

**THE INFORMAL SECTOR IN HOSTELS: THE CASE
OF KWADABEKA HOSTEL.**

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DEDICATION

To my mother (Raesibe Catherine Ramashala)
and my late father (Nthabe Piet Ramashala).

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CHAPTER 1. INTRODUCTION

1.1 AIM OF THE STUDY

The aim of this study is to come up with recommendations for the Hostels Redevelopment Policy (HRP) that not only address the spatial and social aspects in hostels upgrading, but also the equally important economic aspects that include the informal income-generating activities.

1.2 OBJECTIVES

- * Identify ways to encourage the co-ordination of support programmes for the informal enterprises (outside construction sector) and hostels initiatives;
- * Link spatial, social and economic aspects in the Hostels Redevelopment Policy; and
- * Determine a way of making hostels initiatives inclusive by focusing on the different interest groups that also include the diverse informal sector operators.

1.3 THE PROBLEM STATEMENT

Since their establishment hostels have been accorded a marginal position in the urban context. They were seen as labour compounds which have helped the past government to maintain the status quo (Ramphele,1993:1). The informal income-generating activities have also been marginalised by restricting their location to the peripheral areas where there is no market (Dewar and Watson,1990:17 and Riley,1993:31). The informal sector was discouraged as it was viewed as a threat to the racially-

segregated urban context.

The forthcoming discussion focuses on the exclusion of the existing informal sector activities in the Hostels Redevelopment Programme as well as other hostels initiatives. The main thrust of the argument is that while current policies have attempted to improve the physical and social conditions in hostels they nevertheless fall short in addressing the economic potential of the existing informal sector activities and how they can be accommodated in development plans of individual hostels.

Generally the informal sector activities have been given support in broader development issues that demand that these be located in the core rather than on the periphery where the market is small. While this is a progressive attitude, there is also a need to support the informal businesses which are in the periphery but are strategically located in activity nodes that are linked to public transport routes. Also important is that such informal sector activities are within convenient reach of places of residence (hostels inclusive). Furthermore, the informal sector activities that are mostly involved in the services and retailing sectors are the main source of income for many and also meet a demand for certain goods.

Despite these motivations to exploit the existing opportunities the informal sector offers, current policy only makes reference to entrepreneurial development in the construction sector. The HRP only covers the existing legal business activities (Rubenstein and Otten cited in Rust and Rubenstein, 1996:144) and this renders it inequitable since it excludes other interest groups in the strategies towards capacity building and economic empowerment.

The inclusion of the needs of the informal sector operators might also start to address the inevitable conflict that arises due to the diverse nature of the informal sector operators who represent different interest groups. As Stavrou and Shongwe puts it "to address development conditions [informal sector needs inclusive] is to address the underlying causes of the [conflict]" (1990:52).

1.4 MOTIVATION FOR CHOOSING KWADABEKA HOSTEL AS A CASE STUDY

The case study of KwaDabeka Hostel is useful as it is typical of other hostels. For instance the occurrence of the informal sector activities and the greater presence of the rural-urban migrants. The social, spatial and economic conditions in the hostel are also significant in the present era of reconstruction and development. Of critical importance in terms of the above argument KwaDabeka Hostel is an activity node as it meets the following planning principles that Robinson (1993:11.2) argues enhance the sustainability of informal enterprises:

- * the scale and nature of public transport node (for example, the bus- and taxi rank next to KwaDabeka Hostel);
- * the intensity and patterns of pedestrian activity;
- * the variety within the source of merchandise;
- * the tenacity and diversity of the market places.

1.5 RESEARCH QUESTION

How can current policy integrate informal sector activities with the broader Hostels Redevelopment Initiatives?

1.6 SUBSIDIARY QUESTIONS

- * Assessment of current hostels policy with specific reference to the informal sector activities;
- * The importance of informal sector activities as a source of income;
- * The importance of informal sector activities as a service within convenient reach to both hostel dwellers and adjacent township residents; and
- * Assessment of the feasibility of the informal sector activities in hostels with specific reference to the activity nodes.

1.7 HYPOTHESIS

To effectively improve living conditions in hostels and integrate them with neighbouring communities, consideration should be given to informal sector activities that occur.

1.8 ASSUMPTIONS

- * National Hostels Policy makes little or no reference to the informal sector activities (e.g. that they exist, should be promoted, should be considered in planning and redevelopment);
- * Recommendations for hostels generally and for KwaDabeka Hostel specifically do not include informal sector activities among their concerns;
- * KwaDabeka Hostel has been highlighted for redevelopment, and there are generally guidelines for its redevelopment which do not consider informal sector activities outside the

construction sector, and

- * KwaDabeka Hostel is in some sense typical of other hostels - in terms of the presence of the informal sector activities and the greater majority of rural-urban migrants who cannot easily access job opportunities in the formal sector.

9. THE STUDY AREA

This section gives a background to the study area in an attempt to contextualise the discussion that follows. The hostel complex was built in the early 1970s to cater for the employees of factories in New Germany (Natal Provincial Administration, 1993:2).

1.9.1 The Location and Population of KwaDabeka Hostel

KwaDabeka Hostel is located in KwaDabeka Township which is bounded by the Inanda to the north, Newlands to the east, Clermont to the south and Kloof to the west. Map 1 gives a regional location of Kwadabeka hostel. The hostel complex is located in Unit A (see Map 2).

The KwaDabeka Hostel accommodates approximately 20 000 people (NPA,1993:4). The hostel complex comprise of equal proportions of males and females and the majority are accommodated in dormitories (Moonsamy,1991:67). The remaining minority are accommodated in bachelor flats (ibid). The monthly rental is R11 for the dormitories and R60 for the bachelor flats.

1.9.2 The Informal Sector Activities in KwaDabeka Hostel

A considerable number of people conduct their informal enterprises from their homes. KwaDabeka hostel is also host to informal economic activities. According to the Masakhane Informal Business Association, there are about 200 informal operators in the market places around KwaDabeka hostel (Personal communication with the director of Vuka Africa who did a literacy study in

KwaDabeka hostel in 1993).

The activities engaged in are spazas; hawking of fruits, vegetables, foodstuffs, shebeening, small producers, taxi business, vending of cooked food and the trading of herbs. The Masakhane Informal Business Association in KwaDabeka hostel encourages bulk-buying. The organisation has negotiated with Makro and Tradecentre in an attempt to make accessibility to wholesalers easier and thus establishing the formal-informal linkages. In addition, there has been an attempt to negotiate with the Indian fresh producers to deliver fresh produce directly to the informal operators.

The proposed development plan for KwaDabeka recognizes that the informal sector activities are a major source of income to households and thus it incorporates the development of informal activities into small business enterprises especially in the fields of building/construction, retailing and services, and light industries (RSA/Kwazulu Development Project,1990:71). But this little reference to the informal sector activities does not tell much about making the enterprises more viable especially around the issue of providing support programmes on the supply side.

1.10.1 OVERALL METHODOLOGY TO THE RESEARCH

The study made use of both secondary and primary sources. The secondary sources included reports that were used in the conceptual framework. The use of secondary sources was useful as it guided the researcher to find out about the main concerns that the study investigated from the available data. The secondary sources that were utilised included the Clermont/KwaDabeka

Development Plan, the report on the public hostels in Kwazulu/Natal and Hostels Redevelopment Policy. Reference was only made to the information that shed some light on the research problem. However, the accuracy in the sources of information was checked through the use of the other methodology of questionnaires and interviews. The primary sources were hostel dwellers, the neighbouring communities who were involved in the informal sector operations, representatives from hostel institutional structures and key people from Kwazulu Finance and Investment Corporation (KFC).

1.10.2 CONDUCTING SURVEYS AND INTERVIEWS

Surveys and interviews were used in the study to collect empirical data. Surveys were administered by the use of a structured questionnaire which included both closed and open-ended questions.

In this study surveys helped the researcher to find out the dynamics of informal sector operators, the nature and the possible reasons of informal income-generating activities in KwaDabeka Hostel. Furthermore, surveys determined whether the informal sector in KwaDabeka Hostel had a growth potential or whether it was merely a survival strategy. In the end it was possible to describe relationships among variables, for example how age, education, gender and the availability of human capital influence the informal income-earning activities.

Interviews were included in the study because of their flexibility, high response rate, control over environment, question order, spontaneity, completeness and greater complexity of questions (Bailey,1987:174). Interviews helped the interviewer

to probe for more specific answers concerning the extent to which hostels initiatives accommodated the needs of existing informal income-earning activities over and above the social and spatial aspects covered. The following people were interviewed:

- Mr. Kunene - Township Manager of Clermont/Kwadabeka
- Mr Dlamini - Chairperson of the Kwadabeka Civic Association
- Mr N. Kunene - Director of Housing Finance of the Kwazulu Finance and Investment Corporation
- Mr B. Ricketts - Housing Project Co-ordinator of the Kwazulu Finance and Investment Corporation
- Mr. C. Munro - Chairperson of the Small Business Centre of the Kwazulu Finance and Investment Corporation.

1.10.3 SELECTING A SAMPLE

The aim of the survey was to examine the economic potential of the informal sector activities in KwaDabeka Hostel. To this end, it was imperative to examine the dynamics of the population and the constraints to the informal sector development in KwaDabeka Hostel. Hence the call for an integrated and comprehensive Hostels Redevelopment Policy that takes the informal sector businesses into consideration.

The primary sources used in the sample were drawn from the population of hostel dwellers and people from the neighbouring communities who were involved in the informal sector activities. The sampling procedure used was to first stratify the target population and then choose people from the strata selected. The sample included the strata of (i) 10 bedholders who were not

involved in the informal sector, (ii) 10 bedholders who were involved in the informal sector, (iii) 10 dependants who were involved in the informal sector and (iv) 8 people from the neighbouring communities who were involved in the informal sector. The respondents were spread equally along gender lines. Bedholders who were not involved in the informal sector were included in the sample in order to determine the latter's economic status in relation to those involved in the informal sector. In essence, the different strata used in the survey were chosen as the point of departure was the recognition of the heterogeneity of the informal sector operators.

The Civic Association and other informal sector operators helped to locate people who complied with the strata chosen since other informal sector activities were conducted from hostel rooms (and not in the market places). The method used was favoured as there was no available sampling frame for the whole target population. For instance, some elements of the population were not official hostel dwellers but were residing with friends or family and the informal sector operators tended to increase on a daily/weekly basis. In the end, the main concern was to make data collection manageable and also to meet the constraining time frame.

Interviews were also administered to five key people from the hostel's institutional structures and from organisations who had the knowledge about the hostels upgrading programmes and informal sector issues.

Additional respondents (5) were drawn from the hostel's institutional structures and from an organisation (Kwazulu Finance and Investment Corporation) involved in hostels' upgrading and the informal sector. The purpose for interviewing

people from the institutional structures was that they were also members of the Local Negotiating Group which is a major participant in the hostels initiatives. The interviewees from KFC were chosen because of their track record of having taken the role of developer in inner city hostels as well as promoting small, medium and survivalist enterprises. Importantly, while KFC has had successes in the promotion of small and medium businesses it has not extended its services to informal enterprises in KwaDabeka Hostel.

1.10.4 SCOPE AND LIMITATION

From the outset it must be mentioned that the sample was very small due to limited resources available to the researcher. The survey was also complicated because the study co-incided with the 1996 Census and people were not inclined to participate this small study. The Civic Association had to intervene to encourage people to participate. The violence that erupted in KwaDabeka Hostel also made it difficult to interview an executive member from the Masakhane Informal Business Association as the person was a victim in the incident.

The situation was volatile and the hostel community was afraid to let any outsider into the hostel complex due to the shooting that happened two days before the interviews. To address this drawback it was decided that the development worker who was involved in the literacy classes for the Masakhane Informal Business Association be approached for general information around the role of the organisation. On account of the limitations this study should be viewed as a pilot. The conclusions drawn are, accordingly, no more than tentative.

1.11 CHAPTER OUTLINE

Chapter 2 provides an assessment of the hostels initiatives that strives to achieve equitable and sustainable development that will begin to improve the living conditions in hostels as well as integrate hostels into the broader community. The main crux of the assessment is that while the issues addressed by the hostels initiatives are important, there is a need to look at the bigger picture which includes the equally important informal sector activities. It is argued that since this is a shared service between hostel dwellers and residents from the neighbouring community, integration can be achieved as this service is a main source of income and is also within convenient reach.

Chapter 3 attempts to conceptualise the informal sector. The discussion further looks at current policy for the informal sector which advocates an enabling framework for the informal sector that will begin to remove the repressive constraints to the sector and view the sector as having a potential for growth. To this end it is argued that the support programmes for informal enterprises in hostels (*inter alia* access to credit, access to training and infrastructure development) should be the main areas of focus.

Chapter 4 provides a discussion on the findings from the case study survey. The chapter concludes that findings from the informal sector activities in KwaDabeka Hostel show higher incomes. This further justifies the argument of including these informal activities in hostels development plans as they provide great economic opportunities. The chapter also looks at the findings of the study as well as the relationships between

variables (inter alia how age, education levels impact on the potential of an enterprise to grow into a viable business). To this end , it is argued that the educational levels that the operators have shows the inefficiency in the education system that does very little to prepare people for employment.

The concluding chapter attempts to summarise the main findings of the study by synthesizing them into an integrated whole. Importantly it is argued that if the support programmes for the informal sector are adequately co-ordinated with the upgrading programmes in the Hostels Redevelopment Policy the principles of equity and sustainability can be achieved.

The findings from the KwaDabeka Hostel survey that showed better incomes from the informal sector activities and thus greater economic opportunities outside the formal sector also serves to justify the need for co-ordinated planning guidelines that will enhance the viability and vibrancy of the enterprises. In addition, it is proposed that future research on the informal sector be specifically focused on the dynamics of household incomes rather the activities. Also important is to look at how policy can boost activity nodes (e.g. KwaDabeka Hostel) that are in the peripheral areas so that compaction is not only achieved in the traditionally central areas.

CHAPTER 2 THE ASSESSMENT OF THE HOSTELS REDEVELOPMENT

PROGRAMME

2.1 INTRODUCTION

The appalling conditions in hostels provides a challenge to all policy makers and built environment professionals to deal with the situation in an equitable, sustainable and affordable manner. The poor conditions and violence in hostels has resulted in the marginalisation of the hostel community by both authorities and adjacent township residents. This problem has resulted from the escalating urbanisation that has historically outstripped the provision of services.

Hostels were initially used to prevent the migrant workers from organising themselves to challenge the exploitative migrant labour system (Vedalankar,1993:77). This was successfully implemented by locating hostels within the broader framework of the apartheid policy that advocated residential segregation. As Ramphela puts it:

Hostels are a euphemism in South Africa for single-sex labour compounds, constructed to house Africans who were, until 1986 when the

pass laws were repealed, only permitted to reside in the urban areas to minister to the needs of the white man and to depart there from as soon as they cease to minister (1993:1).

2.2 HOSTELS REDEVELOPMENT PROGRAMME

To reverse these appalling conditions in hostels the Hostels Redevelopment Programme has attempted to come up with comprehensive policy recommendations. These have emerged from an extensive and inclusive process headed by the National Housing Forum.

Locating hostels within the broader housing and development policy is important. However to give a clear and comprehensive understanding of the development initiatives envisaged in hostels, it is helpful to do that outside housing development programmes **but** within the parameters of the integrated and equitable framework. To this end, the main concern is to focus on how the HRP can achieve integration and equity through the inclusion of the economic opportunities offered by the existing informal sector activities in hostels.

The HRP set up the following principles within the parameters of a coordinated approach;

- * Urban Development: Hostel redevelopment planning must be informed by the broader urban development. As redevelopment would result in competition between the displaced and neighbouring communities (due to de-densification) for land housing and other services (Rubenstein and Otten, cited in Rust and Rubenstein, 1996:143). Thus there is a need to provide alternative accommodation elsewhere;
- * Participative Process: Policy on hostels advocates inclusivity in the hostels redevelopment planning. To this end all key stakeholders must form a Local Negotiating Group (LNG);
- * Eligibility: The requirement for all hostel dwellers is that they must qualify for accommodation under a redevelopment scheme which is to be funded from the national housing subsidy scheme;
- * Affordability and Community Needs: Importantly, any policy is required to recognise the compatibility between the needs and affordability levels of the end users;
- * Equity: Equity is advocated by policy and thus should be demonstrated by the benefit to end users both within hostels and between hostels and neighbouring communities - this was

also advocated by COSATU in its proposal on hostel transformation (Schreiner,1991:88). In essence, hostel dwellers should be entitled to equivalent benefit from the state housing assistance to that available to equally deprived groups;

* Displacement: The creation of humane living conditions means that some hostel dwellers will be displaced. To address this problem the HRP policy requires that the approval of projects be granted on condition that planners can make provision for relocating the displaced people. Importantly, to achieve equity, the alternative accomodation proposed must be equivalent to that provided via public-funded projects within the hostels or available to residents within the broader community;

* "Single Women": Policy recognizes that most women in hostels live with their children. Due to this special situation policy takes into cognisance the presence of non-traditional complex household compositions and thereby makes provision for the accommodation of women in this position;

* Cost Recovery and Sustainability: From the outset the HRP policy requires that project managers set out strategies for cost recovery of ongoing operating costs within the hostels.

These include maintenance and service costs, and recovery of capital costs over and above capital expenditure that is covered by the state grant finance;

- * Institutional Development and Capacity Building: Projects initiated in hostels (like all other projects) must ensure that hostel dwellers acquire skills necessary to be involved in the planning and ongoing management;
- * Employment Creation: Following the route of the broader capital-subsidy scheme, development plans in hostels are required to maximise the opportunities for jobs, the use of local contractors, as well as necessary training. In addition, as hostels are a host to a range of economic activities, policy requires that development plans accommodate existing legal business activities ; and
- * 'In budget' and 'Out budget': HRP policy requires that funds for redevelopment be used for improvements to accommodation and for necessary capacity building activities. Notably, social facilities and broad economic development activities should be funded independently of hostel development budget (Rubenstein et al.,1996:143 - 145).

2.3 HIGHLIGHTS ON THE SHORTCOMINGS OF THE HRP

Whilst the abovementioned principles might seem to make the HRP a comprehensive policy, the reference made to economic empowerment does not include the existing informal income-generating activities. Mention is only made to the entrepreneurial development of small and medium contractors. This is also a drawback of the Housing White Paper that undermines the informal sector activities involved mainly in the services and retailing sectors. In addition the Clermont/KwaDabeka Development Plan also makes little reference to these equally important informal sector activities although it recognizes that these are the main sources of income at a local level.

It is without doubt that hostels are a hub to the informal sector activities owing to the fewer job opportunities available to hostel dwellers (who are mostly rural-urban migrants) and other equally deprived groups in the formal sector. Thus it can be safely argued that these informal sector activities occur because they are an important source of income, they meet a demand for certain goods and they are within convenient reach to the end-users.

However the policy principles outlined above and other initiatives concerning hostels concentrate rather on improving living for single people and families (social) and integrating hostels into adjacent townships (spatial). Of critical importance is that addressing only these two issues will render the hostels initiatives unsustainable.

Firstly, the principle of cost recovery will not be realized if hostels initiatives do not support these important economic activities which most hostels dwellers depend on for their incomes. Secondly, capacity building and empowerment strategies will exclude the informal sector operators outside the construction business. If this is not effectively addressed the principle of equity between hostel dwellers and between hostel dwellers and neighbouring communities will be undermined. The main concern of the incorporation of the informal sector does not mean that this principle of working within the budget is undermined but rather that the informal sector activities in hostels should be seen as an integral part of the development envisaged, although realising the need to independently fund the recommended support programmes (these will be discussed in the next chapter).

The major concern raised is that it is very well to address the issues outlined in the HRP, but they do not account for the broader hostels development programme which should include the existing informal sector activities outside the construction sector. Proper support programmes for the informal sector activities can boost entrepreneurial development and hence economic development in hostels that can result in equitable and sustainable development. Furthermore, as the informal sector activities in hostels are conducted by both hostel dwellers and people from the adjacent townships it is imperative to include conflict resolution mechanisms that will begin to address the conflict that arises from the competition for the market and trading places. These should be consistent with the alternatives of addressing competition that is prevalent in the spatial aspects (because of foreseen displacements) and social aspects (facilities and services provided by the upgrading programmes) of the hostels initiatives.

If the support programmes for the informal sector are not addressed by the HRP as part of economic empowerment, the precarious nature of the informal sector activities outside the construction sector may be badly undermined and this may serve to undermine the entire hostels initiatives and its legitimacy.

This is not to say that all upgrading initiatives should be addressed similarly across hostels. Rather, the diversity of hostels and the associated informal sector operators needs measures addressed at a local level to cater for the conditions in individual hostels. This does not mean that hostels initiatives are divorced from the broader development spectrum, but that locally-based strategies will help deal with the particular needs of the informal sector operators.

The locally-based strategies can give the authorities a better understanding of the informal sector operators and their requirements in terms of the physical design (product) and what interest groups need to be included in the negotiation and overall planning (process) in order to formulate appropriate policy for hostels redevelopment and to promote effective implementation.

2.4 CONCLUSION

To sum up, there is a need for the HRP to address the needs of the informal sector operators in hostels as these are strategically located within activity nodes. The exclusion of these economic activities will result in the intervention in hostels being the reason for competition for resources and therefore conflict between hostel dwellers and between hostel dwellers and the neighbouring communities. Furthermore, hostels redevelopment plans must also look at medium to long term initiatives that will effect maintenance of improvements and thereby ensuring sustainability. Importantly, hostel redevelopment initiatives (like all the broad development initiatives) should be implemented within the parameters of a participative and coordinated process that will result in the envisaged development being legitimised by the end users.

CHAPTER 3 PROVIDING AN ENABLING FRAMEWORK
FOR THE INFORMAL SECTOR

3.1 INTRODUCTION

"The continued economic crisis that has ravaged the country in different forms presents a serious problem to the employment status of the population. The huge majority of the people remain unemployed and unskilled with those employed being threatened by short time or piece jobs and retrenchments. In response to the vicious cycle and horrific situation, our country has seen the rapid mushrooming of the business with the main role players being Blacks or Africans" (Gumede,1993:3).

It is against this background that the hostel dwellers and a lot of other poor people are absorbed in the informal sector either to supplement their meagre incomes or to generate an income. During the past fifteen years concern over the escalating underdevelopment in developing countries has shifted towards supportive attitudes towards the informal sector.

The informal sector has been equated with the urban poor and /or rural-urban migrants (hostel dwellers inclusive). For many new arrivals in the urban areas the informal economy provides first opportunity to earn an income (I.L.O., cited in Nattrass and Glass,1986:17). It is asserted that because of the new arrivals' low levels of education and skills, it is difficult for them to enter the urban formal economy.

It is imperative to view the informal sector in South Africa in general and in hostels in particular in terms of the broad urbanization processes that have led to what authorities call the

urban problem: the housing shortage and mass unemployment. The informal sector evolved out of the need of the Black population to survive. Furthermore it can be seen as a manifestation of the failure (on the part of the repressive state) to provide facilities to the growing number of migrants.

In light of the need to incorporate support programmes for the informal sector activities that occur in hostels into development plans, it is vital to come up with recommendations (consistent with national policy on the informal sector and the broader development framework) that can begin to promote the existing informal sector into growth activities and not only survivalist enterprises. This is critically important given the fact that the informal sector in KwaDabeka township in general and the ones in the hostel in particular are the major source of income and employment creation.

Furthermore the need to boost these activities in policy stems from the fact that they undoubtedly provide the hostel dwellers and other township residents with employment opportunities that are closely linked to the operators' places of residence. Thus their strategic location that integrates the activities with the major points of activities (for example the linkage between places of residence, work places and transportation routes). The forthcoming discussion will attempt to give a working definition of the informal sector. This will be by way of making reference to previous literature on the informal sector, but will also be specific on the types of activities that informal traders in KwaDabeka hostel engage in.

3.2 DEFINING THE INFORMAL SECTOR

The term "informal sector" was originally coined by Hart who defined it as those informal income-generating activities that are unenumerated, unorganized, unregistered and thus illegal (Maasdorp 1983:19 and Peattie,1987:853). In Maasdopr's view, the distinguishing characteristic of the informal sector from the formal sector is that it is unrecorded(1983,19). Thus the latter author's argument that the informal sector is not only prevalent in developing countries. Rather, he asserts that the informal sector is similar to what is referred to as the"underground economy" in the developed countries.

...in the United States and Britain where there is a growing tendency to barter services in order to avoid taxation, in Italy and behind the Iron Curtain. It is therefore independent of the type of economic system in operation in a country (Maasdorp,1983:20).

Locally the informal sector operates even among white South Africans. For instance, the garage sales and the informal businesses in parks - both these activities generate income that is not taxed. Mention needs to be made of the strategic location of the informal sector in parks as people can both do their shopping and also relax after shopping in the same place.

The International Labour Office (ILO) (cited in Maasdorp and Pillay,1983:6), following the reformist school has defined informal economy as follows:

- ease of entry
- reliance on indigenous resources
- family ownership enterprises
- small scale operation

- labour intensive and adapted technology
- skills required outside the formal school system
- unregulated and competitive markets.

The formal sector was viewed to have characteristics contrary to the above hence the difficult entry, reliance on overseas resources, corporate ownership, large scale operation, capital intensive and protected markets.

The informal sector activities in Kwadabeka are the main source of income and employment creation at a local level. The activities in the informal sector are inter alia spazas, hawking, shebeening, small producers, taxi owners and petty traders. The most popular economic sector in KwaDabeka is retailing (spazas, hawking and shebeening). The development plan for Clermont/Kwadabeka proposes that the informal sector be promoted especially in the fields of construction (for example block-making), retailing and services, and light industries (RSA/Kwazulu Development Project, 1990:). But the informal entrepreneurs face the constraints of accessing licenses, finance and training and the control of business by formal traders. Despite this recognition of the importance of the informal sector activities, very little has been suggested on how the informal enterprises can be promoted as part of the hostels initiatives.

3.3 LOCATING THE INFORMAL SECTOR WITHIN THE URBAN CONTEXT.

Generally, informal sector workers have been viewed as the idle people. The fact that the informal sector output is unrecorded it has not been given a place in the broader economy. But with the changing attitudes towards the sector it has been recognised

that it has a place in the urban economy and that it cannot work outside it. The forthcoming discussion focuses on the dynamics of informal sector workers and where they can be located in the urban context.

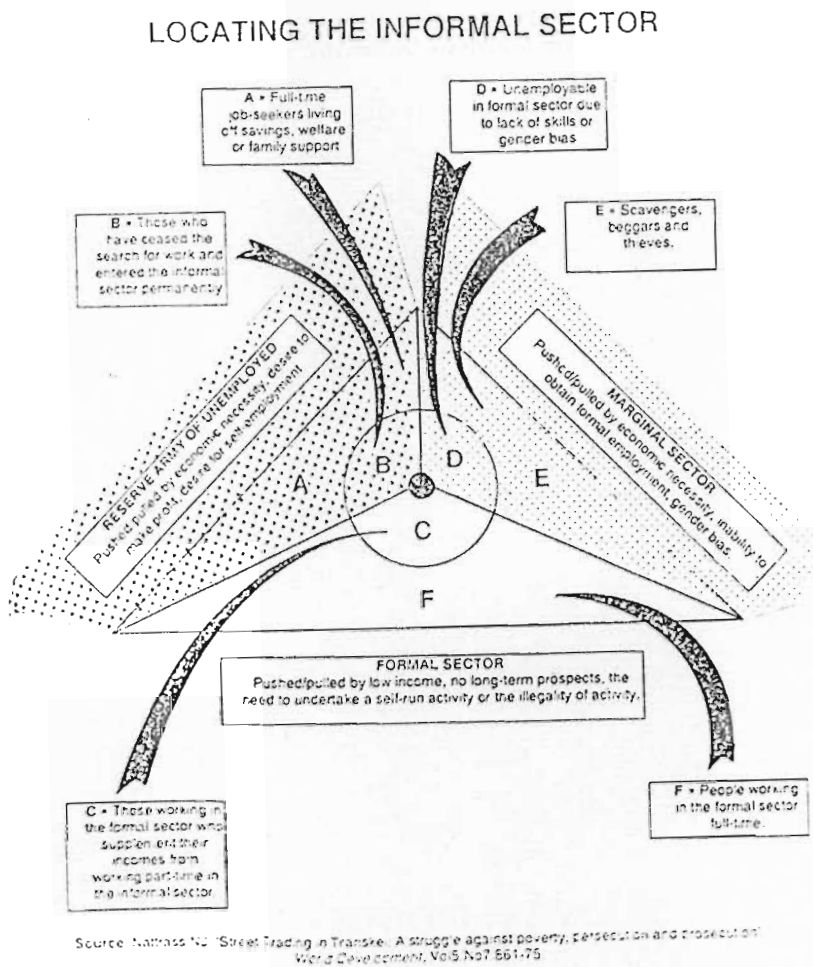
3.3.1 The reserve army of the unemployed

According to May and Stavrou the sub-sector (B) consists of people who have been absorbed into the informal sector as a temporary strategy (1989:8). From the push/pull analysis some of these people might become full-time informal sector operators. In general, the majority of people in this sub-sector have a temporary tenure in the informal sector as they plan to join the formal sector when jobs are created (ibid). Among the minority who decide to remain in the informal sector the decision is influenced by higher capital returns - that is they are pulled into the informal sector because of the business opportunities envisaged.

3.3.2 The marginal sector

The marginal sector comprise of a heterogeneity of informal sector workers whose only commonality is that they are unable to enter the formal sector mainly due to push forces, such as low levels of education and skills. This sector includes among others recent migrants, housewives, unskilled workseekers and those unable or unprepared to find formal employment (May et al,1989:8). The push/pull factors in this sector include gender bias (see -D in figure 3.1) as well which "means that often housewives and other female members are more likely to be members of the marginal sector than males" (ibid:9). Thus for most women in this sector their tenure is likely to be permanent.

FIGURE 3.1



3.3.3 The formal sector

The formal sector consists of those who are full-time workers in formal terms (sub-sector - F in figure 3.1) and those who are involved in both sectors in order to supplement their incomes with income from informal sector activities (sub-sector - C in

figure 3.1). Entry into the informal sector by this group is influenced by major push forces among others low incomes and no concrete prospects informal sector advancement. In addition, for the sub-sector (C) entry into the informal sector might also be influenced by pull forces.

3.3.4 Formal-Informal Linkages

Due to the economic opportunities offered by the informal sector, the latter cannot be divorced from the broader economic spectrum that includes the formal sector. On the one hand, informal sector operators buy from formal sector suppliers and this results in backward linkages which can stimulate the broader economy. As May et al. put it "backward linkages show the extent to which the informal sector obtains its input from beyond its borders" (1989:11 - 12). For example, various South African studies (inter alia Maasdorp and Pillay,1978, Natrass,1987 and Krige,1988) have indicated that backward linkages are present (cited in May et al.,1989:12). However, the informal sector also depends on formal sector employment since it becomes possible for people to support the sector through their disposable incomes.

It has been argued that the structural subordinate condition of the informal sector is not always prevalent due to the heterogeneity of the sector and thus its wide range of earning (Mazumdar, cited in Natrass,1990:225 and Sunday Times:Business Times,28 July 1996). This optimistic attitude towards the informal sector has been supported with empirical evidence in Nairobi (Sethuraman,1981) and South Africa (Natrass,1990:225).

To sum up, it is widely accepted (as the discussion above has indicated) is diverse and that the informal sector is an integral part of the urban economy. Furthermore, since the growth

in the informal sector is determined by the movement of incomes from both the formal and informal sectors, there should be more emphasis in any economic policy to try and establish the formal-informal linkages. Thus it would be erroneous to think of the informal sector as a separate economic activity which absorbs only the unemployable. Importantly, not all informal sector operators are pushed into the sector. Rather some are pulled into the sector because of the entrepreneurial opportunities envisaged (Nattrass and Glass, 1986:81).

3.4 THE DEVELOPMENT OF A POLICY FOR THE INFORMAL SECTOR

It is widely accepted by policy-makers that the informal economy will remain an important sector in both developed and developing countries in the alleviation of poverty and un/underemployment (Vosloo, cited in Beavon, 1989:8). This discussion on policy proposals for the informal sector will follow the idea of those authors who view the sector "as having potential to play an important role both in providing employment and in contributing to a reorientation of the economy" as opposed to the view that condemns the sector (Dewar and Watson, 1990:2).

The little reference given to the existing informal sector activities in hostels initiatives tempts one to think that the informal sector is still not seen as a resource with capacity and will to engage in community building (Robinson, 1993:5.1). It is this kind of attitude that renders the KwaDabeka Hostel initiatives unsustainable and not co-ordinated. Furthermore, the undermining of the existing informal sector activities also undermines the whole hostels initiatives because the planning process cannot be said to be inclusive without the informal

sector operators who also represent different interest groups. It is the consideration of the development needs of these groups that hostels initiatives can begin to claim that they are successful in integrating hostels with neighbouring community. After all it is the success of a project that result in community cohesion and thus the legitimacy of that particular project. This can also be the starting point of doing away with competition for resources that is the root of conflict between hostel dwellers and between hostel dwellers and neighbouring communities.

It is against the background of the abovementioned constraints that the recommendations for the support programmes for the informal sector in hostels will be discussed. Importantly, the White Paper for the development and promotion of informal sector activities is in line with South Africa's integrated economic development process as outlined in the Reconstruction and Development Programme (ANC,1994). The forthcoming discussion focuses around the principles of access to finance, training, access to appropriate technology, infrastructure development and the critically important regulatory and institutional framework without which the latter problems cannot be efficiently addressed.

3.4.1 ACCESS TO FINANCE

Given the lack of finance as one of the major constraints, it is recommended that support programmes (following the SMMEs White Paper) be put into place to improve access to credit by informal sector operators. These programmes must address the problem of finance sectorally as "financial needs of different types of SMMEs vary widely, with access problems particularly severe in rural areas and among those owned and controlled by women as well as formerly disempowered groups" (SMMEs White Paper,1995:30).

This will also help in addressing the needs of different interest groups involved in the informal sector activities in hostels. The government intends to establish links between informal enterprises and financial institutions so that funds are targeted to groups that are mostly in need of them. Among financial institutions the government is to encourage commercial banks to extend business to the "fragmented, risk-prone and geographically dispersed small-enterprise sector" (SMMEs White Paper,1995:31). This is applicable to the traditionally disadvantaged groups which were victims of the past repressive laws, inter alia forced removals, influx control, migrant labour and job reservation.

Generally, the financing of the informal enterprises has now been well received. For instance there are innovative financing schemes in place that are to help finance particular types of informal sector operators. These financing schemes should also be extended to the informal sector operators in hostels as they are an integral part of the bigger picture of the SMMEs. The Department of Trade and Industry which was in the forefront of producing the White Paper, and the Small Business Development Agency (SBDA) play a proactive role that will be established with commercial banks to make the latter more accessible to black entrepreneurs. In addition, the White Paper suggests SMME-focused financial institutions which have played a key role as lending and advisory institutions in the past. These institutions include among others former homeland development corporations (for example Bophuthatswana National Development Corporation), Small Business Development Corporation (SBDC), Kwazulu Finance and Investment Corporation (KFC) and Informal Business Training Trust. All these innovations will be accompanied by a Small Business Finance Act that will address issues involving access to finance by SMMEs (SMMEs White Paper,1995:26). SBDC and KFC

have already shown successes in financing small businesses. For example in Kwazulu/Natal KFC has stimulated entrepreneurship through its micro and small business programme by assisting 1 500 survivalist-type enterprises in 1995/1996 (Phillips,1996:11).

3.4.2 TRAINING

The acquisition of appropriate technical and business skills is critically important if informal enterprises (those in hostels inclusive) are to grow into viable businesses (Page and Steel,1984:32 and White Paper,1995:37). The problem facing informal sector operators in most instances is that they lack managerial skills to conduct their businesses effectively.

Training services offered must be appropriate to the educational levels of the entrepreneurs and address the needs of the end-users (Harper and Soon,1979:99). As Dass puts it "the best training programmes are those that are carefully designed to meet particular needs of the community" (1995:90). For instance TECs in the United Kingdom are locally-based so that they can be accessible to end-users and bring coherence between enterprises "to ensure that any gaps in services are filled with cost effective provision" (Haughton,1993:835). Similarly in Kenya training programmes requires assessment of local needs (by local management committee) before assistance techniques are adopted (Urban Edge,cited in Dass,1995:90). In South Africa the White Paper proposes that information about available training programmes must be disseminated with the help of Local Service Centres (LSCs) (1995:28). To this end, LSCs must liaise with the Local Negotiating Group in hostels to achieve co-ordinated development and promotion of the informal sector in the context of the broader hostels redevelopment programmes.

Also important is that school curricula should incorporate a culture of imparting vocational skills so as to prepare school leavers for entrepreneurship and self-employment (SMMEs White Paper,1995:34).

It is imperative to strive for inter-sectoral co-ordination (public, private sector and nongovernmental organisations) and coordination between training from different institutions if training programmes are to result in viable enterprises (SMMEs White Paper,1995:34). For the long term solution of improving the entrepreneurs' skills it is argued that on-the-business training strategy is required. Harper et al. advocates extension services that will begin to take training to the places of business (1979:97). Another burning issue is the inculcation of the culture of paying for the services offered as the survival of these training services depends on revenue generation.

3.4.3 ACCESS TO APPROPRIATE TECHNOLOGY

Technology is one other important factor in the promotion of informal sector activities in hostels. From the outset it must be understood that the transfer of high technology must be accompanied by relevant skills and also more money. This improvement of technology further changes the institutional arrangements which are vital for the efficient management of enterprises and thus the "growth of an innovative entrepreneur" (Harper et al.,1979:101).

In South Africa several institutions (CSIR for example) have already started to focus on the technology needs of the SMMEs. The White Paper proposes that the DTI's Support Programmes for Industrial Innovation, Foundation for Research Development and National Productivity Institute be used for such purposes (SMMEs

White Paper,1995:37). Furthermore, university- and technikon-based research organisations could also play a role in determining technology needs for SMMEs (ibid). But these research centres should be designed to work closely with SMMEs so that they can help them in adapting techniques (Page and Steel,1984:33). The innovative techniques and research centres that promote the informal enterprises should also consider the different needs of informal sector operators in hostels that can help in matching the technological needs of the informal sector operators and what policy offers.

3.4.4 INFRASTRUCTURE DEVELOPMENT

The development of physical infrastructure such as shops, offices, factories and market places as well as infrastructure facilities inter alia supply of electricity, water, sewerage and telecommunications is vital in the development of SMMEs. Infrastructure facilities can ensure clean market places and an overall clean environment and thus the informal enterprises will not be seen as a threat to living spaces.

Co-ordinated development of the informal sector demands that other role players in different government departments and levels of government, wholesale financiers, parastatals and the private sector are encouraged to co-operate so as to channel funds for projects involving infrastructure needs for informal enterprises. Special attention to female entrepreneurs is advocated as most females are involved in home-based enterprises that make it easier for them to carry out other household chores (SMMEs White Paper,1995:33). Finally, there is a need of all tiers of government to work towards achieving stability among small enterprises as they are fraught by violence and high crime rates (ibid).

3.4.5 ACCESS TO MARKETING

Market constraints have been regarded as another factor that result in informal sector activities being only survivalist enterprises. Demand for the products sold by informal enterprises is of critical importance if growth of the enterprises is to be realized (SMMEs White Paper, 1995:29). All the stakeholders are faced with the challenge of unravelling the stumbling blocks on the demand side.

The stimulation of markets can be done through the provision of central, viable locations rather than locating informal businesses in areas with small thresholds which has resulted in their physical marginalisation (Dewar et al., 1990:17). Notably, peripheral places with pedestrian activity like KwaDabeka, Klaarwater and KwaMashu Hostels also qualify for the location of informal enterprises as they attract sufficient thresholds. Also important on the part of the supply side is the provision of market places which should be an essential form of public investment in these areas (ibid). In addition market places for the informal entrepreneurs should be linked by good public transport to the sources of supply (wholesale markets) so that these market places are not dominated by better off enterprises. The stimulation of both the supply- and the demand side must be facilitated by subscription bodies like the SBDC and the African Council of Hawkers and Informal Business (ACHIB) so as to strengthen links between the formal and informal sector. The South African experience has illustrated the success of this programme. For instance in 1988 thirty eight manufacturers approached ACHIB for help in reaching out to the informal sector and wholesalers have also negotiated with ACHIB about direct dealing with its members (van Zuydam-Reynolds, 1990:66).

Another issue related to marketing is access to raw materials and quality services at affordable prices. This problem can be addressed through bulk buying by co-operatives or through sector associations, assistance to individual enterprises via extension networks and the discouraging of supplier monopolies (ibid:30).

3.4.6 REGULATORY AND INSTITUTIONAL FRAMEWORK

The repressive regulatory and the fragmented institutional policies have had negative effects on informal enterprises, even if current government policies promote them. Since restrictive laws have been repealed the issue here is to provide an integrated institutional framework (accompanied by supportive laws) that will ensure that black enterprises have access to financial, training and technical assistance (Riley,1993:32). According to the SMMEs White Paper the government plans to work in the face of diversity by adopting a co-ordinated strategy (1995:41). The co-ordination of various organisations involved in the development and promotion of SMMEs will be ensured by Small Business Development Agency (SBDA) which is autonomous to the DTI (SMMEs White Paper,1995:42). The SBDA will devolve power as much as possible so that its services are accessible to all entrepreneurs.

Importantly, while the White Paper is only at a national level, the SBDA is to be designed according to the needs of the target group, that is the SBDA will be based in all three tiers of government with the locally-based SBDAs liaising with the provincial and national SBDAs. To achieve integration that is advocated (specifically in hostels), there is a need of co-ordination between locally-based SBDAs and the Local Negotiating Group so that roles of both parties in the promotion and development of the informal enterprises in hostels are clearly

defined. The restructuring of traditional organisations that supported the SMMEs such as the SBDC must be made in a way that their policies are in line with the national policy on SMMEs. Financing and training programmes should also be linked to wholesale finance institutions and technical assistance to increase the effectiveness of the institutional arrangements (Riley,1993:33).

3.5 CONCLUSION

This section has attempted to explore the conceptualisations of the informal sector. While there is a considerable body of evidence that has shown that the informal sector is more often than not a survivalist strategy, there is nevertheless a need to promote the existing informal sector activities that are a major source of income for many. Furthermore the activity node in KwaDabeka Hostel and other hostels (inter alia Klaarwater Hostel and KwaMashu Hostel), enhanced by the bus - and taxi rank (and also the railway line next to KwaMashu Hostel) qualifies the hostels for the location of informal sector activities.

The policy proposals from the White Paper for the development and promotion of SMMEs provided an enabling framework for the informal sector operators. This, it was argued could only be done by the relaxation of regulations that have for a long time impeded on the growth of some informal sector enterprises that have shown potential as well as the restructuring of institutional arrangements that can begin to address access to financial, training, market and technical assistance of the traditionally disadvantaged groups.

CHAPTER 4 KWADABEKA HOSTEL SURVEY

This chapter outlines the findings from the KwaDabeka Hostel survey. The chapter attempts to determine whether the informal sector activities in KwaDabeka Hostel offer a reasonable economic opportunity for the operators. Also important is to find out what the respondents thought to be important in the promotion of the informal sector by government and the big business.

4.1 FINDINGS FROM THE KWADABEKA STUDY

4.1.1 THE ECONOMICALLY ACTIVE GROUP IN THE INFORMAL SECTOR

This serves as motivation enough for the promotion and the development of the informal sector activities in KwaDabeka Hostel by the HRP as these activities absorb those who cannot access formal employment.

The age-gender breakdown of the different strata surveyed is illustrated in (Figure 4.1). Males (63.75%) and females (56.25%) surveyed account for the majority of the operators in the age category (26 - 40) years. This finding highlights the wise option by the respondents of locating businesses within activity nodes such as KwaDabeka Hostel. Notably, there are more males in the economically active age group who are involved in the informal sector activities. This finding shows the fewer job opportunities in the formal sector affect males as well as females. Furthermore, a considerable number of women (56.25%) in the age category (26 - 40) years illustrates the idea of women opting for employment in

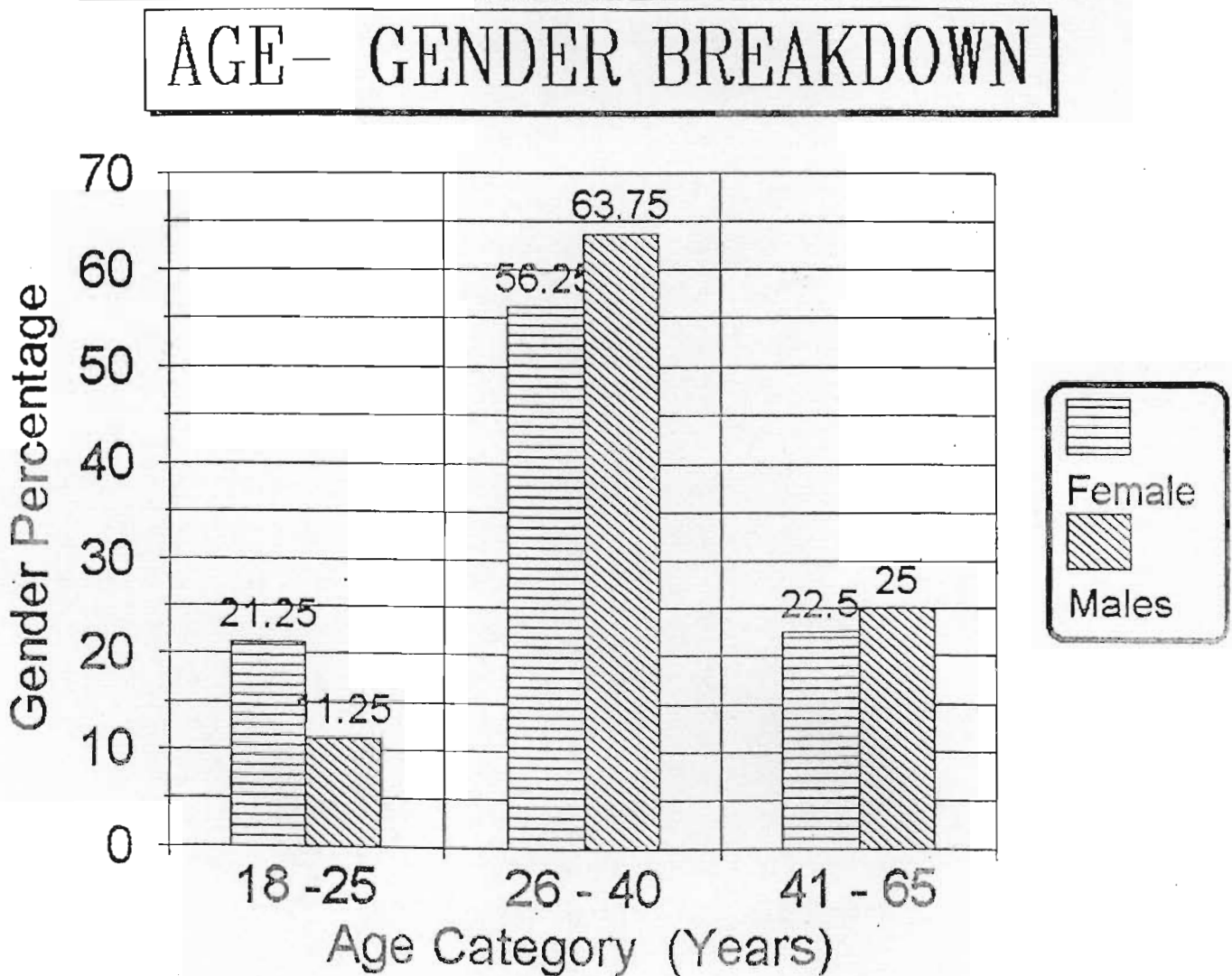
TABLE 4.1 SAMPLE SURVEYED BY AGE, GENDER AND STRATA

AGE GRP. (in yrs)	Bedholders		bedholders in informal sector		dependants in informal sector		neighbouring communities in informal sector	
	female	male	female	male	female	male	female	male
18 - 25	40%	0%	20%	0%	0%	40%	25%	25%
26 - 40	60%	80%	60%	60%	80%	40%	25%	75%
41 - 65	0%	20%	20%	40%	20%	20%	50%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

the informal sector as it is easier to conduct other home-based chores (such as child rearing).

The above findings show the need for special attention by hostels initiatives to informal sector operators in hostels. Importantly, the integration of the spatial, social and economic aspects (informal sector inclusive) by the HRP would result in effective and viable informal enterprises since the initiatives will account for the bigger picture that also includes the informal sector activities.

FIGURE 4.1



4.2 EDUCATION PROFILE

4.2.1 EDUCATION BY STRATA

The majority of the respondents from both the strata of bedholders (100% for females and 80% males) who were not involved in the informal sector activities and neighbouring communities (75% for both males and females) who were involved in the informal sector activities had more than ten years of formal schooling. But most respondents in the other two strata of bedholders and dependants who were involved in the informal sector also had high school education. Given the high rate of formal unemployment among the respondents it is safe to argue that while they have received education, they did not acquire skills that would help them to access formal employment. This problem is caused by our school's curricula that is not skills-orientated.

4.2.2 EDUCATION BY EMPLOYMENT

As expected the majority of the bedholders who were not involved in the informal sector and the males in the neighbouring communities who were involved in the informal sector were employed in skilled manual jobs because of their high education levels (see Table 4.4). Surprisingly all the females (including those with higher education) from the neighbouring communities were unemployed - this shows the marginality of women from formal employment.

TABLE 4.2. EDUCATION OBTAINED BY STRATA

EDUCATIONAL LEVEL	bedholders		bedholders in the inf. sec.		dependants in inf. sec.		neighbouring communities in informal sector	
	female	male	female	male	female	male	female	male
STD2	0%	20%	20%	0%	0%	40%	0%	0%
-STD7	0%	0%	20%	60%	20%	20%	25%	25%
-	100	80%	60%	40%	80%	40%	75%	75%
0								
L	100	100%	100%	100%	100%	100%	100%	100%

TABLE 4.3 EMPLOYMENT CATEGORY OF THE FORMALLY EMPLOYED

EMPLOY. CATEGOR Y	fem bed holder s	male bed holder s	fem bedh in inf. sec	male bedh in inf. sec	fem dependant in inf. sec.	male dependant in inf. sec.	fem neigh comm in inf. sec.	male neigh comm in inf. sec.
skilled manual	100%	100%	50%	0%	0%	0%	0%	100%
semi- skilled	0%	0%	0%	100%	100%	50%	0%	0%
unskill ed	0%	0%	50%	0%	0%	50%	0%	0%

TABLE 4.4 EDUCATION BY OCCUPATION IN THE INFORMAL SECTOR

0 - STD2

STD3 - STD7

STD8 - STD10

ACTIVIT Y	Tot. female%	Tot. male%	Tot. female%	Tot. male%	Tot. female%	Tot. male%	Total Percent
SPAZAS	0	14	14	14	37	21	100
STR. V/DNG	0	0	20	20	0	60	100
SHEBEEN	20	0	0	20	40	20	100
TAXI	0	0	0	34	33	33	100
SMALL PRODUCE R	0	0	0	0	100	0	100

Notably, females were in higher proportions in the activity (spazas) in which respondents had more than ten years of formal schooling (see Table 4.4). Spazas were also the most popular activity performed in the informal sector in Kwadabeka hostel (see Figure 4.2). This is also the case in the well-performing activities (see Table 4.5). The higher proportion of women in the well-performing sector might be due to their higher education levels that helped them in the basic business skills as none of the respondents had received formal training for the activities they were involved in.

FIGURE 4.2

INFORMAL SECTOR BREAK DOWN BY ACTIVITY

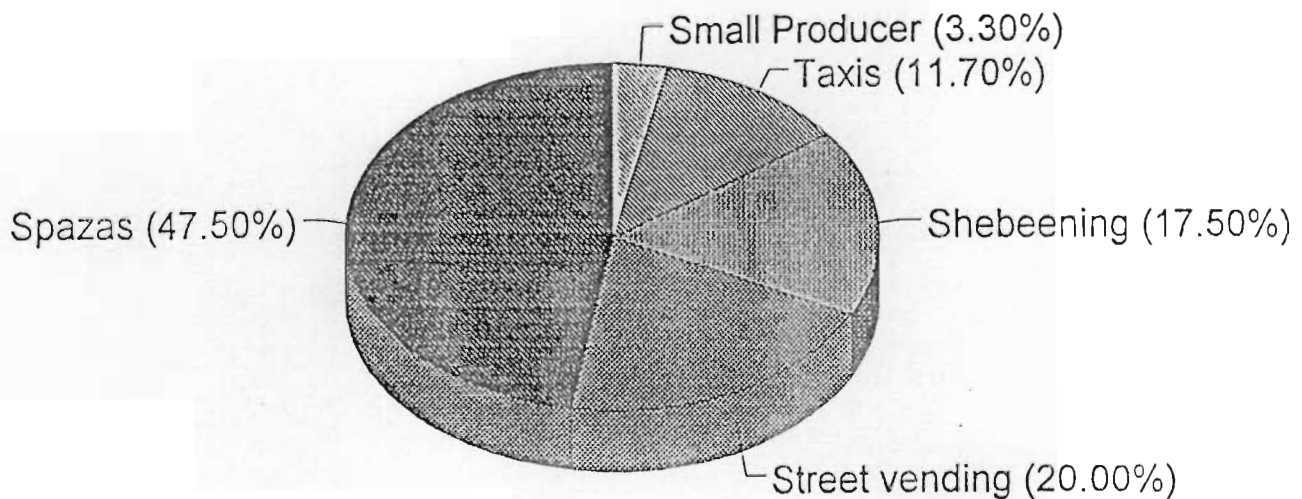


TABLE 4.5 WELL-PERFORMING SECTOR/S BY STRATA

ACTIVITY	BEDHOLDERS PERCENT	DEPENDANTS PERCENT	NEIGHBOURING COMMUNITIES%	TOTAL PERCENT
SPAZAS	40	90	63	64
STR.VENDIN G	0	0	0	0
SHEBEENING	20	10	37	23
TAXI	10	0	0	3
SMALL PROD.	30	0	0	10
TOTAL	100	100	100	100

4.2.3 EDUCATION BY AGE

The education-age breakdown given in (Table 4.6) represents the general development of large numbers of the African population trying to get an education to improve their lot. On average the younger age cohort was better educated than the older one. Of the respondents who had more than ten years of formal education the majority were from the age cohort 26 - 40 years, with women at a higher proportion than men (58.75% females as opposed to 37,5% males). Among the age group of 41 - 65 years only 6.25% of the females had nine years of education or less (std3 - std7).

TABLE 4.6 EDUCATION OF RESPONDENTS BY AGE AND GENDER

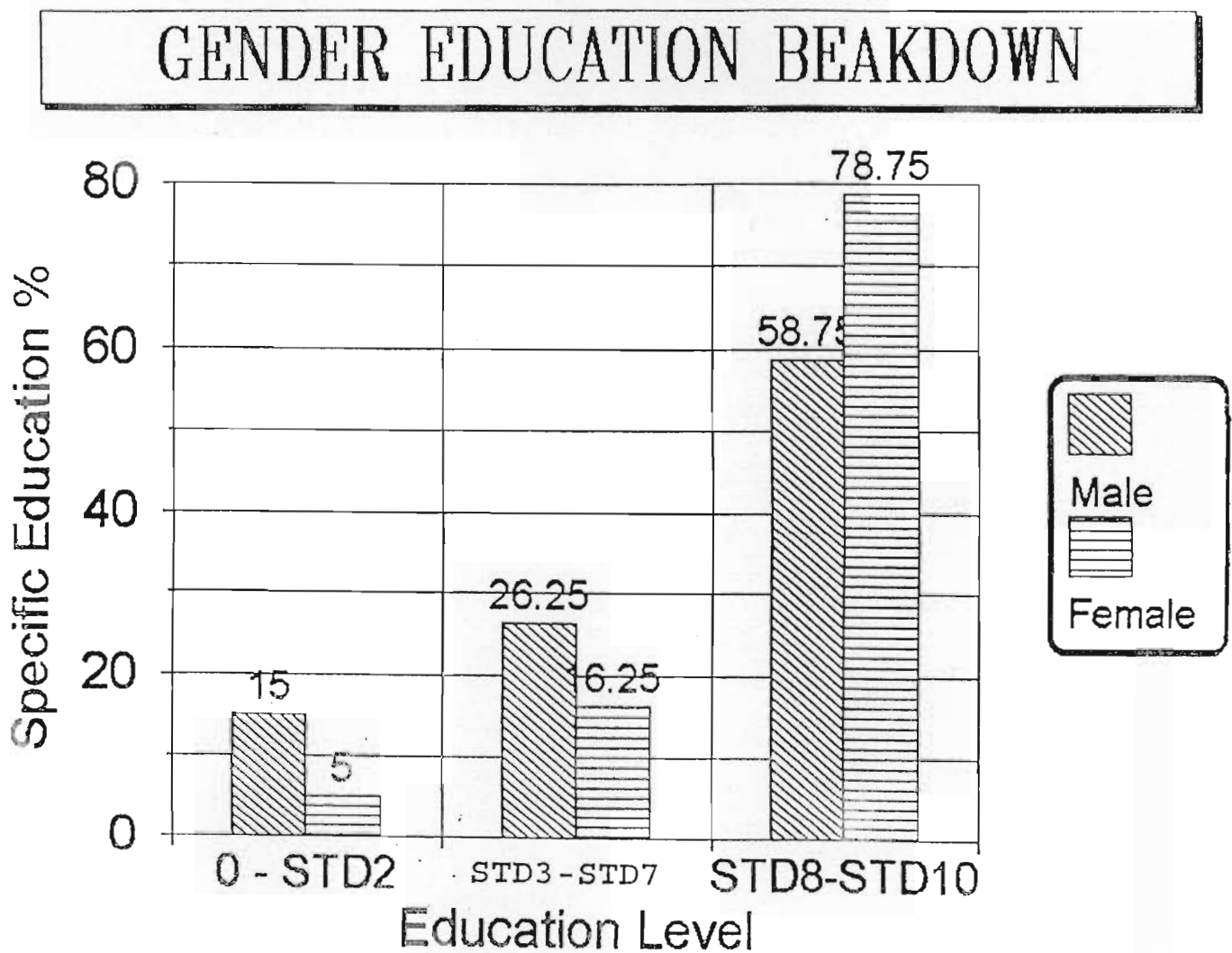
age grp. in yrs	0 - STD2		STD3 - STD7		STD8 - STD10	
	female %	male %	female %	male %	female %	male %
18-25	0	5	0.00	0.00	15,00	11.25
26-40	5	0	5.00	21.25	58.75	37.50
41-65	5	10	6.25	0.00	0.00	0.00

4.2.4 EDUCATION BY GENDER

There was a vast difference in the educational profiles of men and women in the category "no education" - standard two at (5%) as opposed to (15%) males and in the category of std 3 - std7 at (16.25%) as opposed to (26.25%) males. The overall educational profile showed that over (50%) of the respondents had received more than ten years of formal education, with females (78.75%)

at a higher proportion than males (58.75%) (see Figure 4.3). Importantly females' education levels in all strata were slightly higher than that of males except in the stratum of neighbouring communities who are involved in the informal sector. - std 7 at (16.25%) as opposed to (26.25%) males.

FIGURE 4.3



As in the age-gender structure, the gender-education structure of the informal sector at the upper end illustrates the greater marginality of women in terms of urban formal employment opportunities. But the gender employed in the informal sector were mostly males. This finding on many male employees in the informal sector in KwaDabeka Hostel therefore illustrates that the fewer formal job opportunities increases the need for males to opt for the informal sector jobs. According to Nattrass et al., males with lower education levels tend to join the ranks of the females in the informal sector (1986:12).

Similar to various studies in Durban inter alia Nattrass et al.'s study in Clermont/Inanda(1986) and Dass's study in Inanda (1995), the findings from KwaDabeka hostel illustrate that only 11.25% of males and 21,25% of females were 25 years old or younger. This is contrary to the assertion that people enter into the informal sector as a result of push forces (among others low-economic growth and high unemployment rates). Rather the findings illustrate the enterpreneurial opportunities that the informal sector offers in KwaDabeka hostel. This was illustrated by the majority of respondents choosing to remain in the sector due to higher incomes.

4.3 PUSH/PULL ANALYSIS

From the findings in KwaDabeka hostel it was evident that the majority of respondents across strata and gender lines (about 92.5%) were pulled into the informal sector activities due to the enterpreneurial opportunities envisaged. The respondents whose entry can be said to have been influenced by pull forces showed no desire to work in the formal sector. Although these

respondents might have been initially pushed into the informal sector because of fewer prospects in formal sector advancement, they are nevertheless attracted by the higher incomes in the informal sector (rather than being pushed by circumstances beyond their control). This is further supported by the high incomes received (see Table 4.10) relative to the incomes of those who were not involved in the informal sector.

Only two respondents were involved in the informal sector temporarily and did not see it as their future employment. One respondent said he did not want to stay in the informal sector because of the irregular income - this is usually the case in most informal sector operations surveyed in other studies. The other respondent who was involved in the taxi industry stated taxi violence as a deterrent to the informal sector as future employment. The growth potential of the overall informal sector was also illustrated in the study by the Natal University where approximately 60% of the operators received more than R500 a month and about 16% of the respondents were making a profit of more than R3 000 a month (Sunday Times, 1996).

4.4 Employment Generation

In KwaDabeka hostel employment creation from the enterprises surveyed was limited. Table 4.7 shows the size of distribution of enterprises in terms of employment. One person operation enterprises were slightly lower than those with two employees - taken overall the number of employees for all enterprises was less than five. Only 29% had more than one employee in addition to the owner. This finding on employment in the informal sector is consistent with findings from various studies in the Durban

Functional Region (inter alia Maasdorp's study (1983); Natrass and Glass' study (1986) and Dass' study (1995). This shows the need for the HRP to help develop the informal sector activities in hostels into viable enterprises that can begin to generate more employment to absorb those who cannot access the formal sector or those who want to develop their entrepreneurial skills.

TABLE 4.7 ENTERPRISES SURVEYED IN TERMS OF EMPLOYMENT

No. of employees	No. of enterprises	Percent	Cumulative percent
1	9	32	32
2	11	39	71
3	8	29	100
Total	28	100	

Most people who were employed in the informal sector were males (see Table 4.8) - with the strata of bedholders, dependants and neighbouring communities who were involved in the informal sector at 75%, 83,3% and 80% respectively (see Table 4.9). About 68% of the enterprises surveyed had employees other than the owner, and 85.6% of those 28 enterprises employed only family members.

The notion of the informal sector having a potential for growth has been given substantial support in the DFR surveys as it was found that those in the deprived groups who were involved in informal sector activities were better off than those with no informal businesses. For example Krige and Cross and Preston-Whyte illustrated that people who were receiving informal sector

income at the time of their surveys were better off than those without. This finding is also evident in the KwaDabeka Hostel survey where the stratum of bedholders who were not involved in informal sector activities were worse off relative to the strata of bedholders, dependants and neighbouring communities who were involved in the informal sector (see table 4.9 and 4.10 on the monthly incomes of respondents).

TABLE 4.8 GENDER OF THE EMPLOYEES IN THE INFORMAL SECTOR

Gender of the informal sector employees	bedholders in the informal sector	dependants in the informal sector	neighbouring communities in the informal sector
Female	25%	17%	20%
Male	75%	83%	80%
TOTAL	100%	100%	100%

TABLE 4.9 INCOME CATEGORIES OF BEDHOLDERS WHO ARE NOT INVOLVED IN THE INFORMAL SECTOR.

INCOME CATEGORY PER MONTH	FEMALES	MALES
0 - R800	80%	50%
R801 - R1 500	0%	25%
R1 501 - R2 500	20%	25%
R2 501 - R3 500	0%	0%
R3 501 AND ABOVE	0%	0%
TOTAL	100%	100%

Table 4.10 shows the high incomes received by the greater majority of those who were involved in the informal sector - with bedholders at 90%, dependants at 80% and neighbouring communities at 87.5%. These high levels of income can ensure the viability of the principle of cost recovery advocated in the HRP. Affordability levels are critically important as upgrading systems will increase the monthly rent of hostel dwellers. The payment of services is also vital in the ongoing maintenance and management of hostels including the payment that should be levied at those who use the infrastructure provided for the informal sector activities through the hostels initiatives.

TABLE 4.10 MONTHLY INCOME FROM THE INFORMAL SECTOR

INCOME (PM)	bedholder in inf.sec. %	CUM%	dependantsi n inf. sec. %	CUM%	neighbouring comm in inf.sec. %	CUM%
0-R800	30	30	20	20	38	38
R801- R1500	30	60	30	50	0	38
R1501- R2500	0	60	40	90	25	63
R2501- R3500	0	60	10	100	25	88
R3500 >	40	100	0	0	12	100
TOTAL	100		100		100	

Table 4.11 shows that about half of the respondents (involved in the informal sector) surveyed have a monthly income of over R1 500 as opposed to only 40% of the bedholders who are not involved in the informal sector. This higher than average income levels of the informal sector traders surveyed is contrary to various studies which found the opposite to be true. Existing informal sector activities in KwaDabeka Hostel can contribute a lot to the economic development of the hostel as most of the enterprises show a growth potential. If the hostels initiatives can begin to support these activities, the services rendered will be more diverse and thus offer a greater choice to the end users at a cheaper price and within convenient reach. Also important is that the bigger thresholds provided by pedestrian activity would want a vast choice of the goods sold in the informal sector.

Surprisingly, despite the high household incomes across all strata (see Table 4.11), the respondents did not show the need for permanent accommodation as many wanted to retain their rural base. This further shows that the informal sector operators have chosen KwaDabeka Hostel as a strategic location for their businesses and hence the choice of staying there while conducting their businesses and simultaneously retaining their rural base. In essence, the informal sector activities in KwaDabeka Hostel has shown their important role of meeting the economic needs of those who conduct the businesses.

TABLE 4.11 TOTAL MONTHLY INCOME BY STRATA

INCOME CATEGORY	Bedholder %	Bedholders in informal sector (%)	Dependant in informal sec. (%)	Neighbourin comm in informal sec. (%)	Total percent
R0 - R800	30	10	0	13	13
R801-R1500	30	0	0	0	8
R1501-R2500	30	0	0	12	11
R2501-R3500	10	30	60	25	26
R3501 >	0	30	40	50	42
TOTAL	100	30	100	100	100

Although the monthly income by strata (see Table 4.9 and Table 4.10) shows that bedholders were not involved in the informal sector activities were economically worse off relative to those who were involved in the informal sector. Table 4.12 shows that the majority of bedholders had (86.36%) of other household members who were formally employed. In fact, taken overall all strata have approximately (70%) of other household members who are formally employed and about (30%) who are informally employed. These members help to supplement the household incomes. According to Rakodi (1990:2) this is a household strategy that reduces vulnerability of the poor by the incorporation of more than one employed member into the household.

The majority of females in category of bedholders involved in the informal sector have five years or less of operation in the informal sector (see Table 4.13). Most men in category of bedholders and dependants (60%) who are involved in the informal sector have ten years or less of operation in the informal sector. Therefore most people involved in the informal sector seem to have a more permanent tenure in the sector. This permanent involvement shown by the desire to remain in the sector due to higher incomes also demands that planning guidelines for hostels accommodate these important economic activities as part of the hostels redevelopment programmes.

TABLE 4.12 OTHER HOUSEHOLD MEMBERS WHO ARE EMPLOYED

STRATA	Tot No	Tot %	Formal employmen t No.	Percent	Inf. sec No.	percent
BEDHOLDERS	22	100	19	86	3	12
Bedholders in the informal sector	20	100	11	55	9	45
Dependants in the informal sector	21	100	15	71	6	29
Neighbouring Comm. in the informal sector	20	100	13	65	7	35

TABLE 4.13 PERIOD IN THE INFORMAL SECTOR

No. of yrs.	bedholders in informal sec.		dependants in informal sec.		neighbouring comm in informal sector	
	female	male	female	male	female	male
1-5 yrs.	100%	40%	40%	40%	50%	50%
6-10 yrs.	0%	60%	60%	20%	50%	50%
11-20 yrs	0%	0%	0%	40%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%

4.5 RURAL-URBAN MIGRATION

The findings in KwaDabeka hostel illustrated that the greater majority of respondents, approximately (96%) were rural-urban migrants. In terms of those strata which were involved in the informal sector the rural-urban migrants comprised (95%), illustrating the fact that most rural-urban migrants are absorbed in the informal sector due to the fewer job opportunities in the formal sector.

Also vital is that the findings on the permanent migration showed that most respondents wanted to retain their rural base - this confirms the idea that most rural-urban migrants are in fact temporary migrants who oscillate between their rural base and the urban areas (Mabin,1992 and Cross et al.,1994). The high demand for rented accommodation shows that the informal sector operators use rental accommodation provided in hostels to be nearer places of economic opportunities (informal employment inclusive).The reason for wanting to stay in hostels are the fewer sources and resources available to new arrivals in the urban areas. Most respondents asserted that the hostel provides cheaper accommodation. The cheaper accommodation further helps the migrants who have to maintain two homes to be able to use their incomes from the informal sector effectively (as they also have to remit those who remain in the rural areas during the working period).

4.6 Socio-economic Analysis

The household size of the greater majority of households for both males and females involved in the informal sector was five people or less. On the contrary, most of the bedholders who were not involved in the informal sector had the household size of ten people or less. This shows the problem of overcrowding in hostels especially with those hostel dwellers who are accommodated in dormitories. This factor might have contributed to the focus on physical and social aspects in hostels by the Hostels Redevelopment Programme while simultaneously undermining the equally important economic opportunities offered by the informal sector in KwaDabeka hostel.

The greater majority of those who wanted to remain in the sector (36 out of 38 respondents) highlighted the following as their main concerns:

- * help from government in accessing credit;
- * provision of basic business skills to operators;
- * big business (wholesalers) must deliver the goods directly to the market places; and
- * the improvement of the market places by the provision of basic services.

Importantly, these concerns are consistent with the support programmes for the informal sector operators in hostels that was recommended for inclusion into the Hostels Redevelopment Programme.

TABLE 4.14 HOUSEHOLD SIZE

No. of people	bedholders		bedholders in informal sector		dependants in informal sec.		neighbouring comm in informal sec	
	female	male	female	male	female	male	female	male
1 - 5	40%	40%	80%	80%	80%	80%	100%	50%
6 - 10	60%	60%	20%	20%	20%	20%	0%	50%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%

4.7 CONCLUSION

This chapter has outlined the findings from the informal sector activities in KwaDabeka Hostel. The main finding was that the informal sector activities provided most people with economic opportunities - thus if support programmes were to be put in place the informal enterprises could turn into viable and vibrant enterprises that will not only be measured by higher incomes but also by employment creation.

Education levels in the KwaDabeka hostel's survey were very high with the greater majority of people surveyed having more than ten years of formal schooling. Notably, females were slightly better educated than men. Although no respondent in KwaDabeka hostel had tertiary/vocational education, their level of education influenced their opportunities in formal employment. For example, those with high school education were employed in skilled manual employment.

The findings from the KwaDabeka survey illustrated higher than average income levels and thus the desire of the majority to remain in the sector because of the business opportunities (rather than being pushed by circumstances beyond their control).

The employment generation from the KwaDabeka hostel's survey was shown to be very limited with enterprises employing less than five people. The findings from Kwadabeka hostel had the greater majority of males employed in the informal sector.

The greater demand for rental accommodation showed the realization on the part of the informal sector operators that the

hostel offers a strategic location for the informal sector activities. This is true owing to the KwaDabeka hostel being an activity node that provides bigger thresholds for the operators.

In the end, the constraints facing the informal sector operators in hostels relate merely to policy issues that can be addressed through an integrated Hostels Redevelopment Policy. This assertion is also supported by the mention of assistance from the government and big business (by respondents) specifically with reference to the stimulation of the sector. An integrated hostels policy can be ensured by an integrated institutional framework because it is the inefficient management in institutions that result in the non-performance of sectors that are important in stimulating the broader economy.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

This chapter will attempt to synthesize the issues raised in the dissertation in an holistic manner. The conclusions from the empirical study (with specific reference to the assertions on the assistance from government and big business) will be discussed in relation to policy recommendations in relation to KwaDabeka Hostel. The discussion also considers the components of an enabling strategy that is vitally important in addressing the needs of informal sector operators over and above the equally important physical and social aspects (covered in the Hostels Redevelopment Programme). This enabling environment can be ensured by institutional and regulatory mechanisms that will also make the integration of the informal sector in KwaDabeka Hostel and the hostels initiatives possible. However, as noted in section 1.10.4 above, the findings are based on a very small sample and should therefore be regarded as tentative until corroborated by a more extensive survey.

The assessment of the HRP has helped to fill the gap on how the integration envisaged can be achieved. Recognition of the importance of the hostels redevelopment initiatives was mentioned, but this was criticised as not giving an adequate broader development picture in the hostels, since it made little reference to the critically important informal sector activities. The informal enterprises in hostels are here to stay and they occur within activity nodes. They also meet a demand for certain goods which happen to be within easier reach. Thus it was argued that the HRP should begin to adequately address the requirements of the informal sector operators in KwaDabeka Hostel by introducing support programmes that can remove the constraints that undermine the growth potential of these economic activities. This will not only help the families of those involved in the

business, but will also serve to boost the integration that would have been achieved through the improved service from the informal sector operations.

The KwaDabeka hostel residents who were engaged in the informal sector; those who were not; and the neighbouring communities who were involved in the informal sector offered a relevant case study as they represent the sociological profile of the informal sector heterogeneity that was conceptualised in the theoretical framework. Section 3.3 above attempted to locate the informal sector operators within the urban context. This helped to determine and understand the logjams in addressing the needs of the informal sector operators in hostels.

In general the underperformance of the informal sector has been well described through a constraining environment that has limited the movement of black rural-urban migrants. These limitations have thus resulted in the location of the informal sector activities in the peripheral impoverished black townships. Notably, most hostels and the associated informal sector activities are located in the geographically dispersed townships. Hence the limited thresholds that are available to support the informal businesses. But specific reference to KwaDabeka Hostel has shown that the pedestrian activity enhanced by the bus and taxi ranks has positively impacted on the thresholds for the informal sector. In addition, as the informal sector in KwaDabeka Hostel has served to absorb the un/underemployed, it is only logical that these be promoted into vibrant enterprises.

Following the SMMEs White Paper's classification of enterprises, the majority of enterprises surveyed can be classified as micro-enterprises - which are very small businesses under one

proprietorship, with limited capital base and only rudimentary technical or business skills among operators (SMMEs White Paper,1995:10). For instance ,bedholders, dependants and neighbouring communities who were involved in the informal sector had about 40; 50 and 62.5 percent entrepreneurs earning R1500 and above per month.

It was asserted that the lack of a market for informal businesses is also because of lack of support for the provision of strategic locations for informal enterprises that will increase their market and discourage the supplier monopoly as well as the controlling of markets by big business. Therefore the inclusion of informal sector operators in hostels in the envisaged innovative mechanisms for the enterprises can improve our understanding of the operators and thus the need to promote them through support programmes. Of critical importance is the creation of an enabling environment that has to be ensured by effective regulatory and institutional arrangements. The co-ordination of different institutions in the informal businesses was advocated so as to reverse the fragmented institutional framework. Thus it is necessary to define the roles of all who are involved in this important sector of the urban economy.

In essence, the constraints that impede the growth of the informal sector in hostels can be removed through a policy that is integrated and comprehensive . The approach must be in line with the broader economic policy. Importantly, the findings showed the need for policy to clarify roles, activities and functions of role-players between and within institutions so that information around the promotion of the informal sector can be accessible to the target group. To this end, it was argued that the Local Negotiating Group which is in the forefront of the hostels initiatives should liaise with local informal sector

institutions so that the development of the informal sector in KwaDabeka Hostel is consistent with the principles of the HRP.

The discussion on the development of a policy framework for the informal sector and the call for assistance (by the respondents) from government and big business showed the need to provide support programmes inter alia access to training in technical and business skills, access to the market (through easier access to wholesalers) and financial assistance. From these assertions it can then be safely argued that the use of the recommended support programmes can result in vibrant enterprises in KwaDabeka Hostel - whose success will not only be measured by better incomes, but also by increased employment generation.

Given the crucial role that the informal sector plays in both the hostel community and the adjacent community (in KwaDadeka), the above assertions therefore confirms the hypothesis that was premised on the incorporation of the informal sector activities into the HRP to achieve effective integration while simultaneously improving living conditions.

The following principles need to guide informal sector development in KwaDabeka Hostel. These principles are useful because they will begin to address the constraints to the growth of the enterprises that the respondents mentioned in section 4.6 above.

- * KwaDabeka's future economic development lies in the sustainability of the development initiatives that provides a broader development picture (the informal sector inclusive);
- * There is a need to stimulate potential activity nodes (like KwaDabeka Hostel) through establishing linkages; and
- * There is a need to form partnerships in the initiatives

offered by the presence of the bus and taxi rank. Therefore there is a need to strengthening these opportunities through establishing linkages that will begin to make access to wholesalers easier.

Areas for future research include an extensive and focused investigation of the needs of the informal sector operators. This should be done by a well defined study, for example whether to investigate the activities or the household unit which has been indicated as important in informal enterprises. Activities do not sufficiently show the needs of the entrepreneurs and, as such cannot guide policy makers. Rather the dynamics of household members and the economic strategies they use offer adequate conceptualisation of the informal sector. This will help to explain sources of income that other households supplement their informal sector incomes with.

Also important to look at is how the legalisation of the informal sector in KwaDabeka Hostel can be achieved and maintained without the costs of complex procedures, time and finance which are detrimental to the very small and marginalised enterprises. Thus Lagos suggests that any attempt to understand informality must look at other factors such as the level of development, the degree of urbanisation and population dynamics which are closely related to the size of the informal sector (1995:126).

Finally, the strategic location of the informal sector within activity node next to KwaDabeka Hostel should be considered in the spatial strategy of the broader township through establishing linkages. Focus on how transportation planning can support the informal sector activity nodes (in order to establish linkages) can be helpful towards the stimulation of the sector. These have spatial overtones of the links between homes and jobs as well as

transportation which is important in making the facilities and services outside the periphery (where most hostels are located) more accessible.

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APPENDICES

APPENDIX A

DEFINITION OF CONCEPTS

* Hostel dwellers - all those people who functionally (and not structurally) reside in hostels. These include the bedholders and their dependants who may be family or non-family and may or may not be looking for employment.

* Informal income-generating activities - economic activities that are usually small, unenumerated, unregulated and irregular. These informal economic activities have been received with mixed feelings. Whilst the supporters of the informal economy see it as having a potential for growth its critics see it as a repressed and exploitative sector.

* Neighbouring communities - the "fortunate" permanent residents in the traditional townships. In this study the neighbouring communities are those living in the prefabricated dwellings.

* Living conditions - the socio-economic situation that a person lives under. This is also affected by both the historical and the political context. The socio-economic analysis in KwaDabeka shows all the remnants of the past fragmented and constraining apartheid policies that was the catalyst of the condition of most of the poor people.

* Policy - is a legal and regulatory measure that serves to guide the way development should take. It can either advocate unequal development (like the policy of racially-segregated development in South Africa) or equitable and integrated development that was advocated in the section on policy recommendations for the informal sector in hostels.

* Integration - the inclusion of various components, for example housing- and the economic sector in a holistic process that also involves all stakeholders.

APPENDIX B

THE INFORMAL SECTOR IN HOSTELS

(NB. This questionnaire applies to bedholders who are not involved in the informal sector - please be informed that anonymity and confidentiality is ensured).

1. DEMOGRAPHICS

1.1 GENDER

Female	Male
--------	------

1.2 AGE (in years)

18 - 25
26 - 40
41 - 65
66 and above

2. ACCOMMODATION

2.1 PLACE OF ORIGIN

rural area
urban area (formal)
urban area (informal)
other

2.2 How long have you been staying in present accommodation (hostel)?.....

2.3 How much is your monthly rental?.....

2.4 Do you intend to settle in the KwaDabeka area permanently?

Yes	No
-----	----

2.5 Do you stay with other people in your household?

Yes	No
-----	----

2.6 Would you be willing to pay for services that would be provided through the hostels upgrading?

Yes	No
-----	----

3. SOCIO-ECONOMIC STATUS

3.1 How many people do you live with? (it can be family or non-family)?.....

3.2 What are their occupation?

HOUSEHOLD MEMBERS

Category	1	2	3	4	5	6	7	8
employed (formal)								
employed (informal)								
unemployed								
students								
other								

3.3 What is your highest educational qualification?

0 - STD2	STD3 - STD7	STD8 - STD10	Tertiary/Vocational
----------	-------------	--------------	---------------------

3.4 (a) If employed formally how can your occupation be classified?

Skilled manual	Semi-skilled manual	Unskilled manual
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(b) If employed formally how much do you earn?

R0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
------------------	----------------------	------------------------	-----------------------	------------------------

3.5 Total monthly household income (use the categories in 3.4 (b)).....

3.6 Are you able to survive on this income?

Yes	No
-----	----

Thank You

APPENDIX C

THE INFORMAL SECTOR IN HOSTELS

(NB. This questionnaire applies to the bedholders who are involved in the informal income-generating activities - please be informed that anonymity and confidentiality is ensured).

1. DEMOGRAPHICS

1.1 GENDER

Female	Male
--------	------

1.2 AGE (in years)

18 - 25
26 -40
41 - 65
66 and above

2. ACCOMMODATION

2.1 PLACE OF ORIGIN

rural area
urban area (formal)
urban area (informal)
other

2.2 How long have you been staying in present accommodation (hostel)?.....

2.3 How much is your monthly rental?.....

2.4 Do you intend to settle in KwaDabeka Hostel permanently?

Yes	No
-----	----

2.5 Do you stay with other people in your household (they can be family or non-family)?

Yes	No
-----	----

2.6 Would you be willing to pay for the services that will be provided through the hostels upgrading?

Yes	No
-----	----

3. SOCIO-ECONOMIC STATUS

3.1 How many people do you live with (it can be family or non-family)?.....

3.2 What are their occupation?

Category	1	2	3	4	5	6	7	8
employed (formal)								
employed (informal)								
unemployed								
student								
other								

3.3 What is your highest educational qualification?

0 - STD2	STD3 - STD7	STD8 - STD10	Tertiary/Vocational
----------	-------------	--------------	---------------------

3.4 (a) If employed formally how can your occupation be classified?

Skilled manual	Semi-skilled manual	Unskilled manual
----------------	---------------------	------------------

(b) If employed formally how much do you earn?

0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
-----------------	----------------------	------------------------	-----------------------	------------------------

3.5 Do you engage in informal income-generating activities?

Yes	No
-----	----

3.6 If Yes, what activities do you engage in?

spazas (01)	street vending (02)	shebeening (03)	taxi (04)	small producer (05)	other (06)
----------------	------------------------	--------------------	--------------	------------------------	---------------

3.7 What sector/s (in your opinion) does better in the informal sector ? (Use the categories in 3.6).....

3.8 How long have you been involved in the informal sector?.....

3.9 How much do you make from the informal sector?

R0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
------------------	----------------------	------------------------	-----------------------	------------------------

3.10 Total monthly household income (use categories in 3.9).....

3.11 Are you able to survive on the income?

Yes	No
-----	----

3.12 (a) Do you see the informal sector as your future employment even in the future?

Yes	No
-----	----

(b) If Yes, why?.....

(c) If No, why?.....

3.13 Do you have other people who help you?

Yes	No
-----	----

3.14 Are they members of your family?

Yes	No
-----	----

3.15 How many people do you employ?.....

3.16 How many are males and how many are females?.....

3.17 Do you pay them?

3.17 Do you pay them?

Yes	No
-----	----

3.18 How much do you pay them?.....

3.19 How can things be improved to make the informal sector viable?

.....
.....

.....
Thank You

APPENDIX D

THE INFORMAL SECTOR IN HOSTELS

(NB. This questionnaire applies to the dependants who are involved in the informal income-generating activities - please be informed that anonymity and confidentiality is ensured).

1. DEMOGRAPHICS

1.1 GENDER

Female	Male
--------	------

1.2 AGE (in years)

18 - 25
26 -40
41 - 65
66 and above

2. ACCOMMODATION

2.1 PLACE OF ORIGIN

rural area
urban area (formal)
urban area (informal)
other

2.2 How long have you been staying in present accommodation (hostel)?.....

2.3 Do you intend to settle in KwaDabeka Hostel permanently?

Yes	No
-----	----

2.4 Do you stay with other people in your household (they can be family or non-family)?

Yes	No
-----	----

2.5 Would you be willing to pay for the services that will be provided through the hostels upgrading?

Yes	No
-----	----

3. SOCIO-ECONOMIC STATUS

3.1 How many people do you live with (it can be family or non-family)?.....

3.2 What are their occupation?

Category	1	2	3	4	5	6	7	8
employed (formal)								
employed (informal)								
unemployed								
student								
other								

3.3 What is your highest educational qualification?

0 - STD2	STD3 - STD7	STD8 - STD10	Tertiary/Vocational
----------	-------------	--------------	---------------------

3.4 (a) If employed formally how can your occupation be classified?

Skilled manual	Semi-skilled manual	Unskilled manual
----------------	---------------------	------------------

(b) If employed formally how much do you earn?

0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
-----------------	----------------------	------------------------	-----------------------	------------------------

3.5 Do you engage in informal income-generating activities?

Yes	No
-----	----

3.6 If Yes, what activities do you engage in?

spazas (01)	street vending (02)	shebeening (03)	taxi (04)	small producer (05)	other (06)
----------------	------------------------	--------------------	--------------	------------------------	---------------

3.7 What sector/s (in your opinion) does better in the informal sector ? (Use the categories in 3.6).....

3.8 How long have you been involved in the informal sector?.....

3.9 How much do you make from the informal sector?

R0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
------------------	----------------------	------------------------	-----------------------	------------------------

3.10 Total monthly household income (use categories in 3.9).....

3.11 Are you able to survive on the income?

Yes	No
-----	----

3.12 (a) Do you see the informal sector as your future employment even in the future?

Yes	No
-----	----

(b) If Yes, why?.....

(c) If No, why?.....

3.13 Do you have other people who help you?

Yes	No
-----	----

3.14 Are they members of your family?

Yes	No
-----	----

3.15 How many people do you employ?.....

3.16 How many are males and how many are females?.....

3.17 Do you pay them?

Yes	No
-----	----

3.18 How much do you pay them?.....

3.19 How can things be improved to make the informal sector viable?

.....

.....

.....
Thank You

APPENDIX E

THE INFORMAL SECTOR IN HOSTELS

(NB. This questionnaire applies to those people from the neighbouring communities who are involved in the informal income-generating activities - please be informed that anonymity and confidentiality are ensured).

1. DEMOGRAPHICS

1.1 GENDER

Female	Male
--------	------

1.2 AGE (in years)

18 - 25
26 - 40
41 - 65
65 and above

2. SOCIO-ECONOMIC STATUS

2.1 How many people do you live with?.....

2.2 What are their occupation?

HOUSEHOLD MEMBERS

Category	1	2	3	4	5	6	7	8
employed (formal)								
employed (informal)								
unemployed								
student								
other								

2.3 What is your highest educational qualification?

0 - STD2	STD3 - STD7	STD8 - STD10	Tertiary/Vocational
----------	-------------	--------------	---------------------

2.4 (a) If employed formally how can your occupation be classified?

Skilled manual	Semi-skilled manual	Unskilled manual
----------------	---------------------	------------------

(b) If employed formally how much do you earn?

0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
-----------------	----------------------	------------------------	-----------------------	------------------------

2.5 Do you engage in informal income-generating activities?

Yes	No
-----	----

2.6 If Yes, what activities do you engage in?

spazas (01)	street vending (02)	shebeening (03)	taxi (04)	small producer (05)	other (specify) (06)
----------------	------------------------	--------------------	--------------	------------------------	-------------------------

2.7 What sector/s (in your opinion) does better in the informal sector? (Use the categories in 2.6).....

2.8 How long have you been involved in the informal sector?.....

2.9 How much do you make from these informal income-generating activities?

R0 - R800 (i)	R801 - R1500 (ii)	R1501 - R2500 (iii)	R2501 - R3500 (iv)	R3501 and above (v)
------------------	----------------------	------------------------	-----------------------	------------------------

2.10 Total monthly household income (use categories in 2.9).....

2.11 Are you able to survive on the income?

Yes	No
-----	----

2.12 (a) Do you see the informal sector as your employment even in the future?

Yes	No
-----	----

(b) If Yes, why?.....

(c) If No, why not?.....

2.13 Do you have other people who help you?

Yes	No
-----	----

2.14 Are they members of your family?

Yes	No
-----	----

2.15 How many people do you employ?.....

2.16 How many are males and how many are females?.....

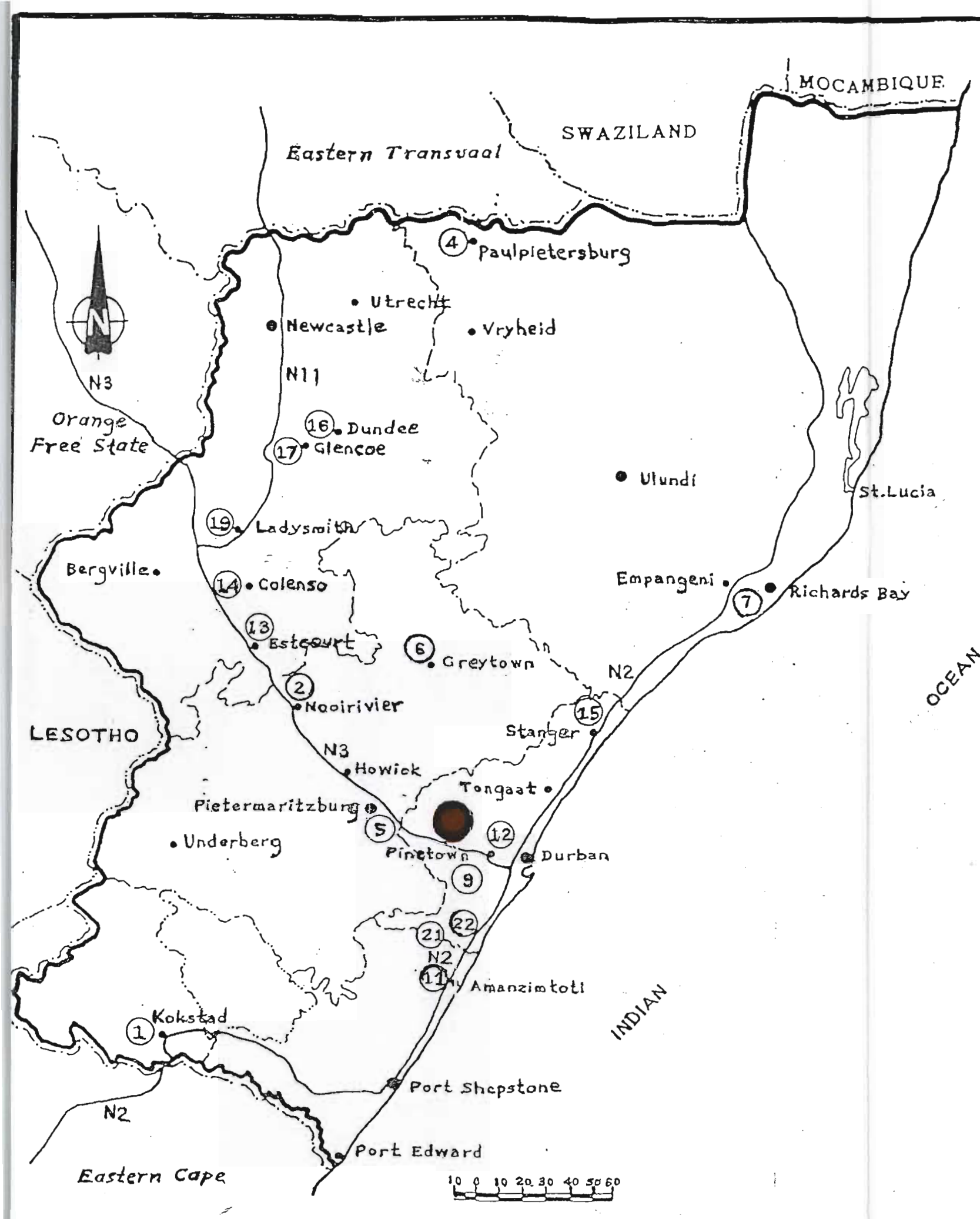
2.17 Do you pay them?

Yes	No
-----	----

2.18 How much do you pay them?.....

2.19 How can things be improved to make the informal sector in KwaDabeka Hostel viable?
.....

Thank You



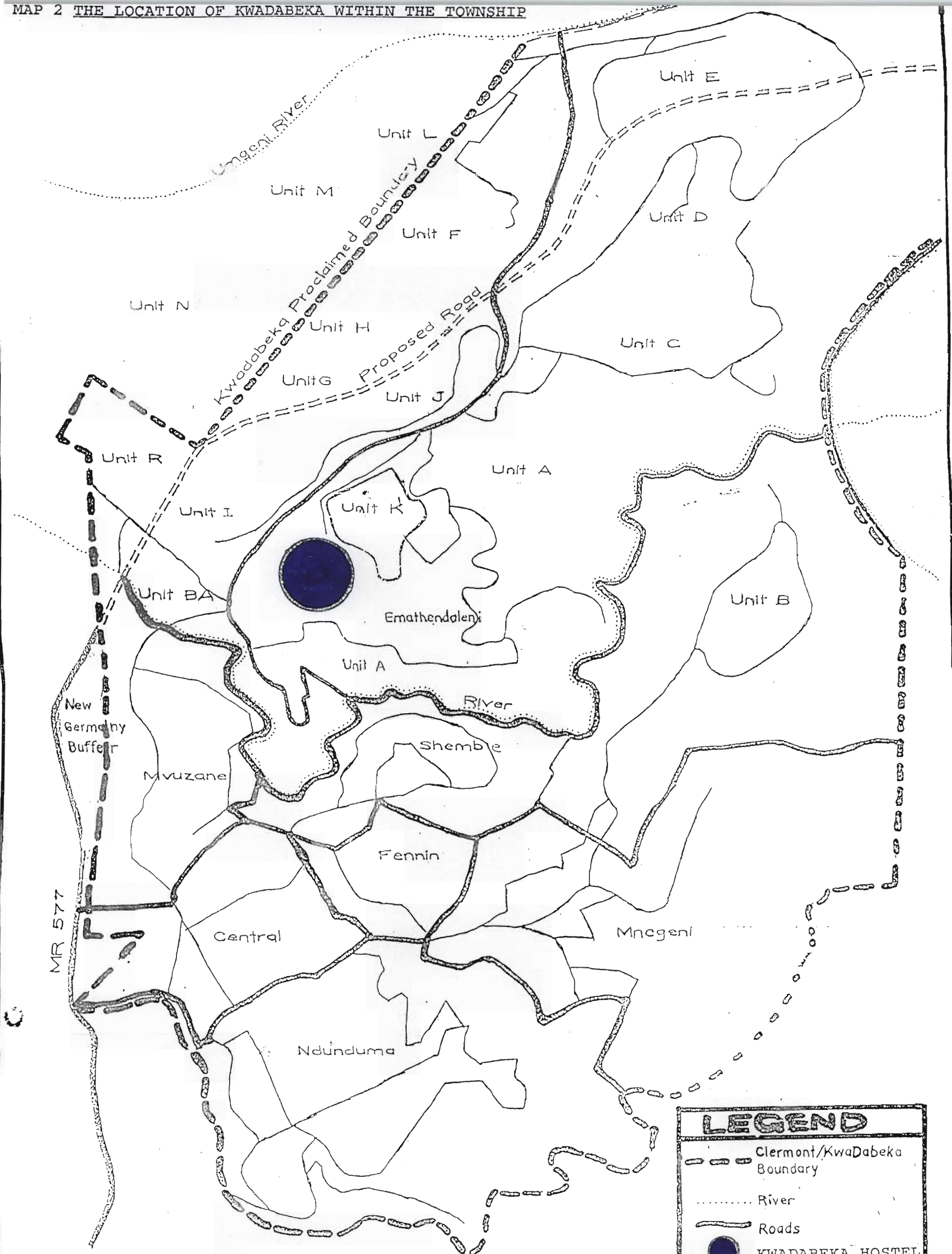
LEGEND

- 1 BHONGWENI
- 2 BRUNTVILLE
- 3 DALTON ROAD
- 4 DUMBE
- 5 EAST STREET
- 6 ENHLALAKAHLE
- 7 ESIKHAWINI
- 8 JACOBS
- 9 KLAARWATER
- 10 **●** KWADABEKA
- 11 KWA MAKHUTA
- 12 KWA MASHU
- 13 KWEZI
- 14 NKANYESI
- 15 SHAKAVILLE
- 16 SIBONGILE
- 17 SITHEMBILE
- 18 S J SMITH
- 19 STEADVILLE
- 20 THOKOSA
- 21 UMLAZI
- 22 UMLAZI/GLEBE

MAP 1 THE LOCATION OF KWADABEKA HOSTEL IN THE CONTEXT OF ALL PUBLIC HOSTELS IN KWAZULU/NATAL

SOURCE: KWAZULU/NATAL PROVINCIAL HOUSING BOARD (1995) "PUBLIC HOSTELS IN KWAZULU/NATAL"

MAP 2 THE LOCATION OF KWADABEKA WITHIN THE TOWNSHIP



LEGEND	
	Clermont/KwaDabeka Boundary
	River
	Roads
	KWADABEKA HOSTEL

SOURCE: NATAL PROVINCIAL ADMINISTRATION (1993)

"CLERMONT/KWADABEKA DEVELOPMENT PLAN"

