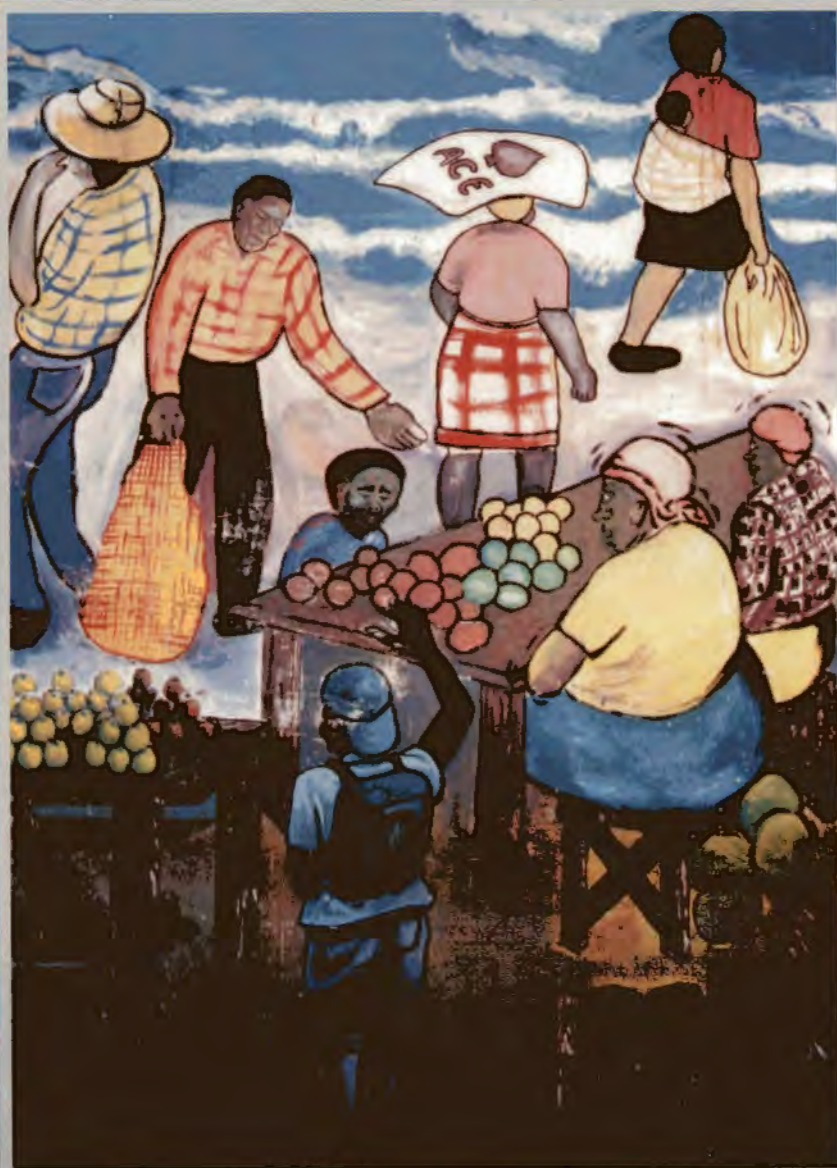


# Street Trading



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Francie Lund Jillian Nicholson Caroline Skinner

# Street Trading

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## **Street Trading**

Published by the School of Development Studies (incorporating the Centre for Social and Development Studies), University of Natal, Durban

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Photographs: All photographs by Joanne Bloch, except for:

Green Point Market (page 83) by Michael Hall

front cover photograph by Rafs Mayet

back cover photograph by Ronnie Levitan

Design and layout: Lesley Lewis, Inkspots

Printed by Kohler, Carton and Print

ISBN: 1-86840-360-2

The cover photographs depict a mural in one of the most densely traded areas in Durban.

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## **Acknowledgements**

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We would like to thank all those people – street traders, organisation leaders, local government officials, politicians and consultants – who spent time speaking to the researchers for this project; the staff of the Self Employed Women's Union for all their advice and assistance, and the Centre for Social and Development Studies for being the base for this research project.

We also thank the International Development Research Centre, and in particular its Nairobi office which funded the South African component of the WIEGO research.

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## Foreword

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SEWU – the Self Employed Women's Union – believes that when many people think of 'development', they think of jobs in the formal economy. However, when women think of 'development', they think of meeting the needs of their children and families, to fill the gaps created by poverty. Many of them then choose street trading.

Women's hard work remains hidden, often tied to their reproductive and domestic duties, and there is little direct link to public life. These activities are not recognised in the statistics that are used in the national records on production. Until women's labour is valued, and their contribution to national welfare and development is understood and properly recorded, women's priorities for development will remain invisible.

Street trading laws are often drawn up without consulting street trader organisations. Then when the local authorities try to implement these laws, conflict arises.

Some of the problems faced by street traders are the demarcation of working areas, lack of childcare centres, storage of their goods, affordable overnight accommodation, and lack of finance. Some of the resources are there, but are not accessible to street traders. Street traders need to be organised well to fight for these rights.

We hope this publication will find many readers, and that readers find the facts and views presented interesting and stimulating. We also hope the publication can contribute to more meaningful discussions on street trading, and can help us progress on the road towards solutions to the challenges faced by all who live in the cities.

Khoboso Nthunya

SEWU Assistant General Secretary

(SEWU President during the WIEGO research, and member of the Research Advisory Committee)

The Self Employed Women's Union or SEWU started organising in 1993 in Durban. Its constituency is women working in the informal economy particularly poorer street traders and home based workers. At the time of the research SEWU operated in three of South Africa's nine provinces – KwaZulu-Natal, the Eastern Cape and the Western Cape. In August 1999, the organisation had a membership of just over 2100.

## Preface

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South Africa is a pilot site for the action research network, Women in Informal Employment: Globalising and Organising or WIEGO. WIEGO is an international network of researchers and of organisations of women working in the informal economy. In South Africa, research was done for SEWU, in collaboration with the University of Natal. This pilot project has focused on street traders in five cities.

The WIEGO project tries to promote a more favourable policy environment, and appropriate programmes for women workers. It does this at local, national and international levels, in three main ways:

- ◆ by changing the way countries keep statistics about the informal economy, so that the work done in the informal economy is counted, and can be valued;
- ◆ by doing studies which compare different cities in the world to see how workers in the informal economy are dealt with;
- ◆ by studying and working with organisations of street traders and of home based workers to strengthen their ability to make their voices, needs and concerns heard, through establishing negotiation mechanisms at local and national level.

WIEGO in South Africa has published a number of research reports on the pilot project in South Africa. Appendix 1 gives details of these reports. This book is based on material from these reports. Through it we hope to reach a wider audience than the research reports have done. It is intended mainly for South African readers, and particularly for people working at local level with street trading issues. We hope that it will be read by those involved with the WIEGO work in other African countries, such as Kenya, which follow this pilot. Finally, we hope it will also introduce the South African project to participants in the wider international WIEGO network.



## A note about statistics and sources

---

It is difficult to find reliable facts and figures about street traders, and workers in the informal economy in general. Statistics South Africa, the official statistics collection office, is introducing better ways of counting the informal sector in its surveys, which will make future research easier.

The research for this WIEGO project relied on two large surveys of street trading in Johannesburg and in Durban. The Community Agency for Social Enquiry produced the Johannesburg research, and Data Research Africa produced the Durban research. Other available material on street traders in South Africa, that had been written after 1990, was also summarised in the first research report.

Primary research was carried out for this project through interviews with traders, trader organisations, officials, politicians, and planners. Focus-group discussions were held with groups of women street traders. At three local and one national policy dialogue, street traders and local government officials were invited to raise and debate their respective concerns.

The results of this primary research are reported in two sub-studies:

- ◆ A comparison of how the local governments in Johannesburg, Pretoria, Cape Town, Durban and East London deal with street trading and street traders.
- ◆ How street traders are organised in these same cities, with a view to understanding more about what types of organisations can best promote the interests of poorer women traders.


## A note about gender issues


---

Many people think that gender issues are only about women's issues. This is not correct. Gender issues are about the different roles played by men and women in society and how these roles are decided.

Gender planning means making sure that no one is disadvantaged simply because of the roles that they play. Being sensitive to gender issues means, for example, taking into account the fact that women may have child caring or domestic responsibilities that men often do not have.

Where there are clear gender differences in the book, this will be indicated next to the text.

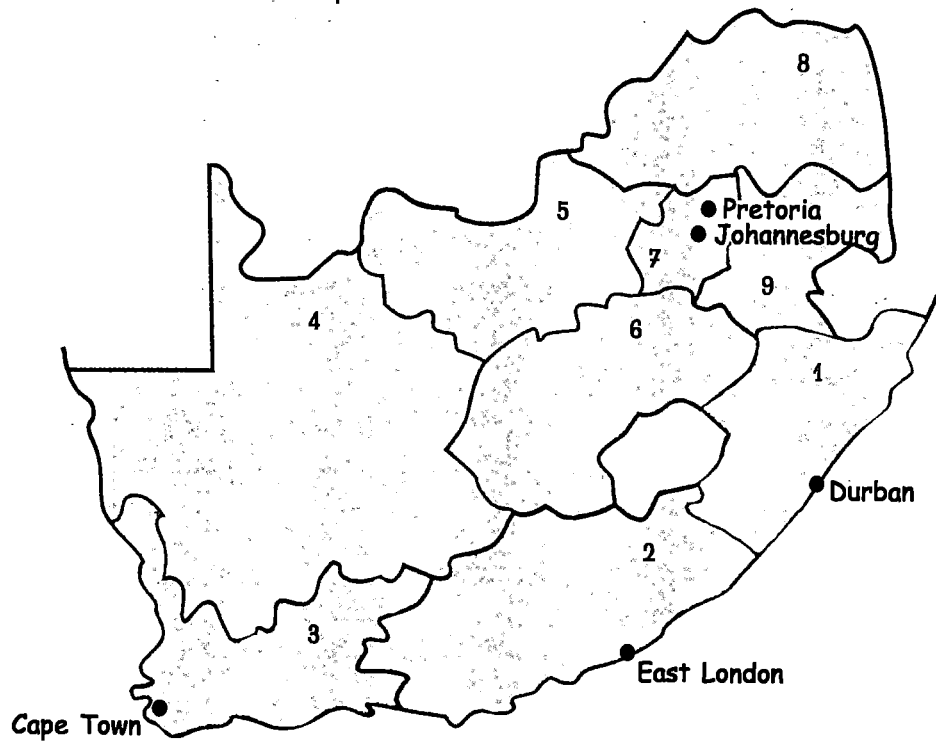
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The sign for male is 

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### South Africa and its nine provinces



#### Population of the five cities in the study

|              |           |
|--------------|-----------|
| Johannesburg | 3 510 000 |
| Durban       | 2 360 000 |
| Cape Town    | 2 801 000 |
| Pretoria     | 1 680 000 |
| East London  | 500 000   |

#### Provinces

1. KwaZulu-Natal
2. Eastern Cape
3. Western Cape
4. Northern Cape
5. North-West
6. Free State
7. Gauteng
8. Northern Province
9. Mpumalanga

## South Africa and street trading

South Africa is a country undergoing transformation. This task is enormous. While discrimination and inequality are common throughout the world, in South Africa there has been the additional, and particularly vicious, factor of the apartheid system. The following inequalities characterise the South African economy and its people:

- ◆ Black people are poorest: 77% of the population are black and 60% of black people are classified poor. Whites make up 11% of the population, with only 1% classified poor.
- ◆ Women are poorer than men. They are concentrated in rural areas where there is more poverty, and unemployment rates are much higher for women than for men.
- ◆ There are more women than men in rural agricultural work, in casual employment, in informal activities and in low wage work for government.
- ◆ Millions of poor people also live in informal settlements near or in cities where life is hazardous, services are poor, and environmental controls are few.
- ◆ Women do most of the unpaid labour. This especially affects rural and peri-urban women who do not have access to services and who have to spend a great deal of time collecting water and fuel.

- ◆ Three children in every five live in poor households and are vulnerable to violence of many kinds.
- ◆ There are clear regional differences in inequality, with the areas of the country which were earmarked for black separate development having very high rates of poverty (for example, the Eastern Cape with old Ciskei and Transkei; Northern Province with old Venda and Gazankulu).
- ◆ Typical street traders are poor and black and women, so have been disadvantaged on all three counts throughout their lives.

The growth and health of the informal economy are linked to the health of the formal economy. Parts of the informal economy do well when there is growth in the overall economy. In South Africa there has been very slow economic growth for a number of years. Thousands of formal jobs have been lost, especially in mining and in manufacturing. The great majority of people who enter the informal economy do so because they have to: they do not choose it freely.

In 1996 the government introduced its overall economic policy called GEAR (Growth, Employment and Redistribution). It did this, partly, to try to improve the slow economic growth of the country. This placed new limits on government spending and has had a negative effect on redistribution policies. GEAR policies say that to create jobs in future, South Africans will have to face some painful short-term cuts in government spending and in the provision of facilities. However, a number of programmes, such as the free health care services and housing subsidies, are continuing. They are likely to make a difference to the lives of many poor people, including women.



### **Globalisation**

Globalisation refers to the way in which economic, political, social and cultural links are increasing across the world, between all countries. This means that countries are no longer as clearly divided from each other as they used to be. It also means that there are much stronger links between workers across the world.

Globalisation is another factor impacting on South Africa's economy as a whole, and on the informal economy and women in particular. It has caused a change in the way that work is carried out in most parts of the world.

Companies are now competing, not just with the companies in their own country, but with companies all over the world. In their efforts to compete, they are trying to reduce costs by getting much of their work done outside the factory by small, often informal operators. These operators tend to employ women. Although this does open up more employment opportunities for women, these new jobs are usually insecure and working conditions are, in many cases, bad.

Globalisation has also brought with it the opening up of trade throughout the world. South Africa's companies were protected from outside trading competition for many years. High tariffs – or taxes – on imported goods prevented foreign goods from coming into the country. Since 1990 tariffs have been dropping, and more and more cheap, foreign goods are coming into South Africa's markets. This has caused a number of companies in South Africa, particularly in the clothing and textile industries, to close. Both these industries employ a lot of women.

For street traders globalisation has also meant that there is more movement of goods and people across national boundaries. South African street traders, for

example, now often sell goods made in other countries, such as curios from other African countries or clothes and shoes from Asia. This freedom of movement also means that there are more foreign traders on South African streets.

The fact that WIEGO has chosen to include the word 'Globalising' in its name, indicates the importance – and the very real possibility – of linking informal economy workers from all over the world, through global networks and global organisations.

# Street traders in the South African economy

**T**he informal economy is here to stay. It is not something temporary. It is not a pause on a road leading to jobs for everyone in the formal economy. All over the world, the size of the informal economy and the number of workers within it have been growing. In most parts of the developing world, most new jobs are created in the informal economy. In spite of this, the informal economy is still not well recognised, and sometimes not very visible. There are many more women workers in this part of the economy than there are men.

This chapter is about:

- ◆ who street traders are;
- ◆ the work they do and the conditions under which they do it;
- ◆ the problems that they face.



### **The formal economy**

People who work in the formal economy are those who own registered businesses, or those who work for wages, have employment contracts, and are protected by labour laws.

### **The informal economy**

People who work in the informal economy are those who earn an income outside the formal economy. They may be self-employed, or employed by the owners of small, unregistered businesses, or under contract to large businesses.

### **Street traders**

In the broadest sense, street traders are those who belong to the informal economy and who trade in the streets. However, some street traders are comparatively wealthy people who trade in luxury goods at flea markets. This book is about poorer street traders, the majority of whom are women. They are sometimes called survivalist traders.

## **The number, age, education and household status of street traders**

---

This section is about how many people work in the informal economy as a whole and how many of them are street traders. It gives the age and educational levels of street traders, and shows the strong gender differences in this respect.

Many women street traders are sole breadwinners and supporters of large families. They make an important contribution, not only to the economy, but also to the broader communities in which they live.

## **The number of people in the informal economy**

According to the 1996 census, South Africa's population is about 40 million and its labour force is about 13 million.

The labour force refers to all those people in the country who are willing and able to work. They may work in the formal or informal economy or they may be unemployed. The rest of the population are children, students, old people and people who, for one reason or another, do not wish to work.

Unemployment in South Africa is estimated at between 20% and 33% of the population. More women than men are unemployed, particularly in the rural areas.

Estimates of the number of people in the labour force, who work in the informal economy, range from just less than two million to just less than four million. African women make up about 60% of workers in the informal economy.

Street traders are one of the most visible groups of people operating in the informal economy, but they are only a small proportion of the total number. Most small-scale businesses in the informal economy operate from home. Spaza shop owners often live at their shop so they operate both from home and on the street.

Surveys in Johannesburg and Durban show that the number of people trading at any given time varies greatly. In a central trading area in Johannesburg the numbers varied from about 3000 to 7000 on two different counts. The Durban survey counted 19 000 traders, but these numbers dropped on a later count.

There are a number of reasons why these numbers are constantly changing: some trading days are better than others, traders need to leave their stalls to collect goods to sell, and others simply do not operate on a regular, daily basis. The following comments by street traders show this:

"I trade in Durban for two weeks and then return home for two weeks to see my family and gather more goods to sell."

"I go back to my family once a month if business is quiet."

"Some traders are more serious than others. For example, you will find pensioners are not trading all the time."

### **The average age of street traders**

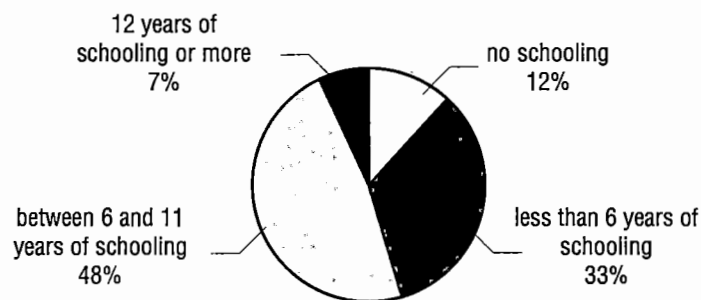


Surveys show that most street traders are between the ages of 25 and 49. There are more younger men and more older women. So men seem to start trading younger and leave, while women seem to start later, possibly because of childbearing and rearing.

### **The educational level of street traders**

Most survivalist street traders can read and write in their mother tongue. In general, younger street traders have had a better formal education, and the level of education drops as the age of traders increases. For instance, half of the members of SEWU who are over 65 years old have no formal education, but one in five members who are under 35 years have never had formal education.

### Educational levels of SEWU members



(Source: Sandhya James, 1998. The Self Employed Women's Union: 1997 membership survey. Durban. SEWU.)

There is a noticeable gender difference in the levels of education. In Durban, 14% of the women and 9% of the men have no formal education. Twice as many men traders as women have completed their schooling. The ability to read and write English, which is seen as contributing to a more successful business, also shows a gender difference. While 66% of men can read and write English, only 50% of the women can.



### Street traders as heads of households and main income earners

A 1995 survey of SEWU members showed that:

- ◆ 75% of the members are the main breadwinners of their households;
- ◆ 50% are married;
- ◆ 33% have no other earners at home.

Here are accounts from three street traders who are heads of households. These are not their real names.

**Gladys Cele** trades in Durban. Since her husband left her she has been the sole breadwinner in her extended family. Her youngest child lives south of Durban with a friend. Two other children are cared for by an unemployed sister who has four children of her own. Apart from her friend, all of these eight people are dependant on her for support. Gladys is trying to build her own home in Ndwedwe, a few hours' drive away from Durban. She goes back there once a month.



**Phumzile Memela** trades in Durban and her home is a few hours drive south of Durban. She is the sole breadwinner in her family of seven. Her husband had a stroke and is unemployed. He should qualify for a disability grant but he has tried three times to obtain one without success. He looks after six of her children and does the cooking. The youngest child lives with Phumzile who goes back to the rest of her family every two weeks.

**Minah Mkhabela** trades in Cape Town. She is the sole breadwinner in her extended family. She has one grandchild and five children, two of whom live with her sister in East London. The rest live with her mentally ill husband in the former Transkei, and she visits them twice a year.

## Foreign street traders

In South Africa there is widespread hostility towards foreign traders. South African street traders often feel that foreigners are better traders than they are. A lot of formal and informal traders and officials think that foreigners must be made to leave the country. However, as the Introduction showed, the economic policies of the government are aimed at linking the economy more strongly than ever to other countries. This includes the Southern African region as well.

This means that South Africa will have to allow much greater freedom of movement of goods, services, money and people across its borders. The Southern African Development Community (SADC) is currently considering freeing the movement of goods, services and people between all eleven countries of the SADC.

The following are some facts about foreign traders who, in many instances, make a positive contribution to the economy:

- ◆ There has been an increase in the number of foreign street traders in South Africa.
- ◆ They are often better educated than local traders and create additional competition.
- ◆ Many are not immigrants, but migrants who return home several times a year.
- ◆ They contribute to South Africa's exports by taking goods from South Africa to sell in their home regions.
- ◆ They spend money while in South Africa.
- ◆ They often employ other traders, particularly women.
- ◆ They do not leave the country if they are threatened; they simply move to another part of the country.

It would seem that local government policy needs to change if it is to be consistent with national foreign and trade policy. Conflict between foreign and local traders is becoming a serious issue, pointing to the importance of having formal channels to resolve this type of conflict.

## **The working life of street traders**

---

This section describes the working life of street traders. It looks at why people become street traders, the types of work they do, the goods they sell, their incomes, their working hours and their previous work experience.

### **Why do people become street traders?**

Most people join the informal economy and become street traders because they have to and not because they want to. Retrenchments, shortage of jobs in the formal economy and lack of skills are the main reasons for entering the informal economy. Many women move from a rural area because of the poverty and lack of jobs there. They turn to street trading when they cannot find formal jobs in the cities. Landlessness is another factor forcing rural people into urban areas.

Street traders have a few advantages over formal economy workers in that they have flexible hours and are independent from an employer. Some women find that it gives them greater power over their working lives and enables them to care more easily for their children.

### **What types of products and services are traded?**

Most street traders trade in one or only a few products.

Of the street traders in Durban:

- ◆ 46% sell food such as fruit, vegetables, meat and poultry;

- ◆ 32% sell products such as cosmetics, clothes, shoes, cigarettes and curios;
- ◆ 22% are engaged in other activities such as hairdressing and shoe repairs.

The photographs on the following pages show some of the types of goods that are sold and the activities that people carry out.

Most South African street traders sell goods which they have not produced themselves. They are primarily traders, not producers. This means that they are often retailing goods. However, a clear distinction cannot always be made in this regard. Many people selling traditional herbs and medicines – or 'muthi' – collect some of their own products and buy others. People trading in garments and needlework, or in tourist goods such as baskets, mats and bead work, also do this.





Reaching the tourist market at Durban's beachfront



Poultry trading in Durban, KwaZulu-Natal





Retailing footwear and underwear

Hairdressing – a service commonly provided on the streets



Supplying staple food in the fresh produce sector

The different views about self-production are expressed in the following quotations:

"It is the mark of a trader who is really struggling, if she has to make her own mats and beads."

"We would like to learn how to raise our own chickens instead of just selling them. In this way we would get new skills and do more business, instead of just retailing."

### **Self-employed, employed, or employer?**

Most survivalist street traders are independent, in the sense that they are not employed by another person.

The exceptions to this are if a trader is employed as an assistant to another trader, or is paid a wage or a commission by a formal business operator. Some retailers use street traders to sell their goods on the pavement outside their stores.

The following quotations from newspapers show how the media has encouraged the belief that street traders are being used to sell goods for big businesses.

"Most hawkers are poorly paid hirelings of big business."  
(Daily News 26/10/95)

"Many traders are fronts for wealthy merchants cashing in on the nation's democracy." (Post 01/11/95)

As the next quotation shows, this belief is often used to justify a harsh approach to street traders.

"The resultant litter and miserable lifestyle of those traders who live and sleep on the sidewalks can not be allowed to continue."  
(Daily News 01/11/95)

A survey in Durban showed that only a few traders – 12% or fewer – were not independent. The belief that most street traders are fronts for formal businesses trying to avoid taxation is exaggerated.

Street traders generate other informal employment. These are some common examples.

#### **'Barrow boys'**

'Barrow boys' are given this name because their job is to transport goods belonging to street traders, in wheelbarrows and supermarket trolleys, between the trading site and the place where the goods are stored overnight. In Durban they are paid R3.00 per barrow load. Similarly, in Queenstown, 'trolley boys' are employed by meat sellers to bring the meat from the abattoir to the trading sites.

#### **Drivers**

Some traders have identified state pension payout points as good trading sites. They hire drivers to take them and their goods to and from these sites.

#### **General assistants**

General assistants – sometimes called 'bambelas' – assist owners of trading sites by, for example, minding the stall when they are away. In return for this, they



'Barrow boys' working for street traders



are allowed to share the site of the street trader and to sell their own goods on the site. This is usually in an area where permits are required but where trading without a permit is not strictly monitored. Where monitoring is strict, these people are paid for their assistance.

**Alzina Shabangu** is an assistant to a 'muthi' seller. She starts work at six in the morning. The 'muthi' seller arrives at the site at ten. Alzina also stays at the site overnight to look after the goods. In this way there is no cost for storage. She is paid between R30 and R25 a day, depending on how well business is going, and R5 for food.

### **Security guards**

Storage is a serious problem for street traders who cannot take their goods home each night. The problem is not only about where to store goods, but also about making sure that they are safe from theft. Some street traders in Mitchell's Plain in the Cape, leave their goods at their stalls and pay a security guard to watch them at night. Their stalls are close together and the women each contribute R10 a night to the guard's wages.

In Durban, two of the differences between men and women traders in relation to employment are:



- ◆ Slightly more men than women employ other people.
- ◆ Twice as many women, compared to men, are employees.

### **What do street traders earn?**

It is difficult to assess the earnings of street traders accurately. They vary from day to day and from month to month.

It has been calculated that roughly half of the traders in Johannesburg bring in up to R600 per month. Four fifths of SEWU's members earn less than R800 a month.

Street traders blame low earnings on several factors:

- ◆ too many traders and too few customers;
- ◆ too many of the same goods being sold;
- ◆ the expenses of necessities such as safe storage, which eat into profits;
- ◆ the resistance of some traders to putting up prices;
- ◆ high transport costs getting to and from trading sites.

Women street traders are often sole breadwinners and are also responsible for running their households.

They have less time than men do to take time off to learn new skills, which would make it easier for them to change to activities which are not overtraded.

### *Note:*

#### **The issue of overtrading**

Overtrading happens when there are too many traders selling the same goods, or too few customers moving past the trader, or when people do not have enough money to buy the goods. All this is happening in South Africa.

Unemployment is extremely high. This means that more and more people are forced to try to earn a living in the informal economy. It also means that people have less money to spend on the goods that street traders sell.

"I sometimes earn R40 a day and transport costs me R18 a day."  
Fruit seller

"On my best days I can earn up to R400, but my meat would have cost me between R180 and R200. On my worst days I can lose between R20 and R30."  
Meat seller



"If we fail to sell fruit,  
at least our families  
can eat the goods."  
Street trader

For example, the textile and garment industries have been doing badly and retrenching people. Women from these industries, who have lost their jobs, have begun making their own garments to sell on the streets. As more women are retrenched from the garment industry, more and more are trying to sell garments in the informal economy. However, garment companies have been retrenching because their goods are not selling well, with the result that street traders have the same problem. There are too many of them and there is not a good market for their garments.

## Working hours

The busiest time of the day for street traders is from four o'clock in the afternoon when commuters are on their way home. Friday is the busiest day of the week, and the busiest months are around Easter and Christmas. Trading hours differ according to the product that is being sold. For example, 'muthi' sellers may start early in the day, while traders selling curios at a beachfront may work into the night and on Sundays.



"We are much more  
tired than men  
because we have to  
look after everything  
at home."  
Street trader

Working hours for women street traders are not as clear cut as for men. As the story below shows, women have to fit many other responsibilities into their working day. Often some of these tasks are combined with their street trading work. They find it hard to get a good site for trading if they arrive later than men, because of their household responsibilities.

### Emily Matole's working day

"I live at Mitford, which is about 50 kilometres away from Queenstown where I trade. I get up between four thirty and five in the morning. I warm water on the stove and wash the three young ones. They are one, two and three years old. Once I have made and eaten breakfast and made my bed I take them to the neighbour who looks after them. Then I go to the bus

station at about six forty. The bus into work takes over an hour and costs R5.50 a day return or R88 for a two week ticket. I arrive in town at about eight o'clock and go straight to the Queenstown Fruiteries. Buying my goods and going back to the stall takes up to an hour. I am at the trading site by about nine o'clock and am trading by nine-thirty.

At four in the afternoon I take my goods to the storage space. By five I am on the bus. When I get home I make supper and go to bed at eight or nine o'clock."

As single parents and heads of households, many street traders have to miss work to attend to family matters – sick children, accidents, deaths, seeing to the building of a home, assisting an aged parent to the pension payout. As the following stories show, taking time off from work, for whatever reason, is clearly a problem, and although there is sometimes a strong spirit of support amongst traders, this is not always the case.

"I was in a car accident and had to spend three weeks in hospital. I sold all my goods to other traders because I had no one to help out at my site. I earned nothing during that period except what I sold to other traders."

"I had an assistant who looked after my stall when I was away, but she stole from me. Sometimes she would leave the stall to the neighbours without telling them the price of things. I told her to leave. Now I just shut my stall if I have to be away."

A 'muthi' seller told a story of how, when her daughter died, she had no money to get home or to pay for the funeral. Other traders collected money to pay for both these expenses. The money was 'a gift' and she was not expected to pay it back. The traders also looked after her stall while she was away.

## How previous work experience affects street trading



There is a big difference between the previous work experience of men and women who become street traders:

- ◆ Far more men than women have had previous employment in the formal economy. So men are more likely to have learned skills which can be put to use in the informal economy.
- ◆ Women are more likely to have had no previous employment experience other than domestic work.
- ◆ Men are more likely to have savings they can use to set up an informal business.
- ◆ Women often start street trading when they are widowed.

## Problems faced by street traders

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*"The council needs to give us shelters. We cannot work when it rains and our meat goes rotten in the sun. We have complained about this but still they do not give us shelters."*  
Street trader

This section is about the problems that street traders face. Many of these problems are due to a lack of basic or social infrastructure. Basic infrastructure refers to the structures and services, which an economy needs in order to function properly, such as roads, shelter, houses, electricity, transport and water. Social infrastructure refers to services which society needs, such as childcare, schools, security and health care.

## **Lack of the basic necessities at trading sites**

The following figures show that Durban traders need basic infrastructure at their sites:

- ◆ Most traders do not have water, electricity or refuse removal at their sites.
- ◆ Nearly seven out of ten traders have access to toilets.
- ◆ A third of men traders have covered stalls, but only one fifth of the women traders.



Another problem experienced by traders who do not take their goods home at night, is the lack of storage space for these goods. What storage space there is, is often expensive.

## **Accommodation for traders**

On page 14, the stories from street traders who are heads of households show that many women, who are trading in an urban area, have families in a rural area. These women have to live in the area where their sites are because their homes are too far away. They go home on a weekly or monthly basis. In some areas temporary accommodation is a severe problem.



Some traders sleep on the street, at their sites. They sleep in groups because they are scared of criminals. These traders believe that having no accommodation leads to increased crime because the criminals "know where we sleep at night". Criminals also take advantage of the fact that there are no men sleeping at the site – so "it is a woman's problem".

Crime—"It is a  
woman's problem."  
Street trader

Other traders pay for accommodation in a variety of places. Some of those mentioned in interviews are:

- ◆ hostels;
- ◆ a hotel garage – with no water or toilets;
- ◆ shacks;
- ◆ a relative's house.

The following photographs show the 'muthi' market before and after the local authorities provided basic infrastructure.



Trading conditions for 'muthi' sellers in central Durban, 1993





The new market built for 'muthi' traders. Note the shelter, street lights and refuse bins.

## What about child care?

The South African state provides very little in the way of child care – an issue which links directly to the economic lives of traders. The Department of Welfare subsidises some child care. Religious and non-governmental organisations provide some, and there are also lots of 'backyard' crèches in the townships. Some of these options are too costly for many street traders.

As these quotations and statistics show, the children of street traders are looked after by a variety of care-givers, and are often separated from their mothers for long periods.

"My friend looks after my three year old child, and my unemployed sister on the farm looks after the other two older ones."

"My unemployed mother looks after my two small children."

"My seventeen year old daughter looks after my two young children who live in a rural area, and a neighbour watches over my two grandchildren who live with me in town."

"I have seven children. My disabled husband looks after six of them at our home in a rural area, and I keep the youngest with me at my trading site."

"I drop my youngest child at a crèche at five-thirty on my way to work."

"I look after my small children at my trading site. What else can I do?"

It has been estimated that:

- ◆ 48% of the traders in Johannesburg with children under the age of six do not have their children living with them;
- ◆ 55% of SEWU members with school going children do not have their children living with them;

- ◆ 26% of women traders and 15% of men traders in Durban have children present with them on site;
- ◆ 17% of the women and 8% of the men traders in Johannesburg have children in a crèche.

Children at trading sites is an issue that raises strong feelings amongst traders. Some feel that children should not be allowed at the sites, while others say that they would not be able to trade if they could not bring their children with them.

"Sometimes children are dirty, then they touch the tourists and the tourists don't like this."

"Sometimes children get sick because they are exposed to bad weather. Tourists don't like seeing sick children."

"Children must be banned from our market. We must be strict about this."

"I cannot send my child home until she is three years old and I do not have enough money to put her in a day crèche. If children are banned from the market that will be the end of my business. There are many other women in this position."



Trading and caring for children at a 'muthi' market

## Security for traders and customers

*"You have to watch your goods because of crime, all the time. This is what makes you very tired by the end of the day."*  
Street trader

Street traders worry about their own security, the security of their goods and of their customers. Traders see safety as an economic necessity, not simply one of personal safety. Crime loses customers, frightens tourists, cripples businesses, reduces incomes and generally interferes with successful trading.

In several studies, crime is rated as the biggest problem for both women and men traders.

In Johannesburg:

- ◆ 10% of street traders had been assaulted;
- ◆ 55% had been robbed.

In some areas traders have formed voluntary forums to fight crime.

There are complaints that the police are not effective in reducing crime:

"We know who the criminals are, and so do the police. If there is someone who is not from here who does something wrong he is picked up immediately, but the local criminals stay on the streets."

## Final comment

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The information in this chapter shows that street traders are permanent players in the economy. They make an important contribution to it, particularly to certain sections of it, such as tourism. They are entrepreneurs with important trading skills who are able to analyse key problems in their environment in economic terms. Their economic activities also create employment for others.

*"We are serious  
traders."  
Woman curio seller*

As sole supporters of families as well as the aged, sick and unemployed, they make a major contribution to society.

## What is bad for business?

The following factors have a negative impact on the business of street traders:

- ◆ the lack of inexpensive child care;
- ◆ the lack of reasonably priced and convenient overnight storage for goods;
- ◆ high levels of crime against street traders and their customers;
- ◆ the lack of shelter at trading sites;
- ◆ unhygienic conditions caused by the lack of proper sanitation at trading sites;
- ◆ overtrading.

### **What is good for business?**

Street traders have identified several issues which would be good for business:

- ◆ good sites where there are many 'passing feet';
- ◆ improved consultation with authorities;
- ◆ support from local and national government;
- ◆ improved skills in a particular type of trade;
- ◆ skills in the production process of some stock;
- ◆ easy access to loans.

# Street trading laws and policies

The problems of street traders were discussed in Chapter One. In order to deal with these problems, it is useful for everyone involved to have an understanding of the laws that affect street traders. Traders want laws which will assist them to run their businesses. Officials are often more interested in laws which can be used to enforce things like health and safety in a city.

The laws of South Africa are in a state of transition – like the country itself. The national government is committed to creating a positive environment for small businesses, including street trading businesses. Laws have to change to make this happen. So at national, provincial and local levels, new laws are in place or are about to be put in place. The progress made with new street trading laws is different in different cities.

In some instances, street traders have been consulted about new by-laws that affect them. For example, Durban officials held a two-day workshop to discuss by-laws with street traders. Other cities have ongoing negotiations. In every instance there is still much to be done to make these laws more gender sensitive.

This chapter is about:

- ◆ the three levels of governance in South Africa – national, provincial and local;
- ◆ the overall laws that affect street traders;
- ◆ by-laws in particular.



Here are some terms used to describe different laws or policies.

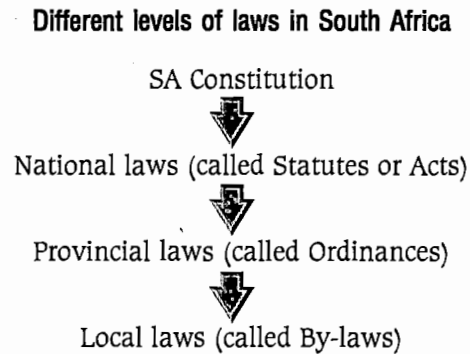
- Act: Laws passed by national parliament.
- Ordinance: Laws passed by provincial parliament.
- Statute: A general word for an Act or Ordinance.
- Common law: Laws made by judges in their judgements.
- Regulations: Laws made by a national or provincial minister in terms of powers given to that minister in an Act or Ordinance. They contain the details on how to carry out the statute.
- By-laws: Laws made by local governments.
- Bill: A law which has been drawn up, but not yet passed by national or provincial parliament. It is still in draft stage. When it is passed it will become an Act or an Ordinance.
- A White Paper: Before a Bill is drafted, the government publishes a White Paper which says what is likely to go into the Bill. White Papers are open to the public for discussion and comment.
- A Green Paper: This is a discussion document which may be produced before a White Paper. It is also open for public debate and comment.

## South Africa's three levels of governance

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Governance in South Africa has shifted from the old, centralised system of apartheid to a more democratic three level system. This means that policies are set and laws are made at three levels – national, provincial and local.

The diagram shows the different levels of laws in the country. There is one Constitution and one set of national laws, nine sets of provincial laws and numerous sets of local laws.



No law may conflict with another, more important law. So, for instance, by-laws may not go against anything in an Ordinance or an Act. All laws in the country must comply with the South African Constitution.

### *Note:*

Laws that are unconstitutional are not changed automatically. Someone who is affected by an unconstitutional law has to challenge the law in the Constitutional Court. Only if the court rules that the law is unconstitutional, does it have to be changed. The same principle applies to by-laws. They have to be challenged in court if they are thought to be out of line with a law above them.

Before a new national law is made, a policy document is drawn up for the public and parliament to discuss. This is called a White Paper. In this way policy is discussed and debated first and laws are then made in terms of that policy. This does not always happen at the local level. By-laws about street trading are being made in some areas, whether or not a policy exists. (For more about this issue, see page 49 'Why it is important to have street trading policies as well as by-laws')

## The overall laws and policies affecting street traders

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This section looks at the national, provincial and local laws and policies affecting street trading.

Traders want laws which:

- ◆ recognise the right to trade in the streets;
- ◆ recognise that street traders are an important part of the economy of the country;
- ◆ give street traders sufficient trading space;
- ◆ support street traders with services such as easier access to credit and to training, in the same way that other small to medium size enterprises are supported;
- ◆ establish the legal rights to basic infrastructure which is necessary for business, such as transport, electricity, water, child care and protection from crime.

National, provincial and some local laws have gone some way in setting out these rights in principle, though the authorities often fail to implement them.

## **National laws and policies**

The diagram on page 43, which shows the different levels of laws in South Africa, may be useful for understanding this section.

### **The 1996 South African Constitution**

Section 152 of the Constitution sets out the principles by which local governments must govern. They must:

- ◆ provide democratic and accountable government for local communities;
- ◆ provide ongoing provision of services to communities;
- ◆ promote social and economic development;
- ◆ promote a safe and healthy environment;
- ◆ encourage communities and community organisations to become involved in the matters of local government.

All these principles are relevant for survivalist traders, in particular the responsibility of local government to promote economic development and to encourage community participation in governance.

### **The Businesses Act**

In 1991 a new Businesses Act completely changed the legal approach to informal trading. This Act is the basis of most legislation which currently

affects rural and urban street traders. It acknowledges street traders as business people who contribute to the economy, and who should therefore be assisted in the work that they do. The Act is important because it shows that the national government acknowledges the role that the informal economy plays in providing incomes and employment.

Before the Act, street trading was controlled in terms of the Licensing Act. Only street traders with licences were allowed to trade, and local government controlled the issuing of licences. When the Businesses Act became law in 1991, the right of street traders to trade on the streets was protected. Local governments were still allowed to regulate the way in which this took place, but they could not simply prevent trade.

In 1995, the power to alter and amend the Businesses Act was handed down, by a presidential declaration, to provincial governments. This means that each provincial government has the power to change the Act or keep it as it is. No provincial governments have finished re-writing this legislation.

**White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (March 1995)**

This White Paper identifies four categories of businesses in the informal economy, one of which is survivalist. In principle, the White Paper commits the government to the creation of an environment which encourages and assists the development of all categories of the informal economy.

### **The 1998 White Paper on Local Government**

In this paper, local governments are required to be committed to “working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives”.

### **National laws and policies protecting the rights of South African women**

At the national level, South Africa has a number of laws and policies that are aimed at protecting the rights of women and raising their status in the country.

- ◆ One third of all the ANC's parliamentarians have to be women. This policy has resulted in South Africa having one of the highest proportion of women parliamentarians in the world.
- ◆ South Africa signed the United Nations Convention on the Elimination of all Forms of Discrimination against Women (CEDAW) in December 1995.
- ◆ In 1996 the Commission on Gender Equality was established. It has to make sure that the rights of women in South Africa are upheld in every piece of government legislation that is passed. It also ensures that South Africa keeps to the CEDAW convention.
- ◆ The South African government has set up an Office on the Status of Women (OSW) which must make sure that there is gender equity within and outside government.
- ◆ Most government departments are committed – at least on paper – to making sure that gender concerns are part of the work of the department.

## **Local by-laws**

Any local government has the authority to decide on how it will govern the area for which it is responsible. It has to do this in terms of the national and provincial laws. These mechanisms for governing are the by-laws. They apply to both rural and urban areas, although this book deals only with the by-laws of five cities. In many instances, in the large cities in South Africa, street trading by-laws and policies are made at the substructure level (see page 61). As there are several substructures in a large city, this means that in one city there can be different sets of by-laws for street trading. While this can be very confusing, it does make sure that the by-laws are made at the closest possible level to the traders themselves.

Most by-laws say:

- ◆ traders must not obstruct the movement of traffic or pedestrians;
- ◆ safety and service vehicles must be free to move in case of an emergency;
- ◆ the public must be protected from equipment that could be dangerous, such as cooking fires, gas or electrical equipment, or goods that are not safely stacked;
- ◆ street trading equipment must not be in the way of fire hydrants, buildings, road signs or other structures which are in the interest of the public;
- ◆ traders must keep their sites clean;
- ◆ in which areas in a city trading is prohibited, and in which areas trading is restricted.

This is all mainly about restricting trading activities and not about development. However, local governments are also responsible for developing the economy in their area and for governing in a way that allows all economic players to take part. So street trading by-laws can be developmental as well as restrictive. Appendix 2, at the back of the book, shows the different functions of councils which affect street traders. There will be by-laws to cover all these functions.



#### **A prohibited trading area**

This is an area where no trading at all is allowed.

#### **A restricted trading area**

This is an area where trading is allowed, but where there is a limit placed on the number of traders. Most parts of a central business district have restricted trading.

#### **Development and developmental**

When something develops, a change occurs. Developmental laws are about changing laws so that they always show a progressive improvement. These improvements, or developments include overcoming inequality in society.

### **Why it is important to have street trading policies as well as by-laws**

"There is hardly any public policy consistent with the needs of street vendors throughout the world."

(1995 Bellagio International Declaration of Street Vendors)

Street trading policy helps to set overall direction and guiding principles. Without policy, it is the by-laws alone which direct the way that street trading



"Policies are key to securing a shift from 'policing' to a developmental approach to street trading. (They) can be a powerful tool for street traders' organisations when keeping more conservative elements within local government in check."  
SEWU official

is carried out. At present these are aimed, mainly, at restricting trading rather than developing it.

An overall street trading policy for local government will benefit both officials and street traders.

A policy:

- ◆ assists local government officials by giving them guidance and a common reference point;
- ◆ helps to make sure that the numbers of different departments which deal with street traders have the same goals;
- ◆ can assist when authorities are making long-term plans for a city.

## Looking more closely at by-laws

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"The policy should be used as a planning tool, so that planning for the informal economy will be rightfully placed at the centre of the city's urban planning framework."  
East London official

The South African Constitution, the Businesses Act, as well as the policies set out in the White Papers are, in general, positive towards survivalist street traders. However, the day-to-day threats and opportunities for traders are at the local level of the by-laws. In addition, by-laws can either help or get in the way of officials who wish to take a more developmental approach to street trading in their city.

Since 1993, most local governments have developed by-laws. These either negatively or positively affect the lives of street traders.

## **The positive and negative effects of by-laws**

**-ve** = negative for street traders

**+ve** = positive for street traders

### **Removing goods from traders who have committed an offence**

Cities differ in their approach to traders who have broken a by-law. Some by-laws allow for the immediate removal – or confiscation – of traders' goods if they have broken a by-law.

**-ve** This can be very serious for survivalist traders and it can take them a long time to build up their businesses again. It is particularly serious if the by-law states that the trader also has to pay the cost of removing the goods.

**+ve** Other by-laws allow for an official warning, in writing, before any goods are confiscated.

### **Banning street traders from the streets at night**

The Cape Town and Durban by-laws ban traders from the streets at night.

**-ve** Cheap overnight accommodation is difficult to find. This by-law is particularly problematic for women.



**+ve** In Durban there is a plan to provide short-term overnight accommodation for those coming to the city to trade. The Provincial Housing Board has put aside R4.5 million to house 350 traders in 162 rooms. Each person will get somewhere to sleep, somewhere to trade from and access to a crèche and a public bath house, storage and an eating area.



Traders may no longer sleep at these trading sites at the Durban beachfront.  
Accommodation remains a problem.

### **The rights of street trader employers and employees**

Local governments are concerned with the people who work as assistants to street traders. By-laws have been made which set out the rights of both the assistants – the employees – and the person employing the assistant.

Employees of street traders are generally the most disadvantaged of all street traders and are frequently women.

**-ve** Some by-laws state that when an employee of a street trader is suspected of doing something illegal, then both the employer and the employee can be prosecuted for the offence. If it can be proved that the employee was acting without the knowledge of the employer, then the employer is not guilty. However, the by-laws do not say anything about the rights of the employee, who may have been acting on the instructions of the employer.

**+ve** More research needs to be done on the relationship between employers and employees and by-laws need to make sure that the rights of this most disadvantaged grouping are upheld.

### **The process of consultation about street trading areas**

Some areas in all the major towns and cities have been declared restricted or prohibited trading zones. Before this can happen there is a process which a local government has to carry out. It has to show that lots of traders will not be put out of business and that there is no other way of controlling trading. A public meeting has to be called and written objections can be handed in for consideration. The local authority reports to the provincial authority which then finally makes the decision whether the plans can go ahead or not.



**-ve** In some by-laws traders are required to present written objections to the municipal authority. This can disadvantage less literate groups of traders, who are mainly women.

**+ve** In general, the fact that there is a consultative process is very positive.

#### **Cost of site permits and rentals**

Many people think that street traders do not pay rates or taxes. As the table shows, street traders pay varying amounts for trading permits in restricted areas.

**Permit charges in the central business districts of five cities in South Africa, 1998.**

| City         | Amount per month |
|--------------|------------------|
| Cape Town    | R125             |
| Johannesburg | R125             |
| Pretoria     | R50 – R75        |
| Durban       | R30 – R35        |
| East London  | R7               |

**-ve** Sites where rent is paid should have infrastructure such as shelter, tables, storage, toilet facilities. In many cases this does not happen. In some areas permit costs are a fairly high proportion of a trader's income, and the fact that a flat rate is charged means that, once again, the poor, who are often women, find it most difficult to pay. Survivalist traders may pay 10% of their incomes, whereas higher earners may pay 2% .

**+ve** Permit charges bring in money for the city. In addition, the payment of rent is a sign that street traders are recognised as being part of the economy of the city. Some street traders feel that permit charges give them greater security over their sites.

## Final comment

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- ◆ The policies and laws of the country show that the government recognises that street trading is an important part of the economy.
- ◆ Street traders have been given legal status as business people. Urban planners, local government officials and councillors are now required by law to take this into account.
- ◆ Street trading policies and laws are in a state of transition. This means that both local governments as well as street trader organisations have an opportunity to intervene and make positive and significant changes.
- ◆ While laws and policies stress the importance of consultation and discussion in the management of street trading, the mechanisms to ensure that this happens regularly are often absent.
- ◆ Women survivalist traders are often the most negatively affected under the present laws. There is both the need and the opportunity for the development of mechanisms which are aimed at assisting and supporting this group of traders.



## **Changes to by-laws that would help street traders**

Three important points need to be considered if street traders are to support their city's by-laws and co-operate with the authorities who have to enforce them.

### **By-laws should be written in gender-sensitive language**



Most by-laws refer to both women and men as "he". The modern trend in legal language is to try to write laws in gender-free language; for instance, by using the word "person". As most street traders are women, by-laws about street trading should show particular sensitivity to this.

### **By-laws should contain a procedure for appealing against unfair decisions**

If a street trader feels that the local government has acted unfairly against her or him, there should be a procedure for appealing against the decision. Most by-laws do not contain such a procedure. This means that the only alternative for the trader is to take the matter to court. Many traders do not know how to do this, nor do they have the time or money to take legal action.

A number of Eastern Cape towns contain a by-law which allows for an appeals committee to be set up. This committee hears the appeals of traders who have a problem with a decision of their local government. Traders, councillors and local government officials sit on this five-person committee.

**By-laws must be accessible to street traders**

The South African Constitution states that by-laws must be accessible to the public. This means that it must be easy for traders to find out about and understand the laws they are trading under.

The following would help make by-laws more accessible:

- ◆ The language of by-laws should be simple and clear, and not legalistic.
- ◆ All written information should be in a language which is understood and used by the majority of street traders. The information should be easy to get hold of and widely distributed.
- ◆ There should be workshops and meetings where street traders can listen to – and not only read – information. Street trader organisations can assist with organising these events.
- ◆ The reasons behind the by-laws should be explained to both officials and street traders. Street traders and officials are far more likely to keep to rules that make sense to them.





# The control of street trading

The way that street trading is managed affects both officials and street traders and, in particular, women. It is important for street trading organisations to know who is responsible for street trading matters and what their roles and responsibilities are. It is also useful for officials to have an overall picture of what is happening throughout the country.

In the same way that South Africa's laws are changing, local governments throughout the country are going through a process of important, and often difficult, change.

When the apartheid system ended, all the local authorities, which had been responsible for the administration of black townships, became part of the central governing body of their areas. For example, the Cape Metropolitan Area, which now consists of a metropolitan council and six substructures, was once an area containing 68 different governing structures. In Durban there were 48. In Johannesburg, approximately 30 000 local government officials have had to change their employment position as a result of the restructuring. The diagram on page 60 shows how control over street trading has changed over the years and what this has meant for traders.

For all concerned with street trading – officials, street trader organisations and traders themselves – transition has brought with it new opportunities as well as enormous difficulties and frustrations.

As with the rest of this book, much of the information in the chapter is based on studies of the cities of Cape Town, Durban, East London, Johannesburg and Pretoria. Interviews were conducted between August and December 1998.

This chapter is about:

- ◆ who is responsible for controlling street trading;
- ◆ which local government departments they work in;
- ◆ new ways of managing street trading;
- ◆ finances for street trading;
- ◆ centralising power through unicity.

#### **The changes in the authorities controlling street trading in Durban between 1991 and 2001**

|  | 1991                        | 1991 – 1993            | 1998  | 2001   |
|--|-----------------------------|------------------------|---|--|
| <b>Ultimate control</b>                  | 48 local authorities        | National government    | KZN Province  | KZN Province or local authority                    |
| <b>Responsibility for street trading</b> | Traffic departments         | Confusion — no by-laws | Different departments under 6 substructures                 | Fewer departments under unicity                    |
| <b>Effect on street traders</b>          | Limited legal entry allowed | All comers allowed     | Confusion<br>Different by-laws for different sub-structures | One set of by-laws for the whole metropolitan area |

## Terms used in this chapter

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**Metropolitan area:**

A densely populated urban area which is well-developed and has more than one central business district. There are currently five areas in South Africa that are considered to be metropolitan areas. These are Cape Town, Durban, Johannesburg, Vaal/Lekoa, Pretoria and Khayalami. They are divided into a number of different substructures (see below).

**Metro:**

This is the shortened form of the word metropolitan.

**The Metropolitan Council:**

Officials and councillors who govern a metropolitan area.

**Substructure:**

A part of a metropolitan area.

**Metropolitan Local Council:**

The officials and councillors responsible for running this substructure of the metropolitan council.

**Local Council:**

A council in a smaller town, which is not part of a bigger metropolitan council.

**Official:**

A person employed to work in local government, sometimes called a public servant or a civil servant.

**Councillor:**

A politician who has been elected at local government elections to serve on a particular council.

**Local Government:**

This is a general term used to refer to three different types of governing bodies:

1. The only local governing body of an area. An example of this is the East London Transitional Local Council. It makes and carries out the laws over which it has authority.
2. A local governing body which is a substructure of a larger governing body. An example of this is the Johannesburg Southern Metropolitan Local Council. It shares the making and carrying out of by-laws for the area with the metropolitan council. At present, street trading by-laws are made at substructure level.
3. The overall local governing body for a large urban area which includes under it several smaller local governments or substructures. An example is the Cape Metropolitan Area.

All these types of local governments are made up of councillors and officials.

**Municipality:**

This word can be used interchangeably with local government in an urban area.

**Urban area:**

A loose term to describe the geographical area in and around a city or town.

**Unicity:**

"Uni" means "one". So as the name indicates, a unicity is a city which will become one large, centralised city. When a metropolitan area is declared a

unicity, the way that councillors get elected onto the metropolitan council will change. Voters who are part of the whole metropolitan area will elect their councillors directly onto the central metropolitan council, not onto the substructure or metropolitan local council.

## Who is responsible for the promotion and control of street trading?

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Local government officials and councillors are responsible for the promotion and control of street trading.

The diagram on page 60 shows just how much local government restructuring has taken place and is still taking place throughout the country. The old apartheid system is being transformed and the large numbers of old, smaller local authorities are being reduced. This has meant major changes for councillors and for officials in local government. Staff have been moved about from department to department. They often feel confused and demotivated. A study of transformation in Johannesburg found that:

“..... transformation has occurred at almost every level, creating paralysis, uncertainty and low productivity levels and motivation of staff.”

(Abrahams, G. 1998. Greater Johannesburg Transitional Metro Council: a case study of transitional metro government. Foundation for Contemporary Research: Cape Town.)

Some officials are not in favour of the changes that are being made. They continue to hold the old approaches of the apartheid years. However, others are making genuine attempts to succeed in their new and difficult roles.

## Officials

Some of the responsibilities of officials are to:

- ◆ respect the need for secure space for traders;
- ◆ develop and promote street traders as entrepreneurs;
- ◆ manage the interests of the informal and formal economy as well as pedestrians and motorists;
- ◆ manage town planning issues such as provision of water, toilets, shelters, storage;
- ◆ enforce by-laws.

Street traders themselves have said that it is important for officials to have a developmental approach to street trading. They should speak their language, be approachable and easy to contact, and should make efforts to bring traders into the economic life of the city.

In an ideal situation these issues should be dealt with by a single department that has the authority to co-ordinate all the many other departments and functions that influence street traders' lives. (Appendix 2 on page 105 is a list of the functions of local government which affect street traders.)

## Problems for traders

Traders have pointed out some of the problems that they have with officials.



- ◆ Most street traders are women, but the officials dealing with them are mostly men who may not know about or understand some of the specific problems faced by women traders.

*"Restructuring has impacted on local government's ability to deliver."*  
Cape Town official

- ◆ Many officials have been in the traffic or police departments, and their approach to street traders is one of law enforcement.
- ◆ The economic situation of survivalist traders is often not understood by officials. For instance, some officials consider the payment of R125 per month for a place to trade to be a small amount, whereas for traders it is often an impossibly large amount.
- ◆ Traders are sometimes not treated in the same way as other business people. An example of this was when traders in Durban were being moved to new sites. They were given such short notice that they could not let their customers know when they would move or to which new sites. So although they got better facilities, they suffered serious business losses – something which could easily have been avoided.

### **Problems for officials**

Officials have said that a number of problems stop them from carrying out their work effectively.

- ◆ Some officials have found themselves responsible for carrying out functions for which they have had little training and few skills.
- ◆ There is a serious lack of training for these new skills.
- ◆ There is not enough money to develop street trading areas.
- ◆ Due to a shortage of money in many cities, posts have been frozen and there are not enough officials to deal with the thousands of street traders in their areas.

*"We simply do not have the capacity, we need to be multi-skilled."*  
Johannesburg official

*"One of our key roles is being responsive to communities and organisations — this is something we are not used to doing."*  
Johannesburg official



### **Opportunities for change**

It is clear that local governments need to take the problems of their officials seriously and give them more support so they can carry out their functions effectively.

- ◆ Officials need knowledge and skills in consultation, project management, community development, proposal writing, report writing and conflict resolution. They should have up-to-date information about training resources and small business development. Councils should provide the necessary training to help them learn these skills.
- ◆ Consultation and discussion between officials and traders is essential. There should be regular meetings that both parties must be committed to attending.



Trader representatives and officials meet to discuss street trading issues: a representative of SEWU, a Queenstown official, a representative of Queenstown Hawkers Association, and a representative of Gomo Hawkers Association

- ◆ Officials need to be helped to change their attitudes towards street traders. In particular, the attitude that street traders are a main cause of "crime and grime" needs to change.

### **Councillors' involvement with street traders**

Councillors represent different political parties. Their approach to the governance of street traders may be motivated by a number of factors which are not in the best interests of street traders, such as forthcoming elections or the need for a quick solution to a problem rather than a developmental one. As some of the quotes below show, the relationship between councillors and officials is often difficult.

"Only a minority of councillors approach this issue (street trading) from a developmental perspective. When there are elections, for example, I expect there will be pressure from councillors for us to become firmer on enforcement." (Official)

"They (councillors) are not interested in process, but in getting things done quickly and efficiently." (Official)

"One day councillors will be very supportive about development initiatives and the next they will storm into my office and ask why we are not being stricter with enforcement." (Official)

Another problem is that changes in councillors after an election often bring changes to policies.

"The councillor who heads the informal trade standing committee now, may well be supportive. However, the person who replaces him may have the interests of the formal economy at heart." (Official)

## In which departments do street trading officials work?

The approach that a city takes towards its street traders is influenced by where the responsibility for street trading is located. In the past, this was mainly with the traffic departments of local governments. Responsibility for street trading management has now shifted to various departments, differing from city to city.

### Where responsibility for street trading is located

| City                                    | Location of responsibility   |
|---|--|
| Pretoria Central Council                | Traffic Department   |
| East London City Council                | Planning Department (but soon to be Traffic Department)                |
| Durban South and North Central Councils | Department of Informal Trade and Small Business Opportunities (DITSBO) |
| Cape Town City Council                  | Informal Trade Management Unit (ITMU)                                  |
| Johannesburg South Metro Local Council  | Local Economic Development Unit in the Urban Development Department    |

*"The traffic department is a law enforcement department so it is not the ideal location for street trading."*  
Local government official

The worst place to locate street trading is in a traffic department. This is where traffic laws are enforced. Putting street trading in this department shows an approach which emphasises enforcement, rather development. Pretoria is an example of this.

Durban has a separate department to deal with street trading, which is a good way to deal with it. The offices are located in a central place, close to transport routes. Area managers are responsible for certain trading areas. They spend

time on the streets, speak the language of the traders and can build relationships with them. Traders know who they should contact for any matter relating to them and the authority.

Durban's approach raises the status of street trading in local government. It should also make it possible to co-ordinate the different departments involved with street trading from a central department.

## New ways of managing street trading areas

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As councils face financial and staffing cuts, some of them have shifted the day-to-day responsibility for the management of street trading to private organisations. This is a form of privatisation. There are both positive and negative aspects to this for street traders, and it is important that the interests of survivalist traders are protected as these changes take place.

*"The management of street trading is not a core function of the city."  
Councillor in Cape Town*



### Privatisation

Privatisation is a word which is often heard in South Africa these days. It is linked to policies about restructuring the economy and reducing the expenses of the state. Privatisation happens when the state (the public sector) hands over some of its responsibilities to the private sector. This can take place in a number of different ways. The state can sell off some of its operations completely. Or it can out-source. Out-sourcing is a form of privatisation where a private organisation takes over some of the state's responsibilities, but not ownership.

### **Street trader organisations take over the management of street trading**

In Cape Town, street trader organisations have taken over the responsibility for managing some street trading areas. The organisations lease the land from the council and are then free to decide how much they will charge traders for site rentals.

#### **Disadvantages for traders**

- ◆ Site rents are high and poorer traders cannot afford them.
- ◆ The system is open to abuse of money and power. Leaders have been accused of misusing funds and giving themselves more sites than others.
- ◆ Traders mistrust this system so much that in one area they voted in favour of their local council managing trading, and against their own traders' organisation.

#### **Advantages for traders**

- ◆ Any street trading organisation wishing to be given a lease to manage a market area has to put in a proposal – called a tender – to the council. In these tenders the organisation has to set out a specific plan to assist and empower groups of traders who were disadvantaged by the apartheid system. The council has the right to cancel the lease if this does not happen. If the council makes sure that this happens, then some of the discrimination of the past can be addressed.

### **Property owners take over the management of street trading**

In some areas of Johannesburg the owners of property are allowed to apply for a sidewalk lease, which gives them the right to manage the street trading

taking place outside the buildings that they own. They can put up their own structures for traders.

Also in Johannesburg, property owners in an area can form a company which is responsible for the management of street trading in that area. These companies are concerned with managing crime, litter and waste, and informal trading. The local council for the area co-operates with the company by raising rates in the area and giving the company the extra money raised in this way.

#### **Disadvantages for traders**

- ◆ Property owners who control street trading are usually opposed to it in principle because they believe that street trading lowers the value of their own property.
- ◆ The property owners and companies can set high prices for trading sites. Instead of finding a way to assist poorer women traders, this is once again a way to reduce their numbers or force them onto the edges of the city's trading sites.
- ◆ So far, the local councils that have out-sourced the management of street trading in this way have not put in place any process to make sure that street traders can raise their concerns.

#### **Advantages for traders**

- ◆ The areas managed by the private sector appear to be more orderly, crime levels are lower and by-laws are enforced more strictly.



Informal trading in front of formal business sites often creates antagonism between informal and formal operators.

## **Street trading in dedicated markets**

A dedicated market means a special site set aside for street traders. Traders in a particular area stop trading from the streets and move to a dedicated market. This is what is planned as a private-public sector partnership for the Johannesburg Central Business District. A private company will be established to manage these markets. A certain number of the company's shares will be allocated to street traders.

### **Disadvantages for traders**

- ◆ The businesses of street traders, in particular the poorer ones, are linked directly to the number of people who pass by their sites. Most traders who have been working in these areas sell the kind of goods – like small quantities of fruit and vegetables – that people will not go out of their way to buy. A dedicated market will not have as many 'passing feet'.
- ◆ The streets will have to be strictly policed in order to stop new traders from taking up the vacant sites.

### **Advantages for traders**

- ◆ Once again, better off traders, and those who trade in goods for which people are prepared to go out of their way, are likely to benefit from this scheme.
- ◆ There are often more facilities – toilets, water, storage – for traders in dedicated markets than at street trading sites.



## The budget for street trading

At present it is not possible to estimate the amount which cities budget for street trading, or to make comparisons between cities. A standard budgeting formula for local governments is in the process of being introduced which, in a few years time, will make comparisons easier.

Some cities are clearly spending more on street trading than others. Durban is one of these. A number of reasons account for this:

- ◆ It has a strong financial base.
- ◆ Officials have been successful in securing funding from a number of different departments.
- ◆ There have been supportive councillors who understand street trading issues.
- ◆ There has been strong pressure from street trader organisations.

At present there is more transparency with national and provincial budgets than there is with local government budgets. There needs to be a clear and uniform process of budgeting, and traders must be shown how they can make submissions and participate in the process.

## Centralising power through unicity

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Six metropolitan areas in South Africa will become unicity. (There is a definition of a unicity on page 62.) They are Cape Town, Durban, Johannesburg, Pretoria, East Rand and Port Elizabeth. As the table below shows, in Cape Town laws and power have gradually become more centralised, to the point where there will now be one central body of power. There will either be substructures or the local councils will be dissolved and replaced by ward committees. Exactly how much power these will have has not been decided yet.

### The changes in the number of substructures for Cape Town between 1993 and 2000

| 1993          | 1995                                      | 2000  |
|---------------|---|---|
| 68 structures | 6 Metro Local Councils<br>1 Metro Council | A Unicity<br>1 Council with wards<br>or substructures |

### Advantages of centralising local power

The following quotes, from officials and councillors, capture the arguments and advantages in favour of more power being given to the metropolitan councils:

"The system as it currently operates is not working. There are too many contradictions between different local councils."

"The plan for a unicity is good for consistency; we will be better able to co-ordinate policy."

“With each local council being a legal entity, it means that councils can come up with different policies, different by-laws. This is currently happening and appears to be about people – both officials and councillors – wanting to keep their power bases intact. This system is causing a lot of confusion on the streets.”

Another argument raised in favour of centralisation is that the functions of local government will not be duplicated in every substructure. This will save money, and will mean that the resources of the whole city can be redistributed more effectively to the areas that most need them.

### **Disadvantages of centralising local power**

A major disadvantage of taking the power away from the substructures is that local government becomes more removed from the people. There will be a reduction in the number of councillors elected by people in their areas. This is particularly worrying when, at national level, there is proportional representation rather than directly elected parliamentarians.

### **Final comment**

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This chapter shows that transformation in the country has led to rounds of restructuring which have made it extremely difficult for officials working in local government. Support for them is essential. Transformation has also meant that the relevant officials are located in many different departments depending on which cities they are in.

There are new trends in managing street trading, most of which are linked in some way to the idea of privatisation. They have advantages and disadvantages, and it is important that street trader organisations understand how best to protect their members' interests with regard to the changes that are taking place.

**What contributes to sound relations between a local authority and its traders?**

- ◆ accessible, gender sensitive materials for traders;
- ◆ good channels for communication and regular meetings between traders and officials;
- ◆ approachable officials;
- ◆ capacity building, particularly in negotiations and conflict resolution skills, for traders, the leaders and officials of their organisations, as well as for local government officials;
- ◆ the location of street trading in an appropriate department for its development;
- ◆ democratic decision making with regard to privatisation of street trader areas;
- ◆ guidelines on equity with regard to private sector management of street trading.

THE UNIVERSITY OF CHICAGO

# Street trader organisations in South Africa

**T**here is a strong culture of worker organisation in South Africa. The rights of workers have been recognised through the struggles and victories of formal economy workers and their trade unions. However, as this chapter shows, organising in the informal economy is relatively new and organisations get little support from formal economy unions.

Several factors, which affect street trader organising, have already been mentioned in this book. The Introduction touched on the issue of globalisation (see page 7) and Chapter Two showed how the legal and political rights of women and traders in South Africa have generally improved since 1994. The point was made that good policies sometimes fail because they are not implemented properly, and that women are much better represented at national level than at local level, which is where street traders and their organisations interact with officials. Chapter Two also outlined the legal background to the organising environment of street traders.

Most of the information in this chapter is taken from research into a number of street trader organisations across the country. Thirteen were studied in some detail. These organisations tended to be more formal and stable than most street trader organisations, and so they do not necessarily represent street trader organisations in general.

"The organisational structure in this sector is so dynamic that you can only hope to have a picture painted of the organisational dynamics at one point in time. The next time it is analysed it is likely to look quite different."  
Street trading consultant

The chapter is about:

- ◆ the characteristics of street trader organisations;
- ◆ the organising difficulties they face in South Africa;
- ◆ six priorities for street trader organisations.

## Characteristics of street trader organisations in South Africa

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One of the general characteristics of street trader organisations is that they come and go, they appear, disappear and sometimes reappear. New ones begin and old ones collapse or are put "on hold" until some important issue arises. Some organisations wish to keep a low profile and to avoid regulation. It is difficult to describe the overall picture accurately because it is changing so rapidly.

This changing nature of organisations is linked to the way in which cities and markets have developed. In Cape Town, for instance, where most traders are located in markets, organisations are more formalised and likely to remain constant. In Johannesburg, where trading is less organised and there are fewer markets, a series of organisations have arisen and later become inactive.

Local governments have to negotiate with informal economy workers in their areas. As the descriptions on the following pages show, some local authorities work through existing organisations. Others have insisted that an umbrella

"Many of the organisations in the informal economy are issue driven. Once the issue has been addressed, the organisation can no longer be found."  
Local area manager in charge of trading

organisation be formed to represent the numbers of street trader organisations. Still other local authorities have created their own organisations.

This section looks at the main functions of street trader organisations, how they are constituted, the way they relate to local government, and the role of women in these organisations.

*"There is no such organisation at this point in time, but we could easily form one."  
Street trader*

## **The main functions of street trader organisations**

### **Providing a service for members**

Six of the thirteen organisations focus on providing a service for their members, such as bulk buying, storage, marketing goods or training.

**The National Independent Business Development Association (NIBDA)** operates in Johannesburg. Its main focus is bulk buying from formal economy companies for informal economy traders. Formal economy companies approach NIBDA if they want their goods to be sold by street traders.

**The Gompo Hawkers' Association** is a fairly informal organisation that operates in East London and has about 1000 members. It organises fruit and vegetable sellers who are mostly women. Its executive consists entirely of women. The organisation provides storage for its members in the form of a number of old shipping containers located near trading sites.

**The Pretoria Informal Business Association (PIBA)** has offices in a local training centre – the Protea College. Protea provides training in business skills for street traders. The courses are funded jointly by the National Department of Labour and the City Council. PIBA, which was set up by the local authority, has negotiated a free, full-time, five week training programme. Thus PIBA members have a major advantage over non-PIBA members. However, no part-time courses are offered, so the poorer, mainly women traders are unlikely to be able to enrol.



### **Responding to an issue**

Two of the thirteen organisations were formed to respond to a particular issue. In both cases this was to run campaigns aimed at putting pressure on local governments to reduce the number of foreign street traders.

**The Oxford Street Association**, in East London, was formed by a group of traders wanting to protest about the issue of foreigners moving into sites which they had been forced to vacate by the local council. They led marches to the council offices and the City Hall, and pooled financial resources to help traders who had been fined.

### **Managing market areas**

Two trader organisations, both in Cape Town, are responsible for the management of trading areas. This task has been contracted out by the local authority to an organisation in charge of management of the area. This shift towards privatisation was mentioned in chapter three, page 69.

**The Green Point Fleamarket Traders' Association** is one of four associations which leases land from the Cape Town City Council for their market sites. The Association is responsible for managing the land – including cleaning, security and the running of the market.



Green Point Market in Cape Town – an off-street, Sundays-only trading area

**The Cape Town Lower Deck Traders' Association**, called Enclodek, represents a group of traders operating near the central station in Cape Town. The land is the property of Intersite, a company in charge of all the land surrounding train stations. Before Enclodek took over the management, traders were paying high rentals to lease trading sites in the area. Enclodek documented a number of complaints about the leasing system as well as the management of the area. In order to be in a better position to win the right to lease the sites, Enclodek became a company with shareholders. Each shareholder paid R500 for a share. In 1997 Intersite granted Enclodek control over 50% of the market. Since then management of the area has improved considerably.

Although there is a lot of interest in this type of organisation, members have to be wealthy enough to buy shares. Enclodek members are quite well-off compared to survivalist traders.

### **Representing traders' interests**

Numbers of organisations have this as a focus, though only two do so at a national level. Other organisations represent traders at one trading site or at the city level.

**The Queenstown Hawkers' Association** is an umbrella organisation which was created by the local government to represent a number of loose groups of traders at a time when by-laws had to be negotiated. Its executive committee, at the time, was made up of representatives from the various groups.

In 1995 **SEWU**, on the basis of its members' interests, negotiated with the Durban Central Council for the improvement of facilities such as shelter, water supplies and toilets, and the need for child care facilities.

## **How the organisations are constituted**

A constitution is one basic tool for making sure that an organisation represents its members properly and is accountable to them. Only three of the thirteen organisations have constitutions. The rest are informally constituted.

For many, the way that a trader becomes a member is to sign on once, at a meeting. This means that membership lists show all those who have ever become members. Membership numbers range from over 100 (Enclodek) to over 100 000 members of African Council of Hawkers and Informal Business (ACHIB). Similarly, membership fees vary enormously; from nothing, to a monthly amount, to the purchase of a R500 share in the organisation.

Instead of annual general meetings, many organisations have mass meetings where leaders are elected. Eleven of the thirteen organisations are run by volunteers. Only ACHIB and SEWU have paid staff.

**The Green Point Fleamarket Traders Association** operates on a non-profit basis. Only permanent traders can be members. It has a constitution and is managed by a committee of nine members who are elected at an annual general meeting. Although the committee has a lot of power, when important decisions have to be made, membership meetings are called and issues are voted on. The constitution is written in gender neutral language and women play a dominant role in this organisation.

**The Queenstown Hawkers' Association** operates much more informally. There are no regular meetings with members because meetings are only called when an important issue arises. There is no annual general meeting and elections happen irregularly, for example, when the organisation is in crisis. The organisation collects its membership fees together with permit charges, which has helped to ensure that fees come in regularly.

**SEWU** is structured to make sure that its members are represented by leaders who have been democratically elected. It operates a number of branches in three provinces. Two representatives from each branch are elected to the Regional Executive Committee (REC) and four representatives from each REC are elected onto the National Executive Committee. The annual conference is where policy is made. Each branch sends one delegate for every twenty members. The national president of SEWU, the vice president and the treasurer are elected at the conference.

### *Note:*

#### **Why is a constitution important?**

A constitution is a document that sets out how a country or a province or an organisation must be run.

The constitution of an organisation should:

- ◆ be available for everyone to read so that everyone knows what the rules of the organisation are;
- ◆ say who will run the organisation and how these people will be appointed;
- ◆ say how members will be represented – this should be a democratic process;
- ◆ say how the organisation and its officers will report to its members;
- ◆ say how the finances will be run and checked;
- ◆ say how often the organisation must meet.



Regional Executive Committee Meeting of SEWU

## The relationship between trader organisations and local government

The relationship between trader organisations and local governments varies. Some are in opposition to local government, some are more likely to support it and would not oppose it, and others are independent and may co-operate or oppose local government, depending on the issue. Only one of the thirteen organisations is affiliated to a political party.

**The Greater Johannesburg Planning Committee** is an organisation which, like the Oxford Street Hawkers' Association, is organised to protest about the number of foreign traders operating on the streets.

**PIBA** was created in response to a crisis over the control of trading sites in the city. A number of traders were arrested by the traffic department. They were told that the authorities were only prepared to speak to one group, and as a result PIBA was formed. PIBA works very closely with the local authorities and is even responsible for the removal of traders who are regarded as a problem.

**The Gompo Hawkers' Association** is a more independent organisation. However, it has lots of influence with the local government which consults with Gompo on issues such as by-laws and the development of trading areas. Local government officials are in regular contact with the organisation.

"We not only approach them (PIBA) with issues, but they often tell us to go and remove a trader who, for example, will not listen to them."  
Traffic officer

## The role of women in these organisations



While most of the members of these organisations are women, only a few of them are in leadership positions. Women were the main spokespeople in only four of the thirteen organisations, and only two had all-women leaders.

**SEWU** is an organisation whose membership is open only to women.

Most of **PIBA's** members are women. However, its executive committee are all volunteers, which makes it hard for poorer women traders to serve on it. There are currently three men and one woman on the committee. According to the chairperson, women traders are reluctant to take up leadership positions in the organisation.

**Gompo's** membership is 95% women. All executive committee members are women.

### *Note:*

#### **A stable, democratic organisation:**

- ◆ has a constitution;
- ◆ is run by an elected committee;
- ◆ has paying members;
- ◆ knows who its members are and how many there are;
- ◆ consults with its members regularly;
- ◆ meets regularly;
- ◆ has an office.

## **The difficulties of organising street traders in South Africa**

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To some extent, traders are supported and encouraged by new policies and laws in the country. Both the Constitution and local government policy encourage the existence of street trading organisations because, unlike other



African countries, local governments have to consult with street traders on matters affecting them. Section 122 of the Constitution states:

"Municipalities must aim ... to encourage the involvement of communities and community organisations in the matters of local government."

The White Paper on Local Government says that local governments must

"work with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives."

In some ways organising street traders may seem easier than organising formal economy workers. Access to workers on the shop floor is more difficult and their time is inflexible. Access to people on the street is more direct.

However, street traders also face huge barriers to organising.

### **Economic difficulties**

For survivalist street traders, time away from their sites, during trading hours, means money lost. This is one of the most basic barriers to setting up and maintaining any traders' organisation. Going to meetings, or even taking time off to talk to an organiser in the streets, is problematic.



Many women traders have children with them at work and have domestic responsibilities at home, which take up their time after working hours.

Other situations which take time and which leave even less time for meetings are, for example, paying fines, being relocated, erecting protection against the weather, and seeing officials or avoiding them. These are some of the costs of being a worker in the informal economy. Traders with assistants can sometimes arrange to be away from their sites, though they often do not trust their assistants enough to leave them in charge for long.

In South Africa, the poorest people usually live furthest from the city centres where they do business, and where organisations have offices or hold meetings.

### **Suspicion of organisations**

A major obstacle to recruiting traders is they are suspicious of organisations. This is often based on bad experiences with corrupt or fly-by-night organisations which have collected traders' money, misused it and not lived up to their promises. Other forms of corruption are, for example, when leaders of an organisation get given the best trading sites, or when sites owned by a local authority are sold illegally.

### **Lack of resources**

In order to survive, an organisation needs to bring in new members and provide services for all members. This needs full-time, paid organisers. Organisations, such as those working with the exceptionally poor, may not

*"I joined many organisations. They promised to do things for me. I paid, but the car stops and never moves."*

*Street trader*

*"Corruption is a major problem in this country and SEWU believes that strong actions need to be taken against corruption, especially where the trust and hard-earned money of poor women is concerned."*

*SEWU News, March 1998*

bring in enough money through membership fees. Where members do pay fees, they are low, yet they all want to see concrete services delivered quickly. With low fees it is difficult to employ enough organisers to make sure that this happens. Usually extra funding is necessary to keep an organisation going, but funders may only be interested in organisations which can show that they are moving towards financial independence.

Street traders' organisations also often lack the resources to ensure secure offices and meeting places that are not exposed to weather and noisy pavements.

### **Political barriers**

In spite of South Africa's new democracy and the large support for the African National Congress (ANC), there are still strong political, racial and class divisions in some of the country's provinces. For example, in KwaZulu-Natal, the division between the ANC and the Inkatha Freedom Party has been associated with violent conflict. Race and class tensions exist in the Western Cape between so-called Coloured and African traders. Street traders are afraid of being seen to support one or another political party, and are therefore suspicious of an organisation which itself appears to be on one side or another. As a result they do not wish to talk about their membership of an organisation, or to promote any organisation. This seems to be unlike countries such as Mexico, where trader organisations are set up in support of one or another political party.

## **The organising environment for women**

The organising environment for women and women's organisations in South Africa is made more difficult by the fact that, while there is a new respect for cultural differences, the old forms of male dominance – sometimes called patriarchy – still remain. The attitude of tolerance of the many different cultures in the country is also being used to argue for the acceptance of this patriarchal 'culture'.



Leadership in formal economy unions is dominated by men, despite many unions having gender desks. Street trading organisations, with a few exceptions, are also male-dominated. As a result, there are strong arguments in favour of street trader organisations with only women members. Such organisations help develop leadership skills amongst women, and encourage a more assertive approach by women at traders' meetings.

## **Six priorities for street trader organisations**

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Most trader organisations emphasise providing services for members, such as bulk buying. However, if organisations are serious about representing the interests of survivalist, women traders, this is not enough. Other priorities are also important in order to challenge and change the divisions in society that are based on gender and to work for the advancement and empowerment of traders.

This section brings together the thinking of local and international organisations involved with street traders, and prioritises six functions which should be part of the aims of all street trader organisations.

## **1. Establish and defend legal rights**

Chapter Two dealt with the legal rights of street traders, such as the right to trade in an urban area, the right to a permanent trading space, the right to negotiate on issues affecting trade, the right to have property protected. To help improve the position of all traders and especially women, street trader organisations should work to make sure that the legal rights of traders are established.

### *Is this happening?*

- ◆ ACHIB was one organisation that fought to establish street trader rights before the 1991 Businesses Act declared street trading legal. Since then, other organisations have fought to establish local by-laws and to protect these rights.
- ◆ Few leaders of street trader organisations have a sound knowledge of the legislation that affects them, or the money to get professional legal assistance. This can make it very difficult, if not impossible, for them to defend their rights.
- ◆ When organisations are not independent, the interests of traders may not come first. PIBA, for example, which was created by local government, was part of an arrangement with the Pretoria local authority to declare a large area a prohibited trading zone. This led to the number of traders in the area being reduced.

- ◆ SEWU has conducted important negotiations to protect its members' rights to shelters, and to proper consultation with the authorities regarding the relocation of traders.

## **2. Set up effective channels to represent members**

To be representative, an organisation needs to have a procedure for consulting members to make sure that members' views and needs are understood. There must also be a procedure for reporting back to members when leaders or organisers have acted on their behalf. Without this the organisation is undemocratic and cannot claim to represent its members. Organisations need to create these procedures, and make sure that they continue to operate effectively.

### *Is this happening?*

Organisations which are set up informally, without a constitution or signed-up members, are unable to represent members properly. They cannot get proper instructions and mandates from traders. Officials often find that, while some organisations claim to represent street traders, traders are not aware of this or do not accept it. Sometimes these organisations may support a particular group of traders, such as those who are better off, and overlook the interests of poorer traders.

The most sustainable and representative organisations are those such as SEWU which has paid-up members. It is still a relatively small organisation, compared to its sister organisation in India, SEWA (Self Employed Women's Association) which has two hundred and twenty thousand members. In SEWU

negotiations with officials and other organisations are conducted on behalf of members by leaders and organisers. These leaders and organisers are fully accountable to their members.

### **3. Raise the profile of street traders and protect their interests when policy is made**

The new government's commitment to groups who were disadvantaged by the apartheid system means that there are huge demands on its resources at national, provincial and local levels. The voices of street traders are not likely to be heard unless they are part of strong organisations that can give voice to their needs and put pressure on appropriate authorities.

Organisations need to be able to:

- ◆ identify where policy is made and how it may be influenced, and represent traders at appropriate forums, discussions, enquiries and commissions;
- ◆ make submissions when new laws are drafted that may affect traders;
- ◆ take up issues of gender equality;
- ◆ work for more trading space in the cities and for improving existing trading areas;
- ◆ learn the skills to deal with the media so they can fight against misunderstandings about traders, and for a more positive attitude.

### *Is this happening?*

The names of only three trader organisations can be mentioned with regard to these critical functions. Of these, SEWU has been by far the most active in raising awareness of street trader issues at policy level.

- ◆ ACHIB, Enclodek and SEWU gave inputs at the National Small Business Conference in 1997.
- ◆ The national government body called Ntsika Enterprise Promotion Agency is responsible for small, medium and micro enterprises. Ntsika conducted a review of legislation affecting small to medium size enterprises, and ACHIB and SEWU had members on the task teams.
- ◆ SEWU proposed that survivalist traders were defined as a specific sector in the National Small Business Enabling Bill. SEWU recommended that traders should receive training materials in their own language, should have child care facilities provided at training courses, and that courses should be provided on a part-time basis.
- ◆ SEWU has made numerous submissions at a national level aimed at bringing street trader issues to the attention of those responsible for national policies and laws. Submissions were made, for example, on issues affecting women's empowerment, labour law, trade and industry, labour market policy, SMME programmes and rural financing services.
- ◆ SEWU also represented the interests of women at the national Jobs Summit in 1998, and used this as a platform to raise awareness about women in the informal economy.



#### **4. Build leadership through empowering members**

Women are disempowered in many social institutions, such as the household, religious groups and local government. Street trader organisations, therefore, should provide an environment where women learn to lead, to be assertive, and to negotiate for conditions which will improve their lives.

##### *Is this happening?*

"The problem is that the leaders run away with the method and leave us in the dark."  
Street trader

Apart from SEWU, none of the thirteen organisations consciously provided support and training for empowerment of women leaders. SEWU is an exception amongst street trader organisations. It has built capacity amongst its members and organisers and aims to develop leadership skills at all levels.

#### **5. Provide concrete benefits for members**

Street traders should be able to gain concrete advantages through being part of an organisation and should be assisted in moving towards the possibility of more formal employment. The kinds of benefits which organisations can negotiate are: discounts on goods through buying in bulk; assisting with start-up costs; securing storage space; access to appropriately designed training in business skills at reduced costs and training in negotiation skills.

##### *Is this happening?*

- ◆ A large number of street trader organisations focus on buying in bulk and obtaining discounts for traders, who are then in a stronger position to compete with formal economy retailers. Some organisations have managed to secure storage facilities for their members, and even fridges to store goods requiring refrigeration.

- ◆ Compared to other countries, little attention is paid in South Africa to helping traders get access to credit.
- ◆ Some organisations, such as PIBA, have focused on providing direct access to skills training, though most organisations help their members by linking traders to existing training institutions. SEWU provides in-house training on issues such as negotiation skills, running an organisation and local government. It links members to courses in literacy, self-defence, and training in traditionally male-dominated fields such as welding and electrical wiring.



SEWU members learning to do electrical wiring and repairs

## **6. Form alliances with the trade union movement and other external organisations**

Informal economy traders can benefit from alliances with formal economy workers' organisations. It is also important to form links between local, national, regional or international organisations which give traders a broader understanding of economic and gender issues and the approach of traders in other parts of the world.

### *Is this happening?*

In some African countries such as Ghana and Côte D'Ivoire, links have been made between street trader organisations and formal economy trade unions. In South Africa, SEWU is the only organisation representing the interests of informal traders which has engaged with formal economy trade unions.

SEWU is also the only organisation which has established links with organisations outside the country in order to try to strengthen the position of women traders, and to enable them to become better informed about women traders in other parts of the world.

## Final comment

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Organisations that best support the needs of women traders should have the following features:



- ◆ Organisations need to be democratically driven by their members so that the vote of the most vulnerable carries the same weight as the vote of the more powerful.
- ◆ Women should be in leadership positions, and organisations should focus on building the capacity of their women members. Women's organisations are in a better position to do this.
- ◆ As women are most likely to represent women's interests in the informal economy, it is women who should be the negotiators with other stakeholders, such as local government, the formal economy and the trade unions.
- ◆ Organisations need to understand what oppresses women in their daily lives and what prevents them from participating fully in the economy. They must also have clear strategies for addressing these problems.
- ◆ Organisations should understand the positive and negative effects of globalisation on people working in the informal economy, and should form alliances with groups who are working to counter the negative effects, particularly on women.



## Abbreviations used in this book

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|       |   |
|-------|---|
| ANC   | African National Congress   |
| ACHIB | African Council of Hawkers and Informal Business  |
| CEDAW | United Nations Convention on the Elimination of all forms of Discrimination Against Women |
| GEAR  | Growth, Employment and Redistribution   |
| NIBDA | National Independent Business Development Association                                     |
| PIBA  | Pretoria Informal Business Association  |
| REC   | Regional Executive Committee  |
| SADC  | Southern African Development Community  |
| SEWA  | Self Employed Women's Association, in India   |
| SEWU  | Self Employed Women's Union, in South Africa  |
| SMME  | Small Medium and Micro Enterprises  |
| WIEGO | Women in Informal Employment: Globalising and Organising                                  |

## Appendix 1

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The contents of this book are drawn from the following research reports:

1. Lund, F. 1998. Women street traders in urban South Africa: A synthesis of research findings. CSDS Research Report No.15. Durban: University of Natal.
2. Skinner, C. 1999. Local government in transition – A gendered analysis of trends in urban policy and practice regarding street trading in five South African Cities. CSDS Research Report No.18. Durban: University of Natal.
3. Lund, F. and Skinner, C. 1999. Promoting the interests of women in the informal economy: An analysis of street trader organisations in South Africa. CSDS Research Report No.19. Durban: University of Natal.

These research reports are available on request from:

School of Development Studies (incorporating CSDS)  
University of Natal  
Durban 4041  
Tel: (031) 260 1031  
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## Appendix 2

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Some of the functions of local government which affect street traders:

1. Bulk supply of water
2. Reticulation of water
3. Bulk supply of electricity
4. Co-ordination of land usage and transport planning
5. Passenger transport services
6. Traffic matters
7. Abattoirs
8. Fresh produce markets and other markets
9. Refuse dumps
10. Fire brigade
11. Promotion of tourism
12. Promotion of economic development and job creation
13. Power to levy and claim tariffs, levies, contributions from local councils
14. Police functions
15. Integrated development plan
16. Roads
17. Amusement and recreation facilities
18. Public nuisances
19. Environmental affairs and environment conservation
20. Building control
21. Cleansing
22. Street trading
23. Lighting
24. Public places
25. Child care facilities

Source. Adapted from Durban Metropolitan Council, North Central and South Central Councils. Functions and Structures. February 1997





Street traders are a very visible part of the South African economy, yet little has been written for them or for those involved in the development and management of street trading. This book fills this gap. Although it is primarily for street trader organisations and for local government officials and councillors, it will be useful for all those whose work interacts with this part of South Africa's informal economy.

Street Trading is about the working lives of street traders: their problems, their organisations, the laws which govern them and the officials who work with them and who carry out these laws. The book is richly illustrated with photographs and with the stories of traders and the thoughts of officials, as they engage with the process of local government transformation that is taking place in South Africa.

