



The impact of citrus hawking on the livelihoods of the Fort Beaufort community

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1. Introduction

The high level of unemployment in South Africa is one of the country's most pressing socio-economic challenges. South Africa has the 5th highest unemployment rate in the world, at 25.9 percent of the labour force (The World Bank, 2016). Since the end of Apartheid, the informal sector in South Africa has grown in size and has contributed a large number of new employment opportunities. However, despite the increase in size, South Africa still has a relatively small informal sector compared to other developing countries (Ingle, 2014: 52). South Africa's informal sector comprises 16.7% of the country's entire employment (StatsSA, 2016). The Eastern Cape has the second highest informal employment in South Africa with almost a quarter (23%) of all employment in the Eastern Cape being informal (Skinner, 2016: 7).

This article assesses the impact of citrus hawking on the livelihoods of those involved in the citrus hawking informal business in Fort Beaufort, Eastern Cape, South Africa.

2. Characteristics of the informal sector

As the informal sector is made up of a variety of activities, it is very beneficial to consider what characterises informal work. There is both legal and illegal activity within the informal sector. However, most academic articles regarding the informal sector, do not consider the selling of illegal goods (e.g. drugs) as part of the sector calculations. A key characteristic of the informal sector is that cash is almost always used as a medium of exchange between parties (Van der Berg, 2014: 7), and thus there is no trace of the transaction (Losby et al, 2002: 6). Indeed, some informal sector exchanges are done by exchanging a service for a service. The result of unreported incomes makes it extremely difficult to measure the size and value of the informal sector.

The informal sector is seen as inferior to the formal sector as it does not offer the same level of protection as found in the formal sector. The lack of protection is because both wage and labour laws do not exist in the informal sector (Van der Berg, 2014: 7).

Table 1: Demographics of Citrus Hawkers in Fort Beaufort.

	Frequency (N)	Percentage (%)	Mean weekly Income (Rand)	Maximum weekly Income (Rand)	Minimum weekly Income (Rand)
Gender					
Male	5	71	1476	3500	480
Female	2	29	490	500	480
Age					
<30	2	29	2000	3500	500
30-40	2	29	690	900	480
>40	3	42	993.33	2000	480
Race					
Black	3	42	1133.33	2000	500
Coloured	4	58	1240	3500	480
Education (years)					
<8	2	29	1250	2000	500
8-10	4	58	1350	3500	480
>10	1	13	480	480	480
Household size					
<5	2	29	690	900	480
>5	5	71	1396	3500	480
Employment Status					
Self-employed	4	58	1725	3500	500
Employed	3	42	486.67	500	480

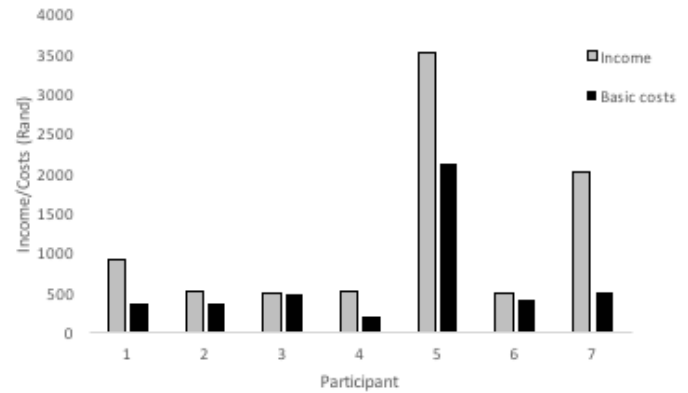


Figure 1: A comparison between individual's weekly income and basic costs.

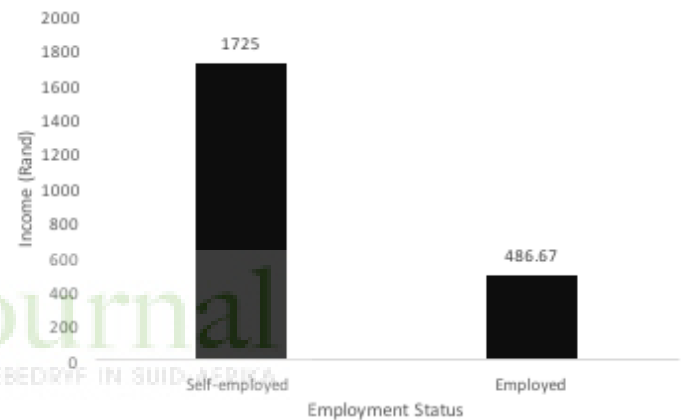


Figure 2: The effect employment status has on hawker's weekly income level.

3. Method

This study required two sets of data collection. The first method was used to collect information from the citrus hawkers selling within the Fort Beaufort area. Seven hawkers, who were all 18 years and older, were interviewed. A second semi-formal structured interview was used to collect data from the citrus packshed, Kat River Citrus Co-operative (Katco).

The interview with Kat River Citrus Co-operative provided both a quantitative and qualitative perspective from the packshed. The different forms of citrus that the hawkers buy were presented in a simple thematic-analysis. The qualitative data provided information on the relationship the packshed has with the citrus hawkers as well as their involvement in the citrus hawking business.

4. Results

4.1 Demographics

Table 1 shows that the hawking business is dominated by males, 71% of the industry. Males earn up to three times more income than female citrus hawkers, though the difference is not statistically significant. The hawking industry is solely dominated by Black

and Coloured workers. There is only a 4.5% difference between the average income of Blacks and Coloureds, which shows race to be insignificant. Self-employed citrus hawkers earn, on average, 3.5 times more than an employed citrus hawker, the difference is statistically significant.

Figure 1 shows six out of the seven hawkers earn a higher income than their basic household costs (electricity and food) with the average income (R1 194.29) being considerably higher than average basic costs (R625.71). Very high standard deviations are due to the two outliers, who were both self-employed. After basic costs have been paid the mean income still held by hawkers is R568.57.

4.2 Findings from hawker interviews

It was found that self-employed hawkers earn significantly more than employed hawkers (Figure 2). Six hawkers enjoy the citrus hawking trade, four of them enjoy it due to them being previously unemployed and two of them enjoy the interactive side of citrus hawking.

4.3 Findings from packshed interviews

Class 3 citrus that cannot be sold commercially is sold to either cattle farmers or hawkers. The customers are therefore purchasing good quality citrus fruit, which only has blemishes on the outer skin.

Hawkers purchase their citrus directly from the packshed in the form of a bin (400 kg). The price the hawkers pay per bin varies from R150 to R280 depending on the variety of citrus.

5. Discussion

The citrus hawking season runs from March to the middle of October. During the 4-month off-season hawkers find various ways to maintain their livelihoods. It was found that six hawkers maintained their livelihoods by finding other forms of informal work. Only one practiced a form of skilled labour (carpentry) to provide an alternative income.

The process by which hawkers sell their citrus is standardised. Hawkets purchase a bin of citrus at a price of R280 and packed into approximately 55 pockets, which are sold for R20, approximately R1 110 per bin. Part is reinvested buying another bin of citrus, allowing for more profits.

Two self-employed hawkers had an income greater than the minimum wage of R3 500 a month (Department of Labour, 2017), giving them the potential to do more than just survive. All of the hawkers earn more than the global poverty line of \$1.90 per day (Ferreira, 2015). Self-employed hawkers are involved in the wholeselling process. Employed hawkers sell the citrus on behalf of an employer and earn a fixed income of R80 a day.

The hawking industry in Fort Beaufort is under threat due to British Retail Consortium (BRC) standards that include sections governing pollution and poor sanitation. A significant amount of pollution is produced by hawkers outside Katco's boundaries and in close proximity to where a new

packshed is being built. Due to the lack of infrastructure provided by the municipality, alternative arrangements will need to be made as the hawkers pollute the area while they wait to purchase citrus. The selling of citrus to hawkers is beneficial to both the hawkers and the packshed as it decreases the amount of waste product dumped by the packshed. It is therefore in the best interest of both parties for the selling of citrus to be relocated.

6. Conclusion

Unemployment is a huge obstacle faced by South Africa. The underperforming formal sector means that the opportunity for employment within the informal sector becomes a prominent policy tool to decrease unemployment. This paper shows that citrus hawking positively impacts the livelihoods of the citrus hawkers. Citrus hawking provided the participants with an income as more than half were unemployed.

The Kat River Citrus Co-operative may need to relocate where they sell the citrus to the hawkers, due to the pollution left by the hawkers as the pollution is considered a health risk. The packshed has no option but to adhere as most of their citrus is sold to the European markets. The evidence provided shows that the citrus hawking industry does improve people's livelihoods. It holds the potential for individuals to improve their livelihoods. Without the industry the majority of participants would be unemployed. It is therefore worthwhile for the packshed to relocate where they sell the citrus to the hawkers to keep the hawking business operating, as the trade is also beneficial for the packsheds.

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