

# FRIEDRICH EBERT STIFTUNG

ISSUES IN DEVELOPMENT, No. 3

## Training for the development of the informal sector

Dr. Ros Hirschowitz

Researched and written for  
Friedrich-Ebert-Stiftung

by

*the Community Agency for Social Enquiry*

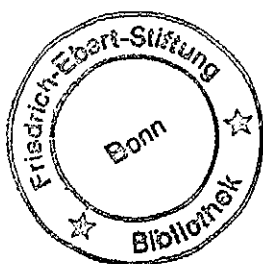
July 1993

Published by:

Friedrich-Ebert-Stiftung  
Social and Economic Development Project  
9th Floor, Braamfontein Center,  
23 Jorissen Street, Braamfontein,  
Johannesburg,  
2000

Tel.: 011 / 403 3546

Fax: 011 / 339 1388



C 94 - 00106

# Table of contents

## Part I

Introduction.....	4
-------------------	---

Explanation of terms .....	5
----------------------------	---

## Part II

A training framework .....	8
----------------------------	---

The training that is needed for informal business owners.....	10
--	----

Principles of training for informal business owners.....	11
---	----

Training and education to promote the development of the informal sector.....	12
--	----

The present training structures in the country.....	15
---	----

Industry training boards .....	15
--------------------------------	----

Training for the unemployed and for work seekers.....	17
--	----

Regional training centres.....	18
--------------------------------	----

Other training that is available to informal business owners.....	19
--	----

Technical colleges and technikons .....	20
---	----

## Part III

Recommendations regarding training for the development of the informal sector .....	22
--	----

References .....	34
------------------	----

## **Abstract**

In this paper the need for and principles of training for the development of the informal sector are reviewed. The review is based on existing literature and interviews with a few relevant people. The needs and principles are then related to the type of training that exists in South Africa at present. Recommendations are then made for the establishment of a body to oversee and take responsibility for the training and development of the informal sector in a co-ordinated way.

## Part I

### Introduction

This document focuses on the need for training for the development of the informal sector, and the type of training that is presently available. One reason why this type of training is becoming increasingly necessary is because the sector has the potential to thrive and to create employment.

In recent years in South Africa, unemployment has reached alarming proportions. For example, two independent national surveys recently completed by the Community Agency for Social Enquiry (C A S E) indicate that at least 50% of Africans aged between 16 and 40 years who are available for work are presently unemployed (Everatt, 1993; Hirschowitz, in press). However, only four percent of whites in the surveys were unemployed.

This remarkably high rate of unemployment cannot be explained solely in terms of the severe economic recession affecting the country at present. The problems of employment creation are both structural and cyclical.

Regarding structural factors, Coetzee *et al* (1990) have clearly shown that since the 1960's there has been a steady decline in the labour absorption capacity of the formal South African economy, even in times of economic upswings.

Regarding cyclical factors, the current recession has indeed played its part. Labour statistics collected by the Central Statistical Service (CSS, 1993), excluding agriculture, indicate that in December 1992 there were approximately 96 000 fewer people in employment in the formal sector, compared to December 1991. Since then the size of the labour force has continued to shrink.

Side-by-side with diminishing employment opportunities in the formal sector, however, there has been a rapid increase in the number of micro-enterprises starting up in the "informal sector". For example, a recent household survey conducted by the CSS (1990) indicates that 7% of "coloured", 13% of "Indian" and 23% of "black" economically active people are engaged in statistically unrecorded economic activities in the informal sector.

At present, however, these activities tend to reflect the desperation of people trying to survive in a harsh, highly discriminatory socio-political and economic environment rather than signifying a viable alternative to employment creation in the formal sector. Various studies (CSS, 1990; Hirschowitz *et al* 1991) have shown that incomes generated by business owners in this sector tend to be extremely low. The sector tends to expand through the replication of struggling businesses as more and more people enter the arena, rather than through the businesses themselves growing and expanding (Dewar, 1987).

Most informal business owners and the families that they support remain impoverished.

Although the sector is distinguished by low incomes, informal business owners have clearly shown that they have the courage, resourcefulness and ability to develop it. They have already found and continue to find ingenious means of surviving in a hostile environment, by providing goods and services that are needed by other impoverished people at affordable prices (Harper, 1989).

In future, micro-enterprises can develop in at least two different ways. On the one hand, they can become thriving businesses contributing significantly to both wealth and employment-creation in the country. On the other hand, they can simply fail to develop. They can remain marginal and impoverished, hampered by various constraints that operate both within the businesses themselves and outside them.

*Training for micro-enterprise development is one way of attempting to overcome these constraints. In this paper the type of training that is needed and the type of training that is available for micro-enterprise development are examined.*

For the purposes of this paper, and for reasons that will become clearer later, a distinction is not drawn between education and training.

## **Explanation of terms**

Various terms, such as 'training', 'the informal sector' and 'the formal sector', and the way in which they are used in this document, need to be explained since they may have diverse interpretations, depending on the user. These explanations are given below.

By training is partly meant "any learning intervention technique, such as counselling, consulting, mentoring, focused discussion or classroom teaching, in which one person, the trainer, imparts a knowledge and/or skills base to an individual or to a group of people so that they can use what they have learned..." (Hirschowitz *et al* 1989). Therefore training, to perform a task, and education, which gives the knowledge base to adapt the task to different situations, are part of the same process.

But education and training, as they are used here, also mean more than this. They mean that other people who are actually interacting with or who could potentially interact with this sector, are a target audience as part of a broader process of promotion of the sector.

Skills training, as the term is used here, refers to "any training which improves the effectiveness of the trainee in performing his (or her) work. It in-

cludes manipulative as well as intellectual skills at all levels" (HSRC/NTB investigation into skills training in the RSA, 1989). This definition again shows that education, to acquire cognitive skills, and training to acquire manual and technical skills, are inseparable activities.

The term "informal sector" also needs clarification. Although there is still no generally accepted definition of the term (Hansenne, 1991), the characteristics of the sector, as outlined by the International Labour Organisation's (ILO) Mission to Kenya in 1972, have been widely accepted.

The informal sector is that sector of the economy consisting of legitimate business activities which are unrecorded in official statistics. It is distinguished by ease of entry, the use of less sophisticated technology and high labour intensity, because people rather than machinery perform the various tasks in the sector, and by smallness of scale regarding production and/or turnover. The businesses in this sector function in unregulated markets and have no recourse to legal protection.

A wide and highly diverse range of activities are covered by businesses within the informal sector, including scavenging, trading, manufacturing, services and construction. This diversity has led many people to query the usefulness of the actual category "informal sector" (see, for example, the discussion in May and Stavrou, 1989) while others have preferred the term "micro-enterprise" (for example, Timberg, 1989). The author, however, is in agreement with Levitsky (1989) that the micro-enterprise sector and the informal sector should be regarded as synonymous. Changing the name of the sector does not alter the nature of the businesses operating within it.

The formal sector on the other hand consists of business activities which are largely recorded in official statistics. This sector is distinguished by its officially recognised status. It is characterised by less easy entry, larger scale of operation, capital-, rather than labour-intensive production methods, and by regulated markets. Businesses of various sizes, from small firms to large corporations operate within it.

The term "small business" has been defined by the National Manpower Commission as "an independent enterprise having no more than 50 employees and an annual turnover of not more than R1 million" (1984, p. 8). Small businesses, therefore, are part of the formal sector.

In practice however, a dichotomy does not best describe the process of development from an informal micro-enterprise to a small sized business in the formal sector. Size is not always an appropriate criterion to distinguish between them. They can be formal and very small or informal and relatively large, as far as turnover and number of people employed in them are concerned.

Neither, on the other hand, does a continuum best describe this transition, because the movement from one stage of complexity in business development to another is not necessarily smooth or even. Business development is a dynamic process rather than a static condition.

Wolmarans's (1990) definition of different levels of business development via an *entrepreneurial stairway* is more appropriate. The business develops by bridging gaps along a stairway of various transitional stages. Whether or not a gap can be bridged depends on a variety of socio-political, economic and personal factors.

This distinction regarding stages of development of a business is important for the purposes of this paper, because different training may be required for different stages.

Stage of development, rather than turnover or number of employees, is more easily linked, as we shall see, to the need for training.

## Part II

### A training framework

A basic assumption underlying this document is that education and training are part of the same learning process and are therefore inseparable. While training may focus more specifically on the acquisition of skills, education enables the learner to modify and adapt these skills to different situations. If training focuses too narrowly on the acquisition of skills to perform a particular task without any theoretical underpinning, transferring that skill to the work place and adapting it to changing work circumstances become very difficult.

A further assumption is that training which focuses solely on the business owners themselves without examining the environment in which they are situated, cannot be regarded as addressing the training needs of the informal sector. Any training policy for the informal sector needs to be based on an understanding of both the constraints and facilitatory factors affecting its functioning and the influence that other people interacting with business owners in the sector have on it.

These factors and influences can be found at various levels, from individual to global. They can best be conceptualised as a series of concentric circles moving outwards, with the individual in the centre and the global level forming the outermost circle (Hirschowitz *et al* 1991).

At the individual level, the focus is on the informal business owners themselves, including their cultural and home background, aptitudes, abilities and personality. Factors influencing their entry into and the way in which they run their business include the type of education they have received, if any, and the manual, technical, business, interpersonal, communication and language skills they have acquired. Previous work and business experience of the owner can also play a facilitatory or inhibitory role.

The second level consists of resources in the immediate environment which are available to the business owner. The viability of the business depends, at least in part, on access to support systems, for example a family support system, and to networks and linkages, for example, contacts with other people in similar businesses. It also depends largely on access to transport, to raw materials, machinery and equipment, and premises.

The third level constitutes the community in which the business operates and the customers or potential customers of these businesses within it. The type of goods and services that the members of a community need and what they can afford, their attitudes towards businesses, the markets available within the



community, other similar businesses in both the formal and the informal sectors, the sources of finance available within community structures (such as stokvels) and sources of supplies, can all act as facilitating or constraining factors.

The fourth level is the broader society. It includes factors such as the policy of both central and local government towards the informal sector; the ways in which officials deal with this sector; the systems of banking and taxation and their effects on the informal sector; large corporations, their share of the market and their approach to small business development; and the infrastructure available to this sector.

The fifth or final level is the global one. There are numerous global influences which can affect the functioning of the informal sector, although these influences are likely to be indirect. For example, the state of the world economy generally, international trading patterns and world wide attitudes to the informal sector can have an impact on its viability.

This framework shows that there are various target groups within both the community and the broader society on which to focus if training to promote the development of the informal sector is to be effective. To train a business owner in isolation, without paying attention to the external environment or to other people interacting with this sector, would be equivalent to training in a vacuum.

The need for training to encompass more people than the business owners themselves has previously been recognised by other researchers. For example, Harper (1989) has stated that the most effective way to spend money allocated for training in the informal sector is "to provide imaginative and intensive training of government officials, at every level, in order further to accelerate the growing trend towards tolerance of micro-enterprise" (p.181). King (1987) states that training interventions cannot restrict themselves to technical knowledge; training also needs to address the values and attitudes to the informal sector in the broader society (p.8).

## **The training that is needed for informal business owners**

When looking at the training that is needed by the business owner, or potential business owner, to develop his or her micro-enterprise, an important consideration is the type of business that is being referred to. The sector is an extremely diverse one covering a wide spectrum of activities. It is obvious that the training needs of those people in survival businesses are very different to those in more viable or more sophisticated ones.

Harper (1989) classifies training for informal sector business owners into three different types of programmes.

The first set or Type C programmes are designed to help destitute people enter micro-enterprises as a last resort. These programmes are aimed at refugees, new migrants to urban areas, the rural poor, the unemployed, the disabled and those who are dependent on charity. They should be based on a clear understanding of what is preventing people from entering this sector. Basic training in manual and technical skills such as dress-making or carpentry, coupled with making easing access to goods, marketing and distribution channels, forms the basis of this type of training.

The second or Type B programmes are directed at those who have already started an informal business. The aim is to enable these people to function more effectively within the sector. The programmes focus on improving manual or technical skills, such as making better use of scrap materials, on becoming more proficient at making better quality goods and offering better services as well as on improved ways of running the business. According to Harper, these programmes are "...less common, less easy to design and less likely to succeed." A danger is that outsiders from the formal world of government and other agencies give training without taking into account the ingenuity of informal business owners in developing survival strategies, or the environment in which these businesses function.

Type A or the third and final group of programmes are designed to enable expanding businesses to become formal or to function efficiently in the formal sector. They include training to acquire skills such as accounting, handling tax requirements and managing employees. Establishing and maintaining product quality and workplace standards, planning and marketing are essential elements of training at this level.

Each level of training therefore has a manual or technical and a business management skills component.

The report of the 'HSRC/NTB Investigation into skills training in the RSA' (1989) supports Harper's classification. This report points out that a different training emphasis is needed for those who start up in a micro-enterprise,

those who are running one and those who are expanding the business. The most important time for training, according to various studies, is in the phase of business start-up, since a large number of businesses fail to thrive during their initial stages (Ajimal, 1987).

## Principles of training for informal business owners

In addition to catering for different stages of development of the business, there are certain principles of training which can apply generally to the sector as a whole. These principles were derived from interviews conducted with 766 informal business owners in urban areas throughout the country as part of a wider research project regarding training for the development of the informal sector (Hirschowitz *et al* 1991). They may be stated as follows:

- ☐ Training of business owners in the informal sector is part of an empowering process which exposes them to alternative ways of producing goods and services which others have found to be helpful.
- ☐ Training opens new possibilities in relation to starting a business, to running it effectively and to expanding it. It enables informal business owners to make choices regarding the type and size of business they aim to run. But it cannot ensure the success of the business.
- ☐ Classroom training and education, consulting, counselling, mentorship and aftercare are all part of the same training process.
- ☐ Individual methods of training, such as counselling and mentorship, are important ways of focusing on specific needs and problems of the particular business owner. However, given expense and time constraints, this type of training is not always possible.
- ☐ Classroom-type training should be based on a problem solving approach and on active participation, rather than passive listening. Case studies, participatory workshops, group discussions, the inclusion of successful business owners who can act as role models and simulated role plays have been found to be more effective techniques in classroom training situations than giving lectures without allowing for feedback.
- ☐ Whatever form training takes, it should, as far possible, be individualised and flexible, based on the life circumstances of the trainees, but focusing on specific problems they are experiencing, for example marketing problems, obtaining supplies, costing and pricing.
- ☐ Adult basic education that focuses on the acquisition of literacy and numeracy may be an essential component of the training of informal business owners, among those who were denied access to education as children. Functional literacy, namely acquiring knowledge of basic business terms, concepts and principles, forms part of this type of education and training.

- Training to acquire specific manual or technical skills, for example those needed for cottage industries, manufacturing or repair services should, wherever possible, be integrated with business skills training.
- When giving manual or technical training, the equipment and machinery used should be appropriate to the needs of the user. For example, training dressmakers on electric sewing machines, in rural areas with no electricity, is inappropriate, and yet takes place.
- Manual or technical training should be based on an understanding of the existing techniques in the sector which have developed in relation to limited access to tools and machinery. Attempts should be made to build on these techniques and to improve them. The process of making goods and delivering services is based "on a whole series of improvisations which compensate for not having the right tool, material or spare part" (King, 198, p.18).
- A modular system of training, combining both practical and cognitive elements, will ensure that both short term and longer term goals for trainees can be set. This modular system should be directly linked to the formal education system and should enable the trainee to put together his or her own unique skills and business qualification package.
- All classroom training should be transferable to real life situations. After-care and extension services, where the training, in the form of advisory and back-up services is brought to the client and related to his or her real life work situation, is highly desirable.
- Self-selection remains the best method of including business owners in courses, counselling or advisory programmes, provided that these are accessible to people throughout the country.
- The needs of the customer and customer relations should be taken into account in any training programme. Research (Hirschowitz *et al*, 1991) has shown that they tend to support this sector because they believe they get cheaper prices, a personalised service and better customer treatment, for example being spoken to in one's own language and being treated with respect, irrespective of race. Hours of business are more convenient and so is the business site. But the weaknesses of the sector, from the customers' point of view, are fluctuating prices, limited choice, low hygiene and inconsistent quality. Training can help the business owner to deal with all these weaknesses.

## **Training and education to promote the development of the informal sector**

Official South African policy towards the informal sector, which allows it to exist, tolerates it, or sometimes even promotes it, is of recent origin. Before the 1980's, the suppression of business activities generally, and particularly informal sector activities among disadvantaged communities, was an essential component of the apartheid system aimed at containing black urbanisation

and relocating "surplus" people to the "homelands" (Preston-Whyte and Rogerson, 1991). Even though some restrictions on informal business activity have been lifted, past policies still have a negative effect on attitudes towards informal businesses. These need to be overcome through education and training programmes.

Previous research (Hirschowitz *et al*, 1991) has shown that groups that interact with or have the potential to interact with business owners in the informal sector can form part of the target audience for education and training, because they can help the sector to grow and develop, rather than hinder it from doing so. Examples of possible target groups and the type of education and training that they could benefit from are given below.

### **Owners of formal businesses**

Firstly, owners of small formal businesses may be an important target group for education, in the form of advocacy. Training agencies need to encourage formal business owners to accept informal businesses as an essential part of the economy with whom they can successfully work. They need to be encouraged to foster the development of sound business relations between the two sectors. Formal business owners need to be made aware of the benefits, not only of selling goods and services to informal owners, but also, in turn, of buying their goods and services. For example, clothes shops could be encouraged to buy original, but cheap items from the informal sector, or businesses could be encouraged to make use of informal printers for pamphlets. This can be accomplished through use of the mass media, through advertising as an education strategy, through pamphlet distribution and through visits by training agencies to formal businesses in the community.

### **Suppliers of goods and services**

Secondly, suppliers of goods and raw materials, such as wholesalers, may need to be made aware of the potentially vast source of additional income that a thriving informal sector represents to them. They may need specific training in marketing or advertising to the informal sector and possible ways of granting credit to the businesses within it. Group guarantees of repayment, to increase the buying power of the informal sector, are an example. Suppliers can also act as a source of information regarding the advantages and disadvantages of different types of products and materials. In this way, a mutually beneficial relationship between the two groups can be built up. This type of education and training can be accomplished through similar methods as those used for formal small business owners.

### **The financial sector**

A third important target group regarding the development of the informal sector is the financial sector. It is not very helpful to train informal business owners in how to apply for loans and in the principles of repayment when it has been clearly demonstrated that they face real difficulties in securing these

loans not only from commercial banks (Hirschowitz *et al*, 1991), but also from agencies such as the Small Business Development Corporation (Manning and Mashigo, in press). "One of the least attractive aspects of the South African banking system as it currently operates is the extent to which it uses the savings of the poor (from private savings accounts, pension fund contributions and the like) for expenditure on schemes conceived by and run for the rich" (Wilson and Ramphela, 1989, p.283).

Cheap but effective alternative ways of making credit available to this sector should be taught to both banking officials and staff in development agencies. This is an essential component of education and training for this sector. It is suggested that the Institute of Bankers be approached to include this topic as a subject on which examinations could be set for prospective bankers.

Indigenous finance schemes such as stokvels and credit unions, and the existence of informal money-lenders, are ways in which the poor have been able to raise money for micro-enterprise development (in addition to borrowing from family and friends). The further development of these indigenous schemes need to be encouraged as part of training within communities.

### **Municipal officials**

Another important group on which to focus in an education and training strategy for the development of the informal sector are municipal officials that deal directly with this sector, including traffic police, health inspectors, town planners and licensing officials.

Research (Hart and Rogerson, 1989; Rogerson and Hart, 1989) has shown that there are marked geographical variations regarding the reform that is still needed, and the reform that has already taken place, of local policies and practices in relation to this sector. In most smaller towns and cities that were studied, restrictive practices persist. In metropolitan cities, however, certain restrictions have been lifted.

A countrywide training policy for municipal officials is needed. This would encourage them to give information, advice, education and training to informal business owners in their sphere of influence, in order to prevent infringements of by-laws and regulations. The punitive approach that has previously characterised relations with informal sector operators can be changed through education and training. Technikons and other educational institutions could be encouraged to include modules on the promotion of the informal sector as part of their syllabus, for qualifications such as a health inspector.

## **The present training structures in the country**

To understand the type of training that is available and the limitations placed on access to training for informal business owners and others interacting with the informal sector, it is necessary to examine the present government's approach to training and to look at existing training structures within the country.

At present, most training is controlled by two acts of parliament, namely the Manpower Training Act of 1981, and the Manpower Training Amendment Act of 1990. The situation in the so-called "independent states and self governing territories" is not taken into account in this discussion, because there are different Departments of Manpower in each of these apartheid created structures. But the fragmentation of training in the country as a whole needs to be noted. The act of 1981 was introduced to regulate the training of apprentices and artisans, training centres, in-service training and training for the unemployed and work seekers. It provided for the formation of a statutory body, the National Training Board (NTB), whose function is to advise the minister of manpower "on policy arising from or connected with the implementation of the act or any matter related to training" (HSRC/NTB: Investigation into skills training in the RSA, 1989. p.31).

### **Industry training boards**

The NTB conducted a series of investigations into artisan and skills training which recommended the establishment of various industry-based training boards for specific industries, including the furniture industry and the building industry. These training boards are seen by present government policy as forming the backbone of training in the country. The amendments to the training act in 1990 give these bodies power and control over training for a particular industry. In effect, they remove the responsibility of skills and artisan training from the state and give it to the private sector via the training boards.

The amendments of 1990 gave the registrar of manpower the authority to accredit these industry training boards.

An accredited board is empowered to serve the training interests and meet the training needs of a particular industry. In turn, these accredited boards frame the conditions of apprenticeship and other training for that industry. They accept responsibility for the administration, management and control of apprenticeship and other training and testing for their specific industry.

They can accredit training centres within the industry, initiate and monitor training programmes, set standards, determine course content and introduce

a training levy on registered firms and companies within the industry. This means that "industries are now responsible for the total human resource development within their sphere of operation" (Council of European Communities, 1992).

At present, there are 23 accredited training boards, covering a wide range of activities, from dairy products to building. A list of these boards is attainable from the Department of Manpower, or the NTB. There is, however, no overarching body which certifies training under the auspices of the Department of Manpower.

This way of privatising training for the various industries that constitute the formal labour market of the country, in essence, means that access to accredited training is limited to people employed in a specific industry.

Potential or actual informal business owners, by virtue of their status as being outside the formal sector, are excluded from this type of training. Employers exert control over who may and may not be trained, and employees do not have an automatic right to training.

The author is in full agreement with the findings of the Council of European Communities (1992) that:

- ☐ This system of training serves the short- to medium-term needs of the private sector, without looking at the training needs of the country as a whole.
- ☐ The training focuses mainly on the acquisition of artisan skills.
- ☐ Market forces determine the number of people who are trained and the type of training they receive. During the present economic recession, fewer people are being trained.
- ☐ Individual needs, talents and abilities are largely ignored.
- ☐ Disadvantaged communities are largely excluded from this type of training.
- ☐ Women are also largely excluded.
- ☐ Training is fragmented.
- ☐ Training is task- and skills-specific. The skills acquired through training are not necessarily transferable from one industry to another.
- ☐ The need for multi-skilling in relation to technological change is unlikely to occur.

This type of training is suited to the outdated modes of production of Taylorism and Fordism, in which work is broken down into smaller and smaller tasks. It is not suited to giving the worker confidence, autonomy, independence and self-reliance which is needed for entering a small business in either the formal or informal sector. It encourages the worker to accept a hierarchal



structure of control, fragmentation of the work process and alienation of the worker.

With this system of training, based on the short and medium term needs of employers and controlled by industry boards, it is unlikely that the work force will be able to adapt to technological change or to use more competitive methods of production. It is also unlikely to give people relevant skills to set up their own businesses.

A range of accredited training modules, which allows the individual to put together his or her own unique qualification structure is at present not available in South Africa because there is no authority which can accredit this type of training.

For the informal business owner, this means that he or she is largely excluded from training that is funded by the private sector, through levies imposed on the industries by the industry training boards. Unless people have worked in an industry before starting a business, training opportunities through this channel are denied. It also means that qualifications relating to combining skills training to make a particular product or offer a particular service with training to run business, are not available.

## **Training for the unemployed and for work seekers**

In addition to training boards, the Manpower Training Act of 1981 also provides for training work seekers and the unemployed.

The establishment of a fund to finance the training of unemployed people to equip them with work-related skills was also facilitated by the Act.

Training for the unemployed who are registered as such with the Department of Manpower is done on a contractual basis for the Department by private organisations, including regional training centres, industry training centres, private training centres and private individuals who set up their own courses, but which are registered and approved by the department.

The HSRC/NTB 'Investigation into skills training in the RSA' (1989) indicates that in 1987 there were 350 different points at which training took place. Of these, 131 provided training for preparation to enter the informal sector. These included training in the "Hives of Industry" run by the Small Business Development Corporation and in rural areas.

However, most of the training offered under the Department of Manpower's unemployment training scheme lasts three weeks. The effectiveness of three weeks of training among those who have previously been deprived of access

to a decent education, needs to be queried. It also seems to take place in a vacuum, linked to the skills that the trainer possesses, rather than to demand.

In three rural centres that the researcher visited, the training being provided involved acquiring knitting, sewing and weaving skills. There was no link to business viability, using these skills, since the need for products or services that require these skills was not determined. The type of equipment the trainee would use afterwards was also not taken into account. Thus people could be trained to spin yarn for weaving, in rural areas where spinning wheels are not available.

## Regional training centres

The Manpower Training Act of 1981 also allows for the establishment and recognition of regional training centres, private training centres and industrial training centres.

As we have seen, industrial training centres are accredited to offer training by the relevant industry training board, where one exists. But these training centres can also be accredited by the Department of Manpower, where one does not.

Private training centres are centres established by employers for the training of their own and other employees. Some, but not all of these centres, are registered with the Department of Manpower.

The focus here, however, is on the regional training centres. At present there are nine regional training centres in the country, with 62 satellites and 65 mobile centres. These centres were originally established by employers in specific areas, but their initial building and equipment costs were funded by the state. They have access to loans from the government's Manpower Development Fund, and each one is controlled by an independent governing body (HSRC/NTB: Investigation into skills training in the RSA, 1989). They are at present all members of the Association of Regional Training Centres, which represents them and negotiates on rates for trainees with the NTB.

Regional training centres offer training courses not only for the industry training boards, but also for the unemployed, funded by the Department of Manpower's unemployment training scheme. They also offer training for employees of specific companies in the private sector who approach them. Two of them have also been involved in designing courses, such as building courses, for communities in their vicinity and for the National Coordinating Committee for Repatriation. Private trainees, who can afford the costs, are also trained, but these are relatively few. When doing training for the industry training boards, particularly artisan training, the curriculum has already

been drawn up by each relevant board. However, regional training centres also design courses on demand from clients.

Some skills and business training for start-up informal sector business owners is available to those who are trained under the unemployment training scheme. But access to these courses is limited.

A visit by the researcher to a regional training centre, Chamdor, indicated that literacy, numeracy and other basic skills are taught here. Basic business skills training is also available.

The researchers of the Council of European Communities (1992) point out certain problems with this training. It is supply-, rather than demand-driven, as a result of contractual arrangements with the Department of Manpower. This means that in times of recession, fewer trainees are sent to these regional training centres. People who need training do not have easy access to these centres. Furthermore the centres lack credibility with communities because of the past association of some of them with training for security structures during the States of Emergency in the 1980's.

### **Other training that is available to informal business owners**

In addition to Department of Manpower training, training for small business owners is also available through various sources including universities, parastatals, large corporations in the private sector, banks, international agencies, business associations supporting the informal sector and NGO's (non government organisations). Tertiary educational institutions offering business training and other organisations can obtain some funds for this training from the Department of Trade and Industry. But this department does not evaluate the training given by the organisations that it funds.

The 'Directory of small business development organisations' that has been compiled by the Centre for Developing Business of the University of the Witwatersrand (1993) is the best source that the author is aware of regarding organisations that give training to small businesses, including the informal sector. However, manual and technical training is not included in the directory.

At present, training efforts for informal sector business owners are not coordinated. There is no planning on a national level for the training and development of the informal sector as a whole.

Most of the business training that is available in South Africa is designed for those planning to enter or who are at present running small businesses in the formal sector.

As far as the informal sector is concerned, most training is of a Type A nature, according to Harper's classification discussed above. It is directed towards more sophisticated small business owners who have the potential to enter the formal sector. Business owners taking these types of courses are often better educated than those who enter these businesses as a survival strategy, and more likely to be familiar with modern business practices. The aim is to improve their skills in business management (Hirschowitz, 1989).

Although there are fewer examples of Type B training courses, some do exist. For example, Wolmarans (1982) applies this type of training to those in rural cottage industries. The Small Business Advisory Bureau and the Small Business Development Corporation also claim to offer these types of courses.

Type C programmes are available through the Regional Training Centres, and through organisations that are funded by the Department of Manpower to train the unemployed and work seekers as previously discussed.

There is, however, a need to relate this training to the life circumstances of the people who receive it, to the markets available for the goods and services they are learning to produce, and to the technology they have available to produce these goods and services.

Issues of concern include quality of training, accessibility (particularly in rural areas) and the extent to which the large number of people who need training are actually being catered for. There is no provision for manual or technical skills training in these organisations, and no link between the technical knowledge needed to run a particular type of business and business training.

As far as NGO's are concerned, in general, a wide variety of diverse organisations exist, which are involved, not only in training, but also in other aspects of informal sector development, including loan schemes and setting up cooperative ventures. At present, these efforts are uncoordinated. Services offered and standards of training vary. Research is needed to assess the impact of these NGO's on the informal sector.

## **Technical colleges and technikons**

The effects of the way in which education and training are regarded as separate activities in South Africa are most evident when looking at technical colleges and technikons and the role they play. Both of these types of institutions fall within the domain of education. Education in the country is highly fragmented along racial lines. It is also not linked to the training system of the Department of Manpower.

Technikons, as tertiary institutions, offer high level technical qualifications. Business owners in the informal sector are unlikely to be able to enter these

institutions, because they are unlikely to have a senior school leaving certificate, which is the minimum requirement for entry.

Technical colleges are more relevant to our discussion. While they could form the base for manual and technical training for business owners in the informal sector, they are at present highly fragmented along racial lines. As part of the education system of the country, they fall under the jurisdiction of the eighteen different education departments in the country (including the Department of National Education). In 1989, there were 128 technical colleges in the country, excluding the "independent states" of Transkei, Bophutatswana, Venda and Ciskei, but including the "self governing territories" of Gazankulu, KaNgwane, KwaZulu, Lebowa, Qwaqua and KwaNdebele (NTB/HSRC: Investigation into a national training strategy for the RSA, 1991, p.86).

These colleges offer courses in engineering, commercial and general fields at secondary and tertiary level, some of which are relevant to starting a business in the informal sector. An engineering course offers a student a range of qualifications, many of which give technical skills which are suitable for starting a business. For example some qualifications enable one to become an electrician, a radio and television repairer or a motor mechanic. Some subjects offered under general studies, for example graphic design, clothing production, interior decorating and floristry, are also useful for self-employment. This also applies to some commercial courses such as accountancy. Adult education and enrichment courses are also offered.

The technical colleges could potentially cater for the needs of informal business development. Unfortunately, however, approximately 70% of the 65 000 students enrolled at technical colleges in 1989 were white. The main constraints inhibiting access to technical colleges are financial and academic. Regarding finance, pupils are expected to pay fees, although some colleges have a small bursary scheme. Regarding academic qualifications, a minimum of schooling to the level of standard seven is a general requirement, with mathematics and science required for engineering courses.

The relatively few people enrolled in these colleges, compared to the size of the population as a whole, indicate that they are catering to an extremely small number of people in the population, compared to the need for vocational training.

## Part III

### Recommendations regarding training for the development of the informal sector

From the above discussion, it is clear that the whole education and training system in the country needs extensive restructuring. The need for integration between existing education and training structures is an urgent priority. But it is not the purpose of this paper to suggest ways in which this could be done. Instead, specific recommendations that have been made to the NTB in the recent past regarding training for the informal sector will be re-iterated (Hirschowitz *et al*, 1991; Hirschowitz and Acutt, 1991; Hirschowitz, 1991) and other recommendations focusing specifically on enabling informal business owners to develop their businesses through training, will be made.

#### The need for a national training coordinating body

It is recommended that a national training coordinating body is needed to oversee and coordinate training for micro-enterprises. Such a body would be responsible for the formulation and implementation of a national training strategy for the development of the informal sector. This body could be linked, until training and education are integrated, to the National Training Board, and accredited by the Department of Manpower, to co-ordinate training for the sector.

But it cannot be constituted or financed in the same way as an industry training board, because it would not serve a specific industry, but rather, it would serve an entire sector of very different activities.

It would form part of the existing industry training board structures and would therefore be integrated with the other industry training boards. It would work closely together with the other training boards. It would not create parallel training structures, but it would use the same training facilities and trainers as the other training boards. Centres that have been accredited by the other training boards could also be used for training purposes by this training coordinating body. This body could also ensure that informal business owners are trained in regional and accredited private training centres and at technical colleges. Contracts for training informal sector business owners could be drawn up between these organisations and the coordinating body.

Ways in which this body could be funded, and funding for the training of people for whom it would assume responsibility, need further investigation. Such finance could possibly be obtained through direct government subsidies or through cash grants. Finance could also be obtained from the fund that has been established for training of the unemployed, in terms of the Manpower

Training Amendment Act of 1990. Or perhaps another, additional, special fund could be set up, through legislation, which is similar to the fund for training the unemployed.

*Should there be one or two coordinating training bodies?*

It is, at present, debatable whether two separate training bodies, one for small business and one for micro-enterprise development, or one body catering for the needs of both types of businesses, is necessary. Two bodies would mean that training business owners in the formal sector and training business owners in the informal sector would be separated. One training coordinating body would mean that training for small businesses in both the formal and the informal sectors would be integrated.

The main advantage of having two separate training bodies is that the training and development needs of informal business owners will receive special consideration by a body which caters specifically for this sector. The needs of informal business owners will therefore not continue to be ignored, and this is what is largely happening at present. The main advantage of having one body responsible for the training of both sectors is that a broader perspective can be taken into account. Training can be viewed as a process of development, enabling micro-enterprise owners to acquire those skills which are needed for their businesses to become incorporated into main stream business activities, at relevant points of their expansion or progression.

In the opinion of the author, a training body for the informal sector should probably, at this stage, be separate from one that caters for small business development in the formal sector, but it should be directly linked to it.

At present, the training needs of informal and formal businesses are combined, and the needs of informal business owners are being swamped by the interests of those in small formal businesses, as can be seen in the training offered by most organisations, for example, the Small Business Development Corporation, the Centre for Developing Business and the Small Business Advisory Bureau. Development of the informal sector becomes a side issue since the main focus is on formal business training.

This does not mean that the same organisations, or that the same trainers, cannot be used for training business owners in both sectors. Contracts with accredited training organisations can be entered into, to train both types of business owners. The coordination of training and the strategy for the development of the two sectors is however different.

Whether one or two bodies are established, ways in which to allow business owners to cross the bridge from informality to formality would need to be established and would be an important consideration in deciding on the num-

ber of bodies. These possibilities would need to be planned as part of the strategy for informal sector development.

Whichever decision is taken, the interests of informal business owners would need special consideration in the development of any training policy or training programmes.

A developmental approach is needed for training business owners in the informal sector. Such an approach would help to address the problems of poverty and underdevelopment, while working together with communities.

A different, business directed approach may be needed for training small business owners in the formal sector, with more emphasis on longer term planning, administrative and financial management, and training for distribution and marketing to a different set of clients or customers.

All organisations offering training for informal sector business owners should be linked to the accreditation system of the Department of Manpower, via the coordinating body.

#### *Functions of a coordinating body for micro-enterprise training*

Whether there are one or two bodies, the functions of a coordinating body for training the informal sector would consist of:

- ☐ coordinating training that is given to informal business owners
- ☐ setting standards for such training
- ☐ involving other parties interacting with this sector in a training partnership
- ☐ linking the training needs of the informal sector to the training that is given to the unemployed and work seekers
- ☐ promoting the informal sector as a viable business sector to the general public and to potential customers
- ☐ encouraging financial organisations to explore new ways of financing this sector
- ☐ encouraging formal businesses to form links with informal businesses,
- ☐ encouraging suppliers to form links with informal business
- ☐ encouraging the establishment of more associations catering for informal business owners
- ☐ encouraging the development of cooperative ventures between informal business owners, such as buyer cooperatives, worker cooperatives and marketing co-operatives
- ☐ encouraging the development of mentorship programmes for informal business development
- ☐ developing a method of evaluating training programmes for the informal sector



- ☐ introducing an after-care programme as a facet of informal sector training
- ☐ linking manual and technical training with business training
- ☐ introducing training courses for those in local authorities and in government departments working with the informal sector.

Such a body should consist of representatives not only of informal sector business owners, but also of other bodies which could help its development, including consumer bodies, small formal business owners, development agencies, non governmental organisations involved in the development of the sector, trade unions, larger businesses in the formal sector such as suppliers and even large corporations, banks and financial organisations, indigenous financing schemes, local authorities, and relevant government officials from the Department of Manpower and the National Training Board.

Through such a body, the training needs of the informal sector could be addressed and training could be linked to existing training structures in the country in a more meaningful way. A voice could be given to the poor and the marginalised in relation to training.

### **Issues in training**

As we have seen, a national coordinating training body could help substantially to address the issues of training of the informal sector at a national, or macro-level. But such a body can only ensure that an enabling climate is created in which training can take place. Many other issues need to be tackled at various levels to ensure that this type of training is effective and appropriate. Most important is that training should not occur in a vacuum it should be linked to a total development strategy for the sector.

Some of these issues and recommendations related to tackling them are discussed below.

### *Demand driven training*

This review has clearly indicated the extent to which training, as a whole, is driven by the needs of industries and larger businesses in the private sector, without looking at the training needs of the country as a whole.

It has also shown the extent to which the training that is available to small business owners is determined by what the trainers can supply, rather than by what the people in business actually need.

This supply driven approach cannot ensure that training directed at small businesses generally, and at the informal sector in particular, will actually benefit those working in the sector. Training does not take place in a vacuum.

It takes place in relation to the environment in which the trainee is required to work or to conduct business and his or her expressed and actual needs.

It is therefore recommended that more training efforts be based on knowledge of the environment in which the informal business owner operates and the expressed and observed needs of the people who are in small and informal businesses within these environments. Community studies, to understand the processes of business development within diverse communities should therefore form the basis of the development of training programmes.

Training programmes also need to be based on needs analyses within the businesses themselves.

*Linking technical and business skills through qualification structures*

The training that is presently available, as we have seen, focuses mainly on the acquisition of artisan, technical or manual skills.

While the acquisition of these skills does indeed remain important, training to acquire a large variety of other skills, for example, problem solving, communication, marketing and manual skills, is equally important. Artisan, technical and manual skills, on their own, do not necessarily enable people to enter and run businesses.

Instead a combination of skills, backed by training qualifications, is needed, to meet the needs of individuals, including those in their own businesses.

Thus, for example, an electrician wishing to set up in business needs not only technical but also business management skills.

This combination of skills through education and training can only happen if a nationally accredited modular training system is put in place which enables people to choose their own unique qualification package. It can also only happen if education and training are linked together, and are seen as part of the same process of learning.

It is therefore recommended that accreditation structures, at various levels, and for various types of education and training courses, be developed, that will enable people to choose their own unique set of qualifications.

This type of flexible accreditation and qualification structure already exists in many other countries, for example, Australia and Scotland. Obviously, qualification structures developed elsewhere are not necessarily appropriate to this country. But they do give an idea of what is possible.

This means that the range of training options available in the country will have to be vastly increased. The country will need to put far more resources

into training. Human resources development, education and training go hand in hand. We cannot have an effective work force or micro-enterprise sector without spending more money on training.

#### *Access to training*

Market forces in South Africa, as has been previously pointed out, tend to determine the number of people who are trained and the type of training they receive. When there is an economic upturn, there is a frantic rush to train people, or to bring people into the country with needed skills, but in times of economic recession, much less training takes place. This means that human resource development for the country as a whole tends to be neglected. Thus, for example, during the present economic recession, while more and more people appear to realise that there is an urgent need for training to improve the productivity of the work force, in actual fact, fewer people are being trained.

People who cannot find employment because they lack the skills that are needed to do so, may find that they cannot even acquire basic skills to start their own businesses, because there is no access to training.

The implication is that, since the private sector, in the past, has not successfully helped to address the issue, the new government will have to assume a far greater role in creating opportunities for people to receive training.

It is therefore recommended that the government play a far more facilitatory role in future, to ensure that training does occur, even in times of economic recession. This means looking at existing legislation and modifying it, as and where necessary.

#### *Training and community development*

Training and education of business owners in the informal sector cannot be seen as isolated activities. They need to be seen as part of a broader, empowerment process of the whole community in which the business operates. This means that paying attention to the development of infrastructure, such as roads and electricity, of health care services, of schools and educational facilities, of nutrition programmes for infants and young children and finding ways to tackle the housing and employment crises go together with the development of the informal sector.

If the people for whom the informal sector caters remain impoverished and marginal, the demand for products and services will not increase. Informal businesses will continue to struggle to survive if the climate for enablement and mobilisation of the resources of the entire community is not created.

Public works programmes, linked to training, should therefore complement, not substitute for training programmes to develop the informal sector. The

skills learned as part of these programmes could provide people with useful skills that could be used in starting a business. At the same time these programmes could build the infrastructure necessary for community development.

It is therefore recommended that any future economic development planning and policy formulation is integrated with the development of the informal sector as a whole, generally, and with training for the sector, in particular. More integration, not more fragmentation, is needed in relation to training and development.

#### *Training and access to other services*

Training, as an intervention to promote the development of the informal sector, cannot ensure that businesses will be successfully run. There are too many other variables that influence success. What training does, however, is to open new possibilities. It creates an awareness of new ways of doing things. It enables informal business owners to make choices regarding the type and size of business they aim to run and the way in which they wish to run it. But training cannot substitute for access to other services that businesses require.

Training of informal business owners therefore needs to be seen in relation to their access to credit, to materials and products needed in the business, to markets and to demand.

It is therefore recommended that training should form an essential part of enabling the informal sector as a whole to grow and develop. It should not be an isolated activity.

#### *Methods of training*

When looking at methods of education and training to be recommended, we refer to the broader concept of training, discussed earlier in the paper, which includes counselling, consulting and mentorship for business owners as part of the same learning process.

Ideally, individual methods of intervention, namely counselling, consulting and mentorship are the preferred methods of offering informal business owners a training service. Using these methods enables the trainer to focus on specific needs and problems of each particular business owner within the context of his or her own business and within the community that the business serves. But this type of training is extremely expensive, and can reach relatively few business owners. Therefore, classroom, group and distance education methods should be used in addition to counselling.

To ensure that training is transferable to the business situation of the learner, classroom and group training and distance education for informal business owners should be based on a problem solving approach and on active partici-

pation, rather than passive listening or reading. Case studies, participatory workshops, group discussions, the inclusion of successful business owners who can act as role models and simulated role plays should be used, rather than giving lectures without allowing for feedback.

Whatever form training takes, it should, as far possible, be individualised and flexible, based on the life circumstances of the trainees, focusing on their specific problems. The experiences of the business owner should be taken into account and built on in any training intervention.

It is therefore recommended that a variety of training methods be used, to reach as wide an audience as possible. But these methods should be responsive to the experiences, life circumstances and needs of the business owners. Training should be a participatory process, not a top down, autocratic, transfer of facts.

#### *Mobile training centres*

Because the need for developing the potential of micro-enterprises is so great, and the potential audience for training is so large, innovative ways of reaching people who can benefit from business training need to be found.

One way in which to reach and train a larger audience of informal business owners is through the use of mobile training centres, such as caravans, which can move around a district, distributing information on business development, visiting business owners, giving counselling and mentorship and group training.

This type of mobile training centre can be linked to distance education for informal business owners, so that personal contact with trainers and a two way process of learning becomes possible.

It is therefore recommended that alternative venues, and alternative ways of reaching people be explored when policies and plans for training informal business owners are developed.

#### *Literacy and numeracy*

The absence of literacy and numeracy should not, under any circumstances, be a barrier, preventing people from starting and running a business in the informal sector. Nevertheless, being able to read and write is an empowering process, enabling the business owner to keep more accurate records and to gain a better understanding of business processes. Reading and writing, while not essential to running an informal business, may make it easier to do so.

Therefore adult basic education, which focuses on the acquisition of literacy and numeracy may be an important aspect of the training of informal business owners, particularly among those who were denied education as children.



Functional literacy, namely acquiring knowledge of basic business terms, concepts and principles, forms part of this type of education and training.

It is therefore recommended that adult basic education and basic business training be linked together. This implies developing modules for literacy and numeracy that include business terms and principles.

*Appropriateness of materials and equipment used in training*

At present, it seems as if most of the training material that has been prepared in the country is based on what trainers think informal business owners need, rather than on any understanding of their problems and real needs. This material is often prepared by people who form part of a culture which is different to the culture of impoverishment and survival. There is little, if any, participation by the business owners themselves in designing the material.

In addition, the materials for training the informal sector have largely been developed in isolation by the various training agencies. Networking and sharing of materials between training organisations has seldom occurred.

This often means that what is developed is inappropriate. The circumstances in which the businesses function are rarely taken into account. Materials are sometimes patronising and condescending.

Also, when giving manual or technical training, the equipment and machinery used in training may not always be appropriate to the needs of the user. For example, training dressmakers on electric sewing machines, in rural areas with no electricity, is inappropriate, and yet this type of training does take place.

It is recommended that all training materials that are developed should be based on an understanding of existing circumstances.

Techniques to analyze the needs of business owners in a particular type of business, in a specific area, for example needs analyses, are widely available. Indeed they are often applied to large businesses, but rarely to micro-enterprises. Training organisations should only be accredited if they apply these techniques. If training is to be effective, it should be based on the needs of businesses. Training material should take the experiences of the informal business owners themselves into account. It should build on their existing experience and knowledge, rather than ignoring it.

In addition, networking and sharing need to be encouraged, to prevent duplication and to limit the development inappropriate material.

*Training of trainers*

The success of training depends in part on the trainers, counsellors and mentors and the way in which they interact with and learn from informal business. However, in South Africa, there are no recognised qualifications for trainers in small business or informal sector development. Standards of training can vary greatly.

It is therefore recommended that a nationally recognised qualification be introduced for trainers, counsellors and mentors.

*Evaluation of training*

At present, in South Africa, as far as the author is aware, there are very few organisations that have a systematic way of evaluating the effectiveness of the training that they give. Most organisational evaluations involve counting the number of trainees who have taken courses. Quantity, but not quality, is likely to be assessed. However, we need to move beyond this. Training organisations need to find ways to determine how useful and effective their training has been.

It is therefore recommended that research be done to establish techniques of evaluation of training organisations, which directly involve both trainers and trainees.

*Follow up services*

One way in which to assure that training is useful and effective is through keeping in regular contact with past trainees, observing them in their businesses, and discussing with them the usefulness of their training and whether they could implement what they had learned in practice. In this way, training becomes a learning process for both the trainee and the trainer. It is more likely to be effective. This, as far as the author is aware, does not often happen in the country.

It is therefore recommended that follow up services form an essential component of the training process.

**Education and training for others interacting with informal business owners**

As has already been indicated, various people who interact with, or who could potentially interact with, informal business owners should also be part of the education and training process to promote the development of the sector. These people include business owners in the formal sector, suppliers of goods and services to the sector, financiers and municipal officials.

As far as owners of formal businesses are concerned, training agencies need to encourage formal business owners to accept informal businesses as an essential part of the economy with whom they can successfully work. Through education and training, business relations between the two sectors can be fostered. For example, furniture shops could be encouraged to buy original, but cheap items from informal carpenters and upholsterers.

This can be accomplished through use of the mass media, through advertising as an education strategy, through pamphlet distribution and through visits by training agencies to formal businesses in the community.

Secondly, suppliers of goods and raw materials, such as wholesalers, may need specific training in marketing and advertising to the informal sector and possible ways of granting credit to the businesses within it.

Suppliers, in turn, can act as a important training source for informal business owners regarding the advantages and disadvantages of different types of products and materials. In this way, a mutually beneficial relationship between the two groups can be built up.

As far as financiers are concerned, cheap but effective alternative ways of making credit available to the informal sector should be taught to both banking officials and staff in development agencies.

It is therefore suggested that the Institute of Bankers be approached to include this topic as a subject on which examinations could be set for prospective bankers.

We also need to turn our attention to indigenous finance schemes such as stokvels and credit unions. The further development of these indigenous schemes need to be encouraged as part of training within communities. Therefore it is recommended that special training modules for these organisations be developed.

Finally, a countrywide training policy for municipal officials is needed to enable them to give information, advice, education and training to informal business owners in their sphere of influence, in order to prevent infringements of by-laws and regulations. The punitive approach that has previously characterised relations with informal sector operators can be changed through education and training.

It is therefore recommended that Technikons and other educational institutions be encouraged to include modules on the promotion of the informal sector as part of their syllabus, for qualifications such as a health inspector.



**Conclusion**

Training for the development of the informal sector needs co-ordination with other development strategies at all levels. At a macro-level, it needs to be integrated with other policies for socio-economic development. At the intermediate level it needs to be co-ordinated with regional development programmes. At local level, it needs to be co-ordinated with other support services and with community development programmes. A holistic approach is needed to ensure that the sector as a whole can thrive and flourish, and that businesses can move away from survival towards growth and expansion. The possibility of informal businesses thriving, instead of remaining marginal, can start to become a reality.

## References

- AJIMAL, K. (1987). Small enterprise development for job creation: Training and development implications. *Training and Development*. Dec. 1987. pp. 13-19.
- CENTRAL STATISTICAL SERVICE (1990). *Statically unrecorded activities of coloureds, indians and blacks*. Statistical Release PO315. Pretoria: Central Statistical Service.
- CENTRAL STATISTICAL SERVICE (1993). *Labour statistics: Employment and salaries and wages: December, 1992*. Statistical Release P0200. Pretoria: Central Statistical Service.
- CENTRE FOR DEVELOPING BUSINESS (1993). *Directory of small business development organisations*. Johannesburg: University of the Witwatersrand.
- COUNCIL OF EUROPEAN COMMUNITIES (1992). *Towards a unified technical and vocational education and training sector: Report and recommendations of the technical and vocational education and training sector review*. Pretoria: CEC.
- DEWAR, D. (1987). *Some proposals for small business simulation: A case study of the Durb an metropolitan region*. Working paper no. 37. Cape Town: University of Cape Town, Urban problems research unit.
- EVERATT, D. (1993). *'Growing up tough': A national survey of youth in South Africa*. Johannesburg: C A S E.
- HANSENNE, M. (1991). *The dilemma of the informal sector: Report of the Director General (Part 1)*. International Labour Conference, 1991. Geneva: International Labour Office.
- HARPER, M. (1989). Training and technical assistance for micro-enterprise. In LEVITSKY, J. (Ed.). *Micro-enterprises in developing countries*. Papers and proceedings of the conference of the Committee of Donor Agencies for Small Enterprise Development. London: Intermediate Technology Publications.
- HART, D.M. & ROGERSON, C.M. (1989). Hawkers in South Africa's small urban centres: Planning and policy. *Development Southern Africa*. 6(3). pp. 17-23.
- HIRSCHOWITZ, R. (1991). *The NTB/HSRC investigation into training for the informal sector: Training guidelines*. Report MM137. Pretoria: Human Sciences Research Council.

HIRSCHOWITZ R. & ACUTT, J. (1991). *The NTB/HSRC investigation into training for the informal sector: Executive summary*. Report MM136. Pretoria: Human Sciences Research Council.

HIRSCHOWITZ, R. *et al* (1989). *Skills training for small business development*. Report MM128. Pretoria: Human Sciences Research Council.

HIRSCHOWITZ, R. *et al* (1991). *The NTB/HSRC investigation into training for the informal sector: Main report*. Report MM135. Pretoria: Human Sciences Research Council.

HIRSCHOWITZ, R. (in press). *A second chance: The need for an alternative approach to secondary distance education in South Africa*.

HSRC/NTB. (1989). *The HSRC/NTB investigation into skills training in the RSA*. HSRC Education Research Programme No. 14. Pretoria: Human Sciences Research Council.

INTERNATIONAL LABOUR ORGANISATION (1972). *Employment, incomes and equality: A strategy for increasing productive employment in Kenya*. Geneva: International Labour Office.

KING, K. (1987). *Training for the urban informal sector in developing countries: Policy issues for practitioners*. Paper presented at the International Workshop on Training in the Urban Informal Sector. Turin ILO Centre.

LEVITSKY, J. (1989). Summary of the conference. In LEVITSKY, J. (Ed.). *Micro-enterprises in developing countries*. Papers and proceedings of the conference of the Committee of Donor Agencies for Small Enterprise Development. London: Intermediate Technology Publications.

MANNING, C. & MASHIGO, P. (In press). *Manufacturing micro-enterprises in South Africa; The case of wood and metal workers and clothing in the Western Cape Township*. ISP project.

MAY, J.D. & STAVROU, S.E. (1989). *The informal sector: Socio-economic dynamics and growth in the greater Durban metropolitan region*. Rural Urban Studies Working Paper No. 18. Durban: University of Natal.

NTB/HSRC (1991). *The NTB/HSRC investigation into a national training strategy for the RSA*. HSRC Education Research Programme No. 21. Pretoria: Human Sciences Research Council.

PRESTON-WHYTE, E. & ROGERSON, C. (Eds.) (1991). *South Africa's informal economy*. Cape Town: Oxford University Press.

ROGERSON, C.M. & HART, D.M. (1989). The struggle for the streets: Deregulation and hawking in South Africa's major urban areas. *Social Dynamics*. 15(1), pp.29-45.

TIMBERG, T.A. (1989). Comparative experience with micro-enterprise projects. In LEVITSKY, J. (Ed.). *Micro-enterprises in developing countries*. Papers and proceedings of the conference of the Committee of Donor Agencies for Small Enterprise Development. London: Intermediate Technology Publications.

WILSON, F. & RAMPHELE, M. (1989). *Uprooting poverty: The South African challenge*. Cape Town: David Phillip.

WOLMARANS, D. (1982). *A programme for the development of cottage industries among the developing nations of Southern africa*. Durban: Foundation for Entrepreneurship Development. (Unpublished paper).

WOLMARANS, D. (1990). *Entrepreneurship development: a new approach*. Paper presented at the Conference of the Development Society of Southern Africa, Johannesburg, September, 1990.