

Assessing the Implications of Local Governance on Street Trading:

A Case of Cape Town's Inner City



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Abstract

The significance of the informal economy in developing countries has long been established however, this is not reflected in the governance of informal economic activities in these states. Although restricted the informal economy contributes significantly to the Gross Domestic Product of developing countries and to the reduction of unemployment. In South Africa the abolishment of apartheid led to the rapid urbanisation of major cities and with it an increase in street trade which is recognised under the Business Act No. 76 of 1991. However, many authors have argued that street trade is still restricted in urban centres and remains marginalised due to the restrictive governance approaches adopted by local authorities. Hence the purpose of this study is to assess the implications of Cape Town's local governance approach for street traders in the inner city.

Using a qualitative research method, the case study, this study explores the lived experiences of traders in the inner city and their relationship with the local authority. The study used interviews, primary document reviews and direct observations as the research techniques to gather information and explore the implications of the governance approach adopted by the local authority on trader's livelihoods and working experiences.

The local authority was found to pursue urban planning initiatives, such as the redevelopment of Cape Town Station, in order to attract investment and formal businesses at the expense of street traders. It was found that the local authority's governance approach to street trading serves to marginalise traders and does not include them in urban planning and development. Furthermore the study established a lack of inclusive planning in the formulation of policy and implementation of strategies that impact on trader's livelihoods.

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Acronyms and Abbreviations

ASGISA	Accelerated and Shared Growth Initiative for South Africa
CID	City Improvement District
CCID	Cape Town City Improvement District
CBD	Central Business District
CoCT	City of Cape Town
CTP	Cape Town Partnership
DBSA	Development Bank of Southern Africa
IDP	Integrated Development Planning
ILO	International Labour Organization
PRASA	Passenger Railway Agency of South Africa
SAPS	South African Police Service
SAPOA	South African Property Owners Association
SABTACO	Black Technical and Allied Careers Organisation
SADAC	Southern African Development Community
SDP	Sustainable Dar es Salaam
SEDA	Small Enterprise Development Agency
SMME	Small, Medium and Micro-Enterprise

Chapter 1: Introduction

1.0 Background to the Study: Urbanisation and the Informal Economy

Developing countries experiences over last decades of the twentieth century have been characterised by rapid urbanisation combined with a growing share of informal employment (UN Habitat, 2004; Braun et al., 2011). With the exponential growth of the informal economy, there has also been an increase in discourses about its nature and role in the economy, including government's responses and supportive role. The informal economy has increasingly become the main source of livelihood for poor workers who support large numbers of dependants, especially the disproportionate number of women found to predominate the informal economy (Skinner, 2008).

From a planning perspective Skinner (2008; 27-28) asserts that, the informal economy provides the urban poor with "goods and services in appropriate quantities and forms, and at times of day and in parts of the city that contribute to the functioning of cities" (Skinner, 2008; 27-28). From an economic perspective, although individual incomes are often low, these activities contribute substantially to local economies. From a social perspective, the inclusion of the socio-economic needs of the marginalised poor, or previously excluded in the case of South Africa under its apartheid regime, should be held as a political imperative for the democratic state (Skinner, 1999).

In South Africa, the end of apartheid saw urban spaces, which provide ideal settings due to the abundant street and pavement spaces, being claimed as spaces for informal work (Skinner, 1999; Urban-Econ, 2008; Dobson & Skinner, 2009). Thus, the major challenge facing its cities and towns is said to be the influx of poor and unemployed people seeking work opportunities, and the consequent pressure on existing infrastructure, facilities and resources (Nel, 1997; Pillay, 2008). This has been further exacerbated in South Africa by high levels of international migration into its urban centres due its economic dominance in the Sub-Saharan region.

Governance approaches to informal trade have been ambiguous and fragmented in South Africa's major urban centres. Skinner (1999) asserts that, since the transition to democracy, the conditions for street traders have drastically improved for some, however with uneven gains across cities. In a study comparing the street trading activities in four metropolitan cities in South Africa, Skinner (2000) found that Durban displays the most significant incorporation of street trading into urban planning as the local authority has a distinct department for the management of informal trading (Department of Informal Trade and Small Business Opportunities) and the allocation of resources to street trading is particularly good. Contrastingly, Cape Town was found to emphasise the attainment of world class city standards, which involves the pursuit of high levels of investment in urban strategies at the expense of the working poor. Consequently, this approach is likely to have negative implications for street traders' economic opportunities in a developing city such as Cape Town. Furthermore, due to the rising unemployment and high levels of inequality in the city, this presents a challenge to the livelihoods of the working poor.

1.1 Aims of the study

The main objective of this study is to assess Cape Town's governance approach to street trading. Inner-city street trading is a particularly visible element of the informal economy and thus provides a particular insight into the extent to which the city is incorporating the informal economy into the urban fabric. In order to provide a comprehensive analysis, this research takes into account the policy and legislation environment; the institutional arrangements and other key role players; and the processes governing the informal economy in Cape Town's inner city. The research also looks at the lived experiences of street traders in Cape Town who find themselves operating in an environment where stringent regulations and by-laws confine them to specifically demarcated zones that often act to marginalise the working poor and criminalize their livelihoods.

This research explores the implications of Cape Town's spatial planning practises on the lives of the working poor in the inner-city. The inner-city is selected as it has historically been an area of contestation over public space in the city, and presents the opportunity to explore how the local authorities' spatial practises have changed over the years with regards to street trade. Furthermore, as one of the most lucrative areas of economic activity in the city, it is a space where the regulation of street trade has been more stringent than in historically Black townships in the city. The approach the local authority of Cape Town takes to street trading has massive implications for the future of the city in an era of rapid migration and urbanisation.

A wide range of research, internationally and nationally, has shown the continued growth of the informal economy in tandem with rapid urbanisation (UN Habitat, 2004; Braun et al., 2011). This study assesses how the City of Cape Town has been dealing with the challenges of incorporating the informal economy into its urban development processes. Skinner (2008) asserts that there is a need for empirical literature that captures the possibilities of innovative approaches in policy, planning, urban design and management which maximise the gains from informal activities. Research on the informal economy in South Africa has tended to focus on Durban and Johannesburg and even this is somewhat limited. There is however a paucity of research on the informal economy and more specifically street trade in Cape Town. This research intends to fill that gap as the informal economy has shown growth and is expected to grow even further in the developing world. Furthermore the informal economy has been shown to be a means of

sustainable livelihood for marginalised groups in a country which has shown an increase in inequality over the years (UN Habitat, 2004).

While the informal economy can refer to a complex range of activities due to its heterogeneous nature, this study focuses on actors working in public spaces, categorised as street traders or informal traders. These terms may be used interchangeably in this study to refer to this particular sector of the informal economy. The focus on street trading is motivated by the fact that it constitutes a major sector of the informal economy in South Africa. Since the Labour Force Survey was first introduced approximately 1 in every 2 people working in the informal economy has been working in street trade. Furthermore inner-city street trading is a particularly visible element of the informal economy and thus emblematic of the overall approach to this important aspect of South Africa's economy.

1. 2 Research Questions

The research has followed an iterative process with the main focus area shifting over the period. The main research question centred on assessing the City of Cape Town's approach to the governance of informal trade. However from the literature emerged subsidiary questions, specifically: What kind of institutional arrangements are dealing with the informal economy? What is the policy and legislation environment? What are the implications of this approach to the management of street traders? What are the relations between traders and how do they organise? What are the experiences of women participating in Cape Town's street economy? Most importantly what are the implications of the local authorities approach on the trading experiences of informal workers?

1.3 Structure of the Dissertation.

This study is divided into six chapters that begin by looking at the informal economy from a broad perspective in Chapter 2 and gradually narrows its focus to an assessment of street trade in the study area in Chapter 5. What follows is an outline of the study:

Chapter 2 presents the literature review for this study. It begins by assessing historical and contemporary debates around the informal economy in order to create a normative framework through which street trade may be analysed, and argues that each paradigm presents specific strengths to assessing the informal economy. It then looks at key trends and characteristics of the informal economy. It focuses on street trade and looks at the contentious nature of definitions of this sector of the informal economy as well the trends and characteristics of informal trade. It then looks at the trends in governance, state responses and inclusive planning practices with regards to street trade. It then looks at trends in policy and legislation with regards to street trade.

Chapter 3 focusses specifically on street trade and the informal economy in a South African context. It begins by looking at the size and significance of the informal economy in the country then looks at the trends and characteristics of street trade in its urban centres. This chapter also presents the national legislative framework for street trade as well as a history of government responses to street trade in South Africa with a reference to Cape Town.

Chapter 4 presents the research methods that were used in the study. It begins by discussing the case study as the primary research method that was used to explore Cape Town's local governments approach to street trading. The chapter then discusses the research techniques that were used in the study as well as the rationale behind the sample and the questionnaire. The chapter also looks at the ethical issues which considered during the undertaking of this study.

Chapter 5 analyses the data collected to answer the main and subsidiary research questions. It begins with a short description of Cape Town and the Cape Town Station precinct to give a contextual background to the study. It goes on to describes the state and semi-state institutions

that govern inner city street trading in Cape Town and the study area. It then presents a review of the main policy documents that govern informal trading in the inner city. The implications of the local authority's approach to street trading are then assessed by looking at the lived experiences of traders in the study and their relationship with the local state.

Chapter 6 concludes the study and provides policy and other recommendations to resolve the issues identified in chapter 5. The limitations of the study and future areas of research are then discussed.

Chapter 2: Literature Review

2.0 Introduction

This chapter presents a review of the literature for this study. It begins by looking at historical and present debates around the informal economy. The following section looks at key trends and characteristics of the informal economy. The chapter then narrows its focus to street trade in section 2.2 by looking at the contentious nature of definitions, and the trends in governance, state responses and inclusive planning practices with regards to the street trade in urban centres. Section 2.3 then looks at trends in policy and legislation with regards to informal trade.

2.1 The Informal Economy

2.1.2 Debates around the Informal Economy: 1960s to the present

Historical debates on the informal economy and what it constitutes still have contemporary relevance (Skinner, 2008). This section attempts to present a normative framework for the analysis of street market upgrading in Cape Town by examining old and new debates and ideologies concerning informal trade. The section will conclude by asserting that older debates around the informal economy still have relevance today. However, an approach that combines elements from the various schools of thought and paradigms is best suited to analyse the complex and dynamic nature of street trade in South Africa where conditions of work and the level of earnings differ markedly among those who scavenge on the streets for rags and paper, those who produce garments on subcontract from their homes, those who sell goods on the streets, and those who work as temporary data processors. Internationally, the informal economy remains highly segmented by sector, place of work, and employment status and additionally by social group and gender within these segments (Motala, 2002).

“The informal sector Heffalump is a rather large and very important animal. She has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in either capturing or accurately measuring her. All who claim to have caught sight of her report that she is enormous, but they disagree on her particularities. The informal sector Heffalump is a variegated sort of animal, appearing in different forms in different places. So it is not surprising that there is disagreement about the nature of the Beast” (Kilby, 1971; 1)

The above analogy is adopted from the work of Kilby (1971) in which he grapples with the ambiguous and contentious nature of attempts to define the informal economy. It serves to highlight the challenge in forming a normative framework and unifying theory to describe and analyse the informal economy. Due to the dynamic nature of trade and its spurious location in urban settings, attempts to define the informal economy have been contentious since Keith Hart began to make some of the earliest contributions to studies on the “alternative economy” (Hart, 1973). The term ‘informal sector’ is epistemologically located in anthropological work conducted by Keith Hart in Accra, Ghana. Hart described and analysed the many and varied activities of the urban poor and the important part they played in supplying essential services in Accra. Hart explained the significance to urban economies of what he termed ‘small-scale distribution’. His work led to a view of people engaged in small scale distribution of goods through street trading as being gainfully employed, with informal activities being a way to generate growth in their incomes. Their many economic activities also supplied essential services in Accra. Hart’s work challenged the view that income opportunities exist only in formal employment activities (Hart, 1971).

The field work conducted by Hart in Ghana, explored the 'informal economic activities' of the northern Frafra migrants once they had moved to Accra. Hart notes that these Frafra migrants were generally unskilled and illiterate, with many ending up in informal settlements such as Nima. Hart (1973) describes the economic activities of the low-income section of the labour force in Accra; he refers to the urban sub-proletariat into which the unskilled and illiterate majority are drawn and examines "this world of economic activities outside the organised labour force" (Hart, 1973). Hart's work on the informal sector was preceded by a wealth of research that was effectively examining the same phenomenon, in all but name, such as that of Foster, (1965) who discusses ‘informal apprenticeship’, and Nisbet (1967) who discusses ‘informal credit markets’. Hart's conceptualisation of informal economic activities suggests a continuum between survivalist and more dynamic elements within the informal sector itself. His research provides examples of informal activities varying from “hustlers and shoe-shiners to carpenters and transport operators”. He asserts that, “informal activities encompass a wide-ranging scale, from marginal operations to large enterprises” and further asserts that the informal sector contains “petty enterprises of all types ranging from the most trivial activities to major business” (Hart, 1973: 67).

In Kenya, the International Labour Organisation (ILO) drew attention to the high number of different types of licenses given to street traders (translating to high profits in this sector). This

suggested that perhaps because of the high visibility of the street traders, the other informal trade sectors were neglected. The ILO team then made policy recommendations to simplify the licensing system. The interest shown by the ILO in the policy implications of street trade led to much interest and debate about the informal sector, largely concerning the role of informal trade in the economy and development planning. This includes work by Moser (1978), Bromley (1978), MacEwen-Scott (1979), Castells and Portes (1989), and De Soto (1989). As such, the term Informal Trader refers to people who conduct informal street trading on a small scale, mostly from street pavements, and who, as a group offer a large variety of products and basic services to prospective clients”

Chen (2012) groups the main debates and views concerning the informal economy into various paradigms or schools of thought that have similar ideologies in respect of what constitutes the informal sector. These schools of thought offer a concise summary of the major findings and perspectives presented by various researchers, placing them into four groups that describe varying natures of the informal sector, and compete with each other in their analysis. The four groups described by Chen are: the dualist school, the structuralist school, the legalist school, and the voluntarist school.

The dualist school sees the informal sector of the economy as comprising marginal activities distinct from and not related to the formal sector that provides income for the poor and a safety net in times of crisis. This refers to the works of (Hart 1973) the ILO (1972) Sethuraman (1976) and Tokman (1978). The dualists argue that informal operators are excluded from modern economic opportunities due to imbalances between the growth rates of the population and modern industrial employment, and a mismatch between people’s skills and the structure of modern economic opportunities. The dualists subscribe to the notion that informal economic activities have very few linkages to the formal economy but, rather, operate as a distinctly separate sector of the economy and that the informal workforce (assumed to be largely self-employed) comprises the less advantaged sector of a dualistic or segmented labour market. They pay relatively little attention to the links between informal enterprises and government regulations. Lund (2009) asserts that the economy should be accepted as one indivisible whole, as against the South African official practice of relegating informal work and employment to something called “the second economy” as this term introduces a segregated dualism at precisely the time when policy and practical linkages are needed between the formal and informal enterprises and operators.

However, dualists recommend that governments should create more jobs and provide credit and business development services to informal operators, as well as basic infrastructure and social services to their families (Chen, 2012).

The structuralist school sees the informal economy as subordinated economic activities such as micro-enterprises and contract workers that serve to reduce input and labour costs and, thereby, increase the competitiveness of large capitalist firms. This view is found in the works of Moser (1978) as well as Castells and Portes (1989). The structuralists, using a Marxist analysis, argue that the nature of capitalist growth drives informality: specifically, attempts by formal firms to reduce labour costs and increase competitiveness and their reaction to the power of organized labour, state regulation of the economy (notably, taxes and social legislation); responses to global competition; and to the process of industrialization (notably, off-shore industries subcontracting chains, and flexible specialization). The structuralists see the informal and formal economies as intrinsically linked. They see both informal enterprises and informal wage workers as subordinated to the interests of capitalist development, providing cheap goods and services. They argue that governments should address the unequal relationship between “big business” and subordinated producers and workers by regulating both commercial and employment relationships.

The legalist school sees the informal sector as comprised of “plucky” micro-entrepreneurs who choose to operate informally in order to avoid the costs, time and effort of formal registration and who need property rights to convert their assets into legally recognized assets (de Soto 1989). The legalists argue that a hostile legal system leads the self-employed to operate informally within their own informal extra-legal norms. The legalists focus on informal enterprises and the formal regulatory environment and neglect any analysis of informal wage workers and the formal economy. They do, however, acknowledge that formal firms collude with government to set the bureaucratic red tape that prevents individuals from participating in the formal economy (de Soto 1989). They argue that governments should introduce simplified bureaucratic procedures to encourage informal enterprises to register and extend legal property rights for the assets held by informal operators in order to unleash their productive potential and convert their assets into real capital.

The voluntarist school also focuses on informal entrepreneurs (such as street traders) who deliberately seek to avoid regulations and taxation but, unlike the legalist school, this school of thought does not blame cumbersome registration procedures. The voluntarists argue that informal operators choose to operate informally after weighing the costs-benefits of informality relative to formality. Writers such as Maloney (2004) assert that the informal sector should be viewed as an unregulated micro entrepreneurial sector and not as a disadvantaged residual of segmented labour markets. The voluntarists pay relatively little attention to the economic linkages between informal enterprises and formal firms but subscribe to the notion that informal enterprises create unfair competition for formal enterprises because they avoid formal regulations, taxes, and other costs of production. They argue that informal enterprises should be brought under the formal regulatory environment in order to increase the tax base and reduce the unfair competition to formal businesses (Chen, 2012).

Each school of thought subscribes to a different causal theory of what gives rise to the informal economy. Given the heterogeneity of the informal economy, there is merit to each paradigm as they describe certain aspects of the informal sector. However, Chen (2012) asserts that the informal economy as a whole is more heterogeneous and complex than the sum of these perspectives would suggest. Hence each school can be seen as limited in its analysis of street trade which is often the most visible sector of the informal economy.

Skinner (2008) refers to a study on the informal economy (street trading specifically) which draws on empirical work from Umtata in South Africa and argues for the use of combined approaches in analysing the informal sector. In reference to the work of Nattras (1987) Skinner highlights the strengths in both reformist school of thought as well as that of the structuralist and refers to the strengths of the structuralist as being a powerful descriptive tool which is nevertheless very limited in its understanding of the dynamics of the informal sector. The strength of the structuralist position lies in its ability to understand the informal sector's economic position and long-term growth prospects. Combining the strengths of each school in an analysis are necessary when considering a complex and dynamic informal economy such as South Africa's, specifically in respect of street trade.

2.1.3 Trends in the Informal Economy: Characteristics, Size and Significance

Dewar (2005) notes the notorious difficulty of measuring the informal economy, although there is a general consensus that the scale is substantial. Many believed that the informal economy in developing countries would disappear with sufficient levels of economic growth and modern industrial development (Becker, 2004). However, there has been increasing recognition that informality is not a temporary phenomenon because it is continuously expanding across developing countries, and even within developed countries. In terms of size, international statistics suggest that informal employment comprises one-half to three-quarters of non-agricultural employment in developing countries (Devey et al. 2006 cite ILO, 2002). Another source disaggregates this regionally, where the non-agricultural employment share of the informal workforce is 78% in Africa, 57% in Latin America and the Caribbean, and 45–85% in Asia (Becker, 2004; 6).

Becker adds that, in all developing countries, self-employment comprises a greater share of informal work than wage employment. Another figure notes that, in Africa, the informal sector is estimated to comprise 60 percent of all urban jobs and over 90 percent of all new urban jobs (Charmes, 2000; 9). This suggests that informal employment is becoming the norm in many parts of the world and that it is unlikely that the trend will be reversed (Devenish & Skinner, 2006; Devey et al., 2006). More specifically, there has reportedly been an increase in street trading in towns and cities worldwide. This sector constitutes 30-50 percent of total urban informal employment, particularly in sub-Saharan Africa, although the numbers are difficult to estimate due to high mobility and marked seasonal variation in work (Chen et al., 2001; 6-10). Becker (2004) adds that a study of nine African and Asian countries indicate that street vending accounted for 73-99 percent of total employment in trade, and 50-90 percent of total Gross Domestic Product (GDP) from trade. In terms of common characteristics, there are generally more women than men in the informal sector, and more women in the informal sector than in the formal sector (Skinner, 1999; Moser, 1993 & Rogerson, 1996; Becker, 2004). This is due to intense competition and division of labour, which forces women into less lucrative economic activities at the lower end of the sector. Additionally, they generate lower volumes of trade and are hence more likely to operate in insecure or illegal spaces. Street vending is one of the largest categories of informal work employing women, especially in Africa, Southeast Asia, and Latin America (Becker, 2004).

2.1.4 Gender Dynamics: The Role of Women in the Informal Economy

Women are over-represented in the informal sector worldwide. Chen (2008) asserts that there are several dimensions attached to this trend. Firstly, the informal sector is the primary source of employment for women in most developing countries. Existing data suggest that the majority of economically active women in developing countries are engaged in the informal sector. In some countries in sub-Saharan Africa, virtually all of the female non-agricultural labour force is in the informal sector. The informal sector accounts for over 95 percent of women workers outside agriculture in Benin, Chad, and Mali, for example (Chen, 2008; 4-5). In India and Indonesia, nine out of every ten women working outside agriculture work in the informal sector. In ten Latin American and four East Asian countries, for which data is available, at least half the female non-agricultural workforce is in the informal sector (Chen, 2008; 4-5). Secondly, the informal sector is a larger source of employment for women than for men (UN 2000). The proportion of women workers in the informal sector exceeds that of men in most countries. Thirdly, in 9 out of 21 developing countries for which data is available more women than men work in the informal sector outside of agriculture (Chen, 2008; 4-5).

2.1.5 Migration Patterns and Trends in the Informal Economy.

Sassen (2003) refers to the dominant ideology of globalization, which focuses on the elimination of space, hyper occupational mobility, international communication and rapid technological advancements, that is predominantly found in the global north, as only half the story of globalization (Sassen,2003). Essentially this dominant view creates a situation in which the only workers that matter are the highly educated professional workers that proliferate in service based industries and have access to a key commodity in today's globalized world: information (Sassen, 2003). Thus the dominant view of globalization is concerned with the higher tier of capital and not the lower ones and with the hyper mobility of capital and not capital bound to one place. Essentially, Sassen (2003) found that the negative effect that SAPs (Structural Adjustment Programs) had on the economies and social welfare of countries in the third world acts as a 'pushing factor' that causes citizens in underdeveloped countries to seek a better life in different states, and primarily they flocked to what she refers to as 'global cities' (Sassen, 2003).

Global cities are large economic centres throughout the world and are found in most developed states (however South Africa also has them) and where human capital mobility is rapid (Sassen, 2003). Skinner (2008) also asserts that a critical factor increasing the numbers of street traders in Africa is the SAPs of the 1980s and 1990s. The cumulative effect of privatization, restructuring of the public sector, and opening up of African economies to foreign goods led to a dramatic shrinkage in the formal economy which resulted in a substantial increase in the numbers of those informally employed.

Skinner (2008) asserts that a further dimension of urbanization processes that swells the number of street traders is international migration. As Landau points out “international migration is an inexorable response to regional economic inequalities” (Landau, 2007:61). Not only are there significant inequalities between African countries, but the continent have long been the locale for political crises and civil wars. Crises in Somalia, Liberia, Sierra Leone, the Democratic Republic of Congo, Rwanda, Burundi, Ethiopia and Eritrea have all generated high levels of forced migration. More recently, the crisis in the Darfur region as well as in Zimbabwe are generating flows of migration both within Africa and elsewhere. In a continent where there is large scale unemployment and underemployment, the trend is for migration legislation to be designed to protect locals from competition for jobs. Foreign migrants, like their rural counterparts, often have no choice but to work in segments of the economy where barriers to entry and set up costs are low. Street trading is thus what many foreign migrants opt to do.

2.1.6 Organizing in the Informal Economy: Trends and Barriers to Organisations.

Historically, a number of barriers to organising street traders have been highlighted, including the precariousness of their activities, their lack of financial resources, capabilities and skills, as well as individual time as an added constraint. According to Motala (2002), street traders, especially women with families, are often reluctant to devote time and effort to organisational activities, perceiving the opportunity costs of participation as considerable and the returns uncertain. Often there is a lack of trust between traders and the leadership structures in place (due in part to past disappointments and failures), and indeed the nature of street trading is often individualistic, manifesting as an “each to their own” mentality that has historically not been conducive to the creation of strong and sustainable trader organisations.

Furthermore, traders tend to be wary of organisations, as the increased criminalisation of trading has left many fearful and sceptical of any outside interference that may render their businesses defunct. In a study conducted by CALS (Centre for Applied Legal Studies) (2009) many traders interviewed stated that they had never heard of any organisations which serve the interests of street traders, and referred instead to “self-organisation on the streets” or the practice of traders within a particular area looking out for each other. Those who had heard of an organisation, or who were members, were generally male traders who had been trading in the inner city for a long period, and whose businesses were more established. Skinner (2000) writes that “the processes of incorporation or exclusion of street traders is part of everyday political struggle. The ways in which street traders are organised, articulate their concerns and wield power, is therefore critical (Skinner, 2000; 9-10).”

However there are a few cases where traders have been able to organise and enact change such as in Dar es Salaam, Tanzania. Prior to the traders uniting, the relationship between street traders and the local authority was antagonistic, as they were viewed as an unwanted nuisance in the inner city. There was limited communication between the local authority and traders; furthermore traders had a limited role in decision making processes. The relationship between the numerous sporadic trader movements was limited, which exacerbated their inability to form a cohesive entity that could voice their concerns. Through the Sustainable Dar es Salaam Project (SDP), which was established in 1992 with the technical support from UN Habitat came the formation of two prominent trader organisations: Viwanda na Biashara Ndogondogo (VIBINDO); and Kikundi cha Wauza Khanga na Batiki (KIWAKU). These two trader organisations play a significant role in local governance and decision making processes. VIBINDO and KIWAKU play a significant role in uniting traders through a common cause and give traders a stronger position during negotiation processes with city officials (Brown, 2006).

A primary objective of the SDP was to make the Dar es Salaam local government adopt a collaborative approach towards the management and support of street trade in the city. The formation of these two trader organisations culminated in the publication of street trader guidelines by the Dar es Salaam City Commission which explicitly set out the communication channels which these two organisations should use in order to interact with the local state. Furthermore the guidelines required traders to register with these two organisations in order to

increase their participation in decision making processes. The increase in street trader organisation and collective action has yielded results such as traders making a direct input in the types of trading facilities they require from the local government as well as the specific types of supporting measures they require.

2.2 Street Trade

2.2.1 Defining Street Trade

“Although, street vending is a phenomenon least acknowledged in daily discourses it is possibly the most visible and significant aspect and manifestation of how far informality has clipped the structure of urban economies in developing countries.” (Jimu, 2005: 18)

Lund (2000) asserts that street traders are those who belong to the informal economy and who trade in the streets. However, according to Witt (2000), “the term street trading, when referring to a specific activity within the ‘informal’ economy is accurate only in that it describes the physical presence of traders operating from a street. What it does not do is elaborate on the intricate and diverse economic interests and ‘employment relationships’ within any particular sub-sector on the street” (Witt, 2000; 10). Clearly Witt takes issue with the simplicity of the term which does not capture the distinctive patterns of the wide range of actors operating in the sector, as there is a “world of difference between women in up-market flea markets trading in niche antique or luxury goods and women in the survivalist sector trading in fruit and vegetables produced by someone else” (Witt, 2000; 10).

The literature comprehensively documents the heterogeneity of informal economic activities that occur in urban public space with diverse forms of operations and employment relationships (Satterthwaite 2003, Yankson 2000; Portes et al). Vibrant informal vending activities manifest on streets pavements, walkways, and other venues in public space (Jima 2005; Suharto 2004; Cohen et al 2000). Other areas along major thoroughfares and streets; areas around market places, bus stops, work sites and preferred downtown locations attract large concentrations of street vendors and other informal operators (Cohen, 2005).

In many of these locations in the public spatial domain, high volumes of pedestrian traffic provide a ready market for informal goods and services (Suharto, 2004). Being the most visible of all informal activities, street vending and its affiliated activities tend to influence the nature of the urban environment and landscape and hence, attract the most attention from local government and urban policy makers (Suharto, 2004; Pena, 2000).

Informal trading covers an assortment of activities that involve different working relationships that can range from self-employment to paid or casual workers and basically involves the buying and selling of goods or services. Street trading is a remarkably persistent form of commercial activity and yet it is highly diverse and flexible (Bromley, 2000). Informal trading can be considered to be anything from a survival strategy to petty capitalism (Bromley, 2000). Informal trading usually comprises of people who do not have the skills to get jobs in the formal sector or even people who were formerly employed in the formal sector.

Some authors hold the view that the avenues of employment generated in the street economy provides a preferable “viable alternative” to formal employment and “parasitic or anti-social occupations like theft, prostitution and destitution” (Jimu 2005: 37). Urban street commerce stimulates small and micro production of goods and services and encourages the development of entrepreneurship by providing a market for small informal manufacturing firms (Jimu, 2005). Through the payment of various fees and rates for the use of space and provided services, the activities contribute to the generation of local revenues and hence generate resources for the provision of urban environmental services and development (Cross 1998). Further, informal street activities enhance the chain of distribution for goods and services in the urban economy particularly, because of their reach to a dispersed clientele, which enables them to bring relatively affordable goods and services to the doorsteps of urban consumers. Moreover, they guarantee convenience to consumers by transacting very small units of essential merchandise e.g. one cigarette, one apple or one AA battery, which serves the needs of the majority of urban poor and even the middle class (Cross, 1998)

2.2.2 Trends in Street Trading

Street economic activities contribute to the share of total employment in trade in many developing cities (Jimu, 2005; Cross, 2000; Cohen et al, 2000). For instance, the share of street enterprises in total employment in trade is estimated at 99 percent in Benin and Chad, 94 percent in Burkina Faso, 85 percent in Kenya, 96 percent in India and 93 percent in Indonesia (Chen, 2001; 7-8). In developing cities, the role of the urban street economy in the provision of jobs and the boosting of income generation, especially for women, is widely documented (UN Habitat, 2002). For instance, women are estimated to make up 92 percent of total informal trade employment in Benin, 81

percent in Mali, 66 percent in Burkina Faso and 72 percent in the Philippines, to cite but a few examples (Chen, 2001; 7-8). Furthermore, in Ghana, according to Levin (1999), women control a large share of market activity and commodity trading and have a particularly strong presence in the rapidly growing urban economy, working as street vendors and petty traders. This most likely reflects women's lowest opportunity cost for engaging in petty trade, most likely due to limited educational opportunities relative to men.

2.2.3 Trends in Governance, State Responses and Inclusive Planning.

“Existing research suggests there is a continuum from large scale, sustained evictions of street traders to sporadic event-driven evictions. Then there are instances of lower-level on going harassment of traders and, finally, some examples where street traders have been integrated into urban plans.” (Skinner, 2008; 8)

State responses to informal trade are ambivalent as governments grapple with the question of how to best incorporate street trade into the urban fabric. Skinner (2008) asserts that state responses and governance trends with regards to the informal economy can be viewed as a continuum that runs the gamut from extremely violent removals, such as Operation Murambatsvina in Zimbabwe, to cases where traders have been fully incorporated into spatial plans such as Bhubaneshwar in India and Warwick Junction in Durban, South Africa. Skinner (2008) further states that there are a number of themes that are consistent within each state response which highlight a certain level of inclusion or exclusion of traders participating in the economy and spatial plans.

This section begins by highlighting the various state responses and tracks Skinner's (2008) continuum by firstly discussing an extremely violent removal such as operation Murambatsvina in Zimbabwe, before moving on to examine a more moderate removal in Bogota, Columbia. The section then presents the cases of Bhubaneshwar in India and Warwick Junction in Durban, which constitutes an inclusive response by the state to informal trade.

(a) Operation Murambatsvina: Zimbabwe

The Zimbabwean government's ambivalence towards the informal economy could have stemmed from a realization that, while the informal economy is underground or 'hidden', it is resilient, having grown to become the largest provider of jobs in the country's economy. This ambivalence has also characterised the government's approach to informal trade, officially acknowledging and sanctioning it at times, while sporadically attacking it at other junctures. However, past attacks were never as extensive or as indiscriminate as Operation Murambatsvina, or 'Restore Order' (Ndlela, 2006).

Operation Murambatsvina, which began on 26 May 2005, obliterated the livelihood of the import-driven traders by destroying their flea-markets (see Figure 1 and Figure 2). From independence, Zimbabwe's policy support for the informal economy and street trade had at best been indifferent, but abruptly turned extremely hostile. This was demonstrated by the sudden demolition of informal business structures, including all unregistered but previously tolerated trading bays. All informal trading points, including licensed stands such as in flea-markets, were destroyed. It is estimated that this destruction of street trading activities eliminated the livelihoods of 2 to 3 million people who were dependent on the informal economy. The government's actions are even more disastrous considering that both the informal economy and the rural communal sector are female-dominated in a country where women are the bread winners in the majority of household (Ndela, 2006).

Operation Murambatsvina was justified by the government on the grounds that the informal economy was a hiding place for criminals, people who engaged in illegal activities, and those who failed to practise proper hygiene, thereby spoiling the image of the towns and the country. The government-controlled daily newspaper, *The Herald*, reported that there were 25 000 registered informal traders in Harare and a further 50 000 operating illegally (The Herald, 2 June 2005). The other government-controlled daily, *The Chronicle*, argued that 'while flea markets had over the years become popular because of cheaper and unique goods they sell, they had also become a haven for criminals involved in illegal deals' (The Chronicle, 7 June 2005).



Figure 1: Mbare township before Operation Murambatsvina



Figure 2: Mbare township after Murambatsvina

The political dimension of Operation Murambatsvina cannot be ignored. The main opposition party in Zimbabwe, the Movement for Democratic Change (MDC), has argued that the main reason for the operation was the destruction of areas where it had generated massive support, thereby effectively eliminating any political opposition in the cities. The MDC had amassed a large number of votes in the parliamentary elections held in March 2005 and Operation Murambatsvina was carried out two months after that. The government in Zimbabwe used planning legislation to justify its crackdown on the urban poor (Ndlela, 2006).

The Planning Act of 1976 was used by the state as the main legislative tool to carry out Operation Murambatsvina. This highlights the role of planning in either enabling or eliminating informal economic activity in governance. When the government of Zimbabwe sought to rein in the country's informal traders, it used an enforcement order to invoke the colonial Planning Act as the basis for the demolition of street trading structures (Ndlela, 2006).

(b) Market upgrading and the Relocation of Traders: Bogota

More and more local governments, especially those concerned with their image, are taking action, such as relocation projects or prohibiting street trading, to discourage informal commerce, one of the most commonly cited case being Mayor Rudolph Giuliani's campaign against food vendors in New York City (Donovan, 2008). As a consequence, it is clear that some form of tension usually results between the use of public space by individuals engaged in informal survival strategies as opposed to formal attempts to create environments designed to attract private investment to keep abreast of global trends and enable cities to compete globally. In Bogotá, Colombia, the city administration embarked on a programme to reclaim public urban space through the relocation of informal traders so that the city could compete globally.

Street traders in Bogotá are perceived not as agents of innovation, but as anathema to city marketers who claim traders congest streets and create "broken windows" that generate disorder, blight and crime (Donovan, 2008: 30). It was argued by politicians that investments in down town public space and the removal of informality would foster economic development and help to remake Bogotá as a global city (ibid). Thus, it is observed that the city administration shifted from a position of neglecting street vendors to an extensive relocation programme in an attempt to clean up the city. During the period between 1980 and 2003, Bogotá mayors jointly recovered more than a million square metres of space, constructed or rehabilitated 1 500 parks, built nearly forty enclosed markets with stalls for five thousand former street vendors and invested more than US\$20 million in malls for relocated street vendors. Consequently, Bogotá invested considerable effort and resources to try and make their relocation programme a success.

Donovan (2008) carried out a study in Bogotá which examined the working conditions and occupational hazards faced by vendors both before and after relocation to government built markets and revealed that formalised vendors experienced declining income levels but improved working conditions. The relocation programme emerged as a legal compromise that could satisfy both the right to work and the right to public space as guaranteed in Colombia's 1991 Constitution (Donovan, 2008). This offered the vendors the opportunity to become retailers and the public space of the city to breathe again with supporters of the relocation programme calling Bogotá a model city. Nevertheless, throughout the processes of relocation, street vendors effectively lost their voice in policy making and their ability to interface with local politicians (ibid). However it is

thought that most vendors agreed with the relocation programme for security rather than economic reasons as the markets offered improved working conditions (Donovan, 2008). Therefore, even though traders do not necessarily agree with being relocated they may relocate anyway since this gives them security and may provide better infrastructure.

(c) Inclusive and Participatory Planning: Bhubaneswar and Warwick Junction

Before 2007, street vending in Bhubaneswar, the capital city of Odisha (a state in India), exemplified an over-regulated informal economy. Police and municipal inspectors would persistently harass vendors by threatening them and confiscating their merchandise. The authorities treated street vendors as illegal entities, encroachers on public space, and a source of unsightly nuisance (Kumar, 2009). On one side, the town authorities would resort to anti-encroachment drives attempting to contain or eliminate the street vendors. On the other side, the vendors, struggling to safeguard their livelihoods, would demonstrate their anger and resentment through massive protests. At times the political impact of these protests would temporarily allow vendors to continue with their businesses. However, these strategies were more like fire-fighting or stop-gap arrangements that did not offer a permanent solution (Bhowmik, 2001).

In Bhubaneswar, the basic issue of devising a policy framework for regularizing street vending remained unaddressed for a long time. However, the need for an amicable policy was felt by both the town authorities and vendors alike. Both the parties realized that their tug of war benefited no one, and that coming up with an enduring solution would require peaceful negotiations through social dialogue. After multiple rounds of brainstorming between the vendors' organization and town authorities, a conceptual model involving dedicated vending zones was collectively agreed to in December 2006 (Kumar, 2009).

Under this model, legally sanctioned, aesthetically pleasing fixed kiosks were to be constructed in the vending zones and handed over to the vendors working in the area. Between 2007 and 2009, 52 vending zones were created; as of December 2011, there were 54 vending zones with approximately 2,600 kiosks (Mohapatra, 2011). The key idea behind designing the policy framework was to bring all the relevant stakeholders together for joint planning and then to implement it through partnerships among them. Bhubaneswar thus became one of the first cities in India to acknowledge street vendors as an integral part of the city and to regularize them

through a complex public, private and community partnership model.

The urban renewal project in Warwick Junction provides an example of a concerted effort by local government to include traders in the planning process. Before the start of each phase of the development a wide range of stakeholders was consulted, including street traders and their organisations (Dobson and Skinner, 2009). Once an initial design was ready, project staff and the area manager from the Business Support Department in the local government began presentations and discussions with traders and their leaders. These took place at a number of levels, starting with more formal presentations of the drawings, followed by on-site presentations where the new plans could be demonstrated visually (Dobson and Skinner, 2009). The area manager and a liaison officer spent hours each day on the street, engaging one-on-one with traders, helping to clarify issues and allowing concerns to surface (Dobson and Skinner, 2009).

The construction phase entailed a good deal of negotiation as inevitably traders were disrupted. There were detailed individual negotiations with traders to try to make sure that their new temporary location was situated on a site that provided trading opportunities similar to those they had had before (Dobson and Skinner, 2009). This was also important in maintaining the trust of traders. Another important issue was keeping to the agreed construction schedule (Dobson and Skinner, 2009). If there were delays these were communicated early (Dobson and Skinner, 2009). Trader representatives were also given periodic tours of the construction site so they could witness the progress first hand (Dobson and Skinner, 2009). An indication of the extent to which traders were prepared to cooperate with the reconstruction was the way in which they worked with the contractor on day-to-day logistical issues (Dobson and Skinner, 2009). A committee of traders was set up to assist the contractor. This group would, for example, negotiate with the taxi rank associations to ensure that taxis did not block access when construction material was being delivered (Dobson and Skinner, 2009).

2.2.4 Trends in Policy and Legislation

While some examples of policies and legislation for the informal economy are particularly progressive on paper, on the ground local governments remain restrictive and/or limited by implementation problems (Skinner, 1999). In most instances, countries lack national-level policies and regulations governing the informal economy, leaving local governments at the coal face of managing and facilitating the urbanisation process and its development challenges. An example of this is can be found in Malaysia. The city administration of Kuala Lumpur passed the Hawker and Stall Licensing By-Laws in 1989 citing the authority of a local government Act (Becker, 2004). Similarly, most Latin American countries do not have national frameworks for street vending, and regulation is left to municipalities. Although the national government of Brazil announced plans to enact a national law on Street Trading, it only passed two general decrees and never delivered on the promised legislation, which would have established national norms and sanctions for noncompliance.

In 1986, the Kenyan Government began to incorporate the 'Jua Kali' (the colloquial term for informal street traders) into national economic policy, identifying the informal economy as having the greatest potential for job creation in Kenya (Becker, 2004). Different strategies were identified, including direct assistance, strategic advice and information to enhance street traders' businesses and the possibility of subcontracting the Jua Kali for various government assignments. However, it was suggested that the implementation of these policies has been hindered because there has been no coordinating body in government responsible for it, it has not been integrated with the overall technology and industrial policy, and the Jua Kali had not been properly consulted in making recommendations for their sector. However, a system of registration was introduced by the Nairobi City Council, and this has led to a decrease in the number of harassment cases faced by the street hawkers because they can prove they have paid their fees.

India is currently the only country in the world to have a national policy on informal work. As of 1999, the National Commission on Labour has been implementing and enforcing national labour legislation for the 'unorganised' sector (Skinner, 2009; Braun, 2011). This has primarily been aimed at formalising and legalising street vendors through a licensing system, alongside a system of local management that provides opportunities for street vendors to redress violations of their rights. The policy notes a strategy of organising public spaces through zoning, categorised as 'restriction-

free vending', 'restricted vending', and 'no vending' (Braun et al., 2011). The zones are intended to be created through Town Vending Committees (TVCs) established at the city/town level, and which may delegate authority by collaborating with Ward Vending Committees (WVCs).

India's National Association of Street Vendors (NASVI) has reportedly been critical in highlighting the lack of implementation of the National Policy, specifically the inability of vendors to obtain the identity cards and licenses promised. In addition to the practical concerns about implementation, observers have reportedly raised conceptual concerns about the framework behind the policy. For example, the 2004 Draft Policy limited restrictions on vending to 'reasonable restrictions'; the new National Policy, however, allows for rigid regulation of space into the three zoning categories mentioned above, laying the basis for more state control. In addition to the Policy, the Ministry of Housing and Urban Poverty Alleviation reportedly prepared the Model Street Vendors Bill for the protection of the livelihoods and regulation of street vendors in 2009, but this has not yet been adopted.

The Philippines is cited for its lack of enforceable national legislation regulating the practice of street vending, considered limited because it does not provide a detailed regulatory framework and is mainly aspirational (Braun, 2011). Although considered progressive for noting the protection of vendors from unjust treatment and the supportive role of government agencies, the guidelines are not binding, stating that: "each city and municipality shall establish a system for registration and issuance of permit to vendors to protect their rights and the interest of consumers and the general public" (Braun, 2011: 20).

Global trends in governance reveal that most countries lack national level policies and regulations, leaving local government to deal with the developmental challenge of the informal economy. Furthermore, where there are inclusive approaches in policy and legislation, these remain aspirational, non-binding, conceptually problematic and generally lack the input and recommendations of informal workers themselves. There are cases of implementation problems due to the lack of institutional ownership to deliver on the developmental mandate. All this undoubtedly compounds the conditions under which local governments remain restrictive by being disproportionately focused on regulatory aspects, at the expense of embracing the developmental potential of informal trade.

2.3 Concluding Remarks

This chapter has presented a review of the literature for this study. The first section looked at the historical and present debates around the informal economy as well as the key trends and characteristics of the informal economy. The chapter then focussed on street trade in section 2.2 by looking at the contentious nature of definitions, and the trends in governance, state responses and inclusive planning practices with regards to the street trade in urban centres. Section 2.3 then looked at trends in policy and legislation with regards to informal trade

Chapter 3: South Africa

3.0 Introduction

This chapter focusses specifically on street trade and the informal economy in a South African context. It begins by looking at the size and significance of the informal economy in the country then highlights the trends and characteristics of street trade in its urban centres. Section 3.3 of this chapter presents the national legislative framework for street trade, while section 3.4 gives an account of the history of government approaches to street trade in South Africa with reference to Cape Town.

3.1 The Informal Economy in South Africa: Size, Characteristics and Significance

Using data from the 1997-2003 period, the findings of Devey et al. (2006) reveal a sustained growth in unemployment and limited growth of new employment in the formal economy in South Africa. Concurrently, however, employment in the informal economy increased from 965 000 in 1997 to 1.9 million in 2003. Devenish and Skinner (2006) add that the September 2003 figures show that 25.1% of the population were working in the informal economy (citing Stats SA, 2004). More recent statistics from the Labour Force Survey (2008) estimate that unemployment is currently between 26-42 percent, while the size of the informal sector is around 17-22.5 percent (Labour Force Survey, 2008: 17). Although, the latter statistics must be treated with caution because of fluctuations in the numbers of informal workers and the difficulty of monitoring rural areas where much informal economic activity occurs, it is widely accepted that informal employment has grown in South Africa since the political transition (Makho Communications, 2009). Additionally, it has been an alternative to scarce employment opportunities in the formal labour market, and with South Africa's large unemployment estimates it is expected that the scale of the informal economy is in fact considerable.

Estimates of the contribution of the informal economy range from 8-12% of GDP (Makho Communications, 2009). Thus the informal economy is said to be growing both in size and importance. The informal economy in South Africa is heterogenic, however informal employment is disproportionately concentrated in the retail and wholesale sectors (Devey et al., 2006; May,

1998). The February 2001 Labour Force Survey estimated that 1, 196, 814 people are employed in the retail trade (excluding stores) and, of these, 515, 134 were street traders (Devey et al., 2003). Furthermore, May (1998) notes that approximately 36% of all the self-employed are either street sellers or shopkeepers. In South Africa, as internationally, there is a strong correlation between poverty and informal work, quantified by findings which state that 51% of those in informal enterprises earn R500 or less and 92% earn less than R2 501 (Devenish & Skinner, 2006; Devey et al., 2006 cite Meth, 2002). Income levels are lower, on average, than in the formal sector. However, 30% earn more than R1 000 per month, putting them ahead of 35% of the formal sector (Devey et al., 2003). Studies have shown that the informal sector is not exclusively characterized by economic survival, with cases of informal enterprises that have shown significant potential for growth and development (Holness et al., 1999). There is also said to be a race dimension to the informal economy; informal workers are predominantly African, at 86% of the total number (Devenish & Skinner, 2006; Devey et al., 2006; McGrath, 2005). The gender dimension differs from international trends in that there are marginally more men than women in South Africa's informal economy (Devenish & Skinner 2006 cite Lund et al., 2000).

3.2 Street Trade in South Africa

3.2.1 Trends, Size and Significance

Despite its relatively modest profile, street trading is one of the largest sectors of the informal economy in South Africa. A Labour Force Survey (2000; 27) conducted in 2000 estimates that there are 500,000 street traders across South Africa, 70 percent of whom deal with food items (Labour Force Survey, 2000; 27). According to Lund (2009), ages tended to range from 25-49, with women likely to be older than male street traders. Similarly, a study by Lund found that there are more men than women in the 21-30 years age group and more women than men in the 41-50 age groups. This suggests that women enter street trading later in life, while men generally enter and leave street trading early in their lives.

Furthermore, education levels vary according to age and gender. Street traders are generally poor, unskilled people at the lower end of the socio-economic spectrum. Informal trading has become a common feature in all urban areas, in both major cities and smaller towns, and wherever there is traffic such as at bus stops, train stations, truck stops and, of course, the streets to Lund (2009). In major African cities, markets and street vendors were found to be a major source of provision for poor, urban households with some studies suggesting that in Sub-Saharan Africa, the informal sector accounts for up to 60 percent of the economy to (Lund, 2009; 5).

3.2.2 Women in the South African Informal Economy

The majority of street traders in South Africa are black women who trade in a range of goods including sweets, knick knacks, cigarettes, clothing, and (most prominently) in fruit and vegetables (often produced by someone else). Changes in South African labour markets reinforce trends in other re-structuring economies. Sethuraman (1999) observes that within the informal economy women and men participate in different activities or types of employment even within the same trades. Moser (1993) argues that the intense competition in the informal economy frequently results in the division of labour along gender lines, forcing women into less lucrative roles. Male workers show some clustering in the craft and semi-skilled occupations; over 70 percent of women are in elementary and domestic occupations (Motala, 2002; 6)

Due to various structural and social issues, women in South Africa tend to have lower educational levels than men, and more women than men have no formal education. As a result, fewer women can read and write. This deficiency limits their ability to understand written instructions, rules and by-laws as well as information that could help them improve their businesses. Another challenge for female street traders includes the lack of child care facilities provided by the state. Limited child care facilities are provided by non-governmental organisations (NGOs) and churches. Women were found to look after their young children themselves while they worked (Motala, 2002). In some instances, parents have to be separated from their children, and grandparents or other family members often carry the responsibility of looking after the children. The South African State has provides negligible support for child care, and the little support there is, is still distributed along racial lines (Motala, 2002). Women street traders work long hours because of household responsibilities which they have to discharge after a full day's work and the commute home. They are unable to get sufficient rest and as a result stress levels are high (Motala, 2002).

3.2.3 Foreign Traders in South Africa

Tension between foreign and South African street traders has been explored in a number of studies (Callaghan, 2009; Karumbidza 2009; Steinberg, 2008; Peberdy 2000). The economic 'success' of foreign traders has been discussed as contributing to the conflict. Many of the South Africans in these studies asserted that migrant traders limit the economic opportunities of South Africans as expressed by this quote from one of the interviewees in a study conducted by Steinberg (2008; 6).

"People say there is a struggle for resources going on between South Africans and foreigners. Actually the struggle is long over. The foreigners have won hands down." (City of Johannesburg Official, 2008) from Steinberg (2008; 6)

The study by Steinberg (2008) is quite relevant as it was conducted a few days after a period of riots where immigrants in general (as well as foreign street traders) were attacked by locals in Johannesburg. More importantly it focusses on the accounts and experiences of the victims and the perpetrators, which gave a vivid representation of the voices of those affected and involved with the violence. Two crucial points that could be gleaned from the views of the interviewees are, firstly, that local South Africans believe that other African nationals (foreigners) are grabbing South Africa wealth and transferring it to their countries of origin. The second view is that migrant street traders are more economically successful than their South African counterparts and limiting their opportunities. The

study suggests that the 'success' of migrant traders has created feelings of threat and anger in South Africans, leading to social tensions that eventually resulted in violent conflict (Steinberg; 2008).

3.3 South African Informal Trader Legislative Framework

In South Africa, street trading is largely governed and regulated by municipal by-laws and policy at the local government level. The Businesses Act 72 of 1991 together with the Businesses Amendment Act 186 of 1993, give municipalities the mandate to draw up and implement such by-laws. Municipal by-laws must ultimately be in line with the Constitution of the Republic of South Africa Act 108 of 1996 and legislation which gives effect to it e.g. the Local Government: Municipal Systems Act 32 of 2000 (Municipal Systems Act). Below is a summary of relevant legislation and policy that affects informal trading within South Africa.

3.3.1 Constitution of the Republic of South Africa Act 108 of 1996

(a) Bill of Rights

The Bill of Rights in the Constitution sets out a number of rights and protections which apply to all those residing in South Africa, and are relevant to the lived-reality and treatment of street traders. Two over-arching and general principles include the right to equality and dignity. According to section 9, everyone in South Africa is equal before the law and has the right to equal protection and benefit of the law. Section 10 relates to human dignity and states that everyone has inherent dignity and the right to have their dignity respected and protected (Constitution of the Republic of South Africa, 1996).

More specifically, Section 22 relates to freedom of trade and states that “every citizen has the right to choose their trade, occupation or profession freely”, however this is qualified by the clause that states “the practice of a trade, occupation or profession may be regulated by law.” Therefore, while the freedom of trade is extended to informal trading, it can be regulated (Constitution of the Republic of South Africa, 1996). The City of Cape Town's Informal Trading Policy notes that section 36 provides that rights contained in the Bill of Rights may be limited “in terms of a law of general application to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors.” The Informal Trading Policy further states that the effect of this limitation clause on the right to choose a trade is “simply an acknowledgement that the right to trade is not a right that cannot be limited and must be considered and interpreted taking into account other competing rights and

obligations” (CoCT, 2003)

One of the problems that street traders constantly face is the confiscation of their goods by police officials, without the provision of receipts or due process. Section 25 of the Bill of Rights relates to property and states that “No one may be deprived of property except in terms of law of general application, and no law may permit arbitrary deprivation of property.” Further, Section 33 relates to just administrative action and states that everyone has the right to administrative action that is “lawful, reasonable and procedurally fair”, and that those adversely affected by this have the right to be given written reasons. The right to just administrative action is given effect by the Promotion of Administrative Justice Act 3 of 2000. Section 33 is also relevant to decisions taken by City officials in respect of which areas are demarcated as restricted or prohibited (Constitution of the Republic of South Africa, 1996).

(b) Businesses Act 72 of 1991

The Businesses Act (1991) changed the legal framework for street trading and acknowledged it as an important sector which contributes to the economy and individual incomes and should be supported. Under apartheid, people were driven into the informal economy because they were barred from participation in the formal economy. However, most informal activities were illegal and subjected to repression, persecution and prosecution. The national change of attitude to informal activities culminated in the 1991 Businesses Act, enacted in a climate of deregulation in South Africa. Simply put, deregulation is intended “to reduce or to eliminate specific government rules and regulations that apply to private businesses” (Gayle and Goodrich, 1990: 12). According to Skinner (2008), this legislation was a key measure for deregulating business activities, removing barriers to the operation of informal activities and making it an offence to enforce the move-on laws (Constitution of the Republic of South Africa, 1996).

Once national legislation restricting street trading was relaxed in the early 1990s there was a dramatic increase in these activities in all South African cities and towns. According to Skinner (1999), “it sought to reduce the powers of local authorities to develop and implement laws that would restrict informal trading. Thus legally there was a complete turnabout from a situation where traders were not being allowed to trade, with few exceptions, to traders being allowed to

trade freely, with a few exceptions” (Skinner, 1999: 9-10). The Businesses Act (1991) refers to issues of licensing, particularly with regard to the selling of meals and perishable foodstuffs; the right to have written notice of why a license request was denied or repealed and the reasons for this; the provision for appeal regarding licensing; penal provisions; regulations and the power of local authorities regarding street traders, especially in their mandate to develop local by-laws (Constitution of the Republic of South Africa, 1996).

The Businesses Act was amended with the Businesses Amendment Act 186 of 1993, and some powers to restrict trading were given back to municipalities. This Act allowed local authorities to formulate street trading by-laws outlining what they would and would not allow in their municipality, and to declare restricted and prohibited trade zones. In effect, the amendments gave local authorities much greater autonomy over how they manage street trading, and different local authorities have subsequently adopted very different approaches. In areas where trading was restricted, spaces could be demarcated and hired out. In 1995, the Businesses Act (1991) was devolved to the provincial level, meaning that the option to change the Act lies with each province. Section 6A of the Act states that a local authority may, with the approval of the Administrator, make by-laws regarding the supervision and control of the carrying on of the business of street vendor, pedlar or hawker; and provides a list of restrictions in terms of which street traders may be regulated.

An important clause in the Businesses Act is section 6A(2) which states that “a local authority may by resolution declare any place in its area of jurisdiction to be an area in which the carrying on of the business of street vendors, pedlar or hawker may be restricted or prohibited.” However, Section 6A(2) goes on to add that before such a motion is adopted, the local authority shall have regard to the effect of the presence of a large number of street traders in that area and shall consider whether more effective supervision or control in that area, including negotiations with any person carrying on in that area the business of street trading or their representatives, will make a declaration unnecessary. The local authority must also consider whether the intended restriction or prohibition will drive a substantial number of street traders out of business. If either of these effects is found to be the case then there is an official procedure that needs to be undertaken as stipulated in section 6A(2) of the Act (Constitution of the Republic of South Africa, 1996).

Section 6A(3) deals with the Council's authority to designate certain areas or stands for trading and likewise to "extend, reduce or disestablish" such areas. Section 6A(3) states that notwithstanding the provisions of any other law, a local authority may by resolution and taking into consideration the above mentioned provisions, set apart and "demarcate stands or areas for the purposes of the carrying on of the business of street vendor, pedlar or hawker on any public road the ownership or management of which is vested in the local authority or on any other property in the occupation and under the control of the local authority". The local authority may also extend, reduce or disestablish any such stand or area (Constitution of the Republic of South Africa, 1996).

(c) Municipal Systems Act

The Constitution sets out the objectives, developmental duties and powers and functions of local government, as well as providing the authority for local government to develop by-laws in order to administer street trading. Section 152 of the Constitution sets out the objectives of local government, which includes providing democratic and accountable government for local communities, promoting social and economic development and encouraging the involvement of communities and community organisations in the matters of local government. Section 156 relates to the powers and functions of municipalities and states that a municipality has executive authority in respect of, and the right to administer, certain local government matters including street trading (Constitution of the Republic of South Africa, 1996).

Municipalities thus have the mandate to draw up street trading by-laws, which may be enforced only after published in the official gazette of the relevant province, and which must be accessible to the public, as per Section 162 of the Constitution. These sections are given effect by the Municipal Systems Act, which expands on, amongst other issues: municipal duties, powers and functions; the municipal drafting of by-laws; and the importance of community participation. The local government body of Cape Town is CoCT (Constitution of the Republic of South Africa, 1996).

3.4 Historical Context of Informal Trade in South Africa

“The emergence of the informal economy in South Africa stems from its apartheid history of political and economic repression of Black people and also from Black entrepreneurial spirit.”(Lund, 1998:7)

In the above quote from Lund (1998), the term Black refers to the historically repressed racial groups in South Africa which are the Black, Coloured and Indian population groups. The spatial template of the apartheid period was marked by regional inequalities in access to land and resources, and the subsequent underdevelopment of large regions within South Africa that were occupied by the Black, Coloured and Indian racial groups in the country. The apartheid era severely curtailed the freedom of movement of black South Africans into and within urban areas, as well as their freedom of entry and participation in the formal economy (Nel & Rogerson, 2009; Luus & Krugell, 2005).

During the height of grand apartheid, from 1948 to 1983, the inner city of Cape Town was effectively segregated and zoned for white residential and commercial activity. Municipal by-laws controlled street trading, generally under the auspices of the Traffic Department, and made it very difficult for street traders to operate. According to Rogerson and Hart (1989), until the early 1980s hawkers in South Africa were subject to a “well entrenched tradition of repression, persecution and prosecution” (Rogerson and Hart, 1989: 32). They argue that South African urban authorities fashioned and refined some of the most sophisticated sets of anti-street trader measures anywhere in the developing world. Yet traders continued to operate and were constantly harassed and sometimes violently removed (Rogerson and Hart, 1989). This restriction of trading occurred in the context of the concerted and legally enforced policy of racial exclusion, implemented since 1948.

From the early 1980s, the cost of unequal development was compounded by several factors; for example, the global debt crisis and the imposition of sanctions against the apartheid regime (Luus & Krugell, 2005). Rapid migration from the late 1970s and 1980s into metropolitan areas had contributed to the collapse of the apartheid influx control laws (Todes, 2001).

From the 1990s, in an effort to reintegrate into the global economy, the economy was restructured, and experienced a sustained decline in the mining and agricultural sectors (Western

Cape Provincial Department of Social Development, 2000). Whilst this restructuring reportedly resulted in some modest growth in the national economy there was a concurrent decline in employment opportunities, a condition characterized as jobless growth. Consequently, rural areas, including former 'homeland' and resettlement areas established under the apartheid regime, have continued to be concentration points of poverty and unemployment, with poor infrastructure and social services provision from local governments that face capacity and resource constraints (May, 1998; Nel, 1997).

Until the early 1990s, local government in Cape Town in particular and South Africa in general is said to have harshly over-regulated and restricted the entrepreneurial activities of the Black population through the imposition of repressive restrictions enforced through fines, raids, confiscation of goods and mass evictions of traders (Chen et al., 2001; Dobson & Skinner, 2009). Historically, local authorities have kept street traders away from city centres and tourist areas, where they are regarded as a nuisance instead of an asset. The 1980s witnessed progress by local authorities, who were gradually yielding to pressure from anti-apartheid organisations from within and outside the country that contributed to the gradual collapse of the influx control laws. The end of Apartheid saw urban spaces, including abundant street and pavement spaces which becoming available for large populations seeking opportunities in informal economy activities (Skinner, 1999; Urban-Econ Report, 2008; Dobson & Skinner, 2009).

The deregulation of the economy and the democratic political transition saw the rapid expansion of the informal economy, especially within the central business districts (CBDs) of many urban areas which were previously the exclusive domain of white enterprises (Holness et al., 1999). This, however, added to the already growing numbers of people trading in public places and the small business sector in cities and towns (Todes, 2001; Luus & Krugell, 2005). The appearance of informal businesses in the early 1990s in parts of CBDs where they had been absent only a few years before, resulted in some formal businesses, especially those that formerly catered for the higher income market, relocating to suburban areas. In tandem with this development many new commercial and industrial initiatives focussed on the suburbs and ex-urban locations, exploiting market potential there while many businesses in central city areas had to be reoriented to cater for the changing market conditions there.

This period of 'capital flight', led to the proliferation of neglected and crumbling urban environments, exacerbated by the lack of facilities, services and a dwindling tax base in the inner city (Dobson & Skinner, 2009). Because of the loss of businesses in central city areas many local authorities responded by devising 'inner-city regeneration' programmes in an attempt to revitalise and lure investment back to the cities. A permanent feature of these programmes is the adoption of CIDs and the relocation of traders to demarcated zones (market upgrades) within the inner city. CIDs are zones that receive privately funded, additional services for security, cleaning and marketing. Once 51% or more of the area's property owners have voted to adopt a CID, all owners located there must participate, paying fees (close to 13% of their property rates) added to their municipal bills and collected by the City. CIDs are managed by non-profit, private partnerships between local government and businesses, which oversee services by both the municipality and private subcontractors within the CIDs. In Cape Town CIDs are managed by the CTP and CoCT.

3.5 Conclusion

This chapter focusses specifically on street trade and the informal economy in a South African context. It begins by looking at the size and significance of the informal economy in the country then highlights the trends and characteristics of street trade in its urban centres. Section 3.3 of this chapter describes the national legislative framework for street trade, while section 3.4 gives an account of the history of government approaches to street trade in South Africa with reference to Cape Town.

Chapter 4: Research Methods

4.0 Introduction

This chapter will present the research methods and techniques used to explore the implications of local government approach to street trading in inner city Cape Town. The first section will give a detailed description of the case study research method and will then present justifications as to why the case study research method is suited for this study. The chapter then presents the research techniques that were used in the study. Section 4.3 will then discuss the sample used in the study. This is followed by a description of the method that was used to analyse the data. Section 4.4 considers the ethical issues that may have emerged during the research process.

4.1 Research Method: Case Study

The research adopted elements from both the positivist and realist social research paradigms examining both corroborative relationships and tested hypotheses with regards to complex social phenomena) (Miller, 2000). In essence the positivist approach advocates the use of empirical and scientific methods in sociology; and the realist approach opts for a focus on human cultural norms, values, symbols, and social processes viewed from a subjective perspective (Singleton, 2004). However, both paradigms were used in the research, as it was semi positivist in the structure, but realist in the general collection and analysis of data (Miller, 2000). The research was of an inductive nature as the process began with the author having minimal prior knowledge of the implications and impacts of market upgrading on informal traders in Cape Town's inner city. However, certain aspects were deductive, as there are current theories in the literature that were tested and validated in the research. (Cowan, 1989). To this end the case study research method was used to explore and answer the research question.

The general definition of a case study is that it is an intensive analysis of an individual unit that assess the developmental factors in relation to a specific context (Baxter, 2008). Case studies

may be descriptive or explanatory (Eisenhardt, 1990). The latter form is used to explore causation in order to find underlying principles (Eisenhardt, 1990). They may be prospective, in which criteria are established and cases fitting the criteria are included as they become available, or retrospective, in which criteria are established for selecting cases from historical records for inclusion in the study (Baxter, 2008).

Thomas (2011) states that "case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. The case that is the subject of the inquiry will be an instance of a class of phenomena that provides an analytical frame and object within which the study is conducted and which the case illuminates and explicates" (Thomas, 2011).

Rather than using samples and following a rigid process of gathering data to examine a limited number of variables, case study methods involve an in-depth, periodical examination of a single instance or event (Ragin, 1992). They provide a systematic way of looking at events, collecting data, analysing information, and reporting the results (Gerring, 2005). As a result the researcher may gain a sharpened understanding of why the instance happened as it did, and what might become important to look at more extensively in future research (Dul and Hak, 2008). Hence contrary to general critiques of case studies they may in fact be suitable to both generating and testing hypotheses as Flyvberg highlights (Flyvberg, 2011). Hence the case study will be appropriate to the research the author intends to conduct as it will be both inductive and deductive.

There are perceived limitations to the case study as a research method that Flyvbjerg grapples with and attempts to debunk. He identified "common misunderstandings" about case-study research which are directly linked to the presumed limitations of the research method. The first limitation is that one cannot generalize on the basis of an individual case and, therefore, the case study cannot contribute to scientific development; secondly, the case study is most useful for generating hypotheses, whereas other methods are more suitable for hypotheses testing and theory building; thirdly the case study contains a bias toward verification which is the a tendency to confirm the researcher's preconceived notions; and lastly it is often difficult to

summarize and develop general propositions and theories on the basis of specific case studies (Flyvbjerg, 2011).

Briefly stated, Flyvbjerg argues that these statements are too categorical, and argued for the value of phenomenological insights gleaned by closely examining contextual "expert knowledge" (Flyvbjerg, 2006). Furthermore he asserts that "scientific disciplines without a large number of thoroughly executed case studies are a discipline without systematic production of exemplars, and a discipline without exemplars is an ineffective one" (Flyvbjerg, 2011). Hence the limitations that may need to be overcome with regards to using case studies lies in the ethical tendency towards verification and not the research process involved. This may be overcome by considering reactivity and reflexivity which will be discussed later in this chapter. However, being self-aware during the data collection process was also one way in which the tendency towards verification was limited.

The critical reason why the case study research method is suited to exploring the longer term implications of the market upgrading on informal traders in Cape Town is that it offered an opportunity to explore a relatively under researched area within a specific context and in a timely manner (George, 2005). The case study is suited for exploring systemic events or phenomena over a specific period of time and offers the opportunity to get expert knowledge from both the informal traders who were directly impacted by the market upgrade as well as the local government officials and the spatial policies that may have impacted the informal traders (Gerring, 2005). The primary research area was the Upper Deck of Cape Town's station precinct.

4.2 Research Techniques

4.2.1 Interviews

The research made use of both structured and unstructured one on one interviews which entailed asking the participants pre-set questions and receiving answers from them. This research technique carries the advantage of allowing the researcher to follow up on and probe participants' responses, something that is not possible with self-administered questionnaires. However the lack of standardisation with regards to this research technique raises a few concerns as biases are difficult to rule out and must be kept to a minimum.

The interviews with the CoCT official and the trade organisation leader were carried out in August 2013 while the interviews with the traders were carried out over a period of two weeks in September 2013. The interviews varied in length from fifty minutes to one and a half hours. The interviews with the traders were shorter as they were conducted during their trading hours and in their place of business and were also halted at a certain point due to the extreme weather conditions experienced. The interviews with the organisation leader and the CoCT official were longer as they were conducted in secluded environments with no external disturbances.

4.2.1 (a) *The questionnaire*

Key themes and subsidiary questions emerged from the literature review. The questionnaire for this study was constructed with careful consideration of those themes and subsidiary questions that the study has explored and grouped those subsidiary questions and themes into each section of the questionnaire. Bearing in mind the sensitivity of the questions that were asked, the questionnaire was constructed to ease the participant into the interview process. This was done by asking the basic questions about the participants' demographic profiles at the beginning of interviews and more intrusive questions about the participants' income at the end (see Appendix 1).

4.2.2 Primary Document Review

Document research methods rely on written materials, insights and judgements in data collection (Hammersley, 1992). The research employed the analysis of relevant documents and policies that pertain to street trade in Cape Town. An advantage of this approach is that it is unobtrusive and non-reactive in nature. Hence CoCT's Informal Trading policy and management framework as well as the Informal Trading Bylaw were analysed in order to understand the official approach to street trading. The CTP annual statements were also analysed to gain a better understanding of the role they envisage for street trading in the CBD.

4.2.3 Direct observations

The actions and behaviours of participants are critical to any study, and hence the direct observation technique was used to watch, record, analyse and interpret people's actions and behaviours in their normal environment. This research technique allows the interviewer to understand the "real life in the real world" according to Robson (Robson, 2005: 310). During the interview process, I was able to observe traders conducting their business and furthermore I used this technique to deduce the state of the trading facilities used by the participants.

This technique allows the researcher to pick up subtleties and nuances that are not overtly expressed during the interview process; hence in certain instances more data is obtainable through direct observation than through interview responses alone. By spending a substantial amount of time on the upper deck before the interview process and recording what I observed I was able to gain a deeper understanding of how traders conducted their business in this locale. A limitation of this technique however is the extent to which the observer affects the phenomenon being observed, an example being that traders change their demeanour when dealing with customers due to the fact that they are being observed.

4.3 Sample

In qualitative research the type of sampling employed is determined by the methodology selected and the topic under investigation, not by the need to create findings that can be

generalised as is inherent in quantitative research methods (Miller, 2000). Qualitative samples are designed to make possible analytic generalizations (applied to wider theory on the basis of how selected cases 'fit' with general constructs), but not statistical generalizations (applied to wider populations on the basis of representative statistical samples). For example, Firestone (1993) argues that qualitative sampling can provide the opportunity to select and examine observations of generic processes which are critical to the understanding of new or existing theory about the phenomenon being studied (Firestone, 1993). The implications are that theory will drive the selection of these cases, and that careful examination of the cases may lead to elaboration or reformulation of theory (Mays and Pope, 2000).

The method of drawing samples is not based on theories of the statistical probability of selection, but on other, purposive or theoretical sampling criteria. In qualitative research the sample selection is conceptually driven, either by the theoretical framework which underpins the research question from the outset, or by an evolving theory which is derived inductively from the data as the research proceeds. Samples are generally small, are studied intensively, and each one typically generates a large amount of information (Mays and Pope, 2000).

While there exists numerous sampling techniques within the qualitative research paradigm, this case study will employ selective sampling in its selection of respondents as they will be deliberately picked based on them having the relevant characteristics for the study in a specific location (Miller, 2000). The sample is not representative of the variety of ethnicities and nationalities found on the deck. Similarly, the gender breakdown does not attempt to be representative of the proportion of women to men trading on the upper deck. The sample included an even number of interviewees based on their gender, nationality and trading activities in order to capture the implications local government approach to trading in the market.

From the literature, the gender dynamics of street trade emerged as a critical issue to be explored and hence the sample included ten individuals gendered as female and ten individuals

gendered as male to explore the implications of gender on traders' livelihoods. Within each gender group the sample consists of traders involved in the various activities on the deck which, using observations, consisted of retail (for example consumable products and clothing); technology (cellphone and tablets sales and repairs); ready-made food and beverages; and personal services (barbers and salons). A notable feature of the market on the city deck is the large number of migrant traders operating there. The research explored the experiences of migrant traders in relation to their South African counterparts hence the sample was further divided by nationality and uses the broad categories of 'South African' and 'migrant' or 'foreign' and consists of ten traders in each category. Another consideration taken into account in deciding the sample was the amount of time that the traders have been on the deck. All the interviewees were selected based on the fact that they had been trading there since before 2009 as well as the fact that they are the owner of the business (See Appendix 4).

4.4 Method of Analysing Data

The grounded theory model of analysis was used as the tool to analyse data, this means that from the data collected, key points were marked within a series of themes, which were extracted from the transcripts of the interviews (Miller, 2000). The analysis process had three steps that will be followed: open coding; axial coding; and selective coding. Open coding is the part of the analysis concerned with identifying, naming, categorizing and describing phenomena found in the text. Axial coding refers to the process of relating those categories to each other. Selective coding is the process of choosing one core category, and relating all the other sub categories found in the previous steps to that core category in order to make certain 'deductions' or hypothesis (Miller, 2000). While some of the categories used emerged from the literature others emerged during the interviews.

4.5 Ethical Considerations

4.5.1 Positionality and Biases

Certain biases may have emerged during the interviews and need to be kept to a minimum in order to maintain high ethical standards during the research process. Positionality, which is an individual's perceived social standing, may have had an impact on the interviews (Miller, 2000). Being interviewed by a middle class black male may have had an impact on a trader's attitude towards the questions that were being posed to them. Furthermore, female traders, who are a particularly sensitive group in society, may have found it uncomfortable to share their experiences with a male researcher. The interviews conducted with the CoCT official and the leader of the trader organisation may have been affected by employment bias, which is the tendency for individuals representing certain institutions to portray those institutions in a positive light (Miller, 2000).

4.5.2 Reactivity

I have considered the ethical issues that may have an effect on the interviewing process. Reactivity, that is the effect that one's social positioning and presence may have on the interviewees, may have had an effect on the data the participants were willing to share. Reactivity was minimised through building rapport with the participants and spending time with them in the field prior to the interviewing process. The interviews were also kept as conversational as possible through probing the participants in a respectful manner, when needing to get extra depth from their stories (Miller, 2000).

4.5.3 Reflexivity

Reflexivity, which is the process of watching how the researchers own thoughts and behaviour may influence what is picked up from an interview, has also been considered (Miller, 2000). Attempts at minimizing reflexivity were taken by going through the results of each interview during transcription in order to identify any instances where a leading question may have been used to verify specific preconceptions, or where certain emotional instances may have affected

the proceedings.

4.6 Conclusion

This chapter has presented the research methods and techniques used to in the study. The case study was presented as the best research method for the collection of data. The chapter then described the research techniques that were used. The sample for the study was then discussed in detail. This was followed by a description of the method that was used to analyse the data. Section 4.4 considered the ethical issues that may have emerged during the research process.

Chapter 5: Findings and Analysis

5.0 Introduction

This chapter analyses the data collected to answer the main and subsidiary research questions. It begins with a short description of Cape Town's inner-city and the Cape Town Station precinct to give a contextual background to the study. It goes on to describe the state and semi-state institutions that govern inner city street trading in Cape Town and the study area. It then presents a review of the main policy documents that govern informal trading in the inner city. The implications of the local authority's approach to street trading are then assessed by looking at the lived experiences of traders in the study and their relationship with the local state.

5.1 Cape Town and the Inner-city

Cape Town is the provincial capital of the Western Cape. With a population of 3,7 million, it is one of the fastest growing cities in South Africa and certainly has one of the highest levels of immigration. However the city is also characterised by high levels of inequality and has struggled to cope with the legacy issues of apartheid. Cape Town's inner city is one of its key economic nodes. It is estimated to generate 21 percent (approximately R39 billion) of the city's annual turnover. The high level of economic activity in the area makes it a financially viable and extremely lucrative site for both the formal and informal economy.

5.2 Cape Town Station

Cape Town Station was constructed in the early 1960s at a time when there was significant development along the Foreshore and within the CBD. The first railway services from the new station commenced in April 1963. Today the Cape Town Station precinct plays a pivotal role in the economic life of the city and provides an important interface between the central city and the outlying metropolitan areas. It is located along Adderly and Strand Streets, and is directly opposite the grand parade.



Figure 3: Image depicting inner city and the study area. Source: (Google Earth, 2013)



Figure 4: Cape Town Station. Source: (Google Earth, 2013)

The Lower Deck, or the Forecourt of Cape Town Station, is located to the south of the station. It is one of the main access points to the station and has a large number of customers passing through it. Naturally there were a lot of street traders that were attracted to the Lower Deck due to the open space in the vicinity and the large number of passing feet in the form of commuters coming from the train station. During the redevelopment of Cape Town Station, all the traders operating in the Lower Deck were either relocated or displaced.



Figure 5: Cape Town Station precinct. Source: (Google Earth, 2013)



Figure 6: Cape Town Station. Source: (PRASA)

The Upper Deck of the Cape Town Station is the main study area for this research. It is comprised of the main taxi interchange in the inner-city and the informal market which is the focus of this research project and is located towards the east of the site. Traders have been located on the upper deck for a number of years and in 2008 plans were announced by the city that their market was going to be upgraded in preparation of the 2010 FIFA World Cup. The market was also meant to absorb the traders that were displaced as the CTP and PRASA stated in a fact sheet that “There will be one market on the Station (Upper) Deck that will bring together the informal trading that currently happens around the station” (CTP, 2008). Figure 7 is an artist’s impression of what the Upper Deck was envisaged to be after the redevelopment.



Figure 7: Artist's impression of the Upper Deck (Source, PRASA)

5.2 Institutions that Govern Inner-city Street Trading

5.2.1 City of Cape Town

The City of Cape Town is an important stakeholder in street trade in Cape Town's inner-city. Along with other responsibilities it is tasked with the management of street trading and urban planning. The Business Areas Management Unit (BAM) under the department of Economic and Human Development in CoCT manages all street trading activities in Cape Town. BAM is responsible for the management and control of street trading, liaising with participants in the formal and informal economy and co-ordination of services in business districts. In addition, BAM is tasked with the responsibility of dealing with problems that arise in business and residential districts, liaison with crime fighting structures, civic and rate payers associations, and the development of public private in the business districts (CoCT, 2011). This indicates that there is a lack of specialisation in the management of street trading, as it falls within a unit that is tasked with a number of responsibilities. The BAM official interviewed said that there was a lack of human resource capacity in the management of street traders within CoCT (Interview, DATE).

5.2.2 The Cape Town Partnership

As mentioned earlier, the mid 1990s saw the redirection of capital away from the historically dominant economic centres of South Africa. In Cape Town the inner city came under pressure from other parts of the city, such as Claremont, Bellville, Durbanville and Century City which were the economic nodes that property owners began to invest in during the period of capital flight in the inner city (Dewar, 2004). The Cape Town Partnership was established to redevelop the inner through the use of various supportive measures for the private sector. However its urban planning strategies and programmes have major implications for street traders.

The partnership was institutionalised in 1999 as a special purpose vehicle to revitalise the inner city (Lemanski, 2007). The CTP was established as a non-profit, section 21 company. Its board of directors comprises primarily of CoCT, The South African Property Owners Association (SAPOA),

the Cape Chamber of Commerce and Industry, the South African Allied Careers Organisation (SABTACO), Business Against Crime, the Cape Town Heritage Trust, and the Cape Town Tourism Bureau (CTP, 2001). One of their key partners is PRASA (Passenger Rail Agency of South Africa), for the redevelopment of Cape Town Station. Street trading organisations and trader representatives are conspicuous by their absence on the board of the CTP and in any partnerships with them. The primary aim of the CTP was to establish and market Cape Town domestically and abroad to generate investment.

5.2.3 The Passenger Rail Agency of South Africa

The Passenger Rail Agency of South Africa (PRASA) is a South African state owned enterprise responsible for most passenger rail services in the country. It consists of four branches: Metrorail, which operates commuter rail services in urban area; Shosholoza Meyl, which operates regional and intercity rail services; Autopax which operates regional and inter-city coach services; and Intersite which is the investment arm of PRASA and manages the property they own. Through the Memorandum of Understanding: Integrated Rail and Growth Corridor Densification within the Municipal Area of Cape Town, PRASA and CoCT entered into a partnership for the development of integrated transport routes and as section 6.2.1.3 points out “to generate income from the exploitation of its asset (movable and immovable property) base and those acquired by it” the Cape Town Station is one of such assets.

5.3 Cape Town’s Policy Framework for Street Trade

5.3.1 The Informal Trading Policy and Management Framework

In 2003, the City of Cape Town released a policy document on its plans for an Informal Trading Policy and Management Framework. The document defines informal trading as economic activity and suggests that CoCT undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property, within the informal sector. It defines the informal sector as comprising unincorporated enterprises, employing less than twenty employees, and not keeping a set of separate business accounts or paying Unemployment Insurance Fund (UIF) contributions.

The scope of informal trading covered by the policy includes street/kerbside trading, trading in pedestrian malls and markets (craft, flea markets and special sector-based markets), trading at transport interchanges, and trading in public open spaces, in mobile traders (roving and caravans), at intersections and at special events. The policy therefore excludes trading taking place on private property, for example, in the home.

The policy acknowledges the contribution that informal trading makes to the economy, by giving opportunities to the unemployed and providing income in poor households. The City’s vision is one of a “well managed informal trading sector that is fully integrated into the economic, spatial and social development objectives of the City” as is pointed out in section 2.3.2. It envisages the City adopting a “developmental” and “facilitative” approach to informal trade, by providing a stable regulatory environment. The main pillars of its strategy are infrastructure support and services, entrepreneurial development and spatial planning. However, the pursuit of the developmental approach highlights that CoCT favours formal businesses more as they view this as the final stage of development.

CoCT conceptualises development through a continuum. Street trade is the first and least desirable form of development on the continuum. The second stage is regulated markets which

the city visualises as semi-formal. The final and most favourable stage of the continuum is formal businesses. The development continuum indicates that CoCT favours street trading the least while the formal business stage is envisaged as the end goal that traders should be developed to.

The City's conceptualisation of informal trading informs its strategy and policy towards traders. The policy classifies businesses according to their degree of sophistication, as this determines the type of services they require. Thus, "emerging and stable businesses" at the higher end of the spectrum require interventions such as financial support, business management advice and skills, market opportunities and technical skills. On the other hand, "survivalist and necessity entrepreneurs" require financial support and assistance with locating market opportunities. CoCT's strategic goal is to encourage and facilitate the movement of traders along a development continuum. This has implications for traders that will be discussed later in this chapter.

Infrastructure support and services include municipal services such as sanitation, security, maintenance, water, sewage services and electricity. Business services include providing business literacy skills and training; providing advice, information and business counselling; providing management and appropriate technical training; and providing marketing and market development services. The key portfolios within the City that form the backbone of the informal trading policy are utilities services and cleaning, economic development, planning and environment, and community services.

The policy also details the criteria and rules governing the allocation of trading bays. Trading bays may be allocated only to "bona fide informal traders". Thus businesses that operate from brick and mortar premises are excluded. An applicant must have a South African identity document or residence permit. Only one bay will be allocated per trader and household. The City gives preference to the unemployed and to "historically disadvantaged individuals" (HDIs). It also gives preference to traders who operate four days per week (or at least 45 weeks per

year) over occasional or casual traders. Traders are required to update their information with the City annually, and may not sell or sublet their spaces to other people.

As far as management of trading areas is concerned, the City has adopted a multi-faceted approach, recognising that “different situations require different models and different relationships, depending on the characteristics of the market or informal trading areas”. In some cases, the City outsources the management of trading sites on a competitive tendering basis. Contracts are concluded for a stipulated period after which the market will once again be open for competitive trading. Service level agreements between the City and the management agents are supposed to outline each party’s responsibilities and penalties for non-compliance. A designated trading area may also be leased out to a commercial operator, a traders’ association or a local civic or community association, which is then responsible for all aspects of the market. Alternatively the City may manage a trading area and issue permits and leases to individual traders. However, despite the fact that the policy environment is more accommodative than during apartheid, informal traders operating in the inner-city areas of Cape Town are still confronted by a much harsher regulatory regime than those trading in the historically black townships (Rogerson, 2008).

5.3.2 The Informal Trading By-Law (2009)

In 2009 the City introduced a new Informal Trading By-Law. This by-law contains provisions similar to those of its predecessor regarding prohibited trading areas, restrictions on informal trading, waste removal, hygiene, and certain offences. It also incorporates most of the recommendations of the policy regarding the criteria to be applied when considering applications to trade. It introduces new provisions, including the definition of informal trading, the freedom to engage in informal trading, trading plans, public participation before the adoption of a trading plan, special events, and obligations on owners of non-City property. These are discussed in greater detail below.

The by-law defines an informal trader as a person or enterprise that is not registered or incorporated and engages in informal trading. Informal trading is defined as “trading in goods and services in the informal sector by an informal trader”. The by-law recognises the freedom to engage in informal trading, stating that “informal trading is permitted in any area within the jurisdiction of the City, subject to any trading plans adopted by the City, the provisions of this by-law and any other applicable law.”

In terms of the by-law, the City must adopt trading plans, “particularly in areas where there is a significant overlap between formal and informal trading”. The adoption of trading plans may be initiated by the City or any interested party. The City is obliged to consult with interested and affected role players, including formal and informal traders, before adopting a trading plan. A trading plan must define the geographical boundary of the trading area and demarcate informal trading bays. It may also cover matters such as the terms and conditions of trading, the promotion of social and economic development, and the management of the market. The by-law may be enforced by, among others, traffic officers, members of SAPS and municipal police officers such as CCID security guards. An officer may issue a person with a written warning if she or he believes that person has contravened the by-law. If the person disregards the warning or repeats the contravention, the officer may impound the property in which the informal trader in question is trading. The sanction of confiscation of goods however in essence criminalises these activities. The next section will review CoCT’s policies regarding trading facilities, participation and communication with traders.

5.3.4 Trading Facilities

In section 3.3 of CoCT's Informal Trading Policy the city council acknowledges that street traders require support and elaborates further that “the informal trading economy requires trading facilities such as shelter, storage, water and ablution facilities”. However, section 2.3.3 illustrates that the city will provide a limited number of facilities in demarcated trading areas. And within these areas it will provide the “minimal infrastructure” required by traders. This highlights that CoCT allocates minimal resources to street trading. This sentiment was echoed by the CoCT

official interviewed for this research who stated

Similarly, the CTP makes provision for only a limited amount of trading facilities for street traders. A long standing street trader organisation leader who is currently chairperson of the Western Cape Alliance of Street Trader Organisations argued that the CTP has not made much progress in the provision of supportive measures for street traders (trade organisation leader interview, 12 August 2013). The City however has upgraded Greenmarket Square, the Grand Parade and the upper deck market in the taxi rank. Green market square has been re-laid with cobbles to decrease vehicular access. The ablution block in the vicinity was also upgraded to accommodate more individuals and was renovated. The Grand Parade has also been renovated and was given increased lighting, and the installation of stone pines around the perimeter of the public space. The upper deck received new trading facilities in the form of containers to trade from, the installation of electricity, and an ablution facility for the traders. While the allocation of resources to these sites does enhance the working environment for the traders, however in the process the total number of inner city traders has been substantially reduced. This upgrading occurred just before the 2010 FIFA World Cup, which suggests that these improvements were done to create a positive environment for potential tourism and to present a 'world-class city' to international visitors and not for the street traders themselves.

5.3.5 Participation

Section 6 of the Informal Trading Bylaw (CoCT, 2009) states that before the adoption of a trading plan, the city council has to consult with stakeholders, which includes but is not limited to, street traders, formal business and local officials). With the opinions obtained from the public participation process, the city council is obligated to draw up a draft trading plan with those comments included. Following this the city council must publish notices in local daily newspapers to advertise the draft trading plan through local radio stations. In addition to advertising in local newspapers, the city council must invite stakeholders to a public meeting. This meeting must be held within the vicinity of the trading area. After the public participation

process is conducted, the city council is obligated to consider all opinions and objections received before adopting a final trading plan. The city council is further required to conduct public participation procedures both during the amendments of a plan and after a review of these amendments. This process on a policy level is true to inclusive and participative planning practises. However in practice it is hampered by biased power relations as traders that are not stakeholders have more resources at their disposal to contest trading plans. Lund and Skinner (2004) observe how biased power dynamics between street traders and formal businesses in public meetings results in traders not being able to have their views expressed in key decisions that affect their businesses.

Furthermore, there appears to be a lack of key inner city stakeholders such as street traders in decision-making bodies in a number of different ways. The 2011 Annual Statement indicates that the CPT board of directors is primarily composed of City officials and business and property lobbyists such as the Chamber of Commerce, Business Against Crime and Theodore Yach Property Services. Street Trader Associations in the inner city are not represented in the board of directors but remain a key stakeholder in the inner city and a group that are highly affected by decisions made by the CTP. Furthermore the formation of the CTPs is based on exclusionary measures as only property owners in the inner city are given the right to vote for its institutionalization (Miraftab, 2007; Schwartz, 2007).

5.3.6 Communication

As mentioned earlier the Informal Trading Bylaw (CoCT, 2009) sets out a public participation process that intends to integrate all stakeholders and facilitate communication between the relevant actors in the process of planning market precincts. This is consistent with the process stipulated by the Business Amendment Act No 186 of 1993 (RSA, 1993). While these two policy documents embrace inclusive and participative planning practises, the public participation process stipulated in both of these policy documents does not facilitate regular communication between the CoCT and street traders. Communication is limited to the adoption of trading plans, and not the process of formulating these plans, which acts to further restrict the voices of

traders and does not serve their interests.

There is also limited communication between street traders and the CTP. The CTPs annual operational statements do not prescribe a public participation process to facilitate communication with traders. Rather it occurs on an ad-hoc basis and only occurs when comments or objections are needed to complete the planning process. Communication is thus another box to tick during the adoption of trading plans. The result is that there are no permanent forums where street traders can regularly communicate with CTP.

5.4 Traders Perspectives: Life on the Upper Deck

At first glance, the informal market on Cape Town's upper deck appears to be a stagnant environment. It is characterised by monotonous rows of white containers with traders offering goods and services in a sterile environment lacking the vibrancy of open markets found in other parts of South Africa such as Warwick Junction. Against the backdrop of the taxi rank's brown bricks and cement as the main design elements, the white containers seem out of place and appear to have been surgically inserted into the spatiality of the rank. However, after spending a substantial amount of time on the deck, observing the activities of traders and probing deeper into their daily experiences of conducting business in the vicinity, the Upper Deck emerges as a complex organism with a set of networks, sectors and relationships that shape the working lives of the traders operating there.

As mentioned earlier, the market on the upper deck of the Cape Town station precinct is heterogeneous with various trading activities and services being conducted by a diverse group of people from various racial groups, with different ethnicities, nationalities and from various backgrounds. The traders offer a wide range of goods and services to customers whom had to be narrowed down into three categories for the purpose of this study namely: food, non-food; and services. A striking observation made during the study, was the dominance and over representation of a specific demographic in each sector. The provision of readymade food was the domain of South African women (Black and Coloured), who are located at the east of the market in a single row of white containers offering a variety dishes. Scattered throughout the market, but concentrated in the centre are the West African foreign traders whose main industry appears to be technological products such as radios, television sets, watches, cell phones and other related accessories. Emerging on the west end of the site is the row of female migrant traders (predominantly from the Democratic Republic of Congo) who are primarily based in the main service sector on the deck: hair dressing. What follows is a brief description of the different trading activities that were analysed in this study.

5.4.1 Trading Activities

(a) Ready-made Food

25 percent of the respondents interviewed were sellers of readymade-food. They offer a wide variety of dishes including but not limited to: pies; hot dogs; burgers; samosas; pap and a variety of meats. These traders primarily source their good from Makro and Trade Centre. One of the traders said that the main reason for purchasing goods from these major formal distributors was because of the lower prices they get for buying in bulk from them as opposed to purchasing from formal retailers such as Pick n Pay (Interview, Date).



Figure 8: Mariedas Kitchen. A ready-made food stand on the Upper Deck. Source: (Mathebula, 2013)



Figure 9: A ready-made food seller tending to a customer on the Upper Deck. Source: (Mathebula, 2013)

(b) Services

While the market offers a variety of services including carpentry and tailors, the most prominent service on the Upper Deck appears to be hair dressers and barber shops owned by foreign traders. 25 percent of the respondents from the study were female hair dressers from West Africa (four from the DRC and one from Cameroon). Their products such as hair extensions, shampoos and conditioners to name a few are sourced from what was referred to as 'Pakistanis'. 'Pakistanis' refers to small scale distributors from the Asian sub-continent that specialise in providing stock to hair saloons. These suppliers were described as “very cheap” by traders.



Figure 10: Rosa's Hair Saloon on the Upper Deck. Source: (Mathebula, 2013)

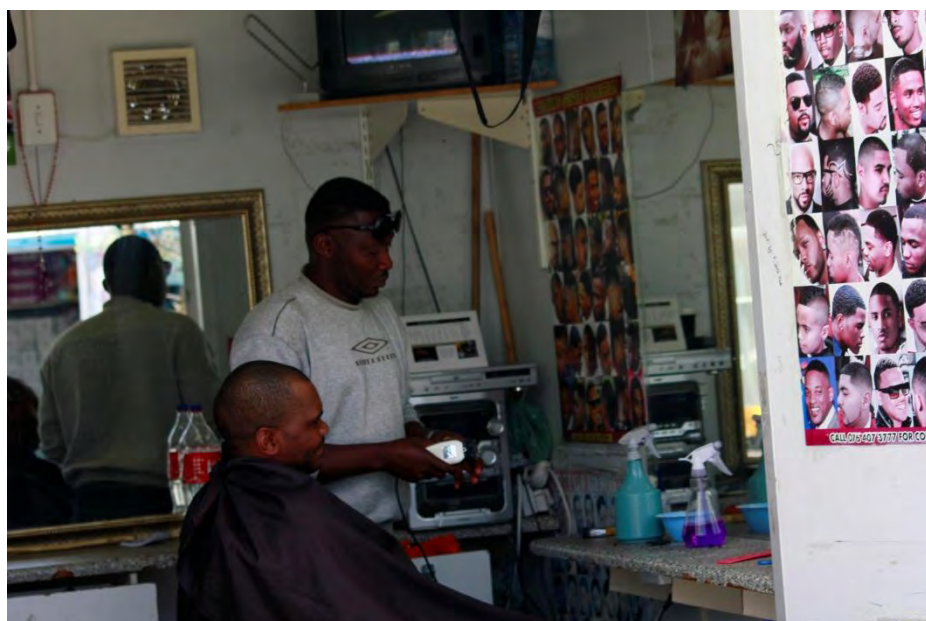


Figure 11: A barber cutting hair in Nino's and Julie's Hair Saloon. Source: (Mathebula, 2013)

(c) Non- Food: Consumables

Another prominent sector in the market is the non-food products. This can be further subdivided into two sectors which include: consumables, such as sweets, chips, chocolates and soft drinks; and non-consumables in the form of traders selling technological products such as radios, television sets, watches, cell phones and other related accessories. Consumables are sold by a variety of nationalities (including Somalians and Zimbabweans) and are the main industry where male South African traders are found. The traders in this sector said they source their goods from Makro and Trade Centre for the same reasons mentioned earlier (they are cheaper to buy in bulk).



Figure 12: A South African retailer on the Upper Deck selling non-ready-made food consumables. Source: (Mathebula, 2013)

(d) Non-food: Technological

Technological products were found to be predominantly sold by West African traders (Nigerians and Senegalese) and were found to be mainly sourced from China Town (see section 5.7.1a). These products are higher end goods and require a lot of capital to purchase. The mainly foreign traders that supply these goods are regarded as more successful in their enterprises than their South African counterparts (see Section 5.4.5).



Figure 13: A technology retailer selling high end products. Source: (Mathebula, 2013)

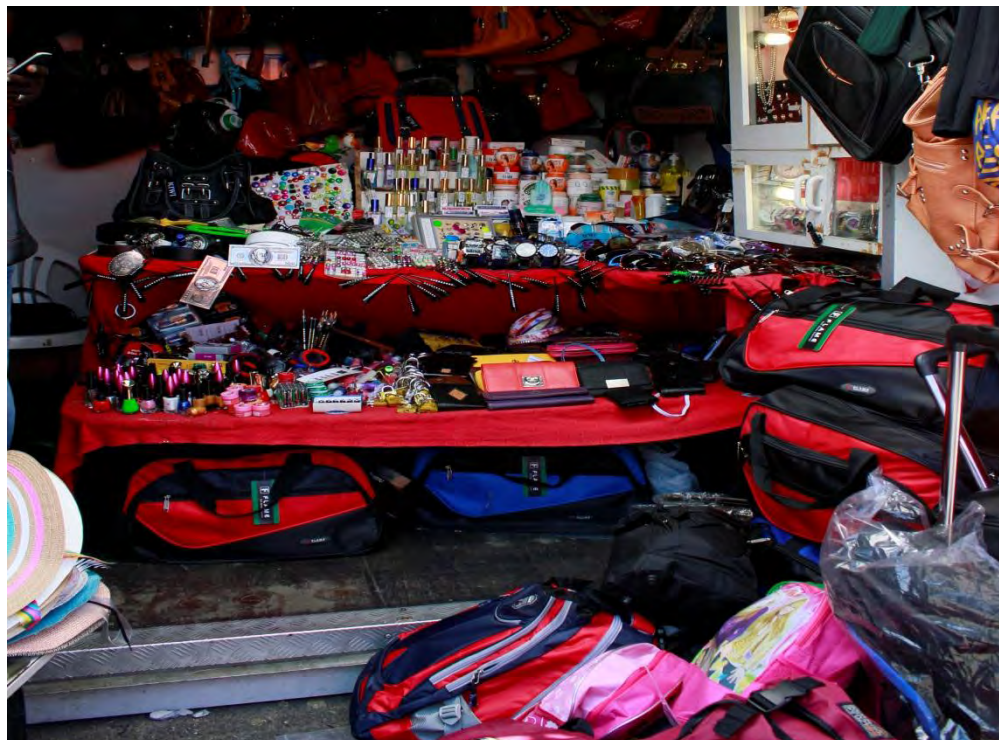


Figure 14: A high end retailer selling cellphone charges and related accessories. Source: (Mathebula, 2013)

5.4.2

Demographics of Sample

The male informal traders were found to be younger than their female counterparts with 70 percent falling between the ages of 28 and 40 while 60 percent of the female traders interviewed fell between the ages of 30 and 50 years of age. The informal sector is generally associated with marginality and the struggle for survival hence traders are often assumed to be poorly educated (Peberdy, 2000). The education level amongst those interviewed varied but was higher than that of traders in other studies conducted in South Africa (Skinner, 2000). 45 percent of the respondents in the survey have completed secondary education and 10 percent have some form of tertiary education. 30 percent of the respondents interviewed have a primary education and 15 percent have no education. Foreign traders were found to have a higher level of education amongst than their South African counterparts. None of the South African traders interviewed has some form of tertiary education. The highest qualification was matric as opposed to the 20 percent of foreign traders 20 percent of migrant traders that have some form of tertiary education. Furthermore, 20 percent of South African traders were found to have no education as opposed to the 10 percent of foreign traders that don't.

5.4.3 Female Traders and Dependency

Unsurprisingly dependency ratios were higher for female traders in comparison to men. 80 percent of the female traders interviewed reported that they have people dependant on their income both children and grandchildren. This was substantially higher than the 55 percent of male traders that have people that are dependent on their income. An older female trader who has conducted business in the market for more than 13 years reflected on the difficulties involved with having lots of people dependent on her income. She is a mother of four children and a grandmother to two infants in her household which is located in Mitchells Plain. The distance she has to travel to her business adds to the financial and logistical burden of trading far from her place of residence. None of her children work or support her in her business as her daughters with the children are preoccupied with looking after the infants. Her circumstances resonate with that of many women trading in South Africa which has a substantial amount of households with single mothers as the sole bread winners (Motala, 2002).

She said it was difficult to support her family on her income as a trader. However, trading is her only means of income and she displays the resilience of traders when she states “what can you do, you just have to keep on pushing” (Female street trader interview, September 4 2013). Her situation is consistent with numerous studies (Lund, 1998; Brown and Connell, 1993) that found that female traders carry more financial strain on their income than male traders due to dependants. Furthermore there is a lack of support structures and facilities to look after their children who often get left at home with a relative or are brought to the market with their mothers. This presents a challenge for the traders who have to tend to their children at their stalls as was observed with the female food sellers and the hairdressers who conducted business with their children around (see Figure 10). In contrast, none of the male traders had any dependants with them at their stands. This has a negative impact on their ability to trade. The role of women in street trading has been the focus of many studies as women frequently take on the role of street trading, more so than any other activity in the informal economy, than men (Dierwechter, 2006; Pillay, 2004; Cox & Watt 2002; Skinner, 1999).

5.4.4 Economics and Migration: The Traders Reasons for Coming to Cape Town

The traders were asked why they left their countries of origin. Reasons varied from trader to trader but the most common reason for coming to Cape Town was the bad economic situation in their countries of origin. One of the respondents shared his history in great detail. He was employed as a teacher at a medium sized school in Senegal. As the economic situation began to decline and hyperinflation rapidly accelerated in the country, he found that with his salary was unable to purchase more than a few groceries by 2004 and thus could no longer sustain his family of four. The restructuring of the economy in his country may have played a role in the rapid decline in his living conditions. Sassen (2003) found a link between Structural Adjustment Programmes and high migration as the deteriorating economic conditions in countries pushes large numbers of individuals to seek employment opportunities in other states. Furthermore Sassen (2003) asserts that this has created a new international division of labour in which

immigrants flock to global cities in order to look work and settle for low status jobs such as street trading due to the lack of alternative employment opportunities.

The respondent stated “I was living in poverty, my family was in poverty and it was everywhere” (Foreign street trader interview, September 9 2013). He decided to leave Senegal for South Africa in 2005 as he had heard from an old colleague that there were opportunities to make a living in the country. He moved directly to Cape Town as he had a small social network here and moved in with a friend Dunoon Township. However upon arriving in Cape Town, he was unable to find formal employment, as is the case with migrants in many other studies (Tienda and Lii, 1987; Evans and Kelley, 1991; McAllister, 1995). There are various reason that could be attributed to this, but a key one that he stated was the lack of necessary documentation.

Adopting elements from the structuralist, legalist and voluntarist paradigms is useful in understanding the reason why migrant traders and their South African counterparts moved to Cape Town and joined the informal economy on the Upper Deck. Skinner (2008) states that due to the heterogeneous nature of the informal economy, the analytical tools used to assess it depend on which segment of the informal economy is being assessed. Hence, understanding why individuals are unable to join the formal economy requires an analysis of the broader socio-economic factors that act as barriers towards participating in the formal economy through structuralism and the legalist paradigm. However understanding why individuals choose street trading as an alternative requires an understanding of their personal agency which the voluntarist and dualist paradigm are suited towards.

The structuralist paradigm highlights that the informal economy is a hub for those individuals that are unable to gain access and participate in the formal economy due to the exclusive nature of formal employment which requires the necessary documentation (which can be interpreted as legal status) to participate in it. This is useful in this study as, according to Skinner (2008) it draws our attention to fact that those working informally cannot be considered in isolation but must be seen in terms of their position within the wider economy.

The story of the Senegalese trader is not unique and is consistent with the work done by Hepburn and Taran (2001) who found that a key reason for people leaving their countries of origin is the lack of economic opportunities and the search for employment. Traders such as the Senegalese respondent, come to South Africa with the hope of gaining formal employment, but are unable to get these jobs due to a lack of the necessary documentation to make them eligible for employment in the formal sector. It would appear that their social positioning within the broader macro-economic structures in the state excludes them from participating in the formal economy through be (which is consistent with the legalist perspective).

However, Hepburn and Taran (2001) also found that immigrants turn to street trading as a form of employment since regulations are not enforced as rigidly in the informal economy as in the formal economy. Although none of the traders in the study explicitly stated that they joined the informal economy because it is an easier point of entry than the formal economy, reading between the lines, one can state that traders entered street trade as an 'easier' alternative to get into by virtue of the fact that they are trading there after failing to enter the formal economy. This indicates that there is a level of agency involved with choosing street trade. This is consistent with voluntarism, which highlights that individuals join the informal sector in order to avoid state regulations and gain easier access to employment in the informal economy.

5.4.5 Foreign Traders and Xenophobia

Street traders as a group throughout the developed and developing world are known to include immigrants. In this regard, the street economy on the Upper Deck is no exception. Tensions were found between South African traders and migrant traders in the study. The overwhelming response from all the foreign traders interviewed was that these tensions do exist and are primarily a result of xenophobic attitudes towards foreign traders. One of the migrant traders from the study spoke about the experience of conducting business in an environment where the diversity found there is source of prejudice and possible conflict amongst traders. He further

stated that “Xenophobia is a reality” (Foreign street trader interview, September 9 2013) and they are referred to as “amakwerkwere” (a derogatory term for foreigners in South Africa) by local traders (Foreign street trader interview, September 9 2013).

He also said that there is constant fear amongst migrant traders. “We worry that the attacks on foreign traders in other parts of the country will happen here [on the Upper Deck]” (Foreign street trader interview, 2013). This view was shared by another foreign trader that asked rhetorically “If it can happen there, it can happen here, why not?” indicating that there is a sense that these tensions could turn violent at any moment (September 9, 2013). While the xenophobic tensions have not resulted in violent attacks on foreign traders on the upper deck, they certainly do create an uncomfortable space for migrant traders to conduct their business. There is an overwhelming amount of literature that have highlighted and explored the tensions between South African and foreign traders (Callaghan 2009; Karumbidza 2009; Peperdy 2000) and found that foreigners live in constant fear.

The study found that South African traders felt that foreigners were more successful in their businesses. While the respondents attributed these tensions to xenophobia, further probing found that a key element of the tensions were economic. One of foreign traders stated that “There is a lot of jealousy, but we also come from nothing and work hard every day” (September 9 2013). The jealousy he referred to can be interpreted as the perceived success of migrant traders in their businesses by South African traders who regard them as unwanted competition that limit their opportunities. 80 percent of the South African respondents subscribe to the view that migrant traders generate more income than South African traders and furthermore that migrant traders limit the opportunities of unemployed South Africans. When asked what the source of tensions amongst South African and migrant traders, and one of the local, respondents stated, that “They come here and work in big groups. But my brothers from home can’t find work in their own country” (South African trader interview, September 11 2013). This response from the South African trader suggests that foreigners act collectively and that economic competition lies behind the anti-foreign sentiment. This is consistent with the work done by Hunter and Skinner (2003) who found that a key source of tension between South

African and foreign traders in Durban is economic - as foreign traders were said to be better traders than their South African counterparts in that study. From observations, it appears that male migrant traders have more successful and lucrative enterprises. They are primarily the sellers of higher end goods and were found to have large quantities of these products. An informal conversations with one of the male migrant traders revealed that they have strong social networks and purchase their goods in large quantities at a discounted rate. This may be one of many reasons why they appear to have more successful enterprises.

The migrant female migrant traders interviewed paint a poignant picture of the pressures and challenges associated with trading as a vulnerable group in the inner city. They proved to be the most challenging group to interview and were mostly evasive of certain questions. A key observation made during the interviewing process was that female migrant traders refused to have any pictures of themselves or their businesses taken, which appeared to be an extra measure taken on their part to remain anonymous. They were found to carry the double burden of: a high level of dependency similar to their South African counterparts; and the challenges associated with being a foreigner trader on the upper deck. Ninety percent of the female migrant traders interviewed carried the burden of high levels of dependency on their incomes either in South Africa or their countries of origin. As one of the female migrant traders in the study stated that “we have children at home so we send money back to our families” (Female migrant street trader interview, September 8 2013). This is compounded by the lived experience of xenophobia as discussed earlier and the fear of violence

5.4.6 Organisation amongst Street Traders on the Upper Deck

Street trader organisations have the potential to be significant drivers of change with respect to influencing spatial policies that impact on the trading environment in the inner city such as relocation and market upgrading. The proliferation of informal trader associations in developing countries is not a new phenomenon and cases of successful trader organisations have been well documented in a study by Kumar (2012) in Bhubaneswar, India. However, based on the research findings the relationship between traders and trade organisation on the station deck

appears to be weak. More than half of the traders interviewed do not belong to an informal trader association as indicated by 65% of the respondents that stated that they do not belong to an informal trader association. This has an impact on trader's ability to effectively communicate their issues with city officials and presents a challenge for CoCT specifically as traders then turn to the courts before raise their concerns with councillors. A city official stated that “They go to the courts at any chance they get without us having heard the issue if they think their rites have been infringed upon” (CoCT official, 2013).

The city official attributes this to a lack of a unified voice amongst traders and trade organisations and expressed the challenges associated with dealing with multiple voices presenting multiple issues. “There are associations for the Muslims only, there are associations for foreign traders, there are associations for traders from Gugulethu and those from Khayelitsha” (CoCT official interview, 2013). He further elaborated that, the divisions along religious and ethnic lines amongst traders acts as a hindrance to effective communication between street traders and the state and furthermore that the representatives of the various organisations do not adequately inform the traders of CoCT’s plans and initiatives to support traders due to the multitude of trader organisations combined with the low membership numbers of these organisation. This often results in confusion amongst traders and hinders the legitimacy of trade organisations in the eyes of traders and the state. These issues also resonate in the study conducted by Mittulah (2003) in South Africa, Kenya, Ghana, Zimbabwe, Uganda and Ivory Coast, which highlights the lack of inter-associational cooperation between traders associations. As such trade associations are less likely to be considered as appropriate representatives to communicate the needs of traders to the state and traders find it hard to view trade associations as effective vehicles for the advancement of their issues and concerns.

The respondents were asked why they were not members of trader organisation, 60 percent of those who were not them stated that they didn’t believe trader organisations could advance their interests. A South African trader interviewed highlighted this point by stating that “It doesn't make a difference, whether we organise, nothing changes”. He further explained that

his main reason for the lack of interest in joining trade associations is that he did not believe that trade associations can advance his concerns and that even if he was to be represented by an informal trader association, there would not be an improvement in the trading environment. This indicates that there is a belief amongst traders that associations do not play an important role in steering the processes that lead to the formulation of street trading policies in the inner city. This is directly linked to the low numbers of trader participation in organisations.

The apathetic attitude towards trade organisations is compounded by a fear of repercussions from the state by 40 percent of the respondents who believe it could result in a loss of their trading licences. This view was mainly held by the migrant traders. One of the foreign traders interviewed stated “If you make a noise you are not going to get a permit or a new stand, that's how they work”. This further highlights the fear that is inherent with being a vulnerable group operating on the upper deck.

5.4.7 The Economics of Trading in the Upper Deck

(a) Sources of Goods

The study suggests that there are strong links between the traders and formal distributors. All the respondents that are involved in the technology sector on the upper deck purchase their stock from China Town. China Town is a relatively new establishment that specialises in the bulk sales of non-consumable products including generic cell phone charges, cell phone batteries, television sets and hi-fis. One of the Nigerian traders that specialises in the sale of technological products was asked why he sources his goods from China Town, he stated that “China Town give you a good price and the more you buy, then the items become cheaper”. This trend of major formal businesses that distribute stock to small enterprises is found in other studies as well and is contrary to the dualist paradigm that sees the informal sector of the economy as comprising marginal activities distinct from and not related to the formal sector (Chen, 2012). Dualists subscribe to the notion that informal economic activities have very few linkages to the formal economy but, rather, operate as a distinctly separate sector of a segmented labour market of the economy (Chen, 2012). However, the study found that street traders purchase their stock in

bulk and offer it to customers at reduced fee that is competitive with the prices offered by major formal retailers. The fact that 90 percent of the respondents that sell food were found to purchase their stock from Makro and Trade Centre which are major formal distributors of goods highlights that there is in fact a link between street traders and formal distributors.

(b) Nature of Income

Gathering information about the economic situation of traders in the new market proved to be a very challenging task. This can be attributed to the invasive nature of questions around the financial viability of traders' stalls as well as the unreliability of traders' responses when asked how much profit they make. Traders' incomes were found to fluctuate seasonally. Forty percent of those interviewed revealed that a bad week financial was one when the weather conditions were harsh. During summer there is increased activity in the market and individuals tended to spend more time in the vicinity. However winter proved to be a particularly challenging time for traders as there is a lack of infrastructure to accommodate customers that need shelter from the rain. One of the retailers in the market stated that the lack of shelter for potential customers means that they utilize alternative routes in winter in order to avoid the rain. Interviews for this study were conducted during a particularly rainy period in September. A key observation made during the process corroborates the traders' statements about the lack of business in harsh weather conditions. There were virtually no passing feet in the market, as potential customers jumped off taxis and headed directly to the nearest sheltered area in the market (the golden acre) and did not stop in the vicinity.



Figure 15: Customers outside traders stalls. The lack of adequate shelter causes traders incomes to fluctuate during harsh weather. Source: (Mathebula, 2013)

(c) Duplication of Goods and Services

The relocating traders to a specific zone and concentrating them in a particular location appears to have negative implications for traders businesses. Despite the higher trading fee which 40 percent of the traders cited as one of the main problems of trading in the site, there is also a duplication of goods sold by traders in a single area. As one of the interviewees mentioned, “Now we're all selling the same things, to the same people every day” (Street trader interview, September 10 2013). Traders who were previously dispersed throughout various locations in the Cape Town Station precinct, selling a variety of goods in these different locations have now been concentrated in a single market where they are literally placed next to one another selling similar goods.



Figure 16:
Duplication of goods
in the Upper Deck
with two trading
bays selling identical
products: Source:
(Mathebula, 2013)

This results in a decline of income for the traders who now compete for the same customers in the same location whereas previously they would encounter different customers, and more of them, in different locations. During the research process a striking and consistent observation that was made was the location four shoe shops placed next to each other (see figure 15), these

in turn were placed next to three cellphone and accessory shops that were located next to each other all selling the same products.

Donovan (2008) carried out a study in Bogotá which examined the working conditions and occupational hazards faced by vendors both before and after relocation to government built markets. He found that traders experienced declining income due to the duplication of goods and less customers but improved working conditions due to better infrastructure. A similar case can be found in Nairobi, Kenya where the government allocated USD 9 million for the construction of a modern market to cater for about 8,000 vendors who at the time were seen to be holding the CBD at ransom. The traders that were initially moved to the market returned to the CBD as they found that Muthurwa market has lower pedestrian traffic and customers with lower purchasing power than in the CBD.

5.5 Relationship with the State

The relationship between traders, CoCT and the CTP appears to be bereft with governance issues. Limited participation in planning, a lack of communication between traders and the state, an over-regulated trading environment and petty harassment from CCID security guards appear to be the main issues plaguing the relationship between traders and the local authority.

5.5.1 Governance Challenges: Communication and Participative Planning

Communication between the local authority and street traders was found to be limited. The relocation of traders from the lower deck to the upper deck is the best example of this as it was found that The CTP (with PRASA) and CoCT did not adequately communicate their plans with regards to the upgrading of the market with traders. 80 percent of the traders interviewed stated that they were surprised by the upgrading of the market. One of the traders who was relocated from the Lower Deck stated that “They just announced that the by-laws said we must move” (Street trader interview, September 10 2013). He pointed out that there is a lack of direct channels of communication between the traders and city officials and that communication only occurred through irregular meetings between city officials and the leaders of trade organisations. The lack of consultation and participation was a reoccurring theme throughout the interview process. The trader further elaborated that “they had one meeting with us, then they told us that they will be moving us to better facilities” (Street trader interview, 2013). The City’s by-laws with regards to informal trade do not offer the traders any legal tenure for their stalls and they state that traders may be moved according to the CoCT’s plans without any specified period of notification for the traders (CoCT, 2003). The inevitability of the move was also expressed by the CoCT official interviewed who stated that “the move was always going to happen, and we placed the traders in an area that we deemed complied with the City’s Business Area Management (BAM) initiative” (CoCT official interview, 2013).

The institutional arrangement between CoCT, PRASA and the CTP is not inclusive of street traders. The board of directors of the CTP comprises primarily of CoCT, The South African Property Owners Association (SAPOA) and the Cape Chamber of Commerce and Industry.

Partners of the CPT include PRASA (through Intersite), Metrorail and the South African Rail Commuter Corporation, who formed a partnership for the Cape Town Station revitalisation project. Street trading organisation and trader representatives are conspicuous by their absence on the board of the CTP as well as within any partnerships with the CTP. This has implications for traders livelihoods as one of the traders in the study revealed that “they just tell us to go after one meeting so we moved from there” (Street trader interview, 2013). The lack of trader inclusion on an institutional level excludes them from spatial planning initiatives which are further exacerbated by lack of direct communication between the state and traders as was mentioned earlier. This means that plans and policy are formulated without the traders' views and the state and semi-state authorities in the city can pursue any agenda without traders input.

A general lack of communication between the traders and city officials was also found by a study conducted by Hedman (2010) in Port Elizabeth in which she found a lack of communication between traders and officials with regards to their relocation during a market upgrading process. The lack of communication between traders and CoCT is a consistent theme in one of the few studies conducted on Cape Town's informal economy. Van Heerden (2011) found that traders in the CBD were unaware of changes that were happening in by-laws and that they would only hear of CoCT's plans with regards to changes in the trading environment once they had already been approved by council. Donovan (2008) in a study conducted on street trader relocation in Bogota found that throughout the processes of relocation, street vendors effectively lost their voice in policy making and their ability to interface with local politicians .

5.5.2 The Criminalization of Street Trade: Permits and Licensing

The over regulation of street trading appears to act as a hindrance for traders in Cape Town's inner city. Fifty five percent of the traders feel that over the years the main change in the councils approach to trading was the imposition of more regulations for trading bays. One of the respondents stated that “Getting a space now is hard” (Street trader interview, September 10 2013). When asked to describe the process of getting a permit, the same respondent expressed

the tediousness involved with this process. He gave an example of the long waiting periods between the application for a permit for a permit and getting a response from CoCT. Furthermore once a permit has been acquired there is no security of tenure for the traders who can be moved at any point as stipulated by the Informal Trading Bylaw (2009). The trader further asserted that “if they tell you to move you have to move, even without notice” ” (Street trader interview, September 10 2013). Not complying with these plans results in the confiscation of stock which, according to the Informal Trading Bylaw (2009), can only be reacquired through the paying of a fine. The traders gave an account of when his stock were once confiscated and pointed out that “I just left it, because it costs more to get back” (Street trader interview, 2013). These findings resonate with the work done by Karumbidza (2011) in Durban, who found that 'formalising' informal trade serves to marginalize street traders even further and that the over regulation of street trade, criminalizes traders livelihoods through the imposition of penalties for trading illegally.

Despite their overwhelmingly large presence in the inner city, foreign traders face even more restriction than their South African counterparts as trading bays are limited and preference is given to South African traders before them as is expressed in the Informal Trading Bylaw. A common practise amongst migrants that one of the foreign traders spoke about is getting South African citizens to apply for a permit and a bay, and then renting the stand from them. The trader did not feel comfortable on elaborating on this specific point and instead wanted to prove their own legitimacy but spoke of the “other traders who do this” (Street trader interview, September 7 2013).

5.5.3 Interaction with officials

Eighty five percent of the traders interviewed reported that the CTP is the most visible presence in the inner city. The large presence of The CTP officials is through CCIDs security guards that patrol throughout the inner city and on the Upper Deck. The CCID officials are the official law enforcement unit of the CTP and work closely with SAPS (South African Police

Service). The presence of these officials is argued to have had a major impact on crime in the inner city which fell by 46 percent since their inception (IOL News, 31 May 2004). A decrease in crime contributes to a positive environment for the traders who stated that safety is key concern of theirs. However the personal interaction between traders and CCID security guards appears to be antagonistic. A key issue that emerged amongst the female traders interviewed was that of harassment by CCID security guards in the area. There was almost unanimous concern amongst female traders about harassment by CCID officials who often make advances on them. One of the South African female traders interviewed stated that “these guys are rude, and they like to whistle at us all the time” (Street trader interview, September 4 2013). She further stated that “it's not nice” which indicates that she is made to feel uncomfortable by it.

When asked how she raises concerns such as the harassment with city officials her response echoed the sentiments felt by 45 percent of the traders “there's no one to bring it up with”. This is compounded by fear of victimisation if they raise concerns as 55 percent of the traders interviewed alluded to the fact that they never raise concerns with city officials for fear of being targeted and victimised. This speaks to a bigger issue as it indicates that there is a lack of visible channels for traders to raise their concerns and perpetuates the communication challenges between the city council and traders. The male migrant traders also experience harassment at the hands of security guards as 60 percent of them indicated. One of the migrant traders interviewed stated that they face challenges with harassment at the hands of security guards who would sporadically ask him for his permit despite the fact they see him trading every day. CCID officials also act as law enforcement and act with police in the removal of traders with invalid permits or those trading in non-designated trading zones. Skinner (2009) supports these findings and states that there is evidence of lower-level on-going harassment of traders in Africa.



Figure 17: CCID security guards on the Upper Deck. They are the most visible officials in the market.

5.5.4 World Class City and the Marginalising of Street Trade

The CTP has been praised for successfully reversing the trend of capital flight and redirecting investment back into the inner city. Through the use of supportive measures for formal businesses, the CTP was able to economic investment back into the inner city. For instance, the CPT has established the Business Assistance Fund, in order to help SMMEs (small, medium and micro enterprises) in creating new establishments or relocating their previous interests back to the inner city (CTP, 2007). It has also the Smart Business Fund to rehabilitate and increase the rental of buildings. This culminated in R12, 5 billion of domestic and international revenue being invested in the inner city (Lemanski, 2007). While these successes have been praised by some, they have come at the expense of the working poor who are then excluded further from

governance, economic opportunities and spatial planning as is revealed below. The pursuit of the world class city highlights the CPT and CoCT's approach to the informal economy and street trade in the inner city.

A key agenda that defines the functions of the CPT is the creation of a world class city as mentioned in all their annual statements (CTP, 2007; CTP, 2008; CTP, 2009; CTP, 2010; CTP, 2011; CTP, 2012). To this end CoCT has outsourced key urban planning strategies and programmes for the inner city to the CPT. For instance the CTP is mandated to manage safety and security, cleaning services, marketing, and social and economic development in the inner city. What can be observed is a devolution of management of street trading activities from CoCT to the CPT. While the Informal Trading Bylaw is formulated by CoCT the CPT supports the establishment of markets as trading areas and the relocation of traders. The CTP asserts that if the informal economy is not managed properly it will negatively affect retail businesses, security and cleaning in the inner city (CTP, 2004). The 'proper management' of the informal economy has major implications for street traders as the strategies employed by the CTP and CoCT have been based on the regulation and confinement of traders to specific zones that are away from formal business, tourists and residents of the inner city. Figure 17 is map showing the permitted trading zones in the inner city. As can be seen, traders are concentrated away from roads, municipal buildings, and commercial areas and more importantly away from the residential areas in the city, as can be seen by the has small number of trading bays in the residential zone.

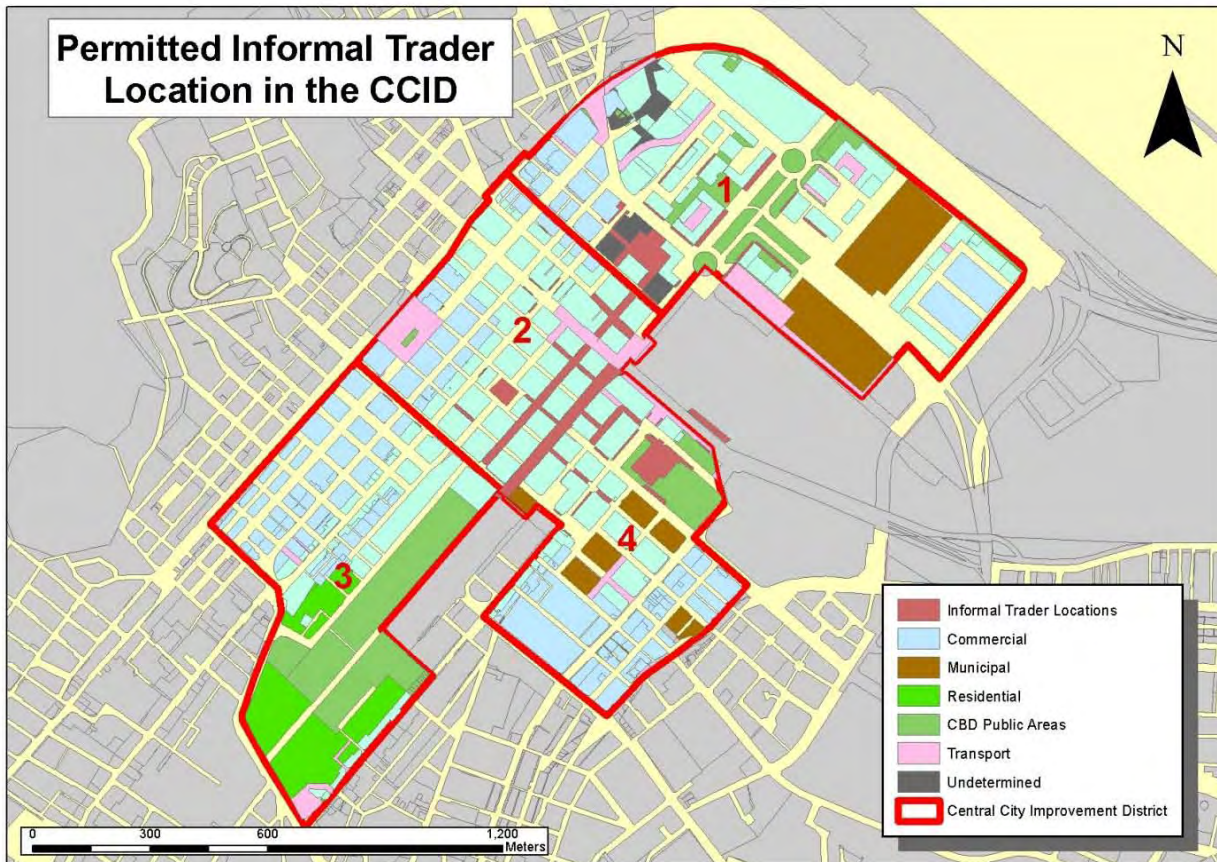


Figure 18: A map showing the permitted informal trading locations in Cape Town's Inner City. The upper Deck is in precinct 4

Internationally and in South Africa there has been a historically strong partnership between local government and formal businesses, who have harboured a negative attitude towards informal workers as purveyors of 'crime and grime', and as the cause of the hollowing out of the central city (Chen et al., 2001). Miraftab asserts that there is a contestation of public space between the poorer segments of society and formal business owners in Cape Town's inner city. At the heart of the contestation has been a battle over the idea of "world class cities" in South Africa as European, orderly and formal against one that is more African, vibrant and bustling with trade. The CTP emphasises the importance of creating, promoting and facilitating a world-class city which suggests that the CTP seeks to create a city that ordered and one that attract investment and development (CTP, 2009; CTP, 2010; CTP, 2011; CTP, 2012). The pursuit of a

'world-class city is indicative of the support of formal businesses and private sector investors. This support is often at the expense of street traders, as street trading is often regarded as the antithesis of development, order and control. The regulation and control of street traders is done through 'informal market upgrading' which can be viewed as a euphemism for the forced removal and relocation of traders from the streets to confined markets around the city.

While the CTP is not explicitly mandated to support the interests of street traders, it plays a significant role in the overall planning and management of the inner city. This can be observed through the formulation of the Informal Trading Bylaw (CoCT, 2009) and the Informal Trading Management and Policy Framework, which were formulated by CoCT in collaboration with the CPT. The CTP has pursued the goal of outsourcing trade market management to the private sector which involves the relocation of traders from the street to markets which is consistent with the Informal Trading Management and Policy Framework's second stage in the development continuum for informal trade in the inner-city.



Figure 19: Empty trading bay in the Lower Deck after the removal of traders. Source (Mathebula, 2013)

This narrow and clinical approach to the issue of street trading ignores the socio-economic implications of rolling back public space that can be used for economic purposes by the working poor and shows a disconnect and insensitivity on the part of local government to the realities on the ground. An issue that arose repeatedly in the research is that, over and above the fact that not enough legal trading spaces are being created. The few 'legal' spaces that are being created are often economically less viable than their previous locations for the traders, who rely on footfall and passing trade, and inevitably results in more traders being evicted than are given space to trade.



Figure 20: The Lower Deck of Cape Town Station today. Source: (Mathebula, 2013)

This results in a loss of income amongst traders due to the proliferation of traders in one place selling identical goods as was revealed in section 5.4.7 (b). Primarily, street traders offer convenience to their customers as they go about their daily business in the city due to the fact that they are accessible in the street, trader markets detract from this advantage. This presents traders with a dilemma whereby the newly established malls and markets offer a legal and serviced environment free from the constant threat of confiscation of goods. However the new markets are often not well-placed or well-suited to the needs of street traders and business is generally much slower. Thus, there is an unacceptable trade-off emerging for street traders in the inner city of Cape Town between a successful business and economic viability on the streets, and the improved infrastructure and criminalization of their trades.

Holness et al. (1999) asserts that that planners educated in Western conceptions are unwilling to accept the role of street traders, perceived as unsightly and inappropriate in an orderly urban environment, and a health and safety hazard. These attributes, along with apartheid policies, have resulted in widespread repression in the CBDs of South African cities. Furthermore the segregation of urban spaces and services reinforce the apartheid spatial inequity; and are unable to meet the needs of a hybrid economy (Dobson, 2009). The regulatory mechanisms used by the local authorities to control street trading in Cape Town's inner city, through the demarcation of areas of trade resonate with the apartheid practise of restricting informal trade away from the most financially viable areas with the most passing feet. This is generally a result of pressure coming from formal businesses who view street traders as a threat to their income (Rogerson & Hart, 1989:3).

5.7 Summary of Findings

5.7.1 Demographic

(a) Education Levels

The education levels amongst traders were found to be low but higher than that from other studies. Education amongst male migrant traders was found to be higher than their South African counterparts as they had some form of tertiary education while South African Traders were found to have none. This indicates that there is need for the support and training of traders to advance their skills.

(b) Dependency

Female traders were found to have a high level of dependency. They have a high number of people dependants on their incomes and were found to be taking care of children at their businesses which has a negative impact on their ability to trade. This was also found in studies by. This indicates that there is a need for the local authority to provide supporting infrastructure for child care to female traders.

5.7.2 Trader Relations

(a) Xenophobia

The level of xenophobia on the deck is particularly high and creates a fearful environment for traders. Xenophobia in South African street trade has been well documented by. The local authority needs to take a stronger stance against xenophobic and create opportunities for relationship building amongst traders.

(b) Limited Organisation

Trade organisation and the membership levels of trader organisations was found to be low. The lack of unity amongst traders inhibits their ability to effectively communicate their issues with the local authority. Furthermore the fragmented relationship between trader organisations

negatively affects the local authority's ability to communicate effectively with traders. There is a need for traders to create inter-trader unity in order for them to present a cohesive voice with regards to common felt issues.

5.7.3 Economic

(a) Reasons for Joining the Informal economy

Traders were found to be marginalised individuals that join the informal economy due to participation barriers in the formal economy. Street trade is thus a last resort that presents a viable means of income for people that would otherwise have no other means. The local authority should make a concerted effort to support this expanding sector in Cape Town.

(b) Fluctuation of Income

The traders' incomes were found to fluctuate during harsh weather conditions as the lack of adequate shelter impacts on their ability to trade, and drives customers to alternative routes. There is a need for the city to improve infrastructure and review their policy which states that traders will be provided with the bare minimum of services.

(c) Duplication of Goods

One of the implications of the local authorities approach to street trading is that traders are grouped together in confined spaces with limited trading space. This results in a duplication of goods and services in a concentrated area of trade. There is a need for the local authority to offer more trading bays in multiple locations in order to increase trader's access to more passing feet.

(d) Less Lucrative Clientele.

Street traders were found to be moved from areas with more passing feet (such as the Lower Deck) and more lucrative clientele, to zones that consist of people with less purchasing power. This negatively impacts on traders' potential to maximise their income. It is important that traders are given access to economic opportunities that will allow them to maximise the income

they can generate from clientele with high purchasing power.

5.7.4 Implications of local governance approach

(a) Relationship with the state

The relationship between the local authority and street trader was found to be limited on multiple levels. Communication between the state and traders was found to be minimal due to the large numbers of trader organisation and the lack of presence city council officials on the site. Furthermore the relationship between trader's and the most visible presence in in market (CCID) security guards serves

(b) Non inclusive Governance

The lack of partnership between traders and the local authority as well as the lack of trader representation on decision making bodies has excludes traders from governance and planning. There is a need an institutional partnership between traders and local authority's in order to include traders in planning processes in the inner city.

(c) Criminalization of Livelihoods

There is a strong need for the city to review its penalties for traders conducting business in "illegal' trading zones. The confiscation of goods by the local state without an adequate appeals body infringes on traders ability to generate an income. Furthermore acquiring a permit and licence to trade appears to be a tedious process for traders.

(d) Lack of Security of Tenure

Traders were found to have little to no voice with regards to being relocated. This highlights a broader issue of concern which is the lack of an adequate period of tenure that forces traders to

operate in an insecure environment, where they may be moved according to local authority's spatial plans, within a limited period of notification. There is a need to offer traders a greater period of tenure than the monthly and weekly basis that they operate in currently.

(e) Marginalising of Street Trade

In the context of high unemployment and massive inequality, the informal economy is a viable and only means for a majority of traders. However the emphasis on creating a world class city that seeks to attract investment has major implications for traders. The restrictions imposed on those trading in the inner city at the expense of creating a Eurocentric city (as argued by some), inhibits the growth of a vital part of the economy,- the informal trading sector. There is need to shift the city away from a 'world class city' discourse to an 'inclusive city' discourse where there are no barriers to entering and participating in both the formal and informal economy.

5.8 Concluding Remarks

From the research findings, it may be concluded that the local authority's governance approach to street trading serves to marginalise traders and does not include them in spatial planning initiatives. The research findings demonstrate a lack of public participation in the policy formulation and implementation of strategies that impact on traders' livelihoods. Through a complex institutional arrangement that does not have any representation of street traders or trader organisations; the local authority pursues spatial plans such as the redevelopment of Cape Town Station in order to attract investment and formal businesses at the expense of traders. This has implications for traders who are relocated and concentrated into demarcated trading zones with less passing feet and furthermore, into areas where the clientele base has less purchasing power. This is compounded by a duplication of goods and services amongst traders who are forced to sell to a far more limited clientele base due to the lower number of passing feet than are found elsewhere such as the lower deck. This highlights a broader issue of concern which is the lack of an adequate period of tenure that forces traders to operate in an insecure environment, where they may be moved according to local authority's spatial plans, within a limited period of notification.

The lack of unity and organisation found amongst traders further exacerbates their marginalisation and lack of inclusion in the spatial planning process. Traders are unable to present a single cohesive voice to city council officials who find it challenging to communicate their plans with multiple sporadic organisations that form on an ad hoc basis. The limited relationship between traders and the city council is further frustrated by a lack of direct channels of communication between traders CoCT and the CTP. This has implications for the lived experiences of traders in these markets that are unable to report the harassment they face at the hands of CCID security guards. This perpetuates the sense of fear that was found amongst foreign traders who are unable to voice their concerns for fear of repercussions and a lack of action from the authorities on their behalf.

The high levels of xenophobia in the market add to the fear found amongst migrant traders. Foreign traders who have a higher level of education and skills (and therefore more successful businesses) could impart their knowledge on South African traders. However, the feelings of animosity found amongst South African traders towards their foreign counterpart's limits this relationship. The low levels of education amongst traders highlights that there is lack of support on the part of CoCT in providing traders with skills and training as stipulated by the Informal Trading Bylaw (2009). This lack of support is reflected through the challenges experienced by female traders who have large number dependants, who could be found in the trading vicinity and had a negative impact on their ability to trade.

Chapter 6: Recommendations and Conclusion

6.0 Introduction

The findings in chapter 5 suggests that the relationship between street traders and the local authority in inner city Cape town is suffering from major governance challenges. There is strong need to review the local states approach to street trading from an institutional, policy and implementation level. While the CTP is not legislatively mandated to manage street trading, chapter 5 found devolution of responsibilities from CoCT to the CTP, with regards to urban planning strategies and programmes that impact on street traders lives. Hence what follows is a set of recommendations that the CTP and CoCT could adopt to be more inclusive of traders in urban planning. These recommendations will suggest ways in which the local authority could incorporate traders' issues into their spatial strategies. These recommendations are aimed directly and addressing the issues and challenges that affect street traders that were identified in chapter 5 and stem directly from the inclusive and cooperative planning practises that were identified in the literature review in chapter 2. The following section discusses the limitations of the research and future areas of research.

6.2 Recommendations

6.2.1. Institutionalizing Informal Trade

By institutionalising street trading activities, necessary state funding can be allocated to the support of informal economic activity in the inner city (Skinner, 2000). In Cape Town's inner city street trading is mandated to BAM, which in turn is one of five units in the Economic and Human Development department in the inner city. BAM has other mandates other than street trading alone. Rather, its responsibilities and resources are shared across a number of tasks. The eThekweni Municipality in Durban recognises the importance of street trade as sustainable source of income for large parts of its population and has provided institutional status to the managing of informal economic activity in the city.

This means that street trade and other informal economic activities are managed by a distinct department (The Department of Informal Trade and Small Business Opportunities) which is dedicated to coordinating, supporting and managing the local informal economy of Durban's inner city and wider metropolitan area. This Department has access to the necessary resources required to adequately its strategies and programmes with regards to informal trading. Skinner (2000) asserts that the institutional location of the informal economy in Durban is one of the main reasons why there are more trading facilities and opportunities for trade than in other cities in South Africa. It is imperative that CoCT adopt a similar approach and create a distinct department for informal economic activities in the inner city and greater Cape Town area. This would streamline resources and ensure that traders' issues are dealt exclusively by a single department that can incorporate their concerns in urban planning.

6.2.2 Organising and Aligning Trader Organisations

The organisation and alignment of street traders association is necessary to ensure that the general issues affecting all traders can be adequately represented during policy formulation. Street trader organisation were found to be fragmented and the lack of inter associational cooperation amongst the various organisations act as an impediment to advancing issues affecting informal traders in the inner city. The CoCT expressed the inherent difficulties in dealing with multiple trader organisations that all present varied issues pertaining to a specific street trader demographic. It is therefore recommended that a single unified body that represent a majority of the traders in the inner city be established. The body could take the form of a union of trader associations in the inner city. The executive body of such a body would comprise of the various demographic groups including foreign and female traders to ensure that all traders' interest are represented. This union would then act as the vehicle through which traders interests are represented. A cohesive voice among traders could serve to increase traders bargaining power during negotiation processes with CoCT and the CPT.

Street traders in Dar es Salaam, Tanzania faced a similar situation as the traders in Cape Town's inner city. Prior to the reorganisation of traders in the city, there was limited communication between the local authority and traders, furthermore trader had a limited role in the decision making process. Through the Sustainable Dar es Salaam Project (SDP), which was established in 1992 with the technical support from UN Habitat came the formation of two prominent trader organisations: Viwanda na Biashara Ndogondogo (VIBINDO); and Kikundi cha Wauza Khanga na Batiki (KIWAKU). These two trader organisations play a significant role in local government decision making processes. VIBINDO and KIWAKU play a significant role in uniting traders through a common cause and give traders a stronger position during negotiation processes with city officials (Brown, 2006).

A primary objective of the SDP was to make the Dar es Salaam local government adopt a collaborative approach towards the management and support of street trade in the city. The formation of these two trader organisations culminated in the publication of street trader

guidelines by the Der es Salaam City Commission which explicitly set out the communication channels which these two organisations should use in order to communicate with the local state. Furthermore the guidelines require traders to register with these two organisations in order to increase their participation in decision making processes. The increase in street trader organisation and collective action has yielded results such as traders making a direct input in the types of trading facilities they require from the local government.

6.2.3 Participation

Public participation spaces should have equal opportunities for all stakeholders or interest groups to have their concerns attended to. Decision making processes in local governance are faced with the problem of unequal power dynamics where marginalized groups have lower chances of getting their concerns addressed. There is also the problem of city officials who come to the meetings with predefined problems and solutions. To accommodate marginalized groups and those who do not have economic, political or any other kind of power, decision making processes should reflect democratic values. All public community members should be treated equally and they should all be given equal opportunities to address their concerns. Nyalunga (2006) in his article concerned with fostering a conducive atmosphere for public participation asserts that, “citizen participation should not be reduced to participation only by the elite. Organized civil society, business, interest groups and ordinary citizens are critical agents of the participatory process” (Nyalunga, 2006; 13). Although facilitating negotiations among different interest groups can be far more challenging than anticipated, equipping city officials with negotiation skills can help them to successfully conduct public participation processes. Therefore local governments should promote training programmes in which city officials, informal traders’ representatives and any other prominent members are equipped with leadership and communication skills. CoCT should not be only concerned about building public participation capacity with reference to their staff only but with traders as well.

The urban renewal project in Warwick Junction again provides an example of a concerted effort by local government to include traders in the planning process. Before the start of each phase of

the development a wide range of stakeholders was consulted, including street traders and their organisations. Once an initial design was ready, Project staff and the area manager from Business Support began presentations and discussions with traders and their leaders. These took place at a number of levels, starting with more formal presentations of the drawings, followed by on-site presentations where the new plans could be demonstrated visually. The area manager and a liaison officer spent hours each day on the street, engaging one-on-one with traders, helping to clarify issues and allowing concerns to surface. The construction phase entailed a good deal of negotiation as inevitably traders were disrupted.

There were detailed individual negotiations with traders to try to make sure that their new temporary location was situated on a site that provided trading opportunities similar to those they had had before. This was also important in maintaining the trust of traders. Another important issue was keeping to the agreed construction schedule. If there were delays these were communicated early. Trader representatives were also given periodic tours of the construction site so they could witness the progress first hand. An indication of the extent to which traders were prepared to cooperate with the reconstruction was the way in which they worked with the contractor on day-to-day logistical issues. A committee of traders was set up to assist the contractor. This group would, for example, negotiate with the taxi rank associations to ensure that taxis did not block access when construction material was being delivered.

6.2.4 Communication

This poor communication that was found between CoCT and the informal traders suggests that there should be an effective strategy put in place to make sure that such hindrance is overcome in future. Using public notices as means of alerting public communities about set meetings and other agendas seems to be not effective enough. Since informal traders are directly affected by informal trading by-laws, the city officials responsible for the informal economy need to have a special way of communicating with such interest groups.

In the case of special occasions like the formulation of by-laws, it could be better if public

notices are accompanied by letters directed to special groups of interest. This would help to inform the participants about what to expect in the meeting and to give them a chance to think about what they would like to present in the meetings. In recognition of the importance of the informal traders' views in the process of informal trading by-laws amendment, in future the CoCT and other local governments should consider distributing letters or notices directly to all stakeholders. The traditional strategies of communication through advertising in local newspapers, putting notices in prominent public places and making announcements on radio stations should also be improved.

The informal traders' organisations and any other groups existing within the informal traders' community need to be recognised and utilised by the city authorities as agents of communication. Using these organisations will not only improve the flow of information between the city officials and the informal traders but will also help the informal traders to reach a consensus among themselves before they meet with the city officials for taking final decisions.

6.2.5 Including Traders in Planning Process

A key finding in the research was the lack of any form of partnership between street traders the CTP and CoCT. Furthermore there is a lack of representation of traders in any of the decision making bodies. This results in the exclusion of traders in the planning processes that impact on their livelihoods. It is imperative that traders be included in planning processes through forming partnerships and institutional arrangements with traders and trader organisations.

Bhubaneswar offers a good precedent of how CoCT and the CTP could include traders in the planning process.

In Bhubaneswar, the basic issue of devising a policy framework for regularizing street vending remained unaddressed for a long time. However, the need for an amicable policy was felt by both the town authorities and vendors alike. Both the parties realized that their tug of war benefited no one, and coming up with an enduring solution would require peaceful negotiations

through social dialogue. After multiple rounds of brainstorming between the vendors' organization and town authorities, a conceptual model involving dedicated vending zones was collectively agreed to in December 2006. Under this model, legally sanctioned, aesthetically pleasing fixed kiosks were to be constructed in the vending zones and handed over to the vendors working in the area.

Between 2007 and 2009, 52 vending zones were created; as of December 2011, there were 54 vending zones with approximately 2,600 kiosks (Mohapatra 2011). The key ideas behind designing the policy framework were to bring all the relevant stakeholders together for joint planning and then to implement it through partnership among them. Bhubaneswar thus became among the first cities in India to acknowledge street vendors as an integral part of the city and to regularize them through a complex public, private and community partnership model that CoCT could adopt.

6.2 Limitations of this Study and Future Research

6.2.1 Sample Size and Study Area

The twenty participants used for this study were selected without being representative of the gender or ethnic dynamics in the market. Furthermore the study was limited to a confined market in the CBD. Future research would need to expand to traders operating in other markets with a larger sample size that is more representative of the dynamics in the market.

6.2.2 Foreign Traders

The theme of migrant traders resonated throughout the research process and the issue of economic tensions between migrant traders and South Africans was underexplored. Future research will have to look at an economic comparison of migrant traders and South African traders as well as why migrant traders appear to be more successful than their South African counterparts.

6.2.3 Involvement of CTP and PRASA

The CTP and PRASA emerged as key role players in the inner city. However due to time constraints, representatives of their organisations were not interviewed. Future research will have to include their views in order to gain a better understanding of their roles in governance of the inner city.

6.2.4 Involvement of other Departments

The role of other departments in the City of Cape Town was not explored. Future research would need to incorporate other departments whose decisions impact on the livelihoods of traders

6.2.5 Trader Organisations

While a trader organisation was interviewed for this project. There were reports of numerous organisations on the deck. Future research would need to consider their views as well.

6.3 Conclusion

The literature highlights the importance of the informal economy in developing nations. The studies show that the informal economy is growing and is increasingly a key source of income for the working poor. The most visible form of the informal economy is street trade. In a global context of rapid urbanisation and growing unemployment, it is the sector of the informal economy that most individuals with no other means of income enter. As it is located in urban space it presents governance challenges for local authorities that have struggled to fully adopt a model that is inclusive of street trade in spatial planning, while simultaneously enhancing the working environment of disadvantaged groups that join the informal trading sector. This is the case in Cape Town. The research findings suggest that the local authority's governance approach to street trading serves to marginalise traders and does not include them in spatial planning initiatives. This is demonstrated by a lack of public participation in the policy formulation and implementation of strategies that impact on trader's livelihoods. As well as an institutional arrangement that does not have any representation of street traders or trader organisations in the inner city.

It is imperative that the local authority adopt a more participatory and inclusive approach to informal trading, which has historically been a key source of income for previously disadvantaged groups in South Africa. While the policy and legislative environment has changed significantly since apartheid, street traders are still treated as unwanted entity that does not fit in with the image of the world class city that the local authorities in Cape Town are pursuing. This has negative implications for street entrepreneurs who continue to operate in an environment that is restrictive and not reflective of the important role that the informal economy plays as a source of livelihoods for the working poor.

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8. Appendices

8.1 Appendix 1: Questions for street traders

Date and time of interview:

Name of respondent:

This research is intended to explore the longer term implications of informal market upgrading on the street vendors located in Cape Town's CBD. The research is strictly for academic purposes and the identity of the respondents will be kept anonymous.

Screening questions:

Do you own this enterprise? (If no who does and how can I get hold of him/ her)

What year did you start trading at the Cape Town station? (If post 2009 end interview)

1. Basic Demographics
 - 1.1. How old are you?
 - 1.2. What is the highest level of education you completed?
 - 1.3. Where in Cape Town do you currently live (suburb name)?
 - 1.4. Where you born in Cape Town? (if yes go to 1.6)
 - 1.5. If no, where were you born?
 - 1.5.1. How long have you been in Cape Town?
 - 1.5.2. What made you come to Cape Town?
 - 1.6. How many people are dependent on your income?
 - 1.7. How many other income earners are there in your household?
2. Trading Activities
 - 2.1. What was your occupation before trading at this site?
 - 2.2. Please describe how this area has changed since you began trading here?
3. Experience of World Cup?
 - 3.1. How did the World Cup affect your business?
 - 3.2. How has the current location of your stall affected your business?
 - 3.3. What were the biggest changes you've experienced as a trader since 2010?
4. Experience of Market Upgrade in 2009/10
 - 4.1. Can you describe how the upgrade of your market took place?
 - 4.2. How did the city involve traders in these plans?

- 4.3. How were you assigned your current stall location?
 - 4.4. What impact have the changes to the market had on your business?
 - 4.5. Which concerns that you or other traders raised were incorporated into the upgrade?
 - 4.6. What are the three main differences between the facilities you have now and the ones you had before the upgrade.
5. Relationship with the State
 - 5.1. In your experience how has the councils approach to traders changed over time?
 - 5.2. Which government officials do you have regular contact with?
 - 5.3. Are there any challenges in interacting with these officials?
 - 5.4. Do you have any contact with the coucilorors?
 - 5.5. How do you raise any concerns with city officials?
 - 5.6. What is the process of getting a permit or licence to trade?
 - 5.7. How much are you charged for this site per month?
6. Relationship between traders and trader organisations
 - 6.1. How would you describe the relationship between traders in the area?
 - 6.2. Are you a member of a trader organisation?
 - 6.3. If yes?
 - 6.4. Which one?
 - 6.5. What are the primary benefits you get from membership?
 - 6.6. If no why not?
 - 6.7. What do you think are two or three primary issues trader organisations should be concentrating on?
 - 6.8.
7. Migrant – SA Trader Relations
 - 7.1. Are there tensions between foreign traders and South African traders in this market?
 - 7.2. If yes, what is the reason behind these tensions?
 - 7.3. Are there ways these tensions could be resolved?
8. General Experience of Traders
 - 8.1. What are the three main problems you face as a trader operating in this market?
 - 8.2. What are the positives of trading in the area?
 - 8.3. What would you identify as the three priority changes you would like to make to the area?
9. Economics
 - 9.1. Where do you purchase your goods from?
 - 9.2. What is your turnover in a good week?
 - 9.3. What is your turnover in a bad week?
 - 9.4. What is your profit from this business (the money you take home after you've paid all your business expenses) in an average week?

10. Future Vision

10.1 What is your future vision of the Deck?

10.2 What would you like for the City to do to support your business?

Observables

Race:

Sex:

Good and services sold:

State of Infrastructure:

Location (on map):

8.2 Appendix 2: Guiding questions for interview with trade organization leader.

1. Which trader organisation do you represent and how long have you been active?
2. What is your role in the organisation?
3. How would you say street trading in the inner city has changed over time since you've been active?
4. What is your opinion of Coct's approach to street trading?
5. What challenges do street traders face in general?
6. What challenges do female traders face and which support structures are in place for them?
7. How have permits and licencing affected traders in the inner city?
8. How has the 2010 FIFA world cup affected street trading on the upper deck in the inner city?
9. How has the market upgrade on the deck affected traders?
10. What are your views on migrant traders ?
11. Do tensions exist between South African and migrant traders?
12. How have street traders been affected by the Coct street trader by laws as well as the nuisance by laws?
13. Does Coct as well as the Cape Town Partnership have inclusive practices for traders?
14. What have been traders' general experiences with CCID officials or other policing officials?
15. How are street traders organised in general?
16. Do trader organisations play a significant role in decision making?
17. How does your organisation resolve conflict with Coct
18. What is your vision of street trade in the city deck?

8. 3 Appendix 3: Guiding Questions for interview with City of Cape Town official.

1. What is your role within Coct and how long have you worked in the council?
2. How has Coct's approach towards street trading in the inner city changed since 1991?
3. How is Coct currently supporting traders in the inner city?
4. How high is informal trade on Coct's agenda?
5. How many resources does the city allocate to street traders in the inner city?
6. What support structures are in place for vulnerable traders such as women?
7. How has the upper deck changed over time with regards to informal trade?
8. How did the FIFA world cup affect the city's approach to trading on the upper deck?
9. Do Coct's by laws enable or disempower traders?
10. What are your views on migrant traders
11. Do Tensions exist between traders?
12. Which channels are in place for communication between traders and trader organisations?
13. How does Coct resolve conflict with traders?
14. What has been your general experience with street traders on the deck?
15. How are street traders organised in general?
16. Do trader organisations play a significant role in decision making?
17. What is your vision for street trade on the city deck over the next ten years?

8.4 Appendix 4: Interviewees by sex, nationality and sector

Sex	Food	Non Food	Service
Female	SA – x Foreign -	SA – Foreign –	SA – Foreign –
Female	SA – Foreign –	SA – Foreign –	SA – Foreign –x
Female	SA – Foreign -	SA – Foreign –	SA – Foreign –x
Female	SA – x Foreign –	SA – Foreign –	SA – Foreign –
Female	SA – Foreign -	SA – Foreign –	SA – Foreign –x
Male	SA – Foreign –	SA – Foreign –	SA – Foreign –x
Male	SA – Foreign -	SA – x Foreign –	SA – Foreign –
Male	SA – Foreign –	SA – x Foreign –	SA – Foreign –
Male	SA – Foreign -	SA – Foreign –x	SA – Foreign –
Male	SA – Foreign –	SA – Foreign –x	SA – Foreign –
Female	SA – Foreign - x	SA – Foreign –	SA – Foreign –
Female	SA – Foreign –	SA – Foreign –	SA – Foreign –x
Female	SA – Foreign -	SA – Foreign –	SA – Foreign –x
Female	SA – x Foreign –	SA – Foreign –	SA – Foreign –
Female	SA – x Foreign -	SA – Foreign –	SA – Foreign –
Male	SA – Foreign –	SA – x Foreign –	SA – Foreign –
Male	SA – Foreign -	SA – x Foreign –	SA – Foreign –
Male	SA – Foreign –	SA – Foreign –x	SA – Foreign –
Male	SA – Foreign -	SA – Foreign –x	SA – Foreign –
Male	SA – Foreign –	SA – x Foreign –	SA – Foreign –
	SA – Foreign -	SA – Foreign –	SA – Foreign –

8.5 Appendix 5: EBE Faculty Assessment of Ethics in Research Projects