

# **UNIVERSITY OF KWAZULU-NATAL**

**Interlacing threads of public space, local governance and street trading:**

**A case of Ray Nkonyeni Municipality**

**By**

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## DECLARATION OF ORIGINALITY

I, West Thamsanqa Gumede, declare that:

1. The research work presented in this dissertation, apart from where otherwise specified, is my original investigation.
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**West Thamsanqa Gumede**

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**Date**

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## **DEDICATION**

I dedicate this work to my late parents, my father, Anton Kini Chiliza (Gumede) and my mother, Ntombizodwa Sarah Chiliza, uMaNyawose. I am eternally grateful to them for raising me in the manner that they did, always encouraging me to work hard and study further, although they had not had the same opportunities.

## ABSTRACT

Street trading may offer a viable mechanism to fill the gap in the national efforts to eliminate poverty and unemployment, given the insufficient employment prospects in the formal economy. This is largely due to the significant socioeconomic impact the informal sector, specifically street trade, in this case, has on the lives of many South Africans. This study sought to explore how Ray Nkonyeni Local Municipality managed potential conflicts between its obligations to promote socioeconomic development and the challenges brought on by the continued growth of street trading; how street traders perceived how the municipality was managing street trading; and what conflicts, tensions, and alignments manifested in the process. This qualitative case study research sought to explore, describe and apprehend how street traders made sense of their experiences of street trading within Ray Nkonyeni Local Municipality, using semi-structured interviews, focus group discussions and document analysis.

The findings of this study imply that street trading, as a component of the informal economy, offers a genuine opportunity and inclusive mechanism for resolving the deficiencies of the formal economy. However, as the findings of this study demonstrate, conventional notions of street trade cannot provide a suitable means of enabling municipalities to execute their developmental role in fostering local economic development. For instance, findings reveal that while there was hope that street trade was developing into a crucial tool for guaranteeing economic inclusion, there were still several obstacles that prevented its success in the context of local economic development. For example, one of the primary issues, as stated by both the street vendors and the municipal was the second-grade status afforded to street trading as a socioeconomic contributor. Thus, as argued by Lefebvre (1991), to capitalise on the potential of street trading as a viable socioeconomic booster, municipalities and street traders must actively mobilise and manipulate spatial elements.

Thus, it is recommended that street traders organise themselves into associations so that they can voice their concerns as a group; that municipalities must, with support from national and provincial governments, set up mechanisms to enable street trading to become a serious contributor to local economic development; and that street trading is recognised as a legitimate vehicle for fostering local economic development.

**Keywords:** Street trading; informal sector; local economic developmental; developmental local government; Ray Nkonyeni Local Municipality

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# CHAPTER ONE

## INTRODUCTION AND OVERVIEW OF THE STUDY

### 1.1 Introduction

Informal trading plays an important role in the government's efforts to improve living standards in South Africa, where the rate of unemployment has escalated from 27.6 to 29 per cent, which is the highest jobless rate since the first quarter of 2003 (Statistics South Africa, 2019). This implies that employment opportunities in the formal economy are not sufficient on their own and that informal trading may be a useful mechanism to fill the gap in the country's efforts to reduce poverty and unemployment (Stuart, Samman & Hunt, 2018). This is logical given the fact that the informal economy generates a sizable contribution to the socio-economic life of many South Africans (Rogan & Skinner, 2018).

In South Africa and elsewhere across the globe, the human costs of unemployment are significant (Mafiri, 2002). Therefore, the importance of access to employment and the ability to provide for oneself in protecting and respecting the uninhibited enjoyment of the right to dignity for all individuals (Republic of South Africa, 1996) cannot be overemphasised. To this effect, the government must put in place mechanisms to reduce the socio-economic impact of unemployment, including the development of the informal sector as a generator of self-help opportunities (Manning, 1993). This implies that the state must clear the ground for viable and sustainable ways of integrating the informal sector concerns into appropriate institutions of local governance (Ethekewini Municipality, 2001; Ethekewini Municipality, 2017).

For developmental local governance to become a reality, the government must set up mechanisms to nurture and support the informal trading sector (Khumalo, 2015). However, for government to fulfil this critical role, there must be a clear understanding of challenges that are impeding the development of informal trading as a mechanism to expand local economic development (LED) opportunities (Khumalo, 2015). This means that officials who are tasked with the assignment of rendering support to the sector must have a good understanding of how the sector works as part of the matrix of local economic development. To this end, this research study intended to apprehend

and analyse the experiences and perceptions of municipal officials and street traders of the solutions and mechanisms that had been deployed to address vending challenges in Ray Nkonyeni Municipality. The intention was to understand what form(s) informal trading had to take if it was to serve as an effective lever for growing local economic development opportunities.

## **1.2 Statement of the research problem**

Informal trading, as a part of the informal sector, continues to play a major role in towns and cities in South Africa (Modupi, 2017; Sassen, Galvaan & Duncan, 2018). Consistent to the Quarterly Labour Force Survey, approximately 2 565 000 South Africans participate and work in the informal economy (Statistics South Africa, 2016). Subsequent to the decline in employment in the formal economy during the first quarter of 2019 by 126 000, there was a subsequent decline in employment statistics by approximately 49 000 in the second quarter of 2019 (Statistics South Africa, 2019). This decline in employment rates further contributed to the already limited opportunities for work in the formal sector (Davies & Thurlow, 2009). Literature reveals that the decline in employment in the formal economy is exacerbated by the fact that a substantial number of young people in South Africa possess low education levels, largely as a result of the legacy of the apartheid past (Gamieldien & Van Niekerk, 2017).

During the second quarter of 2019, the official rate of unemployment increased in seven (7) out of the nine (9) provinces; with the biggest rise found in North West (rising by 6,9 percentage points), with KwaZulu-Natal next (rising by 4,3 percentage points), Mpumalanga (rising by 1,5 percentage points) and Gauteng (Statistics South Africa, 2019). A decrease of 0.3 of a percentage point in the unemployment rate that was observed only during the second quarter of 2019 was only in Western Cape, and the situation in the Free State remained unchanged (Statistics South Africa, 2019). As may be expected, the decline in employment opportunities in the formal sector often forces a significant number of people to become street vendors to generate income and make ends meet (Gamieldien & Van Niekerk, 2017; Nkrumah-Abebrese & Schachtebeck, 2017; Zulu, 2015). As suggested above, the informal economy showed

an upsurge of 114 000 employment opportunities created during the second quarter of 2019 compared to the first quarter of 2019 (Statistics South Africa, 2019).

In 2016, the Quarterly Labour Force Survey revealed that of the 2 565 000 million individuals participating in the informal economy, 960 000 were women (38%) (Statistics South Africa, 2016). Limpopo carried the biggest share of the informal sector at about 34 per cent, followed by Mpumalanga, Free State, KwaZulu-Natal and Eastern Cape at about 20 per cent of non-agricultural jobs. The contribution of the informal sector to the economy has been a major part of the national debate, given the arguments that its contribution to the gross domestic product (GDP) is often under-recognised (Sassen, Galvaan & Duncan, 2018). The debate suggests that without the informal sector, levels of unemployment rate in South Africa could increase to between 25 and 47.5 per cent. This signifies the important contribution of the sector to the economy of the country (Statistics South Africa, 2019).

There are a variety of economic activities within the informal sector, for example, taxi drivers, street vendors, home-based care workers, rubbish collectors and many others (Sassen, Galvaan, & Duncan, 2018). The informal sector tends to be similar to the formal sector in nature due to its diversity. The dominance of retail operations in the country's informal sector with the buying and selling of goods and services constitutes the highest critical sub-sector (Magardie, 2019). It is estimated that of approximately two and a half million individuals working (Statistics South Africa, 2014), about one million individuals are working or operating in the informal sector, while 300 000 are operating in social services and community services (Zulu, 2015). These sub-sectors make up about 60 per cent of the jobs within the informal sector. South Africa shows signs that its economy is different compared to the other African developing countries. The key distinction is that South Africa possesses a large industrialised sector that contributes about 14 per cent to the gross domestic product (GDP) of the country, while the biggest share is derived from formal business (97%) of large and medium enterprises (Statistics South Africa, 2019). Consequently, enterprises that produce at a small scale and agro-processing informal and formal aiming at local clients in disadvantaged areas or societies are significantly limited (Statistics South Africa, 2019).

Informal trading, also known as street trading, has become a household name in South Africa, as “an agentic response to economic opportunity, a preference for independence, and a creative option beyond low-waged formal employment” (Mabitsela, 2017; Sassen, Galvaan & Duncan, 2018). Informal traders are predominantly women with low skills, who are often driven into the informal economy by a lack of access to employment opportunities, largely due to the decreased capacity of the formal sector to absorb new entrants (Mabilo, 2018; Rogerson, 1996). Therefore, the continuing expansion of the informal sector could be attributed to, among other things, the inability of the formal economy to curb high levels of unemployment in the country (Mabilo, 2018). The South African informal economy has tended to have a strong gender dimension in that more women than men look to the sector as their mechanism for economic survival (Mabilo, 2018; Devey, Skinner & Valodia, 2006). This characterises informal trade as a function of structural disadvantage, that when coupled with low growth in the sector, implies further disadvantages for those who participate in it (Mabilo, 2018).

In South Africa, the structural disadvantage is a historical phenomenon, which was institutionalised through legal means by the apartheid government. For instance, apartheid-era laws restricted and confined black Africans to specific spaces in the country, denying them opportunities to own property and participate in economic activities in developed areas. This had to change when the democratic winds of change began to blow across the country. For instance, in 1991, the introduction of the Business Act sought to deregulate apartheid laws to allow greater participation of those who were previously barred from participating in the mainstream of the country’s economy (Republic of South Africa, 1991). Amongst others, the Business Act legitimised the informal sector in the sense that it ensured that street traders were viewed as legitimate contributors to the economy of the country (Republic of South Africa, 1991). In a sense, the Act paved the way for the setting up of enabling mechanisms for informal traders to be able to participate as legitimate players in the country’s efforts to create an inclusive, strengthened and growing economy.

Before the enactment of the Business Act of 1991, only individuals with trading licences could trade (Republic of South Africa, 1991). Even the process of obtaining such licences was riddled with a catalogue of red tape qualification criteria, which

practically pushed out a significant number of people, and made informal trade a preserve of the racially selected. Therefore, the amended Business Act 71 of 1991, to a large extent, ensured the protection of all traders (Motala, 2002). The further amendment of the Business Act, which took place in 1993, provided local authorities with rights and/or powers to regulate informal trading, but prevented them from interfering with it (Republic of South Africa, 1993). The amended Act intended to enable the informal sector, specifically informal trading, to become a serious contributor to the GDP to assist the country in creating opportunities for those who were unable to enter the formal economy (Republic of South Africa, 1993).

The democratic government has elevated the upgrading and development of the informal economy as a priority of their post-apartheid reconstruction and development agenda (Republic of South Africa, 1994). In South Africa, municipalities are struggling to properly regulate the ever-increasing numbers of street traders and to balance tensions between the informal and formal economies (Mabitsela, 2017). In some areas, street trading is still viewed as an illegal activity, which undermines and interferes with the normal functioning of the formal economy (Bhowmik, 2003: 2256). Section 152(b) of the Constitution enjoins local municipalities to adopt a development local government agenda (i.e. to promote development) by, for instance, promoting social and economic development (Republic of South Africa, 1996).

Within the context of the current study, Ray Nkonyeni Municipality continues to experience a significant increase in the number of informal traders or vendors within its jurisdiction (Ray Nkonyeni Local Municipality, 2018). The municipality is often unable to attract big industries or investors to the area while, on the other hand, it continues to attract large numbers of street traders (Ray Nkonyeni Local Municipality, 2018). The challenge facing the municipality is the unavailability of sufficient space to accommodate the ever-increasing numbers of street traders. The dominant view in the municipality is that this expansion is burdening municipal infrastructure. Often, the challenges that obtain in the space of street trading within the municipality are largely undocumented and thus unknown and not properly regulated (Ray Nkonyeni Local Municipality, 2018).

The failure to prepare for and manage the influx of street traders is likely to have detrimental effects on the socioeconomic future of the municipality. This failure could be attributed to the lack of policy guidelines to manage the potential tensions between existing street traders and new entrants. While a provincial guideline exists on informal trading, Ray Nkonyeni Local Municipality has recently passed an informal trading by-law, which seeks to provide a lead in the implementation processes of informal trading (Ray Nkonyeni Local Municipality, 2018). The preamble of the Notice, although it confirms the legitimacy of informal trading, it apportioned the challenges the Municipality experiences solely to the ever-growing informal sector (Ray Nkonyeni Local Municipality, 2018). This stance potentially demonises informal trading and personalises the challenges experienced as caused by the existence of informal trading, rather than the inadequate management systems. As implied earlier in this section, this is unfortunate given the fact that largely, people who enter the informal economy, as a survivalist economy, do so because they have little or no alternatives to escape poverty and unemployment (Mabitsela, 2017).

This being the case, there was a need to understand, firstly, how the municipality managed the possible tension between its obligation to promote socio-economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing how the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments played out in the manner in which the municipality managed informal trading. The intention was to analyse the interactional dynamics of inclusion and exclusion as manifested in the manner in which the municipality was managing the tensions brought about by the increasing attraction of citizens into the informal economy as a mechanism for economic survival.

### **1.3 Key research questions**

#### **1.3.1 Main research question**

The main research question for the research study was as follows:

- How might Ray Nkonyeni Municipality navigate the tensions between its constitutional obligations and the ever-expanding informal sector?

#### **1.3.2 Sub-questions**

The sub-research questions for the research study were as follows:

- How did the municipality navigate the (possible) tensions between its constitutional obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading?
- What were the perceptions and/or experiences of street traders of the way(s) in which the municipality managed street trading?
- What contradictions, tensions and alignments played out in the manner in which the municipality navigated the complexities of informal trading?

### **1.4 Aim of the study**

The study aimed to understand, firstly, how the municipality navigated the possible tensions between its obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing the ways the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments played out in the manner in which the municipality managed informal trading.

### **1.5 Objectives of the study**

The objectives of the study were to explore and understand:

- how the municipality managed the tensions between its constitutional obligation to promote social and economic development and the challenges brought about by the continuing expansion of street trading;

- the perceptions and/or experiences of street traders of the way the municipality was managing street trading; and
- the contradictions, tensions and alignments that played out from the manner in which the municipality managed street trading.

### **1.6 A glimpse into the research site**

Ray Nkonyeni Local Municipality is a category B municipality and falls within Ugu District Municipality (DC21), and is situated in the southern part of the province of KwaZulu-Natal, South Africa. Ray Nkonyeni Local Municipality is named after Ray Nkonyeni, a prominent anti-apartheid and human rights activist, who was born in Murchison on the South Coast. Ray Nkonyeni participated actively in the fight for the liberation of the oppressed black majority and was as a result persecuted by the then apartheid state agents. Ray Nkonyeni and his family experienced numerous raids by the apartheid government, one of which resulted in the loss of his daughter. Ray Nkonyeni was a respected teacher of the Gamalakhe-based Olwandle High School and served in the Margate Transitional Local Council (TLC). He was married to the former Member of the Executive Council (MEC) for Education in the province of KwaZulu-Natal, Ms Peggy Nkonyeni. Ms Nkonyeni, a political activist in her own right, is currently MEC for Human Settlements in the province of KwaZulu-Natal (Province of KwaZulu-Natal, 2019).

Ray Nkonyeni Local Municipality was established after the August 2016 local government elections through the amalgamation of Hibiscus Coast and Eziqoleni local municipalities. The administrative seat of the municipality is in Port Shepstone (Ray Nkonyeni Local Municipality, 2018). The municipality lies along the eastern part of the Indian Ocean, with its southern part running to the Umtamvuna River, which marks the boundary between the Eastern Cape and the province of KwaZulu-Natal (Ray Nkonyeni Local Municipality, 2017). The north-western part of the municipality is adjoined by Umuziwabantu Local Municipality, while the northern part is bordered by Umzumbe Local Municipality, with the north-eastern boundary marked by Umdoni Local Municipality (Ray Nkonyeni Local Municipality, 2018). The border of Ray Nkonyeni Local Municipality stretches towards the rural surrounding areas, under the auspices of traditional local authorities (Ray Nkonyeni Local Municipality, 2017). The

seaside belt, which extends from Hibberdene to Port Edward, stretches over nearly 72km of land (Ray Nkonyeni Local Municipality, 2018).

The coastline comprises and is made up of urban formal development and is more advanced and industrialised, while the inland has less developed, sparsely populated settlements (Ray Nkonyeni Local Municipality, 2018). The surrounding area comprises a steep landscape, which accounts for it being less developed, which has further exacerbated unequal settlement patterns (Ray Nkonyeni Local Municipality, 2018). The farthest northern section of the municipality comprises mainly endangered areas, worthy of conservation (Ray Nkonyeni Local Municipality, 2018). Surrounding areas do not have any economic zones, except Izingolweni, which is a small town, with a handful of retail shops. However, the Municipality boasts an awe-inspiring Oribi Gorge, which boasts as a tourist attraction and hosts a range of rare plant and animal types and indigenous forests (Ray Nkonyeni Local Municipality, 2018).

The municipal area covers approximately 1 594km<sup>2</sup> in the geographic area (Ray Nkonyeni Local Municipality, 2017). Privately-owned land takes about 26 500 hectares of municipal land. The geographical positioning of the municipality provides it with an advantage, given that the National Road (N2) cuts through it, providing it access to and connection with both Ethekewini Metro and beyond, and the Eastern Cape (Ray Nkonyeni Local Municipality, 2018). The distance from the City of Durban to Port Shepstone, which is the head office of Ray Nkonyeni Municipality, is 120km. Therefore, Durban provides options for the Municipality as the main commercial centre of the province that can be accessed by people within an hour's drive. This means that the proximity to Durban Metro provides a locational advantage for Ray Nkonyeni Local Municipality.

There are approximately 348 553 people within the jurisdiction of Ray Nkonyeni Local Municipality (Ray Nkonyeni Local Municipality, 2018). The number of people within Ray Nkonyeni Local Municipality has been increasing rapidly over the years (Ray Nkonyeni Local Municipality, 2018). There has been an unbroken and continuous pattern concerning racial composition, with Africans dominating by a large margin (namely, 82 per cent), followed by Whites at 11 per cent. The African population is dispersed across the 36 municipal wards. The wards which are situated

along the coastline tend to be characterised by a dense population due to people following economic opportunities (Ray Nkonyeni Local Municipality, 2018). Compared to its three sister local municipalities within Ugu District, Ray Nkonyeni Local Municipality has the highest population (Ugu District Municipality, 2019). Since 1996, the Municipality has witnessed a constant rise in its population, primarily because of in-migration as a result of people following better socio-economic conditions and opportunities, compared to other municipalities in Ugu District (Ugu District Municipality, 2019).

Although there have been overall increases across races, the numbers of Indians have been fluctuating (Ugu District Municipality, 2019). The highest proportion of the Municipality's population comprises youth aged between 14 and 35 (Ray Nkonyeni Local Municipality, 2017). There are approximately 434 080 young people in Ugu District, with Ray Nkonyeni Local Municipality alone accounting for just over half of this number (Ugu District Municipality, 2019). In line with the national trends, the municipality consists of more females than males, which could be associated with socioeconomic factors (Ray Nkonyeni Local Municipality, 2017). For instance, in so far as the Municipality has a flourishing economy, due to the steady inflow of people from its surrounding municipalities and other areas, there has been a steady increase in unemployment (Ray Nkonyeni Local Municipality, 2018). This has resulted in increased emigration, with people leaving the area in search of greener pastures (Ray Nkonyeni Local Municipality, 2018). Another reason for the declining number of males in the municipality could be attributed to social factors. For instance, the district's Department of Health statistical information reveals that a significant number of men often capitulate to disease early in life as opposed to women (Ugu District Municipality, 2019).

However, despite these trends, Ray Nkonyeni Local Municipality remains the crucial economic engine within the jurisdiction of Ugu District Municipality because of its locational advantage (Ugu District Municipality, 2019). Companies in commercial agriculture and other numerous activities are doing well in exporting products to many areas across the country. Improvements in its health, education, infrastructure and recreational facilities have contributed enormously to its ability to attract business and investment (Ray Nkonyeni Local Municipality, 2018). For this reason, Ray Nkonyeni

Local Municipality remains the most developed of the four local municipalities within Ugu District Municipality, which has enabled it to function as a regional centre of attraction, with a subsequently dense population (Ugu District Municipality, 2019).

The main features of the local economy are services, agriculture, tourism and some small-scale manufacturing industries (Ray Nkonyeni Local Municipality, 2018). To grow the economy and expand ownership, there are serious efforts and programmes to support Small, Medium, Micro Enterprises (SMMEs) and for this, the Municipality has recently supported the establishment of their association (Ray Nkonyeni Local Municipality, 2018). Through its Extended Public Works Programme (EPWP), the municipality provides gap job opportunities to many unskilled people, especially young people, which is implemented largely through its infrastructure development and services programme (Ray Nkonyeni Local Municipality, 2018). To a large extent, the EPWP has focused on projects such as the cleaning of streets, cutting of verges and refuse collection and removal (Ray Nkonyeni Local Municipality, 2017). The Municipality has decided to prioritise Previously Disadvantaged Individuals in the allocation of its job opportunities as a mechanism for ensuring redress of the imbalances of the past (Ray Nkonyeni Local Municipality, 2018).

Ray Nkonyeni Local Municipality is a major attraction for tourists, featuring advanced tourist products and services (Ray Nkonyeni Local Municipality, 2018). In addition to this is the all-year-round favourable humid and subtropical climate conditions, which enable the area to remain one of the leading tourist destinations in the province. Margate and Port Shepstone are the two main tourist centres, with public infrastructure, and an attractive shoreline comprising blue flag beaches, namely, Marina Beach, Lucien Beach, Hibberdene Beach, Umzumbe Beach, Trafalgar Beach, Southport Beach and Ramsgate Beach (Ray Nkonyeni Local Municipality, 2017). The latter mainly plays an administrative role, while the former focuses more on tourism with the majority of tourist products developed in and around this town (Ray Nkonyeni Local Municipality, 2018). The regional airport is also located in Margate (Ray Nkonyeni Local Municipality, 2018), an additional advantage to the Municipality. The shoreline of the Municipality is decorated with small towns, many of which serve as seasonal leisure hubs, such as Uvongo, Hibberdene, Ramsgate, Shelly Beach, Port Edward and Southbroom (Ray Nkonyeni Local Municipality, 2017). These towns

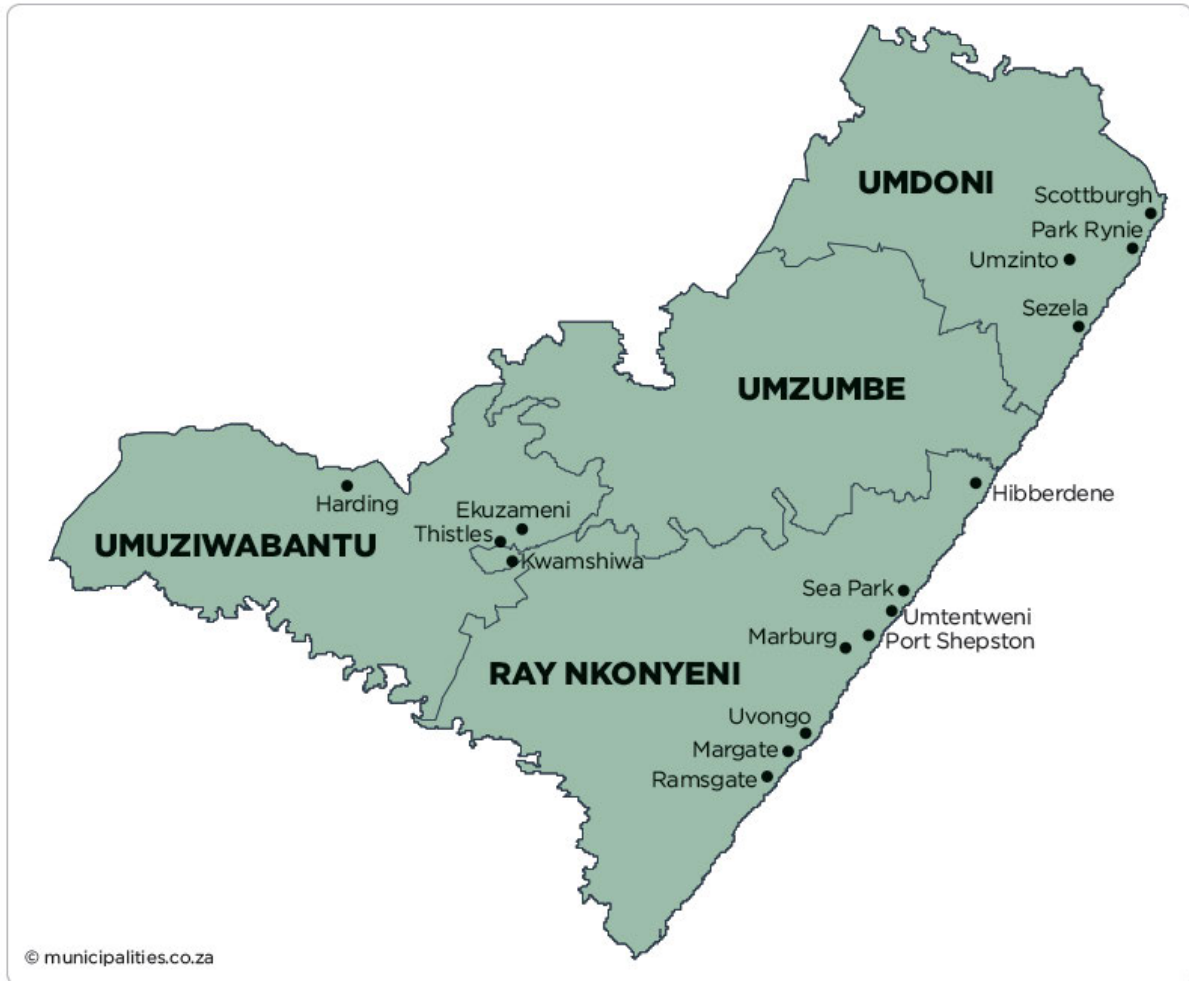
boast a large assortment of tourist-targeting businesses, namely, restaurants, clubs, bars, movie houses, retail shops, golf courses, hotels and museums, beds and breakfast and lodges (Ray Nkonyeni Local Municipality, 2017).

From the above, it could be concluded that Ray Nkonyeni Local Municipality is one of the biggest ecotourism destinations, with its well-developed tourist products and services. Added to that, is its all-year-round humid and subtropical climate, making it a top tourist terminus in the province of KwaZulu-Natal. Margate and Port Shepstone are two main centres with public infrastructure, beautiful coastline with blue flag beaches and tourism, the latter mainly playing an administrative role while the former is more of a tourist attraction point with most tourism products developed in and around this town. The municipality comprises internationally- accredited beaches with a blue flag status, which are under the management of the Wildlife and Environment Society of South Africa (WESSA) (Ray Nkonyeni Local Municipality, 2017). This status means that these beaches have satisfied stringent criteria in terms of their excellence in amenities, safety, environmental standards and cleanliness, making them world-class beaches (Ray Nkonyeni Local Municipality, 2017).

Ray Nkonyeni Municipality has good prospective arable land that must be conserved for purposes of food production (Ray Nkonyeni Local Municipality, 2017). Banana plantations and sugar cane farms constitute major commercial activities bordering the coastal strip of Ugu Municipality. Cattle farming and growing vegetables and macadamia nuts happen only in small holdings (Ray Nkonyeni Local Municipality, 2018). The growing of amadumbe, beans, maize and sweet potatoes, which are grown by families for consumption purposes, mainly happens in the surroundings (Ray Nkonyeni Local Municipality, 2018). The interior is dominated by small-scale sugarcane farming, which is practised primarily by small Black farmers. However, these farmers often experience challenges such as seasonal rains, inadequate infrastructure, steep terrain, and inadequate farming, which limit their potential as contributors to sustainable food security in the area (Ray Nkonyeni Local Municipality, 2018).

Figure 1.1 is a map of Ugu District Municipality, showing its four local municipalities, namely, Ray Nkonyani Municipality, Umdoni Local Municipality, Umuziwabantu Local Municipality and Umzumbe Local Municipality.

Figure 1.1: Map of Ugu District Municipality showing its four local municipalities



The municipality has in place an informal trader’s committee which was elected in 2016. The Committee is tasked with continuously communicating with the municipality on matters relating to the informal economy within the municipal area. However, the Municipality still faces many challenges in this section as many informal traders are trading illegally and transgressing the municipal by-laws. An informal trader’s database was created with the view to formalising the informal sector. The main informal trading site is the taxi rank, which has an existing infrastructure for informal trading. However, with the increasing volume of informal traders and the accelerating growth of the municipal area and population, the municipality has noted

that the taxi rank is no longer able to accommodate the majority of the informal traders. Other alternative sites have been proposed by the chamber as well as the Harding Taxi Association for both informal traders and taxi rank.

The above is in line with the Municipality's mission, namely, "to create an enabling environment for the establishment of agriculture; maritime; leading tourism and industrial hub to create business and employment opportunities for sustainable development and improved quality of lives through shared vision; smart service delivery solutions and collaboration with stakeholder" (Ray Nkonyeni Municipality, 2019: ). Ray Nkonyeni Municipality further boasts of a very active air infrastructure with flights flying to several destinations within the country.

### **1.7 Research methodology and design**

The study used a case study research method (Rule & John, 2011: 3-12) to explore the experiences of street traders within the jurisdiction of Ray Nkonyeni Local Municipality. The case study research approach was useful in that it enabled the researcher to gain an in-depth, context-bound understanding of the experiences of street traders in this municipality.

A qualitative research strategy was adopted, as the study intended to explore, describe and understand how street traders made sense of their experiences of street trading within Ray Nkonyeni Local Municipality (Nieuwenhuis, 2007). The research questions were explored using the following research methods and techniques: in-depth semi-structured interviews (Dicicco-Bloom & Crabtree, 2006), focus group discussions (Babbie, 2007; Nieuwenhuis, 2007), and document analysis (Plummer, 2001). The study adopted and used a qualitative case study research design to explore the key research questions. Data used to respond to the key research questions of the study was generated through semi-structured interviews, focus group interviews and a review of key documents.

The study adopted an interpretivist research paradigm. The interpretivist paradigm, also known as the constructivist paradigm, assumes a multiplicity of views that individuals could hold about a particular subject (Creswell, 2014). An

interpretivist/constructivist paradigm was thus chosen for its potential to allow the researcher to understand the world of human experience from the subjective meanings participants attach to their experiences (Cohen & Manion, 1994).

## **1.8 Definition of key concepts**

### **1.8.1 Informal trading**

The concept 'informal sector' originated from the anthropological work of Keith Hart (1973) in Accra, Ghana. Informal trading, also known as street trading, refers to economic activity by individuals and/or groups who sell (legal) goods and services, within public and private spaces (Motala, 2002). In its most basic form, informal trading happens on streets and pavements, on private property and tends to require little more than the actual goods and services to set up (Motala, 2002). Informal trade generally consists of manufacturing activities and the exchange of goods and services which includes the lack of suitable business permits, breach of zoning rights, failure to provide tax report liability, non-compliance with labour laws governing agreements and work environment, and/or the shortage of legal assurance in relations with service providers and clients (Cross, 1998).

### **1.8.2 Informal economy**

The informal economy consists of all the economic activities and operators who are not a part of the formal economic activities and protected employment relations (Chen, 2012). The informal economy usually absorbs those who are unable and/or unwilling to enter the formal economy or choose to participate in both the informal and formal economy for various reasons (Chen, 2007).

### **1.8.3 Developmental local government**

Developmental local government originates from the idea of a development state. The White Paper on Local Government defines developmental local government as the one that focuses on the involvement and participation of communities and other grassroots bodies and organisations for the achievement of socio-economic development (Republic of South Africa, 1998b). Therefore, a developmental local government is development-oriented and people-centred (Schoburg, 2014).

## **1.9 Outline of the study**

The study comprises and is organised into six chapters. The subject matter of each chapter is provided in the summary below.

**Chapter One** provides the background to the study, and states the problem in which the study is rooted. In this chapter, the researcher discusses the key research questions and objectives of the study, as well as a synopsis of the methodological and design considerations made concerning the conduct of the study. A glimpse into the research site is also provided here, to provide a template for the contextual understanding of the findings. The significance and rationale for the study are also discussed in this chapter.

**Chapter Two** provides the theoretical foundations of the study by reviewing, discussing and analysing literature and concepts relating to informal trading, including its understandings and manifestations, and the role of developmental local governance in providing conditions for nurturing the informal economy as a mechanism for growing local economic development.

**Chapter Three** discusses the considerations and rationale for the decisions that the researcher made in respect of research methodology, design, research methods, techniques and tools, limitations and ethical issues regarding the conduct of the study.

**Chapter Five** describes and analyses the key findings of the study. To do this, the chapter shares the findings and what they mean for informal traders within a specific local government context.

**Chapter Six** provides concluding comments based on the key findings of the study. The chapter does this by providing a synopsis of the key findings and pulling these together to elevate key issues regarding informal trading within a specific local government context. The chapter concludes by highlighting limitations experienced before and during the research process and outlines possible areas for pursuance as part of further research relating to informal trading and developmental local governance.

## **1.10 Summary**

The question of developmental local governance is about expanding access and ensuring inclusive development and growth. In South Africa, although significant progress has been made, challenges remain in ensuring real participation in the mainstream of the country's economy. Informal trading presents a possibility for realising the imperatives of developmental local governance. However, the complex matrix of tensions between configurations of local governance and the ever-growing informal trading, due to a range of factors remains. This chapter begins to elevate the fact that emerging possibilities provided by informal trading may not be a smooth ride into developmental local government. That is, contradictions and tensions remain, which makes informal trading a bittersweet reality for local governance.

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The next chapter provides a review of literature relating to informal trading, including its understandings and manifestations, and the role of developmental local governance in providing conditions for nurturing the informal economy as a mechanism for growing local economic development.

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

This chapter is organised into two sections, namely, the review of relevant literature and the theoretical framework. Thus, this chapter aims to review, analyse and discuss relevant literature and the theoretical framework that was used to construct and frame understandings in this study. The aim of the first part of this chapter, namely, the review of literature is to deconstruct the notion and nature of the informal sector, and its deployment as a lever for understanding how individuals, particularly those who cannot enter the formal economy, utilise the space as a mechanism for economic survival. As part of this, the chapter discusses the development and growth of the informal economic sector. In addition, the chapter explores how authorities, especially within the context of local government, respond to the expanding nature of the informal sector. The intention is to explore and understand the interactional dynamics of the tensions between the principles of developmental local government and the need to regulate space play out to shape the lives of informal traders within a specific local government context. This section of the chapter closes off by providing a brief analytical discussion of the legislative and policy framework that governs the development agenda of local government, and its implications on the future of informal trading within the chosen local government context. In essence, the intention is to provide a theoretical foundation for the understanding of informal trading, as an aspect of the informal economy, within a specific local government context.

The second section of this chapter seeks to deconstruct the notion of space, as conceptualised and mobilised by Lefebvre (1991). The notion of the production of space was deployed to read and understand the experiences of street traders of how street trading was managed in a specific municipal context.

#### **2.2 Deconstructing the concept of the informal sector**

The concept ‘informal sector’ was initially brought about by Keith Hart in his anthropological research on the economic practices of the modern economy of Accra, Ghana, in 1973 (Hart, 1973). Hart coined the expression to refer to the small earning

performance of the urban poor, who were unable to get jobs for a salary or wage (Hart, 1973). The concept was consequently adopted and made popular by the International Labour Office through the informal economy. In 2009, the Organisation for Economic Co-operation and Development (OECD) positioned the concept of informal trading in the mainstream of economic thinking, paving a way for the concept to become a permanent feature of development thinking (Jutting & Laiglesia, 2009).

The above suggests that, at some point in history, the informal sector was once referred to as the traditional sector, signalling the assumption that it was going to soon give way to a modern, formal economy (Stuart, Samman & Hunt, 2018). In other words, it was widely assumed that the traditional, informal economy would at some point in time be transformed into a modern, informal economy (Chen, 2012). However, this soon proved to be a false conception as complexities in the formal economy elevated the informal sector as a key mechanism to grow the economy (Bangensser, 2000). In 1972, in a study conducted in Kenya, the International Labour Organization (ILO) found that the informal sector was not only growing but was also featured as an efficient, profit-making economic activity (International Labour Organization, 1972). In other words, at this time, the informal sector had become the new normal in mainstream economics, in particular with the commitments that governments have made to deliver by 2030 (Jutting & Laiglesia, 2009; Stuart, Samman & Hunt, 2018).

There is a myriad of understanding and conceptualisations of informality, some of which are inconsistent and contradictory (Stuart, Samman & Hunt, 2018; Navarrete-Hernández, 2017). However, even though there is no general agreement on the meaning of the concept, a significant number of definitions have the following characteristics in common: small size; unincorporated enterprise; unorganised; low productivity; takes place outside of government licensing and permits framework; and often lack legal and social protections (Chen, 2012; Stuart, Samman & Hunt, 2018). A significant number of scholars in this area have settled for the conceptualisation of informal economy as those economic activities performed by individuals and groups that have no (legal or social) protections or are insufficiently protected or covered by formal arrangements (Castells & Portes, 1989; Feige, 1990; Navarrete-Hernández, 2017).

Leading schools of thought demonstrate diverse viewpoints on the understanding of the concept of the informal sector (Navarrete-Hernández, 2017). However, the challenge with the way different schools of thought conceptualise the informal sector is they tend to represent informal traders as a homogenous group – that is, each school of thought tends to focus on one or another slice of the informal economy pie, rather than the whole sector (WIEGO, 2012). The problematic dimension of this view is that it conceals, and sometimes downplays, the complex dynamics of the sector and the necessity to understand the sector more comprehensively. This study understands informal traders as a heterogeneous group, with complex dynamics of work (Rosaldo, Tilly & Evans, 2012).

However, it is important for this study to first provide a summary of the various approaches and perspectives that have been utilised to understand the concept of the informal sector. To this end, the section below provides some key features of the different approaches to understanding the informal sector. To provide some structure to the diversity of overlying and partially contrasting views and approaches to the understanding of informality, theoretical understandings of informality could be classified into four strands of thought (Chen, 2012). These are discussed briefly in the section below.

*Dualists* propose that understandings and perspectives of the economy could be divided into two sectors, namely, the informal and formal economy (Hart, 1973; International Labour Organization, 1972). The informal economy is often characterised by ease of entry, while the formal economy is characterised by difficulty of entry (Kinyanjui, 2014) In this sector, workers are often self-employed and consist of largely less privileged individuals of a dualistic or segmented labour market (Kinyanjui, 2014; Skinner, 2019). Essentially, the dualist understanding of the economy contends that the informal economy has few if any linkages to the formal economy (Skinner, 2019). This suggests that dualists understand the two forms of the economy as functioning as distinct, mutually exclusive sectors. However, recently, there has been a strong argument that the characterisation of the economy as dualism does not hold water as unskilled workers can find employment in both the informal and formal sectors (Maloney, 2004). Sometimes, are often compelled by difficult

economic circumstances to supplement their formal sector income with earnings from the informal economy (Chen, 2012).

*Structuralists* perceive both the formal as well as informal sectors as effectively linked (i.e. the two sectors are incapable of operating and/or existing independently), although characterised by unequal power relations in terms of employment and market relations (Skinner, 2019). Structuralists argue that economic informality is a structural by-product of capitalism (Kinyanjui, 2014). In other words, both the informal and formal sectors are a servant of the interests of capitalist development (Skinner, 2019). Structuralists contend that governments have a responsibility to address the unequal power relationship between formal enterprises and informal traders by setting up regulations for both commercial and employment relationships (Skinner, 2019).

The *Legalists* understand and characterise the informal economy as a response of the marginalised individuals and groups to the overregulated economic environment (De Soto, 1989). The argument is thus that the informal economy is composed of micro-entrepreneurs, who are compelled by the government's unreasonable and cumbersome regulation to operate informally to avoid costs and formal registration processes (Skinner, 2019; De Soto, 1989). Therefore, according to legalists, there is a need to reduce bureaucratic burdens and replace them with deregulated economic design and mechanisms to ensure that the economy does not coerce – informal traders into becoming capitalists (De Soto, 1989; Kinyanjui, 2014). Legalists lament the fact that official and formal enterprises, what De Soto calls mercantilist interests, collude with the government to set the bureaucratic rules of the game (De Soto, 1989). This view implies that the hostility of the legal system, which is supported by formal enterprises, compels informal traders to operate informally within their extra-legal channels (Skinner, 2019). The argument is that the state must initiate and implement bureaucratic relaxations to promote informal enterprises to register and expand lawful property rights for the assets that informal operators hold, to release their productive potential and exchange their resources into real capital (Chen, 2012).

The *Voluntarists* argue that informal traders operate informally of their own volition – that is, they decide and choose to join the informal sector after deliberately weighing the benefits of leaving the formal sector and joining the shadow economy (Clement,

2015). This suggests that informal traders engage in an exercise of cost-benefit analysis about whether to enter the formal economy and commonly decide against it (Perry et al., 2007). Voluntarists dedicate reasonably little focus on the economic links between formal firms and informal enterprises but accede to the understanding that informal enterprises generate unfair competition for the formal economy because they evade formal regulations, applicable taxes, and other relevant production costs (Skinner, 2019). This suggests that, for voluntarists, the policy environment often compels the informal sector to abide by the regulatory requirements of the formal environment to augment its tax base and decrease the unfair competition imposed by informality on the formal sector (Chen, 2012).

According to the definition of the World Bank, an informal economy could be described as actions and/or activities and income which may partially or holistically be external from state guidelines, taxation, and scrutiny (Perry et al., 2007). From this point of view, the major appeal for informal traders to participate in an undeclared or shadow economy is the economic survival and other benefits which might outweigh those in the formal economy (Clement, 2015). This kind of movement permits employers, paid workers, and the self-employed to raise their take-home salaries or decrease their expenses by evading taxation and social contributions (Maloney, 2004). Therefore, whatever the approach or perspective, the informal sector could be understood as an array of economic actions performed by employees as well as economic participants, which by legal definition are often excluded from or inadequately recognized by practice (International Labour Office, 2007).

Another concept that has been implied in the above discussion is that of informal employment. Informal employment often refers to people who work in unstable job circumstances although the institution that has given them work may belong to the formal or informal category (Herrera et al., 2012). People in informal employment are largely individuals in the informal category, as well as workers in the mainstream economy, and individuals employed in domestic homes, who often do not enjoy essential benefits such as medical aid and pension from their employers, and those who are unlikely to possess a formal expressed agreement of work (Statistics South Africa, 2016). The informal economy possesses two instruments: i) Workers operating in organizations which hire numbers less than five workers, which are often institutions

that do not collect income tax from the salaries/wages of their employees; and ii) own-account employees, employers and individuals assisting voluntary free of charge in their family businesses, which may not be registered for government levies or income tax (Statistics South Africa, 2019).

Steyn (2008) argues that recent globalisation has been a major source of the decline in formal employment and the increase in the formalisation of the workforce across the world (Steyn, 2008). Steyn has argued that the challenges of global competition have often compelled large capital to streamline their workforce and employ few people and/or outsource the production of goods and services to other entities and countries (Rodrik, 2011). According to this view, often, it is these dynamics that push individuals, who are mostly unskilled, out of the formal economy into informality, and sometimes poverty and unemployment. However, it is important to take cognisance of the fact people will not eternally wait for the government to generate job opportunities; they will use the opportunities available to build employment opportunities for themselves (Steyn, 2008).

### 2.3 Understanding the informal economy: Dominant and alternative views

Until recently, views about the informal economy have been somewhat conservative. That is, in the recent past, economists have often held a pessimistic or subordinate view towards the informal sector (David et al., 2018). Table 2.1 below provides a summarised view of the distinctions between central, traditional and unconventional progressive views regarding the theoretical understandings of the informal economy (Steyn, 2008).

**Table 0.1: Central traditional and unconventional progressive views regarding the theoretical understanding of the notion of the informal economy**

<b>CENTRAL, TRADITIONAL VIEW</b>	<b>UNCONVENTIONAL PROGRESSIVE VIEW</b>
The informal economy is the conventional economy that will eventually vanish with the growth of contemporary industries.	The informal economy is growing with contemporary business increases. This accounts for about 80% of recent employment in Africa, as well as 56% of employment opportunities in the country.
It cannot get away from poverty and it generates very little.	It survives and works well. It generates new employment opportunities and supplies the bulk of services and goods for underprivileged individuals. This provides critical input to the GDP of the country.
The informal economy divides or is taken from the "formal economy".	The sector is related to the mainstream economy. The sector produces and distributes for, as well as buys

	and sells with, and lastly provides goods and services to the mainstream or formal sector.
Individuals in the informal economy are employees currently waiting to be appointed in the “formal economy”.	The exchange of goods and services has reduced formal work all-over the globe; however, citizens would not wait for the state to create job opportunities. In the process of creating job opportunities, the informal sector is emerging rapidly.
Majority of individuals in the informal economy operate unlawfully also operating businesses that deliberately intend to steer clear of a set of laws and state duties.	This is different from the unlawful economy. This involves wage employees, for example, casual labourers. Several entrepreneurs and employees in the informal sector would be glad if registration was not costly.
Occupation in the informal economy is constituted by means of survivalist activities, and monetary policy is consequently not appropriate for it.	Informal sector firms involve those regarded as survival operations as well-established firms and lively upward firms. All operators in the informal sector are affected by state monetary laws.
The sector consists predominantly of street vendors who are culpable of crime in the inside towns.	Is constituted of informal firms and informal work. Crime is a threat to both formal as well as informal firms.

Source: Steyn (2008)

However, as suggested above, academics and practitioners across the world have begun to recognise the importance of the informal economy as an important contributor to the economy and its significance as a cushion between employment and unemployment (David et al., 2018). Furthermore, the informal economy has accorded itself special significance as a mechanism for generating livelihood opportunities and economic survival (Statistics South Africa, n.d.). Naturally, economic actions within the informal sector have tended to be thought of as unofficial and requiring formalisation, and this has rendered it a difficult terrain to traverse (De Soto, 1989). However, despite this, the contribution of the informal sector to developing contexts, such as South Africa, has tended to grow. For instance, in South Africa, the size of the informal sector is calculated in the region of approximately 28% of the Gross Domestic Product (GDP), contributing approximately R160 billion, which is 2.5 times as big as the input of the whole agricultural industry and 70 per cent of the input of the mining industry (Statistics South Africa, 2016).

As expected, the last one or two decades have seen a significant shift in the understanding of the informal economy (Chen, 2012). This means that there has been a move from a perspective that believes that the informal economy will eventually wither away and die and become integrated into the mainstream, formal economy to an understanding that the informal economy is here to stay (SALGA, 2012). Table 2.2 below provides key understandings between earlier thinking and current thinking about the informal economy (David et al., 2018).

**Table 0.2: Earlier and current thinking about the informal economy**

PREVIOUS THINKING	CURRENT THINKING
<b>The informal economy ...</b>	
Will wither away and die and become absorbed into the modern formal economy.	Is here to stay and will expand and grow alongside and as an alternative to the modern formal economy.
Is only somewhat productive and can hardly be relied upon for real economic growth.	Is a significant contributor to employment, goods and services for individuals and groups from lower-income levels of society, and has a significant share and contribution to the country's economy.
Is not linked and/or related to the formal economy.	Is linked and related to the formal economy as it produces for, trades with, allocates for and provides services to the formal economy.
Provides a reserve pool of surplus labour for the formal economy.	Emanates from the inefficiencies, weaknesses and inabilities of the formal economy to provide formal employment opportunities.
Is composed of largely street traders and small-scale producers.	Is composed of a wide assortment of informal occupations, with individuals that have chosen and have the means and potential to become active participants in the economy.
Comprises entrepreneurs who operate unregistered and illegal ventures to escape taxation and regulation.	Comprises entrepreneurs and self-employed persons producing legal goods and services, albeit through irregular or unregulated means, largely because of the bureaucratic constraints imposed by a hostile policy environment.
Comprises largely survival activities, and is thus not a subject for economic policy.	Includes not only survival activities, but also stable enterprises and dynamic growing businesses, and most, if not all, its forms are affected by and subjected to economic policies.

Source: David et al., 2018

From the above, it could be discerned that understandings and perspectives about the informal economy have developed significantly over a decade or so. From the current understanding of the informal economy, it could be argued that the informal economy has not been better placed to contribute to providing employment opportunities and serving as a buffer between employment and unemployment (SALGA, 2012). In addition, the recent developments in the understanding of the informal economy have highlighted and facilitated its relevance as a mechanism for creating livelihood opportunities and alleviating poverty and underdevelopment as part of survival strategies for those who are often relegated to the margins of economic life. This suggests that the informal economy now has a critical place in the efforts across the globe to increase access to opportunities, particularly at the level of local government.

## **2.4 The role of local government in enhancing the street trading**

Despite the potential of street trading to change lives for the better, dominant examples of the management of street trading at the level of local government point to challenging circumstances for this sector (Béni-Gbaffou, 2015). For instance, dominant narratives point to both repressive (see, for example, Arias, 2019) and *laissez-faire* approaches in the management of street trading by local government. Where municipal strategies are hostile and repressive to street trading, bylaws are such that street trading has no place (Arias, 2019; Donovan, 2008). However, where municipalities are more tolerant and accepting towards street trading (Holland, 2015), management strategies are often *laissez-faire*, with street trading being largely used as a cow for revenue collection (Béni-Gbaffou, 2015). Therefore, currently, in the majority of cases, it does not matter at which end of the spectrum street trading lies, it is almost always a loser.

Like all forms of economy, street trading happens in a space, in the case of this study, in a local government space, and is often defined by the act of governing. However, although there is an inherent necessity for the political, social and economic understanding of street trading by municipalities, this is yet to be translated into normative practices of planning, governance and administration of municipalities. This understanding is critical if street trading is to become and serve as a mechanism for strengthening local economic development in municipalities. This is even more important given the fact that conditions in municipal capacity and resources vary to such a degree that what works in one context might not in another.

Therefore, how municipalities respond to street trading must be from a differentiated, rather than a homogenous, perspective. In other words, how a local government responds to street trading must be determined by the specific circumstances and economic relations in those provinces, cities and towns. For instance, local governments where the informal sector is thin must invest heavily in ensuring that barriers to entry are addressed. All by-laws at the local government level must take cognisance of the importance of informal economic activities to flourish rather than stifle them (Skinner, 2019). In other words, the approach and attitude of local government towards informal trading must be facilitative rather than constraining.

This will move municipalities towards aligning their thinking and actions with the constitutional promise and requirements that local government must take a developmental approach to how they manage their activities, including local economic development (Republic of South Africa, 1996).

Local government remains a critical space for providing services, opportunities, possibilities and infrastructure for street trading. Bylaws regarding zoning and other related issues shape the opportunities and possibilities, what Lefebvre (1991) refers to as the production of social space, for informal trading and how this may work in a local government space (Skinner, 2016). However, despite the significant contribution made by informal trading to the country's efforts to reduce poverty and unemployment, some economists still view it as bad news for the global economy (Mabitsela, 2017). Authorities, such as those at the local government level, often view informal trading as a nuisance to, for instance, traffic and formal commercial activities, often prioritising private investment over public consumption of space (Arias, 2019; Crossa, 2009). There has often been a continuous renegotiation of terms where incoming local government authorities reconfigure their relationships with informal traders. This regularisation of the changing of terms seriously impacts stability, predictability and growth in this sector (Xue & Huang, 2015). For instance, in some cases, when this happens, local government officials use their positions to extract concessions or bribes from informal traders, in exchange for keeping them legal (Roever, 2016). For instance, although the city of Johannesburg has the most progressive policies towards street trading, in 2013, its Operation Clean Sweep resulted in the removal of approximately 6 000 inner-city traders (Horber, 2017).

From the above, it is clear that despite the progressive nature of the Constitution of the Republic of South Africa and the bylaws and policies aligned with it, the practical management of informal trading by municipal authorities has been marred with controversy (Horber, 2017). For instance, the City of Johannesburg (CoJ), despite having made significant improvements in developing progressive policies, has been a key example of contradiction in practice (Matjomane, 2013). The CoJ adopted a policy that went as far as adopting progressive institutional arrangements, such as the Informal Traders Forum, which provided a space for discussions and debates on the implementation policies relating to informal trading (Horber, 2017). However, in

practice, where policies matter most, the CoJ adopted an approach that, not only restricted the sector but made it unviable and inefficient (Bénit-Gbaffou, 2015). As indicated above, its Operation Clean Sweep became a major source of contradiction as its implementation resulted in the displacement of significant number of both licensed and unlicensed informal traders (Horber, 2017). That is, instead of facilitating a process to include street trading into its *modus operandi*, it sought to assimilate it into its existing structural configuration, which resulted in the suffocation of the sector.

On the other hand, the City of Cape Town, although using less severe approaches, deployed more systematic methods of excluding street traders from the public space. For instance, the City of Cape Town allocated 410 street trading bays in the whole city, which resulted in the exclusion, harassment, neglect and criminalisation of those who could not secure a place in the allocated stands (Skinner & Haysom, 2016; Miraftab, 2007; Morange, 2015; Hirsch, 2016). In addition, the City of Cape Town has allocated fewer human and financial resources to street trading than any other city in South Africa (Skinner & Haysom, 2016). The problem with these issues is that they converge to the same reality, namely, the exclusion of street traders from participating in the economy. In other words, the inclusion and nurturing of the informal sector, as in many other municipal contexts, has, therefore, not translate into any real substance for street traders in Cape Town (Skinner & Haysom, 2016).

However, it is not all gloom and doom in street trading in South Africa. For instance, in the early 2000s, eThekweni Municipality adopted a progressive approach to street trading, which resulted in the upgrading of the street trading hub, called Warwick Junction (Skinner & Haysom, 2016). The challenge is that, presumably with the changing of administration in 2009, the schism in policy and practice began to emerge in the implementation of the approach (Skinner & Haysom, 2016). This anti-street trading approach would have excluded approximately 6 000 street traders had it not been for a court order that stopped such a move (Skinner, 2010). The judgment was critical in that the court ruled against the confiscation of street traders' goods and compelled the city to review and adapt its policies in line with the Constitution (Skinner & Haysom, 2016).

However, this study does not intend to create an impression that the big stories of street trading have been happening in metros and cities only; the issue of street trading has also been an important political, social and economic issue for local municipalities as well. For instance, Hlengwa (2016) conducted a study which sought to examine street trading practices and the appropriation of urban public spaces in Tongaat Central Business District. The findings of this study revealed that, like in cities, a significant number of individuals relied on street trading for survival and entry into the economy (Hlengwa, 2016). This, Hlengwa (2016) argues, resulted in the contestation of public space, as street traders preferred doing business in the central business district, given the fact higher possibility of attracting customers there. In this regard, Hlengwa (2016) recommends that municipalities must manage the appropriation of public space in the manner that facilitate entry into the economy through street trading.

The examples cited above point to a schism between a progressive policy environment and the actual experiences of implementation at the grassroots level. The question of conflicting rationalities (Horber, 2017) that resides in implementation does not only contradict policies at the local government level; it also contradicts the conceptualisation of local government as development (Republic of South Africa, 1996). In South Africa, a local government must promote social and economic development (Republic of South Africa, 1996). The conceptualisation of local government as developmental (i.e. taking responsibility for alleviating poverty and promoting local economic development) while taking responsibility for the proper management of urban space, has placed local government within a controversial space, with tensions that are often difficult to manage (Bénit-Gbaffou, 2015). The navigation of the contradictions and alignments that manifest in how local governance meets street trading (Roever, 2016) is the essence of the current study.

## **2.5 Development and growth of the informal economy**

Across the globe, both in the developing and developed context, a range of factors contribute to the development and growth of the informal economy (Bićanić & Ott, 1997). However, the development and growth of the informal economy are unique to each context and take the form that is relevant to such a context. As a result, different contexts have different typologies and purposes for the informal economy. For

instance, within the developing context, the informal economy is used as a vehicle to provide a social safety net, especially for those that cannot be accommodated in the formal economy. However, within a developing context, the activities of the informal economy are used as a mechanism for getting around government regulations and reducing production costs (Gërkhani, 2004).

The informal economy has grown significantly, taking 78 per cent of the workforce in Africa. This suggests that the informal economy has created more opportunities in the economy than the formal economy (Karpushkina, Danilova, Voronina & Savelieva, 2021). In addition, the informal economy has made significant inroads in the creation of urban employment, occupying many cities and towns (Karpushkina, Danilova, Voronina & Savelieva, 2021). Debrah (2007) contends that Africa has seen a growing informal economy, with approximately ninety per cent of new jobs created by the informal sector. These trends support the argument that governments must dedicate more focus and resources to establishing mechanisms to support the development of the informal economy as a vehicle for fighting exclusion from the formal economy, poverty and unemployment. Pietersen (1982) argues that the growth of the informal economy in any context is influenced by three factors, namely, the increase in government regulations governing the establishment of business; increases in the country's rate of tax; and the inability of the formal economy to absorb people seeking employment. It is important to note that government is at the centre of all the three factors that influence the growth of the informal economy; government responsibility cuts across all three factors (Weiss, 1987).

A range of studies confirms the fact that there is a strong correlation between the growth of the informal economy and the rate of government involvement (Feige, 1990; Schneider, 2002; Arabsheibani, Carneiro & Henley, 2006). For instance, the case of the informal economy in Croatia suggests that even in a context of weak or no governance, the informal economy tends to develop, grow and thrive well. For instance, the informal economy in Croatia grew during the 1990s, going through a terrible war (Bićanić & Ott, 1997). However, Bićanić and Ott (1997) point out that when the war ended, governance systems were re-established, and the economy began to recover, the informal sector began to decline. This could be attributed to the fact with improved government regulation, it became more difficult to continue with

informal economic activity. This implies that, for governments who want to grow this sector, it is important to guard against over-regulation, as it creates a perception that government is averse to informal economic practices. For this study, this was an important consideration if the local government was to be developmental in the true sense of it. For a local government's local economic development programmes to thrive, it is important to moderate the regulation of this economic sector. That is, if government over-regulates the informal economic sector, those who are active and can leave the sector into the formal economic sector are likely to do so, resulting in the collapse of the informal sector (Khandan, 2017). For this study, such a threat existed, as some participants reported that would still consider joining the formal sector if such an opportunity arises, which implies that the formal economic sector is still a preference.

The above points to the extent to which the development and growth of the informal economic sector and the economic practices of individuals have been impacted by macroeconomic dynamics. For this study, there was a perception that, for some participants, participation in the informal economy was what individuals do until they get something better in the formal economy. However, contrary to this perception, the advantages of participating in the informal economic sector may outweigh those of participating in the formal economic sector. In other words, as Loayza (1996, p. 131) states the "rationality" of "being informal" may be seen in the fact that participation or operating costs, namely, taxes, and compliance with regulatory requirements, are often less than what obtains in the formal economic sector (Loayza, 1996). That is, participation in the informal economic sector does not only assist with reduced participation costs; it also provides a significant measure of flexibility for those who participate in it (Khandan, 2017). However, this does not imply that participation in the informal sector is costless. As will be seen later in this study, there are direct and indirect costs involved in participating in the informal economic sector. The major difference is that participation costs are less in the informal economic sector, which strengthens its potential to accommodate a wider range of participants from different socio-economic backgrounds. This suggests that much greater participation or operating costs will be incurred in actively engaging in the formal economic sector and vice versa (Loayza, 1996).

From the above discussion, it can be deduced that contextual issues, such as the prevailing fiscal and economic climate and environment, excessive tax burdens, improved job prospects, oversupply of labour and limited capacity of the formal economic sector to absorb everyone, inadequate social security systems, unemployment and corruption, may account for the expansion of informal economic sector globally (Adike, 2018; Etim & Daramola, 2020; Masanyiwa, Mosha & Mamboy, 2020; Yuki, 2007). For instance, this has been a trend in the African context, where the rate of urbanisation has resulted in the proliferation of the informal economic sector (Etim & Daramola, 2017; Skinner, 2008). Urbanisation has been a significant contributor to the expansion and growth of the informal economic sector in that the influx of people into cities and towns has resulted in the inability of the formal economic sector to meet the continuous demand for absorption (Etim & Daramola, 2017; Lewis et al., 2019; Yuki, 2007). In addition, the expansion of the informal economic sector is also driven by the influx of foreign nationals who come to South Africa to look for opportunities for survival. Unfortunately, this means that foreign nationals and South Africans must compete for opportunities in the informal economic sector, making it a weak mechanism for absorbing those who are at the lowest levels of the economic ladder (Carciotto, 2020).

From the above, it could be concluded that there is a wide range of factors that could be attributed to the development and growth of the informal economic sector. However, as will be discerned later from this study, the most significant is economic (Etim & Daramola, 2017). As pointed out by Van Heerden (2011), the remedy for the expansion of the informal economic sector that is getting out of control and becoming a national crisis can be found in the economic considerations; not political as pointed out by some politicians (Carciotto, 2020). However, it is important to caution that the formal and informal economic sectors are not mutually exclusive; they are compatible and complement each other well if they are properly managed. The formal economy provides for those who can compete in the first economy. However, the informal economy serves as a safety net for those who cannot access the formal economy (Rigolini & Loayza, 2011).

## **2.6 Legislative and policy environment**

The informal sector, despite being a significant contributor as a provider of livelihoods, employment and income, has largely been absent in economic and policy discourse – a “forgotten sector” (Fourie, 2018, p. 3). However, recently, a few policy openings have occurred for street trading in South Africa (Fourie, 2018). The democratic government has created a progressive policy trajectory although contradictions and tensions have emerged in implementation as discussed in the section above. For instance, the positioning of South Africa as a developmental state has had a significant contribution to the acknowledgement of the place of street trading in the economic discourse. The requirement for local government to be responsive, development-oriented and people-centred (Schoburg, 2014; Theron & Mchunu, 2016), whose responsibility must go beyond laying the foundation for investment and taking an interventionist approach, has placed it at the centre of this agenda (Republic of South Africa, 1996). This section discusses and analyses a few key legislative and policy strides that South Africa has taken to ensure a progressive space for street trading.

### **2.6.1 The Constitution of the Republic of South Africa**

All legislation and policies in South Africa originate from the Constitution (Republic of South Africa, 1996). The Constitution organises governance in three spheres, namely, national, provincial and local government (Republic of South Africa, 1996). Sections 152 and 153 of the Constitution provide for the objectives of local government and the developmental duties of municipalities respectively (Republic of South Africa, 1996). For instance, local governments and municipalities must promote the social and economic development of communities within their jurisdiction. In terms of these sections, a local government must take a developmental approach and be accountable to the people that it serves (Republic of South Africa, 1996). In other words, the duty that the Constitution places on local government is that its activities and focus must be pivoted on the need for the social, economic and material improvement of the quality of life of all its citizens.

### **2.6.2 White Paper on the Development and Promotion of Small Businesses**

The first policy position of the democratic government was the 1995 White Paper on the Development and Promotion of Small Businesses (Republic of South Africa, 1995). While the White Paper foregrounded the survivalist and microenterprises component of the informal sector, it was largely silent on the specific needs of this sector of the economy (Skinner & Haysom, 2016). A review of the implementation and impact of the White Paper revealed that “existing government SMME programmes largely have been biased towards the groups of small and medium-sized enterprises and to a large extent have by-passed micro-enterprises and the informal economy” (Rogerson, 2004, p. 765). Other evidence suggested much progress had been made by some government departments, although support measures available for the informal sector were “few and far between, patchy and incoherent, and largely ineffective ... [lacking] a clear and coherent policy toward the informal economy” (Budlender, Skinner & Valodia, 2004, p. 87).

### **2.6.3 National Development Plan: Vision 2030**

The National Development Plan: Vision 2030, alias the NDP, provides for the creation of a “virtuous cycle of growth and development” by 2030 (National Planning Commission, 2011, p. 2). According to the NDP, the virtuous cycle must attack exclusion, nurture economic growth, build capabilities and expand opportunities (National Planning Commission, 2011). The NDP projects between 1 171 000 and 2 090 000 jobs must have been created in the informal sector by 2030. This is a significant step because there was no deliberate focus shift on the importance of small business in the economy before the NDP.

However, the plan did not address the question of how existing informal businesses will be supported, or how existing barriers to entry would be removed to generate these new jobs (Fourie, 2018). The Department of Small Business Development (DSBD) was created in May 2014 to respond to the small business focus of the NDP. The Draft Business Licensing Bill (Department of Trade and Industry, 2014) released in 2013, provided for government intentions to regulate and legalise the informal economy. For instance, the Bill stated that a license as a requirement for anyone who would like to be involved and participate in business activities, irrespective of the size of their

enterprise. As a result, many analysts argued that the Bill was mostly retributory, arguing that it was likely to lead to the sweeping criminalisation of legitimate livelihood activities, as well as exclude foreign migrants from participating in entrepreneurial activities (Crush et al., 2015; Rogerson, 2016; Turok et al., 2017). The Bill was currently under review in 2016 (Skinner & Haysom, 2016) and, as discussed in section below, has been unable to justify its existence as a mechanism for facilitating entry into the economy, especially for those who are currently excluded.

#### **2.6.4 Draft Business Licensing Bill of 2013**

The development of the Draft Business Licensing Bill in 2013 signalled the intentions of the government to regulate the informal sector space (Department of Trade and Industry, 2014). The Draft Bill set the requirements for all entities involved in business activities, irrespective of their size, to register and obtain an operating licence. Economic analysts, civil society organisations and business community criticised the fact that the Draft Bill potentially made it difficult for the specific categories of persons to operate a business. For instance, for foreign nationals to obtain a license to operate a business, they first had to receive a business permit under the Immigration Act 9 or a refugee permit under the Refugee Act (Caesar & Crush, 2015). This made it difficult for them to operate a business in South Africa, particularly small business, as the draft Bill required that business permits had to be applied for in the individual's country of origin and were only granted if the applicant could provide evidence that they had R2.5 million to invest in South Africa (Skinner & Haysom, 2016). As a result, few, if any, cross-border traders could participate in the informal economy in South Africa, dealing a serious dent in the aspirations and imperatives of the NDP.

At the time of its promulgation, the draft Bill was, therefore, largely perceived and viewed understood as hostile to foreign nationals operating small businesses in South Africa. The statement by the Deputy Minister of Trade and Industry, Elizabeth Thabethe reinforced the perception that the real intention of the government was not to expand access in the sector but to use the draft Bill to address challenges of nationality. In the statement that fueled controversy, the Deputy Minister at the time opined:

The scourge of South Africans in townships selling and renting their businesses to foreigners unfortunately does not assist us as government in our efforts to support and grow these informal businesses ... You still find many spaza shops with African names, but when you go in to buy you find your Mohammeds and most of them are not even registered.

(SAPA, 2013)

This fuelled widespread criticism and hostility against the draft bill and led to opponents to it calling for it to be scrapped. For instance, the Helen Suzman Foundation (2013) argued that the Bill would increase the tax burden for street traders and called for it to be subjected to a regulatory impact assessment analysis. In response, the staff from the Department of Trade and Industry reported that the Bill was being redrafted to address the gaps (Skinner & Haysom, 2016). To date, the Bill has not seen the light of day, probably because the burden of justification was too heavy for it to bear, which signalled a win for street trading in South Africa.

### **2.6.5 National Informal Business Upliftment Strategy**

The National Informal Business Upliftment Strategy (NIBUS) of March 2014 is the first national strategy to give expression to the imperatives of the NDP on the development and importance of the informal sector in post-apartheid South Africa (Skinner & Haysom, 2016). NIBUS provided the informal sector with business support that was previously only accessible to the formal sector (Jere, Jere & Aspeling, 2015). The NIBUS provides a roadmap for the identification and training of informal traders such as street vendors (Department of Trade and Industry, 2014).

The NIBUS provides for two interventionist initiatives to support the development of the informal sector, namely, Shared Economic Infrastructure and the Informal Business Upliftment Facility (Department of Trade and Industry, 2014). The primary focus of the Shared Economic Infrastructure is the upgrading buildings and other infrastructure used by informal traders, cooperatives, and small, medium and micro-sized enterprises (SMMEs). On the other hand, the Informal Business Upliftment Facility provides mechanisms for providing support to businesses operated by women, young people, and people with disabilities in areas that were socio-economically deprived, such as townships and rural areas (Jere, Jere & Aspeling, 2015).

## **2.7 Regulating street trading**

The informal economic sector plays a pivotal role in economic development and growth globally, especially in developing contexts where resources are scarce (Karpushkina, Danilova, Voronina & Savelieva, 2021). Therefore, these contexts need to ensure that the regulatory and policy environment enables the sector to develop and grow as a constituent of local economic development. This is even more important within the context in which the formal economic sector is unable to provide opportunities and absorb everyone. A regulatory and policy environment that is averse to the development and growth of the informal economic sector will not only undermine that sector; it will also stunt the growth of the formal economic sector. In the section below, a brief discussion of how the informal economic sector, street trading in the instance of this study, is regulated.

Often, the government cannot and the formal economic sector cannot provide employment opportunities for everyone. It is in this instance, that the informal economic sector emerges as an option for ensuring survival by those who find themselves outside of the economic. Recently, the informal economic sector, especially street trading has become a major source of income for those who are excluded from the formal economic sector. The development and growth of this sector require that government creates an appropriate regulatory and policy environment that will ensure the sustainability of the sector as a source of survival for the unemployed and poor. Mabitsela (2017) conducted a research study to investigate how informal trading was regulated by Polokwane Local Municipality in the city of Polokwane. The key finding of the study was that, given the fact that informal trading has a significant role in the creation of employment, a well-regulated and supportive environment was required for the proper development and growth of the sector (Mabitsela, 2017). For instance, one of the key issues in this finding was many informal traders had been waiting for a response and permits from the Polokwane Local Municipality for a long time, making it difficult for them to operate legally (Mabitsela, 2017). This was often exacerbated by the fact that the Municipality did not communicate with the applicants in this regard. What this means is that, if the sector is to develop and grow, the basic governance requirements must be in place.

As can be discerned from the above, although there is general acceptance that the informal economic sector has a significant role in ensuring access to the economy in developing countries, this has not translated into relevant governance-enabling mechanisms. In respect of this, a study by Mwasinga (2013) sought to explore the lived experiences of street traders in the inner city and their relationship with the local authority. The findings of the study revealed that, although the municipality had initiated a significant number of local economic development initiatives, their governance approach to street trading often excluded street traders. The problematic dimension of this was this lack of involvement in formulating and implementing policies that governed street trading and impacted their livelihoods. This suggests that it is important to ensure that street trading is cushioned from policies and strategies that may undermine its development and growth as a contributor to the local economy.

Street trading is often characterised as an area of fierce contestation, owing to the different interests, which are mostly conflicting, that government officials and other stakeholders, especially street traders, have. For instance, although national policy encourages the facilitation of an environment in which street trading can be usefully deployed to grow local economic development, how local governments have, in some instances, managed this sector has been somewhat restrictive (Matjomane, 2013). That is, street traders have rarely been considered by government officials as active political players, with the potential to engage productively at different levels of government and influence policy directions in respect of how the activities of this aspect of the informal economic sector are regulated (Matjomane, 2013). However, some organisations have turned this situation on its head and begun to engage productively on policy matters, namely challenging policies and demanding participation and recognition on key issues that affect the economic activities of street traders. This suggests that these organisations have become a vital instrument for unsilencing and elevating the voice of street traders.

The discourse of formalising the informal economic sector remains entrenched in many policy initiatives. In compliance with this discourse, in South Africa, the informal economic sector is still referred to and labelled as the second economy, often profiling the sector as disordered and chaotic, leading to, in some instances, hostile treatment from authorities, such as evictions and crackdowns (Fourie, 2018). In

addition to stigmatising the sector, this orientation places the sector in obscurity, rendering it a forgotten sector, making it difficult to accept, develop and grow it for what it is. This is, however, even though the informal economic sector continues to project itself as a key contributor to local economic development initiatives. Given the existence of the sector as a reality of our economic situation, this suggests that there is a need to pay attention to the persistent segregating policy discourses in the governance of the informal economic sector, especially street trading.

## **2.8 Theoretical framework**

### **2.8.1 Introduction**

The purpose of this section of the chapter is to deconstruct the notion of space, as conceptualised and mobilised by Lefebvre (1991), as a key concept that was used in this study to read and understand the experiences of street traders of how street trading was managed in a specific municipal context. The discussion of the concept of space will include the (re)production of space; assigning of space; physical and conceptual boundaries of space; dominated and appropriated space; and hierarchies of social relations. The rationale for the discussion of the above is to present the context and template through which the key concerns and findings of the study should be read and understood.

### **2.8.2 Street trading, local government and (re)production of space**

Humans are social beings who can produce “their own life, their own consciousness, their own world” (Lefebvre, 1991, p. 68). In production, humans often mobilise and manipulate spatial elements, including resources (materials) and tools (*matériel*) in a manner that enables them to organise “a sequence of actions with a certain ‘objective’ (i.e. the object to be produced) in view” (Lefebvre, 1991, p. 71). In other words, humans do not only produce social relations (i.e. what happens in the social space); they also produce social space (Lefebvre, 1991). Therefore, it makes sense to take it that “each living body is space and has its space: it produces itself in space and it also produces that space” (Lefebvre, 1991, p. 170). This suggests that there is a relationship between the body and the space it occupies. However, although the body creates or produces its own space, the laws of space govern the body and how it deploys its energies (Lefebvre, 1991).

Lefebvre (1991) argues that social space contains and allocates appropriate places to social relations of reproduction (i.e. specific organisation of relations) and the relations of production (i.e. the hierarchy of social relations). Social space is neither a thing (Lefebvre, 1991, p. 73) nor a container (Lefebvre, 1991, p. 94); it is the outcome of “a sequence and set operations” (Lefebvre, 1991, p. 73) and a set of social relations between things or humans (Lefebvre, 1991, p. 85). Human beings “have a space and [...] are in this space” (Lefebvre, 1991, p. 294). Space “is neither subject nor object” (Lefebvre, 1991, p. 92); it is a “social reality,” (Lefebvre, 1991, p. 116) and a “social relationship” (Lefebvre, 1991, p. 85). However, space is a social relationship that is “inherent to property relationships” (Lefebvre, 1991, p. 85). Social space is “the outcome of past actions, social space is what permits fresh actions to occur while suggesting others and prohibiting yet others” (Lefebvre, 1991, p. 73). This implies that social space is “...at once result and cause, product and producer” (Lefebvre, 1991, p. 142) and “always, and simultaneously, both a field of action [...] and a basis of action” (Lefebvre, 1991, p. 191).

Regarding the boundary of social space, Lefebvre (1991) asserts that social space has both physical borders and conceptual boundaries. Social spaces are socially produced, and are not isolated productions, but are always permeable to and represent other spaces (Lefebvre, 1991, p. 86). Humans “demarcate, beacon or sign” social spaces, resulting in borders and boundaries that may both be symbolic and practical. In other words, social space can be demarcated through physical means and/or by discourses and signs (Lefebvre, 1991). For instance, in the case of the City of Cape Town, a specific number of stands is allocated, and once taken, any street trading that happens outside of these stands is deemed to be inappropriate and illegal (Horber, 2017).

Lefebvre (1991, pp. 164-167) differentiates between dominated and appropriated space. A dominated space is “a master’s project” (Lefebvre, 1991, p. 165), in which a new form is and/or has been introduced into a pre-existing social space. For instance, the introduction of stands in the City of Cape Town reconfigures the existing, once-open social space, and introduces rules that alter how such space is appropriated. In this case, such a space has been “modified to serve the needs and possibilities of a group that it has been appropriated by that group” (Lefebvre, 1991, p. 165). Lefebvre

(1991, p. 165) argues that there are many forms of appropriated spaces (e.g. sites, streets, parking lots, etcetera), but that it is often difficult “to decide in what respect, how, by whom and for whom they have been appropriated”. What is, however, evident is that appropriated spaces recount the lives of those who built and inhabit them (Lefebvre, 1991). From this can be discerned that there are public and private spaces. However, although private spaces may be distinct from public spaces, they are always connected with and to them (Lefebvre, 1991).

A point has already been made that social relations produce and are produced by space and are thus intertwined with and to social space (Babere, 2015). This implies that social space is appropriated and shaped by those who use it, but that the same social space also shapes the actions of users, that is, those who use it (Lefebvre, 1991), such as street traders in the case of the current study (Lefebvre, 1991). In the case of space in a city and/or town, the use of the same space is contested. For instance, street traders use this space for their economic survival while the municipality views and uses such space for planning purposes, as an abstract space, ready to be appropriated and transformed to serve and accomplish their governance goals (Lefebvre, 1991).

In the above scenario, both street traders and the municipality have an interest in the same space, even though in different ways and for different and often mutually opposing ways. This implies that conflicting rationalities could be at play in terms of use for economic survival and use for governance purposes by street traders and municipalities respectively (Watson, 2009). The contested and/or conflicting rationalities bring to the fore different effects of what access and/or lack of access means for street traders and municipalities (Babere, 2015). For instance, for street traders, losing the space would inevitably become a matter of contest with the municipality. For the municipality, on the other, it would be a loss of a potential source of revenue. However, an idea must not be created that such contestation would only be between the municipality and street traders; other stakeholders would also be involved, such as citizens, the formal sector and government departments. Therefore, the contestation of space will inevitably spill into and shape social relations.

The notion of the (re)production of space as advocated by Lefebvre (1991) is appropriate for this study as it problematises the notion of space and reveals conflicting

rationalities, which may attend to the domination and appropriation of space. Viewed from the vantage of municipal plans, this implies that the (re)production of space is a charged construct, with political, economic and legal dimensions (Babere, 2015). Therefore, the appropriation of the space into pedestrian walkways, street trading stands, parking, and recreational space, by the municipality must not only take cognisance of governance goals in respect of planning but the perceptions, expectations and experiences of street traders. This inevitably raises the question of who decides and how decisions are made regarding what is good for the public, in this case, street trading, given the notion that public value is a contested notion. In a democratic society, the arbiter of value is the people (Moore, 2017), and what is of value to governors may and/or may not necessarily be of value to the people, including street traders. How these tensions are navigated, and alignments created, is the essence of this study.

## **2.9 Summary**

Developments in the concept of the informal sector have necessitated a mind-shift on how authorities approach it. The constitutional imperative for local government to be developmental in its approach has resulted in both tensions and opportunities as they navigate the complexities of managing the expanding informal sector. On one hand, this has provided opportunities for addressing poverty and unemployment. However, on the other, there have been tensions regarding access and use of public space. For instance, where municipalities have been accepting street trading, mechanisms for growing the sector have been impotent and some officials have tended to use this deficiency for milking the sector. Where municipalities have taken a more active role, this has often resulted in restricted access to the sector, undermining its growth and viability.

The necessity to problematise space and interrogate the tensions brought about by the expansion of street trading and the constitutional requirement for developmental local government sits at the centre of the future of local economic development in South Africa. How municipalities navigate, manage and maybe resolve the tensions in how public space is appropriated will determine the future of the informal sector as a mechanism for address poverty and unemployment in South Africa. However, it is

important to synchronise the often conflicting interests or find a more mutually beneficial balance, that will work for both local government and street traders. What may also be more important is how local government appropriates street trading as a mechanism for local economic development.

The following chapter will present the methodological and design framework used to manage the conduct of the study.

# CHAPTER THREE

## RESEARCH METHODOLOGY AND DESIGN

### 3.1 Introduction

The previous chapters lifted the key issues and provided the theoretical foundations to contextualise understandings in this study. This chapter presents the methodological and design framework through and within which the study was conducted. The framework provides a discussion, explanation and analysis of the key aspects, including methodological and design issues, location and sampling procedure, research tools, data analysis, limitations of the study, as well as ethical considerations. This chapter also provides justifications for the methodological and design choices that the researcher made.

Before discussing the methodology, it is essential to reiterate that this study aimed to understand, firstly, how the municipality navigated the possible tensions between its obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing the ways the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments played out in the manner in which the municipality managed informal trading.

### 3.2 Research paradigm

In research, there is no view from nowhere (Hesse-Biber, 2010). This means that all research is located and conducted within a specific paradigm or worldview. This view of the world potentially provides researchers with a way of thinking about research and guides their research actions (Creswell, 2014; Guba, 1981). A research paradigm could be understood as a general philosophical view of reality, which is often a product of epistemological, ontological and methodological assumptions (Creswell, 2014). Therefore, a research worldview potentially guides how a research study is conducted (Cohen & Manion, 1994). There are several examples of research paradigms in literature, namely, post-positivism, interpretivist/constructivism, transformative and pragmatism (Creswell, 2014).

The study adopted an interpretivist research paradigm. The interpretivist paradigm, also known as the constructivist paradigm, assumes a multiplicity of views that individuals could hold about a particular subject (Creswell, 2014). An interpretivist/constructivist paradigm was thus chosen for its potential to allow the researcher to understand the world of human experience from the subjective meanings participants attach to their experiences (Cohen & Manion, 1994). Thus, an interpretivist/constructivist allowed the researcher to obtain a multi-dimensional view of the realities of the participants (Merriam, 1998), while being cognisant of the influence of their philosophical assumptions and experiences (McKenzie & Knipe, 2006).

### **3.3 Research strategy**

Contemporary understanding constructs the difference between qualitative and quantitative research strategies as lying within the fact that one uses words (qualitative) while the other predominantly numbers (quantitative) (Creswell, 2014). However, Creswell (2014) contends that this characterisation is simplistic and falls short of capturing differences from a philosophical level. To be exact, a more precise distinction between the qualitative and quantitative research strategies lies in the assumptions a researcher brings to the study, the types of research strategies employed in the study, and the specific methods used to investigate key research questions (Creswell, 2014). Therefore, from a philosophical vantage point, a qualitative research strategy involves the study of human experience from the perspectives of participants in their natural, ordinary contexts (Babbie & Mouton, 2001). On the other hand, a quantitative research strategy involves the process of explaining phenomena using numerical descriptions and representations (De Vos, 2002; Creswell, 1994).

This study used a qualitative research strategy (Creswell, 2014). Qualitative research often involves a naturalistic stance from a researcher. This suggests that, when using a qualitative research strategy, a researcher seeks to generate data from naturally occurring situations and environments, rather than in fabricated, artificial contexts (Bryman, 2012). Qualitative research foregrounds the importance of paying attention to the way people interpret and make sense of their experiences in their attempts to understand their social reality (Mohajan, 2018). Thus, in a qualitative research

strategy, the intention is often to obtain a deep understanding of the phenomenon under investigation (Domholdt, 1993). The understanding of how people interpret and make sense of their experiences implies that the data generated usually utilises phrases and words, as opposed to the use of numbers and figures (Punch, 2005).

There were potential benefits to the adoption of a qualitative research strategy for this study. For instance, a qualitative research strategy provided an opportunity to generate complex descriptions of firstly, how the municipality managed the possible tension between its obligation to promote social and economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing the way the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments played out in the manner in which the municipality managed informal trading. Thus, the adoption of a qualitative research strategy provided the researcher with an opportunity for them to read the experiences and perceptions of the participants from a multi-dimensional perspective rather than a narrow unidimensional lens (Bogdan & Biklen, 1992). This stemmed from the assumption and belief that the adoption of a qualitative research strategy would allow for the use of a combination of research methods (Flick, 2002).

### **3.4 Research design**

A research design is a plan or procedure to be used for collecting data to answer the identified key research questions of a study (Wotela, 2016). A research design, therefore “serves as a bridge between research questions and ... implementation of the research” (Durrheim, 2006, p. 34). Several examples of research designs exist in the literature, namely, action research, historical research, experimental design, non-experimental design, ethnography, comparative, longitudinal, and cross-sectional (Maree & Petersen, 2007; Nieuwenhuis, 2007; Wotela, 2016).

This study adopted and used a qualitative case study research design to explore the key research questions. A case study is “a systematic and in-depth investigation of a particular instance in its context to generate knowledge” (Rule & John, 2011). Thus, a case study approach was useful for generating in-depth, multi-faceted understandings of complex phenomena, such as human experience (Crowe et al., 2011).

### **3.4.1 Data collection procedures and methods**

There are many research methods and techniques for generating data to respond to the key research questions of a study. Research methods are the means, procedures and techniques that are used to generate data to answer the key research questions (Kothari, 2004). The following section provides a discussion of the research methods that were used to generate data to respond to the key questions of the research study.

#### ***3.4.1.1 Focus group interviews***

Focus groups allow for the interaction of group members and allow the researcher to generate data on the perceptions, insights and attitudes of participants, which would otherwise be difficult to delve into without this interaction (Morgan, 1988). Focus group interviews are group discussions centred on a specific topic or theme, often initiated by a researcher (Krueger & Casey, 2000). For this research study, focus group interviews were held with street traders. The literature recommends a group size of between six and nine participants per focus group interview session (Denscombe, 2007, p. 116). For this research study, each focus group interview session was held with not more than ten street traders. The intention was to hold focus group interview sessions with at least four groups of street traders. The views, perceptions and experiences of street traders were key in understanding how the Municipality related to and managed the expansion of informal trading within its jurisdiction.

#### ***3.4.1.2 In-depth semi-structured interviews***

In-depth semi-structured interviews were held with five municipal officials, who were directly involved with the management of informal trading in the municipality. The intention of interviewing these officials was to understand how the municipality navigated the possible tension between its obligation to promote social and economic development and the challenges brought about by the continuing expansion of street trading within its area of jurisdiction. The interviews were conducted using an interview schedule, which was used flexibly to ensure that all the critical themes were covered (Lofland & Lofland, 1995).

The researcher interviewed the participants on different days to ensure that they had space and time to reflect on what had emerged from each interview, and to make appropriate adjustments to the schedule and process, where necessary. A period of about 30 to 60 minutes was allocated to interview each participant, and participants were allowed to respond in the language of their choice. The reason for this was to ensure, as far as possible, that language did not present as a barrier to participants expressing themselves freely. All interviews were audiotaped, with the permission of the participants, and later transcribed verbatim.

The choice of a semi-structure interview was based on the assumption that the semi-structured nature of the interview potentially allowed space for (other) questions to emerge from the conversation between the researcher and the interviewee (Dicicco-Bloom & Crabtree, 2006, pp. 314-321). In other words, with the semi-structured interviews, the researcher could probe for more in-depth responses where it was necessary. In addition, the use of an interview provided the researcher with the opportunity to capture unspoken meanings and communications that participants provided from time to time.

#### **3.4.1.3 Document analysis**

Although the most usual way of getting the inside story is through interviews, many other tools can be employed, including the analysis of documents and audio-visual material (Plummer, 2001). Although some documentation was regarded as confidential by the municipality, the researcher requested to allow them access to some of the key documents that were regarded as useful for understanding how informal trading was managed. Where this was possible, the researcher conducted a careful review or inspection of the relevant documents such as various reports, policies, statistics, presentations, and others. The researcher used these documents and artefacts to understand the context of informal trading in the municipality and to triangulate data elicited through the focus group and in-depth semi-structured interviews. The information generated from these artefacts provided the researcher with a perspective on how the municipality manages informal trading and how this was experienced by informal traders. The themes that emerged from the examination of the documents were utilised to answer the key research questions.

### **3.4.2 Sampling procedures**

Sampling is usually performed according to the research strategy (i.e. quantitative, qualitative or mixed methods) chosen for the study (Kumar, 2011). For instance, sampling in quantitative research must allow the researcher to make credible inferences about the target population group, whereas in qualitative research the intention is to generate in-depth information about a research phenomenon (Kothari, 2004; Kumar, 2011). However, for both instances, sampling of participants, as opposed to the participation of all the members of the target population, may be required for several reasons, including budget constraints, parameters of interest, availability of respondents and many others (Kothari, 2004).

This study used a non-probability sampling design to select participants for the study. There are five commonly used non-probability sampling designs (namely, judgmental or purposive sampling, accidental sampling, expert sampling, quota sampling and snowball sampling), each based on a different purpose and consideration, (Kumar, 2011). This study used a purposive sampling design, as the intention was to select participants based on some identifying criterion. This means that, in the instance of this study, the researcher made a judgment as to who among municipal officials would be better placed and relevant to provide information to address the aim and objectives of the study (Kumar, 2011). The major criterion for selecting participants for the in-depth semi-structured interviews was the fact that the officials had to be directly involved with the management of informal trading in the municipality.

### **3.5 Data analysis**

For this study, data analysis involved the process of making meaning of the collected data, i.e. making sense of the observations, words and/or representations (De Vos, 1998, p. 63). Prior to the analysis of the data, the researcher went through the data to acquaint himself and obtain a sense of what was contained in the data. This process comprised immersing himself in the data, identifying initial themes and patterns, coding, elaborating on, and describing and interpreting situations (Babbie, 2007, pp. 378-403).

The content analysis approach was used to analyse the collected qualitative data. The choice of this approach was based on the assumption that this approach would enable the researcher to examine the data more deeply (Babbie & Mouton, 2001, p. 56). The content analysis of data involved making sense of textual qualitative data to develop a line of argument (Babbie & Mouton, 2001, p. 23; Downe-Wamboldt, 1992, pp. 313-321). In this study, textual data included verbal data from semi-structured interviews and focus group interviews and textual data from the analysis of documents that the participants were willing to share with the researcher.

### **3.6 Ethical considerations**

All research must be ethical, whether it follows a quantitative or qualitative research strategy (Wassenaar, 2006). Besides the fact that ethical clearance is a requirement at all universities, no research can afford to be unethical, as all research must ensure that the rights of participants are always protected. Therefore, the following measures and considerations were made to ensure reasonable protection of the participants in this research study.

Prior to the commencement of the study, the researcher took time to consider the usefulness and relevance of the research study and to ensure that he was confident and convinced that the study was worth conducting, both for ethical and social reasons (Kumar, 2011). The intention was to ensure that the researcher undertook a worthwhile research exercise that would put participants' time to good use. The first step after this one was to meet gatekeepers to request access and share with them and explain the purpose of the study. Thereafter, potential participants were approached to explain the focus and purpose of the study and to request and invite them to participate in the study.

Informed consent was obtained from those who were willing to participate (Blanche, Durrheim, & Painter, 2006, p. 56). This means that participants were made effectively aware of the expectations of the researcher from them before they committed to participation (Kumar, 2011). However, the researcher was careful not to coerce the participants to provide consent to ensure that participation in the study was largely their decision. After providing verbal consent for participation, the participants were

requested to sign a consent form as assurance that they had agreed voluntarily to participate in the study. Furthermore, the researcher reassured participants that their participation and contributions would be voluntary, and that they were at liberty to withdraw their participation at any stage, should they feel uncomfortable continuing.

This study also considered the fact that some of the information sought by researchers could be delicate and sensitive, even though the researcher may not regard such information as sensitive (Kumar, 2011). Therefore, the researcher was careful to point out to participants that they were at liberty to refuse to respond to some of the questions, especially if they felt uncomfortable responding to such. However, the researcher was also mindful not to burden participants with the responsibility to object. Therefore, where the researcher believed that the information sought could be delicate, the researcher took responsibility to point that out and allow the participants sufficient time to consider if they were willing to respond to such a question.

Interviews and all accompanying discussions were audio-recorded with the permission of participants and transcribed verbatim. The transcribed data was then confirmed with the participants through a process known as member checking (Guba, 1981, p. 85). All the information that could potentially identify or point to individual participants was treated with confidentiality and anonymity. Confidentiality and anonymity were ensured through pseudonyms. In addition, all material that could be associated with the participants, whether potentially identifying or not, was kept under lock and key at all times when the researcher was not working on it. Where the assistance of a third party was procured, the researcher ensured that this party respected the anonymity of the participants and that they maintained confidentiality at all times.

### **3.7 Credibility and trustworthiness**

All researchers must make sure that questions of credibility and trustworthiness are addressed for their research study (Angrosino, 2007). To enhance the credibility and trustworthiness of this study, data collection instruments were first piloted in a similar context and adapted in line with the recommendations from the piloting process. This provided useful insights that were used to ensure that process challenges were minimised to ensure that the study proceeded with relative smoothness.

The triangulation of data was applied using multiple research methods. This strengthens the credibility and trustworthiness of the study and provided a degree of validation and justification of evidence. This did not only serve the function of corroborating evidence for veracity; it also served to improve the accuracy of the researcher's understanding of the experiences of participants, which was regarded as a significant factor or variable in this study. Member checking was also used, which involved participants reading through the transcribed data and verifying whether it was a true reflection of what went on in the in-depth semi-structured interviews.

This study also accepted the fact that challenges will always be part of any research project, no matter how methodically it has been planned. Therefore, the researcher anticipated that this study would also have its share of challenges. For instance, it was anticipated that obtaining permission from gatekeepers, such as political leaders of the municipality, to obtain access to the participants was likely to be a challenge. Therefore, the researcher allocated sufficient time to hold initial meetings with gatekeepers to request their permission. In addition, it was expected that the participants (i.e. informal traders) may have become fatigued from being researched, and believed that their time would be better used carrying out other activities of making a living. Therefore, before the initial meetings with the participants took place, the significance of the study was carefully thought through and rehearsed before requesting them to participate in the study.

Lastly, it was expected that finding time in the busy schedule of informal traders and municipal officials would be another challenge. Therefore, it was anticipated that appointments may be postponed and cancelled, particularly in the case of the officials from the municipality, with no tangible movement towards the achievement of the objectives of the study. A further consequence would be that this would extend the time the researcher would take to finish the study. All this required the researcher to rearrange things, allocate time generously to accommodate these risks and 'keep a cool head' to ensure that the project remained on track.

### **3.8 Summary**

From the discussion above, it stands to reason that the methodological and design choices and considerations that a researcher makes are often sourced from their ideological and philosophical persuasions. This suggests that what researchers finally do, is often influenced by these orientations and convictions and is thus charged and subjective, rather than neutral and objective. Moreover, the context has a significant part in the shaping and orientation of these convictions. This means that, in addition to epistemological, ontological, methodological and axiological persuasions, contextual realities account for a significant part of how a study is eventually undertaken and conducted.

This chapter, therefore, presented a discussion of how the methodological and design realities were negotiated and navigated in this study. The chapter also presented methodological and design limitations and constraints that emerged from the conduct of the study and how these were moderated and managed in each instance. The following chapter presents, discusses, analyses and interprets the findings that emerged from the investigation of the key research questions as provided and discussed in Chapter 1 of this research report.

## CHAPTER FOUR

### PRESENTATION, DISCUSSION AND ANALYSIS OF FINDINGS

#### 4.1 Introduction

The previous chapter presented a discussion of the methodological and design considerations that were made to guide the conduct of the study. This chapter intends to present, discuss, analyse and interpret research findings. The chapter will do this by, firstly, presenting the description of the research context; secondly, the various themes in respect of the experiences of street traders in respect of how the municipality managed street trading; and lastly, conclude by elevating key issues that emerged from the presentation and discussion of findings. At this point, it is important to underline the fact that the presentation and discussion of the findings in this chapter are per the aim and key research questions of this study as mapped out in Chapter 1.

#### 4.2 Voices, perceptions and experiences of street traders

This section presents the perceptions and experiences of street traders on a range of issues affecting their work as street traders. For this study, this was important for the interrogation of the role that the municipality could play in nurturing and growing street trading as a key player in their local economic development initiatives.

##### 4.2.1 Education and street trading: *“Our education did not take us anywhere”*

In many circles, education is regarded as a gateway to a better life. For this study, participants were asked about their level of education. However, in addition to sharing information about their levels of education, some participants attributed to the education that they had received the fact that they ended up in street trading. Below are some of the participants’ views regarding the level of their education:

*“Our education did not take us anywhere. We work in the sun for the whole day”.*

*“We can’t even remember what education level we have...You were not even born when I went to school...I went up to Grade 11. However, does it matter? I suffer like everyone else, including people with an education”.*

*“I am not different from a person who has not formal education; I went up to Standard 3. I am no different from a person without formal education, as there are a lot of things that I do not know. However, I do not think I would have been better with a better education. The situation of many people with an education is no different from mine.”*

The above narratives point to the sad story of the quality of education that failed these participants, an education that participants believed did not make a difference in respect of the quality of life. The universality of suffering among those that have an education and those that do not have it has the potential to reduce the value of education. The belief that *“I do not think I would have been better with a better education”* paints a picture of hopelessness. Bano (2015) has argued that a person is incomplete without education. However, this did not reflect the reality of education in the lives of some of these participants. For these street traders, it was possible to have an education and still be incomplete. That is, when education could not deliver a better life for them, they decided to pursue street trading as their way of mobilising spatial elements to improve their fortunes.

#### **4.2.2 Becoming a street trader: *“It was that situation that sent me out”***

For this study, participants shared their experiences and perceptions of how they had become street traders, and what such a life meant for them. Narratives of the participants pointed to a range of issues that made them become street traders, some of which was that they had decided to and some of which were context-induced. The following are some of the factors that led to the participants becoming street traders:

*“From my own perspective, it was hunger that drove me into it...Yes, it was hunger, nothing else. I realised that the only way I could eliminate hunger was to get to the street and hustle like everyone else...Ja, it was difficult because I did not even pass Standard 9 and I do not have matric. It is thus very difficult to get jobs”.*

*“Ja, for me, I can say the work that I do was a gift from my ancestors. Okay. Because when I went looking for a job, no employer (white man) would accept me, but at the end of the day there was a dream that told me that I must be self-employed in order to make a living”.*

*“I had to pay for the education of my children, as the older ones were attending fee-paying schools. So, it was that situation that sent me out and that my children had to have clothes, eat and have transport to go to school...Ja, it was hunger...I had to do something”.*

The above responses suggest that a range of factors could be attributed to the decision of the participants to become street traders. From the above, the need to take care of their families cuts across the responses. Before they became street traders, the participants had constant concerns about the welfare of their families. For some, it was the experience of running out of options: *“I had to do something”*. The use of *“hustle like everyone else”* highlights the weight of the socio-economic burden and the realisation that they are not the only ones impacted by socio-economic deprivation, everyone else is, and they are doing something about their situation.

What is evident from the above is also the realisation that responsibilities stand, whether a person has the means or not: *“I had to pay for the education of my children, as the older ones were attending fee-paying schools”*. This suggests that the participants were conscious of the fact that life did not absolve anyone of their responsibilities, just because they do not have the means to fulfil such; responsibilities stand, whether one has the means or not. In this instance, participants had to produce themselves in this difficult space, and find a way to navigate it in a manner that could improve their situation. Thus, it could have been that street trading, for these participants, was adopted as one of the few options they had at their disposal.

Unlike the above participants, some participants were engaged in some activity before they became street traders. The excerpts below reflect some of these activities:

*“I was working in hotels...as an admin”* [Nosipho]

*“I was working in a casino. After that, I started in early childhood”*  
[Nonhlanhla]

*“I was working on a farm. Yes, there is a farm where I was working. I was selling vegetables and fruits”.* [Gabisile]

*“I started in saloons in 2001, working for other people, but now I am self-employed”.* [Nelisiwe]

*“I left to start as a domestic worker, where I worked for four years. Then, I realised that the money I was making as a domestic worker was less than what I was making as a street trader”.* [Nokulunga]

*“I started in saloons in Margate cutting people’s hair. I now cook. Yes, I cook”.* [Zipho]

Unlike the case of the above participants, the excerpts above suggest that the participants were engaged in some activity before they became street traders. From the excerpts, it is evident that they moved to street trading for a variety of reasons. For instance, Nonhlanhla decided that it was better to be self-employed and become more independent and started an early childhood development centre. Nonhlanhla later joined street trading. Street trading, like running an early childhood development centre, requires specific management skills, which, it could be argued, prepared her for the work as a street trader. For some, such as Gabisile, the intention was to utilise the skills developed while working as a farmworker, selling fruit and vegetables, to do that for themselves as a street traders. As Nelisiwe puts it, it was the decision to stop working for other people and become self-employed. For these participants, their previous activities served as preparation for becoming street traders.

However, some participants, such as Nokulunga, had always been street traders, from a young age. For instance, for Nokulunga: *“I started selling snacks at school, when I was still a learner. I would order from Margate and sell until I started here as a street trader. Now, I have another business”.* This suggests that for participants, such as

Nokulunga, street trading was not something new, that they had joined for particular reasons; they were born into it; it had become part of their life when they were children. For them, it was a way of life – a means to make life happen. Nokulunga had even diversified into other business types: “*Now, I have another business*”. This suggests that Nokulunga was diversifying and growing as a businesswoman, venturing into new areas of business. In the words of Lefebvre (1991), Nokulunga, as a person who is using the public space allocated by the municipality, has appropriated more space to venture into new business areas. In alternative terms, this suggests that Nokulunga has taken over some of the dominated space for her benefit.

The above scenarios and manoeuvres of the appropriation of space are important given the fact that street traders are among the most socio-economically deprived categories in the informal sector (Rao, George & Shah, 2015). The above excerpts point to the fact public space is a constantly and continuously contested construct. That is, the appropriation and domination of space for activities such as street trading are induced by and take a variety of shapes and formats. For the street traders who participated in this study, the appropriation of space was not a conscious decision to take over space; it was a matter of survival and a desire to improve the quality of life. For some, such as Nokulunga, the occupation of social space for street trading was not a new thing; it had started when they were still children.

#### **4.2.3 The day of a street trader: “*There is no set time*”**

Participants in this study were asked to describe their day as street traders, including their hours of work. The following excerpts are some of the responses to this question by the participants:

*“There is no set time. It depends on a variety of factors, including the weather sometimes. For instance, you come in the morning and the weather changes and you have to pack your stuff and end your day. Also, sometimes it rains and we have to pack our stuff, because we do not have a sheltered place that we can use to continue to sell even if it is raining. We have not been provided with anything. When it is raining, we do not work”.* [Bafana]

*“...but transport is a problem. Also, we have to close because we work in the open space. We are not like those who have been provided with shelter”*. [Ringo]

*“As far as I am concerned, I do not have opening and closing time. I arrived with the first bus, so that anyone who comes in the morning finds me there and when they leave with last bus, that’s when I close. This I do to make sure that everyone gets their stuff”*. [Nokulunga]

*“It depends on where we are in the month. It is better if it’s the end of the month, when people have been paid. After that, it becomes a bit difficult when you are a street trader. It becomes very difficult. Fewer people come to town. So, you benefit from one or two people”*. [Zandi]

*“It depends on what is happening. When it’s busy time, we start early and close late. Okay. When it’s busy, we leave at 00h00. Sometimes when you look at your watch, you see it’s already 01h00 in the morning”*. [Gugu]

The above excerpts from the participants’ narratives suggest that the nature of the day of a street trader was determined and impacted by a range of factors. For example, the condition of the space had a significant impact on the nature of the day of a street trader. For example, the fact that the participants did not have a sheltered environment from which to work determined how long and whether they worked in a day. For instance, when it was raining, they could not work. In some cases, as in Ringo’s case, their working day was determined by the flow of transport. Where transport was difficult, this had consequent delays on their day. However, as pointed out elsewhere above, their responsibilities stood, despite these complexities.

Looking deep into the reality of street trading for these participants points to the complexity of a life of a street trader. For instance, their day was determined by when their customers had money to spend, although they had to come to work every day. Coming to work every day had the benefit that they would make some money, however small the amount may be. It is unclear how the participants funded their travelling

during the days they were making very little or no money. This implies that a life of a street trader pivots on optimism that things will be better than yesterday. This optimism is what seemed to drive the street traders who participated in this study to continue street trading each day, despite the difficulties with which they were often confronted.

Participants in this study were also asked to describe their day as street traders, including the profit they made per day and whether they were doing any other work over and above street trading. The following excerpts are some of the responses to this question by the participants:

*“Our profit is like weather; it changes all the time. You are not sure how much money you are going to make each day”.* [Agnes]

*“You see, when schools are closed and it’s holidays, that is the time when we make money. At other times, you come here and get nothing. Nothing...Sometimes it’s R500 and sometimes it’s R300. You see? Sometimes it’s R100. Sometimes you go home with R50”.* [Kulula]

*“Maybe R300...However, at times like today, we don’t make any money. If it’s a quiet day, it could be R40. Others don’t make any money and must go home without any money...If times are bad, there is not much”.*  
[Nandipha]

From the above, it is evident that the day of a street trader requires a measure of resilience, adaptation and patience. Participants’ narratives point to the fact that they had to be comfortable with not knowing and not being sure what their day will be like: *“You are not sure how much money you are going to make each day”*. This means that a street trader, within the context of this study, could only hope, but could not say in definite terms what their day will be like. It would be naïve to exceptionalise this as a unique experience of a street trader. However, what makes the situation of a street trader somewhat different is the extent of vulnerability to which they are exposed during times of making no profit or getting back their capital: *“...at times like today, we don’t make any money...”*.

As if the above was not enough, participants also reported the outbreak of COVID-19 had exacerbated their already worse situation. MaGumede sums up the impact of COVID-19 as follows:

*“It’s just COVID that messed everything up. We have nothing. COVID took everything away. Our stock is sitting at home because we could not sell. The beach was closed, and we could not sell. You see, if you could ask me for a hundred rand, I would not be able to give it to you. And we can’t owe transport. Even getting to this meeting was a challenge. [They laugh]. We borrowed money that we used to come here”.*

The above excerpt suggests that, for these street traders, the outbreak deprived them of livelihood. It confiscated and appropriated the space that they were using for street trading. The protocols to contain COVID-19, although well-intentioned, “*messed everything up*” and “*took away everything*” for the street traders who participated in this study. The shutting down of the spaces where street traders worked and made an income placed the participants in a precarious socio-economic situation, as they “*have nothing*”. Having nothing means that their households must go through life without the means to do so. Given the fact that street traders are not registered as formal businesses, street traders who participated in this study had to make do with a meagre social relief of distress. This reality begs the question of why there was no protocol to cushion street traders from the devastating effects of COVID-19.

Participants also reported inadequate communication between the municipality and street traders in respect of lockdown protocols, especially in respect of what they could expect regarding services to street traders. For instance, the Chairperson of the committee representing street traders raised the following concern:

*“...we were not advised that there is going to be a lockdown, which means that you cannot work as usual; we were just caught like that. When businesses were allowed to operate, we never advised, or me as a chairperson advised of such. We were not told that we can now operate. I just heard it through the grapevine”.*

The above excerpt suggests that street traders were not only excluded from support for businesses, but they were also deprived of information regarding those things that could keep them afloat. For this group of street traders, this is more concerning as they had a formal communication structure, which the municipality could have utilised to advise street traders of what they had to expect. This is even more important given the fact street traders are one of the municipality's most vulnerable categories in the local economic development chain. The least that the municipality could have done was to ensure that street traders had information about what they had to expect in respect of municipal services that concerned them, given the fact that they were excluded from the basket of business support. It could be argued that leaving them in the dark in this way, further exacerbated their vulnerability.

#### **4.2.4 Street traders, permits, relationships and services: *"I was very disappointed about that..."***

Participants were also asked whether they had permits. Street traders must have permits to be allocated space or stand and operate as street traders. All the street traders who participated in this study had permits. However, in certain instances, the issuing of permits was reported to have been unfair:

*"When I got there, I was told that we were not yet allowed to approve people as street traders. While we were still listening to that, we saw people who had been approved as street traders, approved with permits. They just went to Ray Nkonyeni and bypassed us. Ray Nkonyeni gave them permits without them meeting with us first as a committee as per agreement. We only saw them after they had been approved. It is difficult then for us to question a person who has already been approved by the landowner, because you are also using another person's land. Ja, when I asked what the meaning of this was, people continue to be allocated stands while we have been told to hold, and I had not been told that we can now take people and advise the Committee as such. When I raised concern, the response is "I was not told that the allocation of stands had been suspended. I am surprised that people had been told that the process had been suspended". And I say, it confuses me that people working for the*

*Municipality do not about the decisions that the Municipality has taken. I was very disappointed about that”.*

[Chairperson of the committee representing street traders]

The above response suggests an unstable and untrustworthy relationship between the committee representing street traders and the municipality. For instance, the allocation of stands without following the agreed-upon protocols suggests weaknesses or ulterior motives in the allocation of stands. Such action could potentially cause conflict among street traders, which the municipality would have to help resolve. Therefore, it is unclear why the municipality would bypass the Committee and do something that would potentially jeopardise its relationship with street traders. If it is true that the official responsible for the issuing of permits and allocation of stands did not know that the process had been put on hold: is “*I was not told that the allocation of stands had been suspended. I am surprised that people had been told that the process had been suspended*”, then this suggests serious challenges in the management systems of the municipality. As the Chairperson puts it: “*...it confuses me that people working for the Municipality do not about the decisions that the Municipality has taken*”. This threatens the very mandate of the municipality to implement a successful programme of local economic development.

Participants were also asked about their relationship with the municipalities, including whether they knew who their contact person was in respect of issues regarding street trading. The following excerpts from the participants’ responses depict their relationship with their municipalities:

*“Our contact person in the municipality is Sibusisiwe Dlamini. Is it Dlamini? Yes, it is. She is a good person, because when you call her or WhatsApp her, she responds. When she is not available when you call, she always gets back to you... The municipality is doing a good job. They are still responding well to our requests”.* [Busi]

*“The municipality is doing a good job. They are still responding well to our requests”.* [Ncane]

The above excerpts suggest a healthy and useful relationship between the municipality and street traders. Street trading remains a vulnerable economic sector in South Africa. Therefore, instances such as these, where the municipality has developed clear channels and structures for working with street traders, could benefit and grow the sector and its contribution to the country's economy.

#### **4.2.5 Challenges faced by street traders: “When we call them there is no response on that number”**

Participants were asked about the challenges they were experiencing as street traders, especially in their allocated stands or space in respect of the applicable bylaws. The following are excerpts from the participants' responses:

*“Ja, we cannot lie. Police patrol although they are struggling to get rid of the thugs (amaphara). They patrol; they are visible. The problem is that when they have given us a number, when we call them there is no response on that number. It's better if we call the Municipality and the Municipality calls them. But if we call them, there is always no response, despite the fact that they have given us the number. We raise concern and we are given another number, but the same thing happens”.* [Nokulunga]

*“...the place is not clean and secure. There are a lot of people now, who when they see us leaving, break into our places. There are now safety concerns about the place. This is a recent development. This place used to be safe. Now, one has to worry about what is going to happen to their goods”.* [Jimmy]

*“We were promised, but we have not received anything. They took all our names, but nothing has happened since then. At some point in the past, we found that the conditions for accessing the funding excluded us as street traders. They wanted people who are registered and paying tax at SARS. As street traders, we do not have businesses that pay tax to SARS”.*  
[Jimmy]

*“...the water is not always available. This makes using toilets a problem. When toilets are broken, they are not fixed. I would say that the toilets are not maintained. We also do not have a storage place to keep our stuff at the end of the day. We do not even have shelters. We requested them to provide us with at least a container...So that we could put our stuff at the end of the day. They promise, but it does not happen”. [Thuthukile]*

*“...there is refuse next to that pole and people have to walk over refuse when they are coming to board a taxi. At least if they could put it far from the taxi rank. But, do they remove it? Yes, they do, sometimes after a very long time, when flies have been attracted to it and have become a nuisance. I think this refuse could have been put somewhere a bit away from where we work, not next to the taxis. You see it. If it could burn, the taxis will catch the fire. And see worms are crawling out of it. It is there; I am telling you about something that you can see for yourself. The refuse comes from the shops. They take refuse there and bring it to the taxi rank. The refuse that you see there is not from the taxi rank; it is from the shops. It surprises us when the Municipality removes refuse from the shops and dumps it at the taxi rank”. [Nombali]*

*“We would like to be provided with shelters...so that we do not have to sit in the rain and the sun...so that we are protected from the heat. Our caps are burned by the heat. They can even use corrugated iron to build us shelters, if they can't build with brick and mortar...something that will protect us. We are exposed to extreme heat from the sun”. [Makhosi]*

*“If you have a concern with some issue, it is like you have sent to Pretoria; it sometimes takes ages to be responded to”. [Jimmy]*

*“...sometimes people use these spaces without permission, as I indicated that sometimes people say I am not going to be told by you what to do. Some will say that you are new and I have been working here for a very*

*long time I will not be told by you that I cannot do what here. Sometimes it is foreign nationals who approach the Municipality, and the Municipality directs them to us, in spite of the fact that the Municipality had directed that we must not allow or approve foreign nationals, because they are not allowed to come and look for work here in South Africa. However, when they approach the Municipality, they direct them to me. They want these people to shoot me”.* [Chairperson of the committee representing street traders]

The excerpts above suggest that participants experienced a range of challenges in their work as street traders. These ranged from challenges with communication with the police, in which numbers provided often did not work; cleanliness of the place that they are using; break-ins resulting in their goods getting stolen; legislative challenges that led to the exclusion of street traders from funding opportunities; inconsistencies in water supply resulting in difficulties in using the toilets; inadequate waste management systems resulting in hazardous conditions; inadequate infrastructure, such as shelters, where street traders could work; slow response to the concerns and requests from street traders; and inconsistencies in the issuing of permits and allocation of stands. These challenges suggest that even though the space for street trading has been allocated, it does not provide optimum conditions for effective street trading. Often, street traders had to contend with these challenges, which made it difficult for them to dedicate full attention to what they were doing.

#### **4.2.6 Support for street traders: “*The association negotiates on our behalf*”**

Participants were asked whether they belonged to an association for street traders. Three out of four groups reported that they did. The ones that did not belong to any pointed out that they chose to communicate directly with the municipality. It is important to point out that the benefits and disadvantages of this would depend on the municipal context under which the street traders are operating. Where there are effective support mechanisms by the municipality and there are no serious points of difference between the municipality and street traders, it may work. However, in instances where individual street traders' voices are insufficient to make them heard, it

would mean challenges for street traders. In addition, as can be discerned from the participants' responses below, belonging to an association could have advantages:

*“The benefit is that when we have a conflict, we know where to report the matter to. If there is not structure to report matters to, this could have disastrous consequences”.* [Jake]

*“For instance, the association negotiates on our behalf, for instance, as in the case of permits”.* [Chairperson of the committee representing street traders]

*“Yes, we were once called for training, where we were trained on how a business operates...The training also included customer care”.* [Vezokuhle]

*“They sometimes train the executive”.* [Khabayo]

In South Africa, street trading is a space of significant contestation, given the different and often conflicting interests held by municipal officials and street traders (Matjomane, 2013). Often, these interests can lead to situations where the good intentions of local economic development programmes and initiatives for alleviating poverty are severely undermined. The reason for this is that street traders are often an undermined category of players in the local economic development activities, and are often not heard and cannot influence outcomes of the discussions that determine their situations. This implies that establishing and becoming members of associations for street traders may be a strategic thing to do to navigate the complexities of being a street trader within a specific municipal space.

In addition to the above, the fact that street traders reported receiving some training, even though sometimes it was for the “*executive*”, is a positive development that, if pursued, could yield positive outcomes for local economic development initiatives of municipalities. However, as reported by the participants, these were far and wide, which implies that municipalities still have a long way to go in this regard, given the

fact that street trading generates a significant number of opportunities for those who cannot be absorbed in the formal economy.

### 4.3 Voices, perceptions and experiences of key officials

As part of this study, semi-structured interviews were held with specific key persons who were involved in working with street traders as part of local economic development in the municipality. This section presents the findings which emerged from these interviews.

#### 4.3.1 Profiles of key officials

Table 1 below provides profiles of the key officials with whom semi-structured interviews were held.

**Table 5.1: Profiles of the key officials with whom semi-structured interviews were held**

PARTICIPANT	AGE RANGE	EDUCATIONAL QUALIFICATION	RANK	RESPONSIBILITIES
1	40-49	Bachelor of Public Administration (Hons)	Head of Department Planning and Economic Development	Policy formulation; Management of socioeconomic development projects; Investment attraction and promotion and business regulations / licensing; Building applications and approvals; Planning development matters of the municipality
2	40-49	Master's degree; Municipal Finance Management Programme (MFMP) Certificate	Local Economic Development Manager	SMME & Co-operatives Development; Tourism Development; Poverty alleviation initiatives as well as business regulation; Research & Intelligence

#### 4.3.2 Attitudes and beliefs towards street trading: *“Informal trading is here to stay, and has an important role to play”*

Participants were asked whether they believed that street trading had a role to play in reducing the unemployment rate. The following excerpts are from their responses in this regard:

*“Yes, indeed people in the informal economy are mostly people who could have been employed by one company or another. The global recession that*

*happened in 2007 reinforced the sector as during this period we saw a significant rise in number people who showed interest in the sector through applications and inquiries. This was both young females and males. It is also true that, there are people in the informal economy, who would have preferred other sectors but due to complications in the means of entry they end up in the informal trading. Informal trading is a source of employment as most African economies thrive through informal economy”.*

*“Empirical evidence has over time, demonstrated that informal trading is here to stay, and as such it has an important role to play. In the main there are two characteristics of informal traders, those who are entrepreneurial and who have noted a gap and an opportunity to enter into a business. Secondly, there is a group of informal traders who are in the sector not because of own volition and will, but because of socio-economic circumstances. The latter, mainly consist of traders who may have recently lost a job and thus trying to make end meet”.*

The above excerpts suggest that the participants believed that street trading had place in the country’s efforts to reduce poverty and unemployment and that street trading provided a key mechanism for cushioning people from the consequences of harsh economic events, such as recessions and job losses. For some, street trading provided an opportunity to take advantage of the gaps in the formal economy. In other words, street trading provided an alternative entry to economic participation, which the formal economy cannot provide. However, they also held that for some, street trading was not a choice; it was the only option for them as, for a range of reasons, they could not enter the formal economy.

Participants were also asked whether they thought that street trading was organised in their municipality and whether they believed that informal trading helped street traders to meet their basic needs. The excerpts below provide a glimpse into the participants’ responses in this regard:

*“Yes and no. Yes, because there is informal trading association. No because some members do not want to be members of the association. Administratively yes because there are members of the municipality who are assigned to look after the informal traders and there is a process of how a permit is acquired. As well on the other end, there are several operators who are operating without the permit”.*

*“I would like to think that there is some form of organization in so far as informal trading and regulation thereof is concerned. To try and “formalize” the informal sector, we established the Area Committees across the municipality and further established the informal traders chamber, which is mainly made up of chairperson from various area committees. The mentioned structures assist greatly in the management of the sector as they become the extension of the department, thus assisting in allocations of trading infrastructure whilst the department focuses on its mandate, which is regulation and specifically issuing of permits and enforcement. As per above, certainly, there is a role for informal trading within the local economy”.*

*“To try and “formalize” the informal sector, we established the Area Committees across the municipality and further established the informal traders chamber, which is mainly made up of chairperson from various area committees. The mentioned structures assist greatly in the management of the sector as they become the extension of the department, thus assisting in allocations of trading infrastructure whilst the department focuses on its mandate, which is regulation and specifically issuing of permits and enforcement. The expectation is that information passed to area committees will be cascaded down to ordinary informal trader in each area of informal trading. Capacity building has in the past focussed on municipal policies, regulations and business management”.*

From the above excerpts, it could be concluded that street trading was reasonably organised in these two municipalities, although there were challenges in ensuring that all street traders made use of such opportunities. For some, in the first excerpt, the

participant reported that although an association for street traders had been established, “*some members do not want to be members of the association*”. This means that a great deal of work still needs to be done to advocate for solidarity structures, such as associations for street traders. In the second excerpt, it would seem that the municipality has made significant strides in ensuring that street trading is supported, in that area committees had been established across the municipality, ensuring that the street trading sector is properly managed and provided with the necessary support and infrastructure. Although permits were used to regulate entry into street trading in both municipalities, challenges were experienced in cases where “*several operators [were] operating without [permits]*”.

Participants were also asked whether formal business benefitted from street trading, to which they responded as follows:

*“Yes, to some degree the source of products that street traders are selling are coming from the formal businesses e.g. registered farms, wholesalers and supermarkets...Some members of the informal trading sector will buy their selling material from people who are wealthy and some in the middle class. Ultimately these products are sold to people from poor background”.*

*“There are often confrontations between formal and informal businesses, either due to perceptions or real evidence. For instance, informal businesses have vehemently complained about formal businesses entering their sector & in some instances putting people as “fronting” informal traders. On the other hand, formal businesses have complained about dirtiness that is apparently being brought by informal traders. Having noted such, there is future for co-existence between the two”.*

In both the above instances, participants believed there was a mutual relationship between formal business and street traders, although, in the second instance, there had been confrontations between the two players. As Lefebvre (1991) would put it, trading space, like all social space, is contested. In the instance of this study, there was a fierce contest for space, with a formal business seeking to appropriate all space and not share

it with street traders. In addition, street traders who participated in this study reported that waste that was dumped next to their workplace came from formal businesses; not from them. For this study, it is evident that, especially based on the above excerpt, instead of existing mutually, the formal sector (i.e. business) sought to exclude the informal sector (i.e. street trading). This is problematic given the role of the informal sector vis-à-vis that of the formal sector. For instance, there is a reality that the informal sector cannot alone provide access for all to the economy; there will always be a need for the two economies to complement each other.

#### **4.3.3 Relationships and experiences with street traders: “*I have been lucky to have worked with them*”**

Participants were asked whether street traders in their municipality knew who to contact in the Municipality if they wanted to discuss issues relating to their businesses and whether they were satisfied with how street traders related to the municipality. The following are excerpts from their responses:

*“The relationship with street traders is a complicated one because it depends on their satisfaction. Yes, there is a relationship with the informal traders which is through the informal traders’ association. The meetings are structured in manner of meeting schedules which sits on quarterly bases. We also have an informal trader registration committee that is part of our by-law which regulates the relationship between the two parties”.*

*“As a municipal official, dealing with informal traders I have been lucky to have worked with them since 2005, and thus fourteen (14) years of experience. In my early professional days working with informal traders my task was mainly daily practical interaction with informal traders, issuing of permits etc. My latter part (management) has been the daily practical work diminishing and thus focussing more on issues of policy and regulation”.*

In the first instance, the participant referred to the association as a key contact point for street traders. However, it was unclear who the contact person was within their municipality. In addition, the participant also characterised the relationship of their municipality with street traders as a “*complicated one because it depends on their satisfaction*”. It is unclear why the matter of a contact person would cause a complicated relationship that depends on the street traders’ satisfaction. This is a matter that requires further interrogation. In the second excerpt, there seems to be a longstanding relationship between the municipal official and street traders: “*I have been lucky to have worked with them since 2005, and thus fourteen (14) years of experience*”. However, the second excerpt suggests that the relationship is no longer as close as it was, as the official began “*focussing more on issues of policy and regulation*”, which they say somewhat diminished daily contact. Depending on how this is managed, it may yield negative and positive consequences for street trading within the municipality.

#### **4.3.4 Services to street traders: “*The municipality has done very little in this regard*”**

Participants were asked about the availability, condition and accessibility of water, toilets and electricity. Below are excerpts from the participants’ responses:

*“Difficult one – Nearest is 10 metres and the furthest is 100 metres. The same in response to toilets facilities will apply to water points. Yes, at the bus rank there is electricity, however, at the taxi rank there is no electricity, the use of gas and other source of energies is common in most areas where the electricity is not available”.*

*“Within the municipality there are different levels of access to services for informal traders. In the main, informal traders are concentrated in and around public transport facilities. There are also informal traders that are located in various town centres, such as Izingolweni, Margate, Port Shepstone and Hibberdene. For traders who are located within taxi ranks there are satisfactory levels of access to water & toilet facilities as such services are made available to taxi rank commuters”.*

The above excerpts suggest that the municipalities had taken steps to ensure that street traders had access to water, sanitation and electricity. This observation is in sync with what street traders reported during focus group interviews. However, it must be noted that, in two instances, street traders confirmed the availability of toilets, but pointed out that due to the inconsistent water supply in one and their condition in the other, they were sometimes unusable. This points to the importance of ensuring that services are properly managed to ensure continuous access. However, in the following instance, the municipality had taken further steps to build in ownership and empowerment mechanisms to ensure the continuous provision of services:

*“To further empower informal traders, the municipality entered into a three-year agreement with the informal traders’ chamber, mandating the chamber to manage certain ablution facilities in taxi ranks, i.e. Port Shepstone taxi rank, Port Edward taxi rank and Hibberdene taxi rank. Traders manage the facilities and further charge users a minimal fee (R2.50 per person), agreed-upon with the municipality. In return traders are expected to assign (employ) one of their own to take care of the facilities, including daily or periodic cleaning of such. This arrangement assists the municipality in that, vandalism incidents have been decreasing, mainly because informal traders are there on daily basis as opposed to municipal officials who were only coming to clean once twice a day”.*

The above excerpt suggests the outsourcing of services, but that is subjected to close and regular oversight by the municipality as the custodian of the delivery of basic services. The observation that the *“arrangement assists the municipality in that, vandalism incidents have been decreasing, mainly because informal traders are there on daily basis as opposed to municipal officials who were only coming to clean once twice a day”* points to this fact. In other words, the decision to outsource services has been protected from becoming a source of poor service delivery, but as a mechanism to ensure effective and efficient service delivery. In addition, the arrangements also have implications for the possible costs of maintenance and replacement that may have been attracted by responses to acts of vandalism.

Participants were also asked about whether there are storage facilities provided to ensure the safety of street traders' goods and whether street traders must pay for using these facilities. The following are excerpts from their responses:

*“There are no storage facilities provided for informal traders – which has led to informal traders making their arrangements with store owners to keep their goods. These arrangements are through rental agreements (Fees – R50-R100 Monthly). There are also other job opportunities created in this process in the form of trolley pushers that must take goods from stores (where they are stored) to the trading points and back in the evening”.*

*“One can only recall Port Shepstone Bus Rank trading kiosks and Izingolweni taxi rank kiosks that have access to electricity. These are mainly kiosks, which are lockable overnight. The rest of trading infrastructure is in the form of steel trading stalls, which are not lockable. Storage facilities have been one of the key problems facing informal traders. Some have had to use privately owned lockable facilities, which are costly. The municipality has done very little in this regard, and together with the informal traders chamber we have prioritized such storage facilities. Council and provincial departments such as KZN EDTEA have been engaged to intervene in this regard”.*

The fact that storage space is a challenge for street traders is supported by the above excerpts. That is, these confirm the challenges that street traders reported they were facing concerning the storage space for their goods. According to the first excerpt, street traders must pay R50-100 per month. However, this is not in line with what was reported by the street traders. Furthermore, the municipal official tended to think that *“There are also other job opportunities created in this process in the form of trolley pushers that must take goods from stores (where they are stored) to the trading points and back in the evening”*. In this instance, it is unclear how the municipal official will diligently attend to a problem which they regard as beneficial. This view is also problematic in that it is oblivious to the fact that these are small businesses, which must be supported rather than burdened with additional costs. More seriously, this

stance, as cautioned by Horber (2017), is likely to have negative consequences for street traders' livelihoods.

The second excerpt is promising in that it outlines ways in which the municipality is trying to resolve the challenges that street traders are facing. As a first step, the participant acknowledges that there is a problem: "*Storage facilities have been one of the key problems facing informal traders*" and that this situation is problematic to street traders and local economic development: "*Some have had to use privately owned lockable facilities, which are costly*". Furthermore, the participant admits that the "*municipality has done very little in this regard*". However, the excerpt goes on to outline the position of the municipality in this regard: "*...together with the informal traders chamber we have prioritized such storage facilities. Council and provincial departments such as KZN EDTEA have been engaged to intervene in this regard*". It stands to reason that if street traders could hear this response, they would be consoled by the fact that the challenges they are facing are being attended to, rather than maintained because they are good problems that assist in creating jobs by taking money out of their pockets.

#### **4.3.5 Regulation of public space: "*There are very limited trading stalls compared to ever increasing numbers of informal traders*"**

Municipalities regulate public space through permits and bylaws. To this end, participants were asked to share their experiences of working with street traders on municipal permits and regulations. The following excerpts reflect some of these experiences:

*"Policies in place are as follow: Informal traders policy; Informal traders by-laws; and LED Strategy...some respect the policies and by-laws some don't respect the policies. In my opinion, the older generations respect the policies and by-laws, however, the younger generations don't respect policies"*.

*“...we mainly rely on the RNM Informal Trading By-laws, RNM Informal Trading Policy & Management Framework as well as seek guidance from KZN Informal Economy Policy...we also have very good relations with the KZN EDTEA – Business Regulations Unit...Informal traders were issued with permits, which are renewable annually, currently costing less than R60.00 for a new application & renewal, which is arguably the lowest in the province if not in the country. One key priority for us is to ensure that we facilitate decent trading and storage infrastructure for traders. We believe that through proper trading infrastructure and proper storage facilities we will be able to bring about decent and humanity element in the informal trading space. Possible the greatest challenge working in the sector is that there are very limited trading stalls compared to ever increasing numbers of informal traders”.*

In the first excerpt, policies and bylaws are used. However, the focus seems to be more on regulating and controlling street trading: *“older generations respect the policies and by-laws, however, the younger generations don’t...”*, rather than supporting it as a mechanism for facilitating entry into the economy. As first pointed out by Hart (1973), and supported by Horber (2017), the view of street trading as a problem that must be regulated and controlled is problematic in that it closes the door seems to the multiple opportunities that can potentially be created through street trading. That is, it fails to account for the political and historical dimensions of exclusion from the economy in the first place (Skinner, 2008). Contrary to this view, the second excerpt suggests that the municipality subscribes to the view that street trading, as an aspect of the informal sector, must be supported and developed: *“...we facilitate decent trading...bring about decent and humanity element in the informal trading space”.*

Participants also shared challenges they experienced in their work with street traders. The following excerpt provides some examples of their experiences:

*“It is people that don’t recognise the informal traders association, conflict between informal traders and taxi operators. Taxi operators take taxi ranks as their own and don’t recognise anyone that is not operating a taxi.*

*Competition between formal businesses and informal traders is always rife. There is lack of understanding of the regulations and policies that regulates the sector. In terms of the informal traders' policy there are trading zones, however, there is lack of implementation and enforcement on the part of the municipality. There is lack of understanding of the regulations and policies that regulates the sector”.*

*“...there are by far, more illegal/unpermitted informal traders as compared to permitted traders. Compounding the matter is that, there are few enforcement activities being carried out and as such there are more illegal traders, using and erecting illegal structures to trade. This is not only a concern for legal traders, but also a concern for the municipality as some of the towns have degenerated, prompting fewer and fewer customers for the sector as people decide again town shopping in favour of shopping centres. On the issue of exclusion zones, yes there are areas in town that have been demarcated against informal trading...However, with an almost non-existent by-law enforcement you do find informal traders descending to the street to trade. There aren't many specific requirements in order to be eligible for an informal trading permit. Provided that there is space available and proposed goods/services to be traded are also legal, a permit is considered”.*

The first excerpt points to the fact that some street traders “*don't recognise the informal traders association*”. From this view, it is important to take into account the fact that participation is a charged, political process, which is governed by interests, power and control (Arnstein, 1969; White, 1996). In other words, people do not participate for the sake of participating; they often participate because they see an opportunity to get something in return. For instance, in the above instance, people may have no interest to participate because they believe that their interests will not be met through their participation in associations for street traders. This would be their way of mobilising and manipulating spatial elements (Lefebvre, 1991) to get what they want. In this way, they may be taking advantage of the limitations or shortcomings of municipal power to create their own spaces, which, as suggested in this, may be contrary to how the municipality would like to appropriate public space. This point

may also apply to taxi “*operators [who] don’t recognise anyone that is not operating a taxi*” and the “[competition] *between formal businesses and informal traders*”. That is, all these may constitute ways of mobilising and manipulating spatial elements to bypass created spaces and invent or claim their own spaces (Newbury & Wallace, 2014).

The second excerpt speaks to the inadequate capacity of the municipality to enforce its own rules: “*there are few enforcement activities being carried out and as such there are more illegal traders, using and erecting illegal structures to trade*”, which may be as a result of a combination of toxic factors. The instance of inadequate municipal capacity has a multiplicative effect and, therefore, generates more problems for the municipality: “*some of the towns have degenerated, prompting fewer and fewer customers for the sector as people decide again town shopping in favour of shopping centres*”. This suggests that this further undermines the ability of the municipality to fulfil its developmental role (Mchunu et al., 2016), as local economic development activities are suffocated and undermined. This means that a balance needs to be struck between enabling street trading and protecting the sector from abuses of those enabling mechanisms and attitudes.

#### **4.4 Summary**

From the discussions in this chapter, it stands to reason that street trading, as an aspect of the informal economy, presents a real opportunity and vehicle for addressing the failures and inability of the formal economy to include everyone. However, as revealed by the findings of this study, conventional understandings of street trading may not provide an appropriate vehicle for enabling municipalities to fulfil their developmental role in growing local economic development.

For instance, findings reveal that although there are promising signs of street trading becoming an important device for ensuring participation in the economy, there is still a myriad of challenges that must be addressed to reach this point. In other words, the municipalities and street traders that participated in this study must take advantage of

their existing strengths and utilise their opportunities as a conduit for growing a vibrant street trading sector, while addressing the shortcomings evidenced in this study.

The following chapter will present a summary of key findings, recommendations, limitations of the study and ideas for future research.

# **CHAPTER FIVE**

## **CONSOLIDATION OF KEY FINDINGS AND PRESENTATION OF CONCLUDING REMARKS**

### **5.1 Introduction**

The purpose of this study was to understand, firstly, how the municipality navigated the possible tensions between its obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing the ways the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments played out in the manner in which the municipality managed informal trading. The purpose of this chapter is to consolidate and elevate the key findings of the study. This will be followed by specific recommendations, based on the findings, for how municipalities, such as Ray Nkonyeni Municipality, may navigate the tensions between their constitutional obligations and the ever-expanding informal economic sector. The last section of this chapter will present key issues relating to street trading that were discussed in the study, as a way of highlighting and elevating those issues for those who may be involved in street trading in some way or the other.

### **5.2 Key research questions investigated**

The main research question for the research study was as follows:

- How might Ray Nkonyeni Municipality navigate the tensions between its constitutional obligations and the ever-expanding informal sector?

The sub-research questions for the research study were as follows:

- How did the municipality navigate the (possible) tensions between its constitutional obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading?
- What were the perceptions and/or experiences of street traders of the way(s) in which the municipality managed street trading?

- What contradictions, tensions and alignments played out in the manner in which the municipality navigated the complexities of informal trading?

### **5.3 Consolidation and summary of key findings**

#### **5.3.1 Objectives of the study**

The objectives of the study were to explore and understand:

- how the municipality managed the tensions between its constitutional obligation to promote social and economic development and the challenges brought about by the continuing expansion of street trading;
- the perceptions and/or experiences of street traders of the way the municipality was managing street trading; and
- the contradictions, tensions and alignments that played out from how the municipality managed street trading

#### **5.3.2 Key findings of the study**

Firstly, participants pointed to a range of issues that made them become street traders, some of which was that they had decided to and some of which were context-induced. For instance, participants reported a need to take care of their families. Before they became street traders, the participants had constant concerns about the welfare of their families. However, for some participants, it was the experience of running out of options: “*I had to do something*”.

Secondly, participants’ narratives suggest that the nature of the day of a street trader is determined and impacted by a range of factors. For instance, the fact that the participants did not have a sheltered environment from which to work determined how long and whether they worked in a day. This was especially true during bad weather conditions. In some cases, the participants’ working day was determined by the flow of their transport. Where transport was difficult and slow, this had consequent delays at the start of their day. In addition, the participants’ day was also determined by when their customers had money to spend. This means that there were good and bad days in respect of money. Some participants came to work every day with the hope of making some money, however, small the amount. This suggests that a life of a street trader pivots on optimism – a belief that things will be better than yesterday.

Thirdly, participants reported a healthy and useful relationship with their municipality, although challenges were experienced in certain areas. However, the health of the relationship that the participants had with their municipality often outweighed the challenges, although they still expected the municipality to address the challenges. This is an important consideration given the fact that street trading remains a vulnerable economic sector in South Africa, which must be nurtured as a vehicle for ensuring participation in the country's economy. This speaks directly to the municipalities' capacity to deploy their local economic development capacity as a vehicle to fulfil their developmental role.

Fourthly, in this study, street traders faced a range of challenges. These challenges ranged from inadequate communication with the police, in which numbers provided often did not always work; cleanliness of the place that they were using; break-ins resulting in the theft of their goods; exclusionary legislative impediments; inconsistencies in the availability of services such as water, sanitation and electricity; inadequate waste management systems; inadequate infrastructure, such as shelters; slow response by the municipality to their concerns and requests; and inconsistencies in the issuing of permits and allocation of stands. These challenges suggest that even though the space for street trading had been allocated, it did not always provide optimum conditions for effective street trading.

Fifthly, the findings of this study suggest that the municipal officials who participated in this study believed in the value of street trading as a mechanism for reducing poverty and unemployment and ensuring participation in the economy for those who were excluded from the formal economy. For instance, these officials believed that street trading provided an alternative entry to economic participation, which the formal economy cannot provide. However, the officials also held that for many, street trading was not a choice; it was the only option as, for a range of reasons, they could not enter the formal economy. This is an important for consideration for municipalities as they work out strategies for the effective implementation of their local economic development initiatives.

Sixthly, storage space was reported as a major challenge by both the street traders and municipal officials who participated in this study. Both municipal officials and street

traders reported that the renting of storage space came at a cost, although there was no agreement as to the amount paid. However, what was concerning was that in one municipality, the municipal official tended to believe that there were some positive consequences in that this problem created jobs for people who were assisting to carry goods at the beginning and end of the day. In this instance, it is unclear how, with such an attitude, the municipal official would diligently resolve the problem the street traders were facing. This attitude is problematic in that it is blind to the fact that street traders are small businesses, which must be supported rather than burdened with additional costs.

Lastly, municipal officials raised concern that some street traders “*don’t recognise the informal traders association*”. From this view, it is important to take into account the fact that participation is a charged, political process, which is governed by interests, power and control (Arnstein, 1969; White, 1996). In other words, prospective street traders will not participate just for the sake of participating; they will participate because they see an opportunity to get something in return. For instance, in the instance of this study, street traders may have had no interest in participating in associations, because they believed that their interests were not going to be met. That is, they would use their non-participation as their way of mobilising and manipulating spatial elements (Lefebvre, 1991) to get what they want.

#### **5.4 Limitations of the study**

The study was limited to street trading as an aspect of the informal economy. Therefore, the findings can only reflect the experiences of the street traders and municipal officials who participated in this study. These were street traders and municipal officials who were involved in street trading in a specific municipal context. Therefore, the findings of this study cannot be generalised to street trading activities in other municipal contexts. Therefore, street traders and municipal officials may have experiences that are different from those of the participants in this study. However, it is important to remind the reader that it was not the intention of this study to generalise findings to other contexts but to understand the experiences of a specific selection of street traders and municipal officials of street trading within a particular municipal context.

In addition, the investigation was also affected by the effects of the outbreak of COVID-19. For instance, the requirements for ensuring that the protocols for the containment of COVID-19 may have somewhat restricted engagement and interactions, especially during focus group interviews, where group context was a major factor. The researcher and participants had to be on constant guard to ensure that no infections happened during the sessions. In addition, the closing of some services, including street trading, required that certain adaptations be made. For instance, focus group interviews had to be postponed in compliance with the restrictions announced by the President. This had negative consequences for when the study would be completed, given the fact that activities had to be postponed for later to ensure compliance and safety for the participants. In some cases, these carried additional financial costs in the form of consumables that had to be made available to ensure strict observance of the protocols.

### **5.5 Suggestions for future research**

Based on the findings and limitations of this study, the following ideas for further research are recommended:

- As pointed out in the section above, the findings of this study may not be generalised to or represent the situation in other municipal contexts. Therefore, there is a need to expand the current research theme to other municipal contexts to obtain a more complete understanding of the phenomenon that was under investigation in this study.
- Although the two municipalities that were investigated in this study had made significant progress in positioning street trading as an important aspect of supporting local economic development, challenges were reported by both street traders and municipal officials who participated in this study. There is, therefore, a need to investigate how municipalities that have implemented street trading successfully, have done it to inform it as a strategy to ensure economic inclusion.

- The study focused on street traders and those officials who were directly responsible for the management of street trading as an aspect of the informal economy. There is a need to interrogate the whole municipal context and obtain the views of all those who are implicated in local economic development initiatives.
- This study focus on street trading as an aspect of the informal economy. Street trading is but just one aspect of the informal economy. There is, therefore, a need to explore other aspects of the informal economy to port useful lessons from there.

## 5.6 Recommendations

The following recommendations are made based on the findings of the study:

- **Attitudes towards street trading:** Findings revealed that some officials viewed street trading as of lower importance than formal businesses, which often caused challenges for street traders. Literature reveals that street trading, as an aspect of the informal economy, provides a safety net for those who cannot be absorbed in the formal economy and serves as an engine of the economy. Thus, it is recommended that, rather than viewing street trading as an unwanted phenomenon, it must be recognised as a legitimate vehicle for building local economic development.
- **Street trader associations:** Findings of the study revealed that some participants and street traders did not belong to any associations, which often exposed them to vulnerability and without mechanisms for solidarity. In South Africa, street trading is a space of significant contestation, given the different and often conflicting interests held by municipal officials and street traders (Matjomane, 2013). The reason for this is that street traders are often an undermined category of players in the local economic development activities, and are often not heard and cannot influence outcomes of the discussions that determine their situations. Thus, establishing and becoming members of associations for street traders may be a strategic thing to do to navigate the

complexities of being a street trader within a specific municipal space. Thus, it is recommended that street traders must organise themselves into associations so that they can voice their concerns as a unit.

- **Storage facilities:** Findings revealed that participants experienced challenges with the availability of storage space for their goods. Participants reported that they often had to rent space, which reduced their take-home amount and constrained the growth of their businesses. It is, therefore, recommended that storage space be constructed for street traders, to ensure that street traders do not have to rent storage space or pay trolley pushers to transport their stuff to and from the rented space.
- **Ever-increasing numbers of street traders:** Findings revealed that the focus of municipalities seemed to be more on regulating and controlling street trading: “*older generations respect the policies and by-laws, however, the younger generations don’t...*”, rather than supporting it as a mechanism for facilitating entry into the economy. As first pointed out by Hart (1973), and supported by Horber (2017), the view of street trading as a problem that must be regulated and controlled is problematic in that it closes the door seems to the multiple opportunities that can potentially be created through street trading. Therefore, it is recommended that municipalities, supported by the national and provincial governments, must set up mechanisms to enable street trading to become a significant contributor to local economic development.

## 5.7 Summary

Street trading constitutes an integral aspect of the informal economy as a vehicle for increasing the social safety net and driving local economic development initiatives. This study revealed the future and effectiveness of street trading as a conduit for building and strengthening the implementation of local economic development initiatives. Findings highlighted the complexities that reside within the conceptualisation and operationalisation of street trading as a conduit for contributing to the achievement of the developmental role of local government. Findings suggest that although significant strides have been made, municipalities and street traders

continue to experience a range of challenges, making it difficult for street trading to become an effective enabler of local economic development. This implies a need for a government-wide focus on growing and nurturing street trading as a mechanism for ensuring economic inclusion.

In conclusion, street trading as an aspect of the informal economy presents a real opportunity and a meaningful way of releasing the potential for local economic development. However, street trading can only become a significant contributor to economic growth when relevant mechanisms are established to ensure that the challenges that impede effectiveness and success are eliminated.

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[570d1c1d08aec783ddcdf9e0/Informal-Trade-Meets-Informal-Governance-](https://www.researchgate.net/profile/Sally-Roever/publication/301220728)

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## APPENDICES

### A. Permission to conduct research



10 Connor Street

P.O. Box 5

Port Shepstone, 4240

Telephone: 039 688 2000

Fax: 039 682 0327

#### OFFICE OF THE MUNICIPAL MANAGER

Enquiries: SM Mbili  
Contact No: (039) 688 2021  
Fax No: (039) 682 3566

Email: [mm@rnm.gov.za](mailto:mm@rnm.gov.za)  
Fax to Email: 086 521 2844

#### TO WHOM IT MAY CONCERN

24 July 2019

**RE: LETTER OF CONSENT FOR WEST GUMEDE STUDENT NUMBER 2160074816 – GRANTING PERMISSION TO USE RAY NKONYENI MUNICIPALITY IN AN ACADEMIC RESEARCH FOR MASTER IN PUBLIC ADMINISTRATION**

Please be informed that we have considered a request from Mr West Gumede to use Ray Nkonyeni Municipality for the research titled: **"Interlacing threads of public space, local governance and street trading: A case of Ray Nkonyeni Municipality"**

We wish to inform you of the acceptance of his request and hereby assure him of our utmost cooperation towards achieving his academic goals; the outcome which we believe will help our municipality improve its service delivery goals. **The student is reminded of the ethical considerations which have to be prioritised when engaging our officials during the course of the research.** We also stipulate as condition that the student is accompanied by his supervisor to present the results and recommendations of this study to the relevant municipal department on completion of the research study.

Wishing Mr Gumede all the best in his studies.

Yours sincerely,

**Ms Y. Mhlamvu**

**Manager: Office of the Municipal Manager**

Follow us on  Ray Nkonyeni Municipality

[www.rnm.gov.za](http://www.rnm.gov.za)

## **B. In-depth semi-structured interview schedule**

### **Introduction**

I am West Gumede, a Master's student at the University of KwaZulu-Natal. I am doing a study on street trading in the Greater Kokstad Municipality as part of the requirements for my qualification. I have identified you as a critical player in this field, and I believe that your input in this study would be invaluable. I, therefore, request you to respond to my questions as honestly and precisely as possible. Remember that there are no wrong or right answers; all that I want to know are your thoughts and experiences about street trading in this Municipality. Please be assured that I will do everything in my power to ensure that your responses are confidential and that they are used for academic purposes for this study only.

#### **1. Demographical information**

Please tell me about yourself. Probing points: names; level of education (schooling and post-schooling); age; capacity or rank at the municipality.

#### **2. Attitudes towards and beliefs about street trading**

Please share with me your views or feelings about street trading. Probing questions: Does street trading have a role to play in reducing the unemployment rate? Do you think that street trading in this Municipality is organised? Do you believe informal trading is specifically for the poor or a highly heterogeneous structure that can provide employment for both the poor, middle-class and wealthy? Do you believe informal trading helps informal traders meet their basic needs? do formal businesses benefit from the existence of street trading? Does informal trading have a future in this municipality?

#### **3. Description of role in respect of informal trading**

Please describe your role as a municipal official in respect of street trading. Probing questions: How long have you been working with street traders? What programmes does the Municipality have for reaching out to the street traders? What did you do before assuming this role?

#### **4. Relationships and experiences**

Please tell me about your relationships and experiences with street traders. Probing questions: Do street traders know who to contact in the Municipality if they want to discuss issues relating to their business? Are you satisfied with how street traders relate to the municipality (positive and negative experiences)? What do you think is the attitude of street traders towards the Municipality? Have you received any complaints from formal businesses about informal trading operating adjacent to them? What are the three most important practical things you would like to do in your role to improve the work environment and conditions of street traders?

#### **5. Municipal and other services**

Please tell me about the services that Municipality provides to street traders. Probing questions: How far are the closest toilets from where the nearest and furthest street trader is working? How far is the closest water point from where the nearest and furthest street trader is working? Do street traders have access to electricity? What has the Municipality done to ensure the protection of street traders from crime? Are there storage facilities provided to ensure the safety of street traders' goods? Do street traders have to pay for using these facilities? What is the tariff?

#### **6. Permits and regulations**

Please tell me about your experiences with working with street traders on municipal permits and regulations. Probing questions: What policies are in place for regulating street trading?; Do the informal traders trading in this Municipality have trading licenses? What is the number one priority or goal the Municipality has for trying to ensure that street traders have a conducive working environment and obtain optimal benefits from their businesses? Do informal traders respect the regulations for street trading? What challenges does the municipality experience in the management of informal trading? What is the greatest challenge faced by the Municipality in making informal trading more organized? Do you think street traders know street training municipal regulations and by-laws? What are the requirements for a street trading licence? On average, how long does it take to obtain a street trading licence? Is the street trading licence renewable? After how long? What is the cost involved in

renewing a street trading licence? Do you sometimes have exclusion zones? If yes, how do you manage them?

### **Closure**

Now I would like to thank you for sharing your time and giving me such a full and helpful account of your experiences, which will be very valuable for my research project. I wish you well in your work going forward.

## **C. Focus group interview schedule**

### **Introduction**

I am West Gumede, a Master's student at the University of KwaZulu-Natal. I am doing a study on street trading in the Greater Kokstad Municipality as part of the requirements for my qualification. I have identified you as a critical player in this field, and I believe that your input in this study would be invaluable. I, therefore, request you to respond to my questions as honestly and precisely as possible. Remember that there are no wrong or right answers; all that I want to know are your thoughts and experiences about street trading in this Municipality. Please be assured that I will do everything in my power to ensure that your responses are confidential and that they are used for academic purposes for this study only.

### **7. Demographical information**

Please tell me about yourselves. Probing points: names; level of education (schooling and post-schooling); origin (city, town, country); children; dependents; other income earners in your household.

### **8. Business and work history**

Please describe the kind of business that you do as a street trader. Probing points: how long they have been street trading; what motivated them; what they did before they become street traders; registration as street traders; previous business experience; how did they learn to do business; business days and hours; structure of their normal day (time of getting up; distance to work; who looks after their children; approximate daily income; other jobs they do); employees (number and what they do); do they make or purchase what they sell; best days and worst days; changes since they started street trading.

### **9. Location and spatial conditions**

Please tell me about the location and conditions of the place where you do your business. Probing points: what they like about doing business here; what they do not like about doing business here; did they choose their specific trading location or was

it allocated; advantages and disadvantages of current location; experiences of theft, crime, harassment as a street trader; what they would like to change.

#### **10. Relationships and experiences**

Please tell me about your relationships and experiences with the municipality; police; formal businesses around you; your fellow street traders. Probing points: details of a contact person from the municipality; satisfaction with how the municipality treats street traders (positive and negative experiences; attitude of municipality towards street traders); three most important practical things they would like the municipality to do to improve their work environment and conditions (their dream situation).

#### **11. Municipal and other services**

Please tell me about the municipal services that are provided to you as a street trader. Probing points: closest toilets and their conditions; closest water point; access to electricity; protection from and experiences of crime; storage facilities (available; safety; free or charge a fee; advantages and disadvantages); cleanliness; sheltered or open space (advantages and disadvantages).

#### **12. Permits and regulations**

Please tell me about your experiences with municipal permits and regulations. Probing points: knowledge of street trading policies and by-laws; access to registration information; requirements for registration; time it takes; their business registration status; rentals (how much; how often; who do you pay this to); exclusion zones; street trading during events (local, national, international – e.g. World Cup).

#### **13. Support services and systems**

Please tell me about the support systems that are available to you as street traders. Probing points: membership to informal trading organisations/associations; benefits of being a member of informal trading organisation/association; business training and financial assistance (access to information and services);

## **Closure**

Now I would like to thank you for sharing your time and giving me such a full and helpful account of your experiences, which will be very valuable for my research project. I wish you well in your business.

## **D. Informed consent form**

### **UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)**

#### **APPLICATION FOR ETHICS APPROVAL**

For research with human participants

#### Information Sheet and Consent to Participate in Research

Date:

Greetings,

My name is **West Gumede**, a postgraduate student studying towards a Master's Degree in Public Administration from the School of Management, Information Technology and Governance at the University of KwaZulu Natal (Contact Details: 082 357 7750 and (E-mail: [westgum1163@gmail.com](mailto:westgum1163@gmail.com)). I am under the supervision of Prof. T.I. Nzimakwe (Office Number: 031 260 7763 and E-mail address: [Nzimakweth@ukzn.ac.za](mailto:Nzimakweth@ukzn.ac.za)).

You are being invited to consider participating in a study that involves research about "Interlacing threads of public space, local governance and street trading: A case of Ray Nkonyeni Municipality" The aim and purpose of this research is to (evaluate the role that the informal trading is playing in the country where job opportunities are not enough to the population, could street trading provide a useful instrument to fill the gap in the country's efforts to reduce poverty and unemployment. This study sought to understand, firstly, how the municipality guides the possible tensions between its obligations to promote social and economic development and the challenges brought about by the continuing expansion of street trading; secondly, how street traders were experiencing the ways the municipality was managing street trading; and, thirdly, what contradictions, tensions and alignments brought about by the manner in which the municipality manages informal trading.

The study is expected to include people that operate in the informal trading sector (informal traders) within Ray Nkonyeni Local Municipality and municipal officials, a Head of Local Economic Department, Manager Local Economic Development and LED Practitioner. The focus group approach will be used consisting of 8 people and above, the focus groups will be drawn from five sites within Ray Nkonyeni Municipality.

Five sites have been identified which include 2 taxi ranks, 1 bus rank and 2 beach sites. Questionnaires will be used during the focus group sessions as well as during the individual interviews with municipal officials. It is estimated that the study will involve a total number of 50 - 60 participants. The duration of your participation if you agree to participate and remain in the study is expected to be 30 minutes. The study is funded is self-funded.

The study will involve no known risks and/or discomforts. We hope that the study will serve to assist the municipality by highlighting challenges e.g., registration, health and safety issues that confront informal traders. The study will further highlight administrative areas of improvement in dealing with the informal trading sector. The study may also give indication on the level of satisfaction in relation to the informal trading spaces provided by the municipality. The study may also guide the municipality on how the challenges can be improved to enable a conducive condition for the informal traders.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number\_\_\_\_\_).

In the event of any problems or concerns/questions you may contact the researcher at (Cell Number: 082 357 7750 or (email: [westgum1163@gmail.com](mailto:westgum1163@gmail.com)) or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

### **HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus

Govan Mbeki Building

Private Bag X 54001

Durban 4000 KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: [HSSREC@ukzn.ac.za](mailto:HSSREC@ukzn.ac.za)

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no

monetary gain from participating in the study. Your anonymity will be maintained by the researcher and the School of Management, IT & Governance and your responses will not be used for any purposes outside of this study.

All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me or my research supervisor at the numbers listed above.

Sincerely

---

Mr. West Gumede  
Researcher

-----

#### CONSENT TO PARTICIPATE

I (Name) have been informed about the study entitled (provide details) by (provide name of researcher/fieldworker).

I understand the purpose and procedures of the study (add these again if appropriate).

I have been given an opportunity to ask questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

I have been informed about any available compensation or medical treatment if injury occurs to me as a result of study-related procedures.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at (provide details).

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

**HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION**

Research Office, Westville Campus

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Private Bag X 54001

Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview / focus group discussion YES / NO

\_\_\_\_\_  
Signature of Participant Date

\_\_\_\_\_  
Signature of Witness Date  
(Where applicable)

\_\_\_\_\_  
Signature of Translator Date  
(Where applicable)

## E. Certificate from Language Editor

### Ntwintwi

Proofreading and Editing Solutions

Date: 17 January 2022

#### CERTIFICATE OF LANGUAGE EDITING TO WHOM IT MAY CONCERN

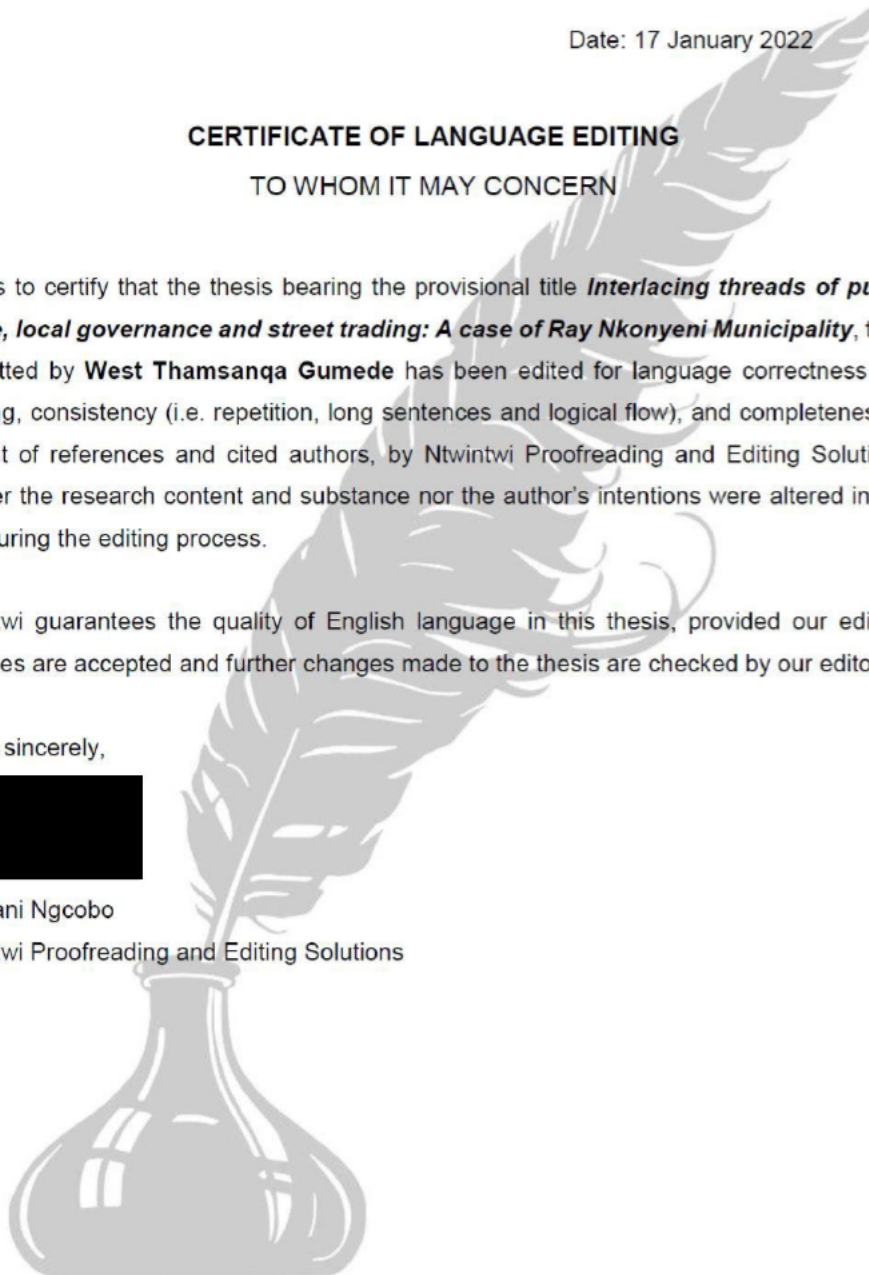
This is to certify that the thesis bearing the provisional title *Interlacing threads of public space, local governance and street trading: A case of Ray Nkonyeni Municipality*, to be submitted by **West Thamsanqa Gumede** has been edited for language correctness and spelling, consistency (i.e. repetition, long sentences and logical flow), and completeness of the list of references and cited authors, by Ntwintwi Proofreading and Editing Solutions. Neither the research content and substance nor the author's intentions were altered in any way during the editing process.

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Yours sincerely,



Jabulani Ngcobo  
Ntwintwi Proofreading and Editing Solutions



# ANNEXURE F: Ethical Clearance



(Only complete this section if applicable)

## ACKNOWLEDGEMENT: BREACH OF ETHICAL PROCESSES AT UKZN

I, the undersigned,

Supervisor name : Nzinakwe, Thokozani Ian  
School : School Of Man Info Tech & Gov  
Staff / student number : 652289

acting as supervisor in the above stated project, do hereby acknowledge that:

1. The University of KwaZulu-Natal's (hereinafter "UKZN") Research Ethics Policy (V) does not make provision for Retrospective Ethics Approval;
2. All researchers (both students and staff) at UKZN are obliged to be familiar with this policy;
3. I have been informed that research cannot be done without prospective full ethical clearance as per the policy and guidelines of the University;
4. I have failed to verify whether the Applicant obtained Final Ethical Clearance in accordance with the UKZN Research Ethics Policy (V) for the above stated Project;
5. The appropriate disciplinary processes will follow, should this occur again.

I further acknowledge that should there be any legal implications/actions emanating from research in terms of ethical violations, I will be personally liable, jointly and severally with the Applicant and hereby indemnify UKZN against any legal action that may arise from my failure to adhere to the University Research Ethics Policy (V).

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of supervisor (where applicable): \_\_\_\_\_

Signed at Westville: 9th day of September 2022

Signature of Chair (ERRFC): \_\_\_\_\_

Date: \_\_\_\_\_

Cc: College Dean of Research;  
Cc: Academic Leader Research: Martins, Maria Isabel Da Azevedo  
Cc: School Administrator: Pearce, Angela Bronwen

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE  
UKZN Research Ethics Office Westville Campus, Govan Mbeki Building  
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Edgewood Howard College Medical School Pietermaritzburg Westville

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KWAZULU-NATAL  
INYUVESI  
YAKWAZULU-NATALI

Protocol reference number : HSSREC/00000538/2019)

Project title : Interlacing threads of public space, local governance and street trading: A case of Ray Nkonyeni Municipality

**ACKNOWLEDGEMENT:  
BREACH OF ETHICAL PROCESSES AT UKZN**

I, the undersigned,

Staff/Student name (number) : Gurnede, West-Thamsanqa (216074816)

School : School Of Man Info Tech & Gov

Campus : Westville

as the Principal Investigator ("the Applicant") in the above stated project, do hereby acknowledge that.

1. The University of KwaZulu-Natal's (hereinafter "UKZN") Research Ethics Policy (V) does not make provision for Retrospective Ethics Approval;
2. All researchers (both students and staff) at UKZN are obliged to be familiar with this policy;
3. I have been informed that research cannot be done without obtaining full ethical clearance as per the policy and guidelines of the University;
4. Research for the above project was undertaken by myself without final ethical clearance being obtained;
5. The University reserves its right to, at any stage and time, withdraw the relevant degree obtained by myself if:
  - 5.1 It becomes known to UKZN that there was an additional ethical breach during any field work or whilst collection data for the above stated project, and / or
  - 5.2 I fail to apply for ethical clearance for any future research projects.
6. In addition to point 5 above, the appropriate disciplinary processes will follow should this occur again.

I further acknowledge that should there be any legal implications/actions emanating from the research in terms of any ethical violations, I will be personally liable and hereby indemnify UKZN against any legal action that may arise from my failure to adhere to the University Research Ethics Policy (V).

Signed at *Port Shepstone* on the *09<sup>th</sup>* day of *September* 2022

Signature of applicant: [Redacted]

Signed at *Westville* on the *9<sup>th</sup>* day of *September* 2022

Signature of Chair (HSSREC): [Redacted]

Date: *9/9/2022*

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