



**Assessing the inclusiveness of informal markets in urban planning:
Case of Matsheni Taxi Rank (East Street Rank) on Retief St. in Pietermaritzburg, South
Africa.**

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*A dissertation submitted in fulfillment of the requirements for the Master's Degree in Town and
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Declaration

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other university. I acknowledge that I have read and understood the University's rules, requirements, procedures and policy relating to my higher degree research award and to my thesis. I certify that I have complied with the rules, requirements, procedures and policy of the University. This work has been submitted in compliance with the course requirements for the Degree of Masters in Town and Regional Planning in the School of Built Environment and Development Studies, University of KwaZulu- Natal (Howard College Campus), Durban.

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List of Acronyms and Abbreviations

Abbreviation	Meaning	Pages
CBD	Central Business District	1,21,25,27,29,30,56,71&72
GDP	Gross Domestic Product	2,71,75,76,79
IDP	Integrated Development Plan	1,29,30,32,33,63,71,72,73,75,85&89
IMF	International Monetary Fund	15&16
IS	Gross Profit	50
LED	Local Economic Development	XII,3,32,89&90
LGA	Local Government Area	57
MDG	Millennium Development Goal	59
OPEC	Organization of Petroleum Exporting Countries	15
SAP	Structural Adjustment Program	16
WB	World Bank	15
US	United States	49
SDF	Spatial Development Framework	72&89

Abstract

Informal trading within the cities of South Africa in the past has been regarded as an illegal activity. Thus, the emergence of informal markets in South Africa has been viewed as a major problem by developers especially incorporating the sector into the planning processes of urban development methodologies. There is growing evidence that most cities across the world are gradually seeing the value of informal trade in hopes to assist in the economic development of a country. This research examines the use of urban planning tools in the built environment as a medium of recognizing the importance of street trade to economic growth and development. This research evaluates the inclusivity of implemented planning policies in Pietermaritzburg Msunduzi municipality. It investigates the monitoring and control measures put in place for urban trade within the city. The study aims to understand how the Municipality creates support structures/systems for the development of the informal market in the downtown segment of the city- an area that is known to be the center of informal trading activities within the city. Although there has been the implementation of LED (local economic development) programs to enable and strengthen the support of informal trade, however, there has been a shortfall in positive results due to lapses in the implementation of these programs. Evidence from other countries reveals that informal markets are currently still a factor in cities (whether in more developed counties or less developed) and are addressed as being part of urban development, therefore, policies and legislation that take this segment of the economy into consideration are implemented for development. As mentioned in the methodology chapter, out of the six taxi ranks in Pietermaritzburg East Street rank has very interesting informal trading conditions. Thus, the study focused on the East Street rank to understand how the Municipality promotes support structures for the informal market.

Chapter 1 Introduction and Background

1. Introduction/ Background

African informality has become a part of what forms African cities. Informality is perceived as being part of the developing processes of a third world city and is a way that some individuals are economically sustained (Roy, 2005). Therefore, informality will always be part of the city in a developing country. In fact, these so-called informal actors are accepted in the developing world as failures of the formal processes. Therefore, the role of informality in the modern urban plan demands a major responsibility in accepting and integrating the informal sector in the urban environment (Croese, 2013). This dissertation will focus on the informal market sector of the urban environment, by studying the city of Pietermaritzburg South Africa. Like most of the developing cities across the world, this city has a great level of informal activity within its central business district (CBD). The primary focus of the study will be to assess the different approaches that are implemented in supporting the informal market sector in the city space. Furthermore, the municipality of Pietermaritzburg (which is Msunduzi) has tried to address past imbalances caused by the apartheid laws but has been faced with many developmental challenges over the years (IDP 2013/14). It is therefore important for this study to understand how the Municipality creates an inclusive urban sector that caters for the development of the informal market despite the historical imbalance in the economic structure and space design of the city.

In the special case of Pietermaritzburg, there seems to be a great focus of developments in specific areas. New developments such as new malls, the extension of bridges and transport routes have occurred outside the city, whilst the inner city has had minimum developments occurring (IDP 2016/2016). Whereas, there are minimum improvements occurring in the downtown areas of the city center, which mostly comprise of the informal markets. However, there is a great spread of the informal developments occurring throughout the city center as well as the uptown areas (Pietermaritzburg is now phrased a tuck chop city). Therefore, it had a considerable consequence on the city and the development processes. Despite the substantial number of informal markets, there is evidence of lack of planning for the informal population thus far. This research unpacks developmental issues as well as government policies and initiatives in supporting informal markets in Retief St. eMatsheni (East Street) Taxi Rank Pietermaritzburg.

2. Problem statement

There are previous studies that have contributed to the literature on informalities in African cities (Quazi, 2011). Moreover, urban informality and the informal economy continue to be a key issue in the emergence of formal environments in most African cities. The informal market as mentioned above is a reality in African cities, therefore; more strategies and approaches need to incorporate informal markets in urban planning. The informal economy in Africa is an important sector to the economy; David et al., (2013) opined that without this sector, the rate of unemployment would increase to about 47.5% from 25%. Moreover, David et al (2013) and Vanek et al (2014) state that due to the great amount of informal trade and industry activity being unrecorded, it is hard to calculate the level of economic trade. Nonetheless, other informal sector calculations rate in to be about 28%, which is the South African overall gross domestic product (GDP) (David *et al.*, 2013).

In South Africa there are various activities in the informal sector such as informal traders, home-based care workers and waste collectors. The sum of the informal sector is estimated to be roughly R160 billion and is calculated to cost 2.5 times as large as the input of overall sum of the agricultural sector or estimated 70% of input in mining sector to the GDP (David *et al.*, 2013). Yet one of the key issues that the informal market faces is exclusion in development and planning strategies within the cities. Therefore, it is apparent that there is an earnest need for the inclusion of informal markets in developmental policies and strategies.

Informal development needed areas in Pietermaritzburg include street vendors, tuck shops, boutiques and foreign businesses zones. Although these types of developments are economically self-help initiatives. There is a great level of congestion in the informal markets. The emergences of the informalities are rapidly causing problems for the monitoring processes. Creating an environment that has less supervision allowing an unsafe space and great discomfort.

One of many responsibilities of the municipality in Msunduzi is to ensure many supportive tools for informal markets to stimulate local economic development. Yet examples such as the Retief St where the eMatsheni (East Street) rank resides shows that there seems to be a gap in the planning processes to ensure the inclusiveness of the informal sector within the city. A substantial amount of the informal traders in Retief St surrounding the eMatsheni (East Street) rank are currently residing on the pathways as well as a portion of the road. Which is causing challenges not only for the municipality due to the congestion of traders and monitoring difficulties but also for those who

use the area. This is a reality in most of the Pietermaritzburg taxi ranks and informal sectors in the city area. Thus, there is an obvious issue of displacement of the informal markets within the city developmental planning programs.

3. Aim

The aim of the study is to find out how the Msunduzi municipality supports the informal market within the city in ensuring local economic development (LED).

4. Main objectives

1. To identify the informal market traders and what products they are trading on Retief St. surrounding the eMatsheni (East Street) taxi rank area.
2. To identify challenges faced by the informal traders on Retief St. surrounding the eMatsheni (East Street) market.
3. To identify the roles the municipality plays in including the informal market in development and planning Retief St. eMatsheni (East Street) taxi rank area.
4. To identify challenges faced by informal traders in Retief St. eMatsheni (East Street) taxi rank area and preferred workable recommendations.
5. To identify policies and regulations that guides the development of the informal markets on Retief St. eMatsheni (East Street) taxi rank area.

5. Research Questions

1. What types of informal trade occur and who are the individuals (age group, racial group, income group) trading informally on Retief St. surrounding the eMatsheni (East Street) market?
2. What are the challenges faced by the informal traders on Retief St. surrounding the eMatsheni (East Street) market?
3. What are the responsibilities of the municipality in informal markets in Retief St. surrounding the eMatsheni (East Street) market?
4. What are the policies, legislations and regulations implemented in ensuring inclusionary development for the informal markets regarding city planning?

5. What are the issues that the municipality faces in the implementation of policies, legislations and regulations to guide the development of informal market on Retief St. surrounding the eMatsheni (East Street) market?

6. Rationale for the Study

The choice to pursue this research was motivated by the identification of unresolved issues regarding inclusionary planning addressing informal sectors in most development programs. The informal sector is evidently experiencing exclusion in the planning processes of city development. In contrast to the formal sectors that are regarded as planned developments and included in the planning process, revealing that there is an issue of exclusionary planning in South Africa. Thus, resulting in displacement of the informal markets, invading where they freely choose in the city space.

Such research will generate improvements for both the informal market and government sector. There needs to be an improvement in the manner in which the informal sectors are operated as it is rapidly increasing. One of many primary issues of the informal sector is that, it is hardly understood and documented (Oduwaye and Olajide, 2012). This research would contribute to the literature of African informality in the city environment including and help the government better understand the informal sector to improve provision in the support and infrastructure of local economic development framework. This would also improve and accelerate the implementation processes of the responsibilities of local economic development support. In result, the informal markets in the city have a chance to voice the concerns and issues they are constantly faced with due to the disconnection of city planning and the informal economy.

Decades after the initiation of the first republic and despite various reformative policies aimed at creating a more inclusive and all-embracing city, the imbalanced structure distributions of the apartheid system are not completely erased, hence, there is still a need for improvement. For many years, there have been the arguments that focus more on the issues caused by the informality rather than what strategies are presented by the government to accommodate informal markets. Hereafter, there is a necessity for more literature that will study the progressive aspects of the informality in African cities as a potential thriving market for economic growth.

7. Chapter outline

Chapter 1: The Introduction and Background

This chapter focused on the issues that were covered in the study. As an introductory chapter, it defined and provided operational definitions for concepts. The challenges around informal market displacement in Pietermaritzburg city were expounded. This segment also stated the objectives and research questions of the study, thus providing a framework for the research structure.

Chapter 2: Research Methodology

This chapter provided insight into the methodology adopted for this research. It discussed the process for the research formulation, data gathering and interpretation as well as the limitations of the study.

Chapter 3: Theoretical framework and conceptual

This chapter consists of the different theoretical framework of the study, which form the bases of the study. Including the terminology and concepts used within the dissertation. It also presented the literatures reviewed about strategies for managing informal sectors within cities, policies and legislations that guide the developmental processes within cities.

Chapter 4: Literature and Precedence Studies

This chapter reviewed relevant literatures and scholarly publication about the study area. It focused on both international and local debate about the study.

Chapter 5: Case study

This chapter described the study location and provided demographic information in tables and diagrams.

Chapter 6: Presentation of findings, Data analysis and interpretation

This chapter presented the study findings and analyzed collated data. From the analysis, interpretations were made about the study-probed concerns.

Chapter 7: Summary of findings, Conclusion and recommendations

This chapter summarized findings, presented conclusion and recommendations from the study.

Chapter 2 Research Methodology

2. Introduction

Methodology in research is the basic methods in which data may be collected (Kothari, 2004). Mikkelsen (1997) explains research methodology as a systematic method of collecting, analyzing and presenting data. In this research, qualitative data collection was adopted. The objective of the data collection is to engage significant stakeholders, municipal actors, formal and informal sector stakeholders in interview sessions to investigate the process of managing and developing the informal economy within their regions (Quazi, 2011). Including the parties who use the space for informal trading and individuals involved in using the informal market specifically in the Retief taxi Rank (East Street Rank).

The research design adopted is case study method and collection of data processes is by means of qualitative methodology. The case study approach is considered fitting because such studies are beneficial for exploratory (investigative) and descriptive purposes that initiate change. Qualitative method is appropriate in the study because it is a detailed method to gain information of what is occurring in both the municipal processes and on the ground (Quazi, 2011).

2.1 Sampling methods

Selection procedures

Pietermaritzburg city is in the KwaZulu-Natal province, it is the capital city. Pietermaritzburg has about five functioning taxi ranks and out of the five, the research is based on the Retief taxi rank. This area has interesting elements to contribute to the research at hand, with a variety of informal market key components that really reflect a common reality in some of the other taxi ranks in Pietermaritzburg.

Sample size and profiling procedures

The appropriate sample size in favor of the study was approximately 40 individuals (including 3 key informants). Half of the respondents were male and the other female, to ensure that both genders are represented fairly, and experiences are reflected from both sides. The profiling procedure ensured a great diversity in the age groups divided in for quarters (of group) of sample size: grouped in 18 and 34,35 and 50, 51 and 69, 70+.

2.2 Recruitment strategy

Specifically, street vendors were approached which were mainly those who are stationed on the streets, pathways or portion of the roads. These are vendors that are stationary on the road which mainly have temporary shelter in which they sell from. The selection of these street traders is just because the policies that this research focuses on affects the traders that occupy physical urban space in the cities. Individuals who were given questionnaires were from the rank all the way up to Retief St and the corner of Pietermaritz St. In terms of recruiting professionals of the municipality, the councilor of ward 32 provided contact details of the relevant town planners and economic development agents who are involved in the development of the case study area. The research sample comprises of 3 municipal managers. These officials have been involved in the rectification of the social and economic issues in the eMatsheni (East rank) area.

Purposive sampling

Non-probability sampling methods were used in collecting the qualitative data. Interviews were with selected individuals who were purposively recruited. There was a selective group of individuals who were interviewed which were beneficial to the research questions and to achieving the research objectives. Such as the officials that are responsible for the development of the Retief taxi rank they were specifically chosen in light of their involvement in working directly with ward 32 and the councilor. The street vendors that were chosen were individuals who use the rank as space to informally trade.

Heterogeneous / Maximum variation sampling

This selection of a wide range of individuals that are different for example in terms of age, ethnic and job titles (Lewis and Catlett, 1994). This type of research strategy allowed various groups sampled in the study to bring different perspectives to the purview of the study. Such a strategy allowed various individuals who are relevant to the case study bring a diverse experience and version to the study. Ranging from those who are trading informally in the Retief market to the officials that are involved in the development processes of the area.

2.3 Data collection methods

The research methodology sources used two types of sources, which are primary and secondary sources as well as the data collection tools of field observations and interviews.

I. Primary Data:

Primary data is information that has been obtained from the field, which is raw data. This type of data was also obtained from the officials involved in the planning processes of the Retief rank and the individuals using the rank. The researcher did the collection of primary data using techniques discussed below.

a) Individual Interviews

The interviews were via a structured and open-ended interview schedules. These were face-to-face interviews where participants had answered questions regarding the research. These are the following themes of broad questions that were asked:

- ✓ What types of informal trade occur?
- ✓ Who are the individuals trading informally?
- ✓ What are the forces that attract the informal market to these specific city areas?
- ✓ What are the challenges faced by the informal traders?
- ✓ What policies, legislations and regulations are implemented in ensuring inclusionary development for the informal markets?
- ✓ What strategies does municipality implement in monitoring and controlling informal trade?
- ✓ What issues does the municipality face in the implementation of policies, legislations and regulations?

b) Participant Observation

This allowed the researcher to have better understanding of the problem on the ground and visual understanding. The researcher captured the information by means of camera.

- ✓ The observation of the current situation and developments

Observation	Description
1. The layout in which the informal market place themselves	Dispersed/Clustered layout
2. Where about are the informal markets are located when trading	Close to the road/ on the paving or walk ways
3. Types of informal and formal trade in the area	Unregistered street trading, registered street trading and registered or unregistered in store trading.
4. Current projects in the area	Projects that are in progress
5. Equipment used for selling stations	Materials used for selling stations in the street
6. Goods sold	Products sold in the area include vegetables and fruits, traditional herbs, junk food (chips, ice pops, sweets and chocolate) or electronics.
7. Safety of the area	Safety status in the area
8. Congestion levels	Density in the area

c) Mapping

Mapping is a very helpful technique used in assisting a clear visual of information. According to Mikkelsen (1997), mapping allowed to gather some very crucial information as the following:

- ✓ Demarcating the boundary of study area
- ✓ Mapping physical structure of Pietermaritzburg
- ✓ Identifying the physical infrastructure of the formal and informal sectors

d) Key informant's interviews

- ✓ The municipal professionals

II. Secondary:

Secondary data is information that has already been documented (Mikkelsen, 1997). The wide range of existing data provided adequate information to help in analyzing the responsiveness of town planning to informal market monitoring. The secondary data assisted in discussing the conceptual framework, theory and literature in the dissertation. In addition, Msunduzi Municipality provided information pertaining to the land-use plans including developmental policies that are specific to street trading regulations.

- ✓ Literature review of the informal economy in general and the way it operates in Pietermaritzburg.
- ✓ Past and current data on the responsiveness of street trading regarding urban planning.
- ✓ Newspaper articles and research done on informal work in Pietermaritzburg that has been examined.

2.4 Data analysis methods

For this qualitative research, the most appropriate data analysis approach used was thematic analysis (Braun and Clarke, 2006). This allowed the data collected to be readable and understandable. Extracting from researcher's questions/comments, respondent's answers, verbatim transcription. Braun and Clarke (2006), state that the thematic approach is broken down into six phases of analysis to allow the collected information to be readable.

- ✓ Familiarization of data
- ✓ Generate original codes
- ✓ Seeking themes
- ✓ Analyzing themes

- ✓ Defining & naming themes
- ✓ Report

Having used this analysis approach, it was easier to identify what the research aimed to reveal. Whether the findings are in cohesion with the hypothesis initially stated or not. Specifically, to this research, the thematic analysis approach has revealed the response of the public versus the response of the government official involved in the development processes of the informal market in Retief rank. The approach has allowed for a clear indication of varying themes in the study, for example the issues that encourage or hinder the monitoring and development processes of the informal market.

2. 5 Limitations

The limitation to this methodology was the refusal to respond to questions by respondents in the street of Retief. Some of the respondents believed that they are being questioned because they are in trouble with the law, which will cause resistance. This also caused neighboring traders to refuse answering questionnaires. Also, there was a great difficulty in the scheduling meeting dates with municipal personals, due to unavailability and being busy with projects. In terms of the responses from the officials, there were some who answered questions based on what that know and not on what is really happening on the ground. Professionals tend to theorize what they think is the cause of varies issues in the city and many times do not go physically to the site to understand what is needed by the people to create adequate policies to rectify informal trading difficulties and the effect it has on town planning.

Chapter 3 Conceptual and Theoretical framework

3. Introduction

This chapter focuses on the conceptual and theoretical framework, which forms the basis upon which the response of town planning regarding how the informal market can be studied. The study will make adopt of the Modernization theory, Neoliberalism and Urban land use theory, which is used to understand planning in relation to urban planning. These are three theories that fit well in this research since they clearly show the influence of the traditional planning system and the formation of informal markets.

3.1 Modernization Theory

3.1.1 Overview of historical content

In the early stages, understanding the process of modernization originated from the classical authors such as Marx, Durkheim, Weber and. Although Marx did not use the modernization term directly, he argued that through the elimination of private property the public would attain an improved life. Capitalism is a theory regarded as the most significant nineteenth-century theory of modernization, which is a Marx's theory (Peet and Hartwick, 2015). Further, the beginning of modernization theory could be followed back to the reaction of American political leaders and scholarly people to the worldwide setting post-Second World era (Dean, 1973). The effect of the cold war and the encouragement of the Third world social orders caused a conflict of the European colonial domains to channel scholarly interest and assets past the limits of American human progress including Europe into the research of the social orders of Asia, Africa, and Latin America (Dean, 1973).

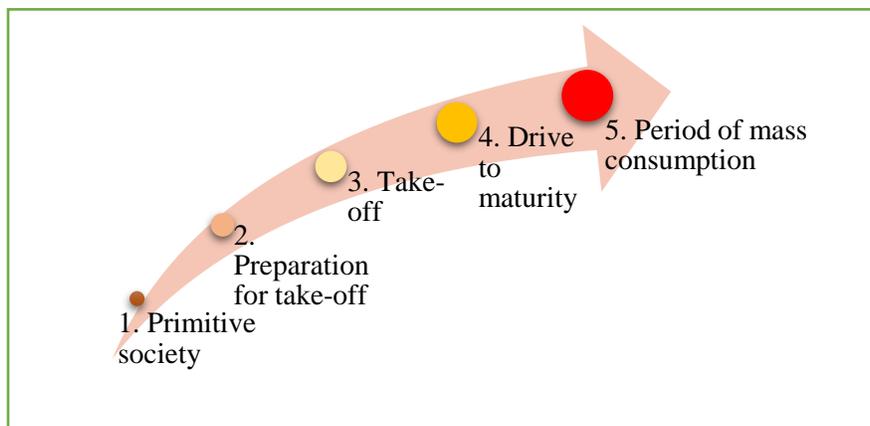
Modernization is a development theory, which is a Western thought centered on economic theory rooted in capitalism (Matunhu, 2011). Thus, modernization for many years was comprehended as Westernization. It is a theory that explains the notion of modernity as a way for economic development within countries. Modernization theory argues there are specific stages that a country needs to go through to reach a developed modern stage. Tipps (1973) states a simple definition of modernization is to bring something up to date, whether it is to give a new or modern appearance to an object or to adopt a new thinking. Thus, modernity revolves around the ideas of knowledge (for instance science based) and the extensive use in education and more so, several purposes, for

example, expanding findings, innovation, and development (Calinescu, 1993). Leading to the discussion of modernism in planning and how it influences planning philosophy. Modernist planning is a notion of planning manifested when traditions of urban design were modified to a modern aspect (Huysen, 1986). The patterns and trends of urban development had been changed to Western ideology. For instance, modern planning in Britain was stimulated in the phase of the industrial revolution, therefore modern planning of development comprised of industrial cities (Ravetz, 2013). There was a large increase in the population growth in these cities due to urbanization, therefore, the need for planning was essential to accommodate these changes. Resulting in new settlement developments as well as architecture was in a modern form, due to the technical advances that allowed such modifications (Benevolo, 1967).

3.1.2 Progressive development stages

Modernization is mainly about developing countries following the developmental path of Europe (Matunhu, 2011). This theory therefore argues that all countries must pass through distinct stages to reach development.

Figure 1. Diagram illustration of the Rostow's model



Source:(Rostow, 1990)

The Rostowian theory model identifies the modernization stages as the following (*Refer to Figure 1*): (Matunhu, 2011).

1. Primitive society: The traditional society stage with an arrangement that is developed within restricted production functions. Subsistence cultivating, and bargain exchange describe the stage.
2. Preparation for take-off: The second stage of growth, which support societies in the progression of transition. Preconditions to take off are developed because it takes time to do away with traditional practices and advance to the use of modern science (Rostow, 1990). This stage is

characterized with specialization and creation of surplus merchandise and exchange. Structural facilities for transportation are produced to help businesses. This stage is supportive of reserve funds and banking.

3. Take-off: This is the stage when the traditional past blocks and resistances to steady development are defeated. At this stage, industrialization improves, and the economy shifts from agriculture to manufacturing. In the period of take-off, new industries expand quickly including new techniques spread in agriculture as well as industry.

4. Drive to maturity: Following take-off there is a long period of sustained or irregular growth, as the present regularly growing economy drives to spread modern technology over the whole front of its economic activity (Rostow, 1990). At this period the economy broadens into different segments and there is less reliance on imports.

5. Mass consumption period: In this period, the economy supplies on large-scale manufacturing and administration segment turns out to be progressively regulating. The high mass-consumption phase is where over a time the top performing sectors change towards durable consumers' goods and services (Rostow, 1990).

3.1.3 The economic twist to Modernization and informal market

In other countries, modernization still has not brought about great economic results and full development. Specifically, to the African countries, where there was great influence from colonization (Matunhu, 2011). The main desire of the West was to change Africa's development path to benefit the West. Matunhu (2011) argues that modernization impoverished Africa through colonialism by the west and this resulted in domination over the region. Unfortunately, this is a trend that continues, currently the East proceeds to deplete the regions natural assets, which incorporate oil and minerals. The African continent is in the processes of resolving poverty and underdevelopment, however, has been criticized for using Western ideology instead of creating new localized theories for Africa's development. Africa must exceed poverty and slow progression, yet this might be unlikely if Africa still believes in the power of advancement at the cost of empowering creative initiatives localized ideology for Africa's progression (Matunhu, 2011).

The capitalist society evolves modernization (industrial revolution) and is the key issue of modernization more specifically for the marginal population. The capitalists (bourgeoisie), employ the proletariat (marginalized) for a living wage and in turn, the capitalists keep the products

(Echeverría, 2005). The major implication of this system is that workers are exploited in a sense that they are not able to afford the products they are manufacturing. The dependency on the job and wage provided makes it hard for one to have the ability to determine one's life, deprives the right to consider oneself as the director of one's actions, therefore, Marx refers to this implication as alienation (Echeverría, 2005).

In addition, capitalist practices consequently resulted in the occurrence of inequality within the cities. The capitalist society uses the power of the less privileged to generate profits. Such practices have caused a great injustice for workers leading to poverty in informal sectors (Allen and Thomas, 1992). Modernization perceives the informal sector as a traditional pre-capitalist society opposed to modern economic organization, in other words as a traditional economic practice (informal set up) where the capitalist oppression is not as present in the economic sector (Calinescu, 1993). Majority of the individuals who work in the informal sector lack the patience and are willing to abide by factory discipline hence, this sector is largely made-up of uneducated individuals (Calinescu, 1993).

With that said Tokman (2001) argues that in the process of modernization the integration of the informal sector could be achieved by means of various complementary means this includes regulatory framework. Informal activities are not as a result of regulatory inadequacies but because of the failure of the economic system to generate sufficient productive jobs. In the process of modernization, regulatory developments favor the integration of informal activities. In the last few years, this debate has evolved providing, for a substantial narrowing of the previous gap between individuals who argued in favor of the simplistic notion that legislative alterations are enough to overcome the current issues, and individuals who denied the role of regulatory arrangements with respect to the economic system (Tokman, 2001).

3.1.4 Modernism in planning perspective of the urban layout

In relation to the modernization, modernism theory is one of many ways used to explain the evolution of urban planning. Calinescu (1993) states modernism to mean a loose theological movement of modernization. Furthermore, the modernism theory had originated from the Western society, which includes the doing away of traditional activities and norms whether in art, daily life, architecture or even literature (Huysen, 1986).

a) Modernism influence in urban planning freedom and African economic development

Modernism planning theory is guided by a rational concept, whereby the rational planning of social and geographic space took place. With themes including knowledge, functionality, spatial paradigm and public interest (Ravetz, 2013). This notion of planning manifested zoning practices and strategic planning. Thus, it stressed that plans that were in zoning methods in separated districts laid emphasis on transportation or corridors and a preference for high-rise skyscraper buildings surrounded by open space. In addition, modernist thought of planning and development mainly focus on metropolitan-wide, large-scale, technologically rationalized, and efficient urban plans with basic architecture. Thus, the planners of this era view the urban space (city) as a machine and how it would build the design that will maximize the production of the city, this view was a capitalist differentiation of the urban fabric.

There are numerous variants of modernist planning it usually involves a specific process of generating plans. It was narrow-minded in a sense that it advocated that one needed to be an expert in something or a specialist for your views of planning and development to be taken into consideration (Magidimisha, 2009). Therefore, a few individuals validated in how the urban framework should be functioning and where certain activities should be located. Consequently, this manner of planning was imposed upon individuals and not inclusive hence the people who lived in these urban environments and cities were not involved in the planning process, this was, therefore, a top-down approach to planning and regarded as only a function of government in planning processes (Un-Habitat, 2016). The planning was led by a master plan (blueprint plan) and the encouragement of a certain urban form such as urban modernism that is characterized by mono-functional use areas. Including urban form that have low-built densities, movement systems based on the private car, quantities of green open space and tower blocks (Un-Habitat, 2016).

In relation to African economic development and developing countries, this manner of planning was not ideal as it was aimed to develop in a uniform manner and not adjusting or be accustomed to the local issues in other countries (non-western society) more specifically developing countries. Further Pieterse (2011) argues that a major reason why the African cities have had such growth problems vast gaps is due to that lack of African city knowledge. There is little evidence that displays the efforts and analysis the urban economic systems as well as associated political and cultural initiations in the perspective and content of African standpoint (Pieterse, 2011).

Pieterse (2011) poses that there must be a different perspective in which people look at Africa including the different sections of the developing world and not just as a failed attempt at modernity. That they should be seen as a manifestation of something new in separation to Western views and think of more helpful ways to build and grow the success of Africa's' lives at macro scale as well as development and success of economies and societies. In adding a large majority of the African urban sector and cities is made up of informal structures and dwelling. A macro urbanization trend and dynamic overview identify the informal city as the real city (Pieterse, 2011). Therefore, planning approaches should be in relation to local understanding and try to accommodate all economic sectors especially the rapidly growing informal market instead of focusing on mass production and urban developments.

3.2 Neoliberalism Theory

3.2.1 Background and progression of the Neoliberalism theory

Neoliberalism is perceived as an ideology descending and form similar but not matching liberalism theory. With this understanding, neoliberalism would share some ancient roots and some of the basic vocabularies with liberalism generally (Brown, 2003). Over many years, neo-liberalism as a development method has been implemented in numerous countries across the globe. The neoliberalism approach is encouraged by leading international financial institutions, which include actors such as the International Monetary Fund (IMF) and the World Bank (WB) (Ibrahim, 2011). Neoliberalism involves the project of neoliberal globalization.

In the 1980s neoliberalism was a response to the limitations of Keynesian demand management under conditions of 1970s recession in combination with technological and political changes (Pieterse, 2010). It became common practices following the 1973 oil crisis when OPEC (Organization of Petroleum Exporting Countries) countries increased the price of oil (Ibrahim, 2011). The expanded oil costs came about to additional revenue in OPEC nations, which saved the revenue into private banks in first world nations. The extra revenue borrowed to impoverished nations that were strained from the expanded costs of oil. Afterwards, the increase of the rates resulted in the failure of the poorer counties to pay back the loan including the interest, which was known as the debt crisis of 1980 (Harris, 2000).

To avoid the total fall of the indebted economies these countries were obligated to refinance foreign debt, decrease government spending and restructure economies in manners arranged by

the World Bank, the International Development Bank, and the IMF (Ibrahim, 2011). This eventually resulted in the implementation of conditionality in the form of Structural Adjustment Programs (SAPs). The SAPs were based on the Washington Consensus Agenda and required borrowing countries to bring on key structural adjustments, this included the decreasing of trade and financial regulations and privatization of numerous government businesses to secure loans and decrease interest rates (Ibrahim, 2011). In addition, this logic of the word neoliberalism is commonly utilized in Latin America. Harvey 2005 describes neoliberalism as a theory of political economic application, which suggest that people's well-being could be best improved by freeing individual entrepreneurial autonomy and techniques in a governmental structure-guided with tough private property rights, markets and self-ruling trade (Thorsen, 2009).

The neoliberal theory is a development theory that is also used to explain the progression of urban planning. Neoliberal theory in planning is best explained using the postmodern perspective to planning, as they are very similar, therefore explaining planning from an advanced thinking to modernism. Furthermore, postmodern planning moves away from the modern perspectives of modern planning which is a modified approach to the modernist planning. Postmodern theorists argue that the modernist planning needed an improvement, therefore, addresses modernist planning where it lacked (Hossain and Karim, 2013). Postmodernism is perceived as a period symbolizing a new transitional period in which numerous interrelated political, socio-economic and cultural changes happen at the same time. Therefore, is a theoretical change in viewing the world that shifts away from modernist logical conventions, society's supposedly linear historical development or the invented ultimate fact of scientific laws (Dear, 2000). Moreover, this theory surpasses its narrowest understanding as only a specific aesthetic approach in planning.

3.1.5 Rethinking Western ideology in development and urban planning

Rostow described all backward societies in terms of the same uniform traditionalism. The typology of describing the diverse countries were all the same and ignored the specific pre-capitalist histories of diverse Third World societies (Peet and Hartwick, 2015). Modernity theorists deem that countries proceed to modernity at different times depending on the country's flexibility to adapt. Although there is a fact to this idea, it must be acknowledged that conflict, wars, natural disasters and, plagues may direct deprived countries to move back and forth on in the process to progress (Matunhu, 2011).

In addition, the neoliberalism theory is being criticized for failing to regard the poor as the focus of poverty alleviation initiatives. It ignored the involvement and contribution of the target population in creativity and support of the intervention approaches (Matunhu, 2011). Intervention approaches then become an imposed approach and such approaches are unable to create adequate ideas of the fundamental powers of social structures and the role of human agency in building social relations. In Frank's view, an economic policy for the underdeveloped societies had to be based on the societies' specific historical experiences, not on a blueprint for all based on rubber-stamped follow-the-leader prescriptions (Peet and Hartwick, 2015). Therefore, using the American and European history to try understanding development of other countries is not realistic also not all countries have the same desires as the Western nations.

a) New thinking perspective of modernism in planning

In the late nineteenth and twentieth century's cities developed under the Modernist model principles, are described as cities that have reached its peak in development and cannot develop any further. These cities are currently facing circumstances such as being unable to efficiently deal with demands as the size of urban environment has increased and have become part of a global system. Harvey (2002) states even if the modernist planning approach may have identified solutions, the achievement of these solutions is commonly debated. Modernist planning provided results and methods that are evidently different from post-modernist planning.

Further rationality planning is the key concept and a vital aspect to modernist planning (Mäntysalo, 2004). Therefore, is the one of numerous reasons to the growing influence of the postmodern approaches in planning to decrease the occurrence of the rational planning model. Rationality issues include, decision making that is based on incorrect knowledge resulting in social problems that are never solved and being overridden by other problems. Rationality neglects a considerable share of the relevant space of action and interaction, therefore does not support pre-interactive discussion (Mäntysalo, 2004). One may argue that the individuals who should practice such platforms in planning processes are the community members, who are affected by such planning models. These community members are victim to the top-down approach, which is exclusionary in planning processes.

Further Turner (1972) contends that rationality also refers to planning approaches based regularly on the belief that society does not have a clue as to what it wants. Supporting the misconception

that only specially qualified (specialists) individuals know the essentials for the public well (Dodero, 2010). Thus, in analyzing problems will view conditions abstractly, scarcely, and superficially and will probably fail to comprehend what social circumstances signify to the citizens going through these conditions. The informal markets in African countries are a clear indication of failure to plan for all people who live in the urban environment. The informal market is seen as miss placed. Several policies fail to promote or support informal markets within the city. The lack of planning is evident in the city centers as a great number of the informal market seems to place themselves even in illegal settings due to lack of organization and government intervention (Onwe, 2013).

3.2.2 Neoliberal key understanding of monetary development and urban planning

The Neoliberal key aim is to improve economic growth, minimize state involvement in the economy and promote a free market (Ibrahim, 2011). Further Munck (2005) states the likelihood of a self-regulating market is the main idea in liberalism, and a significant belief by neoliberals (Treanor, 2005). Efficient distribution of resources is a very important principle of an economic system, and the most efficient manner to distribute resources goes through market systems, according to what is describes as neoliberal economic theories Munck (2005). Actions from government agencies and involvement regarding the economy are therefore generally unwanted, as government involvement can undermine the logic of the marketplace, and consequently decrease economic efficiency (Treanor, 2005). Thus, believing that state intervention should be minimal extremely decreased in size and strength (Thorsen, 2009). These principles may apply to the international scale and local scale.

In a neoliberal thought to planning perspective, planning for the people is the key principle to abide by which is done through the respect for the market and people. Furthermore, post-modernism approaches aim to return to a human scale, the creation of community once more, and vernacular designs (Hicks, 2004). One may debate that this is a planning method that is reflecting local traditions and addressing community interests in urban development. Furthermore, the neoliberal theory that is under post-modernism thought incorporates the rebuilding of traditional urban principles, which includes the restoration of older urban fabric, the re-habitation to new uses. As well as the creation of new spaces that express traditional visions with modern technologies and materials (Harvey, 2002). In short, neoliberalism and post-modernism seek to find ways to express the aesthetics of diversity, one may argue that postmodernist planning is now a collaborative

condition of planning many aspects are considered in the planning practice. Individuals who are effective somehow, (community members, sociologist, economists, or even stakeholders) are involved in the planning and developments processes in a collaborative manner.

3.2.3 Economic key debates of Neoliberals and major informal market concerns

In a global perspective, a free worldwide exchange can encourage financial development and extensive organizations can benefit more without government intercession (Hite, 2000). Therefore, general progression could be accomplished through the advocacy of exchange with no exchange taxes, an extensive variety of merchandise can be purchased worldwide effortlessly. Transnational Corporations openly contribute abroad because of an experienced workforce and no exchange obstructions thus making it much easier to invest in projects or products. Lastly, this setting is said to promote entrepreneurship and competitive businesses (Hite, 2000). Nonetheless, it is argued that globalization is a capitalist mechanism for the first world countries therefore, exploiting developing countries. Due to a minimum intervention of the government, the developing countries receive the short end of the profits as they have less capital and are more vulnerable to exploitation. Thus, neoliberalism is more a phenomenon of the rich western market democracies than in poor regions (Treanor, 2005).

Harvey (2005) argues that this theoretical practice allowed and opened a new school of economic thought to be introduced, which were a complex combination of theories. These included monetarism, rational expectations theories and public choice theory. Including supply-side economics and many more, which had common arguments that government intervention was the issue rather than the solution. All the theories also agreed that a stable financial policy, plus radical tax reductions in the top brackets, would enable a better economy by getting the incentives for entrepreneurial activity aligned correctly (Flew, 2015). Friedman (1962, 1980) and Norberg (2001) argue that neoliberalism general beliefs are that freely adopted market mechanisms are the ideal way of organizing all exchanges of goods and services.

In a localized micro-scale sense, these principles are identified in the informal markets and the downtown sectors of the cities in African countries, the entrepreneurs run large portions of these areas, which is a free markets practice (Thorsen, 2009). The Neoliberal ideology argue that free markets and free trade allow a creative potential and the entrepreneurial spirit that is built into the

natural order of any human society. Therefore, lead to more liberty that is individual and well-being, and better efficient distribution of resources (Thorsen, 2009). The informal sector allows a platform where an individual has the control over the goods produced or sold including profits made, in a sense these could be considered as free market advantages. In result, this stimulates growth and human economic developments and control (Calinescu, 1993). With that said one may argue government still have the responsibility the provide instruments (public reinforcements) to practice free trade. These reinforcements could range from alterations, building infrastructure and providing programs to stimulate growth and human capacity (South African constitution).

3.3.4 Neoliberal theoretical approaches to planning essential to the informal sector

Neoliberal governments tend to focus on market-led developments, which are usually controlled less by the government. With a system, that has reduced regulations such as rules, processes and internal considerations such as expert jurisdictions and job security (Sager, 2009). The neoliberal governance has major implications for urban planning which is said to be the current theory used in this era. Wright (2013) argues that neoliberalism should not be seen as an end state or condition but rather as a process of change of relationship between the public sector, private sector, and civil society to facilitate economic growth (Wright, 2013). Furthermore, neoliberal governments tend to emphasize individual self-help, entrepreneurship, and freedom of choice over government and community help. In terms of urban planning to accommodate inclusiveness of urban planning processes for the informal markets or trade the following neoliberal approaches could be significant to the concerned research study.

a) Communicative planning as facilitating neoliberal ideology

Modernist planning shortcomings include the notion that rationality also refers to planning techniques based often on the assumption that the public does not know what it wants. Supporting the misconception that highly qualified (specialists) individuals understand the essentials for the society very well (Turner, 1972). Resulting in the limitation of the community participating in the development process. This causes many social issues for instance, the living environment of ethnic groups are unable to practice certain cultural activity due to the fact the modernist-planning environment has not designed as space to accommodate such activities. Including informal trade more specifically in developing countries, in which there are high practices of it within the cities central business districts (CBD). Informal markets occupy space naturally and often unplanned

thus described as natural developments thus often is regarded as disorganized by planners (Roy, 2005). Due to the informal market community issues not addressed or included in urban planning processes (including urban projects), often they are not regarded or catered for.

With that said communicative planning theory, drifts from the imposed approach of development to promote a deliberative aspect of democracy to create and protect the conditions for deep and genuine civic discourse (Healey, 1997). According to Healey (1997), the planner utilizes concepts from social theorists as tools to make sense of what they observed and to develop normative perspectives in practice. They focused in considerable part on communication, interaction, and dialogue to learn about an individual's preferences and concerns. Thus, the role of the planner in communicative planning is to listen to people's viewpoints and assist in forging consensus among different viewpoints, rather than providing technocratic leadership that is an imposing manner (Innes, 1998). This is a grass root level of approach that allows cultural values of the people to be reflected in living conditions and setting. Planning therefore, becomes a socially and culturally reflected procedure that allows the community to be hands and involved in developments or projects. Therefore, is self-empowering for the communities and inclusive in developments.

“In a neoliberal state, a planner is expected to make decisions (or provide recommendations) based not on instrumental rationality (that is the rationality of the plan) or communicative rationality (that is the rationality of the planning process) but rather on the basis of economic rationality. A rational decision is one which is in the general interest of the public as defined by means of a potential Pareto improvement; namely that a policy should only be implemented if those who benefit from the policy could compensate those that lose from the policy and still be better off” (Gleeson and Low 2000b:15).

The Communicative approach to planning is guided by the importance that representatives of the community/beneficiaries representing all the important interests must be at the table of discussion. Followed by the procedure that all the stakeholders must be fully and equally informed and able to represent individual interests (Innes, 1998). In addition, everyone needs to be equally empowered in the discussions, so that it does not influence who may speak or who is listened to or not. The discussions must allow all claims and assumptions to be questioned all constraints to be tested. Every party has the liberty to question what is not clear or what they are not able to comprehend. Followed by the process of interaction, it must be possible for the participants to

assess the speakers' claims in terms of numerous assessments. Therefore, speakers must speak sincerely and honestly, allowed to express his/ her desires and needs. Finally, the group should seek agreement committed to reaching mutual understanding in dialogue free from strategic (Innes, 1998).

One may argue that this is none realistic and an ideal world, as there could always be parties in the discussions who are overbearing and unable to give an equal chance to others to voice out their opinion that seeks out to be internally correct at all times. Especially those who financially have power over the project or development. This is when the planners need to step up and control such situations so that there is the minimal discomfort of the freedom to express. Communicative planners view planning as a form of communicative action thus need to ensure this occurs fairly. In addition, a "*Town planner's role*" includes the following: Should play a hybrid role as firstly a technician planner that value-neutral advisor to a decision maker and secondly, a politician that value committed activist that advocates policies for economic growth results. Thirdly ecological sustainability personal, which balances the economic, social and environmental including facilitator of development (Wright and Cleary, 2013).

3.2.5 Neo-liberal approach of urban development ramifications

Though the perks of a neoliberal system are the declining government power and influence a consequence to this is the increased transnational corporation power (Treanor, 2005). Which cause developing countries to be vulnerable against first world countries who are in more control of the trading systems due to money power. Poor countries have to repay all historical debt, with interest now being surpassed by post-neoliberalist ideas of greater government spending (Treanor, 2005). In addition, the neo-liberal position on protection rights is therefore biased deregulation on the other hand eventually leads to labor exploitation driven by capitalist greed. For instance, in an informal setting, the workers could be exploited and under paid by the employers and unfortunately unable to complain or sue to fight for constitutional rights. Therefore, neo-liberal reforms arguably focus on free trade and neglect other important development factors, which include the environment, human rights or the rights of the worker (Flew, 2015). Further, looking into the principle of non-intervention of the state reveals that this principle is also bias. The neoliberal system only allows for state intervention insofar as creating a suitable business environment, deregulation and privatization, however this benefits the rich only (Flew, 2015). Furthermore, the planning profession must regain the trust of the public and politicians. Such as advocating of

decision-making and knowledge skill to be independent of politics. Including the implementation of collaborative planning to identify social interests and guide the public that planners are not the leader or imposer. Lastly, comprehensive evidence-based planning is needed to prove to politicians the costs and benefits of state policies (Wright and Cleary, 2013). Neoliberalism, however, presents numerous challenges to planners, including the effects of “*down-sizing of local government, a simplification of public planning processes, and an emphasis on production and economic efficiency rather than redistribution and fairness*” (Sager 2011:180).

3.3 Urban land use theory (Hoyt sector model)

3.3.1 History and beginning of the model

The two primary hypothetical systems that head the clarification and comprehension of urban frame are those by classicists, which incorporate Johanne von Thunen, Ernest Burgess, Homer Hoyt, Chauncy Harris, Edward Ullman and Robert Haigand another by neo-classicists, which incorporate William Alonso, Richard Muth and Martin Beckmann (Alonso, 1964; Beckmann, 1972; Hoyt, 1964). The general hypothesis on locale and urban land financial matters has usually been utilized as the hypothetical establishment for clarifying urban shape. The hypothesis on locale and urban land financial matters causes can be revealed in Johanne von Thunen's concentric zone model (von Thunen, 1826).

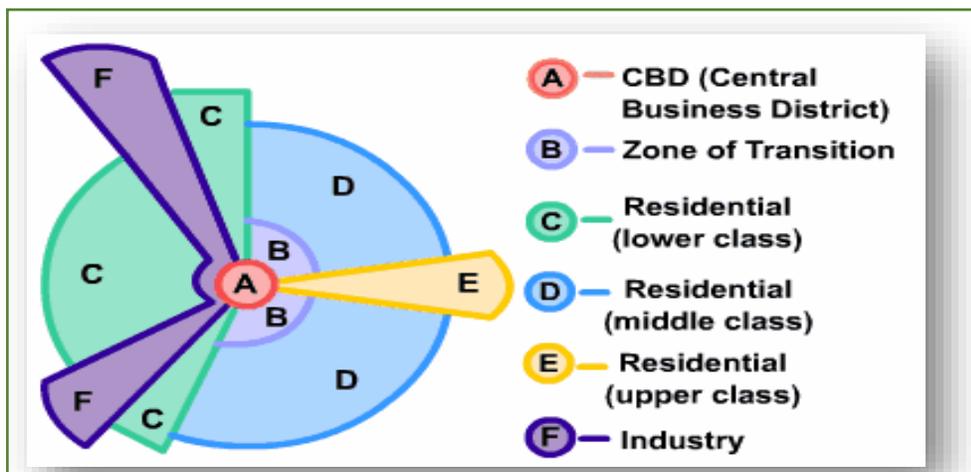
The Hoyt sector model was created in the interpretation of the Western early cities of America. An analysis of the American cities was done to explain and monitor the evolution in the development of modern cities (Hoyt, 1964). These models (Hoyt sector model, Concentric Zone Model, and Multiple Nuclei) were developed to simplify the patterns of urban land use found in early industrial cities of the United States (U.S). Since the shape and pattern of American cities altered over time, therefore different models of urban land were developed to describe an urban landscape that was becoming increasingly complex and different (López *et al.*, 2001). Hence it could be argued that the Hoyt sector model, the Concentric Zone Model, and Multiple Nuclei model of urban land use are not ideally the best method to use to understand African cities. Since African cities have been formed under different circumstances opposed to Western stages, none the less there are similarities of the models and the cities in African.

The Hoyt sector model has similar ideas, corresponding to the Central Business District of Burgess theory. The model was established shortly after the identification of the Burgess concentric zone

model of the city (Beauregard, 2007). A major factor that shapes the structure of the Hoyt model is the main transport system routes in the city, which influences that location of each land use within the city (Beauregard, 2007).

Below (Figure 2) is a simple typical example of the Hoyt sector model and the structure of the city. Hoyt theorized that cities would tend to grow in wedge-shaped patterns, or sectors, coming from the CBD and centered on major transportation routes (López *et al.*, 2001).

Figure 2: *Hoyt sector Model*



3.3.2 Primary focus and guiding ideologies of the Hoyt Sector model

Hoyt proposed that the city develops in a sector pattern emerging from the center of a city (CBD). As mentioned above the Hoyt sector model is guided by transport routes to determine the location of sectors and the uses (Beauregard, 2007). These transport systems include railway, main roads, and freeways. Hoyt argues once a particular land use has developed the sector continues to develop according to that land use trend forming of that sector development (Hoyt, 1964). Furthermore, the following principles assist in the identification of a Hoyt sector model development of a city (Refer to figure 2 for visual content).

The development of the Hoyt model expands from the central point of the city, which is the central business district (CBD) as most of the models convey. Followed by a zone of transition around the CBD, also there are industries emerging out from the center (from the CBD) along major transport routes (Anderstig, and Mattsson, 1991). Closest to industries is the low-class housing (low-income

group) where it is least desirable to live. Most likely because this location is of less value where the area is more exposed to air pollution, noise pollution, and traffic.

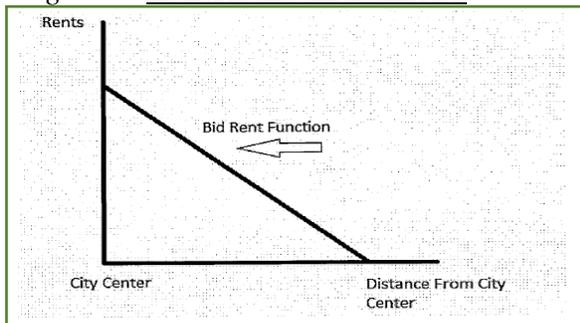
While the high-class housing also is in a sector of its own, in a well-located land where the transport system (generally main roads) allows direct access to the CBD. Land values are determined by access thus the higher the access the higher the land value (Anderstig, and Mattsson, 1991). The suburbs (sectors of middle- and higher-income households) are located away from the CBD and industrial sites.

3.3.3 Remark in relation to the urban pattern of Pietermaritzburg and informal economy

Having analyzed the Pietermaritzburg city structure, it is evident that the city originally resembles the Hoyt sector model. Pietermaritzburg depicts a clear indication that the structure of the Hoyt sector model in Pietermaritzburg is highly influenced by the major transport routes. Specific sectors are located according to the accesses routes, in relation to class level as well as money power. Leading into the discussion of the basic bid rent model (Beauregard, 2007). Which displays a model that explains the relationship between distances from the city center and housing prices. Referring to Alonso' model which as a simplified model of the bid rent theory, the model shows that the rents are high near the city center and low in the periphery (Trussell, 2010).

Therefore, by living further away, the more residents suffer from high transportation costs in exchange for lower rents per unit of housing. Included in the cost of transportation is the opportunity cost of commuting. Time spent to travel could alternatively be spent in leisure or at work, either activity creativity utility for commuter refer to *figure 3* (Trussell, 2010). These land use theories are important to understanding in the economic sector, they explain the location of land uses and the reason for the specific markets locating in the different locations of the city.

Figure 3: Alonso's Bid Rent Model



Source:(Trussell, 2010).

Understanding the decision-making process and actions of individuals and households in the informal settlements is key to understanding the occurrence of informal property markets and the role they play in the construction of the urban built environment (Munshifwa and Mooya, 2015). Unlike in the formal market where the state provides land policies supported by legislation, constitutional laws and guidelines by design, informal property markets are self-organizing and recreate unconventional social institutions and organizational arrangements (Munshifwa and Mooya, 2015). This principle and understating apply to the informal markets within the city, the location of the informal markets is not arranged by the state but are recreated by the informal trading population. However, informal market locations are also guided by the city arrangements of the formal markets and the threshold population that will support the informal businesses. The transport routes and accessibility are an important factor in the informal markets, therefore the city connectivity of roads also guides the informal markets like the formal markets within the city space. In relation to the bid rent model, one may argue that informal traders who are mainly low-income groups find more opportunities to make a profit in the city. Therefore, the individuals who live away from the city compromise cost to travel and the time spent to travel to make profits while spending lower rents per unit of housing.

Land use theories do not exactly correspond to every city developed, but there are similarities in the development processes and structure of cities. Having analyzed the Pietermaritzburg city structure, it is evident that the city is originally highly influenced by the Hoyt sector model. The following sectors are a clear indication of the Hoyt sector model principles throughout the city. Refer to figure 2.

1. Central Business District-Evidently, the city of Pietermaritzburg emerges from the CBD, which is the oldest sector of the city. It is the connector area to the surrounding sectors of the city, hence the transport route system traces back to the CBD. It could be argued that the CBD is the heart (core) of the city. It is characterized with many economic and commercial activity both formal and informal (street vendors). There are major municipal offices in the CBD making it a very important part of the city.

2. Industrial Sector- The industrial sector (including light industries) emerges from the CBD, it is important to recognize that the industrial sectors are located near major transport routes both main roads and freeways. The road networks are namely the N3 and R3 which is in the East of the CBD,

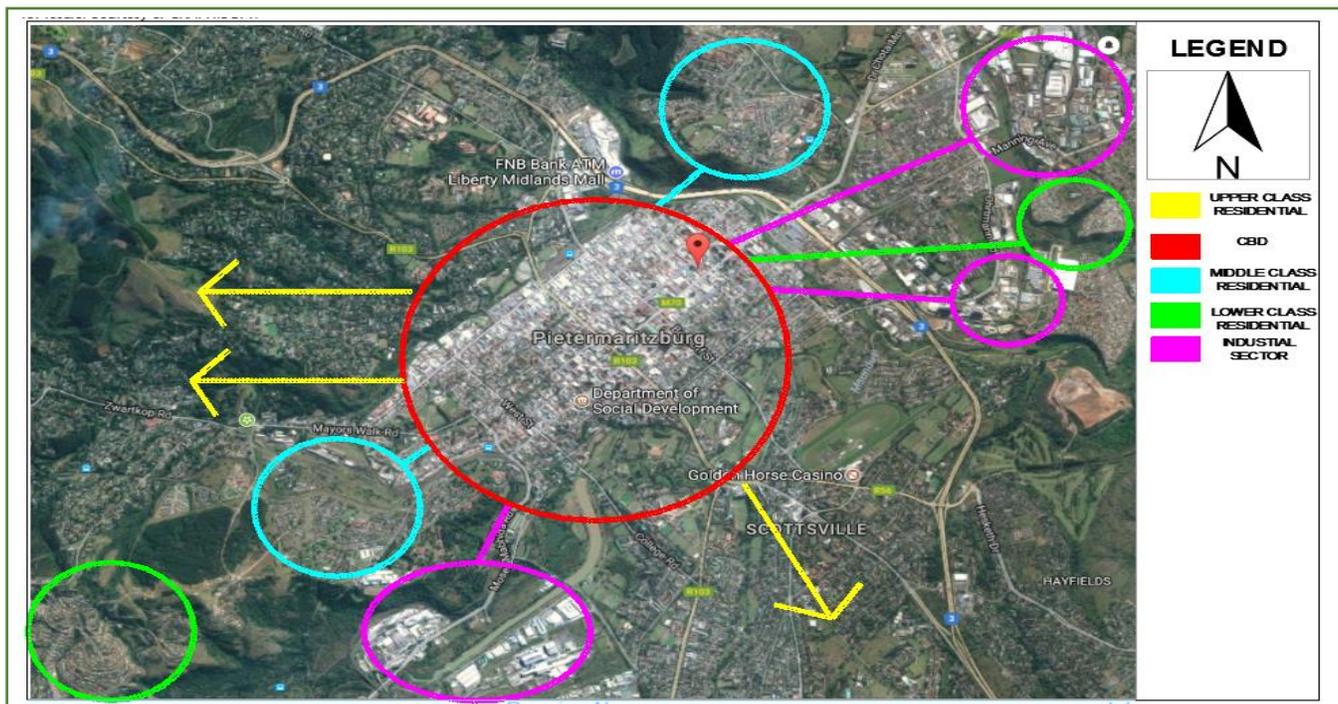
the R103 South East of the CBD and R56 South of the CBD. An example of the industrial activity is the Hulamin Manufacturer.

3. Lower cost residential- Low-income groups are located close to the industrial sectors, which are viewed as the least desirable land and location. The low-income residential areas are highly dense and highly populated. These sectors are mostly exposed to air pollution, traffic, congestion and mostly furthest to the CBD (Anderstig and Mattsson, 1991). The lower income sector comprises of neighborhoods such as Mbali and Edendale including Eastwood.

4. Middle cost residential- The middle-income groups are located between the low and high residential sectors. The sectors are reasonably dense, and CBD is accessible to the population very easily hence the sectors are located near major roads. The middle-income sectors comprise of neighborhoods such as Naperville and Woodlands.

5. Upper class residential- The upper-income groups are located near main roads that connect to the CBD and allows complete accessibility to the core of the city. The sectors are in desirable land hence they are far from industrial sectors and traffic is minimal compared to low-income areas. The upper-income sectors comprise of neighborhoods such as Boughton and Athlone.

Map 1: Pietermaritzburg Map evidently conveying the Hoyt sector model



Source: Google maps, accessed: 21/05/2017)

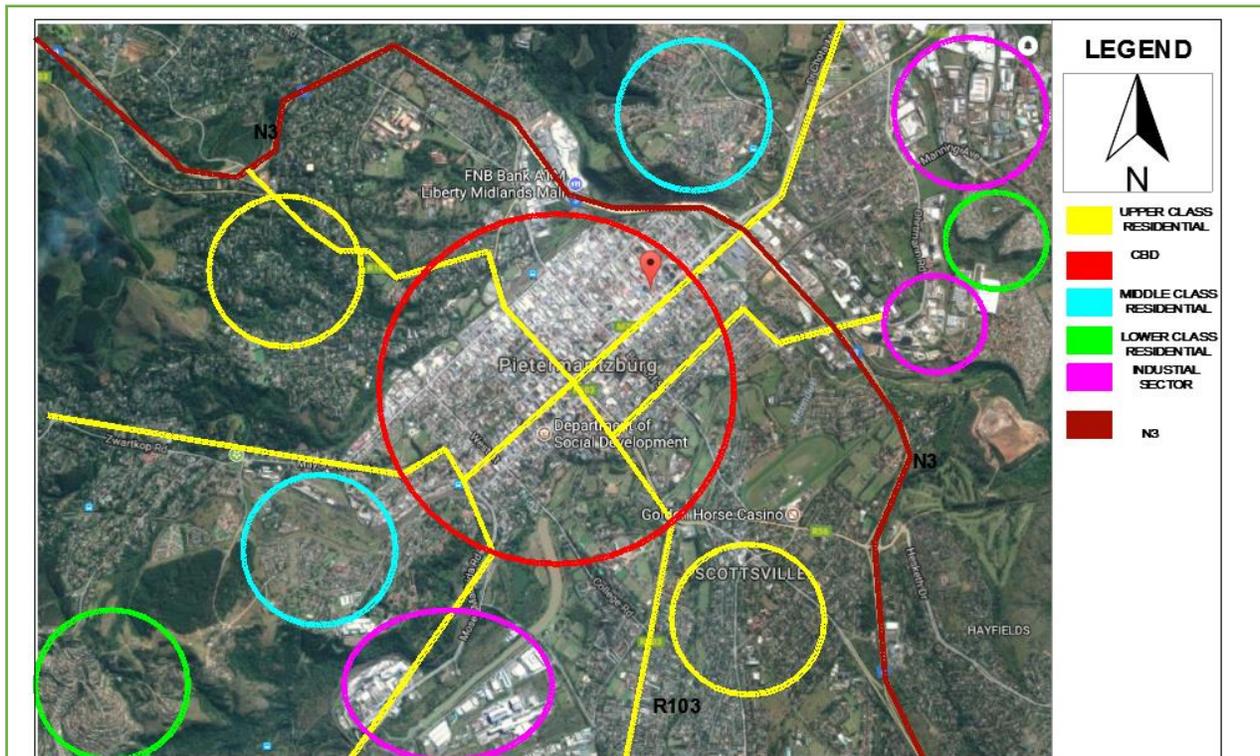
The maps of Pietermaritzburg (refer to *Map 1 and 2*), depicts a clear indication that the structure of the Hoyt sector model in Pietermaritzburg is highly influenced by the major transport routes. Specific sectors are located according to the accesses routes, in relation to class level as well as money power as mentioned prior. The high income and middle-income residents have great road connectivity and are not located too far from the city as well as social facilities. Leading into the discussion of the bid rent model, the high and middle residential areas less affected by the cost and time to travel but compromise spending more on the housing unit in which they occupy (Beauregard, 2007).

On the other hand, the low-income residents are affected by the cost of travel and time whilst spending less on the housing unit in which they occupy. As mentioned above the informal market is mainly made up of low-income group who are likely to live in the low-income areas, thus compromise time and cost to travel gain profits in the city. The map of Pietermaritzburg (refer to *Map 2*) industrial sector located near major transport routes and clearly depicts the connectivity of the roads both main roads and freeways. The transportation routes are a major guiding principle to the Hoyt Sector model, it is evident that the pattern of development in Pietermaritzburg has been influenced by the transportation routes.

Pietermaritzburg is clustered around road networks and the industrial sectors located close to the major road networks. Further, in regards to markets, the CBD is highly congested with the low-income market, where logistical methods are functioning and is advantageous for the vendors. The spatial layout and development of the city create an opportunity for the low-income groups to function in the urban space. Although the low-income market is not included in the original theoretical understanding of urban literature such as the Hoyt sector model. Most of the urban literature is based on the formal concepts, there is a clear indication that in the passed the informal market was not included in urban planning processes.

The high increase of informal occurrences eventually causes for the formal market within cities eventually move more into the periphery of the urban space, where rental of stores is evidently costlier and is less congested by the informal market. This theory relates to the Alonso's Bid Rent Model as discussed, the formal markets which can afford compromising rental costs out of the city to make a profit out if the CBD will do so if the can financially sustain (Trussell, 2010).

Map2: Pietermaritzburg Map evidently conveying the major roads influencing the Hoyt sector model

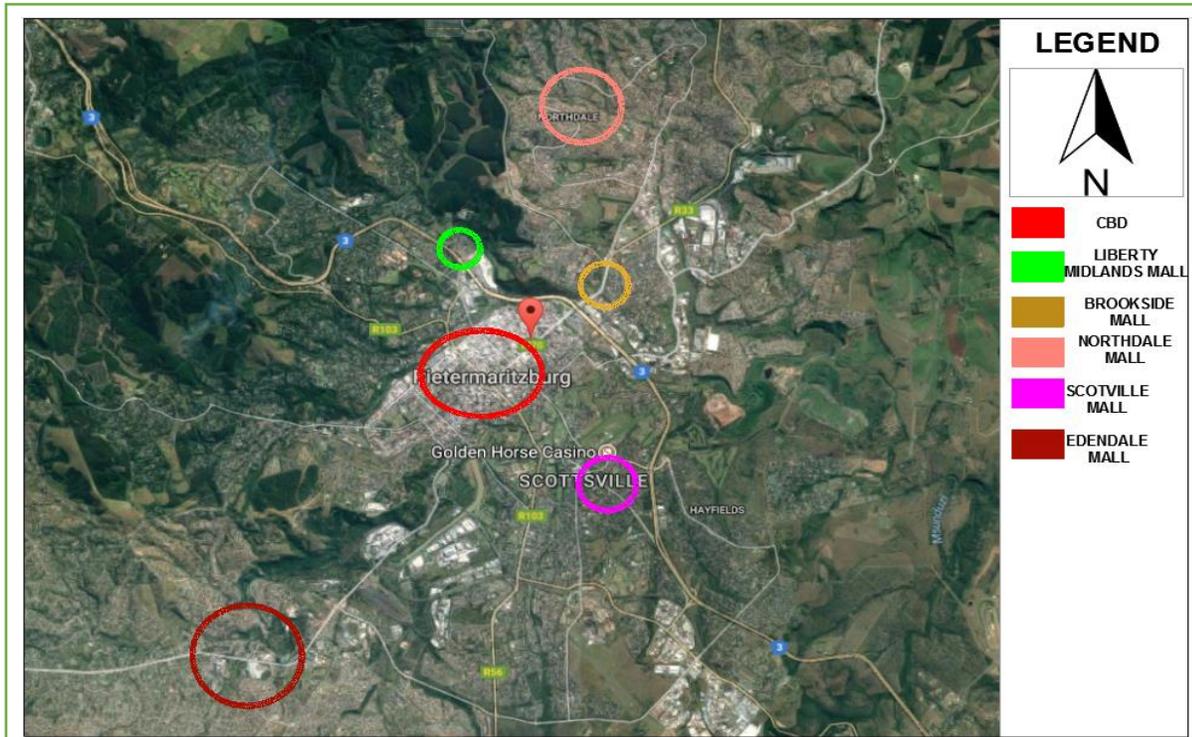


Source: Google maps, accessed: 21/05/2017).

Pietermaritzburg clearly depicts the Hoyt sector model and is the main model that describes the development sectors and land uses of the city accurately. In adding, evidently the city is evolving to a Multiple Nuclei Model. These are smaller business districts that act as satellite nodes or nuclei of activity around a land use patterns formed (Beauregard, 2007). The city of Pietermaritzburg is developing outwards because the CBD is not convenient to travel from other sectors (specifically residential) to the city. Including factors such as population growth and congestion, the city is gradually developing into a Multiple Nuclei Model (Dredge, 1999). One of many aims of the Pietermaritzburg Integrated Development Plan (IDP) is improving infrastructure efficiency. There is a need for a realistic infrastructure within the city. To address this issue, the Municipality has proposed numerous projects to improve the infrastructure, which includes the Free Node Development and electrical infrastructure upgrade (Msunudzi IDP, 2016-2017). Most recent node developments over the last 15 years, is the Liberty Midlands Mall located outer sector of the CBD, the Brookside Mall and Great Edendale (refer to Map 3). These developments are some indications of the evolving city from the Hoyt sector model to the Multi Nuclei growth of land use theories.

Much older nodes include the North Way Mall and of course the CBD of Pietermaritzburg. The transition of the city also addresses an IDP concern of spatial effectiveness. Msunduzi needs to plan for growth within the city, which includes catering for the increased population and how it will be accommodated and serviced (Msunduzi IDP, 2016-2017).

Map 3: Pietermaritzburg Nodes



Source: Google maps, accessed: 21/05/2017).

As previously mentioned the Hoyt sector model is an interpretation of the Western formation of early cities. Therefore, it is not ideal to use Western ideology to make sense of developing countries since not all cities form in the same uniformity and structure. Including the fact that countries have not experienced the same political issues which have a major influence on the development of the country and urban development. Therefore, the Hoyt sector model is either inadequate or inappropriate for the explanation of the production of the built environment, and of urban form, in developing countries (Munshifwa and Mooya, 2015). Physical features may divert the growth in some areas because the Hoyt sector model is guided by the major transport routes this could cause for underdeveloped areas to be neglected in terms of development (Beauregard, 2007). Causing a critical discussion of inclusionary planning and urban understanding to create an integrated approach to city planning.

3.4 Conceptual framework

3.4.1 Urbanization

According to Macionis and Parrillo (2010), urbanization is the process whereby large numbers of people become permanently concentrated in urban areas and forming cities. Urbanization has major consequences to life such as the social, political, and economic life. Over the years, cities have been greatly affected by urbanization and much larger during industrialization. Due to the moving of people wanting to be near factories and other sites of industrial production (Cobbinah, 2015). The developing countries are urbanizing in a fast rate, specifically the global south (Kinyanjui, 2014). Thus, the major issue that the developing world faces is not being able to accommodate the rapid growing population. Accommodation in terms of jobs, housing and provision of health facilities, which creates a growth in the informal sectors. Beall *et al* (2010) and Simone (2001) argue that the informal population occupies a large portion of the cities. The informal population seeks out its livelihood in the informal economy (Kinyanjui, 2014).

3.4.2 Informal market

Informality is a concept that can be defined in a few ways regarding the approach of perspective. For instance, one could define informality from the scale of operations and the relationship to the household, the other is the relationship between a business and the government concerning formal regulations and the law (Heintz, 2012).

In an economical sense, informality is a term that refers to economic activities and processes that occur outside the accordance of government regulations (Vanek *et al.*, 2014). For instance, the informal market such as street vendors trade informally. Urban informality is common in developing countries specifically South Africa has a great population of informal markets. Roy (2005) claims that the informal sector will eventually phase out and be integrated into a modern and manageable economy.

3.4.3 Inclusive growth and urban planning

Inclusive growth is necessary to improve the poverty levels in developing countries. This strategy allows all individuals to be included and benefit in the economic growth of a country (Anand *et al.*, 2014). The Commission on Growth and Development (2008) notes that inclusiveness is a concept that includes equity, equality of opportunity, and protection in market and employment transitions. Inclusiveness is an important element of successful growth strategy. The concept

emphasizes on the idea of equality of opportunity in terms of access to markets, resources, and unbiased regulatory environment for businesses and individuals (The Commission on Growth and Development, 2008).

Inclusive growth is also part of the planning department. Urban planning has a significant effect on the ability of the poor to survive in towns and cities. The ability for the poor population to cope in cities or towns is greatly dependent on urban planning. In planning inclusive growth is the manner of addressing development in planning in a holistic manner (Watson, 2011). Urban planning current debates include the aim to create inclusive cities, to improve the quality of life of urban poor (Shankar, 2011). Thus, there is a need of reversing the current exclusionary trend of cities. This requires rethinking and reshaping of urban plans, regulations, and policies to incorporate the urban poor.

3.4.4 Local Economic Development (LED)

Local Economic Development (LED) is an approached used towards stimulating economic development and is seen as one of the vital ways to decreasing poverty in developing countries (dplg, 2006-2011). Local economic development is a multi-sectoral process whereby local resources are utilized, including skills and ideas to stimulate the local economy to create job opportunities and the redistribution of wealth (Koma, 2012).

In South Africa the local economic development process, go as following. National government creates schemes or policy and supply's assets, examine issues and assist local economic development. Municipal agents determine local economic development approaches and the way toward getting to determine a local economic development approach must incorporate the Integrated Development Planning (IDP) procedure. (SALGA, accessed 17 May 2017).

The following local economic principles guide in South African processes and reflect the research study. A single local economic development approach is not applicable to every municipality, thus each municipality develops the best appropriate approach to its local context. In addition, local economic development involves the integration of various economic initiatives in an all-inclusive approach to local development (SALGA, accessed 17 May 2017).

3.5 Conclusion

Modernization is a development theory based on Western ideology focused on economic theory rooted in capitalism. The neoliberalism theory promotes enhancement of economic growth by minimizing state intervention in the economy and creating a free market. It is evident that informal market could be perceived as the traditional economic practice prior to capitalist society and considered as a free market linking to the neoliberalism theory. In a local scale the informal market could be considered as a manner of free market trading since states have little to no control over informal trading in terms of location, value of good and manufacturing of goods. The land use models are applicable in a South African context vary according to the history and present structure of a city. More than one model could be applicable in a city, specifically in Pietermaritzburg it is evidently visible that the Hoyt sector has influenced land use structure of the city. The city of Pietermaritzburg has transitioned from a Hoyt sector model to a Multi Nuclei model. Pietermaritzburg is an example of how the South African cities are often developing. Most of the cities are in transition, due to factors such as population growth and the mere fact that South Africa is a developing country.

Meaning that there is still room for growth and for future models to be applied in South African cities. On the other hand, models such as the modernization theory, neoliberalism theory and Hoyt sector model are adapted models. Therefore, using Western theories and land use models to interpret African cities is not the ideal method to understand South African urban development. Lastly, analytical techniques are discussed regarding economic activity, social and civic facilities within the city areas. This tool of research has shown that Pietermaritzburg low-income sectors still need further development and upgrading. This is a vision that the IDP of Pietermaritzburg has shown to try and address, and the development processes of the city seem promising.

Chapter 4 Literature review and Precedent studies

4. Introduction

The literature review section outlines the debates and issues regarding the research studied. For many years, there has been a range of literature on the informal economy especially international literature on the informal market has become a growing interest as urban planners and policymakers have been dealing with the occurrence of informality associated with rapid urbanization. While these debates have informed policy development and subsequent interventions for the informal economy, there remain contested aspects identified in the literature review.

The aim of this section includes observing various examples of how town planning approaches have established in including the informal market within the city urban environment in local and international scale. The debates raised by the literature offer lessons and experiences for a better awareness of various approaches to address informal economies, both internationally or nationally. This is done by reviewing international practices specifically America and Nigeria the focusing on South Africa.

4.1 Informal markets a political perspective

There is much discussion on urban growth especially in regard to the developing world. Globally, the economy of nations consists of both formal and informal economic sectors (Yusuff, 2011). The following scholars define formality and informality in different perspectives such as Portes *et al* (1989) who defines the formal economy as the economic sector, which legally authorized. Including regulated through state intervention and marked by regular work. Whilst the informal economy is identified as irregular work and considered illegal practices of trade. Including operating without state regulation of any sort, Abumere (1989) described the economy as invisible, hidden, shadow, non-official, unrecorded and imperfectly recorded in the official national accounting systems.

In an economic sense relating to the historical city formation, the formal sector has been in existence since the initial industrial revolution. In 1973, the theorist Keith Hart then introduced the concept of informal economy. He described the informal sector as part of the urban labor force that operates outside the formal market (Yusuff, 2011).

Globally political-economic structures affect the working sector and more specifically informal work. Furthermore, the capitalist society has forced some individuals to fend for themselves and practice free trade creating an informal market. Specifically, in developing countries, one of the major factors that have led to a rapid growth in informal markets is the bias capitalist system. There are many occurrences of individuals experiencing gross inequalities in access to employment and economic opportunities including services thus forcing individuals to find or create work for themselves in the informal economy (Quazi, 2011).

Including forces such as urbanization as mentioned prior contributed to the occurrence of informal sectors due to government being unable to provide certain resources such as jobs and shelter for a great influx of people moving into cities and urban areas (Oduwaye and Olajide, 2012). As a result, public spaces mainly with a threshold of individuals at major transport hubs and parks occupying sidewalks, street or even residential spaces have become places to locate for informal workers (UN Habitat, 2004). These occurrences have raised labor market issues including debates because of the realities of the locations of where and how people work informally bringing about challenges of how these sectors are governed (Quazi, 2011).

4.2 Global Informality challenges

Urban planning and inclusiveness of informal markets have shown to be a major challenge in dealing with urban growth which entails many sectors that have had a shortfall in delivering an inclusive approach to city planning. Challenges faced by the informal markets globally have commonalities and frustrations that are further discussed below they include the historical planning and thought within cities, which hinder new thinking (Watson, 2011). The laws and policy approaches are also vital challenges in addressing urban informality, as they usually are not beneficial or have a disadvantage to the public (street vendors). Therefore, raising major debates on how formalizing these informal markets could be beneficial to all holistically (for instance spheres of economic growth state and the public).

a) Urban planning history of cities and evolution

Over the last few centuries, urban planning has evolved radically. The building of cities and towns has multifaceted history cities exist for several reasons, and the range of urban forms can be traced to the complex purposes that cities perform and function (Deng et al., 2010). Cities are argued to serve as centers or midpoints of storage, trade, and manufacture. Furthermore, urban planning has

been highly influenced by Western ideologies and planning theories. Early urban planning focused on maximizing resources for mass production and produced industrial cities (Watson, 2011). This notion of planning manifested zoning practices and strategic planning. Therefore, it stressed plans that were in zoning methods, which were into separated districts, they emphasized on transportation and corridors with a preference for high-rise skyscraper buildings surrounded by open spaces (Beauregard, 1991).

Therefore, over the years, urban planning has evolved and has included different spheres of planning thus the central focus of planning currently modern planning focuses on address the defects of industrial cities. Even though urban planning has only been recognized as a distinct profession for a short period, cities globally reflect the different elements of design in everything such as layout and city functionality consequently, over time the needs of cities changed (Knox and Pinch, 2014). Thus, meaning that the way in which the city space is used is not always accordance with initial planning and design that is why it is necessary for urban spaces to be forever changing and being improved. In the case of informal trade, they locate where it is feasible no matter how the city has been designed people will use it how they see necessary.

American thinking of urban development argues that cities of today may be divided into two portions the inner zone with the boundaries of the old industrial city and secondly the suburban areas (from the 1920s), which have been designed for the beginning automobile period (Knox and Pinch, 2014). In close proximity to the central business, area is a large band of old mixed-use and residential buildings, which are occupied by the urban poor. High crime, low-income, deteriorating services, inadequate housing, and intractable social problems (Ellis, 2011). These days, cities no longer compete in mere regional or national markets but as the market is an international one. Cities now compete for one with another for investment, tourists, and development (Pardo and Echavarren, 2005). This mentality in planning for cities poses challenges in the inclusion of traditional local thinking in planning one many argue that goes against planning methods that are reflecting local traditions and addressing community interests.

The cities are perceived as places of economic opportunity, which must create products that can be sold to an external purchaser bringing in money that can be reinvested in different production facilities and raw materials (Ellis, 2011). Consequently, due to the key focus over the years, sustainable development has become a major challenge for cities. Sustainable development

provides a better quality of life for its occupants and represents a chance for investments in a global market of cities. In urban planning, there is growing importance of nature in all aspects of society (Pardo and Echavarren, 2005).

b) Inclusiveness of informal markets in urban planning debates

The occurrence of informality has become an important component in the urban growth and in the production of the city. An extensive amount of research has attempted to assess the alternative methods of accumulation and sharing public spaces within the city (Lutzoni, 2016). Yet there is still room for improvement in inclusionary planning leading to the discussion of inclusiveness of the informal markets in planning.

Watson (2009) argues there are fundamental issues in inclusiveness within the urban planning regarding the informal market more particularly the informal economic market especially in developing countries where there are great occurrences of the informal markets. Developing countries aspire to modern city forms, mainly in capital cities (such as Abudja or Brasilia). Similar to African cities these cities are more focused on catching up with the West rather than localizing planning (Pieterse, 2011). Therefore, although informality over consume the urban environment informal practices of settlements and economy is identified as a sign of the short falls in development (Watson, 2011). In addition, one of the planning issues is that higher planning education curricula in many African countries were based on templates drawn from the colonial governments (Oduwaye and Olajide, 2012). Thus, teaching in planning courses is not well prepared to provide insights into informality. The relationship between informality and urban design has recently been the subject of renewed interest.

In addition, the critical debate of cities around the world is focused on the numerous ways in which space is used. Jacobs (1961) states the idea of a 'place' has a deep meaning or ability which is space that is not defined by designers and architects, but the place of experiences and livability (Lutzoni, 2016). Furthermore, research developed by an author Jacobs deliberates the concepts of neighborhood and space-sharing rediscover in the street element is a support for the construction of the informal uses that appear in the contemporary city and places (Lutzoni, 2016: 20).

Therefore, Oduwaye and Olajide (2012) state that the planning profession has really grown an interest in the informality of the city, because the larger population live in the informal settlements and are employed in the informal economy, which activities influence the socio-economic and

physical developments of cities. Todes (2008), argue that although planners have been moved into the domain of local economic development little attention has been paid towards the workings on what is phrased as the ‘real economy’ (informal market) of the city and its spatial organization in the South African context (Todes, 2008).

There are several fundamental urban informal economies features which make a reason to building economies that are more inclusive important. Which include that the informal economy not only comprises of a large population particularly in terms of employment but also is also a growing sector (Brown and McGranahan, 2016). According to recent statistics, informal employment (includes informal employees in formal originalities), measures up to majority of non-agricultural jobs in most of the developing regions. The developing regions are estimated to be 82 percent in South Asia, 66 percent in Sub-Saharan Africa, 65 percent in East and Southeast Asia of non-agricultural employment informal employment. Secondly, the relationships with the local authorities and informal sector are usually strained, and often dysfunctional (Brown and McGranahan, 2016).

Local authorities often view informal trading as forbidden or illegal activities, which do not abide by regulatory frameworks and may interfere with the formal economy. Informal traders are also often to view local authorities as obstacles rather than an ally, they are regularly moved or fined and treated without respect (Brown and McGranahan, 2016).

Brown and McGranahan (2016) further argue that informal workers and operatives, whom often live in informal settlements, should not be perceived as evaders of regulations designed in the public interest. Further, Hart (2006) states that urban informality reflects the gaps within the policy-making procedures, arguing that policymakers make the mistake of making policies that will work for the cities they would like to have and not for the majority of the population live and could not afford to live in. This relates to low-income informal settlements, which “... often contravene existing building codes, zoning regulation and even property laws – at least in part because the codes regulations and laws were not developed with the needs of the urban poor in mind, let alone with their involvement” (McGranahan, Mitlin, & Satterthwaite, 2008: 77). The same issues are also identified by many informal economies across the world in developed of developing countries.

It is argued that informal workers are largely excluded from mainstream processes that include state planning, budget allocation for infrastructure as well as economic development and social support (Quazi, 2011). Such urban management issues occur due to local government being unable to provide for these services as allocated budgets are exhausted in urban infrastructure and urban residents (Watson, 2009). There is a contradictory pressure on local government to promote urban economic competitiveness whilst simultaneously correcting the issues of the globalized capitalist economy, which has left growing social exclusion, poverty and other social ills as an unfunded requirement.

4.2.1 Legislation and policy in addressing urban informality

Legislation is referred to as written law enacted by a body or person authorized to do so by the Constitution or other legislation. For most countries, the first responsibility of a parliament is therefore the construction of laws as reflected in the term legislature (Rogers and Walter, 2004). One of the most vital instruments of government is legislation in sorting out society and ensuring protection for civilians (De Jager, 2000).

Legislation is also used to guide the planning process of a country. The KwaZulu-Natal Province was one of the first provinces in the country to engage with the challenges presented by the fragmentation of the old order planning and related legislation (South African Cities Network, 2011). Thus, post-apartheid legislation was created to correct previous segregator legislation also within the cities. Which encourage inclusive and integrated growth within the South African cities.

Policy could be referred to in several ways, thus policy could be a regulation, procedure, administrative action, incentive, or voluntary practice of governments and other institutions (Torjman, 2005). The relationship between policy and legislation is, in order for policies to be implemented, it should have supporting legislation. In addition, there are specific policies that are implemented in South Africa to address informal markets within cities. Stipulated under the economic department that includes policies that encourage growth and employment (Lewis, 2001).

Moreover, Parnell *et al* (2007) suggests that the regulatory framework plays a significant role in urban land management. The regulatory frameworks are influenced by both the combination of the pre-1994 government and the more progressive post-1994 legislation (Zack and Silverman, 2007). The consequence of this combination is that aspects of the regulatory framework are unfavorable to the objectives of the democratic state (Berrisford 2006 quoted from Parnell *et al*

2007) which may hinder accessibility to the city, exclude the poor population and compromise the aim government's obligation to democratic governance (Zack and Silverman, 2007).

4.2.2 The Formalization Debate

The main argument concerned with policy debates on informality is the question of whether formalization is a necessary process and how to formalize the informal economy (Chen, 2012). The meaning of formalization of the informal economy differs regarding how one bases the specific analysis. One may argue this is a process of changing informal employees to formal earning employment, which needs creation of additional recognized earnings employment, whilst some regard formalization as a registry application plus taxing informal businesses.

Formalization of the informal economy means for various informal workers and operators, who previously pay taxes (e.g. VAT) or any type of bill (such as license bill to work or site bill-allowing work in particular areas). Including those who are prepared to provide taxes for benefits, acquiring admission to lawful and public protection plus assisting services for instance skills training. Including allowance to participate and contribute in significant rule setting, policymaking, and collective negotiation practices (Chen, 2012).

In addition, it is of great importance to be aware formalization categorizes informal workers in diverse ways and has various effects accordingly. Over recent years, debates regarding formalization of informal initiatives have concentrated on the self-employed (van Elk and de Kok, 2014). More often specifically on informal entrepreneurs who hire others. Chen (2006) states the formalization debate needs to focus on distinguishing between informal job wagers and self-employed informal enterprises. In addition, preferably distinguish between various sectors of the entrepreneurial and salary working in the informal market because every section has specific requirements and limitations (Chen, 2012).

There one policy approach cannot address a range of matters related to informal economy, thus a great variety of approaches or initiatives should be well thought-out and performed (Chen, 2012). It is important to note how vital policy and legislation is to monitor informality, Tokman (2007) states that matters accommodated by poverty include the informal sector and social exclusion reflect poor access to resources. Including low in-comes and various forms of vulnerability which also represent a failure of citizen-ship, these people are thus affected and commonly denied

entitlement to social and labor rights (Tokman, 2007). The situation hinders the sense of belonging and identity, which is normally attained by means of social inclusion and participation in society.

a) Three perspectives of how costs and benefits influence the choice to formalize

The exclusion perspective

According to the research done by De Soto, most of the informal ventures can be subsequently a consequence of the high section costs and the elevated amounts of tariffs and charges. Including specific regulatory charges related with getting to be or staying formal. Furthermore, high charges exclude these informal enterprises from the formal economy. Thus, hindering the processes to formalize. Informal businesses who are similar in size of formal businesses are argued to be just as comparable in terms of skill and competence levels, potential productivity, and motivation (van Elk and de Kok, 2014).

This perspective of informal businesses is positive hence, it is described as a romantic view. Implying that many of the informal businesses potentially contribute to the economic growth. Furthermore, arguing that the mainly what needs to be done for formalization to occur is the removal or reduction of barriers hindering the process. Van Elk and de Kok (2014) state that once these businesses are formalized they potentially increase access to outer economies, outside business sectors, and so on., which increase positive financial effects for both the individual endeavor and for the economy overall as indicated by how great in number of informal businesses are. In this way, by such a policy occurring it could direct informal organizations towards change into custom and possibly increment the general efficiency of the economy.

Exit perspective

LaPorta and Shleifer (2008) state that observed studies by the McKinsey Global Institute, argue that exit view advocates claim that businesses do not simply think about the expenses of formalization yet additionally weigh out the expenses and the advantages. This is a negative evaluation to informal businesses. Thus, the advantage of formalizing is not sufficient to make do with the expenses of formalizing (van Elk and de Kok, 2014). Stating that informal productivity will not be enough to survive as formal enterprises, by just dodging rules concerning the grade of the item or provision of service and by avoiding systems or rules that promote the quality of work

and rights for employees. There is a question whether such businesses can contend with formal business or consequently benefit an extraordinary upper hand over formal firms.

In any case, they are preventing themselves opportunity from securing potential advantages of economies of scale and extension by keeping low key and small. Further, such occurrences of informal enterprises cause unpleasing outcome on macro-monetary development, “both because their small scale makes them unproductive and because they take away market share from bigger, more productive formal competitors” (La Porta and Shleifer, 2008, page 277). In adding, Arias *et al* (2010) states they deplete monetary assets rather than adding to a weakened civic facilities and structures.

Therefore, instead of formalization of informal businesses they should be compulsory end economic activities, to give way for formal and more productive enterprises. The implementation of this policy would result in an increase law authorization to eliminate informal firms. This would expand the share in market of formal firms, and thus promote the development of the formal economy (van Elk and de Kok, 2014).

The dual economy observation

The dual economy advocates believe the large number of informal enterprises is a result of the absence of paying work in the formal economy. Perspectives of the exclusion and exit concepts analyze being or staying informal and being or turning into a formal business. Further concerned mainly with the organization of businesses rather than choice to be an entrepreneur or not. The third perspective to be rather an employee than the option to an entrepreneur, a great number of people who are informal entrepreneurs would rather have formal wage jobs. Bruhn and McKenzie (2013) states that a great number of individuals in the informal enterprise are pushed into being entrepreneurs mostly due to the absence of reasonable wage employments and of government supportive schemes. Fajnzylber and Maloney (2007) argue that the informal economy can be seen as a negative sector dual labor market that a great number of works seek for good jobs, this is the reason this point of view is acknowledged, as the dual economy view is why this perspective is known as the dual economy view.

Therefore, in terms of the dual economy observation the main purpose for most informal business owners is frequently to simply be utilized and get salary as opposed to go for development. Usually

such individuals are lacking skills (uneducated) to become successful entrepreneurs. In addition, Fajnzylber *et al* (2011) states there is also a lack of motivation to grow, therefore benefits of formalization will be minimal for these entrepreneurs. Furthermore, informal practices will work generally inefficient, and cannot get by except for when they are by implication financed by avoiding the tariffs and frameworks of governments.

While the exit perspective can be utilized to contend that informal firms really damage the formal economy, the dual economy perspective proposes this is not the situation. Informal business should not be identified as systems that contribute to the loss of public income due to them not paying taxes and social contributions as they would not survive had they have to pay these contributions (van Elk and de Kok, 2014). These informal businesses provide substance for the people who need other ways of earnings. In the meantime, these businesses cannot create monetary development, regardless of if they will formalize or wont.

Again, the implementation of such as policy stimulating informal enterprises to formalize often will not be successful. A great number of informal businesses will not have the capacity to contend in the formal economy, since they will barely encounter any advantages while entrepreneurial expenses will rise (van Elk and de Kok, 2014). Informal businesses work wastefully and cannot get by aside from by implication financed being, for example, tariffs and conduct of governments. As per this understanding, governments should concentrate more on advocating of making new formal initiatives and improving formal businesses to stimulate employment rather than formalizing (van Elk and de Kok, 2014). This involves approaches enhancing the general business condition. In this way, would expand the provision of wage employments in the formal economy thus offering numerous subsistence business owners an improved paid opportunity. Nonetheless, does not propose, that strategies to animate the formalization of informal ventures will fail. The exclusion and the dual economy perspectives advocate for approaches to enhance the conditions to begin another business subsequently where the exclusion perspective may likewise target existing informal activities while the dual economy perspective may aim at new companies (van Elk and de Kok, 2014).

Moreover, it is basic to guarantee that formalization proposes the points of interest and protections that go with being formal and does not just power the costs of getting the opportunity to be formal (Chen, 2012). Likewise, for the independently employed, formalization ought not to mean

acquiring a permit, and paying tariffs, these consequently signify the costs of entrance in the formal economy. They might want to obtain the advantages of working formally for the cost of paying these expenses including committed business contracts, lawful occupancy for place of business and assets of production. In adding, getting tax cuts and incentive deals to build business intensity or competitiveness, participation in exchange affiliations, insurance against loan bosses and clear liquidation rules and ultimately social security (Chen, 2012).

b) Proposed approach to formalization

Figure 4: Comprehensive approach

- | |
|---|
| <p>1. Formalization of Informal Enterprises</p> <ul style="list-style-type: none">• registration and taxation:<ul style="list-style-type: none">– simplified registration procedures– progressive registration fees• appropriate legal and regulatory frameworks, including:<ul style="list-style-type: none">– enforceable commercial contracts– private property rights– use of public space– occupational health and safety regulation• benefits of operating formally:<ul style="list-style-type: none">– access to finance and market information– access to public infrastructure and services– enforceable commercial contracts– limited liability– clear bankruptcy and default rules– access to government subsidies and incentives, including procurement bids and export promotion packages– membership in formal business associations– access to a formal system of social security <p>2. Formalization of Informal Jobs</p> <ul style="list-style-type: none">• legal recognition and protection as workers• rights and benefits of being formally employed:<ul style="list-style-type: none">– freedom from discrimination– minimum wage– occupational health and safety measures– employer contributions to health and pensions– right to organize and bargain collectively– membership in formal trade unions |
|---|

Source: (Chen, 2012)

As identified above (*refer to figure 4*), the formalization processes have been differentiated into two, which is formalization of informal enterprises or initiatives and secondly formalization of informal jobs. Hence, the processes of the informal market going through formalization ought to in a perfect world take various approaches, for example, moving informal employees to formal occupations, enlisting and exhausting informal businesses and giving business motivating stimulants (Chen, 2012). The different formalization approaches incorporate support administrations to informal businesses, securing legitimate and social security for the informal workforce, perceiving the associations of informal employees additionally enabling delegates to participate in policymaking and inclusive arrangement improvements.

Nonetheless, specific implications of the formalization process need to be understood. Specifically, the formalization ought not to be perceived as a once of process relating fixed numbers of procedures (Chen, 2012). Alternatively, this procedure ought to be viewed as a proceeding process including steps and distinctive measurements driving towards changing levels and forms of formality. Secondly, formalization will unlikely advance quickly or naturally for each one of the individuals who decide on it. The regulatory systems and motivations for enlisted informal enterprises should be straightened out and effective. Labor principles and advantages for informal laborers, should be carefully consulted by managers, laborers, and state. Thirdly, formalization is unlikely to be achievable or attractive for every single informal business or informal worker. Rather, it ought to be accepted that numerous informal business and informal worker would keep on doing what they do and stay informal or semi-formal in other aspects for the future (Chen, 2012).

4.3 Lessons from international case studies

Even though the importance of the informal sector in counties has varied in different periods, the world has become more aware of the importance of studying it. Gerxhani (2004), states that developed and less developed cities may be in different levels of development stages but the most common factor in these countries is the informalities present with in the cities. Informality is a phenomenon that has evolved from the earliest studies, which considered the informal sector as traditional activity to a more updated thought, which considers it a significant aspect of the economic and social dynamics all countries, more specifically the less developed (Gerxhani, 2004). In addition, just as informal activities reveal diversity, there is no single model of patterns of informality that fits all countries and regions. The reference to developed and developing counties is used to reveal international and national experiences of the informal market in relation to the inclusion in urban planning practices.

I. Developed countries

Developed countries, are considered advanced in terms of economic status and completely industrialised. They are also known as advanced First world countries, as they are self-sufficient nations (Gerxhani, 2004). Developed countries in modern European and North American regions, have a low number of informal settlements within the cities. Apart from a few travelers ‘settlements and small-scale squatting commonly in vacant buildings (Frank and Mironowicz,

2009). In relations to the study of informal markets in the city, employment in developed countries is in formal enterprises also urban planning and regulation systems are highly developed. There is a great compliance of the intense labor and development regulations, which makes them affective. However, due to economic liberalization that began in the 1980s it created growth of various kinds of economic informality (Frank and Mironowicz, 2009).

It included unregulated wage employment as a means of reducing costs or accommodating recent immigrants, individuals working double jobs or self-employment that do not comply with the tax system. An estimate of 16 per cent of value added in the informal economy occurs in the highly developed Organization for Economic Co-operation and Development (OECD) countries (Frank and Mironowicz, 2009).

4.3.1 Chicago, America

a) Background

First world countries have come a long way in the eradication of informal markets with in cities however, that does not mean they do not presently exist. It is very difficult to identify and document the informalities in the developed countries more especially the informal economic markets. Thus, making the size of the informal sector in developed countries uncertain in literature (Mukhija and Loukaitou-Sideris, 2014). Given the lack of uniformity in the definition of informal work and problems with measurement, it is not surprising that it is also difficult to know the extent of informal economic activity in the United States and in other developed (including developing) countries. Informal employment is not captured by official government statistics and reports because individuals and employers involved in the informal sector are not likely to report all economic activity (Nightingale, 2011).

The city of Chicago is to be found in the United States and is the third most popular city in the county. This city has a great history that begins in the 1600s and had started growing rapidly in the 1830s (Friedman, 2005). During World War I and the 1920s, there was a major expansion in industry and the major flourishing economy attracted a great number of immigrants from Europe and East United States. In the 21st century Chicago is still flourishing. With new developments that include Millennium Park, which opened in 2004 and Spertus Museum opened in 2007. Trump International Hotel and Tower was built in 2009. Today the population of Chicago is 2.7 million (Friedman, 2005). The city contains many excellent museums, miles of beaches and an excellent

park system. Including dedicated sports fanatics for the Chicago Bears, Bulls, Cubs and Whitesox (Maly and Leachman, 1998).

Immigrants from across the world have mostly shaped the history of Chicago. Furthermore, Chicago has residents from over 140 countries and more than 100 languages spoken in the city therefore is it described as a city of immigrants (Baden and Coursey 2002). Immigrants in the city of Chicago have played a vital role in the beginning times of improvement in the city, being dominantly involved in the infrastructure. From the Illinois and Michigan Canal to the railroads that helped Chicago city establish as a commercial and transportation hub (Baden and Coursey 2002).

b) Placement of precedent case study:

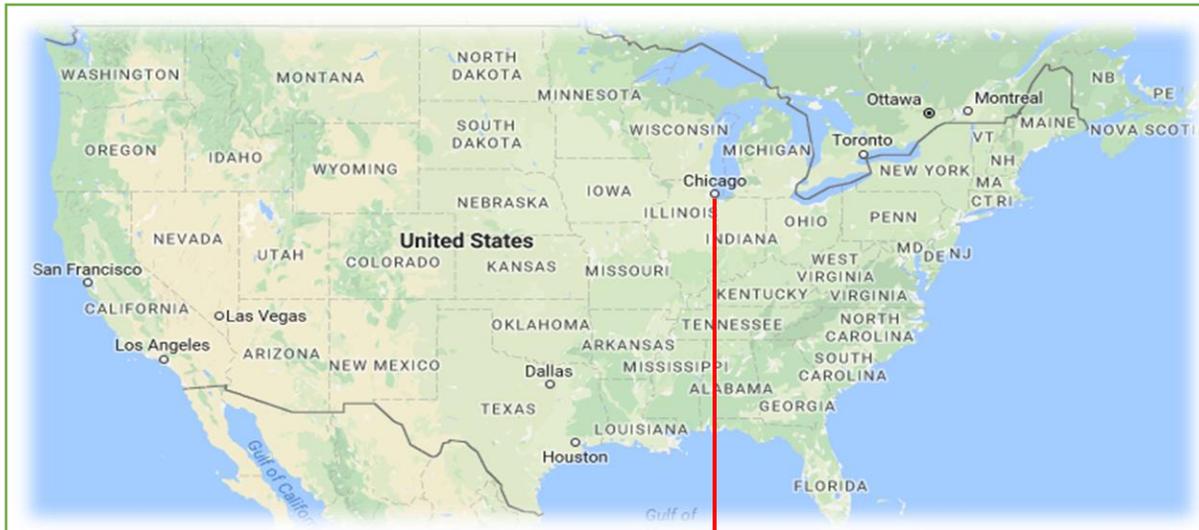
Chicago is a city found in Illinois, The United States Of America. Chicago has a population of 2,695,598 and covers roughly 3,750 square miles making it the biggest city in Illinois. It operates on the Central Daylight Time (CDT) time zone (Holtzclaw *et al.*, 2002). The development and of Chicago was mostly due to its importance as a major port city. Chicago is situated along Lake Michigan in result the city has become an international hub for finance, commerce, industry, technology, telecommunications, and transportation zone (Holtzclaw *et al.*, 2002). In adding O'Hare International Airport (located in Chicago) is the second most active airport in the world when measured by aircraft traffic, the region also has the leading amount of U.S. highways and railroad freight: *Refer to Maps figure 4 and 5.*

The City of Chicago's population is roughly evenly divided among African-Americans (36 percent), Caucasians (31 percent), and Latinos (26 percent). The other races make up the remaining 7 percent of the city's population. Outside of the city, much smaller percentages of the population are either African-American or Latino. As a result, for the Chicago metropolitan area 18 percent of the population is African-American and 16 percent is Latino (Baden and Coursey, 2002).

The city of Chicago like many American countries has rich histories involving flows of industry and wealth as well as in patterns of land use. Urban history is greatly influenced by the historical content of a country, past activities reflect the way cities are used currently. Chicago has become a node for trade, transportation and processing of raw materials from the Midwest for consumption

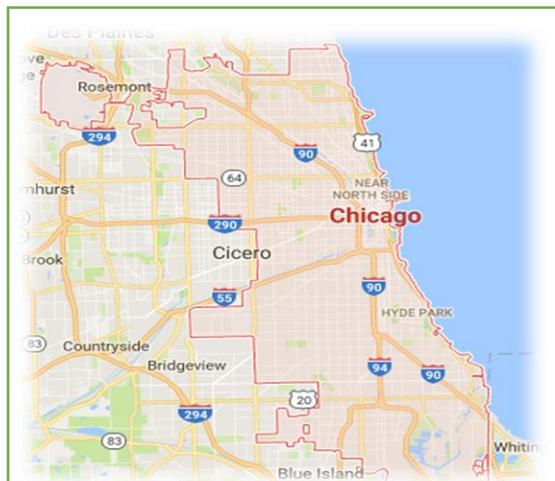
locally and abroad. Due to such economic activities the city has been doing well hence is declared the second city in the nation of America (Baden and Coursey, 2002).

Map 4: Location of United States



Source: Google maps, accessed: 21/05/2017

Map 5: Location of Chicago, United States:



Source: Google maps, accessed: 21/05/2017

c) Informal economy experience

Chicago is mostly an immigrant population as previously, which results in many employment issues (Baden and Coursey 2002). Immigrants are often more exposed to inferior employment options and arrangements of informal work. Legal and illegal immigrants often resort to providing labour in factories and irregular enterprises. Illegal immigrants are mostly subject to exploitation

because of exposure to threats of being reported to immigration authorities if they do not respect working conditions or pay (Losby *et al.*, 2002). In addition, legal immigrants also face employment barriers due to language or cultural differences and often steer them into the informal economy. The U.S. General Accounting Office found Hispanic and Asian people were the ethnic groups most heavily represented among workers in the restaurant, clothing and meat processing industries that were operating as factories (Losby *et al.*, 2002).

Concerning the United States, “market places” and “street trading” are a type of informal markets. These business sectors are areas where merchants accumulate consistently to offer stock inside or outside. Basic names used to identify market places include open markets, civil markets, rancher’s markets and street markets (Morales, 2011). There are different kinds of market places, which incorporate open markets and agriculturists markets. Moreover, there are different capacities that the market places encourage which incorporate deals, tourism, empowering business development, mingling and coordinating the youth or the foreigner, and keeping places energetic or dynamic. Moreover, market places have been key to past political, monetary, and social progression in the United States as a result they stay essential part for individuals and places the around the globe (Morales, 2011). Although, over the years, markets have been reprimanded for corrupted and shielding unlawful practices. Right now, they are well known in light of the fact that they make various advantages, which incorporate place making, group monetary improvement and essential part in food frameworks (Morales, 2011).

In addition, a more controlled form of vending systems operated in Chicago consists of street vendors and concessions (individuals permitted to use the specific location to sell). Street trading appears in various ways from sustenance trucks, rancher’s market stands, and stands that offer specific things or crafted works. These stands can be situated inside assigned "market" regions or can exist on open walkways or inside generally unused downtown spaces (Deley, 2010). Street trading is presently returning as an approach to enable business owners to create practical organizations because of the small start-up and upkeep costs.

d) Policy frameworks and legislations responding to the informal market (Vendors)

Street vendors’ recent research in the U.S. reveals that \$1 billion in revenue will be made in the year 2017 (includes everything from food cart vendors and beverage stands to food trucks). Even

though stats are not accurate regarding how much revenue, Chicago could generate from licensing its street vendors (IBIS World, 2017). It is obvious that the Illinois Policy Institute is surveying a large segment of street vendors to gauge the industry's economic impact. Therefore, appropriate policies and legislation needs to address these massive markets in the United States. Numerous urban communities have improved activities to expand the quantity of working vendors by the rearrangements of confinements and through the creation or reestablishment of open markets (Deley, 2010). These business sectors fill in as instruments for group financial advancement. As specified prior in the past various markets, for example, Maxwell Street in Chicago, self-directed already by dealers. Limitations on street traders can incorporate restrictions on specific kinds of products or sustenance's that can be sold. (Deley, 2010)

In the cases of Chicago as indicated by the Chicago Food Policy Council, policies that support vending and permits offer a chance to both make employment and increment access to food. (Chicago Food Policy Council). Some cities such as New York have developed vending initiatives that specially focus on healthy access to food. Furthermore, Chicago has various types of permits in support of street selling businesses. These include Peddler, Mobile Food Dispenser and Park Concessions (Miller, 2014). Each one has distinct properties or procedures and agreement has different benefits and disadvantages.

Peddlers sell items (food and non-food) from a mobile wagon, cart, pack or basket. The city issues non-food license permits to individuals who wish to sell general merchandise (Miller, 2014). Food peddlers are legalized to sell, whole, uncut fruits and vegetables and no other food items. Peddlers are banned to handle or cook food. Further food peddlers are permitted to also to sell non-food items as long as they are less than 15 (Gross Profit) percent of gross sales. The city limits peddlers to only specific areas of the city. The Peddler License costs \$165 for most applicants and \$88 specifically for seniors, veterans and the disabled (Miller, 2014).

Mobile food dispensers are licensed to sell food items directly from a vehicle, such as an ice cream truck. Entire food stock must be prepared and pre-packaged by a facility licensed for wholesale or retail food establishment (Chicago Food Policy Council). Mobile food dispensers are prohibited to station and sell in some wards, this license costs \$275. Lastly, the Chicago park district operates with a different licensing program. Interested park vendors are required to apply for a park

concession license that costs estimation between \$75 and \$125. They are prohibited to sell in a park with a peddler or mobile food license, you need specific approval from the park district. Park vendors can prepare foods but required to either have a hand-washing station on the cart or be parked near a washing station such as bathroom (Chicago Food Policy Council).

e) Inclusion of informal markets in urban planning developments

Fainstein (2005) argues that producers of neighborhood approaches perceive the potential markets could encourage, however have little understanding of them thus are clueless about this sector. Morales (2009), states that town planners and the town planning researchers ought to be attentive with the utilization of open markets and traders for a few reasons. Firstly, neighborhood occupants are drawn to business sectors such as markets, as they are places with pleasantries and thus add to the personal satisfaction and friendliness. Secondly, public markets are in a mutual relationship with urban land markets and community design. Gerend (2007) proposes that markets can provide uses for underutilized and unoccupied sites. Thirdly, contribute in addressing environmental concerns including health, ecological issues. Environmentally speaking they enhance local sustainability by reducing the use of vehicle travelling (mixed used approach) and help ensure food security. Lastly, most importantly markets and street vendors contribute to economic and community development (local economic development), providing a variety of benefits (Morales, 2009).

Moreover, Deley (2010) contends that vendors create associations among one another concerning specific spaces excluding state interference. Towns and cities as of late have a lot of control in managing road or market selling (Deley, 2010). Districts universally for example Portland, Oregon have permitted road distributing anywhere in a region zoned business. While different urban areas and towns have adopted prohibitive strategies, restricting road selling to certain assigned territories as planned. It is critical for regions to refresh zoning codes regularly to illustrate supporting distributing and holistic methods of planning, because the most ordinarily frustrating road-selling factor is set permanent zoning planning approaches (Deley, 2010). Furthermore, some old neighborhood zoning codes put overwhelming confinements on traders, significantly hindering numerous sellers. Others even assign expenses that cause distributing to become uneconomical. Thus, refreshing these codes to permit or give more additional access to road selling is a critical instrument to empower distributing inside numerous cities and towns. Justifiably setting specific

limitations on distributing may be important in safeguarding neighbors from possible unfavorable impacts of market action. In any case, there are numerous cases in which neighbor's appreciated road sellers or markets because of the positive monetary advantages related with them (Deley, 2010).

Chicago has officially accepted the Market, viewing it as a place where new business grows, and a place immigrants or unemployed workers may earn money (Morales, 2009). A popular market setting in Chicago is the Maxwell Street Market. Maxwell Street Market expanded on either side of Maxwell Street for the majority of its 120-year presence. At first, the market was primarily an outside vegetable and farmers market accommodating Jewish worker populace that migrated by the West Side of Chicago (Gitlin, 2012).

About 20 years after nearby occupants had casually settled the market the city took action and officially passed a regulation proclaiming the region of the Maxwell Street Market that stopped activity on a few roads to keep the market open (Gitlin, 2012). A great variety of research has been done in relation to the Maxwell Street Market. Chicago's Maxwell Street Market was among the oldest open-air public markets in the United States. The market was closed in August 1994 and a smaller alternative market was opened on Canal Street (Gitlin, 2012). In the establishment of markets, the municipality in Chicago abide to certain standards of the living majority among the foreign-born population. The markets will then be accommodating to the foreign population and will gladly go to markets, where there are reduced prices including fresher supply. The immigrant population is most sensitive to every fluctuation in prices therefore, it is to this class that the municipal market idea should make most powerful appeal and consider them first (Morales, 2009).

Figure 5: Historical image of Maxwell flea Market.



Source: <https://goo.gl/images/h2KvMN>, accessed: 25/10/2017

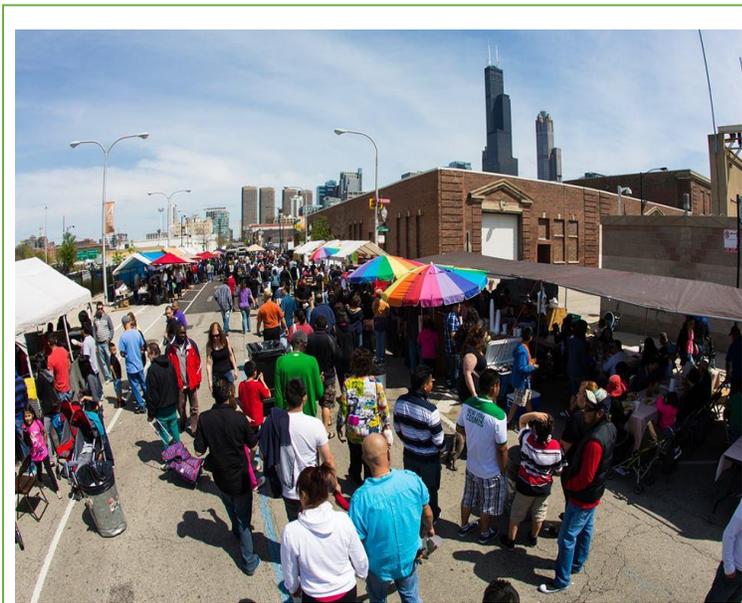
Figure 6: Merchants at Maxwell Street Market, west of Halsted Street.



Source: <https://goo.gl/images/kNwMN>, accessed: 25/10/2017

Around the late nineteenth century, Jewish immigrants started a produce market on Maxwell Street where it crosses Halsted Street. Over the years, Maxwell Street shown in the image (refer to Figure 5 and 6) which was about 1905, developed into a vast Sunday-morning flea market. The market moved east to Canal Street in 1994, when the University of Illinois at Chicago bought the Maxwell Street area (Gitlin, 2012). Such a review demonstrates how street markets have served community and economic development historically and in the contemporary scene. In addition to studies of regulation, several economic studies focus specifically on markets as part of the larger “underground” economy instead of being inclusive to urban development studies (Morales, 2009).

Figure 7: Maxwell Street Market aerial view.



Source:<https://goo.gl/images/WkCmmn>, accessed: 25/10/2017

Figure 8: Merchants at Maxwell entrance section.



Source: <https://goo.gl/images/Rx6Ug>, accessed: 25/10/2017

Maxwell Street Market described as massive market with lines of colorful tents stretching out into the distance along Desplaines Street longer. Currently the Maxwell Street Market operates every Sunday from 7am until 3pm, January through December. All vendors need to register and comply the following procedures such as vendors are expected to be set-up by 7am and vend until 3pm (Miller, 2014). Vendors are not being allowed to purchase a space after 6:30am and have to load at 3am until 6am. All vehicles are to be off the streets by 6:45am. Any cars on the street after 6:45am are subject to a citation or fine. Further vendors are expected to trade for the entire day and early departures are reserved for emergencies only. Lastly, all early departures are to be cleared

with the Maxwell Street Market office (Miller, 2014). Individuals could witness activities such as men playing blues on the sidewalk, piles of chokes and used power tools, used DVDs, discount bras and panties, and endless stands full of tube socks.

In adding, Atkinson and Williams propose that markets serve to connect rural and urban interests (see Atkinson and Williams1994), also Shakow (1981), argued markets would improve urban service delivery. Instead of a public concern, planners should engage the public in jointly instructive negotiation to discover and use a range of policy and management tools. Thus, planners assembling markets as policy tools will do well to recall both the many ways people use markets and the expertise people bring to the activities in which they engage in (Morales, 2011).

f) Lessons learned in urban developments

Chicago is one of many developed countries that have implemented the formalization of some kind on the informal trading sector. As mention prior there are set policies for specific kind of trade in the vendor community. These policies address three specific type of vending which is an inclusionary approach to policy initiatives as there is a variety of vendor markets that are addressed in the regulations of Chicago city (Miller, 2014). The penalties of violating regulations care implemented if need be, which makes the policy more effective. Therefore, a great number of vendors comply with the policies. Although regulations are to somewhat regulate street vending they come with great challenges to regulate. Collecting sales taxes from road sellers is one of the issues concerning street vending. Deley (2010) argues the system does not differ from many businesses that mainly do cash transactions. To address such issues a few urban areas and towns do not try gathering taxes from road merchants or develop elective methods for gathering taxes, for example, expenses in lieu or tax collection on stock. Furthermore, tax collection issues are mostly alleviated after some time. As sellers turn out to be more tied to the extensive economy, numerous extend to a retail facade business and after that turn out to probably pay charges (Deley,2010).

Moreover, regularly a lot of the charges concerned with conducting vending could be funded through market expenses. Fees may help cities or towns in the provision of better services or help to new vendors, and provision of skills training regarding business (Deley, 2010). It is useful to help new merchants with administrations early on the grounds that numerous new sellers need

general business encounter and generally increase fundamental business abilities while at work. Consequently, support services by municipality for sellers can help them to stay in business in the initial stages while decreasing the learning curve concerning starting another business (Deley, 2010).

For instance, the transformation of the Old Maxwell market to the new smaller scale market had many implications, which is a lesson to consider. Gitlin (2012) argues that the previously provided a place for needy inhabitants in the city to generate and income. Further, the informal trading was a reaction to monetary rebuilding, expanding unemployment issues that saved traders the administrative strategies and costs associated with manor companies. Therefore, the informal selling initiatives developed work abilities most traders would begin minor, climb to bigger activities at the market, and in the end make an interpretation of market involvement into different triumphs. The market drew travelers and profited, and a great majority of the benefits were reused in investing the economy of Chicago. The market reshuffled riches, as customers of all income groups used cash at the market (Gitlin, 2012).

Debates raised, that the school could have included the market without much difficulty into its designs and scholars might have shopped there. Including, negative affirmations that the redevelopment redistributed tax money to rich individuals and provision of guaranteed real estate opportunity. Locals claim they lost a historical social resource, the home of the Chicago Blues and the Maxwell Street Polish Sausage, and a market that possibly would have incorporate individuals of various income groups and races. Regardless of the criminal activity status, just a number of two cops watched the market that accommodated more than 50,000 customers in its prime, which is questionable. Eventually, the traders lost residence of housing and selling space in the market, just 450-estimated traders were permitted at the New Maxwell Street Market the charges expanded to \$50 dollars day by day from a \$25 yearly, vending was restricted to Sunday, and there are just two or three let go. (Gitlin, 2012).

II. Developing countries

Developing countries are going through the initial levels of industrial development and have low per capita income. These are counties known as Third world countries, which are still in process of development (Jamali and Mirshak, 2007). Urban informality in the developing counties is common and as mentioned above, thought to be a process that leads to a formal

stage (Roy, 2005). The rate of urbanization in developing countries worldwide is high and this could be due to factors such as high levels of natural increase including an increase in rural–urban migration. Consequently, the cities and urban areas are congested. In a human settlement perspective, 27 per cent of the urban population in the region currently lives in slums, though this differs between countries and cities (Frank and Mironowicz, 2009). The informal markets in developing countries include income that comes from subsistence farming or from operating small-unincorporated enterprises. In the city, there are those who trade on the streets or in markets and sell-cooked food from stands. The informal market also consists of the individuals that repair clothes or shoes. As well as provide a variety of personal services like hairdressing, street theatre, house cleaning and so on (Blades *et al.*, 2011).

4.3.2 Lagos, Nigeria

a) Background

The city of Lagos is the economic and financial capital of Nigeria. With an estimated population of over 14 million people, Lagos is currently the second most populated city in Africa (Un-Habitat, 2008). The physical growth and development of Lagos is tied to its expanding economic and political roles, which assisted by its rapid and explosive population growth has been unbelievable (Filani, 2011). The city has broad infrastructural offices, the busiest global airplane terminal, seaport, and the broadest street and media transmission arranges in Nigeria (Okwuashi and Ofem, 2012).

Lagos megacity has several central business districts (CBDs) and became one of Sub-Saharan Africa’s first mega-urban regions when its metropolitan population reached 10 million inhabitants around 2002(Un-Habitat, 2008). Despite its economic importance, the environmental sustainability of Lagos has not received the kind of attention it requires. Having issues such as the inadequate housing has led to the emergence of slums, spatial inequity in access to land and infrastructure, haphazard land development, infrastructure decay, persistent flooding, widespread poverty, and unemployment (Okwuashi and Ofem 2012). These symptoms of unsustainable expansion of the city requiring the intervention of land use planners and managers. This study therefore focuses into the major urbanization issues in Lagos as well as urban planning measures by governments dealing with informal markets (Okwuashi and Ofem 2012).

a) Placement of precedent case study:

Lagos is located in the southwestern part of Nigeria and is arguably the most economically important state of the country in Nigeria. Metropolitan Lagos is divided into 16 local government areas (LGAs), according to the 2006 census. Lagos metropolis lies generally on low lands, with about 17500 hectares of built-up area (Oduwaye, 2013). In Africa Lagos is the biggest and most active port in Nigeria. Lagos Island contains a central business district. This district has several high-rise buildings. The island also contains many of the city's largest wholesale marketplaces (including popular Idumota and Balogun Markets) (Oduwaye, 2013).

Map 6: Location Nigeria



Map 7: Zoom in on Lagos, Nigeria



Source: Google maps, accessed: 16/05/2017

Source: Google maps, accessed: 16/05/ 2017

b) Informal economy experience

African counties have been colonized therefore the economic sectors are highly influenced by capitalist practices and principles. This situation occurs due to forces such as globalization and because the weak economic base and technology of African cities (Oduwaye and Olajide, 2012). Most of the African cities are highly made up of informal sectors. Such as Lagos where there is rapid growth of informality and unprecedented urbanization, process due to mainly urbanization (Oduwaye and Olajide, 2012).

Considering continues monetary and money related emergency that portrays the economies of various African nations, including Nigeria, the informal sector can possibly give the required inspiration to creation of jobs (Onwe, 2013).

The Nigerian informal division is the biggest and arguably the most active in sub-Saharan Africa (Oduwaye and Olajide, 2012). There is a great diversity of informal practices in Lagos called marketplaces, which are the significant exchange locations for privately made and sustenance crops. Pre-owned garments, meat, materials, shoes, family equipment, child garments, men and women's garments, engine pair parts, natural products, building materials and home-grown cures, Lagos markets go about as the gathering point for a few social gatherings to trade merchandise and enterprises while assuming a key part in coordinating and allowing social union and solidarity (Ikioda, 2013).

Ikioda (2013) states, that there have been a great number of literatures in addressing the issues that informal markets face in cities. Such as issues encompassing informal market structures constructed in prohibited locations, tending to the issue related with unlawful waste disposal ordinarily credited to the exercises of extensive commercial centers. Including movement clogging and hindrance around zones where markets exercises occur on the roads, and tending to cause traffic and bad hygienic conditions, have shaped the focal reason for talking about market exchange Lagos (Gandy, 2006; Lawal, 2004).

Over the years, Lagos state government has had to deal with the activities of the informal sector (Oshinowo, 2007). Lagos has a great population, which is currently estimated to be in the league of the world's mega cities. Linked to the mega status are mega urban issues that Lagos has to face and deal with, which include street trading, poor sanitation, poor infrastructure (minimum service delivery), messy environment and congestion within the city space. Majority of problems are caused by the great influx of individuals into the city with an uncontrolled or weak urban management planning method in place (Ademola and Anya kora, 2012). Nonetheless, it should be kept in mind that the greater number of opportunity seekers that migrate to Lagos in search of better paying jobs and a better quality of life are mostly unskilled and unemployable, and most usually end up in the informal sector of the economy. The role of the informal sector therefore in providing employment and complementing the formal sector should not be underestimated when considering its effects on the urban management system (Ademola and Anyankora, 2012).

c) Urban planning developments and legislative responses to informal markets (street trading)

There are many cases of significant eviction of street trader is reported in cities across the global South, which included the city of Lagos (Roever and Skinner, 2016). Subsequently, rather than being viewed as a suitable monetary action, market trading in Lagos is progressively observed as problematizing undercover practices (Lawal, 2004). As of late, the media has provided reports regarding the Lagos state government closing a few markets for disregarding clean conditions and the uncontrollable merchant exercises that interrupt everyday life in the city. The difficulties presented by street trading have evoked different reactions from government authorities and town planners. Onodugo *et al* (2016) states that the Nigerian government operators and town planners have ended up clashing with street traders with no operational standard administration approach. The Nigerian states have acknowledged the informal division of street trading as an irritation.

As a result, the expected leading strategy to deal with its administration in Nigeria is forceful. This style of administration has caught media features of National dailies (refer to The Punch, 2012; Lagos State Official Website 2011; and Scan News, 2012). In the year 1984, the Lagos State government announced a legislation (Act No. 12, 1984) restricting street trading and in addition set up an exceptional court to arraign street traders. Chen, Joann and Carr (2004), argue that to accomplish the Millennium Development Goals (MDGs) associated with poverty in Nigeria, better emphasis must be made in enhancing both the amount and the quality of job prospects for the working poor, and particularly for ladies. While Becker (2004), again mentions that mainstreaming of informal, economy (particularly street trading) in the inclusive urban financial arranging ought to be made as a portion of the strides towards reduction of poverty (Onodugo *et al.*, 2016). In Lagos, the well-known Yaba market in 2009, was then the home to 50,000 vendors that mainly focused on in the trading of pre-owned garments and books, was torn down for blocking a railroad line. With one vendor cited as stating, “Regardless of whether the state has a justifiable reason explanation behind tearing down our shops, they should give us a substitute option. There are different approaches to embellish the rail lines instead of pulling down the shops. I am pleading to the Lagos State government to think about the majority. Numerous individuals have lost their employments due to this” (Ikioda, 2013:521).

Figure 9: Yaba Market visual.



Source: Google maps, accessed: 26/10/2017.

Late research and broad communications scope of the division in this way illustrate across the board expulsions, movements, and antagonistic administrative and political situations. Nonetheless, there is less documentation of the daily difficulties that street traders go through, even when permitted, on account of uncertain access to urban space of the particular job impacts that exclusionary arrangement approaches have on road sellers and of the ways, street traders react to these methodologies in the regular daily techniques (Roever and Skinner, 2016).

Subjective sources recommend that, a few measures embraced by road sellers to survive and proceed informal businesses incorporate creating of relationships for bargaining with the local government specialists. In this manner, offering rents (rewards) to the government to maintain a strategic distance from removal, instalment of rents, fines or some other charges authorized on them and in major cases to abstain from serving jail terms (Onodugo *et al.*, 2016). In adding, attempts by the state of numerous developing nations in the past to stop street trading by imposing measures caused failed Lagos government endeavour to free the City of Lagos of street traders is a common case. After some time of resistance program against street trading in 2009, a calculated 81% of the respondents to civic survey stated that there had been practically no decrease in street trading (Onodugo *et al.*, 2016). Basinski (2009) states that despite the reality the state knowledge the traders as stubborn, the traders demanded that they come back to the road every day since they had no other choice and had no clue as to what to live on. This is the predicament between survival of the urban poor and misrepresentation of people in general space supposedly by town planners and government officials (Onodugo *et al.*, 2016).

(Oduwaye and Ogundele, 2007) state that based on the level of urban planning in Nigeria for Lagos the main urban planning obstacles include lack of implementation of existing planning laws effectively is another problem. Often, existing laws are implemented based on how suitable they are to those who oversee the implementation strategy at a point in time. Lack of equipment and fund is another problem, which is a frequent problem in many areas of the struggling country of Nigeria. Perhaps urban planning is having its own share of this national problem (Oduwaye, 2013). In addition, (Oduwaye and Dekolo, 2005) argue towns and villages in Nigeria have no current master plan. Which they identify as an implication because, it questions the direction in which the government is taking in terms of to urban planning and development. Further, a master plan is argued to stimulate advantages such as increasing city efficient and economic viability. Including improving health implications caused by city urban development's and occurrences and build into land use management strategies as well as draw up programs to prevent flooding how to reduce ocean scourge among other issues on which government dissipate economic and financial resources (Oduwaye, 2013).

e) Lessons learned in urban developments

There are numerous development lessons identified in Nigeria that could be vital to urban development in many developing countries or even developed countries. Further, it is clear that the informal sector Nigeria is relied upon to provide as a beneficial system for the formation of occupation for rural and urban populace. Over many years, such occurrences have been happening in Nigeria making it an important economic sector to invest in for future economic development (Oduwaye, 2013). Therefore, the conventional or informal sector is persistently increasing in developing nations and has been filling in as a 'seat strap' creating jobs and salaries to poor people. In Recent disputes about informal sector practices generally defined as unrecognized by state, unrecorded in writing, unprotected by approaches or managed by state, and unregulated by the general population part are never again constrained to peripheral exercises are likewise included gainful advantageous endeavors in production practices. (Onodugo *et al.*, 2016).

One may argue that the informal sector as again very beneficial to the large majority of poor or low-income population, which is often uneducated. This allows a great number of unqualified individuals who a desperate to have access to employment opportunities as this sector is mostly

characterized by low entry requirements, small-scale operations in need of skills learnt outside of formal education, and labor-intensive methods of production. In addition, Oduwaye (2013) recognizes that in Nigeria informal sector is defined according to different classifications in terms of activity, employment category, location of actors, and income and employment enhancing potential. One may argue that this is a great start to recommending potential policies and legislation to create inclusionary strategies to enhance economy development within the cities and urban environments. This is also a good start to understanding the informal market to contribute to literature and recognizing how they contribute to economic growth. Including promoting informal development instead of seeing it as a nuisance in urban planning.

Unfortunately, Nigeria is yet to set out on direct arrangements on development of the informal community. Some reasons might be the non-acknowledgment of practices of the informal community and a great dependence on the formal sector. Oduwaye (2013) recommends as follows approaches for the improvement of informal sustainable land use planning in Lagos. These recommendations include the need to be more emphasis made on the role of informal sectors on Nigeria's progression policies. In addition, a more prominent requirement for researchers to comprehend existing holes in the monetary utilization of the informal sector in Nigeria and other African nations is fundamental. This could help establish further policies and legislations addressing informal markets and thinking in the direction of inclusion of the informal sector in national income accounting.

4.3.3 National Perspective: Durban, South Africa

a) Background

In South Africa, Post-Apartheid policies and regulations have been put in place to correct the Apartheid city imbalances that had been created in the past. Due to the Apartheid policies against black people and other races, an economic imbalance was created. Even after the South African government efforts to expand, progress opportunities to the deprived urban population there is growing poverty and inequality issues in the economic sector (Pieterse, 2009). Furthermore, South Africa has been shaped by the colonial influences of apartheid legacies and racialized underdevelopment. Which had great impacts on the economic growth in the country, three legacies have been identifies in the economic sector (Neves and du Toit, 2012). Which incorporate the centralized imposing business model structure of the center economy with its very imbalanced

allocation of resources and capital, furthermore the racialized spatial arranging of township and countries situated a long way from financial opportunity. Thirdly the proceeding with pattern of disparity in the obtaining of aptitudes and instruction. These add to a post-politically-sanctioned racial segregation distributional administration set apart by persisting neediness and a portion of the most abnormal amounts of pay disparity on the planet (Seekings and Natrass, 2006). Durban is one of many South African cities that have been influenced by the colonial History of African.

Durban city is the local cases study, which is in KwaZulu-Natal. One of the quickest developing urban zones on the planet is Durban. In South Africa Durban harbor is the active and ranked as one of the 10 biggest on the planet. The port of Durban handles more than 30 million tons of payloads with an estimation of more than R100 billion annually (eThekweni Municipality: 2016/2017 IDP).

b) Placement of precedent case study

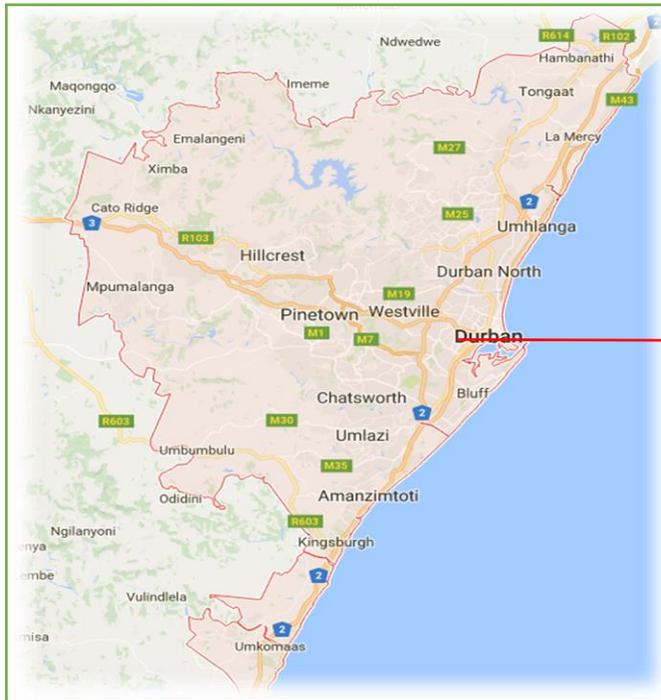
Durban is situated on the far-east side of the nation, about 600 km from Johannesburg (eThekweni Municipality: 2016/2017 IDP). In KwaZulu-Natal Province it is the biggest city, and one of the country's main seaside resort cities with excellent beaches and a distinctive tropical climate. The city is well equipped for the needs of tourists and has for years been the prime holiday venue for locals. The eThekweni municipality governs Durban (eThekweni Municipality: 2016/2017 IDP).

The eThekweni Municipality has been greatly influenced by the historical content of the country. Hence, the cities and urban environments have been greatly influenced by apartheid legacies as they were previously segregated based in planning. Eventually around the 1980 and 1990 the apartheid regime was slowly softening, and more integrative approaches were being implemented in the urban developments and inclusive policies were created to address past imbalances (Magidimisha, 2009).

Furthermore, Durban has a number of informal and semi-formal street vendors. One of the popular locations is the Warwick Junction Precinct with vendors selling goods from traditional medicine, to clothing and spices. The informal trade in this region is rapidly growing, therefore in the priority areas the informal market has been provided with trading facilities. This regional is a great example of how the African countries have coordinated with the informal sector and municipal sector.

Therefore, the following discussion will focus on the strategy that the eThekweni Municipality has implemented in addressing the informal market (eThekweni Municipality: 2016/2017 IDP).

Map 8: Location of eThekweni Municipality



Source: Google map, accessed: 20/05/ 2017

Map 9: Zoom in location of Durban



Source: Google map, accessed: 20/05/2017.

c) Informal economy experience

In the year 2010, research commissioned by StreetNet International estimated that there were nearly 50,000 traders in Durban. About 94 per cent of the traders were classified as African, although Africans account for less than 75 per cent of eThekweni’s total population. Expressed differently, it is mainly poorer people who are informal traders as the poverty rate is higher for Africans than for other race groups (Robbins and Quazi, 2014). A great portion of road traders in South Africa are African ladies who exchange various of merchandise including desserts, knickknacks, cigarettes, dress, and (most conspicuously) in products of the soil such as veggies or fruits (frequently created by another person).

d) Although its generally humble appearance, street vending is one of the biggest divisions of the informal economy (Klodawsky, 2013). An overview of four urban areas, Cape Town, Tshwane

(Pretoria), Johannesburg and eThekweni (Durban) uncovered that the larger part of road dealers was male (54%). In eThekweni, the females were in the dominant part (58%) (Klodawsky, 2013). The greatest feelings to dread for men and women road dealers are robbery and criminal viciousness. Be that as it may, ladies are more defenseless against the genuine danger of rape, which can open them to HIV. Skinner (2008) recommends that examination ascertains the commitment that road brokers make to the economies of urban areas which is an essential advance toward changing the observations and states of mind of financial improvement organizers (Skinner, 2008).

e) Policy frameworks and legislations addressing informal markets

Despite the past apartheid issues the country is in the process of correction past imbalances thus promotes in inclusive growth and has placed policies and legislations to insure equally opportunity in the economic sector (Rogerson, 2008). The South African Post-Apartheid Constitution mandates local governments to promote economic inclusive growth.

Durban/eThekweni city of entrenched a department with a primary focus to street trader supervision. The responsibilities of the department included distribution of resources encouraging infrastructural development and support for vendors in the 1990s. The city of Durban realized that even though improvement had occurred regarding street trading, no permanent general policy guiding city programs was defined in the informal economy in the late 1990s. Eventually in February, 2001 the eThekweni Municipal Council approved it as a metropolitan broad policy (Chen, 2008).

The policy approach revealed essential new way of thinking. The primary focus was the informal market, which was important for economic improvement. The approach stipulates that the informal market generates businesses and wages the Durban population (eThekweni Municipality 2001). Such practices could be adapted as a component economic planning and growth, and not understood as an aspect of mitigation or welfare project addressing poverty. The formal and informal sectors of the economy depend on each other just as how the core of the city and the periphery depend on one another (Chen, 2008). Other elements to the policy as well as implementation comprise the following just to highlight the main policy themes on street vending policies: 1) Clear clarification cost of registration street traders and home-based workforce, with benefits for registration. Therefore, registration including sustained payment of rentals grants

authorization to work, which gives rights for support and utilize public services. In addition, street vendor's rental fee is R35 per month for a permanent location now including services attached and for an un-serviced location it costs R10. The overall amount of R35 covers an inconsistent degree in conditions of services. However, informal people in business including officials consider such conditions unjust. 2) Informal trader organizations representing in behalf of street traders in planning and policy boards; 3) Providing support to trader groups (such legal counseling and book keeping assist), utilizing offered municipal resources; 4) Municipality agents and traders parenting together to develop the appearance of the informal market (Durban Metropolitan Council, 2001). These policies aim to stimulate the promotion of diverse economic opportunities to also promote inclusionary applications of managing, support structures to benefit business development and enforcement strategies of policies. In hopes to grow the informal market and to address current situation that occur in this sector. Therefore, stimulation economic development in Durban in an inclusive manner refer to a copy of Durban Metropolitan Council, 2001 more details on the policies, as it is a large more detailed document.

f) Inclusion of informal markets in urban planning developments

In South Africa Durban, is recognized as the initial city to create a policy for street vendors (Rogerson, 2008). One of the projects implemented in Durban to support informal markets and include them in planning includes providing exchanging facilities or structures as SMME units, Markets, Hives, Kiosks, Shelters, Container Parks, Storage offices and additionally marked off sites along sidewalks, all of which is constantly serviced and maintained. In the Durban beachfront, there are Rickshaw pullers (*Refer to figure 10*) who operate a unique business and have been part of the City history transporting customers at a minimal fee, also popular tourist attraction feature (eThekweni Municipality, 2006). This does not only promote informal economic development but also serves as a tourist attraction.



Figure 10: Zulu-rickshaw puller from Durban

Informal trader stands have been distributed across focal Durban as a form of formalization in West St.(Chen, 2012). The eThekweni municipality recognizes uncontrolled and spontaneous development of the informal exchanging area will contrarily influence the city and that informal traders are imperative supporters of local economic development. Land assigned to informal traders in focal West Street amongst Field and Gardiner Streets were already parking or loading zones and after that changed over into additional of the sidewalks for the development of informal trader stands. This was consequently part of the road utilized from parking and now changed to informal exchanging space. Even though the land claimed by the city, the nature of the land utilize has changed drastically (Kitchin and Ovens, 2008).

Both the Business Support Unit including the roads department of the eThekweni transport jurisdiction was associated with the procedure. In terms of trading fee all the way through the central city, informal traders are charged R17 + VAT every month, with no shed, R35 + VAT every month with shed, which was expanded to a sum of R60 every month (counting VAT) starting at 1 July 2007. Distributions of stands was at first done through the Informal Trade Management Board (ITMB), by means of road exchanging panels/exchanging affiliations. These boards of trustees would suggest individuals through letters with the end goal for them to get a license to begin exchanging goods. Nonetheless, this framework had a tendency to be corrupted. Nowadays new locations or destinations that end up deserted are publicized in metropolitan structures, city daily papers, and on notices in the city. Individuals at that point apply for a stand. Stands are assigned in point system, need, sexual orientation, economic profile and so forth. In adding, co-agents are favored over people as more individuals remain to profit from the stands (Kitchin and Ovens, 2008).

Other projects implemented in Durban include for instances Trading in Kiosks. Mostly traders who apply trade in kiosk are food handlers in taxi and bus ranks, this form of trading was introduced to promote viability of informal trading so that it grows and provide graduation from being pavement traders into semi-formalized enterprises. Kiosks are fitted with running water, basin and in some areas scullery as well as a dining area in front which create an enabling environment where informal traders can operate optimally. One of the principle which necessitate providing informal trading infrastructure in a form of kiosk is to address hygiene challenges of basic services e.g.,

proper shelter protecting trader from weather elements, ablution facilities, storage spaces and a clean environment (eThekweni Municipality, 2006).

f) Lessons learned in urban developments

Local government in Durban has clearly had an opportunity in the past decade to test a range of policies, programs and projects an opportunity that might not have been available to other cities in that they were operating in a far more resource-constrained environment. The approach implemented by the municipality in 2001 was the Informal Economy Policy, which was favorable to traders and other informal workers. This policy is still currently in place and referred to by the eThekweni municipality (Robbins and Quazi, 2015). Nonetheless, the municipality faces pressure from powerful political and economic interest groups that see informal traders as a problem that must be managed instead of as an activity that creates jobs and income and that should be supported through the municipality's budget. Often political leaders often prefer major expensive projects that attract private investment, rather than spending money on the smaller facilities that informal traders need (Robbins and Quazi, 2015). One could argue this is not how development should occur according to constitutional rights; the government should always go for pro-poor initiatives over the greed of profits when it comes to urban policy supported by legislation.

Major policies with large budgets, such as the plans for an integrated rapid public transport network and urban renewal projects, can bring benefits for informal workers if they are designed and implemented with these workers' needs in mind. The same plans can create serious problems for informal workers if these workers are not seen and heard.

4.4 Conclusion

The Informal economy and workforce should be perceived as the expansive base of the worldwide economy and workforce. Both informal businesses and the informal workforce should be esteemed for the commitments played by the two segments and coordinated into financial planning and lawful structures. Various scholars all understand how important the informal sector is to both the developed and developing worlds, it is obvious that the informal sector is necessary sector to the population that is marginalized and mostly not accommodated. First world countries and developing, the informal division has revealed itself too large to efficiently monitor, yet this managerial system is necessary. Further, these interferences should be customized and focused to

meet the limitations, needs and dangers of various groups of informal traders. These incorporate for example informal independently employed and in addition informal income trader, top of the line versus low end informal businesses and laborers, the individuals who dodge from controls and those for whom existing laws and supervisions are improper or unimportant.

Inclusionary planning is an important tool to aid the exclusionary planning strategies that have been occurring for any years. Planning education needs to allow change and recognize that the city is not only made up of the formal sector but also the informal sector that caters for the poor population. Although informal market experiences may vary from country to country, they all serve the purpose of being an alternative to self-help employment and method of avoiding poverty. Furthermore, one may argue that eradicating the informal sector is not the answer to control and monitor the informal markets instead an inclusive approach to city formality should take place. American city Chicago has somewhat mastered the skill to include the informal market called market places in urban planning whilst in African city's Nigeria and Durban the approach is still reasonably new thus still need improvement to be done in the planning sector.

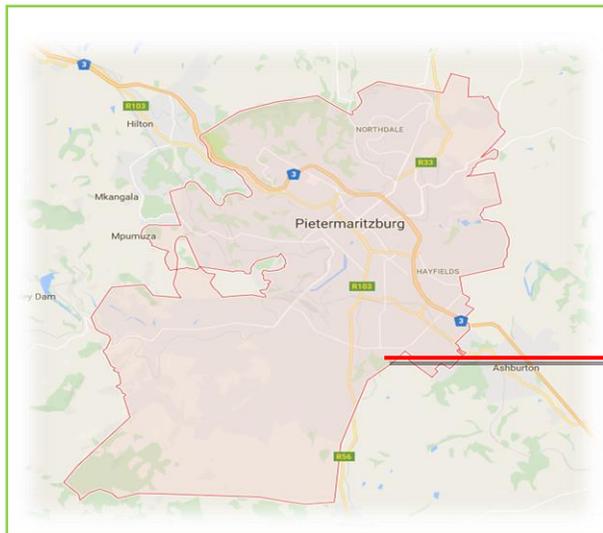
Chapter 5 Presentation of Case Study: Pietermaritzburg, Msunduzi Municipality

5. Introduction

This chapter displays collected data and statistic information analysed which includes overall demographic presentations and socio-economic status of the city of Pietermaritzburg as a whole. The chapter will outline current developments occurring as well as the city's developmental vision. Including information such as the brief background of the city is mentioned to enable the readers to have a clear understanding of the Pietermaritzburg and how the city has evolved. The chapter also enables the researcher to prove where the established hypothesis or theories are relevant to the study area. The discussion is guided by the objectives and the literature obtained from the research study field.

5.1 Locality of case study: Pietermaritzburg, KwaZulu-Natal (South Africa)

Map 10: Location of the city of Pietermaritzburg



Source: Google Map: accessed April 25, 2017

Map 11: Retief Street



Source Google map: accessed April 25, 2017

Map above displays the city map 10 of Pietermaritzburg with the N3 road network crossing into city, Pietermaritzburg is situated along the N3 at an intersection of an industrial road from Durban and Pietermaritzburg and an agro-industrial road extending to Estcourt from Pietermaritzburg. Map 11 displays the zoom in vision of the case study road location which is Retief St. marked in the red high light in the map and revealing the subdivision and nearby streets of the neighboring

areas to the case study point. Retief St. is a busy road network that is mostly populated with informal trading or foreign traders.

Map 12: Zoom in of the Matsheni (East Street) rank and Retief Street



Source: Google Map: accessed April 25, 2017

Map 12 displays a zoomed in aerial photo of the case study area of this research which is the Retief taxi rank called East Street Rank. The Retief taxi rank is best known as eMatsheni (East Street) taxi rank, which is situated in the corner of Boom St and Retief St. The street is very vibrant and connects to roads such as Victoria Rd, Pietermaritz St, Prince Alfred and Hoosen Haffeeje. EMatsheni is a name used by locals and is one of five formally built up taxi ranks in the CBD of Pietermaritzburg.

5.2 Background and opportunities

In KwaZulu-Natal, Pietermaritzburg is the second biggest city and contributes towards 80% of the gross domestic product (GDP) by nine biggest urban areas in South Africa (Pietermaritzburg IDP, 2011-2016). Pietermaritzburg is the capital city and is the monetary focus inside uMgungundlovu District. The situation of the city affects local channels of expenditure, development and organizing of the provincial spatial system for development. (Pietermaritzburg IDP, 2016/2017 to 2020/2021).

Pietermaritzburg region is part of the Msunduzi Municipality, which is described as a municipality that allows great opportunities due to the geographic location becoming well connected in the global economy and because the access the city has to the N3 highway leading to major harbours and airports. The neighbouring municipalities and towns access numerous connectivity and growth opportunities through Msunduzi, in various sectors such as Tourism and Agriculture.

Pietermaritzburg is vibrant African City set in the KwaZulu-Natal Midlands. The city has a colourful history that speaks mainly IsiZulu, Afrikaans, English and Indian influences, and a growing number of IsiXhosa speaking. After the integration of uMzimkhulu into KwaZulu-Natal, with German influence on the Far East side of the City and a considerable number of Sotho speaking within the area on the south-western towns, the City is a social point filled with variety and colour (Pietermaritzburg IDP, 2011-2016).

a) Situational context

The history of Pietermaritzburg has significantly shaped the city, clearly by the politically-sanctioned racial segregation city which is yet show in the city spatial format even following 20 years of accomplishing vote-based system, which is an unsuitable circumstance yet hard to revise. Connected to this is the unmistakable imbalance of riches, work openings, plot sizes, levels of neighbourhood arranging and access to fundamental administrations especially sanitation. These issues are evident and needs to be improved in the East, West, and South-West within the central business district such as Edendale, Vulindlela, Imbali, Northdale, Shenstone and Ambleton (Pietermaritzburg IDP, 2016/2017 to 2020/2021).

These areas have both a high concentration of informal settlements and traditional settlements. While there are some areas in the municipality where recreational spaces, civic administrations and luxuries have been given, the quality, conservation and availability to the groups they are intended to serve in these areas is questionable and therefore a major target of the implementation plan arising out of the spatial development framework (SDF) of Msunduzi municipality. Previously development has been concentrated in the white areas which includes the Northern region, central business district (CBD), Ashburton and Eastern region hence the Greater Edendale/Imbali area has recently been earmarked for an Urban Network Strategy project (Msunduzi, 2016).

Focusing on the central business district (CBD), the areas also functions as the primary market place for the Municipality or a place of concentration of power (financial, economic, and political). The CBD is also an investment location, a rates revenue generator, and provides an opportunity for social interaction and integration. Pietermaritzburg also is stated to be a tourist destination also being surrounded popular by tourist places. (Msunduzi, 2016).

5.3 Demographics

Statistic attributes could incorporate sexual orientation, age, race and ethnicity, training, geographic district, and marriage status. For these already included elements, the tables showed below display Total population, Number of household, Population growth rate (2001 – 2011) etc. These demographics give a summary of the economic standing of the Msunduzi,

a) Municipal Summary of Key Statistics

Table 1: Summary of Demographics

Total population	618 536
Number of households	163 993
Average household size	3,6
Population growth rate (2001 – 2011)	1,12% p.a
Male: female	45.45: 54.55
Female headed households	45.2%
Unemployment	33%
Flush toilets connected to sewerage	51.6%
Weekly refuse removal	53.2%
Piped water inside dwelling	47.9%
Electricity for lighting	91.9%

Source: (Pietermaritzburg IDP, 2016/2017 to 2020/2021)

This information entails a summary of the population with the region and an idea of the rate and efficiency of the municipal body concerning service delivery. The above figures also illustrate an estimate of the economic standing of the population displayed in the unemployment section.

The following tables indicated the difference in percentages from 2011 to 2016:

Table 2: Age Summary

Age Structure	2016	2011
Population under 15	31.5%	26.7%
Population 15 to 64	64.7%	68.3%
Population over 65	3.9%	5.0%

Source: (Msunduzi, 2016)

The above table entails the percentage of the age structure summary in the duration between 2011 and 2016. Population of age 15 was 26.7 % in 2011 that increased to 31.5% in 2016 and population of age 15 to 64 was 68.3% in 2011 that then decreased to 64.7 % in 2016. The population 65 and over was 5.0% in 2011 that decreased to 3.9 % in 2016.

Table 3: Educational Summary

Education (aged 20 +)	2016	2011
No schooling	4.3%	5.3%
Matric	40.5%	33.2%
Higher education	14.5%	12.5%

Source: (Msunduzi, 2016)

The above table shows an educational summary of individuals aged 20 and above between the years 2011 to 2016. The percentage of individuals with no schooling in 2011 is 5.3 % that decreased to 4.3% in 2016 and individuals who received matric (senior certificate) level of education was 33.2% in 2011 that increased to 40.5% in 2016. Those who received high education were a percentage of 12.5% in 2011 that increased to 14.5% in 2016.

Table 5.3.4: Household Dynamics Summary

Household Dynamics	2016	2011
Households	180 469	164 772
Average household size	3.8	3.6

Female headed households	45.9%	45.2%
Formal dwellings	80%	73.5%
Housing owned	70.1%	58%

Source: (Msunduzi, 2016)

The above is a household dynamics summary from the year 2011 to the 2016. In the 2011 there were a total amount of 164 772 households that increased to 180 469 in 2016 further the average household size in 2011 was 3.6 m that increased to 3.8 m in 2016. Female-headed households were a percent of 45.2% in 2011 that increased to 45.9% in 2016, formal dwelling was estimated 73.5 % in 2011 that increased to 80% in 2016. Lastly, owed housing was an estimate of 58 % that increased to 70.1% in 2016.

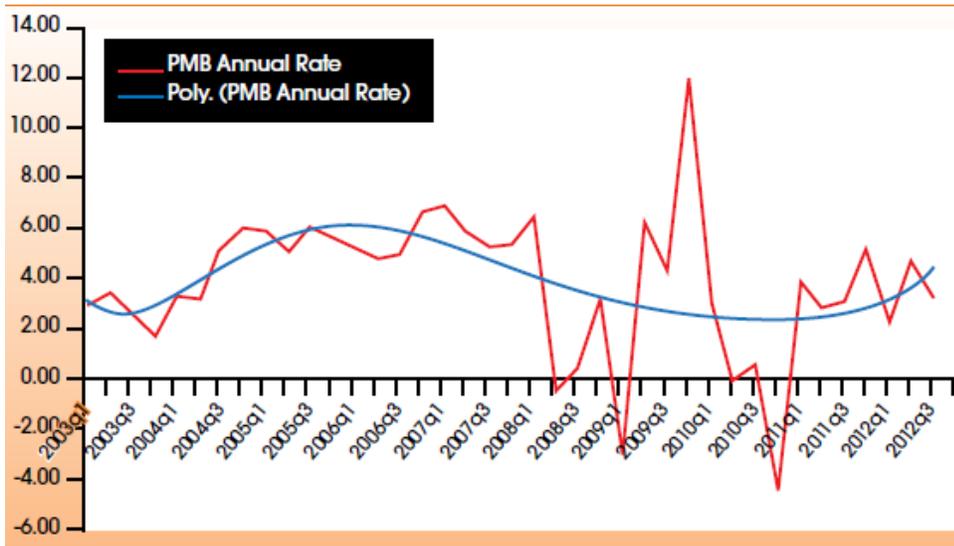
b) Economic context

The economy of the Msunduzi area still experiences a period of positive advancement after a period of negative improvement in 2010. The documented GDP advancement estimate in 2010 was 3.85% (refer to figure 11). Census (2011) demonstrates the joblessness levels have declined from 48.2% of the fiscally productive population in 2001, to 33% of each 2011. Another example is the decrease in the youth (15 – 34 years) joblessness rate, which has stayed at 58.2% of each 2001 and decreased to 43.1% out of 2011 (Pietermaritzburg IDP, 2016/2017 to 2020/2021).

As some have been mentioned above these are the following advantages that the municipality possess:

- ✓ Location favourable circumstances: the central situation of the Municipality including the reality that it is divided by
- ✓ The N3 major road, which is the essential operational route connecting Gauteng with Durban Harbour;
- ✓ Geographic prospects: Highly rich land;
- ✓ Human Capital prospects: Good schools and tertiary facilities; and
- ✓ Institutional prospects: Msunduzi appreciates 'Capital City' status.

Figure 11: *Pietermaritzburg GDP annual rate and poly annual rate*



Source: (Pietermaritzburg IDP, 2016/2017 to 2020/2021)

5.4 Conclusion

The demographics there have been various demographics shown which include Municipal Summary of Key Statistics, Household dynamics and age structure. These demographics are important in weighing the economic activity in the municipality and measuring the economic development rate as whole. The current development vision of the municipality is to address past discrepancies caused by the historical system, the Apartheid system which caused a great deal of inequality in growth.

6 Presentation of findings, Data analysis and interpretation

6. Introduction

This chapter presents the findings found on the case study focusing on the research topic. The section further addresses the objectives presented (in chapter 1). It will further display the all collected data and information that had been processed and analysed. The chapter enables the researcher to prove where the established hypothesis or theories are relevant. The discussion is guided by the objectives, the literature obtained, and the data collected from the research study field.

6.1 Identification of informal market traders specific to the products traded on Retief St. surrounding the East Street (eMatsheni) taxi rank area.

There is a range in products that are informally traded in the area this also includes informal setting of services provided to generate money. The products sold in the area include vegetables and fruits (either in bulks or in singles), traditional herbs, junk food (chips, ice pops, sweets and chocolate). There are people who provide services informally on the street such has hair salons and barbers refer to plate 1.

Plate 1: Fruit and egg traders on Retief Street



Source: (Fieldwork, 2017)

Plate 2: Traditional herb seller and vegetable seller on Retief Street



Plate 1 and 2 not only illustrates that there are individuals that use up apportion of the road reserved for parking spaces but also show vendors who sell from grocery trolleys. This shows that the street traders use Nemours variety of appropriate and convenient methods of trading within the space

that is available to utilize in city and urban set ups. The use of space in the study area displays how the manner in which the city has been designed by town planners' conflicts with how the people who use the urban environment utilize space.

Plate 3: Barber Tent on pavement and mobile cart



Source: (Fieldwork, 2017)

Plate 4: Cabbages sold from bakkie



Plate 3 shows a barber tent that is situated on the paving, which is across the rank there are many of these tents in the study area. This is a form of informal trade by providing a services on the street, while collecting data they were some of these barbers who claimed they pay monthly to occupy the specific space and formally registered as an informal trade (they did not disclaim where or how they registered the business unfortunately). Plate 3 displays a trader selling from the back of a bakkie, although this is not in a treble, tent or container situated it is also a means of informal market in trading within the city environment.

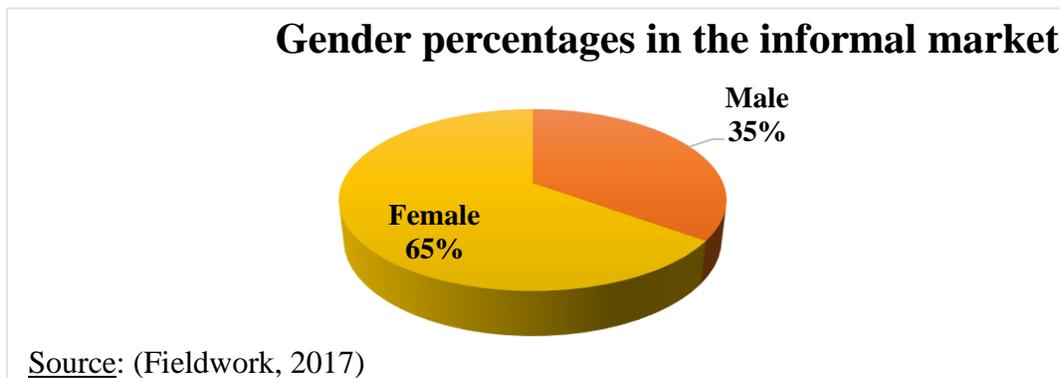
Reflecting on the above visual evidence (illustrated in plates 1-4), it is apparent that the city environment is used in different ways in the appliance of informal trading. Each respective individual approach informally trading the best manner deemed efficient and functional. It is evident that the rank is a hub for customers who acquire possibly less costly services and products in an informal manner of purchasing products and services therefore allowing informal traders to utilize the city space to gain profit. As mentioned prior in the theoretical section of the dissertation, the Neoliberal ideology supports the argument that free markets and free trade allow a creative potential and the entrepreneurial spirit that is built into natural order of any human society. Therefore, lead to more liberty that is individual and well-being, and better efficient distribution

of resources (Thorsen, 2009). The informal sector allows a platform where an individual has the control over the goods produced or sold including profits made, in a sense these could be considered as free market advantages. In result, this stimulates growth and human economic developments and control (Calinescu, 1993). This has shown in the manner of the use of space within the minimal available city space by informal traders.

Furthermore, concerning collaborative planning in town planning theory because of the apparent identification of the different initiatives individuals apply in efficiently selling goods (informally). One could identify this as an indication that collaborative planning approaches could possibly work in the aim to stimulate development inclusively. Street vendors show potential that they know exactly what they want which is shown by the creativity of how they sell goods to customers. Which indicates that more opportunities should be given to street vendors to contribute ideas to urban planning for the informal sector. Further supporting the misconception that highly qualified (specialists) individuals understand the essentials for the society very well (Turner, 1972).

In addition, it is important to recognize that a great majority of the informal trading is done by the female gender with the ratio of 24 women out of 37 total street vendor respondents. Women are over-represented in the informal sector globally, the number of women workers in the informal sector surpasses that of men in most countries (Chen, 2001).

Figure 12: Gender percentage that makes up the informal market



The above pie chart displays the percentages of male and female informal traders in the East rank area of Retief Street. Since they are not fully captured in official statistics, an unknown additional percent work as industrial outworkers or home workers. Even though the average earnings of

women in the informal sector are low, the female informal workforce contributes significantly to gross domestic product (GDP) (Chen, 2001).

6.2 The challenges faced by the informal traders on Retief St. surrounding the eMatsheni (East Street) market.

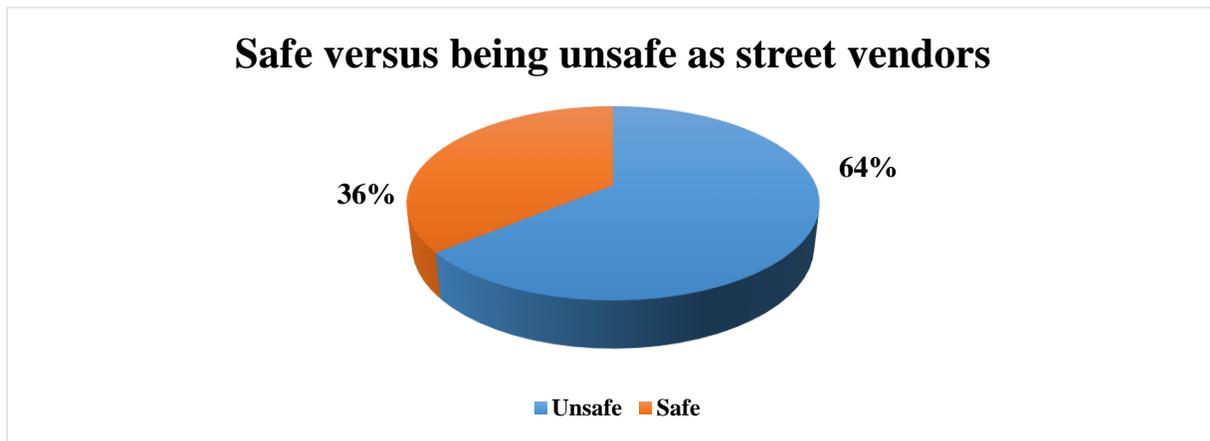
There are several challenges that street vendors encounter on the Retief St area surrounding the East Street rank. The below table (5) tabulates findings from the questionnaires answered by the total of 37 respondents (street vendors). The posed question to the street vendors was from the questionnaire created for the street vendors. Which was question number 10 regarding challenges they face as street vendors, the below Ranking from 1 to 4 being the lowest level of issues.

Table 5: Challenges faced by the informal traders

Description of primary challenges	Percentage	Rating
Uncontrollable street kids	30	2
Unsafe	64	1
Theft/ Robbery	28	3
Fights and acts of violence	21	4

Source: (Fieldwork, 2017)

Figure 13: Safe versus being unsafe



Source: (Fieldwork, 2017)

The above (figure 13) pie chart presents findings from the questionnaires answered by the total of 37 respondents (street vendors). The posed question to the street vendors was from the

questionnaire created for the street vendors. Which was question number 9 regarding safety in selling as street vendors. The pie chart figure 13 shows that a 64% of people who informal trade feel unsafe in the Retief street environment whilst only 36 % are feeling safe to trade there. Respondent number 5 went on to say that there are days when there are patrolling police offices in the area. Therefore, there are days when the police force does come and monitor crime in the area.

a) The issue of space management

The issue of space is a major issue in the Retief Street area surrounding the rank, there are so many individuals that are there to earn a living. The space to sell is not easy to get since there are individuals who have been selling for many years in the area. The space to sell is minimum thus, traders will situate where they can best fit although the space does not allow it.

Plate 5: Street vendors situated on the portion of the road



Source: (Fieldwork, 2017)

For instance, in Plate 3 traders use the portion of the road to sell. This may not be lawful but due to the miss management in the area it has become a norm, this is not safe for the trader yet is common practice in the area. It is apparent that the area is highly congested refer to plates (3-5). The congestion on the paved walkways is so dense that pedestrian would rather walk on the road on Retief, this is also unsafe for the people who use Retief Street even for those who drive on the road. Additionally, such issues question how municipal actors are involved in the management of the informal market. As this market appears to be unmanaged by government actors whether it is by the Municipal government, Transport Department or even Police Department. This congestion causes traffic in Retief St and causes a high potential of accidents for pedestrians using the area.

Plate 6: Pedestrians walking on the road



Source: (Fieldwork, 2017)

Furthermore, it is easier to use the road to walk than to use the paved walkway as it is highly congested also it could be unsafe as one could be more exposed to theft due to overcrowding, this was identified during the site observation. Below the Plate 7 and 8 it shows the amount of space taken by street vendors, which is a great portion to sell goods. Most of the street vendors on Retief Street take is that amount of space on the paved walk ways and placing themselves where they are easily accessible to public. In addition, most of the time street vendors who sell similar goods will sell and situate in the same area in that set up they help one another in selling. For instance, in the case of fruit sellers if the one trader does not have a certain fruit they will refer a customer to a nearby fruit stand to get it from another seller.

Plate 7: Street vendors situated on the portion of the paving walk walkway



Source: (Fieldwork, 2017)

In Plate 7 and 8 the formal stores, also use up the pavement spacing this could cause competing issues. It is evident that formal stores use the paved walkways as a means to attract customers to know what to expect in the stores. The issue to this is competing of space between the formal and

informal markets as shown in the picture, also there are minimum spaces for pedestrians to use to move around that city area and the space between the formal and informal traders is minor.

Plate 8: Street vendors situated in front of formal businesses



Source: (Fieldwork, 2017)

Thus, conflict of interest of formal trading versus informal trading could be a challenging to management of spacing for the Retief Street area. In addition to congestion of the streets in Plate 9 and 10 it shows how the issue of overcrowding in an area could cause management cleanliness issues. The water drains are clogged with litter and the bins provided by state are over full of garbage, this is not to say that the state does not clean the streets in the area.

Plate 9: Street vendors surrounded in a filthy area



Plate 10: Over full garbage



Source: (Fieldwork, 2017)

Source: (Fieldwork, 2017)

As evidently shown the informal market is struggling with many issues, the most evident is the issue of not being provided with adequate space. In addition, the informal traders in Retief Street are deprived of facilities or structures, access to water, electricity and enough public toilets.

6.3 The role that municipality plays of including the informal market in development and planning

This is a conflicting issue, in the process of data collecting the question was referred to both key professional informants and to the street vendors although it was asked in a different manner. When the following question was directed to street vendors in the case study area question 8 regarding municipal support for informal markets. The total of 100% of those who responded answered that they cannot identify how the municipality has included them in development or planning processes in the Retief Street area or even can identify a development occurring in the area currently.

When the following questions was asked to the key informants:

The answers of the key informant Economic Development town planner of the Msunduzi Municipality.

Referring to question 13 regarding Town planners' involvement in addressing the informal markets in Retief Street the respond to the question reads:

“Town Planning is a discipline that deals with organizing therefore to an extent it does not cater to informal activities and I guess it is a question we should be asking ourselves as planners. We have adopted this European type of planning but is it really working for our communities because there is a lot of informality going on and people are surviving on these things so how far have we tried to address this....”

“It is very rare for a town planning scheme to include informal trade if any informalities in mentioned they talk about street trading it is informal trade that is formalized where people are allocated stands they pay towards that but any informal activity that does not occupy space Town planning is not involved in that”

The answers of the key informant Sustainable Development Department of the Msunduzi Municipality.

Referring to Question 3 regarding the degree in which the downtown area work with the municipality actors the response reads:

“In theory there is supposed to be a block where they elect their representatives, so the block representative would be the communication point for the community and the municipality”.

Referring to question 6 regarding the city creating economic opportunities for the informal economic population the response reads:

“Yes, in theory but not in practice that was the issue in the past but of recently there are economics opportunities being created in the Great Edendale area.

Referring to Question 7 regarding strategies that municipality implement in support of Local Economic development the response reads:

“By creating a dedicated unit that deal with the formal and informal markets.

6.4 The identification of policies and regulations in Msunduzi

Msunduzi follows the principles of the South African National Informal Economy Forum (SANIEF). The issue of lack of common denominator has been debated over the years in the development of policy on the informal trading sector. This eventually led to the production of the Generic Informal / Street Trading Policy Framework. This framework applies at a national level and it is limited to street trading not the informal economy in its entirety.

In addition, as indicated by "Department of Economic Development and Tourism: Policy for the informal economy of KwaZulu-Natal". These are the accompanying prerequisites for the neighbourhood level of informal policies. Municipalities are required to guarantee that the informal economy is completely coordinated into their IDP arranging process and that there is satisfactory portrayal from informal economy associations in the IDP procedure.

Municipalities are required to:

1. Facilitate the establishment of the informal economy actors' chambers. This is the structure that will improve community involvement and inclusion of individuals working in the informal economy.
2. Target and advance informal economy authorities who can interact in the vernacular language, who have fundamental business and relationship building abilities, are touchy to issues, for example, sex;

3. Provide organized and regular contact with informal economy administrators and their associations to talk about applicable issues;
4. Ensure that there is a dedicated office to deal with informal operators to simplify and improve communication.
5. To make sure that there are open discussions regarding decisions taken for the informal economic community. For instance, municipalities should have public debates in formulating how final decisions are made regarding site distribution. It is additionally expected that districts ought to guarantee that merchants are educated either straightforwardly by the metropolitan authorities, or by Representative of organisations or by some other type of correspondence media, of the criteria to be utilized for the enrolment and distribution of destinations and the methodology to be taken after for utilization of sites.

Street trading bylaws attempt in Pietermaritzburg (Msunduzi Municipality city of Pietermaritzburg: The Economic Department and Growth of Strategic Business Unit)

These bylaws include prohibitions, restrictions, trader's duties and impoundment of goods.

Prohibitions

1. Next to a government building
2. Place of worship
3. National monuments
4. Next to a business selling similar goods
5. At entrances or exits to buildings

Restrictions

1. Sleeping on site
2. Erecting permanent structures
3. Placing or storing things dangerously
4. Obscuring window displays
5. Obstructing public facilities
6. Storage of petroleum gas

Duties of traders

1. Removal of goods, litter, portable structures from the site
2. Keeping the site clean
3. Ensuring nothing stains sidewalks and buildings

a) Challenges in Interventions

There is a major issue in the effectiveness of policies. The main challenge for local municipalities is still the lack of policy guidance in creating an enabling environment for informal/street traders. It is apparent that there is still a need for the reestablishment of policies and legislation that will be efficient in practice and in results. Pietermaritzburg street trading by laws were approved in the year 1995 caused be argued to be outdated and need revised. "*The Minister of Local Government and Housing has in terms of section 6A (1) of the Businesses Act, 1991 (Act 71 of 1991) approved the subjoined bylaws made by the City Council of the City of Pietermaritzburg at its meeting held on 30 January 1995 .*"

Referring to literature is mentioned that the lack of understanding of cities in developing countries is a major issue for informal traders in fitting into the city as cities function differently thus the design (everything such as layout and city functionality) of cities needs to evolve (Knox and Pinch, 2014). The way in which the city space is used is not always accordance with initial planning and design that is why it is necessary for urban spaces to be forever changing and being improved.

In addition, the issue that Pietermaritzburg faces which are a challenge that most cities have are lack of trading space in the city center as there are too many traders in certain areas. It is apparent that it is difficult to fit in all street/informal traders in a location that will be beneficial to all of them including insufficient space to allocate to them. Literature reminds us that it is important to note that the informal economy is a not only a large population particularly in terms of employment but also a growing sector (Brown and McGranahn, 2016). One may argue that there needs to be a change in the way the informal economy is viewed. Local authorities often view informal trading as illegal, yet the informal trader also views local authority as obstacles rather than an ally. As mentioned in the literature section of the dissertation Hart (2006) states that urban informality reflects the gaps within the policy-making procedures, arguing that policymakers make the mistake of making policies that will work for the cities they would like to have and not for the majority of the population live and could not afford to live in.

Further, the challenge for monitoring street traders trading in areas not permissible by the bylaws is one that is extremely difficult to control, people need to be more aware of the regulations and penalties and they should be implemented accordingly. Although it is vital for street traders to follow the mandate of regulations of trading in the city government needs to ensure certain requirements to make this possible. Provision of proper street furniture to assist the street traders also providing education and training that will further assist traders to help them improve themselves. In addition, the key informant of Economic Development town planner in the uMsunduizi Municipality states that the issue of the overpopulation is a factor in development, and Pietermaritzburg is a hub for uMgungundlovu. This puts pressure on the city and only come for economic opportunities and must cater for surrounding municipalities.

6.5 Conclusion

The chapter covered the policy and legislation that Pietermaritzburg follows in uplifting informal trading specifically for street trading. There some numerous issues when it comes to implementation procedures thus the following recommendations in chapter 7 are advised.

Chapter 7 Summary of findings and recommendations

7. Introduction

This chapter will summaries identified findings and challenges that the informal traders are faced with in Retief Street. It will include recommendations to address those issues encountered by the informal traders on Retief St. surrounding the eMatsheni (East Street) taxi rank area.

7.1 Summary of findings

Objectives	Findings	Pages
6. To identify the informal market traders and what products they are trading on Retief St. surrounding the eMatsheni taxi rank area.	7. Informal trades sell a variety of products such as vegetables and fruits, traditional herbs, junk food (chips, ice pops, sweets and chocolate).	8. 77,78,81,82 and 83
9. To identify challenges faced by the informal traders on Retief St. surrounding the eMatsheni market.	<ul style="list-style-type: none"> ● Uncontrollable street kids, safety, theft, fights and acts of violence ● Unhealthy environment ● Space management ● Conflict of interest 	1. 80,81,82, and 83
2. The identify the roles the municipality plays in including the informal market in development and planning Retief St. eMatsheni taxi rank area.	3. Respondents argue that very little can be seen to identify municipal roles. <ul style="list-style-type: none"> ● The identification of policies and regulations in Msunduzi 	1. 83 and 84
2. To identify challenges faced by informal traders in Retief St. eMatsheni taxi rank area and preferred workable recommendations.	3. After the identified of the challenges faced by informal traders stipulated in the first objective <ul style="list-style-type: none"> ● Preferred recommendations were the posed such as – changing town planning school of thought. 	1. Challenges pages: 80,81,82 and 83 2. 90 and 91
<ul style="list-style-type: none"> ● To identify policies and regulations that guides the development of the informal markets on Retief St. eMatsheni taxi rank area 	<ul style="list-style-type: none"> ● Overall identifies Msunduzi policies and regulations for informal street traders. 	84-87

7.2 Concluding statements

The aim objective of the of the study is to assess the inclusiveness of informal markets in urban planning in the case of eMatsheni Taxi Rank (East Street Rank) on Retief St. in Pietermaritzburg, South Africa. This has been achieved through the research process stipulated in the methodology chapter. Furthermore, the assessment has been completed by the identification of LED and street trading policy and legislation used in the built environment generally. Followed by the evaluation of how effective policies and legislation implemented by the municipality to LED support practices in the inner city.

Further conceptual and theoretical understanding is imperative to assist in understanding the economic history of informal markets including the development of urban history regarding the informal sector. The city of Pietermaritzburg shows how most South African cities are mainly developing. The Modernization theory relates to the study as it is a development process that is advocating that cities should follow a certain process to reach “developed” or more advanced standard of life. Influencing the planning processes in the urban environment hence the people who lived in these urban environments and cities were not involved in the planning process having little say in planning processes regarding the environments they lived in. Neoliberalism theory is advocating for the less government interference, this influences the urban development in terms of informal business as they are viewed as spontaneous occurrence and not a procedurally monitored sector. Yet approaches to planning in a neoliberal thought reveal a more collaborative approach to planning and moves away from traditionally imposed planning on to the public creating a more inclusive environment for both formal and informal sectors.

Lastly the use of the Hoyt sector model in explaining the land use development of Pietermaritzburg. This model mainly relates to the discussion of bid rent theory that explains the choice of location for the informal market to trade. Revealing that the informal market is attracted to areas where they are able to have little to no rent to pay, easy access to transportation and a large market to sell to. Overall the modernization theory, neoliberalism theory, and Hoyt sector model are borrowed models from Western understanding. This causes a concern for interpretation of African cities as historical activities influences the development of a country differently. One may argue that African theorists have focused too much on the adaption of Western development and using blueprints of Western countries to help develop in the African urban environment which could cause a disadvantage to the development of these countries. Evidently, the African urban

space in cities are used differently to original planning designs and land uses as they do not relate to local issues.

The international examples such as Maxwell Street Market which is in Chicago has formally accepted the Market, viewing it as a place where new business grows, and a place immigrants or unemployed workers may earn money. Creating a massive space for informal trading creates an integrated development for planning. Whilst African cities still struggle to formalize informal markets to encourage the inclusion of development. The example of Yaba Market and eThekweni reveal that although the African cities have had some efforts to address informal markets as part of the urban environment, these countries unfortunately, struggle with political issues and rather problematize the informal sector. Rather than embracing the sector as one the African economic approaches to help alleviate poverty.

In the case of Pietermaritzburg, the current circumstance reveals that key planning tools used include the Integrated Development Plan (IDP) and Spatial Development Framework (SDF). The informal market is addressed in terms of how to uplift the sector and create opportunities the data capturing of the informal market, yet in terms of allocation of resources and efficient space for the market to situate is not addressed. This is an indication that there is the little effect that the planning sector has in involving themselves with the allocation of informal markets as mentioned by the planning official the Economic Development town planner.

In addition, thus the hypothesis of the study is proven. Firstly, the plan to include informal markets as part of town planning has shown to be beneficial in the international examples, in developed and developing countries these examples have been discussed in support of this argument. The benefits of including informal in planning process and policy making include the contribution to the quality of life and sociability and as stated by Gerend (2007) proposes that markets can provide uses for underutilized and unoccupied sites. This plan of action also contributes to addressing environmental concerns including health and help ensure food security. Lastly, markets and street vendors contribute to economic and community development (local economic development).

Secondly, the theories and concepts that have been proven to be historical planning development approaches have not been adequate in the interpretation worldwide of cities and their development. Especially in recognizing the complexities of informal settlements in their emergence and addressing them in a planning approach with the local context. The development of cities could

have similar trends, but this is not to say they should be explained in a holistic way. The development of cities and the informal markets is understood differently depending on the local context.

Within the context of KwaZulu-Natal Province, the Msunduzi Municipality in the investigation of how the municipality included the informal market in the development of Pietermaritzburg. The city has included an LED department to ensure that the informal market is monitored and regulated. The planning department is more involved in the allocation of sites for the informal activities specifically street trade. With this said, it is evident that there is a gap in the policy-making for the informal market and the implementation processes. There is evidence that there are not enough policies directed to the addressing the informal trading specifically in street trading in the city of Pietermaritzburg.

It is evident that the town planning department is struggling with the monitoring of the city there is a lot of unlawfulness happening within the city. To a certain extent, there have been minimum actions take in place for the implementation from the municipality in managing the informal market. There has been a lack in creating a strategy that will address the emergence of informal markets, allocating space for the informal activities, providing adequate facilities to stabilize the emergence of the population or current traders.

7.3 Recommendations

There are a few recommendations that could be utilized in addressing the issues that have been raised in chapter 6 and throughout the dissertation.

School of thought in Planning

There is a need for better approaches to addressing informal trading in the city, the number of individuals resorting to informal trading is evidently increasing. There is a need for the change in the thought of how cities are used or should be used. Fainstein (2005) argues that local policy-makers recognize the potential opportunities markets could stimulate however, have little experience with them, therefore, are uninformed about markets. Further as mentioned prior. Morales (2009), states that planners and planning scholars should be interested in the use of public markets and traders as it creates many benefits socially, environmentally and economically. Therefore, more effort should be dedicated to studying the informal market to really create an

environment that is beneficial to the traders. In this way, the traders can grow and improve so that there is an understanding as to what the public needs.

a) Collaborative planning

In addition, the suggestion of a more Collaborative planning processes needs to be implemented in city planning and development more especially where there are high-density areas. In the current planning era, there needs to be more communication with the public in development strategies. The public needs to be the center of all planning processes thus the government needs to improve on how to include the public. This is an inclusive planning approach where there is more of a constructive discussion towards a development strategy that will benefit inclusively to those who use the city. Further, this contributes to creating more effective and efficient policies to address informal trading. That need to be localized in the best manner possible in addressing Pietermaritzburg and the informal market, the municipality needs to create policies or programs that speak to the local issues. In that, way they will be more efficient and effective in the implementation processes and the results.

b) The policies that are constantly

Constantly changing policies assists in accommodating the developing process of a developing country that is always in transition. There are no simple common answers to cities that plan urban development including the fact that challenges are not the same across the world. As mentioned in the literature section of the study, in the past planning process there were masters plans used to guide all development in urban areas. These days, the planning process is viewed to be more important and considerate to local issues, with significant consideration given to data collection, monitoring and evaluation, policy networks and decision-making procedures. Therefore, planning has become more strategic, integrated and diverse, with plans developed across all scales, often replacing master or comprehensive plans. Thus, constantly changing policies assist development allowing policies to stay relevant to immediate issues of the informal market.

c) Informal Economy and Sustainable development

Although the informal economy has continued to grow, sustainable development tends to be overlooked possible contributions that the informal economy can add to achieving sustainable futures. Sustainable development could be achieved by allocating space to trade legally for

informal trading, this assists the informal market to anticipate the development needs of an area in supporting the market. For instance a number of waste bins could be provided to reduce a wide spread of littering assisting in the cleanliness of the city. Lastly, such an approach restricts crime by involving the police and traffic cops more in market areas to patrol regularly. There is a need for a change of mindset from local government, communities and major businesses as they contribute to income generation, employment creation and flexible market and convenience shopping, and economic participation and sharing for the poor. The informal economy represents unexploited resources and modes of businesses that local government can use to meet development goals.

7.4 Conclusion

The dissertation has focused the discussion of the informal market sector of the urban environment. The study focuses on the case study of Pietermaritzburg in assessing the different approaches that have been implemented in supporting the informal market sector in the city space. The examination has additionally added to the level-headed discussion on the pertinence and sufficiency of comprehensive planning approaches in the school of built environment, specifically in the field of Town and Regional Planning.

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Appendices



Appendix A: Interview questions for Vendors of Retief St.

1. How long have you been selling in this area/ waqala nini ukudayisa lana?

1-2	
3-4	
5-6	
More than 6	

2. How old are you/ uneminyaka eyingaki?

.....

3. Gender

Female/Owesifazane

Male/Owesilisa

4. Why do you sell here specifically/ yini eyakwenze ukhethe ukudayisa la?

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.....

5. Is this the only source of income/ uphila ngalukukudayisa kuphela?

.....

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.....

6. Do you think the city provides opportunities for informal markets/ njengo ba nidayisa la kukhona yini idolobha elinisiza ngakho?

.....
.....
.....

7. How do you think the municipality is involved in the development of Retief specifically by the rank area/ kukhona yini umaspala akwenzayo ukuthuthukisa ukuthuthukisa uRetief?

.....
.....
.....
.....

8. How do you think municipality supports informal markets/ kukhona yini umspala akwenzayo ukusiza abadayisi abasemgwaqeni?

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.....
.....
.....

9. Is there as sense of safety trading in this area/ njengo nisebenza la nizizwa niphephile?

.....
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.....
.....

10. Have you ever felt endangered in the area/ kukhona yini okwake kwakuwehlela la?

.....
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.....

11. What suggestions would you have for the municipality in improving the setting for informal markets/ ngombono wakho yini enganzwa umspala ukusiza abadayisi basemgwaqeni?

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Appendix B: Interview Questions for the Municipal official: Department of Economic development

1. What does LED entail or focused on?
2. Who are the role players that monitor and manage informal market emergence?
3. To what degree does the downtown area work with the municipality?
4. What are the penalties for informal economic practices in forbidden spaces within the city?
5. What are the policies that support informal economic practise and informal market location?
6. Does Pietermaritzburg city create economic opportunities for the informal economic population?
7. How is the municipality support Local Economic development?
8. Would you describe the formal and informal economy as integrated inn Pietermaritzburg?
9. How is the informal economy beneficial to development?
10. What are the policies that guide the informal market placements in Retief?
11. What are the challenges that are faced in the development of Retief area?
12. In what ways is the municipality addressing safety in the Retief?
13. Has there been a clear communication line between representatives of community (Retief street traders) and the municipality in relaying community concerns?
14. What challenges have you encountered in the implementation of LED projects or programmes?
15. What is the success story of projects proposed and those that prove successful?

Appendix C: Interview Questions for the Municipal official Town Planning Department

1. How long have you been the town planner for Msunduzi in the Town and Regional department?
2. What sphere or department of government do you work closely with?
3. How would you describe the spatial design of the city centre of Pietermaritzburg?
4. What income groups do you think are attracted to use the city facilities?

Low-income

Middle-income

High- income

5. How does the city of Pietermaritzburg invite future invertors?

How so? e.g. Revamping the city aesthetics...

6. How involved is the Town planning department in addressing the informal markets of the city?
7. Are there any LED programmes implemented in the city environment?
8. What is your expected role in terms of LED? Whether in being directly involved in the programme or working with/representing established programmes?
9. Are there any other outside stakeholders you work with outside of the municipality in LED programmes?
10. What planning policies have been implemented in addressing the informal markets in the city?
11. Are these planning policies focused on poor communities or in maximising the growth of the municipality?
12. What are the development challenges faced by the planning department for the city?
13. To what extent are the Town planner's involvement in addressing the informal markets in Retief Street?
14. In planning the Matsheni Taxi Rank (East Street Rank) do you think the informal market was considered? In terms of accommodating resources to support informal trade?

15. What are the management strategies implemented in managing informal markets in Retief?
16. Has there been a clear communication line between representatives of community (Retief street traders) and the municipality in relaying community concerns?
17. What developments or projects currently happening in the Retief?
18. How safe are the Downtown environment in the city?