

UNIVERSITY OF KWA-ZULU NATAL

**THE EFFECTS OF DURBAN MUNICIPALITY'S INFORMAL
ECONOMY POLICY ON INFORMAL MARKET MANAGEMENT:
A CASE STUDY OF MILLENNIUM MARKET, PHOENIX**

BY

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DECLARATION

**Submitted in partial fulfillment of the requirements for the degree of
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**I declare that this dissertation is my own unaided work. All citations,
references and borrowed ideas have been duly acknowledged. It is being
submitted for the degree Masters of Science in Urban and Regional
Planning (Environment and Planning) in the Faculty of Humanities,
Development and Social Science, University of KwaZulu Natal, Durban,
South Africa. None of the present work has been submitted previously
for any degree or examination in any other University.**

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	<u>TABLE OF CONTENTS</u>	PAGE
CHAPTER ONE: Research Framework		
1	Introduction	1
1.1	Research Problem	2
1.2	Research Questions	2
	Subsidiary Questions	3
1.3	Research Methodology and Methods	3
1.3.1	Secondary Research	3
1.3.2	Primary Research: Interviews with Local Stakeholders and Onsite Observation	3
1.4	Analysis of Findings	6
1.5	Structure of Dissertation	6
CHAPTER TWO: Conceptual Framework		
2.1	History of Informal Economy in South Africa	7
2.2	Terminology	9
2.3	Flourishing Nature of Informal Economy	14
2.4	Policies Relating to the Informal Economy	16
2.5	eThekweni's Informal Economy Policy	16
2.5.1	A Developmental Approach	17
2.5.2	Policy Formation Process	17
2.5.3	Previous Situation in Metro Durban	18
2.5.4	Main Elements of the Policy	19
a)	Diverse Economic Opportunities	19
b)	Area Based Management and Support of Small Enterprises	20
c)	Management and Support of Entrepreneurial Development	21
d)	Integrating Environmental Health into the Informal Economy	23
e)	Organizational Capacity	23
f)	Safety and Security	23
g)	Participation of Formal Businesses in Informal Economy	24
h)	Inclusive Platform for Formal and Informal Sector	24
i)	Monitoring and Evaluation	24
j)	Transitional Arrangements	25
2.6	Application of the Policy	25
2.6.1	Conflicting Internal Objectives and Perspectives	25
2.6.2	Shortcoming and Amendments to the Policy	26
2.7	Conclusion	27
CHAPTER THREE: HISTORY OF MILLENNIUM MARKET		
3.1	History of Phoenix	28
3.2	Location of Market	31
3.3	History of the Millennium Market	31
CHAPTER FOUR: ANALYSIS OF INFORMAL TRADING IN THE MILLENNIUM MARKET		
4.1	Operation of the Millennium Market	33
4.1.1	Interaction between Trader and Customers	33

4.1.2	Techniques used to Sell Goods	34
4.1.3	Competition between Traders	34
4.1.4	Popular Goods amongst Customers	35
4.1.5	Attitudes of Traders and Customers	36
4.2	Management of Millennium Market	36
4.2.1	Market Association	36
4.2.2	Body Corporate for Traders Operating outside the Market	37
4.2.3	Operation and Function of Market Association	38
4.2.4	Rules and Regulations for Market	38
4.2.5	Long term Vision and Goal of Association	39
4.2.6	Trader Issues and Solutions	40
4.2.7	Customer Issues and Solutions	41
4.2.8	Durban Informal Economy Policy (board awareness)	41
4.3	Traders Operating in the Market	42
4.3.1	Profile of Traders	42
4.3.2	Reasons or Trading in the Millennium Market	43
4.3.3	Ownership of Stalls and Suppliers	48
4.3.4	Income and Expenses	49
4.3.5	Role of the Market Association	51
4.3.6	Improvements in the Market	52
4.3.7	Traders Awareness of Durban's Informal Economy Policy	52
4.4	Traders Operating on the Pavement Outside the Market	53
4.4.1	Profile of Traders	53
4.4.2	Reasons for Trading on the Pavement outside the Market	54
4.4.3	Goods Sold by Traders	57
4.4.4	Role of Body Corporate	57
4.4.5	Trader Preference, Income and Expenses	58
4.4.6	Improvements to Trader's Lives	60
4.4.7	Street Traders and Durban's Informal Economy Policy	61
4.5	Customers	61
4.5.1	Profile of Customers	61
4.5.2	Reasons for Shopping at Market	62
4.5.3	Shopping Patterns	63
4.5.4	Goods Purchased and Price Comparison to Formal Shops	63
4.5.5	Improvements to make Shopping more Pleasurable	64
4.6	Conclusion	64

CHAPTER FIVE: DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.1	Summary	65
5.2	Recommendations	66
5.3	Conclusion	69

REFERENCES	70
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LIST OF CHARTS

1	Breakdown of the Informal Economy in 2006	15
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LIST OF FIGURES

1	Continuum of Work Situations	13
3.1	Phoenix and Major Shopping Centres in the North	29
3.2	Phoenix Business Centre	30
4.1	Structure of the Millennium Market Association Body	37
4.2	Millennium Market and Surrounding Centres	45

LIST OF TABLES

1	Gender of Traders within Market	43
2	Age of Traders within Market	43
3	Monthly Income and Expenses of Traders in Market	50
4	Gender of Pavement Traders	53
5	Age of Pavement Traders	54
6	Monthly Income and Expenses of Pavement Traders	59
7	Gender of Customers	62
8	Age of Customers	62

LIST OF PHOTOGRAPHS

1	Fruit and Vegetable Stall in Market	35
2	Stalls in Market	39
3	Different Goods Sold in the Same Stall	40
4	Food Stall in Market	48
5	Fast Food Trader at Taxi Rank	55
6	Trader outside Shops on Private Property	55
7	Display of Goods on Pavement	60
8	Goods in Boot of Car	61

APPENDICES

1	Interview Sheet for the Informal Traders that Operate within the Market	73
	Interview Sheet for the Informal Traders that Operate on the Pavement Outside the Market	78
2		
3	Interview Sheet for the Customers of the Market	83
4	Interview Sheet for the Members of the Millennium Market Association	85
	Interview Sheet for the Member of eThekweni Business Support and a member of the Town Planning Department	88
5		

LIST OF ABBREVIATIONS

ITSBO -Informal Trade and Small Business Opportunities branch

DTI - Department of Trade and Industry

SMME - Small Medium and Micro Enterprise

ITMB - Informal Trade Management Board

CHAPTER 1

RESEARCH FRAMEWORK

1. INTRODUCTION

“The hawkers have trundled up their carts and repacked their wares, the pavements are bustling with women.... They bump each other, they buy from each other bargaining, bantering all the time” (Hart in Preston-Whyte and Rogerson, 1991: 70). The informal economy is a phenomenon which people come into contact with on a daily basis, whether it is buying a watch from a street vendor or hiring a domestic worker to clean the house. The informal economy has become an integral part of the South African economy.

The South African informal sector is one that is thriving and includes a number of different activities. It is a sector that has shown the most growth and value in monetary and social terms over the past decades. According to Skinner (2000), “typical street traders are poor and black and women, so have been disadvantaged on all three counts throughout their lives.” (Skinner, 2000: 6). This quote shows that the informal economy has contributed to the improvement of the lives of disadvantaged and poor individuals. It has allowed people to earn a living in which a high degree of skill is not needed. Carr and Chen (2002) comment on the fact that the informal economy has filled the gap that is left by the formal economy; the people that are considered unskilled flock to the informal economy to earn a living. (Carr and Chen, 2002: 2).

In 2001 eThekweni adopted the Durban Informal Economy policy (in 2001, the policy was adopted by the former Durban municipality and is currently being implemented by the eThekweni municipality) that allowed the municipality to promote local economic development but simultaneously allowed the needs of the street traders to be addressed. The policy is unique in that it does not only provide solutions to the immediate problems but attempts to pave a way forward for both the municipality and informal sector operators. In doing this the policy aims to achieve long term solutions rather than ‘quick fixes’.

The Millennium market, which is located in the residential area of Phoenix, is the case study for this dissertation. The opening of the Phoenix Plaza shopping centre in 1992 resulted in the opening of the informal market, to prevent hawkers from trading on the streets (upon observation this has still occurred). The primary activity of the market is informal trading, clothing being the dominant item of sale.

More than a decade later, the informal market is thriving and both in size and number of daily customers and traders. This dissertation will focus on one facet of the informal economy, namely street traders who operate in and around the Millennium market. This dissertation will critically examine the effects Durban's Informal Economy policy has had on the informal traders who operate in this area.

1.1 Research Problem

In South Africa the informal economy is one that is rapidly growing, dynamic and unpredictable. It is part of the economy that is part of an unseen network, one that supports a large percentage of the population. With this increase, there are a number of associated problems that have to be addressed. The eThekweni municipality released an informal economy policy in 2001 to address these problems.

This study focuses on the Millennium market that is situated in the residential area of Phoenix. It is one that has had a rapidly growing informal economy for the past decade. The objective of the study is the analysis of Durban's Informal Economy policy and the effects that it has on the activities of street traders, with a particular interest on the effect that the policy has on the traders within and around the Millennium market.

1.2 Research Questions

What effect has the Durban informal economy policy had on the activities of the street traders' operating in and around the Millennium market?

Subsidiary -questions

- a) What are the current activities in the Millennium market?
- b) What is eThekweni municipality's policy regarding the formalization of the informal sector?
- c) To what extent and in what ways has the policy been implemented in the Millennium market?
- d) What are the consequences for the street traders in the Millennium market?

1.3 Research Methodology and Methods

The study involved both secondary and primary research.

1.3.1 Secondary Research

This part of the study consisted of a literature review on both the informal economy and the policies that affect the people that operate within this sector, in South Africa and particularly in the Millennium market. Case studies, newspaper articles, journal articles and reports on pilot projects from different areas were referred to. Notices, written documents and any written material that affects the members of the Millennium market were examined.

1.3.2 Primary research: Interviews with local stakeholders and on-site observation

The primary research consisted of interviews with various role players in the informal economy and with officials who dealt with the policies that affected people working in this sector. It also involved a structured on-site observation.

Following a preliminary site visit the following different interest groups were identified:

- (a) Members of the Millennium Market Association
- (b) Informal traders within the market
- (c) Informal traders who operate on the pavements outside the market
- (d) Customers of the informal market
- (e) Municipality officials responsible for implementing the street trading policy.

A separate interview sheet was prepared for each of these groups. Within each a sample was interviewed so as to gain an understanding of their different perspectives and experience with the implementation of the policy. These interview sheets are included as Appendices 1-5.

- a) In-depth interviews were carried out with three members of the Millennium Market Association. These took the form of semi-structured interviews; which enabled both the interviewer and the participant to feel at ease and to gain the information necessary for the study. The specific aim of these interviews was to gain an insight into the running of the market, in terms of rent payments, Association meetings and the Association's relationship with the traders and effects of the trading policy.
- b) A large number of informal street traders operate within the market and on the sidewalks outside the market. A structured interview sheet was used to conduct these interviews. The aim of these interviews was to gain the perspective of both the traders that work within the market and those that work on the pavements and to understand the different ways the policy affected these traders. A stratified sampling technique was used to identify 15 street traders operating within the market. On the basis of the preliminary observation, these street traders were categorized according to the goods they sold. These were as follows:
 - Fresh produce (chicken, meat and sea food)
 - Vegetables and fruits
 - Fast foods such as hot dogs, burgers and chips
 - Clothing and shoes
 - Electronic equipment (DVD, radios)

From the above five categories, three were interviewed from each category.

- c) As the number of street traders operating on the pavements was smaller, a sample of 12 was used for the study. Again a stratified sampling technique was used to identify the 12 pavement traders to be interviewed. On the basis of the

preliminary observation, the traders were categorized into groups according to the goods they sold. These groups were as follows:

- Clothing and shoes
- Electronic equipment (DVD)
- Fast food such as hot dogs
- Cosmetics, jewelry

From the above four categories, three from each category were interviewed.

- d) Semi-structured interviews were conducted with 20 customers from the market. The specific aim of the interviews was to gain an understanding of the customers experience shopping in the market. A systematic sampling technique was used to identify the participants. The site visit revealed that a majority of the customers were female. For this reason a quota filter was introduced to ensure 2/3 were women.
- e) An in-depth, semi-structured interview was conducted with an official from both the eThekweni Business Support and a member of the technical task team that created the policy. These interviews aimed to ascertain the intentions of eThekweni's street trading policy and the extent to which it has been implemented, particularly in Phoenix.

The interviews with the members of the market association were conducted first, so as to get their perspectives and to enable the members to inform the traders of the research project.

Visits to the site and interviews were done twice a week during June and July 2008; mainly over the weekends because a variety of people were found in and around the market between 9 and 12 and again from 2 to 4. The project was introduced and explained to the participants before the interview were conducted.

Observation was conducted over the entire research period. The market was visited on different days and times, so as to gain insight on the inner workings of the market. During the observation period, a number of things were looked for, in particular:

- Interaction between traders and customers
- Techniques used by traders to sell goods to customers
- The type and amount of competition between traders
- The goods that are popular amongst customers
- The customers' attitude towards traders and visa versa.

1.4 Analysis of findings

The sub-questions guided the analysis and assessment of the secondary sources of material. The secondary sources informed the conceptual framework section of the dissertation; this produced a large amount of qualitative data that was sifted through according to the information needed to answer the sub-questions. The primary sources produced both qualitative and quantitative data. The sub-questions guided the analysis and the interpretation of the findings. The quantitative data was interpreted using various graphs, tables and charts.

1.5 Structure of the dissertation

- **Chapter one** presents the introduction, definition of research problem, research questions and sub-questions. It includes the methodology; the sources of primary and secondary data and methods used in the analysis of data.
- **Chapter two** presents the conceptual framework, key concepts and bodies of literature. Theoretical based sub-questions are answered in this chapter.
- **Chapter three** consists of a detailed analysis of the Millennium market. Maps of the study area are also found in this chapter.
- **Chapter four** consists of a detailed analysis of the findings.
- **Chapter five** concludes the dissertation with an evaluation of findings and recommendations.

CHAPTER TWO

CONCEPTUAL FRAMEWORK

The chapter presents a brief history of the informal economy in South Africa (2.1), it discusses the terminology used (2.2), the flourishing nature of the sector (2.3), legislation related to the sector (2.4) and a synopsis of the eThekweni municipality's informal economy policy (2.5 and 2.6).

2.1 HISTORY OF INFORMAL ECONOMY IN SOUTH AFRICA

The literature on the informal economy indicates that the sector emerged and grew rapidly from the early 1970s. This was due to the fact that countries around the world, including South Africa, were undergoing economic restructuring. (Portes, 1989: 27). In many of the first world countries, the economy was going through a process of recession; this in turn caused harsh working conditions for people employed in the formal economy. The search for employment by these people launched the informal economy in a large number of countries. According to Portes et al (1989), “the final and important reason for the growth of the informal sector results from the effects of the economic crisis since the mid-1970s throughout the world.” (Portes, 1989: 29).

The late 1970s also saw the beginning of the process of globalization. Given the fact that most countries were moving towards growth of their economy, skilled and educated people had an advantage. The exclusion of people who were less educated left a gap which the informal economy was able to fill. Carr and Chen (2002: 2) state: “the informal economy have been able to find new jobs.” This still holds true in many developing countries. A large number of people in the developing countries are classified as unskilled; the informal economy provides a means of employment to these people.

The economic history of South Africa is characterized by stagnation, restrictions and legislation that slowed the growth of the informal economy. The Apartheid laws in South Africa created a specific spatial relationship between urban and rural areas. These laws created imbalances of employment in which the best jobs were reserved for the ‘white’ people. (Nel, 1999: 84). “The policies launched under apartheid had a particularly

negative influence on African and other black people (term collectively used to refer to Africans, Asians and 'coloureds'). Skilled jobs were denied to them and there was an imbalance in state expenditure in favor of whites and non-Homeland areas" (Nel, 1999: 84). This was the cause of major economic imbalances and segregation caused stagnation in the growth of the informal economy.

It was during the Apartheid era that street traders clashed with the law. Take the example of the coffee-cart traders. These were traders that could be found in the streets of Johannesburg in the 1940s. "In the late 1940s a series of raids were made on the cart operators who were prosecuted for unlicensed trade in restricted foodstuffs." (Beavon, 1989: 44). The raids were not limited to Johannesburg; raids and confiscation of goods took place in all major cities in South Africa. It was the laws of the era that allowed the government to restrict trading on the city streets. There was some response from the informal economy. For example, in 1986 the African Council of Hawkers and Informal Businesses was launched in order to address the unfair treatment of street traders.

It is however, interesting to note that since 1994, the South African government has attempted to promote sustainable growth of the informal economy by means of policies such as the Reconstruction and Development Program and Growth, Employment and Redistribution policy. The former addressed the needs of the poor, while the latter launched South Africa into the global markets. GEAR had placed limits on government spending and had a negative effect on the redistribution policies in South Africa. "GEAR policies say that to create jobs in the future, South Africans will have to face some painful short-term cuts in government spending and in the provision of facilities." (Skinner, 2000: 6). As in the international market, privatization was prime in South Africa's economy; this meant that unskilled labor was no longer needed. People thus began looking for employment in different areas, resulting in further growth of the informal economy.

In South Africa, "most informal businesses are small, one-man operations and include subsistence farmers, hawkers, street vendors, home businesses, backyard manufacturers, taxi-owners, craft and curio maker, moonlighters and even black marketers." (Beavon,

1989: 1). Street trading is one of the most viable and common informal activities both internationally and in South Africa.

2.2 TERMINOLOGY

The informal economy has been defined in a number of ways and been given a number of names. According to Beavon (1989), the informal economy, “can generally be regarded as that part of the country’s economy activity that is not recorded in its official statistics, i.e. the statistically unrecorded part.” (Beavon, 1989: 1). These unrecorded activities make it difficult for policy makers to create policies that address all the relevant issues faced by the people in the informal economy. Given the fact that there are a vast number of activities from shoe shiners to fast food traders, policy makers are often unaware of the difficulties faced by the traders in the informal economy.

Street trading is one of the most common activities in the informal economy. “In recent years, thousands of street vendors, hawking fresh fruit and brightly hued textiles, have brought both colour and commerce into our cities.” (Beavon, 1989: 9). Trading can be seen as the exchange of goods or services through a sale or exchange.

According to Lund et al (2000: 16-17), traders on the streets of Durban tend to concentrate on food, dry goods and personal services:

- 46% sell food such as meat, poultry and fruits and vegetables,
- 32% sell products such as clothes, shoes, cosmetics, cigarettes and curios,
- 22% are engaged in services such as hairdressing and shoe repairs.

Witt (2000: 25) points out that one of the reasons for selling fresh produce is that start-up capital needed is low. This is the case for many people that are entering the informal economy.

Street traders face a number of problems. Lund (2000: 31) notes that a problem experienced by traders who do not take their goods home at night, is the lack of storage space. As a result traders who often live from hand-to-mouth often have to pay for storage which is expensive. The eThekweni municipality has decided to intervene in the Warwick Junction area, and has provided storage space for goods.

Another problem for street traders is the availability of affordable accommodation. Many street traders in the urban areas are heads of rural households. (Lund, 2000: 31). In most cases, women who trade in the urban areas reside on site as their homes are located quite a distance away. (Lund, 2000: 31). The lack of storage space and affordable accommodation has resulted in a large number of street traders living on the streets. This brings with it associated health and aesthetic problems. (Personal observation, July 2008).

Traders tend to locate themselves on street corners, near transport stations, so as to gain as much exposure as possible. This allows the traders to come into contact with large numbers of people to whom goods can be sold. The Commercial Street taxi rank is an example. Upon observation it was quite obvious that traders locate themselves along the pavement for maximum exposure. Around 50 to 70 people pass traders in a daily basis on their way to the taxi-rank; these 70 people are potential customers.

In the past, trading on the sidewalks was seen as a nuisance to officials. During and before the Apartheid era, street traders were constantly harassed by the police. “The economic activities of the informal sector are often declared illegal and traders are frequently harassed by local authorities.” (Beavon, 1989: 2). In the 1970s and 1980s, gaining a license to trade was difficult and the laws and regulations allowed the local authorities to remove and relocate traders. (Skinner, 2000: 60-61). During the 1980s and currently the police confiscate, destroy and often do not return goods. Hart, in Preston-Whyte and Rogerson (1991) recounts in a story: “On this particular day, a Friday, which also fell on the last day of the month, the ‘white dogs’ (as they refer to the white police) had dashed in to kick the rows of boxes on which the women had exhibited their hard earned wares.” (Preston-Whyte and Rogerson, 1991: 73).

It is difficult to calculate the number of street traders in Durban. Some traders work for a number of hours on different days. Another group of traders trade in different areas on different days. Other traders work a few months of the year as they live far away from the site. According to a presentation done by Naidoo (2006) at the informal economy conference at the ICC, Durban, “Currently between 25% and 30% of the labour force

work in the informal economy. The informal economy is one of the few areas where the number of workers continues to increase.” (Naidoo, 2006: slide 8). The same presentation showed the breakdown of the informal economy in KwaZulu Natal, that 30% of the workforce operates in the informal economy; in terms of race and sex, an overwhelming 98% of traders are black Africans; and 58% of the traders are female. (Naidoo, 2006: slide 8).

Street trading is not a passing activity, for many people it has become a way of life. It is their only means of income. It allows people to feel a sense of pride, independence and wealth; it is a manner in which the ‘unskilled’ labor pool earns a living. As shown from the above information; the thriving world of street trading is not one that will fade away; it is at the peak stage of its growth cycle and will continue to be an integral part of the economy in South Africa.

Another distinguishing feature is the fact that the informal economy is not protected by law, whereas the formal economy is ruled and governed by regulations and laws. Although there are a number of policies that are being put forward, the informal economy does not have a clear set of rules to be followed.

According to Kirsten (1991), the most basic definition is that the informal economy operates outside the legal framework. “There is another sense to which the informal sector transcends formal boundaries; while many economic activities are taken into account in the compilation of national statistics; informal earnings often elude official records.” (Kirsten, 1991: 149). The informal economy is one that is hidden and unrecorded by legal processes.

Lund (2000) defines the informal economy not as a process or an object but as a place in which people earn a living. “People who work in the informal economy are those who earn an income outside the formal economy. They may be self-employed, or employed by the owners of small, unregistered businesses, or under contract to large businesses.” (Lund, 2000: 10). It has to be noted that the informal economy is not only home to a large

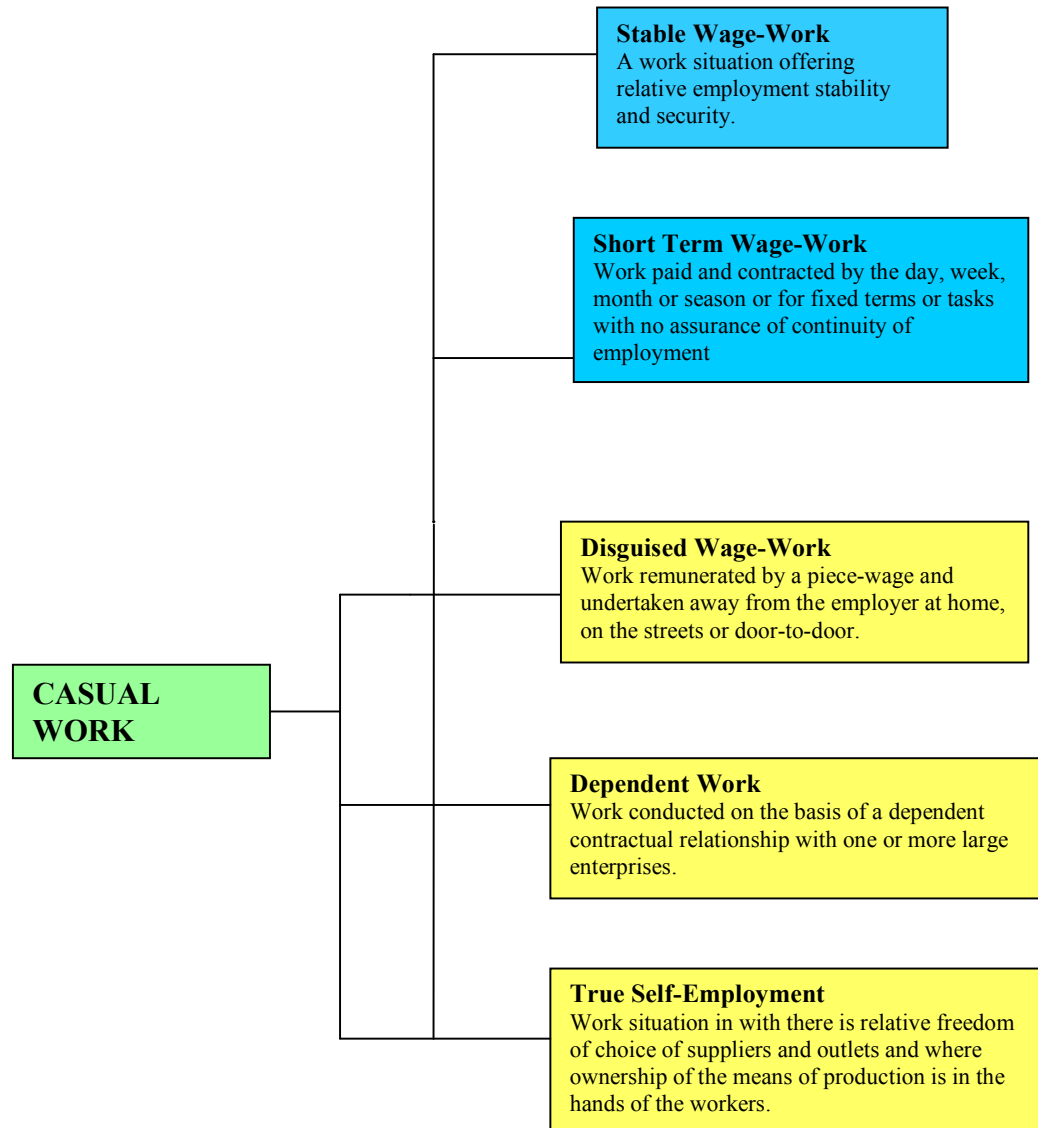
number of activities but also a large number of people. The people engaged in the informal economy are less educated and unskilled. (Lund, 2000: 10).

According to Shier (2006: 1) “informal activities encompass many different types of economic activity, different employment relations and activities with different economic potential...” (<http://sds.ukzn.ac.za>). In the developed world for example the informal economy is a concept that is generally associated with growth and wealth, whereas in the developing world, which is trying to catch up to the developed world, the informal economy is associated with little growth and development.

Portes et al (1989) defines the informal economy as “a process of income generation characterized by one central feature: it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated.” (Portes, 1989: 12). This definition indicates a clear distinction between the formal, regulated economy and the informal, unregulated economy. It also shows that the relationship between the formal and informal economy is a dependent one. The informal economy would cease to exist if there was no formal economy; it is the nature of the formal economy that caused the need for an informal economy. Portes points out that products found in both economies can be the same; it is not the product but the way in which it is sold that distinguishes the formal from the informal economy. “The basic distinction between formal and informal activities proper does not hinge on the character of the final product, but on the manner in which it is produced and exchanged.” (Portes, 1989: 15).

Figure 2. 1 shows a continuum of work situations from people employed in the formal economy to those who operate in the informal economy. People employed in stable wage work and short term wage work are guaranteed employment for a particular amount of time. This is mostly the way in which the formal economy operates. In terms of casual work, there are three basic types of employment. Disguised wage-work can be classified

Figure 1: Continuum of work situations



Source: Adapted from Bromley and Gerry (1979), cited in Beavon, (1989: 18).

as work that is undertaken away from the employer at the employee's home or on the street. An example of this type of work is handing out flyers at robots. Dependent work is contractual work that is undertaken by people on behalf of large enterprises. People who work on the street selling the products of large corporations have undertaken dependent work. The final category is true self-employment; this is where there is relative freedom of choice of suppliers and outlets. The means of production is owned by the worker. This is the category into which most street traders fall.

2.3 FLOURISHING NATURE OF INFORMAL ECONOMY

There are a number of reasons as to why the informal economy is thriving and growing at a rapid rate. The growth of the informal economy is linked to the health and growth of the formal economy. The growth of the South African economy has been slow in the past years. (Skinner, 2000: 6). This has led to a number of people losing their jobs especially in the manufacturing sectors. "A great majority of people who enter the informal economy do so because they have to: they do not choose it freely." (Skinner, 2000: 6).

In the South African context, the post 1994 influx of people into the urban areas has resulted in the growth of the informal economy. "The influx of large volumes of people from the rural areas in search of employment and the reality of high levels of unemployment have reduced the ordinary man in the street to seek other methods of sustaining a livelihood" (Cassim, 2002:20). A number of people turn to street trading as the formal sector has failed to provide jobs.

Globalization has also played a role in the flourishing of the informal economy. The spread of globalization has changed the way business is done around the world and in turn has affected the way people have done business in the informal economy. "For street traders globalization has also meant that there is more movement of goods and people across national boundaries. South African street traders, for example, now often sell goods made in other countries, such as curios from other African countries or clothes and shoes from Asia." (Skinner, 2000: 8). Globalization has also induced traders to sell goods that would otherwise be unavailable to the masses at a reasonable price. This attracts people to the informal sector as it has become a flourishing sector over the years.

The flexibility provided by working in the informal economy has led to the expansion of this sector. When speaking of flexibility, time is the most important factor. Flexibility of working conditions and place are secondary to this. In the formal economy there is a prescribed time to start and finish work, which is stated in a person's contract. In the informal economy there are no prescribed hours that a person has to work; this allows a person to work when needed. It also allows a person to engage in other economic activities that could uplift their social and economic status. Flexibility of working conditions refers to the contracts that people work within. These could be formal, written contracts or verbal contracts between two people. Place refers to the actual area in which trading takes place. Street traders are not necessarily bound to a specific area, depending on competition, social conditions and desirability, a street trader can move to a different area.

Flexibility plays a major role in attracting the formal wage earners to the informal economy. Flexibility allows a choice when, where and for how long a person works. Flexibility gives people the freedom to engage in other activities to earn a living.

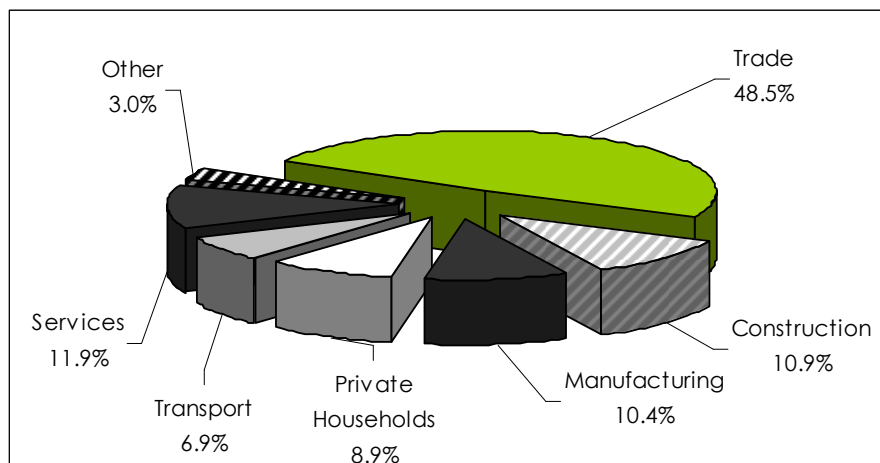


Chart 1: Breakdown of the informal economy in 2006 in Naidoo (1996: slide 10).

This chart is not broken down into which sections within the informal economy make up the largest work forces, but it does give an indication that a large number of people are working in this sector.

2.4 POLICIES RELATING TO THE INFORMAL ECONOMY

The informal economy has been described as diverse and dynamic, playing host to a range of activities including trade, transport and gambling. (Hall and Pfeiffer, 2000). It is for this reason that policies addressing the informal economy must be able to work together. Policies cannot work in isolation from each other. It is extremely important that policy makers address the issue of traders that fall in the survivalist strategies as well as those that fall in the growth enterprises. (Singh, 2004: 27). Survivalists trade to earn a living (no other means of income) and growth enterprises to make a profit. These two groups of traders have very different needs that policies have to meet. “Policy can therefore provide a framework that encourages and promotes higher levels of expansion in the growth enterprise, and can provide a coherent framework that allows survivalists enterprises to develop and become more competitive.” (Singh, 2004: 27).

In South Africa there has been debate as to whether to try to control and regulate or to promote the informal economy. The current view is that local government has to promote economic growth, and a number of policies have been put forward to address different facets of the informal economy. (Nel, 1999: 159). These include the Business Act 71 of 1991 and the Municipal Notice 96 of 1995. These policies have been used at the provincial level over the years to manage the informal economy. There are a number of problems with these policies, one of them being that, “the focus of these laws is towards revenue collection, policing and restrictive administration. They do not create support mechanisms or an enabling environment for the informal economy.” (Naidoo, 2006: Slide 5). In order to address this issue the municipality in metropolitan Durban set about formulating an informal economy policy in 2000.

2.5 ETHEKWINI’S INFORMAL ECONOMY POLICY

The policy was approved and adopted by the Durban Unicity Council in December 2001. The municipality had previously committed itself to promote diverse economic activities, but up to that time had no comprehensive policy that set guidelines for management of this sector. In the past, policy concentrated on the control and sanctioning of the informal economy. However, the new policy lent towards a developmental role and linked to the overall strategy for economic development in Durban. (Durban Unicity Council, 2001).

2.5.1 A developmental approach

The policy shared the vision for Durban in which Durban is a secure and safe place for its citizens, a healthy environment and well managed urban environment. The economic future of Durban depended on it attracting investments, with incentives for businesses to put down roots in the city. The planning and management of spatial and transport development is linked to this. This is the first policy that acknowledged that the formal and informal economy cannot be neatly compartmentalized. It is a continuum that has a more formal and more informal end, in which work at both ends must be given the same attention and status. The challenge for the local government was to enable and support the creation of jobs at both ends of the continuum, while simultaneously ensuring safety, health and orderly management and planning.

2.5.2 Policy formulation process

The policy was created through consultation with relevant stakeholders. A number of interviews and workshops were held with formal and informal businesses, officials, councilors, civic organizations and a development forum. Consultation was done to gain important and relevant information to draft a policy that met the needs of all the relevant stakeholders and those affected by the informal economy

A Technical Task Team created a process where many stakeholders could be consulted in the time given. The process took into consideration the language barrier and produced Issue documents in Zulu and English. Six workshops were held in which over 200 stakeholders, including traders, formal business owners and street traders were consulted. A number of people responded to advertisements placed in local newspapers, a few responses to Issue documents mailed were received with comments. An entire day was dedicated to a consultation workshop at the Informal Trade Management Board to discuss the Issue documents.

2.5.3 Previous situation in Metro Durban

One section of the Policy is dedicated to the status quo and understanding of the informal economy. It was noted that the economic contribution and working of the informal economy was not well understood. Research revealed that in 1996, approximately 20 000 street traders operated in the DMA region, of which women constituted 60%. (Durban Unicity Council, 2001: 7). A number of street traders generated work along a chain of supply and distribution. The *muthi* trade employed over 14 000 traders in Durban. In 1998 over R 500 million was spent in informal outlets. It is known that the generated income is huge; however, recording this income is difficult.

In committing itself to the promotion of the informal economy, Durban is ahead of most major cities in integrating informal economic concerns into institutions in local government. (Durban Unicity Council, 2001). In terms of street trading, the Development Facilitation Department and the Informal Trade and Small Business Opportunities (ITSBO) have policy and planning divisions. A system of incentives was created to encourage traders to attend, be accredited and register. Resource allocation has not been a problem; however the distribution of resources is one. Although 26.6 million rand was spent on capital projects in the informal economy in 1996/7, 80% of this, leaving only 20% for informal sector support in the residential areas. (Durban Unicity Council, 20001: 8)

This section of the Policy mentions some of the problems and challenges. The first of these being the perception that traders are associated with crime and litter on the streets. Although support is given to the informal economy, it is done in an uncoordinated and fragmented manner. (Durban Unicity Council, 2001). The issue of licenses and permits is still a complex and costly one. The creation of markets is done with lack of planning in terms of location, security and lack of consistent site allocation policies which means that valuable sites remain unused. There are also growing tensions between foreign workers and local traders.

2.5.4 Main elements of the Policy

Sections 5 through to 13 of the Policy outline the major components. (Durban Unicity Council, 2001). Each section begins by stating the problem and the previous situation and proposes as to the way forward, as identified and discussed below.

a) Diverse economic opportunities

Section 5 deals with the promotion of diverse economic opportunities. It is important to note that throughout the Policy, it is recognized that local government should promote the creation of job opportunities. The key catalyst for management and support was planning, allocation policies, registration and rental policies. Planning had to bear in mind economic needs, need for vibrant land use and orderly town, spatial and transport planning. Previously a few sites in the city were available and markets were established without environmental consideration. The way forward was one that took into account the need to have proper management and resources in established markets before new markets were established.

The issue of planning was linked to policy allocation. This was seen as a lever that local government could use to steer management and support of the informal economy. Previously there was no transparent allocation policy. Racial imbalances in existing markets and mobile traders have caused dissatisfaction with management. Traders at traffic intersections and foreign traders are a growing problem to both the motorist and the local government as it cannot be controlled. (Durban Unicity Council, 2001).

The Policy is to negotiate with local stakeholders for the allocation of sites. An important principle is the fact that vulnerable groups will not be targeted through policy alone; this will only be achieved if the needs of these people are considered in the building of the markets. Memorandums and surveys are suggested to deal with traders at traffic intersection and foreign workers.

Registration is key if the people in the informal economy are to be treated as small businesses. The previous system was complicated, lacked transparency and was open to interpretation. This system lacks integration as different permits are needed to trade, a

person trading in food needs three different permits. A move towards a one-stop centre is being promoted so as to reduce time, cost and monetary losses. The requirements of city health should be integrated in the registration process for food traders.

Rental policies allow local government to put a value on sites. Value will be placed through a system of differentiated rentals. The previous situation was one in which rentals were not paid by traders. Rentals are to be linked to site size, desirability of location and services provided. For street traders, a set rental should be allocated and further differentiated rentals for different sites. Payment procedures are to be simplified and setting of rentals should be simple and transparent.

b) Area based management and support of small enterprises

Section 6 addresses area-based management combined with sector-based support to small enterprises. The combination of these has the potential to achieve efficient management and continuous communication with stakeholders. There is a move towards sector-based support which will serve small enterprises better. The demarcation of management zones for particular uses is an indispensable part of the development for human settlement. The previous situation illustrated that trading in areas was not fully permitted in all parts of the city. It was proposed that traders be prohibited in certain areas of high culture and tourism. This should be substantiated by research that shows the presence of traders distracts from the cultural significance of the building or area. As stated in the policy a flexibility rule in terms of restrictions placed should be allowed so as to allow different areas to operate according to its surroundings. (Durban Unicity Council, 2001) The government should implement an award system for traders in different sectors who contribute to keeping environmental standards and city aesthetics. (Durban Unicity Council, 2001).

A second trigger towards efficient management of the informal sector is area management teams and areas building in which land owned by the municipality has been used in an innovative way to experiment with area-based management. An example of this is the Warwick Junction Project Centre. Important lessons have been taken from this, such as: the importance of a continued on the ground management (building good

relationships) system, addressing tensions and the need for flexibility and a holistic approach in implementing line functions, important for building for a day-to-day management and development and of an area identity. (Durban Unicity Council, 2001).

The final trigger towards efficient management of the informal sector deals with sector-based support which is focused on moving towards growth and independence through a sectoral approach as this is being done in industrial policy for big businesses. (Durban Unicity Council, 2001: 16). A sectoral approach is needed because of the different economic support to the city, the prospect of growth in the sector, the link between the formal and the informal ends and the problem of control.

c) Management and support for entrepreneurial development

Section 7 deals with the integrated functions of management, support for enterprise development and regulation/enforcement. The attitude of institutions has to be changed as there is a move towards a more developmental approach to management and support of the informal economy. The integration of management, support and regulation/enforcement is needed within the ITSBO to provide regulations and self regulation. At present the enforcement and management functions are separate. The police have been prone to lack of co-ordination which has led to confusion of roles. There has been a serious management problem in the satellite markets as conflict has arisen between the ITSBO and market committees. It was proposed by the technical task team that there needs to be a commitment towards co-ordination of work and overcoming fragmentation. A new policy that supports the development of human resources and one that integrates control and enforcement.

The significance of the informal economy in urban development has been recognized by a number of different stakeholders and innovative ways of supporting this sector has been brought forward. The DTI has acknowledged that offering training and support to SMME has failed. The move to a supportive role in local government has been difficult. The vehicle for resource and facilities allocation has been the ITSBO. A strong demand for advanced skills, basic education skills and financial support has risen.

A number of plans are proposed under this section in the policy. New sector specialists who are economically trained should be introduced to serve precincts. A specialist can get information on the ground as to local needs and services and how to provide these. Local government and formal businesses should sponsor training programs for traders. Local government needs to provide services, legal advice, health education and raise awareness on which programs are appropriate to use to provide services. In terms of access to finance, the municipality gave serious attention to the problem of accessing finance; it is gaining the bridging finance that is problematic. The financial support for smaller enterprises should be given further attention so as not to miss the 'man on the street'.

The regulation of the informal economy should be part of the management procedures. For this the ITSBO regulations functions have to be expanded and administration systems improved. The local authority is responsible for setting the minimum standards, after which the traders are responsible for maintaining these standards. The levers to achieve this are the institutional restructuring of the ITSBO, a commitment to the newly structured Metro police, performance guarantees and bylaws. The previous picture was one of communication problems between City police and the ITSBO. The bylaws were adequate but fragmented and the older bylaws were racial and out-dated. The implementation of certain bylaws was illogical and caused unnecessary strain on traders.

The way forward calls for institutional restructuring and performance guarantees. The internal administrative and legal procedures on conditions for taking action against traders are clear. An acceptable policy framework is the first step towards reformed bylaws. The bylaws need to reflect the overall policy move towards support and creation of new opportunities in a well managed environment. In Annexure 6 a framework is set out for the amendment and reform of bylaws.

The final section deals with information systems in which it is stated that the previous system was inadequate. And it is not easy for a trader to be linked to a particular area. The lack of information has led to administrative inefficiency within departments and lack of coordinated work between departments. (Durban Unicity Council, 2001). The

way forward is to create an integrated data base that functions and provide better service to informal workers. An inter-departmental information system should be created to coordinate projects, it will also link where traders are and work with the registration of traders.

d) Integrating environmental health into the informal economy

Section 8 of the policy deals with integrating environmental health into the informal economy. Environmental health is linked to quality of life and well-being. Great strides are being made in the support of informal economy workers in terms of health education. Health can be linked to type of work and season, the HIV/AIDS epidemic also contributes to the ill-health. It was proposed that environmental health concepts be built into aspects of changing policy and management. The status of city health should be in the information system, the impact of changing work patterns and HIV/AIDS needs to be studied on a continuous basis.

e) Organizational capacity

The building of organizational capacity of informal workers is addressed in section 9. It is stated that the interests of informal workers will be taken into consideration when they are able to speak from a place of strength. Local government needs to play a proactive role in strengthening informal worker organizations which are representative and transparent. This will in turn promote self-regulation. The ITMB was set up as an umbrella organization to represent street traders, which a large number of traders refuse to join. The local government has not previously not acknowledged the importance of trader relationships. The way forward suggests building capacity, local government assisting in the formation of organizations. Local government needs to make organizations known and build forums on which formal businesses can assist with area-based management.

f) Safety and security

Section 10 deals with the promotion of safety and security through local action. The previous situation showed that high crime rates discourage tourists from visiting Durban. There is evidence that formal businesses derive measures of safety through there

proximity to street traders. The Tourism Protection Unit on the beachfront shows how traders and officials are fighting crime. The way forward includes traders patrolling areas at particular times of the day and night. The media can be involved in a campaign which is led by traders to change the perception people have of traders. The local authority should start building relationships with trader organizations so as to work together to reduce the crime rate.

g) Participation of formal businesses in informal economy

The participation of formal businesses is important for the growth and health of the informal economy. In section 11, it is stated that formal businesses need to move towards a relationship of constructive competition with the informal economy. Key levers can be identified as change in perceptions and the creation of partnerships between small and big businesses. The previous picture showed hostile relationships in which local government was concerned about dishonesty and exploitation by larger businesses. The way forward suggests that all organizations (formal or informal) should be included in area-based management. A system of 'one trader one permit' should be used to avoid exploitation by larger businesses.

h) Inclusive platform for formal and informal sector

The most important role of local government is to ensure that an inclusive platform is created for meeting the needs of both the informal and formal economies. Section 12 identifies the lever of change as being able to deal with formal and informal interests in the same institutional structures and processes. The previous picture was one in which the interests of formal and informal traders were separated. The way forward is to deal with interests on the same platform and to ensure that the informal trader is represented.

i) Monitoring and evaluation

Management and evaluation is seen by the technical task team as a tool for improved management. Previously little or no monitoring and evaluation was being done regarding the vast amounts of money going into the development of the informal economy. Little attention was also given to measuring the influence of resource allocation or the role of newly built markets on the lives of informal traders. The way forward is to promote

research for immediate monitoring and evaluation. Due to the rapid changes a system needs to be created in which tight feedbacks loop between data collection, management response and policy review is done.

j) Transitional arrangements

Section 15 looks at how to prioritize and sequence transitional arrangements. An integrated information system is at the top of the list. Implementation Workshop Groups should have sub-committees to monitor the information system, restructuring of ITSBO, management of built markets, to provide support to worker organizations and to support enterprises within the informal economy. There has to an audit of inter-departmental human resources if the importance of environmental health is to be highlighted and the move to area-based management and sector-based support is to be successful.

To sum up, the Policy as set out in Durban Unicity Council (2001) is very comprehensive and progressive. However, it appears to be weak in relation to putting the proposals into practice, and monitoring the impacts. These issues will be discussed in the following section and in the assessment of the case study findings.

2.6 APPLICATION OF THE POLICY

This section looks at the ways in which the Policy has been implemented. Two interviews were carried out with professionals who were involved with the creation of the policy and the implementation of the policy. The first interview was with a member of the technical task team that formulated the policy, the second with a member of the Economic Development Department, (also a former employee of eThekweni Small Business Support unit), charged with implementing the Policy. The aim of the interviews was to gain an understanding behind the thinking for the creation of the policy and to gain insights from professionals who have been involved in implementing the Policy since 2001.

2.6.1 Conflicting internal objectives and perspectives

Interestingly, the interviewees had different opinions on the level of implementation of the Policy. The member of the Economic Development Department stated that 80 to 85%

of the Policy principles had been implemented in the case studies which had been mentioned in the final section of the Policy, but this is not the case in many other areas. The member of the technical task team stated that the implementation had been very patchy in the Durban municipality. There was no correlation seen between what was happening on the ground and the principles stated in the Policy. The member of the task team mentioned the Warwick Junction and how it was created in a sensitive and holistic manner. This market was created prior to the Policy and many of the principles stated in the Policy had been taken from the observation of this market. The reasons given for the lack of implementation included the restructuring of the Informal Trade Department, which had led to a change in staff, comprising mainly of people who were unaware of the Policy content. During the drafting of the Policy, there was a change in the head of the Informal Trade Department. The new head was orientated towards control of the informal sector and not so in tune with the principles stated in the Policy. Prior to the amalgamation of the five local councils (Outer West, Inner West, Central, Local North and Local South) in Durban, each area had its own informal economy policy, post amalgamation there was a single policy that covered all the areas. This meant that the way in which the policy had been implemented was different by each area. These areas were adapting to having one policy, and not being separate from each other.

2.6.2 Shortcoming and amendments to the policy

The member of the technical task team stated that there were shortcomings in the drafting process and that more people on the ground, people who were going to influence and implement the Policy (traders) should have been included. The member of the Economic Development Department said that the presence of principles from other policies confused the direction that should be taken on the ground. An example of the allocation policies for people was cited. The building of markets had to correlate with people who were in the area. If a person had been in an area for more than 10 years he/she is not to be moved according to the allocation policy. These sub-policies within the Policy hinder the implementation of the Policy in certain areas. The length of the Policy document was also seen as a shortcoming, it was mentioned that government officials do not read such lengthy documents.

The member of the Economic Development Department stated that amendments to the policy cannot be made until the outstanding research is completed. An example is home based workers. An interesting response to the same question was given by the member of the task team; the interviewee stated that the policy just needs to be implemented. Amendments to the policy cannot be made until it has been tested on the ground and its impacts monitored.

2.7 CONCLUSION

In conclusion the informal economy contributes a significant amount to South Africa's economy. A large number of people are active in the informal sector, especially in street trading. It is through these activities that millions of people in South Africa meet their basic needs for survival.

As this sector has flourished over the years, the South African government has been forced to change its approach towards the informal economy. One of the first steps towards this was the formulation of Durban's Informal Economy Policy. This is a Policy that has changed the way the informal economy is perceived and should be dealt with. The Policy aims to provide a basis for decision making, resource allocation; monitoring and evaluation of the existing infrastructure and to create inter-relations between the relevant stakeholders. (Cassim, 2002: 24). The Policy introduces new principles and approaches, the most important of these being, "to integrate the formal and informal parts of the economy that would promote healthy links between the two and reduce animosity and tension between the two." (Cassim, 2002: 24). Although this Policy has proven to be developmental on paper, the actual implementation of the policy has not been fully completed. The Policy (excluding Warwick Junction) has not been implemented in the existing markets in the Durban area, by the municipality and when asked the reasons behind this, officials stated that there were a number of reasons behind this, including the restructuring of the Informal Trade Department and poor communication between people on the ground and policy makers. In the current situation, these reasons do not hold true.

CHAPTER THREE

HISTORY OF THE MILLENNIUM MARKET

The chapter to follows contains a brief history of Phoenix and the Millennium market.

3.1 HISTORY OF PHOENIX

The Phoenix settlement was established in 1904 by Mohandas Karamchand Gandhi. This was done during what was known as Gandhi's formative years in South Africa. The settlement was situated on the north western edge of Inanda, which is approximately 25 kilometers from central Durban. "It comprised 100 acres of land with several main buildings clustered together on a small hill known as the Apex area." (www.durban.gov.za). In 1985, the so called 'Inanda riots' took place in the Phoenix settlement, this almost destroyed the area completely. (www.durban.gov.za). This saw the end of the Gandhi way of life and the settlement was overtaken by a large number of African informal settlers. (Marschall, 2008: 1). The 'new' settlement was renamed Bhambayi; in the late 1990s the settlement was rebuilt. Although the area has played a role in promoting peace, justice and equality, it is overshadowed by its violent past.

In the late 1970s and early 1980s, the then Durban City Council planned and developed Phoenix as a large residential area (see figure 3.1) primarily for Indians. Today the area is home to over 20,000 people, and is in the process of reconstruction so as to promote the area as a tourist attraction. The Gandhi home, the printing press that was established in the area and the Gandhi park are being used to promote the area. The Phoenix Business centre was opened in the late 1990s. The establishment of Gem City as a service centre started the development of the Phoenix business centre. The establishment of the Phoenix Plaza followed which led to the area becoming hub for commercial activities in Phoenix (see figure 3.2). The fact that the post office, rent office and grant office are located in the same area made it an area that served all the basic needs of the people living in the surrounding suburbs. the history of the Millennium market is discussed.

FIGURE 3.1: PHOENIX AND MAJOR SHOPPING CENTRES IN THE NORTH

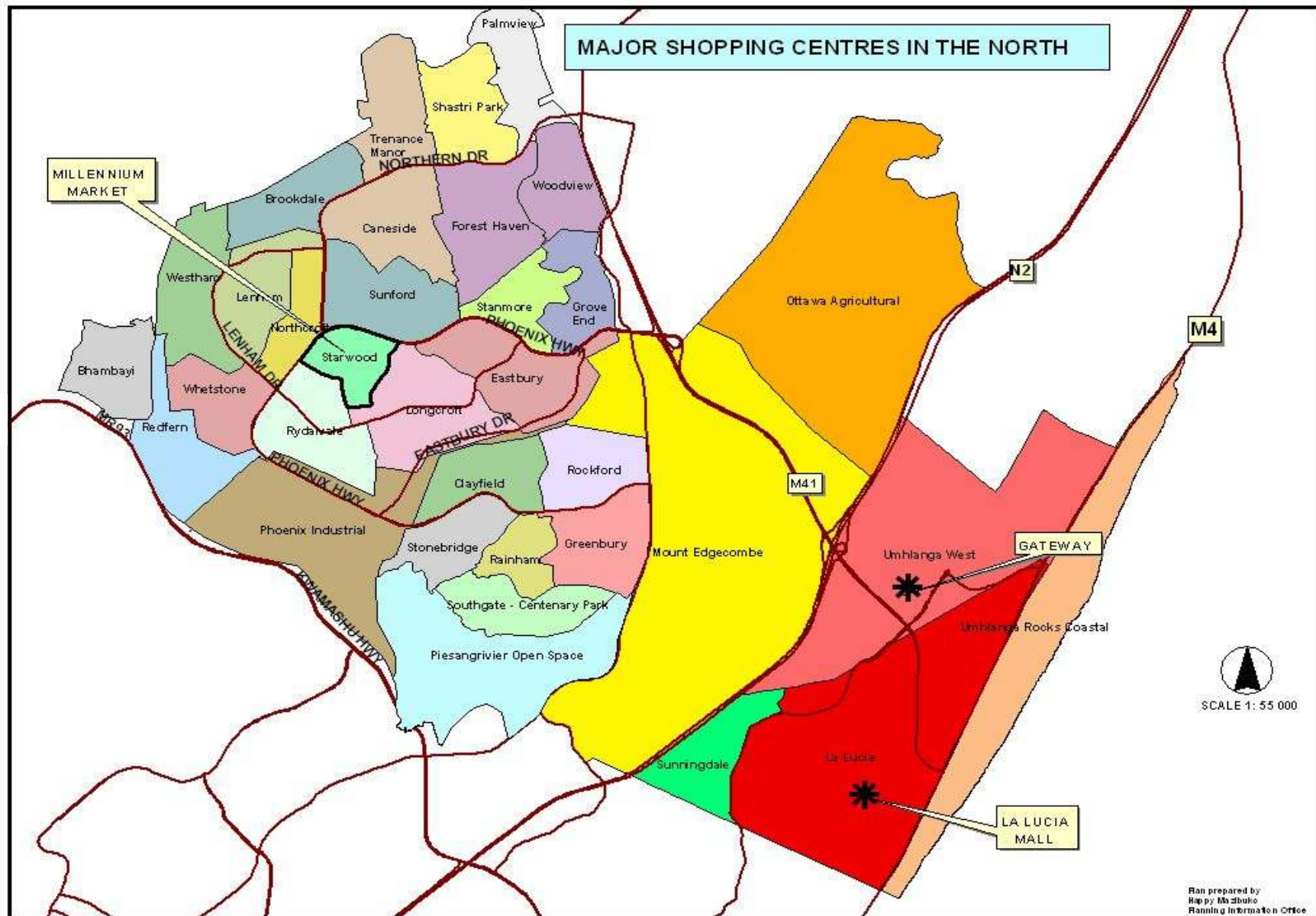
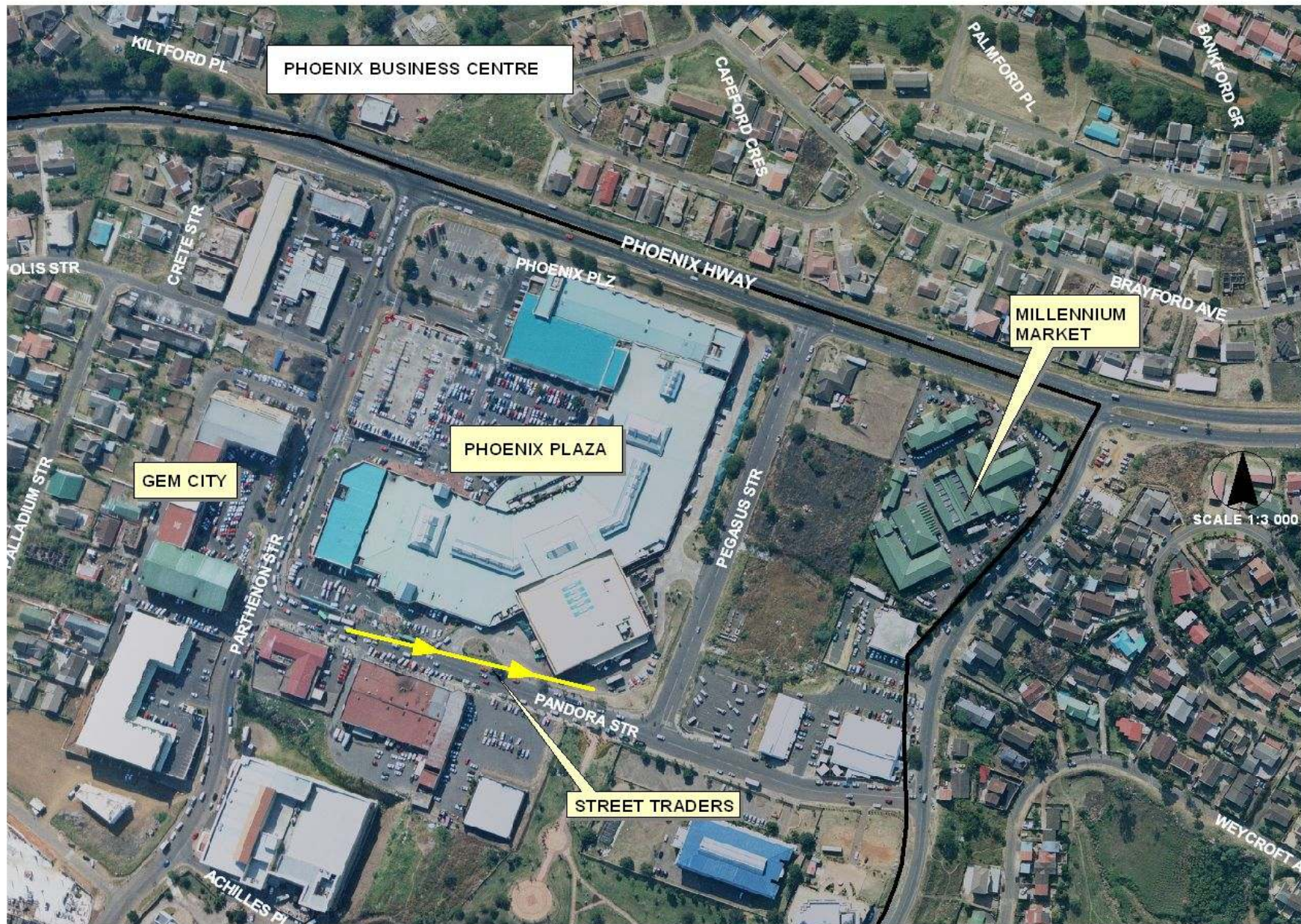


FIGURE 3.2: PHOENIX BUSINESS CENTRE



3.2 LOCATION OF MILLENNIUM MARKET

The Millennium market is located along the Phoenix Highway which connects to the M41, which is a major road linking Phoenix to the metropolitan freeway network. As indicated by figure 3.1, the Millennium market is relatively close to the Gateway shopping centre

(5.5 km) and the La Lucia shopping mall (8.5km). Figure 3.1 also shows all the major roads that connect the market to the major shopping malls and to central Durban.

The aerial photograph figure 3.2 shows the layout of the Phoenix business centre. The Phoenix Plaza, Gem City and the Millennium market are all located in close proximity to each other. The photograph also shows where the street traders operate. This indicates that the street traders locate along the pavement outside the Phoenix plaza and all the way up to the Millennium market. The traders also locate outside the shops in Gem City. Figure 3.3 gives a clear understanding of the relationship between the location of the market traders and the street traders.

3.3 HISTORY OF THE MILLENNIUM MARKET

The Millennium market was built in 1996. (eThekweni municipality website). According to a member of the Small Business Support Unit the construction of the market was to regulate the illegal trading that was taking place on the streets adjacent to the newly built Phoenix Plaza. By building the market a proper count of the traders in the area could be done, and in turn adequate services could be provided for the traders to thrive. The market consists of 130 stalls. These stalls house traders who sell vegetables and fruits, fresh poultry and meat, clothing, shoes, cosmetics and food. Some were to be used to provide services such as shoe repairs. (eThekweni municipality website). Traders who dealt in fresh produce and food were provided with electricity but not water. When speaking to traders, it was noted that the traders feel that the market was built to remove them from the street in order to control the amount of traders in the area. According to the eThekweni website, this was to operate as a flea market, in which a variety of items were sold, including fresh fruit and vegetables, poultry and food. (eThekweni website). An interesting fact was uncovered on the website. According to the lease agreement, 99% of the traders were to be Indian and 1% African. This fact is seen in the Millennium market,

however, it is not only race that plays a part, the amount of money a trader makes also plays a role in whom stalls are given to. The Market Association has to ensure that the trader will be able to pay the monthly rental.

If one has to trace the evolution of the market from its opening to present day, a number of changes can be noted. Upon the opening of the market, a high degree of involvement from the local council was seen. The successful running of the market was important, as it was a way in which to connect to voters and to maintain the status quo. This role diminished over time, in recent years, according to the majority of traders, as noted in chapter four, the local municipality has become less involved in the running of the market. Most of the power and the responsibilities have been passed on to the Market Association. the Market Association cannot make changes to the market without the permission of the local municipality. The number of traders that operate in the market has also changed. When first opened, a number of traders moved from the street into the market based on a promise made by council that no other traders would be allowed to trade on the pavements. This promise was kept for a while; however, street traders did start to emerge within 6 months and a year after the opening of the market. Traders did remain in the market, however a few returned to the streets as they were not making enough profit to cover the rent and living expenses.

This chapter sets the context for the analysis of the primary data which is presented in the next chapter.

CHAPTER FOUR

ANALYSIS OF INFORMAL TRADING IN THE MILLENNIUM MARKET

The purpose of the chapter is to present the findings of the primary research carried out with the various stakeholders groups located within and around the Millennium market. It discusses the operation of the market (4.1), its management (4.2), the activities that are carried out by the traders in the market (4.3), the traders operating on the street (4.4 and the customers that are seen in and outside the market (4.5). It gives a clear picture of the inner workings of the market traders and street traders and the way traders and customer's think when doing business.

4.1 OPERATION OF THE MILLENNIUM MARKET

Observation was carried out in the market over the entire period of the study. The purpose was to look at the way the market worked on a daily basis. It was noted that although the Millennium market is located within the vicinity of four shopping malls, it has made its mark on the community. The observer went to the market on different days at different times, so as to ensure that the information gathered was not biased.

4.1.1 Interaction between trader and customers

It was noted that traders and customers seem to have a relationship that is based on mutual respect and friendship. Traders have a sense of how to treat customers, it was noted that when speaking to a customer, the trader shows respect and speaks in a gentle tone. Traders attempt to make customers feel at ease, so that the customer feels that the trader can be trusted and therefore shops at that stall. It was observed that traders have conversations with customers as if they were talking to friends or family, this is to create a relationship with the customer, so as to keep the customer coming back.

Customers have mutual respect for traders, but it was noted that customers are aware that they are in charge; they show a sense of preference to the trader. This is to show the trader that respect has to be shown if the trader wants the customer to buy from the stall.

4.1.2 Techniques used to sell goods

Traders use a number of techniques to sell goods to customers. The most popular of these being the use of displays. Traders use the front of the stalls as a display stand to attract customers to the stall. Traders, who sell clothes, hang garments on the fences of the stalls to attract customers to the stalls. It was noted that this is a very popular and successful technique. Traders have attracted a number of customers by using displays, once the customer is at the stall the trader uses other techniques, such as bargaining and compliments to sell products to customers. The bargaining technique is used in cases where a customer is buying a lot of goods and the trader lowers the price so as to show the customer that they are grateful and to hint to the customer that they should come back to buy more from the trader. Compliments are used by a number of traders that sell clothes and shoes, by complimenting a customer on how the garment looks on them; the trader is more likely to sell the garment.

Traders, who trade in fresh produce, use the fact that people are looking for fresh and reasonably priced goods. At a stall that trades in seafood, the trader explained to the customer how to clean the seafood purchased; this was done to get the person to buy the produce. Traders who trade in fresh produce use the fact that customers want to try out something new to their advantage, they use the allure of the unknown to get a customer to buy goods. The techniques observed seem to work in the market and have been used to good effect over a long period.

4.1.3 Competition between traders

Competition is rife between traders operating in the market. Traders compete in pricing, displays and bargaining. Traders are always trying to give the customer a better deal than the other trader would. It was seen that a trader actually lowered the price of a good so that a customer would buy the good from them. Traders try to please customers and to show the customer that they should only buy goods from that stall; traders highlight the quality of the goods in the stall. This is done to show the customer that they can get quality goods at a better price.

Customers use the competition between traders to get better deals. Bargaining is common between customer and trader, as the customer is aware of the competition. This does not always work and when traders are aware that their goods are of the best quality they do not lower the prices.

4.1.4 Popular goods amongst customers

Customers buy mainly vegetables, fruits and fresh produce. These food products are necessities for customers. Customers prefer fresh produce and vegetables from the market as it is seen to be fresher and a reasonable price (see photo 1). It was observed that customers that come into the market in the morning do so as vegetable stock is delivered at this time, and people prefer to have first pick at the delivered goods.



Photo 1: Fruit and vegetable stall in market

Clothes are also a popular product as the market offers a wide range to pick from, at a price that is better than at the formal shops. Customers are aware of the fact that certain traders sell clothes that are brand names (e.g. Legit, Edgar's) at a price lower than the shop.

4.1.5 Attitudes of traders and customers

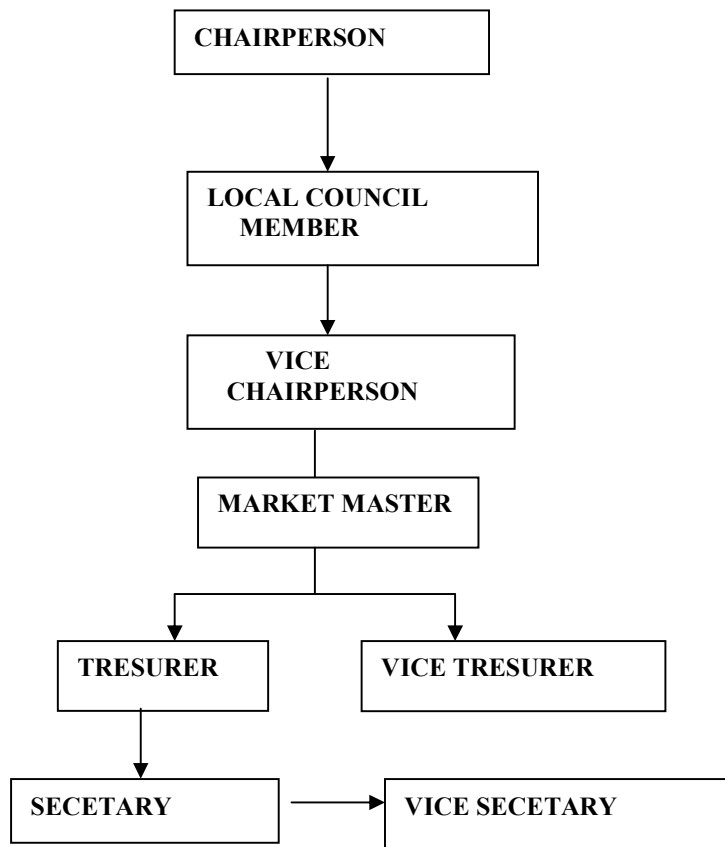
As mentioned previously, customers and traders have mutual respect for each other. However, it should be noted that this is not seen at all times. There were incidents in which both customers and traders were rude to each other. Customers are aware of the fact that traders should treat them with respect; but in some cases this is used as a bargaining chip to get the trader to sell goods at a lower cost. Customers threaten to complain to the Market Association, this forces a trader to sell at a lower price. Traders, however, do not always show the respect that customers expect. Traders have been seen to ignore customers or to be rude to a customer. The above mentioned incidents are not often seen in the market. As the market has been open for such a long period of time, customers and traders have built relationships with each other in which mutual respect is shown.

4.2 MANAGEMENT OF MILLENNIUM MARKET

4.2.1 Market Association

The Market Association has been in place since the market opened over 10 years ago. It comprises of six traders who operate in the market and it has two members that are paid by the local municipality. It is however important to note that a new committee was appointed just over a year ago. Members who were on the Association were either promoted within the Association or new members were elected by the traders operating within the market. The Association does not have a constitution but follows particular rules that are set out by the Association members during the annual meeting. Interviews were conducted with three members of the Association, namely the vice chairperson, the assistant secretary and the treasurer. The members interviewed had all traded within the market for a period of over 5 years. The members were cooperative and gave vital information to the interviewer. Although only three members were interviewed, a huge amount of necessary and valuable information about the role of the Market Association within the market was gathered. The Market Association consists of a board of 8 members who serve a term of 3 years, or longer if re-elected. Figure 2 shows the organizational structure of the Market Association. NB: the members wished to remain anonymous.

Figure 4. 1: Structure of the Millennium Market Association Body



4.2.2 Body Corporate for traders operating outside the market

The Body Corporate has been in place for approximately 6 years. This body corporate was formed to represent the large number of traders that were operating on the pavement around the Millennium market and the shopping centres. This Body Corporate consists of 5 members who were selected by the traders on the pavement. It should be noted that the Body Corporate is not as entrenched as the Market Association. The Body Corporate does not have a constitution, however rules are followed that are set by the members. These rules also apply to the traders that operate on the pavement, who are not a part of the Body Corporate. The main function of this Body Corporate is to obtain permits for the traders operating on the pavement and to gain facilities (toilets) for the traders.

4.2.3 Operation and function of Market Association

The Market Association has meetings with the traders, to gain insight into what traders need and want. These meetings are not carried out on a schedule but are called when needed. It was noted by all respondents that the attendance at meetings are not regular and this in turn creates a gap of information, in which a number of traders do not state their concerns. The Association members then hold a private board meeting to decide which concerns and complaints are to put forward to the local municipality. It was noted that not every single concern or complaint is taken to the Association members; the Association selects the ones that are seen as urgent and those put forward by a majority of traders. These concerns are then presented to a local Council member at the board meeting. It was disappointing to note that traders are not given direct feedback by the Association; instead a notice is printed and placed on the notice board for traders to read. It was stated that meetings were only held if a problem persists and feedback is demanded by traders.

The function of the board is to improve the lives of the traders who operate within the market. It is to take into account and consideration the concerns and complaints of traders during decision making. The function of the Association is to put forward viable and sustainable solutions. It is to ensure that solutions are viable over a long period of time. The Association can be seen as a link between the traders and the local Council; problems are brought to the attention of the local Council that have to find solutions to these that are both viable and acceptable to the traders. Different members of the Association had different functions; each member was in charge of a particular element of the market.

4.2.4 Rules and regulations for market

According to the Association members interviewed, the market master, who is not a member of the Association, is in charge of the traders. The market master is to administer the rules and regulations to the traders and ensure that these are complied with. The chairperson of the Association hands over a list of rules and regulations that are voted upon in meetings to the secretary to type up and place on the notice board. The board cannot directly enforce the rules and regulations, therefore notices are placed. The notices

consist of decisions that were made during meetings and feedback on particular concerns that were raised at meetings. An additional comment made by the vice-chairperson, was that no minutes of meetings were typed and given to Association members. This makes it difficult for board members to explain decisions to traders. A mixed response was given to the question of whether the rules and regulations were followed by the traders. It was agreed that a majority of the traders did comply with the rules and regulations. The different of opinion was seen in the way in which traders took advantage of the system and used certain rules to their advantage.

4.2.5 Long term vision and goal of Association

The long term goal or vision of the board is to secure the rights of the traders. An example of this was given by the vice-chairperson. The traders' stalls are to be given to the next of kin in case of a trader's death. The improvement of the market is another long term goal, which is viable to traders and customers. The lighting in the market and electricity connection in particular stalls are goals that have been achieved by the board. The enlargement of stalls and having walkways between stalls has been requested by the board to the local Council, but no feedback has been received. The expansion of trader's businesses in order to allow traders to flourish is another goal that is linked to the expanding of stalls. An interesting goal that was mentioned was linked to the security within the market. The erection of fences around the market so as to ensure the safety of traders and goods. Each stall is enclosed by a fence and there is a boundary wall around the market (see photo 2).



Photo 2: Stalls in market

4.2.6 Trader issues and solutions

The main issues that traders complained about were the size of the stalls; traders want bigger stalls and some want additional stalls so as to expand their business. The expansion or renting of additional stalls has not been approved by the Council and therefore has not been seen in the market. Safety within the market is another issue that was raised by traders as stalls are broken into weekly. The security within the market needs to be increased so as to curb crime and to make traders feel safe. Another interesting issue is the taking of stalls, forcefully by traders when the old Association was in place. The treasurers stated that during the tenure of the old Association, some traders forcefully took additional stalls and there are still being used. The issue of a code of conduct between traders is an issue that may seem minor but is one that needs to be attended to as illegal occupation could escalate into a major problem. Traders are unhappy with the mixing of goods, it was noted that certain traders have mixed the goods that are sold, and an example of this was seen in a stall that sells both food and clothes (see photo 3). This has minimized the business of people selling detergents as customers buy food and detergents at the same stall.



Photo 3: Different goods sold in the same stall

The Association has taken these concerns to the Council; however, no feedback has been received. It was said that larger stalls were promised to traders 5 years ago but this has

not been fulfilled. The fencing of the market has been approved by Council but has been delayed as prices with contractors are still being negotiated. It was concluded by the researcher that the Association cannot function in an optimal way due to the lack of interest and support of the local Council.

4.2.7 Customer issues and solutions

It is not only traders who take up issues with the Association members but customers as well. The customers have complained about the behavior of traders. Traders ignore some customers and have spoken to them in an inappropriate manner on a number of occasions. Illegal tenants and the selling of different goods by the same trader have also been brought to the Association's attention. The market is not set up in a manner that is convenient for customers, traders sell the same goods are not found in the same area within the market. This is inefficient as customers have to walk around the market to compare the prices of the same goods. The issues of fans to curb the smell of fresh produce, the lack of walking space at the back entrance of the market due to the number of vegetable sellers are issues that have also been brought to the attention of Association members. An issue of safety in terms of people being able to see the road has been mentioned: cars park in an area that obstructs the view of the road. This is dangerous as people cannot see oncoming traffic when crossing the road. The market master has been informed about these complaints; it is the job of the market master to deal with such issues. The board has also informed the council of the complaints; however, no feedback has been received.

4.2.8 Durban Informal Economy Policy (board awareness)

The Association is aware of the Durban Informal Economy policy. The new members of the board attended a training workshop in which the Policy was introduced. The Policy was explained to members of the Association, but it was noted that the interviewees were unable to state or explain any of the terms found in the Policy. This may be due to the fact that no feedback document packs were given to the Association members at the workshops. The materials used to explain that terms in the Policy has still not been given to the Market Association members. The Council has not sent a copy of the presentation to the Association; this in turn has caused the problem of traders not being informed

about the Policy. The traders will not comply with the Policy as no feedback (signed by a council member) has been received.

4.3 TRADERS OPERATING IN THE MARKET

The primary respondents to interviews were traders (approximately 45-60) who operated within the market. Those interviewees included both male and female traders who operated in the market throughout the week. Interviews were carried out with 15 such traders who sell different goods. The categories were as follows:

- a) fresh produce (fish, chicken)
- b) fast foods (hot dogs, burgers)
- c) clothes and shoes
- d) fruit and vegetables
- e) electronic equipment (DVD's)

Due to the large number of traders in the market that sold similar goods, a representative sample was taken and three traders from each category were interviewed. The words “respondents” and “traders” are used interchangeable.

4.3.1 Profile of traders

It was interesting to note the history of the traders interviewed. This informed the researcher's understanding of why they operated in the market. Most traders operate in the market as a means of survival. The traders ranged from teenagers to retired workers, an age range of 18 to 65 years. The respondents indicated that they have operated in the market since its opening, with a majority of traders operating in the market for over seven years. Tables 1 and 2 below show the age and gender breakdown of traders operating in the market. It can be seen that a majority of traders are female, with the dominant age groups being 15 to 25 and 56 to 65. This indicates that traders who are either starting a career can be found in the market or those who are considered to old to work in the formal economy go into the informal arena to support themselves.

Table 1: Gender of traders within market

Gender	Number of traders	%
Male	6	40
Female	9	60
Total	15	100

Source: Field Survey, 2008

Table 2: Age of traders within market

Age	Number of traders	%
15-25	4	27
26-35	2	13
36-45	3	20
46-55	2	13
56-65	4	27
TOTAL	15	100

Source: Field Survey, 2008.

4.3.2 Reasons for trading in the Millennium market

There are a variety of reasons that traders have chosen to operate in the market. These reasons range from location, surroundings, training of traders, lending of money and the rental fees paid. It should be noted that not all reasons for moving to the market was done out of choice.

A majority of traders stated that they were formally street traders who operated on the pavement outside the market. The local Council, in an attempt to clean up the streets, built the market and moved traders in. It was emphasized that traders had no choice but to move to the market or they would be fined, or removed from the streets. A majority of the traders reported that there are now a large number of traders operating on the same streets that they were removed from. This has caused tension between the traders and the local Council, as traders were assured that once they moved to the market the street would be kept free of street traders. Other reasons given by traders for trading in the

market were the provision of shelter and electricity that is needed by certain traders. passing trade is a particular advantage for traders who have stalls located at the entrances. It was also seen as being conveniently close to shopping centre. If any goods were needed in an emergency, they can be purchased at the centre. For traders that trade in perishable goods, which cannot be exposed to heat, the market provides shelter from the heat and therefore ensures goods last longer. Safety is also a factor that has attracted traders into the market.

The entire sample of traders interviewed stated that the surroundings were comfortable. However, the reasons given varied. Those traders located close to the entry points of the market stated that most of their customers are people passing by who are attracted to the goods. Traders have acknowledged the fact that the busiest weeks are when people collect their grant money or pay a bill, as these offices are located opposite the market. A minority of traders stated that the reason people come to the market, and their stalls in particular, is due to the advertising that is done in the local newspapers and when attending other places in which trading is done. The market has two shelters (see figure 4.1) that are separated by a parking lot. Traders who have stated that they do not have access to a number of customers are located in the 'bottom' market. This is due to the fact that most traders are located in the 'top' market in which most customers shop. As stated by trader number 4 (18-06-2008), "the reason people enter the market is due to the vegetable and poultry stalls that are located at the entrances of the 'top' market." This is not the case in the 'bottom' market.

Traders noted that the market is affected by crime and a number of break-ins have taken place during the night. Several traders stated that their own stalls were not broken into but overall the market is affected by crime. A worker for a stall owner that deals with electronic equipment showed the interviewer the alarm system that was installed to prevent the theft of equipment. Another unusual feature of a stall was the roof installed by a trader to protect goods. Permission had to be given by the Market Association for the installation of the roof.

FIGURE 4.2: MILLENNIUM MARKET AND SURROUNDING CENTRES



Most (87%) of the traders who operated in the market stated that they were unaware of any money lending facilities and had never used any. The remaining traders stated that saving clubs did exist but they had never used any.

Traders who trade seven days a week do so at different times. Most trade between 7am and 5pm on a Monday to Saturday and between 8am and 3pm on a Sunday. For traders who trade from Monday to Saturday do so between 8am to 5pm or 8am to 4pm.

No pre-preparation is needed for a majority of traders as they sell non-food items. Those that do have pre-preparation are those who sell food and need to prepare certain foods at home. The preparation of foods takes between an hour to three hours depending on the amount that needs to be prepared. It was reported that although certain foods are left over from the day before, it is not used because customers expect fresh foods. Some also order stock to be delivered

Traders stated that people who operate in the market do not need training, as trading is a self-taught job. Traders felt that people who operate in the market should be able to understand how to buy and sell goods and interact with customers. Certain traders reported that they had already received training when the market initially opened. On the other hand the Market Association members had received training and had passed this on to traders. Traders had learnt about the buying of supplies and customer relations. Traders, who stated that training of traders is needed, concentrated on customer relations. They said that traders needed to learn how to communicate with customers to build stronger relationships. In order to maintain the viability of the market, traders need to learn how to work together.

Large number of traders worked in the formal economy before entering the informal economy. Most worked in factories or owned other businesses. The traders who were previously unemployed either traded on the street or entered the informal economy when the market was opened.

Traders interviewed were adamant that working in the informal economy was their preferred option. This was mainly due to the fact that in this arena, people worked at their own pace; they were therefore more relaxed as no pressure was placed on them to finish work at a particular time. Traders who owned the stalls acknowledged that they preferred working for themselves and not working for a wage. By working for themselves they were able to control the amount of money spent and profit taken. Trader number 3 (18-06-2008) stated “that working in the market was less labor intensive”, there is no carrying of stock as everything is in the stall, it just has to be set-up. As noted, some traders work in family owned businesses. Traders prefer working for family as there is less pressure put on them. Traders, who preferred the formal economy, noted that the pay was better and the one trader who worked for the Trade Union noted that she preferred administrative work as she did not have to deal with customers. It was interesting to note that trader number 12 (20-06-2008) was a pensioner who traded to keep busy. The market provided conditions that suited his needs.

An overwhelming 93% of traders stated that a permit is required to trade in the market; and with the exception of one trader, all were aware of how a permit is obtained. Traders explained that one has to apply through the Council using identification papers. Once the stall has been inspected and approved, a permit is issued. The three traders who deal in fast food explained that a health and safety permit had to be issued to avoid health problems or complaints. A stall is inspected to insure that all requirements to trade in a particular good are met. An example is fast food, as explained by a trader, “in order to trade in fast food, certain requirements had to be met. The counter tops have to be steel, the supply of electricity has to come from a safe and reliable source and the appliances that food is cooked on must be hygienic and easy to maintain.” (see photo 4). The trader who was unaware that a permit is required, works for another person and stated that he did not deal with such elements of the business.

The rental fee paid by most traders to the rent office is R50 a month, but there were exceptions to this. One trader indicated that a rental fee of a R100 was paid by the owner of the stall; another trader who sells and fits audio equipment and alarm systems paid a monthly rental fee of R250. This was not only for the use of the stall but included the use

of the outside space, which was used as a garage. A minority of traders who worked for other people were unaware of the rental fee paid on a monthly basis.



Photo 4: Food stall in market

Traders used the terms rent office and Council interchangeably as they were aware that the rental fee was taken by the Council. A majority of traders indicated that no benefits were gained by paying the rental fee; it was said by many that “it was just the rental fee that is paid for ownership of the stall.” A minority of traders agreed that certain benefits were derived by paying the fee, such as the use of electricity and the presence of security guards; cleaners were paid for keeping the market clean and this the wage are taken from the rental fee.

4.3.3 Ownership of stalls and suppliers

There was an interesting link between ownership and the pride of self employment. The traders who owned the stalls seemed to be proud of the achievement of being able to work for themselves. Six out of 15 traders interviewed own the stalls that they trade from, while the remaining nine traders work for someone else. Five out of the nine that work for someone else work for family members. Traders who work for family members do not take a wage. In three cases the traders stated that the reason for working in the market was to help the person that owns the stall, when money was needed by the trader it was given (not a set wage). People who did work for a wage were paid weekly and gave the impression that the wage was satisfactory.

Most traders have more than one supplier; most goods are bought from different suppliers for different reasons. The majority of traders said that price and reliability were the main factors that influenced where traders bought their supplies. Most poultry and vegetables were bought from farms for freshness and a competitive price. Quality and quantity also played a role: customers were used to and expect certain quality, and the suppliers need to provide this. An interesting factor mentioned is the effect on the delivery of goods due to the raising petrol price. The convenience of delivery is important to certain traders who do not have the time to pick up goods that are needed. Two workers noted that the supply of goods used come from the owner's other businesses; owners either produce the goods (such as clothing made at the owner's home) or supply the stalls from goods from the shop. Traders who use one supplier do so due to reliability, quality and price of the goods. Another factor is the relationship that is built with the supplier by the trader.

4.3.4 Income and expenses

A majority of traders stated that trading was their only source of income. The two traders that had other sources of income: one installs audio equipment in motor vehicles and the other is a pensioner.

Trading in the market was seen as being profitable by 53% of traders. Reasons given for profitability included, having access to a large number of customers particularly traders located at the entry points of the market. Having customers buying goods on a regular basis, traders have built relationships with the customers. Traders stated that most of the profit was due to the way in which goods were priced as customers are looking for quality at a reasonable price. Traders price goods just below what it can be bought for in a formal shop, which in turn lures customers who feel that they are getting the same good value at a lower price. Traders felt that customers are satisfied with the service provided and try to maintain relationships that have been created. A small number of traders felt that the business was just breaking even. This was due to the amount of competition between traders and customers preferring goods from other stalls. The location of stalls also played a role; traders who were located in the centre of the market stated that they did not come into contact with a large number of customers, as customers buy the goods needed at the stalls located close to the entry points. The price of petrol also played a part

in how much profit is made. The raising petrol price has led to increases in the price of supplies. Traders in turn have no option but to raise the price of goods, which causes customers to shop elsewhere. Another factor relates to traders who operate on the pavement outside the market. Customers walk pass these traders on their way to the market, and sometimes buy goods on the street rather than coming into the market. Customers find it convenient to buy the goods at the closest points, as it saves time and they are able to bargain prices, which is not always done in the market.

Table 3: Monthly Income and Expenses of traders in market

Type of product	Income	Expenses
Fresh Produce 1	R2000-R2999	Over 2000
Fresh Produce2	R1000-R1999	R500-R999
Fresh Produce3	R100-R1000	R100-R499
Vegetable and Fruit 1	R100-R1000	R500-R999
Vegetable and Fruit 2	R100-R1000	Over 2000
Vegetable and Fruit 3	R3000-R3999	R1000-R1999
Fast Food 1	R100-R1000	R500-R999
Fast Food 2	R2000-R2999	R1000-R1999
Fast Food 3	Over R5000	R1000-R1999
Clothing and Shoes 1	R100-R1000	R500-R999
Clothing and Shoes 2	R3000-R3999	R500-R999
Clothing and Shoes 3	R100-R1000	R500-R999
Electronic Equipment 1	Over R5000	Over R2000
Electronic Equipment 2	R100-R1000	R1000-R1999
Electronic Equipment 3	R3000-R3999	Over R2000

Source: Field Survey, 2008.

Table 3 shows the monthly income and expenses that traders incurred. The table illustrates that trader income and expense differ according to the type of product that is sold. This can be due to the location of a trader, the prices of goods and the variety of goods that the trader has. Traders who sell fast food, especially those located close to the entry points enjoy a healthy income. Traders dealing in electronic equipment also have a

healthy income, but also have huge expenses that have to be paid; this can also be said about traders dealing in clothing and shoes. Traders who trade in fresh produce and vegetables and fruit do not share the same healthy income, the income generated depends on the goods wanted by the customer and how often these goods are needed. However, the changing needs of customers does lessen the expense that has to be paid on a monthly basis. On reflection the questions were not worded sufficiently tightly to distinguish turnover as opposed to profit and this should be remedied in any follow-up study. However, most traders do not keep detailed records.

4.3.5 Role of the Market Association

Meetings were held between traders and the Market Association in which traders were given the opportunity to raise concerns. Traders gave the impression that the current Market Association is doing an adequate job. Traders stated that the Association listens to their concerns at the meetings held and are quick to respond to the problems. Some traders said the new chairperson had made a number of positive changes, including the installation of flood lights and the provision of power to particular stalls. A small number of traders felt that the current board needed to fight for the rights of traders. These traders do not want the election of a new board but feel that the current one needs to take a more active role to serve the traders better. The traders who felt that a new body was needed are traders who work for the owner of the stall; the reasons behind this include the filling of empty stalls, the expansion of traders businesses and a body that represents the workers, a union of sorts. These grievances listed above were the reasons given by the market traders as to why they feel that a new board should be appointed.

However, 93% of the traders interviewed said that they had received no help from either the Market Association or the local Council. This is because of the quick response the Association has to problems; traders never need to ask for help individually. One trader number 8 (19-06-2008) stated that the Market Association helped to connect power to his stall.

4.3.6 Improvements in the market

A majority of traders identified that an increase in security was the main issue to be addressed. there was only one security guard at the market. robberies take place as security is weak. Traders suggested alarm systems could be put in place, a better security company hired, or fences erected. Advertising was another issue that traders felt strongly about. Traders emphasized the need to advertise the market, to place advertisements in the local newspapers and distribute flyers and notices highlighting the goods and services provided in the market. Traders felt that people are unaware of the market as they buy goods on the streets. Therefore promotion of the market is vital. Other improvements included allowing the present traders to expand their businesses by renting out additional stalls. It was stated that traders need to expand their businesses as cages are too small and there is not enough space to trade. Another improvement requested is by trader number 13 was the installation of fans to keep vegetables and fruit fresh. The humidity in the market does not allow certain vegetables to retain their color or freshness, forcing traders to throw them out, which in turn results in a loss of money for the trader. Most traders indicated that Council needed to ensure that these improvements are implemented using the Council's budget for improving the market. Other traders indicated that the Market association should take a greater initiative to inform the council of traders needs: "The Association and the council need to work together to improve the lives of traders."

4.3.7 Traders' awareness of Durban's Informal Economy Policy

The majority of traders were unaware of the Durban Informal Economy Policy. The two traders who knew about the Policy had heard from different sources. One trader stated that she was informed about the Policy at a meeting with the Market Association last year. This contradicts what members of the Association had reported (see 4.2.6 above). Although the trader stated that the terms of the Policy were explained, she was unable to recall any of the terms in the Policy. This trader reported that the Policy had not affected the way trading was done. The other trader stated that the Policy was mentioned during a street trader march a few years ago. The trader concurred that the Policy has not had any real effect on the way trading is done in the Millennium Market.

4.4 TRADERS OPERATING ON THE PAVEMENT OUTSIDE THE MARKET

The traders that operate on the pavement (approximately 60-70) outside the market (see figures 3.2 and 4.1) were divided into 4 categories based on the goods sold. Three traders from each category were interviewed. The categories were as follows:

- a) Fast foods
- b) Cosmetics
- c) DVD's
- d) Clothes and shoes.

Traders were open and willing to answer questions, but only after it was explained that the study was not being done for the local Council. In contrast to the “within market” situation in some cases interviews were interrupted three or four times to serve a customer.

4.4.1 Profile of the traders

The age and gender of the traders operating on the pavements outside the market are shown in table 4 and 5. The tables below show that 58% of the traders are female and that a high 50% of traders fall in the age group of 50 to 59. This suggests that traders on the street are people who may be too old to work in the formal economy. In contrast to table 2, most traders operating on the pavement fall into a younger age group.

Table 4: Gender of pavement traders

Gender	Number of traders	%
Male	5	42
Female	7	58
Total	12	100

Source: Field Survey, 2008

Table 5: Age of pavement traders

Age	Number of traders	%
20-29	1	8
30-39	2	17
40-49	3	25
50-59	6	50
Total	12	100

Source: Field Survey, 2008.

4.4.2 Reasons for trading on the pavement outside the market

As with the traders that operate in the Millennium market, the traders on the pavement had a number of reasons for remaining on the street. These included: location, surroundings, lack of crime and freedom of time. For most traders the main reason was passing trade, as people had to walk along the pavement to get to the taxi/bus rank or to the offices. This movement of people amounts to a large “passing trade” on a daily basis. Customers have a tendency to buy from a particular trader, so by locating in a particular area the trader ensures that the customer is aware of his or her stall. Other traders located close to the taxi/bus rank to make it convenient for customers to buy their goods (see photo 5). Another reason for location, or for moving to another location, is the harassment of traders by the metropolitan police. Traders have moved to a spot located outside formal shops (in the parking lots) to avoid the confiscation of goods by the police (see photo 6). Traders have to pay a R500 fee for the return of goods. It was also reported that certain traders have always located in this area; most traders having operated in the area before the building of the shopping centers. An interesting reason was given by trader number 4, “the rising price of petrol”; it is convenient and cheap as he lives in the area. The use of a motor vehicle is not needed as the trader walks to work.



Photo 5: Fast food trader at taxi rank



Photo 6: Trader outside shops on private property

It was agreed by all traders that the surroundings were comfortable in terms of access to customers. Traders stated that a large number of customers pass by on a daily basis; some have stated that during a week approximately 200 to 300 customers pass by. However, not all people buy goods from traders. In terms of congestion, traders said that the space is shared between the trader and the customer; customers are given ample walking space.

It is never a case in which the trader is unable to serve a customer due to the pavement being congested.

Crime on the street did not seem to be an issue for 67% of the street traders. Certain traders have seen other traders being attacked but were not affected by crime personally. Two traders stated that goods were stolen while customers were being served. It was acknowledged that the traders on the street are vigilant; look after other traders and help to protect one another.

Training was thought to be an important issue to the viability of trader's businesses and 58% of traders indicated that they did need training to understand how to operate at optimal levels. The way in which traders conduct themselves in front of customers was an issue identified. Respondents felt that traders need to be trained, given a code of conduct to trade by so as to attract and keep customers coming back. The buying, selling and pricing of goods was another issue on which training was needed. Traders who indicated that no training was needed, stated that they had skills and could train themselves. All traders in this sample were unaware of any money lending facilities that could be available to a street trader.

Some traders were found trading seven days a week during 8am and 5pm. Traders reported that they are not always on the pavements trading during off peak times and rainy days. Others have transport or health issues that prevent them from trading everyday. Half of the traders do not have any pre-preparation, the other half do take from half an hour to an hour to do so. Traders that trade in fast food, prepare certain foods at home which can take between two and five hours.

Trading on the street was not the original choice of most street traders; eight out of 12 traders were formally employed before trading on the street. However, it was reported by all traders that trading was preferable to working in the formal economy. This included those who had not been employed in the formal sector before. Traders indicated that being their own boss, and not being answerable to another person was preferred. The working hours and working at one's own pace was also seen as a bonus. Older traders

indicated that working in the informal economy was not done out of choice, but because, the formal economy did not employ them. Trading was the only alternative; and provided enough money to live on. Traders also indicated that more money can be earned in the informal economy, and the trader is able to control the use of the money.

Permits are required to trade on the streets and most street traders interviewed are aware of this fact. Although a permit is required, most traders do not have one due to the Council not issuing permits. Traders have indicated that the body corporate is trying to gain permits from the Council. Traders confirmed that the procedure used to gain a permit is simple; an application is made to the body corporate or the council. There were traders that stated, due to the fact that they trade on private property, a permit cannot be granted, Council has refused to issue permits. One trader who had been trading in the area for a week was unaware that a permit was required to trade on the streets.

4.4.3 Goods sold by traders

Traders have been trading in this area for a period of between one week and 13 years, with a majority having been in the area for six to eight years. Given this amount of experience, traders were in a position to provide an array of insights about the market and these businesses. Every trader interviewed was self-employed, traders seemed proud of this fact.

Traders used different suppliers for their goods, their choice being influenced by price, quality and reliability. The issue of reliability is one that all traders face, to ensure that the suppliers are aware of what goods are needed and to ensure that the supplier can provide the goods. Traders are not always able to buy goods with cash, forcing them to take goods on credit and pay interest. In some cases, prices are negotiated with the supplier. Most traders buy in bulk and are therefore able to bring prices down.

4.4.4 Role of body corporate

Traders (67%) reported that the current body was satisfactory, most of the traders reported the body corporate is making an effort to gain permits for the street traders. The body listens to the concerns of traders and takes it up at meetings with the Council. Not

all traders are aware of the existence of the body corporate. Despite this, a majority of the street traders stated that, besides trying to gain permits for street traders, no help was received from the body corporate or the local Council. It was agreed by all traders that the local Council did not provide any assistance to traders, although two traders did state that the body corporate listened to traders and were negotiating with council for the issuing of permits to the street traders. An interesting statement was made by street trader number 9 (27-06-2008), “that an application was made to the metropolitan police for the issuing of a license but was refused as the property that the trader operated on was seen as being privately owned.”

A few traders who felt the need for another body stated that this body should represent every traders. It was said that other areas where street traders were located have issued permits to the traders; it was felt that the current body was not doing enough on behalf of the traders. The harassment of traders by the police was another reason given by traders for the need for another body; the police need to be educated about street trading, in order to have a stronger and peaceful relationship with traders.

4.4.5 Trader preference, income and expenses

Traders were clear on the fact that they preferred to trade on the street than in the market. Reasons given were that the market is quiet, and people found it convenient to buy from the traders on the street. In addition the market has rules, and rentals. A few traders indicated that applications had been made to the Market Association to occupy a stall but were refused.

All traders stated this was their only source of income. Most traders made a profit; reasons given included low prices and good quality. Traders also indicated that relationships were built with customers, so as to attract new and keep old customers coming back. Others indicated that profits varied from month to month. Some traders reported that no profit was made due to the raising price of suppliers and the fines paid for the return of confiscated goods.

Table 6: Monthly Income and Expenses of Pavement Traders

Type of Product	Income	Expenses
Cosmetics 1	R100-R1000	R500-999
Cosmetics 2	R100-R1000	R100-R499
Cosmetics 3	R1000-R1999	R500-R999
Fast Food 1	R100-R1000	Over R2000
Fast Food 2	R2000-R2999	R500-R999
Fast Food 3	R2000-R2999	Over R2000
Clothing and Shoes 1	R100-R1000	Over R2000
Clothing and Shoes 2	R1000-R1999	R1000-R1999
Clothing and Shoes 3	R100-R1000	R100-R499
Electronic Equipment 1	R1000-R1999	R500-R999
Electronic Equipment 2	R1000-R1999	R500-R999
Electronic Equipment 3	R1000-R1999	R500-R999

Source: Field Survey, 2008.

Table 6 shows that traders on the pavement trade in cosmetics, fast food, electronic equipment and clothing and shoes. The table indicates that location plays a huge role in the amount of profit made by a trader on a monthly basis. Traders that trade in cosmetics do not make a large profit, but also do not incur huge expenses. This cannot be said about traders in fast food and clothing and shoes. These traders do make a profit but the expenses incurred outweigh the profit made. If this is so, why or how do they stay in business? Traders who trade in these products need to provide the latest fashion and have fresh food out everyday. The amount of clothing and shoes, along with the amount of food made do not also match the amount that is sold on a daily basis. Traders who sell electronic equipment (mostly DVD) are the traders that are able to make a good profit after the expenses have been paid.

If Table 6 was compared to Table 3, it can be said that traders in the market who sell fast food enjoy a larger profit along with the traders who trade in electronic equipment. Traders who trade in clothing and shoes seem to be in the same profit bracket both in the market and on the street. Overall, it can be concluded that micro-location in and outside

the market, the type of product sold, variety offered and price determines the profits and expenses incurred by a trader.

4.4.6 Improvements to traders lives

The most pressing issue for all traders was the issuing of permits, which would make it legal for them to trade. Once a permit has been issued to traders, the police would not be authorized to confiscate goods or remove traders. Traders said that this would allow them to trade at an optimal rate and in turn a better profit would be made. The building of stalls, shelters and facilities is another way in which trading could be improved (see photos 7 and 8). It was reported that just as the traders located in Durban city centre have shelters, so should shelters be built for traders to protect them from the weather. A public park is located opposite the shopping centre, but has no facilities for traders to use. Traders indicated that toilet facilities need to be installed. All traders indicated that the council should be responsible for these improvements.



Photo 7: Display of goods on pavement



Photo 8: Goods in boot of car

4.4.7 Street traders and Durban's Informal Economy Policy

In view of the response of traders in the market, it is not surprising that 83% of the traders interviewed were unaware of the Durban Informal Economy Policy. The two that were aware of the Policy, had been informed at a meeting that was held for street traders. A trader indicated that an official from the Council spoke about the policy. This has caused panic amongst the traders, as they were trading without a permit. Traders live in fear of the police removing them from the street or confiscating the goods. The terms in the Policy were not explained to traders at the meeting. It was interesting to note that although the meeting was held for all street traders only a select few are aware of the Durban Informal Economy Policy.

4.5 CUSTOMERS

Interviews were conducted with 20 customers over a six week period between June and July 2008. the interviewees seemed to come from the surrounding areas in Phoenix (see figure 3.1). The interviewer stood at the different entrances to the market at different times, so as to gain a spread of responses.

4.5.1 Profile of customers

The ages and gender of the customers are shown in tables 7 and 8. This shows which age group and gender the market attracts and should be trying to attract.

Table 7: Gender of customers

Gender	Number of traders	%
Male	3	15
Female	17	85
Total	20	100

Source: Field Survey, 2008.

Table 8: Age of traders

Age	Number of traders	%
11-20	1	5
21-30	2	10
31-40	5	25
41-50	5	25
51-60	4	20
>65	3	15
Total	20	100

Source: Field Survey, 2008.

The tables above show that a staggering 85% of customers interviewed were female. The majority of customers fall within the age groups of 31 to 40 and 41 to 50. the female customers interviewed stated that they were housewives who shopped for quality fresh produce at a reasonable price.

4.5.2 Reasons for shopping at market

Customers cited a variety of reasons as to why they chose to shop at the market. Reasonable prices, variety of goods, quality and convenience were the main reasons. Being able to see and choose goods (vegetables and fruit) and the produce being fresh was another set of reasons. Customers also stated that traders were friendly and attentive; and this allowed customers to be at ease and to enjoy the shopping experience. It is also reported that the prices in the market were lower than in the formal shops.

Most people interviewed stated that shopping for goods was their only reason for coming into the market. Two customers visited the market for services, came to have shoes repaired. Most customers were aware of the shoe-maker who operates within the market, and a few being aware of the audio fitting crew that also operates there. The remaining customers were unaware of any services that were offered in the market as they only came into the market to purchase goods such as fresh produce.

Customers concurred that the services and goods in the market were up to standard, with a variety of goods being sold at affordable prices. Traders were seen as being friendly and selling good quality products. Other customers, however, felt that the market needed to expand with bigger stalls being given to traders, so as to have more space to shop. Some customers stated that more fresh produce stalls (meat) should be opened.

4.5.3 Shopping patterns

More than half of the customers interviewed stated that shopping at the market was done on a weekly basis. Another 40% said that as shopping in the shopping centre is done on a monthly basis; the market is also visited on a monthly basis. A few customers stated that shopping in the market was done when in the area or when a specific good was needed. In terms of time of day, three patterns emerged: 45% came at anytime, depending on what time the customer arrived and finished at the shopping centre; 25% reported that shopping was done at mid-day as all traders had arrived and were set up by that time, 30% preferred to shop at the market in morning so as to have first pick at fresh produce (vegetables and fruit).

4.5.4 Goods purchased and price comparison to formal shops

A number of customers indicated that they had bought nothing at the market on the day of the interview. This was due to the fact that the customer did not find what they were looking for, or did not agree on a price with the trader. Customers who had purchased goods bought mainly fruits, vegetables and fresh produce (fish). A select number bought clothes and fast food. All customers agreed that the prices in the market were better than those in the formal shops.

When asked about the quality of goods sold in the market, customers stated that the quality of goods was satisfactory but not all agreed that the market goods were better quality than in the formal shops. Customers said that they had received quality goods at a reasonable price in the market.

4.5.5 Improvements to make shopping more pleasurable

The main issues mentioned when asked what improvements could be made in the market were: having bigger stalls and better security. Customers felt that by spacing stalls adequately and having larger stalls in which goods could be displayed, shopping would be made easier. Customers would have more walking space and would be able to shop at a faster pace as goods could be seen on display. Another improvement would be the opening of more stalls with a variety of goods: unique goods that would attract customers. Certain customers also stated that advertising of the market was needed to attract new business and customers. Facilities such as the toilets needed to be upgraded and change rooms installed for the customers. The installation of lights and the cleaning of the market were other issues that customers stated needed improvement. Customers felt that the Market Association and the Council should be responsible for these improvements. As these two bodies were in charge of the market, a joint effort should be made to improve the facility. A few customers stated that the traders should take the initiative as they are to benefit from these improvements.

4.6 CONCLUSION

The Millennium Market located near the Phoenix Plaza has become popular with both the residents of the area and visitors. It is an informal market in which almost anything can be purchased. People like to shop at the market as they are able to buy fresh produce and get service from the trader on a personal level. The street traders located outside the market have also established themselves in the area and have maintained a standard of services that is now expected from customers.

CHAPTER FIVE

DISCUSSION, RECOMMENDATIONS AND CONCLUSION

The aims of the study were to gain an understanding of the activities of street traders who operate within and outside the Millennium market in Phoenix, and to assess the extent to which they were affected by the municipality's Informal Economy Policy. This chapter draws the study to a close with a summary structured around the research (5.1), followed by some recommendations (5.2).

5.1 SUMMARY

The operation of the market is described in section 4.1 and its management by the Market Association in section 4.2. The main activities by traders operating within the market, the issues they have were discussed in section 4.3, while the activities and challenges faced by the traders who operate in the streets outside the market were discussed in section 4.4. The customers who buy goods and services from the traders both within and outside the market were described in section 4.5. Improvements suggested by each of the group of role players were discussed in sections 4.3.6, 4.4.6 and 4.5.5.

The municipality's Informal Economy Policy was presented in some detail in section 2.5. Discussion with a municipal official who had been involved in its formulation, and another who has responsibilities relating to the implementation of the Policy, suggested that, whereas the Policy was progressive and comprehensive, it was unclear how, and with what vigor it would be implemented.

Data from the field work revealed that no more than a few local role players are aware of the Policy and do not know much about its principles. There was very little evidence that the Policy is being implemented in the market.

The lack of implementation of the Policy within and outside the market had led to the traders being adversely and positively affected. The lack of implementation has led to a lack of control over the traders both within and outside the market. The traders do not

follow the bylaws set up by the relevant authorities. The lack of implementation has also had an adverse effect on the traders, in terms of having access to economic opportunities, support for entrepreneurial development and management support. Nor do traders have access to capacity building workshops or a proper platform to voice their opinions and concerns.

5.2 RECOMMENDATIONS

On the basis of the research a number of recommendations can be made in order to promote the growth of the Millennium market while at the same time improving the quality of life for the traders in the area. these are arranged as recommendations for the Market Association, for traders within ad traders operating outside the market and for the local Council.

The following recommendations apply to the Market Association and Body Corporate

- a) In order to address the problem of efficient response to problems raised, the Market Association should create a system, together with the Council to set a specific time period in which to respond to issues raised by traders. This system should be based on the nature of the problem. The time given to respond to a problem must be based on the urgency of the issue. Meetings should be scheduled regularly.
- b) Communication lines need to be opened between the market traders and the Association members. This can be achieved by setting a specific time aside at meetings, in which issues can be raised by traders.
- c) Minutes of meetings and decisions taken should be made available in writing to all Association members, so as to give proper feedback to market traders on specific issues. The issue of trust between traders and the association board can be addressed by providing minutes of meetings, so as to allow the traders to read and understand decisions taken at meetings.

- d) The Market Association should run a program on code of conduct so as to improve relationships between traders and traders and customers. This will, in turn, allow traders to work in harmony and attract customers to the market.
- e) The issue of customers not being attracted to the market or the traders operating on the street due to police presence can be addressed by the gaining of permits for the street traders. The Market Association and the body corporate representing the street traders must work together to gain permits for street traders which would increase clientele.

Recommendations for traders within the market

- f) The issue of attracting people into the market can be addressed by conducting interviews with traders on the street and customers. These interviews should be conducted by the market association. The needs of these two stakeholder groups are different and therefore different aspects of the market need to be highlighted and if need be changed.
- g) An improved security system should to be created for the market. This would either involve hiring a new security company or the current security company to increase the number of guards in the market.
- h) An alternative way of curbing crime within the market is by creating a watchdog system. Traders should create a system similar to that of a neighborhood watch, in which traders took different shifts.

Recommendations for the traders operating on the pavements outside the market

- i) The pressing issue that has to be addressed is the provision of shelter for the traders on the street. The provision of shelter would make trading on the pavements safer and more efficient for traders. The traders would not have to stop

trading due to bad weather conditions and could leave goods in the stall after trading hours.

- j) The issue of providing permits has to be addressed. A committee of pavement street traders should be formed that deals directly with the Market Association and Council on a daily basis for the provision of these permits. The confiscation of goods by the police stops traders from earning a living as the money earned is used to pay a fine for the return of goods. It is not only the confiscation of goods, but traders have now moved onto private property to avoid being harassed by the police.
- k) Trading on private property has to be controlled. Formal businesses and traders operating outside the shops should come to a mutually beneficial agreement. An example of this would be in exchange for the use of the space outside the formal shop, the trader would provide the shop owner with free security.
- l) Workshops between street traders and the police should be set up to create a positive relationship between the two stakeholder groups. These two groups have to see the other group's point of view in order to have a calm and rational relationship.

The following recommendations apply to the municipality

- m) The municipality should encourage appropriate financial institutions to set up lending facilities that can be used by the traders. This will allow the traders to expand their business, or borrow money when needed without having to pay as high an interest rate as it would be if money was borrowed from the bank.
- n) The municipality should take steps to implement its IDP in such a way as to support the activities of both groups of street traders. this could start with the

establishment of a committee that explains the terms of Durban's Informal Economy policy for both the market and street traders. The committee should not only explain the terms of the policy but also explain the effects the policy has on the trader.

5.3 CONCLUSION

The informal sector has become an integral part of South African society in terms of providing the basic needs for workers and contributing to the Gross Domestic Product of the country. As the research has shown, the Durban Informal Economy Policy could make a positive contribution, if implemented correctly. Traders require a cooperative relationship between the three main stakeholder groups, government, civil society and the private sector. The approach used should encourage participation of all stakeholder groups. These stakeholders should be involved from the planning stage through to the implementation phase of any project undertaken within the informal sector.

The traders who operate within the Millennium market and those who operate outside the market share the same concerns of other traders in South Africa. The informal economy needs a healthy formal economy to exist. The Millennium Market traders and street traders can be used as an example in which the mere existence of a shopping centre has led to a thriving informal economic hub that is present today. The success of the informal area depends on the creation of a friendly business environment which traders can grow.

In the final analysis the research found that street traders of the Millennium Market are not benefiting, nor are they being supported by the municipality's Policy as it is not being implemented.

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APPENDICES

Appendix 1

Interview sheet for the informal traders that operate within the market.

Interview number:

Age:

Sex:

1) What type of goods do you trade in?

2) How long have you been trading in the market?

3) Is this stall owned by another person or do you own it?

4) If the stall belongs to someone else, who does it belong to?

5) Do you work for a wage or on commission?

6) Do you get paid on a weekly or monthly basis?

7) Are there particular reasons for locating in the market?

8) Are the surroundings comfortable in terms of congestion and access to customers, explain?

9) In terms of crime, is the business affected by it?

10) Where do you get your supply of goods from?

11) What are the reasons for using this supplier?

12) If any, what type of help did you receive from the market association or local council?

13) Do you feel that the market association represents you or is there a need for another body? If so, explain what they should do?

14) Do you think there is a need to train traders so as to further their understanding of the market, explain?

15) Are there lending facilities around here? Do you or any traders you know use the lending facilities available, explain?

16) How long do you trade here?

17) Is any pre-preparation is needed, how long does it take?

18) Were you formally employed before trading here?

19) Do you feel the conditions in the informal trading arena are more comfortable for you to work in, explain?

20) Is this your only source of income?

21) If no, what are your other sources of income?

22) Is your business profitable? Why?

23) What is the average monthly income guaranteed?

100-999	1000-1999	2000-2999	3000-3999	4000-4999	Over 5000
---------	-----------	-----------	-----------	-----------	-----------

24) What are the monthly average expenses?

Under 100	100-499	500-999	1000-1999	Over 2000
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25) A permit is required for trading? How do you get a permit?

26) What is the monthly rental fee that is paid, to whom and for what?

27) Do you feel that by paying this fee benefits your business?

28) What can be done to improve the lives of traders?

29) Who do feel should be responsible for this?

30) Are you aware of the Durban municipality's informal economy policy?

31) If yes, where did you here about it?

32) If the policy has affected your trading, has it done so in a positive or negative way?

33) Has the association informed the traders about the policy?

34) Has the terms of the policy been explained to the traders?

35) If yes, to what extent has this been done?

Appendix 2

Interview sheet for the informal traders that operate on the pavement outside the market.

Interview number:

Age:

Sex:

1) What type of goods do you trade in?

2) How long have you been trading in this area?

3) Do you trade for yourself or are you working for someone else?

4) If so, who do you work for?

5) Do you work for a wage or on commission?

6) Do you get paid on a weekly or monthly basis?

7) Are there particular reasons for trading in this area?

8) Are the surroundings comfortable in terms of congestion and access to customers, explain?

9) In terms of crime, is the business affected by it?

10) Where do you get your supply of goods from?

11) What are the reasons for using this supplier?

12) If any, what type of help did you receive from the body corporate or local council?

13) Do you feel that the body corporate represents you or is there a need for another body? If so, explain what it should do?

14) Do you think there is a need to train traders so as to further their understanding of the market, explain?

15) Are there lending facilities around here? Do you or any traders you know use the lending facilities available, explain?

16) How often do you trade here?

17) Is any pre-preparation is needed, how long does it take?

18) Were you formally employed before trading here?

19) Do you feel the conditions in the informal trading arena are more comfortable for you to work in, explain?

20) Would you prefer to trade in the market, explain?

21) Is this your only source of income?

22) If no, what are your other sources of income?

23) Is your business profitable? Why?

24) What is the average monthly income guaranteed?

100-999	1000-1999	2000-2999	3000-3999	4000-4999	Over 5000
---------	-----------	-----------	-----------	-----------	-----------

25) What are the monthly average expenses?

Under 100	100-499	500-999	1000-1999	Over 2000
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26) A permit is required for trading? How do you get a permit?

27) What can be done to improve the lives of traders?

28) Who do feel should be responsible for this?

29) Are you aware of the Durban municipality's informal economy policy?

30) If yes, where did you here about it?

31) If the policy has affected your trading, has it done so in a positive or negative way?

32) Has the body corporate informed the traders about the policy?

33) Has the terms of the policy been explained to you?

34) If yes, to what extent has this been done?

Appendix 3

Interview sheet for the customers of the market.

Interview number:

Age:

Sex:

1) Where do you live?

2) Why do you shop in the market?

3) How often do you shop here?

4) Is there a particular time that you shop here?

5) What goods have you bought today?

6) Are the prices better here compared to prices in formal shops?

7) How do you feel about the goods and services offered in the market?

8) Do you come into the market to only buy goods or to have a service rendered? If so, what other services?

9) What types of services are provided to you by the traders?

10) What can be improved in the market?

11) Who should take responsibility for this?

Appendix 4

Interview sheet for members of the Millennium Market Association

Interview number:

Age:

Sex:

1) How long have you been on the board?

2) What is your position on the board?

3) What is the function of the board within the market?

4) How does the board operate? (technically)

5) What is the long term goal and vision of the board?

6) Who administers the rules and regulations of the board within the market?

7) What does this consist of?

8) Do traders comply with the rules administered by the board?

9) What are the main issues that traders complain about?

10) What is being done about these issues?

11) What do customers complain about?

12) What is being done about this?

13) Is the board aware of Durban's Informal Economy policy?

14) Is the policy understood by the board members?

15) Has the board informed the traders about the policy?

16) In not, why?

17) To what extent is the policy adhered to?

Appendix 5

Interview sheet for member of eThekweni Business Support and a member of the Town Planning department

Interview number:

Age:

Sex:

1) What were the trigger factors that led to the creation of the policy?

2) Who was involved in the drafting process for the policy?

3) To what extent was each person/stakeholder group involved in this process?

4) Why was the policy adopted?

5) To what extent has the policy been implemented?

6) Are there reasons for the level of implementation?

7) Are there shortcomings present in the policy that hinder the implementation of the policy?

8) At what level has this policy been implemented in the Phoenix market?

9) What are the reasons for this level of implementation?

10) Should any amendments be made to the policy?
