employed. The study included also face to face interviews of 99 women, street vendors and household producers, in the informal sector in 8 regions in Mauritius: 4 urban and 4 rural. The data were collected using qualitative techniques and results were analyzed and presented.

**Findings** - Even if like many countries, participation of women in the informal sector seems to be a panacea to fight for poverty of women who have lost their jobs, independence of women in the informal sectors in Mauritius seems to be only artificial as they rely on male designed sectors to be able to perform their daily activities. Moreover, the majority of these women are cornered in the poorly least remunerated sectors of the parallel sector. Male domination affects the full development of women at different level in the informal sector. Men dominate access to even the basic source of raw materials or imported goods that these women will produce or retail. Male set the prices of these good, make the decision about the areas allocated for women and furthermore, enters in different deals with politicians, who help them in maintaining their power to the detriment of their female counterparts. In the long run this may affect development, especially development that take into consideration the full potential of women.

**Research limitations** - the difficulty to define informality in Mauritius and the difficulty to gain access to a larger sample as many women street vendor in the informal sector produce at home and at times they do not have a rigid hour of work. Thus, it was very difficult to get access to them. For the sake of this research, the sample included also seasonal street vendors.

**Practical Implications** - This study will provide meaningful insight into the condition of women in Mauritius. Studies have always a tendency to analyze conditions of women in the formal economy. This study, being purely qualitative, will contribute to remedy this situation. It will also encourage development pundits to reconsider the situation of women in the informal sector of the economy and come forth with appropriate social policy decisions that will help these women and integrate them.

**Originality/ value** - The uniqueness of the study is that it remedies the gap left by development with regards to the condition of women in the informal sectors. Indices, even if they do recognize contribution of women in the economy usually do not explain the condition of women in the informal sectors. Mauritius do excel, compare to many of its African counterparts, in recognizing contribution of women in the economy and leveling the playing field for both man and women in different areas. However, with recent trend in capitalist led globalization, women in the manufacturing and tourist sectors, who have been victims of the late economic still, rely on male counterparts in different aspects.

**Key words** - Informal sector, informal sector in Mauritius, women in informal economy in Africa, gender, globalization, condition of women, development in Africa,

**Paper type** - Research paper

**Introduction**

Although it is argued that the current phases of economic globalization that started in the 1980’s, is not unprecedented (Jomo, 2006), there is growing concern that the social consequences are unprecedented, especially for women living in the South, who finds it difficult to navigate amidst this new economic imperialism of the North (Jomo, 2006). At the 1999 International Labor Conference, ILO Director General maintained that the inclusion of informal enterprises in national programmes will be effectively promoted (ILO, 2000). However, national development programmes cannot be designed without recognizing the
participation of women in the informal sector of the economy. The development of free trade practices in the world market, together with the recent fluctuations on the international money markets, has an increasing impact on the small island economies (Day-Hookoomsing, 2002). Mauritius is no exception to this cruel rule. The dismantling of the Multi-Fibre agreement, recent financial crisis, economic transition in the world and the shift towards a more global capitalist dependence has created much havoc among working women in Mauritius.

Job lost has been very acute in Mauritius, especially in the textile and tourism sectors (Tulsidas and Desai, 2010). Women in the manufacturing sector, who have lost their job as a consequence of this capitalist-globalization led economic transition, have chosen to recycle themselves in other sectors. And the informal sector tops the list in many African communities.

The recognition of the presence of an informal economy is directly linked to development in Africa. Verick (2006) mentions that the informal sector in Africa is dominated by trade related activities. The increase cost of formality such as taxes and cost of permit have contributed to inflate the size of the informal sector in many sub Saharan countries, including Mauritius. The size of the parallel sector or dual economy as it is sometimes called, and when it is not recognize, surely affects development indices in Africa. And development indices that fully recognize the participation of women in all spheres of the economy is a sine qua non condition for devising policy that will ensure full well being of the latter, especially in meeting the 2015 Millennium Development Goals. Goal 3 of The 2015 Millennium Development Goals aims at promoting gender equality and empower women, however, the subsection mention that as at today in 2010 “Women are largely relegated to more vulnerable forms of employment and that women are over-represented in informal employment, with its lack of benefits and security” (UN,2010).

Usually women find it difficult to gain access to the formal male dominated sectors. In many cases, the parallel economy remains the only avenues for women who have lost their job. This paper will show how transition in world economy has pushed women in the least remunerated sectors of the parallel economy in Mauritius and their continuous dependence on men in many spheres even if informality seems to be equal to a disguise form of exploitation.

**Review of existing Literature.**

**The problem of a definition**

Though the informal sector, in all the ambiguity of its connotation, has come to constitute a major structural feature of society, both in industrialized and less developed country (Portes and Castelli, 1989), it is rather difficult to get a straightforward definition to describe this long existing phenomenon. We can even move forward to insist on the fact that defining the informal sector can be a very heavy muddle. It was Hart (1970) who brought the term informal sector as it is pictured in the Third World in the forefront of academia. However, the definition used by Hart was meant to describe the informal sector as the alter ego of the formal labor market. Hart described the sector in a very homogenous way as an alternative typically used to explain ways of subsisting out of the formal working schedule or initiatives to supplement existing income received by household.

Existing literature insist on the fact that it was the International Labor Office (ILO, 1972) who initiated real concern on the sector whilst publishing a report on employment in Kenya. For this report Informality was mainly characterized in term of those trying to avoid government regulations and taxes. Initially, ILO considered the main aim of the informal sector to be the provision of subsistence to families. For ILO, the existence of the informal sector was only a consequence of inequality and unemployment. In 1972, ILO identified the following characteristics that differentiate the informal sector from the formal sector: ease of entry, easy to get basic raw material, nature of ownership, scale of activities, use of labor and technology, skill demand, Deregulation and market competition.

ILO(2002:P8) furthermore states that the “… informal economy consists of marginalized economic units and workers who have these characteristics: experience severe deficit in terms of decent employment, deficit in labor standard, deficit in productivity and quality of work, deficit in social protection and deficit in terms of organization and voice representative. Reducing the informal economy’s deficits will promote a move toward recognized, protected and therefore, formal activities within the economic mainstream and regulatory framework”.

In his study on the informal sector in Asia, Africa and Latin America Becker (2004) states that the informal economy is the part of the market economy that has no regulation, whereby goods are produced to be sold or to obtain other income and the non existence of any formal rules. Furthermore, according to Becker (2004) the informal economy has the characteristics of having low requirements in terms of capital and professional qualifications to get into the sector and usually operates in small scale. (Becker, 2004, Suprobo et al, 2007).

Becker (2004) added that the informal economy is most of the times related to many negative connotations such as unreported workers, tax evasion, illegal activities, violations of labour regulations and non contribution in any form of social security. According to Becker (2004), the definition of informal economy can be categorized into the following groups because of its heterogenic nature:

1) **Definition based on activities (economic unit or company unit), that is, the traditional definition.**
2) **Definition based on labor category &**
3) **Definition based on the location of the informal economy.**

Hernando de Soto(1989) states that it is the presence of unnecessary hurdles such as heavy taxes, bribes and red tapping in public administration that drives people into the
informal sector. However, if this would have been the only reason, and as male dominate the majority of the administration sector in many African country such as Mauritius (Day-Hookoomsing,2002), women would have chosen to work only in the informal sector where they would have been very independent and where they would be very powerful. Thus, there is a need to study why many women who even if they are working independently in the informal sector, they still lag behind their male counterparts.

However, according to WIEGO (2010) (Women in the Informal Employment Globalizing and Organizing), in 1993 an international definition of the informal sector was adopted to include those who work in small unregistered enterprises, employer and employees, as well as self-employed persons who worked in their own family businesses. WIEGO (2010) goes on to mention the fact that despite the definition, accurate statistics cannot be collected on the sector because of its diversity and the wide range of activities it encompasses. As a result, both the sector and the role of women continue to be underestimated.

Women in the informal sector

A growing salient feature of this informal group is the very presence of an army of women labor. According to Chen (2000) over the past two decades, employment in the informal sector has risen rapidly in all regions in the world, she goes on to mention that even before the last global crisis, official statistics indicated that the informal sector accounted for over half of total non-agricultural employment in Latin America and the Caribbean, nearly half in East Asia, and as much as 80 percent in other parts of Asia and in Africa. Chen also maintain that the contribution of the informal sector to total household income to be significant especially in Africa where the size of the parallel labor force in non agricultural employment is 78%, Urban employment is 61% and New jobs Creation is 93%. (Charmes, 1998)

According to Unni(2004), globalization has dichotomized workers in the informal sector with those who are benefiting on one pole and those who are suffering on the other pole. She maintains that women in the informal sector do not enjoy the same rights as their male counterparts. She goes on to mention that the informal sector is a reservoir of low-skilled categories of workers with a predominance of women. Furthermore, quoting Charmes (2000) she reported the fact that “a significant proportion of women in the informal sector are working without contracts and associated benefits. For Unni (2004) even if there has been a crescendo of inequalities associated with globalization, it has also encouraged women to enter labor market in niche usually reserved for men. However, as we are going to witness in this research paper, the feminization of the informal sector has not helped women to really surmount male created barriers and become independent.

Development scholars (Chen, 2000, Charmes1998, Unni, 2004, verick, 2006) opine that there is an urgent need to address the problem of women in the informal sector. Thus, the present research will enable to fill the gap that exists in existing literature on the condition of women in the informal economy.

The Case of Mauritius

After, unsuccessful attempts of colonization by the Portuguese and Dutch in the 15th and 16th century, Mauritius became successively a French colony in 1715 and a British Colony in 1810 (Dukhira , 2003). Independence from the British was obtained in 1968 and Mauritius opted for the status of a Republic in 1992. Young Mauritius suffered from the same syndrome as other post colonial economy that is, reliance on an agricultural base economy, and lack of diversification, heavy unemployment rate and dependence on a very weak economy. Education in Mauritius became free in 1976 up to secondary level and post secondary level in 1988. Mauritius also became the only country to successfully fulfill its structural adjustment program during the 1980s compare to its African Counterparts (English, 2002).

The Mauritian manufacturing sector consists mainly of EPZ (Export Processing Zone) sector, dominated by a majority of textiles producing firms as it is the case with many countries around the world. Originally a plantation economy, decision was taken to diversify the economy after independence, hence, the setting up of an EPZ in 1970 (Bunwaree, 1994). The EPZ palliated the high unemployment rate that existed after independence. Women have been in majority in these EPZ factories and are thus very at risk to changes determined by global capitalist movement (Bunwaree, 2003). In an attitude survey conducted by the Research Centre of the University of Mauritius (CASR) in 2001, many women agree that the condition of work in the manufacturing sector was bad and unattractive. However, entrance in the EPZ sector was a very attractive method for women to earn a living and supplement the family income.

It is indeed difficult to give accurate data on unemployment and the informal sector in Mauritius. Mac Donald and Yao (2003) in a working paper for IMF noted that “unemployment figures are derived from incomplete data”. They further mentioned that the “Central Statistical Office is of the view that there is a tendency for people to falsely declare themselves as unemployed” during surveys and that people in the informal sector in Mauritius do not wish to relate any information on their employment history and income for fear of income taxes. According to Mac Donald and Yao (2003) Mauritius has enjoyed a relatively high level of growth in the last two decades, that is, prior to the recent global crisis.

Many Export Oriented Enterprises, previously known as the EPZ have closed their doors in the wake of the ongoing global recession. Accounting for more than 91000 workers in 1990, employment in the textile and manufacturing sector went down to only 67,000 in 2008 (financial times, 2008). In the last quarterly report publish by the Central Statistical Office, as at September 2010, manufacturing sector registered a net decrease of 2,418 out of which 644 were women.
Since the 1990’s, the constant rise in economic growth has won Mauritius the classification as a member of the list the World Bank middle-income country. However, the size of the population of women in the informal sector has also increased. Women in the informal sector in Mauritius are clustered in the low return jobs, mainly street vending and household domestic workers. Many have recycled themselves in household productions of basic food stuffs, handicrafts and preserved food. These women have many difficulties in surmounting and surviving man-made barriers. Thus, the need for a qualitative study in the sector, in Mauritius.

Two main studies have been carried out on the informal sector in the island of Mauritius. The first one was a comparative desk study of the informal sector by the De Chasmal Du Me Group for the Mauritius Research Council entitled: the Implications of the informal sector on the Mauritian Economy (MRC, 2004). The study was criticized as being “too economist in its approach” (MRC, 2005). A second more social, study was carried out by Dr Bunwaree and Dr T.D. Jawalheer in 2005. The research, entitled Desk Study of The informal Sector – Mauritius, Botswana, Malaysia and India, approaches the problem of globalization pertaining to the local informal sector (MRC, 2005). However, as mentioned above, there is an urgent need to have a qualitative study on the informal sector in Mauritius.

**Methodology**

Main aim of the study is to evaluate the condition of women participating in the informal sector in Mauritius. There is a tendency to believe that women working in the informal sector tend to be independent from the domination of male counterparts as informal usually equals to freedom, which is the basis when discussing the issue of rights for women. There is now a shift in the paradigms of development discourse whereby the original focus which was mainly on equity has now shifted to the linking of human rights to development (Umni, 2004). This study will explore how women in the informal sector are being affected in their daily activities by different types of barriers which in turn affect development in Mauritius.

As it is difficult to define the informal sector, the study targeted women street vendors and household producers of basic food stuffs and handicraft. A target population of 99 street vendors and Household producers were selected and contacted using convenience survey method. Given the difficulty link of obtaining adequate statistics on the informal sector in Mauritius, 99 interviewees only were selected for this survey through snowballing and “direct” sampling method. That is, the interviewer went directly to different regions of Mauritius where street vendors usually carry their activities. Care was taken not to disrupt their work and to avoid peak time of work. In Depth interviews of 30 minutes each were carried out among the subjects. The interviewees were selected as follows:

<table>
<thead>
<tr>
<th>REGIONs</th>
<th>Rural</th>
<th>Urban</th>
<th>Street vendors</th>
<th>Household producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>north</td>
<td>10</td>
<td>25</td>
<td>24</td>
<td>11</td>
</tr>
<tr>
<td>South</td>
<td>16</td>
<td></td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Centre(three regions)</td>
<td>25</td>
<td>14</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>East</td>
<td>13</td>
<td>10</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>west</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>50</td>
<td>63</td>
<td>36</td>
</tr>
</tbody>
</table>

A semi structured questionnaire was devised to allow the interviewer get some element of control over the subjects; however, the main aim of this qualitative research was to get information on the experience of women in the informal sector as reported by the women themselves. The questionnaire was divided in 10 main questions, devise in order to gather information on the following areas of concern: control over the supply of raw materials and whether the women had difficulties in getting access to them, experiences of resellers, inquiry about their location of work, the reason they have chosen to stay in the informal sector, the existence of any kind of social network among the actors and the predominance of male in the network.

Observations were also carried out by the interviewer on the environment where the actors were performing their daily jobs. The data were analyzed using qualitative techniques of analysis whereby the notes taken on field were processed and categorized.

Being purely qualitative in its approach, this work contributes to literature by providing a grounded understanding of how women in the informal sector do not enjoy real freedom that we tend to believe. Their freedom is affected by a number of variables. Apart from the survey, secondary data were researched through the few existing documents that exist in the sector( papers by researchers from IMF), the Central Statistical Office publications and other institutions(e.g Mauritius Research Council) carrying out research on the local industry.

**Findings:**

As per category by which the data were processed, it was noticed at the very start of the study that many myths that exist on the presence of women in the informal sector in Mauritius can be destroyed. Their life is not equal to freedom and full control over their daily activity; instead they usually have to rely on men in different sectors for their daily transactions. We can induce that women do not enjoy full freedom even in the informal sector in Mauritius.

From the observations gathered directly on the site where the women were carrying out their trade, it was noticed that:

(i) Women were subjects to various health hazards such as pollution (carbon emitted by motor vehicles, poor sanitation, no running water and high risk of accident. Health hazard are more present among street vendors due to the precarious nature of their place of trade. Many male actors in the...
sector negotiate with formal business owners to obtain a place near existing buildings and are therefore secure from health hazards caused by weather conditions and lack of sanitation.

(ii) The best areas were reserved for male counterparts and they are sometimes threatened by the same men. In some cases violent dispute have taken place and these dispute and act of bullying could not be reported to the police or other authorities because of the informality and illegal situation of the vendors. The places allocated to the women are very far away from places usually access by the majority of clients. The women street vendors have a greater workload and they have to sell at a lower price to attract more clients.

(iii) Clients, according to these women, are from different classes and backgrounds, however, female clients tend to be a greater share of the market. It was also observed that in the rural region vendors and home producers both mention the fact that the ratio of male client to female client tend to be equal.

(iv) The informal actors even mention that it is becoming a tradition for Mauritian to buy from street vendors and home producers, especially during festive periods.

Many respondent, both in the suburb and rural regions, complain about the fact that male dominated the trade of basic raw materials and goods that will enable them to carry out their informal trade. It is a noticeable fact in Mauritius that bulk distribution and import of goods is dominated by men. Women have to rely on male counterparts to negotiate for better prices in order to increase their profit margin. Their profit margin depends on the price of basic raw materials and also goods that many street vendors buy to resell. According to the street vendors interviewed, some women have even left the jobs in the sector and have preferred to stay at home as they were working at a lost.

This confirms the existing problem on the African continent where women are disempowered to progress, even in the informal sector, thus affecting development. This disempowerment also contributed to the feminization of poverty in the informal sector as some of these women were the sole earners of their household. Interviewee from both rural and urban region suffered from this situation. They acknowledge the problem to the historical nature of male dominance in the trade sector in Mauritius.

The interviewee responded that they were not eager to join the formal sector unless the job offered to them was secured. By the term secure, they mean a job in the government or in other government own institution. Those who have lost a job in the textile sector were not eager to go back to their previous trade. According to the respondents, conditions of work are unacceptable in textiles factories. The women maintain that men were in a situation of advantage in the informal sector as they enter into various evil deals with politicians when general elections are near.

In one of the urban region different spaces have been designed for informal street vendors, however, they mention that only a majority of male streets vendors have priority over these places. Unscrupulous politicians exchanged these places against vote, according to the street vendors. Home producers accept that access to permit is easier if you have a “contact”. The contact is sometimes a political activist or a member of the local council. Women, according to them are afraid to enter in such deals. According to respondents from both urban and rural regions bureaucratic hurdles in the delivery of permit and the high rate of permit and taxes, prevent them from entering the formal sector.

However, it was noted that there was also a lack of knowledge on laws, procedures and delivery of permit. It was also noticed that the respondents had very low academic background. The presence of girl child labor was observed only in rural region. However, the researcher could not interview them because of the presence of their parents or owners of the business. Bank loan are extended to women only against a trade certificate and collateral. Many institutions provide microcredit and grants to women in Mauritius but many are unaware of the existing procedures regarding these facilities. Some were also afraid of being recognized by tax departments if they apply for the loan.

An association of street vendors has just been created. Many of the women street vendors do not form part of it. The association has been created to fight against political decisions to eradicate the problem of street vending in the capital city. This is the only network that exists. The presence of a network would have enhanced the capacity of the women to do bulk buying. For example, home producers are sometimes unable to put their goods on the market. Those who produce consumable goods such as pickles, traditional brooms, embroidery and apparels have to rely on male resellers to sell their products. These products can at times be marketed only in agglomerations, thus they have to rely on a middlemen to market their products.

Home producers believe that the government is not regulating the market of imported goods which are in direct competition with them. They are finding it more and more difficult to sustain their activity, another area where globalization is affecting women in Mauritius. However, this seems to be a paradox as many street vendors rely on low cost imported goods from china for their daily dealings.

Last but not least is the unanimous answer given by the women on how they spend their incomes. All the respondents agreed that the income they earned in the informal sector is directly spent on the day to day expenses of the family, especially on schooling of the children. This prevents them from saving and paying for social insurance.

**Recommendations**

Women as a group has always been suffering from male dominated hurdles and this has hindered development in Mauritius and in Africa Goal 3 of The 2015 Millennium Development Goals aims at promoting gender equality and empower women, however, the subsection mention that as
at today in 2010 “Women are largely relegated to more vulnerable forms of employment and that women are overrepresented in informal employment, with its lack of benefits and security” (UN, 2010). This has been proved to be true in light of the research carried out above. We cannot talk about development without the full participation of women.

Government in Mauritius should acknowledge that the problems of women are more acute in the informal sector. Policies are in the informal sector does not necessarily mean that these women have control over the different aspects of their life. We have, in this qualitative research, obtained new insight on how women are overpowered by men in the informal sector. The absence of welfare protection and health hazards are very detrimental to the daily life of women.

Research on the health hazards should be carried out. This will enable government to take appropriated gender-sensitive decisions regarding health of women. Another issue that should be addressed is the problem of price setting by male counterparts. A reporting desk should be created where these types of exploitation can be controlled. Third sector organizations have to be created to cater for those in the informal sector. They will be more appropriate to work within the informal sector as this will ensure informality.

A last recommendation, even if it goes against the ideology of informality, is to encourage these women to enter in some sort of networking based on the model of cooperatives. The question is whether government can ensure that the contribution of the different actors can be brought to help these people. However, a Ministry for Cooperative does exist in Mauritius and Government can ensure through this cooperative that these women get good social welfare coverage. This only can lead to real development, not a mere suitable ranking on a list of countries.

Conclusion

This paper examines the conditions of women in the informal sector in Mauritius. We can conclude that women in the informal sector in Mauritius suffer from many barriers set by men in order to carry out their daily trade. These women are not eager to join the formal sector because of barriers such as lack of knowledge on laws regarding taxes and permit. Moreover politicians enter into different deals with men during electoral periods to prevent these women from developing. Men also control prices at all level causing women to suffer more even in informality. Thus we can conclude that even in informality women do suffer from the hurdles set by men. This in the long run will create barriers to development as it has been the case with many African Communities.

References


Bunwaree, Sheila, 1994, Mauritian Education in A Global Economy, Editions de L’Ocean, Mauritius.


English, Philip, 2002, Mauritius, Reigniting the Engines of Growth a Teaching Case Study, Economic Development Institute, the World Bank

Financial Times, March 2008, Special Report


ILO. 2002. ‘Social Security and Coverage for All: Restructuring the Social Security Scheme in Indonesia-Issues and Options’. Jakarta: the ILO. P 8

Mauritius Research Council, 2005, Desk Study of the informal sector-Mauritius, Botswana, Malaysia and India, Mauritius

Mauritius Research Council, 2004, “The Implication of the informal Sector on The Economy”, Mauritius

Mc Donald, Calvin and Yao James, 2003, Mauritius: Unemployment and the Role of Institutions, African Department, IMF Working Paper, wp/03/211, p 3.

Portes Alejandro and Castelli Manuel, 1989, “the informal Economy, Studies in Advanced and less Developed Countries”, The John Hopkins University Press, pg1


Tulsidas Vikash and Desai Bhavik, May 2010, “brief on Mauritius”, Axys Stock Broking ltd analysis and publication, Mauritius


Websites and electronic references

http://www.un.org/millenniumgoals/gender
http://www.wiego.org/publications/wiego.php

***