

# UNIVERSITY OF CAPE TOWN



## SCHOOL OF ARCHITECTURE, PLANNING AND GEOMATICS

**“Interchange for the informal market? An investigation of informal trading in and  
around Nolungile station, Khayelitsha, Cape Town”**



Dissertation presented as part fulfilment of the degree of Masters of City and Regional  
Planning

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## ABSTRACT

There are over 1.7 billion people worldwide working in the informal economy, (Jutting & De Laiglesia, 2009). In South African over 2 million individuals work in this part of the economy, where the majority operate in informal retail. Many traders operate at transport interchanges due to transport nodes being natural markets because of foot traffic, however, if not managed properly, they can become areas of contestation. The parastatal Passenger Rail Agency of South Africa (PRASA) has embarked on a National Station Upgrade Programme that will develop 600 stations around the country. These stations are not only important for access and mobility, but are also important to the livelihoods of the informal traders.

Khayelitsha Township presents itself as an ideal case study in examining the township economy, for it has a diverse range of informal economic activities and the area is about to change significantly due to a planned station upgrade, for the primary train station - Nolungile. Interviews were conducted with 23 traders through a purposive sampling framework, along with 10 commuters. The main objective of this research was to examine the factors and processes that obstruct traders in securing their livelihoods in township economies but also to assess the potential impact on traders of the planned upgrades. Among key findings from this research is that there is a disjunction between city policy statements on the informal economy and implementation as it manifests in this area. Despite 21 years of freedom, traders are still compelled to trade in inadequate conditions. Additionally, unlike the committed management approach established in the inner city, the City of Cape Town is devolving the management of street trading in Khayelitsha, in what could be described as a 'hands off' approach to managing the area. Furthermore, the analysis of the PRASA renovations suggests that they are likely to have a very negative impact on the traders, highlighting concerns of the impact this nationwide project may have.

There is a dynamic range of trading that occurs in Khayelitsha which supports a lot of local residents and despite challenges faced, many traders support and maintain their households through this economy. The dissertation concludes with recommendations and argues that for sustainable livelihoods to be realised and for traders to excel, the current modus operandi in approaching informality needs to change. Through an exploration of this site, this dissertation will highlight priority interventions to nurture and support traders in this area.

## LIST OF ACRONYMS AND ABBREVIATIONS

CoCT: City of Cape Town

CID: City Improvement District

CTMPD: Cape Town Metro Police Department

CTSDF: Cape Town Spatial Development Framework

DED: Department of Economic Development

DSA: DesignSpaceAfrica

EGS: Economic Growth Strategy

FIFA: Fédération Internationale de Football Association

GDP: Gross Domestic Product

ICLS: International Conference for Labour Statistics

LED: Local Economic Development

IDP: Integrated Development Plan

ILO: International Labour Organisation

NGO: Non-governmental organization

PPP: Private-public partnership

PRASA: Passenger Rail Agency of South Africa

SDF: Spatial Development Framework

SMME: Small, Medium and Micro Enterprise

UCT: University of Cape Town

UN: United Nations

WIEGO: Women in Informal Employment: Globalizing and Organizing

WPSDF: Western Province Spatial Development Framework

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# Chapter 1

## Introduction

*“They always say ‘empower yourself’ but how are we supposed to empower ourselves when they don’t equip us? We don’t even know who is in charge of this area and who we can call when we need help. When we talk to our ward member he also says there’s only so much he can do. There needs to be more of a hands on approach and some accountability and responsibility that needs to happen. You can’t just come in here, take our names down then disappear. It shouldn’t work like that,” (27/8/2015).*

It is recognised that although post-apartheid South Africa has been marked by progressive policies which in many cases hold the potential for change and development, these policies fail in implementation. This is especially true for policies that deal with urban poverty. The above statement uttered by an informal trader in Khayelitsha echoes how the lack of implementation particularly manifests in the public spaces of townships, where many traders run their businesses without adequate infrastructure and/or management structures. Since the term was first coined in the 1970s the informal sector and/or economy has been a topic of much debate. Despite the various theories surrounding this economy, many scholars have acknowledged that a significant amount of activity takes place in the informal economy, suggesting its importance and need for attention. Today, almost half of the world’s workforce belongs to the informal economy, accounting for 1.7 billion people, (Jutting & De Laiglesia, 2009).

In the South African context, there are over two million people working in this economy who are predominantly in trade. Much work has been conducted in analyzing the informal economy, its operations and the individuals who belong to it. However, the focal point of this analysis has been inner city trading, (Skinner, 2008; Siqwana-Ndulo, 2013; Bukasa, 2014), resulting in a dearth of information of informal trading occurring in townships. Thus this paper’s aim is to better understand the dynamics of informal trade in townships especially that which happen at transport interchanges. Phenomenon such as: the ways in which management of inner city trading differs from township trading; institutional players involved in township trading; the role traders play in commuters lives, are some key themes which have not yet been explored. Additionally, the township economy hasn’t been examined in

much detail with regards to the relationships traders have with management that own the transport interchanges in which they trade, and how these relationships affect traders livelihoods. This examination is especially essential in light of the number of infrastructure projects and developments that occur at these places across the country.

Khayelitsha Township presents itself as an ideal case study in examining the township economy, for it has a diverse range of informal economic activities and the area is about to change significantly due to a planned station upgrade, for the primary train station - Nolungile. The parastatal Passenger Rail Agency of South Africa (PRASA) has embarked on a National Station Upgrade Programme that will develop 600 stations around the country. These stations are not only important for access and mobility, but are also important to the livelihoods of the informal traders. Transport nodes are natural markets for informal traders due to the foot traffic; however, if not managed properly, they can become areas of contestation. This dissertation aims to understand the implications of the upgrading of Nolungile Station for informal traders, whilst also looking at how the space can be better utilised.

## **Outline of dissertation**

Chapter 2 reviews the literature on the informal economy and the relationship the informal economy has with transport (interchanges) in particular. It begins by examining how the informal economy operates (both internationally and locally) and explores historical and contemporary debates around the informal sector in order to create a normative framework through which this economy may be analysed. Chapter 3 describes informal trade in the South African context, with particular attention paid to the informal economy in township, and Khayelitsha specifically. Existing literature on what has been explored and discovered in the area (Khayelitsha) is also analysed. This chapter also highlights the role that the informal economy plays in securing food for the urban poor.

Chapter 4 describes the methodologies utilized to research the informal trading that is happening in site C. Field work was conducted over 4 weeks, and a purposive sampling was used in interviewing 23 informal traders and 10 commuters of the station. Chapter 5 consists of a policy review and analyses the key policies, legislation and strategies (plans) that affect informal trading at a provincial and local level. Additionally, the chapter also reviews documents and plans regarding the Nolungile renovations. This analysis also explores how

much the informal economy was considered in the writing up of these plans. The chapter highlights the responsibility and priority city and company documents claim to have for the informal economy.

Chapter 6 presents the empirical findings from the fieldwork which will assess and relate to frameworks and theories discussed in Chapter 2, the policy frameworks as well as the documents explored in Chapter 5. Lastly, Chapter 7 provides conclusions and recommendations based on the key research findings that were discovered in Chapter 6. Furthermore, the chapter also reflects on areas for further research, whilst discussing how the area could be better utilised and envisaged

Key research findings have highlighted and revealed that there is a disjunction between city policy and implementation. Despite 21 years of freedom, traders are still compelled to trade in inadequate conditions. Additionally, unlike the committed management approach established in the inner city, the City of Cape Town is devolving the management of street trading in Khayelitsha, in what could be described as a 'hand off' approach to managing the area. Furthermore, the analysis of the PRASA renovations suggests that they are likely to have a very negative impact on the traders, highlighting concerns the impact of this nationwide project may have. There is a dynamic range of trading that occurs in Khayelitsha which supports a lot of local residents and despite challenges faced, many traders support and maintain their households through this economy. It is argued that for sustainable livelihoods to be realised and for traders to excel, the current modus operandi in approaching informality needs to change and be reinvigorated.

## Chapter 2

### Literature Review

The economic paths that define informality and that govern the way in which it is carried out have many different roots and theories. The Organisation for Economic Co-operation and Development (OECD) estimates that a large proportion of individuals (about 1.8 billion people) consisting of almost half of the workforce operate within the informal economy (Jutting & De Laiglesia, 2009), thus investigating what and how informality is carried out is of importance. In order to examine the intricate systems of the informal economy, an investigation into the concepts that constitute the informal economy need to be explored. In understanding the informal economy, one can also begin to understand its relationship with transport interchanges, regulation and planning, in which this chapter plans to do. The literature review covers, examines and critiques selected theories and viewpoints on the informal economy: its history and formation; what makes up the informal economy; and what practices are like in different parts of the world. Additionally, the regulatory environment of the informal economy will be examined in relation to planning and governmental systems that operate in this economy. This is followed by an exploration of the ideas and the relationship of transport and trade, with specific reference to trading at transport interchanges. Given the vast nature of the concept of the informal economy, it is of importance to consider where trading at interchanges fits into the bigger picture and how it relates with some of the issues mentioned above, as well as for considerations of possible policy interventions.

#### **The informal economy around the world**

##### The Global South (developing countries)

In Asia, the informal economy has increased and expanded significantly, with informal employment accounting for as high as 82% of non-agricultural employment in South Asia, (Vanek et al, 2014). The range of informal jobs range from 45-85% in rural areas, and from 40-60% in urban areas, (ILO, 2013). Due to the population growth and increasing poverty, countries such as China have created policies promoting informal sector related jobs and over 70 million are now currently involved in this sector, with protection and some form of security (ILO, 2002). What is particularly unique about Asia is that when the is an economic



decline the number of 'survivalist' enterprises increases, yet when there is an economic boom the number of micro enterprises increases (ILO, 2013). This trend is best seen by the informal economic systems of Thailand and Indonesia.

In India, although the country enjoys a positive GDP growth rate, labour issues continue to occur and informality increases. "This is because much of the growth has been capital and information intensive rather than labour-intensive," (ILO, 2002: 33). The informal sector accounts for 34-93% of non-agricultural employment in India, representing 370 million workers (Vanek et al, 2014). The informal economy of India is comprised of three divisions: informal employment in agriculture; employment in informal enterprises/sector outside of agriculture; and informal employment outside informal enterprises, (ILO, 2013). "Women account for about one-third of the workers in the informal economy, while men account for two-thirds, (*ibid*). Informal employment in the country consists of jobs mainly in agriculture and manufacturing.

51% of employment in Latin America is from the informal economy, (Vanek et al, 2014). Areas such as Brazil have informal jobs which range from 8-36% in rural areas and are at 4% in urban areas, as well as a higher amount of females in the informal sector than men (ILO, 2013). In the country of Mexico, the informal economy accounts for 64% of total employment, with 45% accounting for non-agricultural employment (*ibid.*). Unlike most of Latin America (like Brazil), Mexico has twice as many men, as women in the informal economy, (*ibid.*).

African countries have the highest proportion of informal workers to total employment (ILO, 2013). Informal work over the past decade, is estimated to have accounted for almost 80% of non-agricultural employment, over 60% of urban employment, and over 90% of new jobs in Africa," (Vanek et al, 2014). Figures, shown in Table 1 indicate that the informal economy is a significant employment provider in developing countries, and displays the informal economy in developing countries. Informal activities range from 32.7% in South Africa to 76.2% in Tanzania, (SALGA *et al.* 2012). Angola; Nigeria; South Africa; and Uganda all have street vending as the predominant form of trading, and informal work accounts for  $\frac{3}{4}$  of non-agricultural employment, (ILO, 2013).

Women, unlike other countries outside of Africa, account for 92% of the workforce, (ILO, 2013). In Tanzania, 74% of the total employment is informal, but there are vast differences

seen between the form of jobs between men and women. Women have jobs that are an extension of their domestic duties (food stalls, clay products, and the sale of homemade beer), whilst men have a range of activities (trading, manufacturing, construction, services, etc.), (Vanek et al, 2014). Besides the informal sector representing a high proportion of employment, what is also unique about Africa is cross-border trading, where 1/5 of women are involved, (ILO, 2013.). Examples of this are women from Zimbabwe who trade with South Africa and Zambia, and in West Africa where trade is usually with Dubai and Hong Kong, (*ibid.*).

	Informal wage employment as % of non-agricultural informal employment			Informal self-employment* as % of non-agricultural informal employment		
	Women	Men	Total	Women	Men	Total
Latin America and the Caribbean	49	48	48	51	52	52
Sub-Saharan Africa	24	42	33	76	58	67
Middle East and North Africa**	...	...	...	...	...	...
Eastern Europe and Central Asia	72	52	59	28	48	41
South Asia	42	49	47	58	51	53
East and Southeast Asia (excluding China)	39	56	49	61	44	51
China***	52	47	49	48	53	51

*Table 1: composition of informal economy in developing countries, (source: Vanek et al. 2014)*

### The Global North (developed countries)

In transition countries (such central and Eastern Europe, and the Commonwealth of Independent States' countries) informality has many forms and has expanded rapidly. In Romania 46% of people working are involved in informal sector activities, whilst in Poland only 5% are involved (*ILO, 2013*). In Russia there is a 5-10% range of people involved in informal sector activities, and 35-90% of people involved in casual labour (*ibid.*). It can be noted that unregistered labour and informal wage labour is more prevalent in these parts of the world rather than informal activities per se, (Vanek et al, 2014).

In the so-called 'advanced economies' such as the united states of America (USA), forms of informal employment are increasingly observed. Industries such as electronics;

manufacturing; and some service industries are the ones where informal employment is at its highest, (Nightingale and Wandner, 2011). The informal sector mainly consists of jobs that are formal with the workers working casually, and accounts for 5-10% of total employment, (*ibid.*). In Europe, a similar occurrence is seen where undeclared jobs are becoming a feature of the economy in the region. These are paid activities regarded as lawful but not declared to public authorities, and 7-16% of Europeans are involved in this, mainly consisting of young skilled males, (ILO, 2013). Greece and Turkey have 21% and 20% of their total formal employment being informal respectively. Scandinavian countries (such as Ireland, Netherlands, Austria, etc.) have 5% of their total employment being informal, (*ibid.*). What is seen in these parts is that the majority of activities that constitute as informal employment is casual labour.

### **The informal sector**

The International Labour Organization (ILO) formed in 1919, in pursuing world peace after World War I, (ILO, 2015). Over the years it was concerned with issues of humanitarian, political and economic studies. Today, the ILO is “devoted to promoting social justice and internationally recognized human and labour rights, pursuing its founding mission that labour peace is essential to prosperity,” (*ibid.*). They are also involved in conducting research on decent work and conditions that are central to promoting progress and success for all human beings. The ILO (2013) reveals that the majority of new jobs being created and are available, especially in developing countries, are now those that are from the informal economy. It has become an industry that is as sufficiently competent as it is as diverse (despite popular belief), but one that is very difficult to define. Informality in its basic definition (Oxford dictionary, 2015) can be described as “relaxed, unofficial style or nature; and absence of formality.”

However, when examining the informal sector and/or economy, the definition of the term becomes quite ambiguous and often at times perplexing. This is further exacerbated when applying regulations and policies regarding this sector, where different officials carry different definitions in addressing and defining this sector. It can be seen that “despite many efforts towards an international definition, there are still many different thoughts and means of capturing and understanding the phenomenon, even if there are not as many definitions as there are authors, as it was the case in the 1970s and 1980s,” (Charmes. 2013: 2). However,

many scholars can agree on the significant role the informal sector plays in creating job opportunities; producing and providing mass consumption goods; and at prices that low income and poor groups can afford.

### **How is the Informal sector/and or economy defined?**

*It is “the expanding and increasingly diverse group of workers and enterprises in both rural and urban areas, operating informally,” (ILO. 2002: 2).*

*It is “made up of unregistered business and people who operate outside the formal domain,” (SALGA. 2012: 4).*

*The informal sector “stands beyond the law, yet is deeply entwined with the legally recognised business world. It is based on small sales and tiny increments of profit, yet it produces cumulatively, a huge amount of wealth. It is massive yet disparaged, open yet feared, microscopic yet global. It is how much of the world survives ... yet it is ignored by most economists, business leaders, and politicians,” (Neuwirth. 2011: 16).*

*The International Conference for Labour Statisticians (ICLS) define informal sector enterprises as ones that are “private unincorporated enterprises (excluding quasi-corporations), i.e. enterprises owned by individuals or households that are not constituted as separate legal entities independently of their owners, and for which no complete accounts are available that would permit a financial separation of the production activities of the enterprise from the other activities of its owner(s),” (ILO. 2003: 13).*

### **The historical development and debates of the informal sector**

Throughout history, there have been many definitions and ideas about the informal sector. In better comprehending the evolution of these ideas and theories, four time periods have been used: 1950s – 1960s; 1970s; 1980s – 1990s and more recent years (2000s). These time periods will then be accompanied by the school of thought that as a result emerged from that era. For the purposes of this study, the informal sector will encompass those working informally and those that are informally employed.

## 1950s – 1960s

It is important to note that before the term ‘informal sector’ became a concept, many scholars, mainly made up of anthropologists and economists (Clifford Geertz, Arthur Lewis, etc.) were involved with looking at the relationship between people and economic development. One of these scholars was Lloyd G. Reynolds, who made reference to the ‘urban trade-service sector’, known as the informal economy today (Chowdhury, 2005). This sector to him included “petty traders, street vendors, coolies and porters, small artisans, messengers, barbers, shoe-shine boys, and personal servants,” (Reynolds. 1969: 92). During this era, the significance of the informal sector was already starting to be identified. However, there was an assumption that traditional economies, especially those from developing countries, could be transformed into modern economies and integrated into the formal sector (Chen. 2012). Nonetheless, this belief slowly diminished after World War II when these traditional economies persisted and widespread unemployment began resulting in researchers travelling to developing countries seeking answers (*ibid.*).

## 1970s

It was only in 1971 when Keith Hart on his PhD research trip to Accra in Ghana, first coined the term ‘informal sector’, (Charmes, 2013). His distinction between formal and informal was mainly based on wage earnings and that of self-employment. In this distinction a division was created between informal activities regarded as legitimate (farming, construction, street hawking, barbers, shoe-shiners, etc.) and illegitimate (smugglers, those selling stolen goods, prostitutes and pimps, those living off corruption, etc.). What can be seen is that the thrust of Hart’s (1973: 83) work highlights that “for many urban wage-earners poverty is ever present, and that the informal sector provides opportunities of improving real incomes for this category as well as for the ‘jobless’ who cannot find work or training in the formal sector.” Following suit, the ILO in their mission to Kenya in 1972 also defined the informal sector in their report of the World Employment Programme (Charmes, 2013). This team was headed by Hans Singer and Richard Jolly, along with other scholars from the Institute of Development Studies (IDS) and the ILO (Chowdhury, 2005). This mission regarding the informal sector, was mainly focused on the nature of the market and enterprise, activities involved, and the characteristics that make up the sector. The main difference between Hart’s and the ILO’s work on the informal sector was that the former was individual-based and the

latter was enterprise based, (Charmes, 2013). Many other scholars (Weeks 1975; Hirschman 1970; Souza and Tokman 1976; Mazumdar 1976; Sethuraman 1976) all interpreted and explored the idea of the informal sector and added to Hart's and the ILO's work. The work that was done in the late 1960s and 1970s regarding the informal sector gave rise to the dualist school of thought.

### The Dualist School

The dualist school (first introduced by Keith Hart (1971) and the ILO World Employment Mission Kenya (1972)) was one of the earliest theories regarding the informal sector. They view the informal sector as comprising of marginal activities (those that provide income to the poor and serve as safety nets) and the people involved as those who are survivalist (Hart 1973; ILO 1972; Sethuraman 1976). The casual theory (main crux of what gives rise to the informal economy) of this school rests on the idea that people in the informal economy are excluded from the formal economy due to “imbalances between population growth rates and modern employment, and the mismatch between the structure of modern employment and the skills that people possess,” (Chen, 2012: 5).

The main conclusions that were reached during this period, and which helped mould this school of thought was that: the informal sector didn't enjoy the same access to resources as the formal sector (Weeks, 1975), the informal sector persisted due to the difficult ease of entry into the formal sector (Mazumdar, 1976), the informal sector has no formal structure in terms of organisation and operations (Sethuraman, 1976), and there were voluntary and involuntary entries and exits into the informal sector (Hirschman, 1970). The dualist school believes that the policy responses that governments should adopt in addressing issues experienced by the informal sector should be: the creation of more formal jobs in allowing people to work in the formal sector, and the development of financial and business services in allowing for small enterprises to enter and merge into the formal (Chen, 2012). It can be seen that popular thought at the time acknowledged the creativity and resilience of the informal sector, but also regarded it as peripheral and not linked to the formal sector (assumed there were no relationships that existed between the two), (*ibid.*).

The dualist school, albeit being one of the earliest theories, was heavily criticised. Scholars such as Bromley (1978) critiqued the theory based on the limiting definition of informality. Defining the informal economy based only on analysing the units of production reduces the

ability in understanding and exploring the dynamics of the informal economy. Additionally, the dualist school in seeing the formal and informal economy as separate hinders a complete understanding of the sector as a whole (Bromley, 1978). Chowdhury (2005) supplements this critique by adding that by having such strict criteria and dimensions in defining the sector, false assumptions are made in analysing the informal economy, rather than investigative explorations. This era also failed to capture those that were trading informally in their homes and those that were outworkers.

### 1980s – 1990s

In realising the false assumptions and flaws of the 1970s, scholars (Richardson 1984; Charmes 1990; Fields 1990; Harper 1996) turned to finding a more appropriate definition for the informal sector, as well as trying to capture those that are hidden (such as those working from home). There was an acknowledgement that instead of just examining the processes by which the informal sector happens, the actors which comprise the informal sector also equally need to be considered. Alternative theories (in opposition to that of the 1970s) as to why individuals were part of the economy emerged. By the early 1990s, newer definitions and ideas about the informal sector were also starting to emerge. During this period, the International Conference of Labour Statisticians formed in forming resolutions and guidelines in relation to labour policies. “These standards usually relate to concepts, definitions, classifications and other methodological procedures which are agreed as representing ‘best practice’ in the respective areas, and which, when used by national producers, will increase the likelihood of having internationally comparable labour statistics as well as comparability across time within a country,” (ILO, 2015). In 1993, the ICLS put forward a definition of the informal sector consisting of four criteria: it can be one person or many working from the street or at home, they vary in sizes, they are unregistered, and their lack of registration can be the result of numerous factors (Chowdhury, 2005). There was also a differentiation between enterprises and establishments that were profit driven and those that were survivalist.

Harper (1996) additionally made the important connection between the informal sector and planning, and that one should not be separate from the other. Furthermore, scholars included advanced capitalist economies (informal employment) in their analysis, due to the nature of standard jobs changing. This was mainly attributed to globalisation and the changing nature

of the workforce (employees being casual workers and people supplementing their formal jobs with informal ones). This was also a time where it was discovered that during times of economic crisis (such as Asia and South America) the informal sector persevered and that people turned to informality during these times of crisis (Chen, 2012). Nevertheless, “the informal sector became a permanent, albeit subordinate and dependent, feature of capitalist development,” (Chen, 2012: 3). Ideas and theories that emerged from the 1980s and 1990s gave rise to two main schools of thought: the Structuralist and the Legalist school of thought. Both these theories are rooted in the premise that people are grounded in the informal economy, despite their desires, however, reasons behind this vary.

### The Structuralist School

The structuralist school focuses on those that are petty traders, producers and owners of small micro enterprises (Chen, 2012). Caroline Moser (1978) first introduced this theory and based it on the viewpoint that those working in the informal economy are subordinated and “serve to reduce input and labour costs of large capitalist firms and increase their competitiveness,” (Chen, 2012: 5). Other scholars such as Manuel Castells (1989) and Alejandro Portes (1989) have followed suit in expanding and adopting this school of thought. The casual theory of the structuralist school rests on the viewpoint that “capitalist production is, above all, interested in the extraction of profit, not the provision of employment,” (Moser, 1978: 1062) and that informality is cause of capitalist growth. Like many theories of the 1980s, the attempts of formal firms to reduce costs (especially through new technology and moving overseas); the state being regulated by the economy (free trade and tax); and global competitiveness, lead the working poor to look for alternative work or supplement their formal jobs through the informal sector. Structuralists are concerned with the relationship between trade and production, and the activities that lie outside of the realm of regulation. These relationships were seen as: linked to the formal sector (capitalist firms), on the rise, heterogeneous and universal (Chen, 2012). Moreover, the policy responses that the structuralist school proposes are those that deal with the regulation of commercial and employment opportunities in addressing the unequal relationship that exists between large corporations and the marginalised workers.

Although this theory is laudable in recognising the links between the formal and informal, and the manner in which capitalism marginalises the working poor, there are a few critiques



of this school of thought. Firstly, structuralism is concerned with the activities involved in the informal sector, and minimally engages with the subjects of the informal sector. Secondly, this as a result does not allow an overall account of the dynamics of the sector as a whole. Lastly, Fields (1990) provides evidence of those that supplement their formal jobs with informal activities. In this regard, one can hold a job belonging to both sectors, and one is not always indicative of exploitation over the other.

### The Legalist School

The theory of the legalist school was first introduced by Hernando de Soto (1989) in defining entrepreneurs and enterprises involved in the informal sector, but who do so in the avoidance of the time; cost; and registration often required in formal businesses, (Chen, 2012). De Soto's (1989) casual theory rests on the idea that informal workers are in a hostile legal environment which creates a barrier in them being able to formalize their businesses, (de Soto, 1989). According to de Soto (1989: 185), "the choice between working formally and informally is not the inevitable result of people's individual traits, but rather, of their evaluation of the relative costs and benefits of entering existing legal systems." These legal systems as a result hinder the informal sector from reaching its full production potential and thus leave them stuck in informality, forcing them to operate within their own informal 'extra-legal' norms (Chen, 2012.). The characteristics of this school of thought are based on the costs that are involved with becoming and remaining informal (registration, licenses and taxes), versus the costs of informality (avoidance of fees and penalties) and its consequences (not having rights and benefits). Interventions in giving informal workers their power back deal with the government reducing red tape and creating a less bureaucratic means of registering informal businesses. Additionally, governments should "extend legal property rights for the assets held by informal operators in order to unleash their productive potential and convert their assets into real capital," (Chen. 2012: 5).

Despite the legalist school's commendable efforts in identifying the importance of a legal system that is more accessible and works for the informal sector, there are a few critiques. Firstly, leaving powers in the hands of regulation is problematic for they tend to overlook certain categories of informality, (Devey, 2003). Secondly, the legalist school carries the assumption that there are no links between the formal and informal sectors, (De Soto, 1989). Lastly, "a missing regulatory environment can be as costly to informal operators as an

excessive regulatory environment,” (Chen. 2007: 10). For example, governments tend to either avoid informality by turning a blind eye to it or trying to eliminate it, and both approaches have dire effects for the informal sector. In relying on regulation to handle the informal sector, the assumption is made that most countries and/or governments have coherent policies in dealing with informality, which in most cases they do not, (Bhowmik, 2004).

### Recent years (2000s)

Today, “the informal sector has become a field in its own right,” (Chen. 2012: 4). This field of research involves different scholars from all over the world and from many different disciplines (such as development studies; gender studies; economics; sociologists; planners; political scientists; etc.). Over the years the sector has grown immensely, but also has emerged in new ways, and in different places. It can be seen that currently, the informal economy “accounts for more than half of the non-agricultural employment in most developing regions,” (Chen. 2012: 3). However, it does remain a largely overlooked share of the economy and workforce, despite its understanding and importance. Nonetheless, efforts have been made in supporting it and changing policy in accommodating for it. There has been a realisation that in supporting the working poor, inequality and poverty alleviation can be reduced, (Chen, 2012). Recent research regarding this field of study focuses on “the size and composition of the informal economy; what drives or causes informality; what the consequences of informality are in terms of welfare or productivity; and the linkages between informality, growth, poverty, and inequality,” (Chen. 2012: 4). With more analyses done in the informal sector, a contemporary approach emerged, namely the Voluntarist school.

### The Voluntarist School

The school of the voluntarist’s was first introduced by William Maloney (2004), in which he views the informal sector as comprising of entrepreneurs who choose to operate informally in the avoidance of registration fees, taxation and operating costs, (Chen, 2012). They focus on entrepreneurs who own enterprises, especially those who are opportunistic self-employed males (*ibid.*). Unlike the structuralist school, the casual theory of the voluntarist’s centres around the idea that workers choose to work in the informal economy, not because of

inconvenient and unmanageable regulation, but because of their deliberate choice to work in the informal sector and the benefits involved, (Maloney, 2004). The characteristics that define this school of thought lie in the costs of formality that are avoided (registration, licenses and taxes) and the benefits securable in the informal sector (avoiding costs of formality), (*ibid.*). The policy responses that this school of thought proposes are that “governments should bring informal enterprises under a formal regulatory environment in order to increase the tax base and reduce unfair competition by informal enterprises,” (Chen, 2012: 6).

This school of thought resonates ideas from scholars such as Fields (1990) of the voluntary reasons for people becoming a part of the informal economy. However, it fails to capture the linkages and relationships between the formal and informal sector. Additionally, in focusing on those that are in the informal sector for opportunistic reasons, a large proportion of those in the informal sector for other reasons are left out. This as a result, limits a full understanding of the dynamics of the informal sector. Many other scholars (such as Routh, 2011) argue that the legalist and voluntarist school of thought can be categorized as one, since both schools of thought focus on entrepreneurs who willingly choose to operate informally.

It can be seen that the evolution of ideas regarding the informal sector have changed since the 1960s/1970s. For the purposes of this study it is important to note that the term ‘informal sector’ implies homogeneity despite the fact that “informal activities encompass different types of economic activity (trading, collecting, providing a service and manufacturing), different employment relations (the self-employed, paid and unpaid workers and disguised wage workers) and activities with different economic potential (survivalist activities and successful small enterprises),” (Devey et al. 2006: 3). Thus people refer to second economy in encompassing these range of activities. Therefore it can be seen that ideas about informality can be grouped into two groups: those who hold the old ideas of informality (informal sector as a way of doing things based on ease of entry, indigenous resources, etc.) and those who incorporate newer ideas of informality (informal economy holds a range of economic activities, which include both formal and informal activities). Hussmanns (2004: 3) explains this by stating that “the meaning of the term ‘sector’ follows the System of National Accounts (SNA) 1993, therefore for national accounting purposes, a sector (institutional

sector) is different from a branch of economic activity (industry)... it simply groups together similar kinds of production units, which in terms of their principal functions, behaviour and objectives have certain characteristics in common.” The old versus new ways of thinking are displayed in Table 2.

<i>The old view</i>	<i>The new view</i>
The informal sector is the traditional economy that will wither away and die with modern, industrial growth.	The informal economy is 'here to stay' and expanding with modern, industrial growth.
It is only marginally productive.	It is a major provider of employment, goods and services for lower-income groups. It contributes a significant share of GDP.
It exists separately from the formal economy.	It is linked to the formal economy—it produces for, trades with, distributes for and provides services to the formal economy.
It represents a reserve pool of surplus labour.	Much of the recent rise in informal employment is due to the decline in formal employment or to the informalisation of previously formal employment relationships.
It is comprised mostly of street traders and very small-scale producers.	It is made up of a wide range of informal occupations—both 'resilient old forms' such as casual day labour in construction and agriculture as well as 'emerging new ones' such as temporary and part-time jobs plus homework for high tech industries.
Most of those in the sector are entrepreneurs who run illegal and unregistered enterprises in order to avoid regulation and taxation.	It is made up of non-standard wage workers as well as entrepreneurs and self-employed persons producing legal goods and services, albeit through irregular or unregulated means. Most entrepreneurs and the self-employed are amenable to, and would welcome, efforts to reduce barriers to registration and related transaction costs and to increase benefits from regulation; and most informal wage workers would welcome more stable jobs and workers' rights.
Work in the informal economy is comprised mostly of survival activities and thus is not a subject for economic policy.	Informal enterprises include not only survival activities but also stable enterprises and dynamic growing businesses, and informal employment includes not only self-employment but also wage employment. All forms of informal employment are affected by most (if not all) economic policies.

*Table 2: Old and new ways of thinking about the informal sector (source: Chen, 2007)*

Contemporary research done by Women in Informal Employment: Globalizing and Organizing (WIEGO) and the ILO have adopted a more modern definition for the informal sector, which is the ICLS has generated and promoted. “Under this new definition, the informal economy is comprised of all forms of ‘informal employment’— that is, employment without labour or social protection—both inside and outside informal enterprises, including both self-employment in small unregistered enterprises and wage employment in unprotected jobs,” (Chen. 2012: 2). Key features and characteristics of the informal sector were also analysed, consisting of: the significance and permanence of informality; continuum of economic relations; legality; and segmentation of jobs in the informal economy, (Chen, 2012). The new interest in the informal sector not only contributes to improvements in

research of the sector, but also ensures that people's livelihoods are protected and looked after.

It can be seen that the informal economy is a complex phenomenon and not easy to amalgamate into one theory. Recent studies suggest a more comprehensive and holistic approach (not as a theory but as a tool in exploring the informal economy) to analysing informality. A team of authors from the Latin American Division of the World Bank (2007) proposed a holistic model in analysing the composition and causes of informality (Chen, 2012). Similarly, Kanbur (2009) has developed a holistic framework in analysing informality and responses to regulation in the sector. The Women in Informal Employment: Globalizing and Organizing (WIEGO), also have a holistic framework based on a six-segment model by status of employment, which was tested in six countries, (Chen, 2012).

### **The formal-informal debate**

When discussions and ideas regarding the informal sector first began, the relationship between formality and informality was seen to be antagonistic, and that the latter would merge into the former. Chen (2012: 1) explains that it was widely assumed that “with the right mix of economic policies and resources, low-income traditional economies could be transformed into dynamic modern economies. In the process, the traditional sector comprised of petty trade, small-scale production, and a range of casual jobs would be absorbed into the modern capitalist—or formal—economy and, thereby, disappear.” At the core of many discussions, is whether to formalise the informal economy, and if so how. For some it would involve integrating informal workers into the formal economy (through creating more formal wage jobs), whilst others believe that informal enterprises should be registered, taxed and formalised. However, formalisation can mean different things to different people. For example, people who are self-employed in informal enterprises will have different needs and opinions to informal entrepreneurs who hire others, and those who work in formal jobs informally, (Chen, 2012). Additionally, there are various dimensions to formalisation, such as receiving the legal and social protections enjoyed by formal firms and workers, and being allowed to organize and to have representative voice in rule-setting and policymaking processes for example, (*ibid.*). Therefore policymakers and those in power should realise that formalisation is not just some ‘one size fits all’ process that can be applied to anyone in the informal sector. Chen (2012: 15) puts it in simpler terms by stating that if formalisation is an

option or the way forward, then “in sum, what is required is an approach to formalization of the informal economy which is comprehensive in approach but context-specific in design and practice.” This comprehensive approach would involve various interventions in providing the informal sector with the benefits and securities of the formal sector.

Many scholars (Maloney 2004; Kanbur 2009; Ingle 2013; Jenkins and Anderson 2011) have suggested that trying to formalise the informal economy is a fallacy as there are not enough jobs available in the formal economy, and that the number of people working in the informal sector is rapidly increasing for it to ever stop. Many of these debates argue that the informal and formal sectors should not be seen as polar opposites, where one should be converted into the other, but should rather be seen as interlinked for the informal is prior to the formal.

Despite this view, many have separated the two which has led to negative consequences and hindered the more appropriate development of cities, especially in the global South (Jenkins and Anderson, 2011). Ingle (2013: 472) states that “although the formal and the informal require one another for self-definition it seems perverse, and is perhaps indicative of a modernist bias, that that which came first (the informal) should be labelled as the negation of that which came later.” Therefore it makes sense to think of them as a continuum of each other (Kanbur, 2009).

However, Kanbur *et al.* (2005: 10) explain that as much as the ‘continuum idea’ makes sense, it is too late to abandon the informal-formal dichotomy and that each study should “set out precisely what its definition of informality is, and for differences in definitions to be appreciated when analytical or policy results are being derived, and that the formal–informal continuum apply strictly to the continuum between relatively high and relatively low levels of the reach of official governance mechanisms, suitably specified and measured in each context.” Thus, the main concern lies not with ‘formalisation’ or ‘formal-informal’, but rather what defines informality and what ways can policy best accommodate for it in regions, especially in regions where development isn’t captured by these simplistic ‘one size fits all’ terms.

## **Linkages between formal and informal economies**

In earlier literature, especially from the dualists, it was believed that the formal and informal were distinctly separate and there was no connection between them. However, more and more research (Chen 2007; Devey et al. 2006; Davies and Thurlow 2009) now points to the fact that there are linkages that exist between formal and informal economies. Chen (2007) has distinguished three means or transactions by which the linkages of formal and informal are seen, namely: individual transactions, sub-sector networks (of commercial relationships) or a value chain of sub-contracted relationships (*ibid.*). Individual transactions consist of those where there is an open or pure market exchange of goods, and this type of interaction occurs the least within the informal sector (*ibid.*). Sub-sector networks involve working with formal firms in which the individual/enterprise does transactions with suppliers and customers (*ibid.*). An example of this is how some informal traders sell cold drink products sponsored by Coke, in which the traders deal with the suppliers and customers of the product. Value chain of sub-contracted relationships are ones in which informal enterprises and own account operators produce goods within a value chain (*ibid.*). Due to the relationship (between informal workers and firms) being disguised or ambiguous, the relationship is not always defined, thus going unnoticed. Nevertheless, disguised or not disguised the links between the formal and informal do exist.

## **Organisations in the informal economy**

In informal sector studies, there has been a recent surge of interest in social networks and their role in the operation of the informal economy. Yussuf (2013) notes there is a tendency of neo-liberal sources to idealise rather than analyse networks that are present in the informal sector thus preventing any meaningful contribution to the issue of how these networks regulate production and distribution within the informal economy, and their linkages with the formal economy. Scholars (Skinner 2008, Bhomwik 2005; Duminy 2011) have noted that in general, it has been difficult for informal traders to stand up for their rights individually and that informal workers should form a 'collective voice' in increasing their bargaining power and challenge poor government administration and policies. The formation of informal trader organisations can prove to be beneficial in being considered and involved in city plans, whilst

also having a means to collectively manage trading operations. Additionally, it aids in providing support systems and producing solutions to any obstacles encountered. Skinner (2010: 223) also adds that “where trader organisations do exist, they focus on one or more of three concerns – financial services, lobbying and advocacy particularly at a local level and product specific issues.” Thus forming these trader organisations is of importance. Hence the need to analyse and produce further research on networks and organisations present in the informal sector. In increasing their social capital, traders can begin to have a say and take their rights back. In Cape Town (South Africa), very few traders belong to any street trader organisations. This can be possibly attributed to a lack of skills, resources or training. This speaks to the need for research in exploring trader organisations and their dynamics present in the City.

### **Planning and the informal sector**

Although development studies is interdisciplinary and critically examines the challenges of the world, such as inequality with a goal of improving people’s lives, it fails to capture the changes it envisions spatially. Hence, there is the need for urban planners. Urban planning understood as “those intentional public actions which impact on the built and natural environment and which are frequently accompanied by political processes of some kind” (Watson, 2002: 28) has an important role to play in shaping the environment within which the informal economy operates.” Fainstein (2009: 19) explains that “the profession of city planning was born of a vision of the good city. Its roots lie in the 19<sup>th</sup> century radicalism of Ebenezer Howard and his associates, in Baron Haussmann’s conception of creative destruction, and in the more conventional ideas of the urban progressives in the United States and their technocratic European counterparts...their common purpose was to achieve efficiency, order, and beauty through the imposition of reason.” Since then, planners’ ideas have evolved as to what constitutes a good and just city and how this model would transpire in time and space.

Behrens and Watson (1996: 10) state that within the South African context, where levels of poverty; unemployment; and spatial inequality have reached alarming proportions, the development and management of urban settlements generally, should be motivated by three overarching concerns. These overarching concerns consist of: the satisfaction of human needs and an improvement in the human condition, the establishment of a sustainable relationship



between urban settlements and their surrounding natural environment, and the efficient use of resources. These overarching concerns encompass the essence of sustainable development. The concept of sustainable development is used in understanding urban poverty, but also in creating methods for planning future cities in a manner that can not only benefit people, but also the environment. The sustainable development concept was first introduced by the Brundtland Commission and is widely used in engaging with the realities of the poor, (Krantz, 2001). It can be described (Krantz, 2001: 6) as comprising of “the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a development is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term.”

Sustainable development is also closely linked with sustainable livelihoods, which emerged from models of participatory development and became prominent in the 1990s, (Hovsha and Meyer, 2015). Livelihoods are directly linked to one’s vulnerability and how one can withstand the external environment beyond their control, (Jara, 2010). The issue arises when the social and economic justice is inequitable (people not having the same rights and access to resources), in which poor people suffer the most and are the most vulnerable to shocks and impacts. Jara (2010) believes that this can be mitigated through giving people the capacity to maintain their means of living, thus enhancing well-being. Hence, it is important to support the informal economy, in maintaining and safeguarding people’s means of living. Planners have a role in making sure that their interventions and projects consider sustainable development and livelihoods within the broader context of national sustainable development, which implies altering the economic trajectory (in allowing informal traders to thrive in their environment instead of being heavily driven by neoliberalism).

In supporting socially just and sustainable livelihoods, three entry points are suggested by Jara (2010): improving human conditions, improving social conditions, and creating a sound and enabling environment. Improving social conditions implies a creation of supporting and enabling opportunities in allowing people to fulfil their rights and responsibilities (*ibid.*). In encouraging human conditions, the recognition of allowing people to meet their basic needs through increasing productivity and income, managing vulnerability and creating access to resources in creating human capabilities is necessary, (Turner, 2005). Having an enabling environment serves as an umbrella for social and economic justice. In having an enabling

environment people can not only have good access to resources, but also a climate which promotes a healthy environment for its inhabitants. This entails having social and economic 'trade ups' (a 'win-win' situation as opposed to trade-offs which imply a 'some win-some lose scenario'), which need to be facilitated without wavering the integrity, but rather enhancing the natural environment, (King, 2015). Through enforcing and ensuring these entry points, planners can begin to then tackle tougher issues such as better policies, etc. in allowing for more sustainable livelihoods for all individuals.

Despite the potential planners possess to influence and promote informality, the materialisation of planning interventions and the role planners play has been critiqued by scholars (Harvey 1978; Yiftachel 1998; Thomas 1996; Anderson 1964; Hall 2002). Fainstein (2009: 19) explains this by stating that "the left has attacked planning for its class bias and its failure to take account of difference, the right sees planning as denying freedom and producing inefficiency, and centrists consider comprehensive planning inherently undemocratic and unattainable." These critiques have manifested in various ways in planning practice, which highlight the shortfalls planning has had in the past. For example, planning has been implied in 'aestheticization'. The idea that the redevelopment of space means (aestheticization) that people's capacities and livelihoods will also change has tended to be a trend seen in South Africa. Roy (2005) calls this 'safety and economics through infrastructure' approach the "aestheticization of poverty". This has also reinforced ideas of high modernism that through aesthetics and infrastructure, people's lives can drastically change. This puts the focus on infrastructure upgrade rather than the upgrading of livelihoods or political capacities.

Another shortfall lies in how governments have used planning in implementing and promoting pro-poor approaches to informality. Roy (2005) explains that this is due to governments having a tendency to equate informality with poverty. Not recognising the entrepreneurship and innovations that come out of informality, hampers the development of this economy. Rogerson (2009) argues that pro-poor strategies used by governments have widened the gap between formality and informality, which as a result has produced a divergent economic growth performance. Additionally, Roy (2005) states that governments have also turned to the promotion of enablement or 'self-help'. These schemes tend to obscure the role of the government, and "even renders it unnecessary," (Roy, 2005: 148). As a result, informality suffers.

The fallacy that informality is isolated from global competitiveness has also contributed to divergent economic growth. This has been additionally worsened by the desire for our top cities imagining themselves as ‘global cities’, resulting in a contrast between ‘large urban centres’ and ‘small towns’. This notion of being a world class city has manifested through construction projects associated with upgrading or mega events (such as international events), which have become prominent in the South African context, (Robinson, 2002). The agendas associated with these mega events often include: “the enhancement of disadvantaged communities’ sport programmes; job creation; provision of affordable housing; small business support; provision of an integrated transport system and community consultation,” (Pillay and Bass. 2009: 339). These benefits are said to ‘trickle down’ to people, and are to aid in combatting poverty.

However, these construction projects and mega events are said to be not as beneficial as perceived. Porter (2009) has established that these kind of events, in the global South (developing countries) lead to displacement where individuals are forced to move from their areas of residence/and or work by conditions that affect its immediate surroundings, (ibid.). Marcuse (1985) distinguishes between four types of displacement that generally occur: direct displacement (through forced evictions and harassment), exclusionary displacement (where access is denied), displacement pressure (where one is made to be unhappy in their current environment), and chain displacement (where a chain reaction occurs and individuals move in groups). Any one or combination of these can happen to traders at interchanges or street, thus affecting their livelihood.

According to Watson (2008: 2267), another issue that planning encounters is the conflict of rationalities that exists, which needs to be understood by the field of urban planning. This conflict of rationalities, in which the interface of current techno-managerial and marketised systems of government administration and service provision occur, is juxtaposed with the need the many poor who are surviving and living under informality. This conflict of rationalities reflects a major divergence in the logic of governing to the logic of survival (ibid.). This leaves planning caught between the logic of government versus that of survival. Thus it can be seen that the relationship that planning has with informality is one of a complicated nature. Onyebueke and Anierobi (2014: 129) explain this further by explaining that “under conditions of highly unequal power relations, tensions often stem from the struggle between the notions of conceived space employed in urban planning, the perceived space of planning bureaucrats, and the used (lived) space of ordinary urban residents.” Hence

the need for urban planning to start to reconceptualise and evaluate means of intervening and accommodating for the dominant way most people are living in urban centres, that being informally (Roy, 2005). Watson (2008: 2268) calls for “finding a way in which planning can work with informality, supporting survival efforts of the urban poor rather than hindering them through regulation or displacing them with modernist mega-projects, is essential if it is to play a role at all in these new urban conditions.”

Initial steps in achieving this lie in understanding what is, rather than constantly striving for what ought to be, (Odendaal, 2011). Individuals are redefining and reconfiguring themselves throughout the landscape, thus there is a need to reconceptualise what urban ‘is’, for the old ways no longer hold water, (Smith, 2002). It is also important to realise that in a world that is fast becoming defined by privatisation, the formation and functioning of public space is of importance. Mitchell (2003: 194) explains that “the images or ideals of the public space and its relationship to space are important, and in their normative force often drive much political organising and action.” Thus this process of understanding ‘what is’ requires that one spatializes culture, through studying culture and the political economy through the lens of time and space. Additionally, in understanding the production of space and how social construction plays out through interactions; memories; feelings; imaginings; etc. one can begin to critically examine the spatial relations (processes) that spaces yield.

Low (2014) reveals that spatializing culture allows for uncovering material and representational injustice and forms of social exclusion that play out in space and time. Marcuse (2009) asserts that along with spatializing culture, there is a need for the planner to move from justice planning (Just City planning) to commons planning (planning for the overall common good). He (2009: 98) states that “to define the Just City simply as a city in which each individual case is dealt with justly, without questioning the structures and the sources of power in which they are embedded, loses the forest for the trees, loses the common for the individual interest.” Commons planning (through looking at broader issues and underlying relationships) thus allows for not just immediate issues with immediate actions, but rather an opportunity to tackle longer term normative issues, (Marcuse, 2009). In this way planners can begin to more engaged and deal with the real world, rather than imagined interests, as Nnkya (2008) discloses.

Furthermore, like development studies, planners need to engage with the policy process (policies don’t derive from planning). Roy (2005) states that planning being involved in

policy process allows for a creation of the ‘state of exception’. This ‘state of exception’ rests on the idea that the sovereign has the ability to transcend the rule of law in the name of the public good, (ibid.). In allowing informality to thrive, without gentrification or displacement occurring from formalisation, Roy (2005: 153) highlights two strategies: regulatory exceptions and regularity exceptions. Regulatory exceptions entails context specific delays in common regulations in accommodating informality. An example of this would be the case of Protea Village in Bishopscourt. This was a land restitution case in which the regulatory state of exception (for residents moving back into their land) was that they wouldn’t be required to pay rates on the land for the first ten years of settlement, allowing for them to transition into the area better. Although this case has not yet been resolved, it serves to show how regulatory exceptions can aid the urban poor. Regularity exceptions would entail recognising individuals’ capacities in various situations. For example, the provision of prepaid electricity versus that of metered electricity in poorer areas allows for the individuals to dictate their usage and payment of electricity, rather than being stuck in making large monthly payments.

Another manner in which planning can engage with policy is through the ‘politics of shit’, Roy, 2005). The ‘politics of shit’ was coined by Appadurai (2001) in including local community members as part of the urban upgrade and policy agenda. Drawing from a case study in Bombay, he shows how successful projects are when the poor design their own model homes and model public toilets, where these designs are then passed on to professionals. In advocating for and engaging with citizens at the policy process phase, informed decision-making can occur and conflicts can be resolved. This case also demonstrates that the urban poor groups are more than capable of engaging in poverty reduction strategies, (Appadurai, 2001). This additionally highlights scholars’ (Sandercock 1998; Healey 1998) theories, who believe that in embracing modernised systems coupled with local knowledge, planners can begin to “link knowledge to action to empower oppressed and marginalized groups, to resist exploitation and the denial of their authenticity” (Watson. 2002: 32). In various stakeholders collaborating in problem solving across different levels and functional units, through the establishment of shared visions; goals; and plans, planners can begin to make a direct impact on informality and promote sustainable livelihoods.

## **Trade and Transport**

Like informal activity happening on the streets, transport interchanges are areas in which there is a vitality and dynamism present, which traders take advantage of. In Cape Town for example; 160 000 commuters pass through the station, making it the busiest railway station in the city, (Andrag. 2011). Along the station area and various other parts of the city there are informal traders selling various items to these many commuters. Areas such as Warwick Junction (which is close to a taxi rank) on a busy day, sees as many as 460,000 commuters pass by, (Skinner, 2010). The opportunity for business at these large thoroughfares allows informal markets to thrive, but such markets, if not managed properly, could also easily grow without formal recognition or regulation.

The need to regulate and organise these sites efficiently leads to large construction projects in which transport, infrastructure and other aspects are integrated. In essence “transport interchanges offer many opportunities to enrich the public realm, to support social sustainability, and to create conditions for the economic recovery of city areas,” (Edwards. 2011: 19). Figure 1 displays the multifaceted relationship transport interchanges have with the economic, social, transport, and sustainable development. In terms of the social, the interchange needs to serve both rich and poor, and accommodate multi uses as a community hub (buy groceries, use cafes, take shelter and gather information), (Edwards, 2011). With respect of the transport factor, the interchange needs to function as a multi-modal transport facility that connects people in space and time (ibid.). In examining how the interchanges can contribute to sustainable development, the interchange can provide a vibrant civic realm which does not damage the environment but rather enhances it.

Through the provision of “opportunities to develop new business districts and to establish cultural, administrative and educational hubs within walking distance,” (Edwards, 2011: 20), the interchange can be lively, yet sustainable. Economically, the interchange should serve as a place where knowledge and services are created, exchanged, and enriched, (ibid.). This encourages participation and productivity, not just amongst informal traders themselves, but also in encouraging links between public-private partnerships, (Chen, 2007). However, what is seen is that too often the agenda for transport interchanges is established by engineering considerations, instead of a multi-disciplined team that will encourage sustainable development (where the transport interchange is a social, economic and spatial point of exchange, rather than merely a transport hub), (Edwards, 2011). As a result of this, issues arise at the upgrading of transport interchanges where these traders have their businesses.

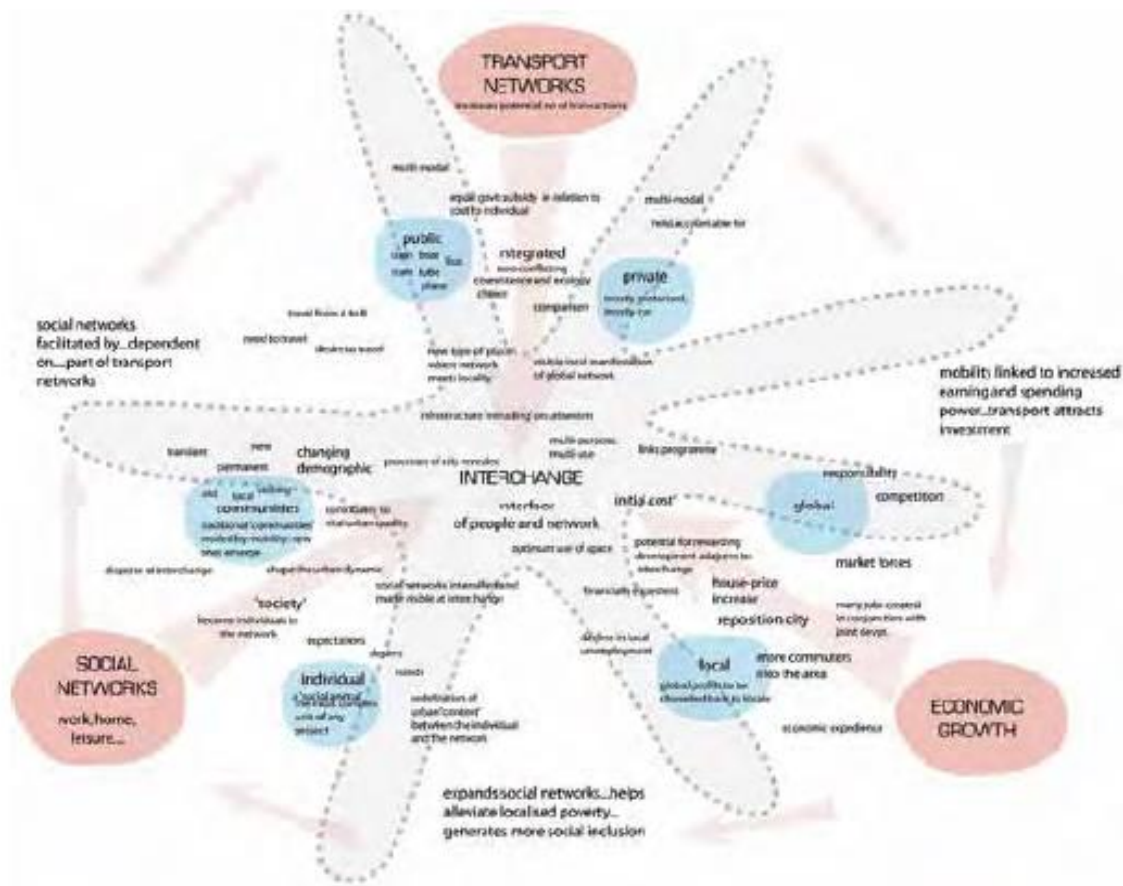


Figure 1: model of the connections needed at Interchanges (source: Edwards. 2011: 19)

The United Nations economic commission for Africa, states that in developments that concern transport interchanges, a few things need to be considered. The proposed development has to consider the needs of the local communities; whilst supporting the provision of local facilities. Additionally, the development has to promote the re-use of vacant and derelict land and provide more stability and confidence for investment. It also has to identify appropriate locations to meet the need for economic development and ensure that land for development is well placed in relation to the transport network and the labour force. Moreover, the development has to promote environmental quality, which can then create more favourable conditions for investment and development, and promote regeneration and renewal, which in turn can aid in the creation and maintenance of pleasant, healthy and safe environments.

Whilst there are various definitions as to what informality is and the activities involved, this chapter has established key features of what constitutes as informality. Debates and ideas surrounding what informality is have been explored, along with linkages and relationships it has with the formal sector. Despite the flaws and issues seen in this economy, it is quite apparent that in both international and local examples, the significance of the informal economy is recognised. Moreover, there is a realisation that the informal economy is here to stay, and ideas of how to make it work better for those involved in it are emerging. Manners in which spatial planning can also make it work for the better were also explored. In the chapter that follows the South African context of the informal economy will be explored, in relation to the issues discussed in this chapter.



## Chapter 3

### The South African Informal Economy: Size, Nature and Policy Environment

In developing countries, many individuals have turned to the informal economy as a means of creating a livelihood and supporting their households. In the South African context, there are various factors that contribute to the informal economy that is seen today which need to be explored. The legacy of Apartheid is an example of one of these factors, in which ideologies; realities and governmental systems had a direct impact on where people worked; played and lived. During this era informal trading was prohibited by the regime, however, the remnants of this legacy still linger on in the informal economy today. The informal economy plays a big role in South Africa, not only due to the fact that it provides goods for a cheaper price for those who cannot afford retail rates, but also in the sense of providing alternative work for individuals. The number of those working in the informal sector has been rising gradually since 2008 and now contributes to a significant portion of employment in the country (Budlender, 2011), thus an exploration into its dynamics in South Africa are a necessity.

#### **South Africa's post-Apartheid economic path**

Once Apartheid was abolished and the country had its first democratic elections in 1994, the government had the tough task of reconfiguring itself as a new integrated and hopeful nation. However, the newly elected government had inherited an economy with deep structural flaws. This was due to the fact that the Apartheid government was financially in crisis, due to being in debt and a pariah because of its oppressive regime. In an attempt in restructuring and speeding up economic growth, the government introduced the Growth, Economic and Redistribution (GEAR) strategy. This strategy meant steering government policy for the full benefit of the market, which the private sector jumped at the opportunity to be involved in. Marais (2010: 128) argues that the neoliberal nature of the government was defined by the “increasingly domineering role of financial motives; markets; and institutions in the operation of economies.”

However, since 1994 despite this strategy, unemployment increased and the gap between the rich and the poor widened. Additionally, social problems that were experienced in the country worsened. It can be seen that “GEAR in all its success stories had failed as a job

creation and redistribution strategy,” (Du Toit, 2007: 3). This can be attributed to the fact that those not competing globally, were not reaping the benefits of GEAR, (Frye, 2007).

Although, the government was complacent in ensuring an environment conducive to the creation of employment opportunities, Madell (2015) suggests that during this era the main priority of the government lay in encouraging competitiveness and market invested support. Marais (2010: 134) supports this statement in explaining that neoliberalism in South Africa painted a picture which “depicted a retreat of the state from its social provisioning and regulatory duties in favour of the ‘invisible hand’ of the market.”

This has created various repercussions for the informal sector. One of these was the introduction of the false notion that the economies in South Africa were divided into the first and second. According to Frye (2007), the term second economy was created by a Hungarian social scientist in referring to the part-time work which was done outside of waged labour during the period of the communist state of enterprises in Hungary. This was usually a means by which people could earn extra money outside of their designated jobs and was not seen as illegal, which was referred to as the ‘black economy’, (Frye, 2007). Unlike the formal controlled economy, the second economy worked as a distinct; invisible and separate economy, and not as one operating at the margins of the formal. In South Africa, the perception of the first and second economy was introduced by former president Thabo Mbeki.

Du Toit (2007), quotes then president Mbeki, who spoke of the dynamics of economics in South Africa as being distinct and separate. He saw these as comprising of a first economy (formal economies usually found at urban centres) and the second economy (informal economies usually found in the peripheries of cities). This set up a dichotomy between formal and informal, and more importantly, disconnection. During this period, the first economy was seen as strong; robust and internationally competitive. Additionally, the first economy saw the second as being at its margins; whilst striving to be like it, but unable to be within its reach. The main intervention suggested by officials during that particular period was to try convert the second economy into the first. There was a failure in recognising that the livelihood strategies that were found in the peripheries were an appropriate adaptation to the realities faced in the region. This as a result caused the working poor to seesaw between the formal and informal economies not because of exclusion, but rather by the terms of inclusion, (Du Toit, 2007). It can be seen that the dichotomy between the two economies “left the informal economy trapped in a state of underdevelopment and marginalisation,” (Marais.

2010: 182). Moreover, the ‘trickle-down’ of wealth did not happen and the informal economy did not benefit from the growth of the formal. Thus there is a challenge of the economy found in South Africa.

In realising that their approaches in handling the economies had led to more harm than the intended good, the government attempted to rehabilitate social programs; expand infrastructure; and extend the public works programme in creating better lives for the poor and working class. However, today, what is painted is not a picture of equality and integration in economies, but as Moser (1978) advocates, one where the formal economy continues to dominate and exploit the poor and working class, which further exacerbates unemployment. Things such as “the commercialisation of basic services; the drop in workers’ share in national income; and an increase in capital intensive production, which has resulted in more casualised workers outside the protection of labour legislation, has led to poverty entrapment,” (Marais. 2010: 184).

According to scholars (Bhorat and Oosthuizen 2005; Marais 2010; Appolis 2007), between 1970 and 1995, the labour force grew by almost four million people, yet only one million more employment opportunities were created. In scenarios where more jobs are available in the country, the favourable circumstances are tainted by the decline of the average wage. Additionally, the rate of job losses caused by global crises aggravated this situation. During the global financial crisis of 2008/9, over a million jobs were lost, including a significant portion of informal and domestic worker jobs (ILO, 2010). It can thus be argued that in the post-Apartheid era, jobs available for the working poor are either low wage and/or unstable. The lack of availability or security in income has encouraged individuals to either start their own businesses or supplement their jobs with a business on the side to earn extra money.

For many South Africans, a job selling produce; clothes; crafts; etc. is the only available income which supports their households. The informal economy, in a manner, serves as a buffer between employment and unemployment. Although the government has abandoned the two economies language and supports informal economies, government still struggles to reach those that are seen as ‘survivalist’ enterprises. The support from government is usually towards established enterprises which are more advantageously positioned, generally referred to as SMME’s: small, medium and micro enterprises (displayed in table 3).

<b>Enterprise</b>	<b>Number of employees</b>	<b>Annual turnover (R)</b>	<b>Gross Assets</b>
<b>Medium</b>	Fewer than 100, depending on industry	Less than R4 million to R50 million, depending on industry	Less than R2 m to R18 million, depending on Industry
<b>Small</b>	Fewer than 50	Less than R2 million to R25 million, depending on industry	Less than R2million to R4.5 million, depending on Industry
<b>Very small</b>	Fewer than 10 to 20, depending on industry	Less than R200 000 to R500 000, depending on industry	Less than R150 000 to R500 000 depending on Industry
<b>Micro</b>	Fewer than 5	Less than R150 000	Less than R100 000

*Table 3: Distinctions of SMME's (source: adapted from Falkena et al. 2001)*

The South African Local Government Association (SALGA, 2012) argues that in conflating the informal economy with SMME's, a big portion of the informal economy gets overlooked, and that policy should thus facilitate and empower delicate survivalist strategies and businesses that are found in and around the city. The ILO (2010) stresses this importance in stating that policymakers should not only have enabling legislation for economic growth but facilitate growth and empowerment for the unskilled. However, for this to happen, an examination into the idiosyncrasies and strengths that make up this sector are of importance. Marais (2010: 8) supports this by explaining that “there is a need to carefully look at the actual relationships and connections by which particular people and their activities are linked into the broader networks, processes, and formations that together constitute the ‘mainstream economy’.” Without a clear definition and knowing what it is made up of, the South African economy cannot begin to find better means of supporting and celebrating informality.

## South Africa's informal trading: Definitions, statistics, and nature

South Africa uses the 15th International Conference of Labour Statisticians' (ICLS) 1993 definition in defining the informal sector. Thus the informal sector is defined as (1993: 33) a group of production units including “informal own-account enterprises” and “enterprises of informal employers”. Additionally, employees working in establishments that employ less than five employees and who do not deduct income tax from their salaries/wages are also considered to form part of the informal economy (*ibid.*). According to the Quarterly Labour Force Survey statistics, 2 661 000 South Africans work in the informal sector (2015: IV). The biggest sectors of informal work in metropolitan areas (displayed in Figure 2) are trade accounting for 46% of all workers, (Skinner, 2013). The second biggest sector is community and social services with 15% of all informal work in this category. Thirdly is construction, comprising of 14% of informal work. This is followed by transport which counts for 10% of informal work, whilst manufacturing accounts for 9%, and financial services account for 6% (*ibid.*). In comparing metropolitan areas, Cape Town has a higher proportion of informal workers in construction (17%), Johannesburg has the highest proportion of trade, EThekwinini (Durban) has the highest proportion in agriculture (3%), and Nelson Mandela Bay (Port Elizabeth) has the highest proportion in transport (11%), (Budlender, 2011).

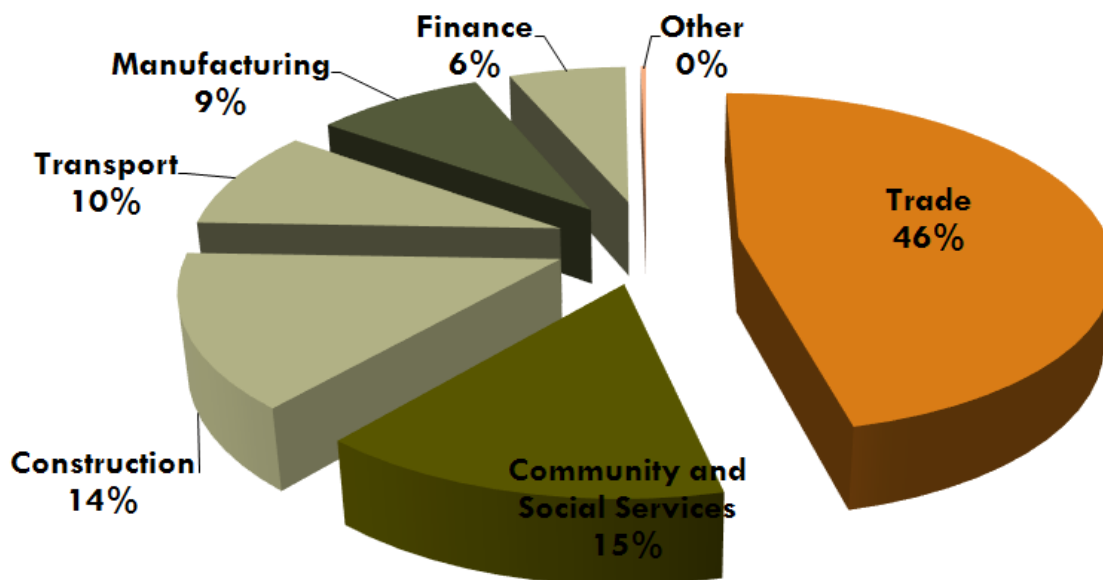


Figure 2: informal trading in SA by industry (source: Skinner, 2013)

According to Devey et al. (2006), the informal economy contributes between 8-12% of the Gross Domestic Product (GDP). Many scholars (Devey et al, 2006; Wills, 2009; Budlender, 2011) have agreed that the nature of informality is one that is of a heterogeneous nature, in terms of varying in employment relations; location; income; industry; and activity, for example. The informal economy in South Africa consists of those considered to be self-employed (own account workers) and those who are informally employed. One of the main differences between those that are informal wage employees and those that are informally self-employed is that those that are self-employed are in technical or associate positions (such as traditional medical healers) or in sales and services (such as spaza shops, hairdressing and crafts).

The majority of work in the informal economy in South Africa can be accounted to elementary occupations, (Wills, 2009). Elementary jobs are those considered to be Skills level 1 jobs consisting of routine manual or physical tasks (ILO, 2012). Occupations such as non-domestic cleaners, gardeners, construction workers, hand packers, etc. may be considered as elementary jobs. Crafts and street trading follow as the second most popular, and retail is the third biggest activity (Wills, 2009). Waste pickers in comparison to other activities have less activity. What is unique about South Africa, unlike most developing countries, is that South Africa has more informal wage employees than informally self-employed people, (Wills, 2009).

Table 4 shows the nature of job distribution in the informal economy from 2005-2007 (showing both informal wage employees and self-employed informal workers). Additionally, there is a difference in hours worked and income earned between the two. Those who are self-employed work less conventional working hours as compared to informally employed individuals (self-employed people can work from 20 hours per week up to 50 hours per week). Moreover, the income earned between the two types also differs. People who are informal wage employees on average earn R1500 per month, versus those who are self-employed who can earn anything between R500 to R2500 per month, showing a greater variation in payment between those that are self-employed, (Chen, 2012).

The majority of economically active women in developing countries are engaged in the informal sector, which make up the majority of the workforce (Chen et al. 2001). The vast majority of these women in the informal sector are home-based workers or street vendors.

Scholars such as Lund (1998) have discovered that women are in the informal sector due to the low levels of employment and a lack of education.

Wage employees						
Occupations	2005		2006		2007	
	%	# in category	%	# in category	%	# in category
Legislative/managerial	0.938 (0.209)	46	1.093 (0.266)	49	0.995 (0.267)	54
Professionals	1.247 (0.326)	38	0.575 (0.117)	35	0.907 (0.210)	45
Technical & associate professionals	3.028 (0.338)	147	2.024 (0.252)	121	3.597 (0.479)	124
Clerks	4.410 (0.419)	238	3.735 (0.367)	214	5.436 (0.589)	225
Service/shop/sales workers	11.348 (0.738)	526	10.597 (0.717)	523	10.479 (1.386)	465
Skilled agriculture & fishery <sup>a</sup>	0.405 (0.141)	20	0.073 (0.029)	9	0.236 (0.086)	15
Craft & related trades workers	19.450 (0.823)	962	19.916 (0.965)	922	14.837 (0.876)	737
Plant/machine operators & assemblers	9.241 (0.628)	489	8.807 (0.586)	458	9.573 (0.650)	461
Elementary occupations	24.555 (1.071)	1,260	25.684 (0.948)	1,299	24.204 (1.172)	1,249
Domestic workers	25.337 (1.004)	1,470	27.499 (0.993)	1,515	29.721 (1.106)	1,479
Missing	0.000 (0.000)	3	0.000 (0.000)	0	0.014 (0.010)	2
<b>Total</b>	<b>100</b>	<b>5,199</b>	<b>100</b>	<b>5,145</b>	<b>100</b>	<b>4,856</b>
Self-employed						
Occupations	2005		2006		2007	
	%	# in category	%	# in category	%	# in category
Legislative/managerial	6.089 (0.603)	217	3.621 (0.467)	139	5.815 (0.805)	164
Professionals	1.151 (0.387)	18	0.779 (0.248)	19	1.275 (0.396)	24
Technical & associate professionals	5.020 (0.554)	162	5.775 (0.647)	155	5.749 (0.731)	149
Clerks	0.310 (0.212)	5	0.105 (0.065)	3	0.071 (0.041)	4
Service/shop/sales workers	18.739 (0.898)	661	18.405 (1.221)	555	16.574 (1.068)	498
Skilled agriculture & fishery <sup>a</sup>	0.189 (0.126)	6	0.015 (0.015)	2	0.327 (0.123)	16
Craft & related trades workers	19.532 (0.912)	684	26.598 (1.301)	878	29.944 (1.602)	816
Plant & machine operators & assemblers	1.910 (0.313)	66	2.708 (0.405)	89	1.624 (0.270)	57
Elementary occupations	46.972 (1.150)	1,640	41.994 (1.584)	1,365	38.404 (1.471)	1,104
Domestic workers	0.000 (0.000)	0	0.000 (0.000)	0	0.000 (0.000)	0
Missing	0.089 (0.089)	2	0.000 (0.000)	0	0.216 (0.126)	7
<b>Total</b>	<b>100</b>	<b>3,461</b>	<b>100</b>	<b>3,205</b>	<b>100</b>	<b>2,839</b>

Table 4: Occupational distributions in the informal economy (Wills. 2009: 19)

Karumbidza (2011) also explains that due to a lack of resources and capital, women are the most vulnerable in the informal sector. Women traders are exposed to crime, health risks and various conditions that also increase their vulnerability. Additionally, despite being the dominant sex within the informal economy, there are very few child care facilities provided for women in the sector thus increasing the difficulty of making a living for their household whilst also caring for their children, (Siqwana-Ndulo, 2013). The costs of transport, infrastructure and movement of goods, along with opening bank accounts and getting loans, also prove to be tougher obstacles for women than men in the informal economy (*ibid.*). Karumbidza (2011) thus proposes that these issues have to be better understood, and the dynamics of gender in the informal economy be further explored in creating more equitable livelihoods.

A number of foreign nationalities such as Pakistanis, Chinese, Zimbabwean and Somalis are also now evidently participating in the informal sector of the South African economy (Bayat et al. 2014). These changes can be attributed to the influx of both legal and illegal immigrants from the region and even beyond South Africa, (Maharaj, 2009; CRAI, 2009). Hunter and Skinner (2001) in their study alluded to the fact that most immigrants move to South Africa due to a combination of economic reasons (either economic push/poverty or economic pull), and/or for political reasons (e.g. refugees or asylum seekers). Moyo and Gumbo (2014) ascertain that immigrants become part of the informal economy because of two main reasons. Firstly, is that of discrimination experienced in the South African labour market, and secondly, that of their qualifications obtained in their home countries not being recognised in South Africa. As a result of this many immigrants turn to the informal economy as a means of making money and supporting their households. Karumbidza (2011: 6) highlights that “foreign traders suffer from a variety of prejudices and xenophobic reactions from fellow traders, officials, as well as from the buying public,” which speak to the different dynamics experienced by different traders on the landscape. This also speaks to the need for policy to have consideration of the different dynamics of the informal economy when writing up policies.

### **How and why South Africa is different**

The informal sector has developed distinctly in South Africa compared to other African countries. Simon McGrath (2005) argues that apartheid can be blamed for the lack of



development in the informal sector in South Africa. The ‘Move On’ law during Apartheid was enacted to force street traders to move from their site every half hour or face harassment (Siqwana-Ndulo, 2013). Due to these strict regulations affecting where people worked and lived, African urbanization was hindered, and as a result, blocked enterprise development for black South Africans (*ibid.*). There are also large differences seen between the formal and informal economy of South Africa, where the formal is well developed and has a high concentration of large capital-intensive enterprises, which has led to the eradication of many pre-industrial jobs (Marais, 2010).

According to some analysts, another disadvantage lies in the lack of entrepreneurial vitality. Meyer-Stamer (2003: 6) echoes the business challenge in South Africa by stating that “South Africa has the weakest performance when it comes to entrepreneurship and start-ups,” (among other developing countries in the Global Entrepreneurship Monitor). This lack of entrepreneurial backing and self-confidence is rooted in four different constraints: education and training, cultural and social norms, financial support, and government policies (*ibid.*). Thus, it is quite apparent that South Africa’s informal sector is one that is unique. Willemse (2011: 14) suggests that a measure in solving this would be moving towards a more thorough comprehension of the opportunities for and constraints on informal street trading in South Africa, which can as a result influence and assist policy planning to make innovative adjustments to create more inclusive and advantageous environments for the informal street traders in cities and towns.

### **The role of the South African government and informality**

Different laws regarding standards of products; employment quality; and protection of the environment are enforced by government through policies and regulations. Thus governments are crucial in the management and regulation of policies and structures that affect the informal economy. In recent years, the South African government has recognised the informal economy as an important employment generator as well as a contributor to the GDP, which is seen by the White Paper on National Strategy for Development and Promotion of Small Business in South Africa (1995). Newer legislation has also recognised the importance of informality, and how it needs to be strengthened and better developed (especially through women and the youth). This is said to be done by making finance available as well as revising the regulatory environment, which is considered sub-optimal (Mlambo-Ngcuka,

2007). The Department of Trade and Industry (DTI) holds the responsibility of developing and implementing policy for the small, medium and micro-enterprises (SMME).

Recent announcements regarding the support of the informal economy concern boosting black economic empowerment and small business development, (DTI, 2015). In 2014, the DTI (DTI, 2015) launched the National Informal Business Upliftment Strategy (NIBUS) and the Informal Traders Upliftment Project (ITUP in promoting the informal economy). The DTI (2014) claims that these two strategies will aid in providing support to informal businesses; local chambers; local business associations; municipalities; and local Economic Development offices in delivering and advancing the economy. Although government is said to support informality, those seen as 'survivalist' rarely receive this intended support, for the wealth or benefits do not trickle down to them. Another key observation is that although the informal economy does provide a lot of jobs to individuals, it does lack in removing people out of poverty (Chen, 2012), thus the challenge for government lies in creating better quality jobs and providing support for the informal economy in eradicating poverty.

Despite this, there are a number of national policies that govern and ensure that business practices are according to certain standards and are done fairly. The overarching, and essentially the most significant legislation is the South African Constitution (1996). In terms of trading, this legislation is essentially important for it guarantees the right of every citizen to choose freely his or her trade or occupation, which might be regulated by law. Sections 26 and 27 of the Constitution (1996) allows for an element of socio-economic rights (access to adequate housing; health care; water and sanitation) in which informal traders are entitled to, as poor members of the South African society. Additionally, section 152 of the Constitution (1996) provides for the involvement of communities in matters of local government. This is to done to promote a safe and healthy environment for communities, whilst providing ongoing services to communities, promoting social and economic development.

In line with the Constitution, the Business Act (1991) is a legislative document that regulates employment. In terms of informal trading, this Act explicitly cites locations where local government restrictions cannot be imposed on those who engage in food and perishable food trade, amongst others. This act is vital as it empowers a local authority to make bylaws that regulate informal trade, and the Act encourages the local authority to negotiate with the informal traders before instituting a restrictive by-law or regulation. In alignment with the Business Act, is the Basic Conditions of Employment Act. This legislation ensures (along

with managing working conditions) that fair labour practices and the rights of employees are protected.

The White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (1995) was legislation that arose out of the transition period (after Apartheid). It committed government's legal interventions and other resources towards creating an enabling environment in which small and survivalist enterprises can contribute to economic development in conjunction with bigger enterprises. The White Paper on National Strategy for the Development and Promotion of Small Business prompted the creation of the Green Paper on a Skills Development Strategy for Economic and Employment Growth in South Africa (1997). It is important for the informal economy for it identified small enterprises as part of an overall vision for skills development, in increasing standards of living and creating sustainable employment.

The Growth and Development Summit Agreement of 2003 was created in an attempt to speed up economic growth and development. It commits the National Economic Development and Labour Council (NEDLAC) as social partners (with government, business, labour and communities) in contributing to and supporting local economic development in local governments.

However, Charman (2012) argues that the South African government harms the informal economy in trying to pursue efforts to 'migrate' informal enterprises to the formal sector. This 'migration' would require informal businesses to get registered and pay taxes. In reiterating de Soto's (1989) opinion, many of those in the informal sector do not pay taxes, and as a result do not reap any legal or social benefits. Reinecke and White (2004) also stipulate that tax incentives effectively discriminate against informal businesses, as the majority do not pay any tax. Complying with tax laws is often seen as complex and time-consuming and informal enterprises do not have trained staff assigned for those tasks. Rankin (2006) found that the compliance costs of tax was the same for informal businesses, SMMEs and larger companies, and therefore more difficult for those in the informal sector to pay. In South Africa the two forms of tax that are applicable to the informal sector is Income Tax, and Value Added Tax (VAT), which is voluntary but becomes compulsory when a business earns over R300 000 (SARS, 2007). In trying to cater for the informal sector, governments have changed the VAT threshold to a range of an annual income of between R150 000 and R300 000 (Manuel,

2007). Additionally, through small business tax amnesty, informal businesses can start afresh and register for taxes with no consequences from previous tax evasion (*ibid.*).

In the Western Cape, the South African Revenue Services (SARS) has identified the need in helping informal businesses in registering for tax and have opened four walk in centres in giving assistance and helping businesses fill in forms, (SARS, 2007). Additionally, SARS runs workshops that are open to the public in educating people about the tax process and how to apply. However, these are usually in the city, where those operating in townships have to travel long distances to get to. Charman *et al.* (2012) recommend that the tax processes be further simplified and that companies such as SARS should consider opening up sub-branches in townships in creating better access for those who run their informal businesses there, and cannot afford long distance costs.

### **Policy approaches in South Africa's metropolitan cities**

Labour policies and regulations play an important role in promoting and maintaining quality employment. Since employment in the informal sector overall is of low quality, the enforcement of labour laws and policies should be a priority. The various relevant legislation and policies that embody the legal framework for the informal economy in South Africa is managed differently in various metropolitan areas throughout the country, and as a result, the informal economy develops differently. Additional legislation and policies that are relevant to the informal economy will be discussed in further detail in chapter 5.

30% of South Africa's informal traders are trading in the city of Johannesburg, (Meyer, 2015). Johannesburg has 5 legislated Central Improvement Districts (CID): retail; central; south city west; Benrose; and Braamfontein, (Tissington, 2009). However, due to these being heavily regulated by private interests (private sector), a lot of traders have been displaced. As a result, urban regeneration has occurred at the expense of traders. An example of this was the Red Ants demolition that occurred in 2009, where traders' stalls were destroyed as part of the Inner City Regeneration Project (*ibid.*). Thus there has been a contested relationship between the traders and the city officials. Informal trading in Johannesburg is currently managed by the Department of Economic Development. Two companies: Metropolitan Trading Company (municipal owned) and Central Johannesburg Partnership (privately owned), manage the informal trading facilities throughout the city, (Matola, 2002). The city in realising its inadequacies has created newer policies in managing the area and introduced a

'smart card' system in giving out permits. Despite this, regulation remains difficult in Johannesburg and only 'pressure points' are dealt with, (Skinner, 2000). Additionally, Meyer (2015) argues that approaches common in Johannesburg are generally related to strictly enforcing the by-laws rather than creating an open space for the informal economy to develop. Tissington (2009: 38) accounts this to "a lack of proper planning, inadequate technology solutions, time delays, flawed processes, and limited innovative management," have all been attributed to these challenges.

Durban was the first metropolitan city to develop an informal trading policy, (Matola, 2002). Durban is observed as having the most progressive policies that relate to the informal economy, in comparison to other areas. Lund (2003: 5) states that "a comparative study of five South African cities showed that Durban was already ahead of the others, inter alia in the perceptions of officials, in resource allocation to infrastructure for traders; in attempts to negotiate new bylaws; in initiatives in health education, accrediting traders who upgraded their stalls; in setting up a dedicated unit to deal with traders; and in taking the enforcement function out of that unit; and in instituting the idea of area manager." An example of Durban's success with the informal trading policy process and working with traders successfully is Warwick Junction. Warwick Junction is a major minibus and bus terminal and lies on the edge of the Durban's inner city. It is a site with the most informal trading occurring in the municipality, (Kitchin and Ovens, 2008). Although currently the traders' livelihoods are under threat by the Warwick Mall and other developments, the Warwick urban renewal project serves as a good precedent for working together with traders in uplifting the area, and reconstructing the inequities of the past.

In 1999, a Technical Task Team (comprising of advisors and officials from different departments) was created in confronting the Warwick area, which had become chaotic, unsafe and operating haphazardly. The area has over 400 000 commuters, and 5000 traders operating in the area, (Skinner, 2008a). The project was developed through an extensive process of consultation between local formal and informal businesspeople, local government, and other stakeholders, (Lund, 2003). Kitchin and Ovens (2008: 21) state that the "aims of the project relate to safety; transport; trading and employment; environment; services and facilities; housing; integration and investment." Lund (2003) attributes the success of the Warwick Project to eight conditions: appropriate institutional location; internal drivers; political support; building on history; the role of research in the process; alignment with and integration into other city initiatives; consultative process; and the role of communications

and the media. In terms of appropriate institutional location, the positionality of the Economic Development and planning departments being in charge benefited the project. This was due to the fact that their approach was different from previous departments who had managed the informal economy. Moreover, these departments had a positive outlook on the role of the informal economy and had an ethos of more inclusive cities.

Internal drivers consisted of senior departments and officials being in charge, which helped drive and prioritise informal economy interventions, (Lund, 2003). Additionally, maintaining and receiving support from politicians helped speed up the project process. Through building on history by learning from previous failed interventions and successful projects, state officials could estimate what strategies could or couldn't work in approaching informality. In changing perceptions and ideologies, the role of the researchers played an integral role. The role of the media and communication also aided in the changing of public perceptions. Additionally, state officials were able to use the analyses and statistics done by researchers to inform their policies. One of the most important attributes that facilitated the success of the project was the consultative process. Kitchin and Ovens (2008: 21) explain that “the Warwick Junction Urban Renewal Pilot Project was developed through an extensive process of consultation between local government, local formal and informal businesspeople, and other stakeholders.” Through this process, the project was able to accommodate everyone's needs. Thus it can be seen that the Warwick Project was a project that demonstrated how the informal economy can be integrated in urban planning and governance, whilst also promoting inclusive planning.

The Cape Metropolitan Area (CMA) is an area that is home to more than 3, 7 million people comprising of 1, 060, 964 households (City of Cape Town, 2012). In the CMA, there are more structured markets and the street trading that occurs is more lucrative than the other metropolitan cities, (Skinner, 2000). The informal trading that exists contributes around 12% to Cape Town's economy and employs 18% of its economically active residents (City of Cape Town, 2012). Thus, it is quite apparent that the informal sector is a major creator of employment. The major form of trading found in Cape Town is trade (retail) which is displayed in Table 5.

Informal trading in Cape Town	
Job description	Percentage

<b>Manufacturing</b>	11
<b>Construction</b>	17
<b>Non-household services</b>	10
<b>Trade</b>	25
<b>Services</b>	15
<b>Other/unaccounted for</b>	22

*Table 5: informal trading in Cape Town (source: adapted from Budlender, 2011)*

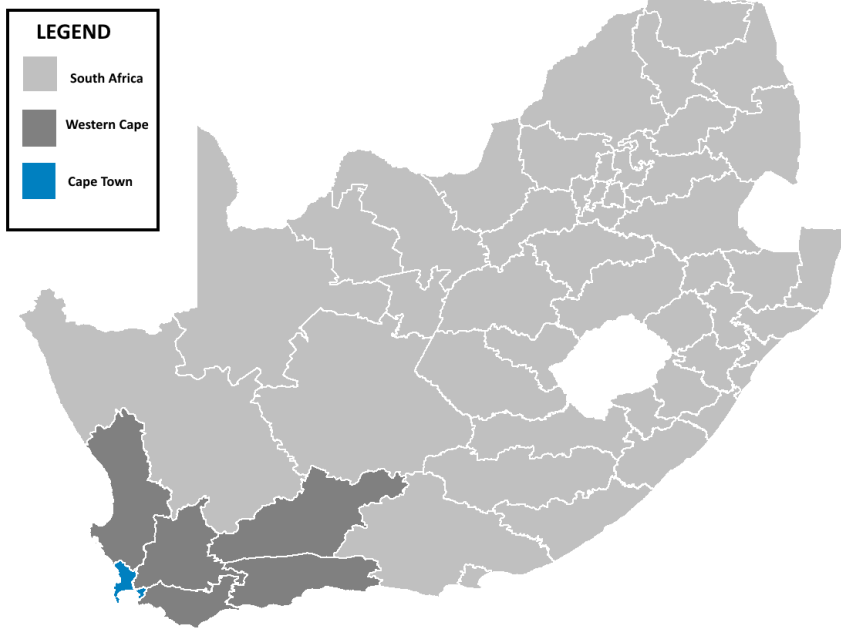
The City of Cape Town Economic Development Department (EDD) is responsible for overseeing the informal economy. In the City of Cape Town, the Business Area Management Office works together with the Local Economic Development Office (LED), which manages and handles the business support and promotion aspects of local area economic development. Additionally, they also create polices and by-laws that regulate the informal economy. The policies that govern and regulate trading in Cape Town are the Informal Trading Policy of 2009 and trading by-laws (which were amended in 2013). The EDD (City of Cape Town, 2015) claims to strive for improving access to economic opportunities for informal traders, act as a conduit for the City's economic services, and lobby stakeholders to shift practise, resources and policy towards improving the economic conditions of marginalised areas. The policy structures that are adopted and created by the EDD are in line with the City's overall vision of alleviating poverty and reducing inequality throughout the city, and is quite progressive (through their developmental approach).

However, according to Skinner (2013), during the re-regulation of street trading (following the amendment of the Businesses Act) Cape Town had declared a larger area (than any of the other cities in SA) as banned trading areas. Additionally, Cape Town has fewer public trading spaces and has spent less on infrastructure for informal traders in comparison to other cities (*ibid.*). Nevertheless, the City of Cape Town (2013) states that they have strengths that will help them uplift the informal economy in the city. They note, for example, that Cape Town has highly skilled officials working in various industries who understand the informal sector, and as a result can plan for interventions that in turn can help informal traders. Moreover, they pride themselves in having facilitated the development of the United Khayelitsha Informal Traders Association (UKITA), along with the Informal Trading Summit that occurred in 2013, (City of Cape Town, 2015). The local government has also claimed to have

invested R1.1 million in the past two years (through its employment support partners) in boosting and supporting the informal economy (ibid).

### **Khayelitsha**

Khayelitsha (displayed in Figure 4) is a township located in South Africa (Figure 3) and was a former Bantu area under the Apartheid Group Areas Act (Act No. 41 of 1950), which saw the formation of Khayelitsha in 1983. Khayelitsha, which means ‘new home’ in isiXhosa, is the sixth largest township in South Africa, and is situated on the periphery of the city of Cape Town, (Thomas, 2014) This area is bounded by the N2 and Lansdowne to the north, Weltevreden Road to the west, the coastline to the south and Baden Powell Drive and the Macassar Dunes to the south-east (City of Cape Town, 2012). Additional site analyses that are relevant to Khayelitsha will be discussed in further detail in chapter 7.



*Figure 3: Position of Cape Town in South Africa (source: StatsSA, 2011)*



*Figure 4: Position of Khayelitsha in Cape Town (source: Botha, 2014)*



In 2011 the population of Khayelitsha was 391 749, with a number of households of 118 809. The residents in the area are predominantly Black African people (Census, 2011). Additional statistics (Stats South Africa, 2011) for the area are shown in Table 6.

The township was planned in an inward manner that maximised isolation with four major entrance and exit points, and is still primarily a dormitory township with a limited range of larger employers like factories, office parks, government offices and educational or health centres, (Thomas, 2014). It is estimated that 120 000 people who live in Khayelitsha work outside of the area, and that 60 000 people travel by train, (Jacobs, 2005). It can be seen that Nolungile station thus serves as a vital transport interchange, in which people not only use to go to work, but where informal traders (mainly consisting of street traders) also sell their goods. Transport interchanges are the major nodes of public life in South African cities and can support a tremendous variety of economic, social, and cultural activity (Andrag, 2011).

Khayelitsha statistics	Data
<b>Founded</b>	1983
<b>Province</b>	Western Cape
<b>Municipality</b>	City of Cape Town
<b>Population</b>	391 748
<b>Area</b>	38.71km <sup>2</sup>
<b>Households</b>	118 809
<b>Unemployment</b>	38.02%
<b>Density</b>	30.46 du/ha

Table 6: statistics for Khayelitsha (statsSA, 2011)

### **Khayelitsha and informal trading**

The majority of traders (67% of traders) found at transport interchanges sell consumables such as chips; cold drinks; cigarettes; fruits and vegetables, (ILO, 2013) and 70% of these street traders consist of women, (Budlender, 2011). In 2010, there were more than 530,000 people recorded as working as street traders in South Africa, (*ibid.*). A third (33%) of these workers are in metropolitan areas, whilst the rest are in townships. Sanchez (2015) states that

an estimated 75% of all the micro enterprises found in the township economy include shebeens (informal liquor stores), spaza shops (informal convenience stores), child care, hair salons, traditional healers, street vendors and micro manufacturers.” Additionally, the latest Financial and Fiscal Commission report estimates the township economy to over R126 billion, highlighting the importance of township economics within the informal economy, (Financial and Fiscal Commission, 2015).

The issue arises at transport interchanges when construction projects, such as those discussed in the previous chapter threaten traders’ livelihoods. In previous years, such as the upgrading of Cape Town station just before the 2010 world cup (Andrag, 2011), the upgrading left the majority of informal traders displaced and without work. Henry Booysen from Die Burger newspaper (2010) stated that “Intersite Property Management Services, a subsidiary of PRASA, controls the deck, and has removed the 700 or so traders – with no settled alternative – so it can continue with the refurbishment of the station in readiness for the Soccer World Cup in June, where only 300 traders would be invited back.” Additionally, during the construction of the Cape Town stadium in 2007, 270 out of 800 informal traders were displaced (SANIEF, 2010), which speaks to the importance of paying attention to upgrade projects where informal trading takes place. Planners have a key role to play in directing investment and in ensuring that social regeneration and economic renewal are encouraged and facilitated in these projects. If the right plans and policies are put in place one can begin to see projects between various stakeholders that lead to a better envisaged space and that creates more of an inclusive environment.

Additionally, the importance of the informal economy has been highlighted in a study done by Battersby (2011) 2008 which explored households in Cape Town (Ocean View; Brown’s Farm; Philippi; Enkanini; Kuyasa; and Khayelitsha), it was found that the informal economy was central to food security. Battersby (2011: 553) argues that “the informal market remains the main source of food for the poor and that the more food insecure households are, the more likely they are to depend on the informal market and other informal sources of food.” Table 7 shows that individuals who are food insecure rely heavily on the informal market for food security. However, it can be noted that the South African government fails to recognise the role that the informal economy plays in securing food for the urban poor. Additionally, examining the informal economy via food security highlights the forward-backward linkages between formal and informal enterprises. Considering that 80% of households in Cape Town

are either severely or moderately food insecure (Battersby, 2011), it is of great significance that the City prioritise the informal economy.

In recognising the large amounts of trading happening in townships (such as in Khayelitsha), the City of Cape Town offered support and launched the United Khayelitsha Informal Traders Association (UKITA) in 2012, which is a Non Profit Company (NPO). UKITA (2015) claims that their role is to link informal traders with various stakeholders in the public and private sector, and develop businesses (through training and business advice). The City of Cape Town (2015) that launching and supporting this NPO will ensure that informal traders participate in the economic mainstream of the Cape Metropole, and that the development of these kind of programmes will strengthen and improve informal trading businesses in order to create job opportunities and sustainable livelihoods. Additionally, the City of Cape Town (2015) asserts that they will assist in the implementation of informal trading policies, bylaws and programmes targeting informal traders. They (ibid.) also state they will encourage and drive private sector support and involvement, through the provision of access to finance and bulk-buying discounts, to improve the profitability of informal trading businesses. However, it should be noted that despite this launch, there is no informal trading plan that exists for Khayelitsha.

A study conducted in 2013 (Thomas, 2014) examining operations and businesses in Khayelitsha, indicated that a large part of the community partakes in the informal economy. Table 8 indicates that the number of people involved in the informal economy are estimated at 85 000. The informal businesses that operate in Khayelitsha are not all owned by locals. A small percentage of these are owned by people outside of Khayelistha (who may live in neighbouring suburbs).

Number of enterprises (among Khayelitsha's 200 000 households)	Amount
Medium sized enterprises	500
Formal small enterprises	7 500
Informal micro- enterprises	32 000
Survivalists	45 000
<b>Total</b>	<b>85 000</b>

*Table 8: Number of enterprises in Khayelitsha (University of Stellenbosch, 2014: 2)*

Sources of food according to food security status (n = 1057)<sup>a</sup>

Source of food	Food security status	Frequency of access from source (% of households)				
		At least five days a week	At least once a week	At least once a month	At least once in six months	Less than once a year
Supermarket	Food secure	5.3	39.8	53.4	0.5	0.0
	Food insecure	3.1	19.6	68.0	1.5	0.0
Small shop/restaurant/ take away	Food secure	30.1	32.5	9.7	2.4	0.0
	Food insecure	27.0	35.1	10.4	1.7	0.9
Informal market/street food	Food secure	17.0	36.9	7.8	2.9	1.0
	Food insecure	19.6	36.1	6.9	1.5	1.0
Grow it	Food secure	1.5	1.0	0.5	0.5	0.5
	Food insecure	0.6	1.1	1.6	1.0	0.7
Food aid	Food secure	0.0	0.0	0.5	0.0	0.0
	Food insecure	0.2	0.6	1.2	0.6	0.4
Remittances	Food secure	0.5	1.0	1.9	0.5	0.0
	Food insecure	0.5	1.8	2.8	0.5	0.5
Shared meal with neighbours and/or other households	Food secure	3.9	11.7	8.3	0.5	0.5
	Food insecure	5.4	19.3	20.1	3.1	0.6
Food provided by neighbours and/or other households	Food secure	1.5	6.8	3.4	1.0	1.0
	Food insecure	2.9	14.0	16.6	3.1	1.0
Community food kitchen	Food secure	0.0	1.5	0.0	0.0	0.0
	Food insecure	1.7	2.3	2.2	0.4	0.2
Borrow food from others	Food secure	1.0	1.9	1.5	1.9	0.5
	Food insecure	2.8	12.9	14.2	3.3	1.0
Other source of food	Food secure	0.0	0.0	0.0	0.0	0.0
	Food insecure	0.1	0.0	0.1	0.0	0.1

Notes: This table refers to all sampled households in Cape Town disaggregated according to food security status. <sup>a</sup>Three omitted in data cleaning.

Table 7: sources of food according to food security (Battersby, 2011: 554)

A larger proportion of businesses not belonging to locals are accounted to foreign (non-South African) residents (Chinese, Somalis, etc.) and residents from the Eastern Cape, in which a large part of the population is rooted in, (Thomas, 2014). The sectors that are involved in the informal economy are: primary sector; manufacturing and processing; private; construction and repairs; waste; trade; catering; transport; community services; and telecommunications, (*ibid.*). The description as to what sector entails is displayed in Table 9.

SECTOR	ACTIVITY
<b>Primary Sector</b>	Urban agriculture (home gardens)
<b>Manufacturing and processing</b>	- Furniture; -Art and crafts products; -Clothing; and -Repair of machinery.
<b>Private</b>	Supply of water and electricity (legal as well as illegal)
<b>Construction, maintenance and repairs</b>	-Construction or assembly of informal structures; and -Extensions and renovations of structures.
<b>Waste</b>	-Collection; -Re-claim; and -Re-use.
<b>Trade</b>	-Retail; incl. spazas and street traders -Informal (illegal) liquor and drug trades
<b>Catering</b>	-Shebeens; and -Special events.
<b>Transport</b>	-Taxis; and -Motorcar-related services and repairs
<b>Community services</b>	-Old-age care; -Childcare; and -Religious services
<b>Telecommunications</b>	-Repairs; and -Sales

*Table 9: Sector range in Khayelitsha (adapted from University of Stellenbosch, 2014)*

It can be seen that the informal trading occurring in the South African context is one that is unique but also very complex. In most cases informality is characterised by low measures of resources and poor employment quality (in comparison to larger enterprises). The chapter explored how different metropolitan cities approach informality and demonstrated the important role that the informal economy plays in food security, especially for the urban

poor. Additionally, the informal trading that occurs in townships was explored. It is seen that there is a range of informal economy activities that occurs in these townships and that they generate a lot of revenue within the informal economy. The next chapter will examine and describe the method of research used in this dissertation.

## Chapter 4

### Methodology

This chapter is concerned with exploring and describing the method used to research informal trading in site C Khayelitsha, governed by the central focus of understanding trader's experiences of the space they currently operate in and the potential impacts of the proposed changes. It begins with a description of research methodologies in framing the research design. An exploration of the case study method, as well as the justification for its use in this particular research will be provided. Research techniques (primary and secondary data) used to collect and analysis the data will also be examined and discussed. This is followed by a discussion on the challenges and limitations encountered during the research process and measures in counteracting these.

Research can be defined as the materialisation of an inquisitiveness to learn more (Beck & Manuel, 2008). There are generally three methodologies that are commonly used to conduct research: qualitative, quantitative, and mixed methods research. The research method applied to this study is that of qualitative methods. Qualitative research involves in-depth investigations of knowledge through various techniques and “amasses information from its studies, for example, a particular event, decision, institution, location issue or piece of legislation,” (Grix. 2004: 120). Additionally, Murray (2003) suggests that it is useful for investigating complex, new or relatively unexplored areas. The benefits of qualitative research is that it crosscuts fields, disciplines, and subject matter, and also positively interacts with the object of study, (Denzin and Lincoln, 2005).

As mentioned before, this chapter is concerned with investigating and understanding the nature of informal trading around the Nolungile train station, and how traders currently use space with a view to discerning the potential impacts the proposed redevelopment of the station precinct might have on the traders. Thus the purpose of this research, as stated in Chapter 1, is to better understand the dynamics of informal trade at transport interchanges and to also discern as to whether the upgrading of these interchanges (being the railway stations) are appropriate in promoting a better environment for the informal traders whilst also looking at how the space can be better utilised.

## **The case study method**

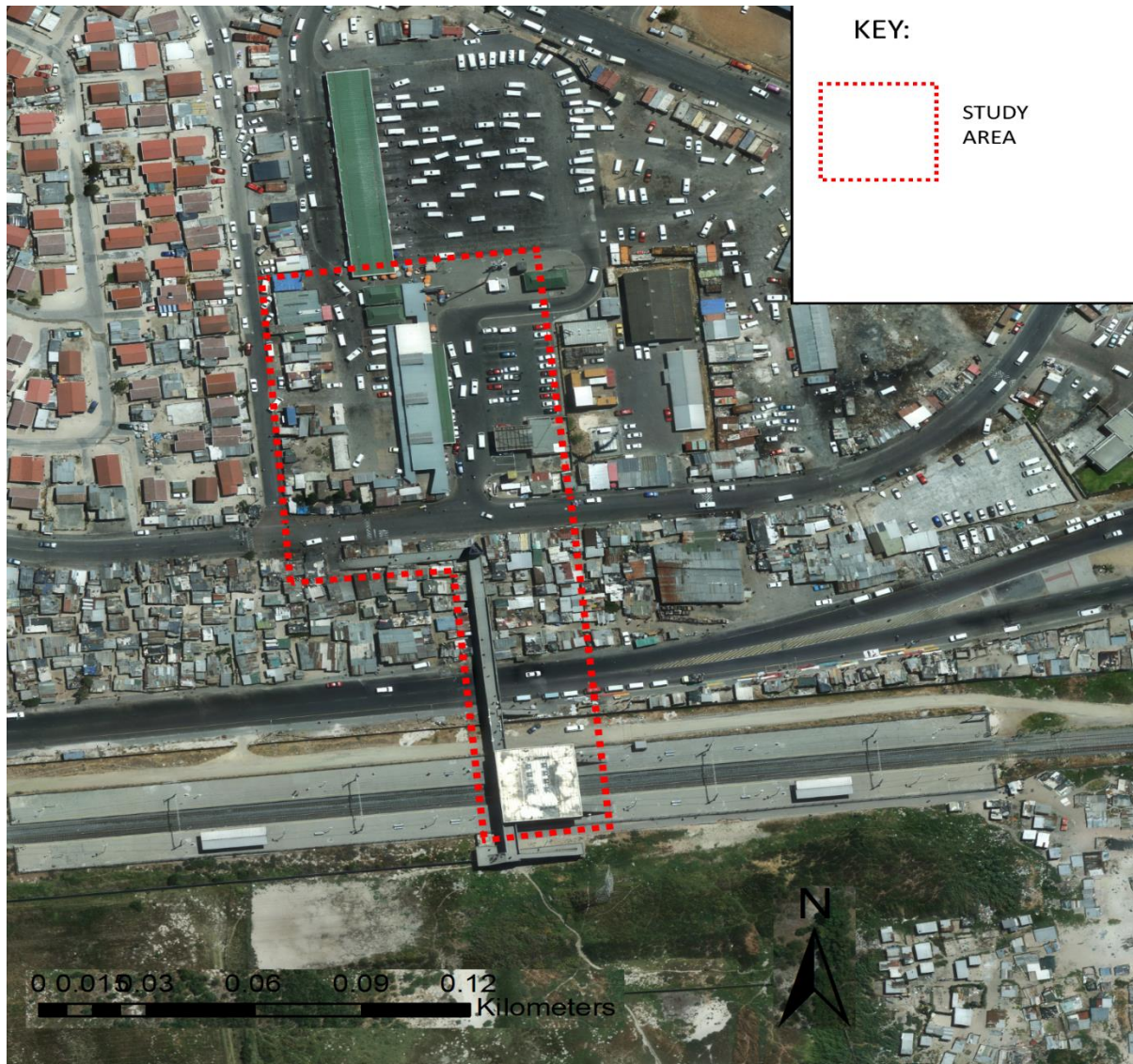
The method employed in this study is the case study method. Case study research serves to provide an up close or in depth understanding of a phenomenon (case) set in its real world context (Yin, 2012). Duminy et al (2014: 25) explain that “most African planning and development issues are likely to be interested in a particular case as a way of contributing to our understanding of some general phenomenon or problem of interest, through either theoretical propositions or policy recommendations.” Case study helps in this contribution for it is intensive (provides more detail, richness, variance and completeness) and is contextual in relating to its environment, (Flyberg, 2004). Using the case study is also preferred when the research focus is contemporary events (Yin, 2014). Thus the case researcher’s job is to collect and examine as many fact possible about the phenomenon, and produce an honest and detailed account of the events that occur, (Duminy et al. 2014). The case method that is executed in this research involves inductive case study methods. The inductive nature of using case studies is particularly effective as it seeks to answer ‘how’ and ‘why’ questions in unexplored research areas, (ibid.). These kind of case studies are “designed to be ‘representative’ or ‘illustrative’ of general trends, opportunities or challenges pertaining to particular policy and context, from urban to national scales,” (Duminy et al. 2014: 51). Using illustrative case studies for this particular research in this context is especially useful for many scholars (Onyebueke and Anierobi, 2014; Hunter and Skinner, 2003; Ogbazi and Eazidichie, 2014) have adopted this method in analysing the informal economy. Duminy et al (2014: 53) reveal that inductive case studies are used to “illustrate the modes by which informal workers are excluded, how government agencies attempt to regulate informalities, as well as the self-organisation practices of those working or living informally.” In this regard, using this method in examining the dynamics of the trading happening in Khayelitsha could be of great use in informing the researcher.

## **The case**

Nolungile is located in site C Khayelitsha, one of the oldest township in South Africa, displayed in Figure 5. As mentioned in Chapter 3, the area serves as a vital transport interchange, where informal traders also sell their goods. The study area is an important locus for exploring informal trading happening in townships, for the majority of informal traders are located within townships in general and near transport interchanges in particular. In addition, this is one of the first stations out of the five in the PRASA station modernisation



project to be redeveloped. This area could serve as a potential catalyst in exploring the relationships between upgrades and informal trading happening at the other stations. This will serve as an example of what or what not to do for the other stations.



*Figure 5: Nolungile train station (source: Author, 2015)*

### **Data collection methods and tools**

Data was collected using storytelling and/or narratives in the form of semi-structured interviews, which allowed for flexibility. Through this flexibility the interviewees began to tell their stories. Sandercock (2003: 12) explains that “in order to imagine the ultimately unrepresentable space, life and languages of the city, to make them legible, we translate them

into narratives...the way we narrate the city becomes constitutive of urban reality, affecting the choices we make, and the ways we then might act.” Thus narratives by individuals are critical to understanding social dynamics and organisation of space. Storytelling provides a means of making sense of experiences, but also in providing meaning to everyday practices. Thus removing the notion of ‘othering’ done by others (stigmas created by a process in which one group is seen as ‘us’ and another group as ‘them’) through giving significance to what may be considered dissimilar. It is thus critical for the planner and/or researcher to use storytelling. Krog (2005: 384) states that “we have to find ways in which the marginalised can enter our discourses in their own genres and their own terms so that we can learn to hear from them...they have the universal right to impart any information and ideas through any media, and we have the duty to listen and understand them through engaging in new acts of becoming.” Through these means social justice and equity can be addressed by planners.

### **Sampling for interviews**

The methods used in sampling for the interviews is purposive sampling. “The purposive sampling technique, also called judgment sampling, is the deliberate choice of an informant due to the qualities the informant possesses,” (Tongco. 2007: 147). In layman’s terms, the researcher decides what is needed in the research (what needs to be known) and sets out to find people who can and are willing to provide the information by virtue of knowledge or experience, (Tongco, 2007). Due to the time constraints in conducting the research, purposive sampling is the most effective and efficient means in deriving the information needed. In this case, the purposive sampling was used in creating a balance in representation. In my research, the aim was to obtain 20 traders with a variation in goods sold, and who represented both genders, and who operated in different parts of the markets. Due to the study area being in a township where the majority of inhabitants are black and South African, race and nationality were variants that were less pertinent

### **Primary data collection**

#### **Observation technique**

There are two types of observation techniques that will be employed in this research: participant and non-participant. “Non-participant observation usually involves a passive role for the researcher, who does not directly influence events, but observes interaction which is

assumed, is unaffected by the researchers presence,” (Grix. 2004: 130). This is especially useful in the initial stages of research and in seeing the day to day operations that occur in Nolungile, and the dynamics that are involved in the trading process. It helps derive things such as infrastructure type of stall, demographics, goods being sold, etc. Spatial aspects of the area are also useful in determining through non-participant observation. Since the main issues is that the physical space of the area will be altered (through the redevelopment of the area), it is important to observe aspects of how the space is currently functioning and as to whether the proposed changes are going to make the space efficient and potentially better for the traders. In Warwick Junction (in Durban), a key aspect determining the success of the project was not only the collaboration between the different actors, but also the analysis of the functionality of the space and ciphering as to how the area could be more efficient and potentially better for the traders. Participant observation helps in getting a first-hand sense of the operations in the field. “Observers in this case function as collaborative participants in action inquiry settings,” (Denzin and Lincoln, 2005: 416). In this sense the researcher interacts with the world that they are observing. This ensures that the researcher gets an insider’s perspective on how the informal economy works at the transport interchanges. This would require interaction with the traders and possibly getting to know them on a personal level. This would also consist of partaking in some of the activities that the informal traders do.

### **Interview techniques**

Interviews can be seen as narrative accounts, (Denzin and Lincoln, 2005). They can be categorised into: structured, semi-structured, unstructured, and focus group interviews. They are a means of collecting and interpreting human memories and accounts to foster knowledge and human dignity, (Denzin and Lincoln, 2005). The interview tool used in this research consisted of open ended (semi-structured) in-depth interviews. In these interviews, the interviewer has in mind a number of questions they wish to put to the interviewees, but doesn’t have to stick to the predetermined order. Grix (2004:127) adds that this “allows for a range of flexibility and allows for the pursuit of unexpected lines of inquiry during the interview.” The content of the interviews was informed by the literature review. Main questions regarding the reason for people trading, operations, and relationships with government, are an example of such issues derived from the content discussed in previous chapters. The biggest strength the in depth interviews possess is that it allows one to get a

perception of how one views the world around them. Additionally, it also allowed for people to identify problems, as well as what they believe the solutions to be from these issues experienced, which greatly informed the study. Disadvantages lay in the over interpretation of answers and response bias, which the researcher had to counteract, (Denzin and Lincoln, 2005).

The interviews were conducted between the 20<sup>th</sup> of August and the 3<sup>rd</sup> of September with 23 traders who are currently selling at the Nolungile station, which can be found in the appendix. In total 23 traders were interviewed– 6 who operated inside the station and 17 traders outside. It should be noted that there are currently only 6 traders trading inside the station, whilst the rest are trading outside the station, which is why only 6 people were interviewed from the inside. More than a 1/3 of the traders from the outside were interviewed (17) which gives an indicative sample of the traders working on the outside and their operations. In essence, the interview questions were created in response to the material discussed in the literature review in exploring the nature of the informal economy and why people were a part of it. The interview consisted of eighteen sections in which the first five sections were concerned with demographics, work history, home based questions and trading nature of the business. The rest of the questions consisted of topics that explored reasons for entering the business, regulation, infrastructure, support systems, trader organisation and potential of the area (in creating more sustainable livelihoods). Moreover, questions regarding the renovations that are to happen at the station were investigated, which entailed an exploration of how traders perceived the functionality of their space and whether they felt that these upgrades would be of benefit to them.

Along with the open-ended one-on-one interviews conducted with the informal traders, a few key informant interviews were done. PRASA was interviewed, in inquiring about the upgrades, their mandate on these renovations, as well as to investigate how much informality was considered in their plans. Additionally, the city council staff (from the City of Cape Town) working in the Economic Development Department (EDD) was also interviewed. The site C trader organisation, which the traders trading outside the station belonged to was also interviewed in investigating how they manage the area, and their relationship with the city council. The traders trading on the inside did not belong to any organisation, but had a local community member who worked at the nearby community hall represent them. An interview was conducted with him in exploring the relationship he has with the traders, as well as exploring as to what circumstances he has represented the traders. The key aim of conducting

these informant interviews was to get an idea of how government and other authorities (professional establishments) affect informal traders in Nolungile and how the area is also managed. Examining the actors involved in this research also contributed to a fuller picture of the processes and systems involved, as well as why conditions are the way they are.

## **Secondary data collection**

### **Documentary evidence**

Documentary evidence can be seen to be vast and can vary depending on the research project. Grix (2004: 131) explains that “the level at which this is done can range from a full-blown and technical discourse analysis to simply reading texts with the aim of gaining information of a person’s or organisations viewpoint or policy.” The biggest advantage in working with documents lies in the fact that one can check what the documents claim against reality when in the field. Seeing as that the Passenger Rail Agency of South Africa (PRASA) is in charge of the National Station Upgrade Programme, it is important to consider whether these upgrades are going to promote better living for the traders. This entailed examining their vision and mission, their operations, and their opinions/policy towards trading/boosting the economy. It was also important to examine whether the necessary and correct consultation processes were conducted with the current users of the space. Additionally, the drawings and designs done by DesignSpaceAfrica were also examined. Moreover, along with this documentary evidence, print media which related to the PRASA station upgrades were examined in getting a ‘feel’ of perceptions and thoughts in relation to these renovations.

A questionnaire was also produced. Usually the questionnaire is considered as a quantitative research method, but due to the small sample size and serving as a perceptive and informative document, the questionnaire was more qualitative. The questionnaire was directed at the users of the train station in which the traders are operating at. This questionnaire served to give the researcher an idea of how the occupants of the station perceived their space and their opinions on the informal traders. It consisted of closed questions that were given to 10 occupants (small sample size as a perceptive measure and due to the time constraints).

## **Data Analysis and interpretation**

The purpose of analysing data is to obtain useful information which can be used at a later stage. Data is analysed in order to: describe data, compare and identify the difference between variables, summarise the data, and identify relationships between variables, (Marshall and Rossman, 1990). Yin (2012) states that systematically organising data into hierarchical relationships, matrices, or other arrays is key. The collection, analysis, and interpretation of data was done through a Microsoft Excel spreadsheet. The data was classified into non-numerical or named categories (consisting of an inherent order), resulting in a pattern-matching logic, which was then employed in creating an empirically based pattern to compare to. In this case graphs were generated in comparing and grouping similar accounts from the interviews.

## **Limitations and Challenges**

Since only 23 traders were interviewed at no point is this research claiming to be representative of all traders in the area but rather is true for those interviewed and can be considered indicative. Negotiating entry into the area was a challenge, as community leaders act as gatekeepers. However, the researcher found out who the representatives for the traders were, explained the nature of her research, and asked for permission from these individuals. Moreover, the researcher established a transparent relationship with the traders by committing to give feedback on the research acquired.

Additional issues that occurred whilst in the field revolved around two main issues: the time it took to conduct the interviews and the reluctance of people. Firstly, traders were interviewed in their location of business which proved to be time consuming. Additionally, the interviews were quite extensive (consisted of 66 interview questions) which also contribute to the interviews taking considerably long. Secondly, some of the informants were reluctant to disclose information, as they have had bad experiences with people and officials interviewing them. As a result, these individuals were not interviewed.

Another key challenge that was experienced was that of getting interviews with professional companies. Despite numerous calls and emails, all interviews which concerned talking to professional bodies (such as PRASA, DSA and the City of Cape Town) were difficult to obtain, thus delaying the research process. Additionally, due to the lack of time available, an

interview that was meant to happen with DSA (in serving as a key informant) could not take place.

Due to the focus of the research relying on interaction with individuals, and requiring people to provide sensitive information, ethical considerations need to be made. Besides that of informed consent and voluntary participation, two main aspects were considered: confidentiality and emotional harm. The research was not entirely anonymous, as the participants gave their real names and residential locations. However, confidentiality was provided through making all the participants anonymous, in the final report. Any audio recordings taken during the fieldwork are not published and real names of interviewees are not used when quoting directly. Additionally, if the researcher were asked by authorities to provide information regarding the informal traders, the priority would be to protect the traders. Denzin and Lincoln (2005) express that interaction with people or research subjects carries a risk of emotional harm. Due to this, the researcher was sensitive in approaching the research and also sensitive to the impact that the research process had on participants. This was ensured by asking sensitive questions only if was directly linked to the aim of the research, and by listening to narratives, even they did not pertain to the research.

## **Reflexivity**

The researcher's aim was to draw attention to and hopefully positively highlight the issues surrounding informality and the informal economy in the South African context, more specifically. The nature of the research required close contact with the informal traders, thus the actions of the researcher might have an influence on the outcomes of the research. In this light, as mentioned earlier, the researcher walks a tightrope of being an observer and a participant herself. Additionally, as a black South African, the researcher was expected to know and conduct the research in the mother tongue of the participants (isiXhosa). Although the researcher is Zulu, she was able to speak in isiXhosa and this assisted in her being accepted by the participants.

## **Conclusion**

It can be seen that research can make use of various methods and tools in conducting research. The research applied in this study was that of qualitative research methods. The use

of the case study method was critical in exploring the field and gaining insights on the research environment. Various primary (observations, trader and key informant interviews) and secondary (documentary evidence, print media, questionnaire) data collection methods were utilised in acquiring information. Limitations to the study were discussed as well as the possible measures that can be taken in counteracting them. In the chapter that follows, a document review will be conducted in exploring regulatory measures, and the mandate of companies involved in the management and functioning of Nolungile station.



## Chapter 5

### Policy review, and investigation of PRASA and DSA documents

This chapter reviews the legislation, city plans and policies that apply to informal trading in Cape Town, and specifically those that involve Nolungile. This is especially important for these policies not only govern how informal trading is done, but also serves to provide awareness and knowledge of the management and regulatory structures affecting informal trading. This chapter begins with examining provincial policies and legislation that are relevant or affect informal trading, and follows with a review of local policies such as the informal trading policy and by-law, and Municipal development plans. Additionally, this chapter also analyses strategies and policies put in place that govern PRASA and DSA, and its operations. This is done in order to get an understanding of the values that underpin these two companies, whilst also examining key principles that form the base of the redevelopment project that is to occur in Khayelitsha. It begins with a description of each company and their purpose, followed by a review of their values and strategies. Moreover, an investigation of their approaches to South African economics, as well as approaches to informality will also be considered. Lastly, any drawings or spatial plans regarding the redevelopment of the station will be examined. Thus exploring to what degree, this modernisation project affects the informal traders at Nolungile station.

#### **The regulatory environment**

Reinecke and White (2004) point out that policies and regulations are used by governments in controlling economic activity, ensuring tax income to the state, and ensuring fair trade practices. Different laws regarding standards of products; employment quality; and protection of the environment are also enforced by government through policies and regulations. What can be seen is that the informal economy is increasingly responsible for job creation across the globe, therefore an examination into the regulations that govern the manner in which this sector operates is essential. Many scholars view the operations of regulation and how they affect the informal economy in different ways, however, they do agree that the relationship between regulation and informality can make or break how well the economy operates.

For example, having complex regulations can exclude the poor from doing business in the formal sector. For the Legalists, this is seen to be true, where even if businesses do want to get formalised, they opt for informality due to complicated regulations. For structuralists, on the other hand, vast numbers of business laws and regulations that exist are designed to address larger enterprises and favour them (even though there are an ever increasing number of enterprises in the informal economy), and for this reason individuals get left with no option but to work in the informal economy. The Voluntarists believe that many of these businesses in the informal sector have no trained staff in dealing with complex taxation regulations and costly business fees (*ibid.*) and because of these burdensome tasks required, individuals choose to work informally. Advancements in opportunities and support available in recent years for the informal sector has increased considerably, where Government offer support and services to small, medium, and micro enterprises (SMMEs). An examination as to what these policies claim is of importance, and how they handle the informal economy is of great importance, for this will also reveal the nature in which informality works in Cape Town and Nolungile specifically.

## **Policies and legislation at the Provincial level**

### **Western Cape Provincial Spatial Development Framework (2013)**

According to the Western Cape Government the Provincial Spatial Development Framework (PSDF) was created in order to serve as a basis for coordinating, integrating and aligning ‘on the ground’ delivery of national and provincial departmental programmes, along with spatial agendas, (Western Cape Government, 2013). It also aimed to ensure that municipalities fulfil their Municipal Planning mandate in line with the national and provincial agendas, whilst also communicating spatial intentions to the private sector and the general public, (*ibid.*). High on this framework’s agenda is that of the space economy (network of workplaces across the province), and a goal for “creating a resilient, inclusive and competitive Western Cape with higher rates of employment producing growing incomes, greater equality and an improved quality of life,” (Western Cape Government. 2013: 12). This is to be done through OneCape 2040, which sets out a long-term economic vision for the Province. This entails changing the current economic processes, especially for those it is not working for (marginalised).

The PSDF (Western Cape Government. 2013: 21) wants to transform the economy “from a factor and efficiency-driven economy with high barriers to entry and low productivity and entrepreneurship, to an innovation-driven economy with low barriers to entry, high productivity and entrepreneurship.” However, it should be noted that the PSDF mentions the informal economy very minimally, nonetheless the document does bring to light issues experienced in the informal economy, and commits to “managing urban informality proactively through the UISP and ABS programs,” (Western Cape Government. 2013: 87). When the informal economy is mentioned, the document specifies that there is a need to “support municipalities in managing urban informality, and make urban markets work for the poor, broaden access to accommodation options, and improve living conditions,” (Western Cape Government. 2013: 86). However, without clear directions and guidance as to how to approach informality and the economy, the informal economy will be managed differently by different parties, which will cause confusion and create different practices across different spaces.

## **Policies and legislation at the local level**

### **Cape Town Economic Growth Strategy (2013)**

The Cape Town Economic Growth Strategy (Cape Town EGS) was promulgated in July 2013. This document serves to direct and govern the economic growth of Cape Town for years to come. It is structured around five strategies in creating an enabling role in promoting local economic development. The City of Cape Town (2013: 2) claims to do this by “building a globally competitive city through institutional and regulatory changes; and by providing the right basic service, transport and ICT infrastructure.” Additionally, they (City of Cape Town. 2013: 2) declare that they want to “utilise work and skills programmes to promote growth that is inclusive and leverage trade and sector development functions to maximum advantage, whilst ensuring that growth is environmentally sustainable in the long-term.”

With regards to the informal economy, the City of Cape Town (2013: 29) aims to “play a positive enabling role by better coordinating its local development programmes and by introducing regulatory changes that facilitate genuine entrepreneurial activity in the informal economy.” In ensuring this, they plan to address the informal economy under the strategy of ‘utilising work and skills programmes to promote growth that is inclusive’. This strategy consists of five further strategies that aim to address exclusion and promote inclusive growth

in Cape Town, which include skills development; tertiary education sector development; and broadening job opportunities via the Expanded Public Works Programme. Additionally, the City of Cape Town (2013: 3) claims that in its attempts to better approaches regarding the informal economy, they will “integrate the functions of Local Area Economic Development (LAED) and Business Area Management (BAM); implement a staffing strategy to improve departmental skills and expertise; simplify the existing trading plan development process and methodology, and implement a sector growth strategy to promote entrepreneurship.” Thus it can be seen that the majority of the City’s solutions regarding informality lie in regulation (management) and formalising this economy.

### **Spatial District Plan for Khayelitsha and Mitchells Plain (2012)**

The Khayelitsha and Mitchells Plain district plan is a strategy that was created in an effort to try and protect areas with environmental significance, whilst also guiding the physical development of a district. The City intends for this plan to be aligned with the Spatial Development Framework (SDF) and other government plans. The City of Cape Town (2012: 3) claims that the design and plan for Khayelitsha and Mitchells Plain was developed in order to address key challenges and concerns, which include “overcoming the spatial constraints to economic development, addressing the spatial concerns related to rapid settlement growth pressure, and providing direction for better access to safe, quality public spaces, accessible public facilities and city-level places of amenity.” However, the means and strategies in addressing these concerns are put forward by the City through identifying areas in which they feel are of opportunity, which are: transport interchanges and station areas; coastal nodes, the Philippi Industrial Area; and income generators close to the district such as the airport. The spatial vision that the City of Cape Town (2012: 4) has for the area is for a “connected district with its heartbeat around its rail stations, its soul in its safe dignified parks and living rooms and its new coastal face shining to its residents and visitors from the City and beyond.”

This Khayelitsha and Mitchells Plain district plan also guides and directs future growth that is to occur in Nolungile. In terms of future development that is to happen at Nolungile station, the City of Cape Town (2012: 12) proposes urban/civic precincts that “should be the focus of public investment in public and social facilities, contributing to clusters of complementary uses and quality public spaces which improve the urban environment.” The City also suggests that the area be accompanied by an urban park, which is proposed to be located near a non-

motorised transport (NMT) station. The City of Cape Town asserts that this urban/civic precinct is to be a catalytic project arising from the Nolungile station upgrades. In terms of trading, the district plan (2012: 115) states that the station precinct should have a forecourt and that the “public space upgrade to the north of the station should include the entire public facility cluster...the focus should be on the development of hard space, landscaping and provision of trading facilities.” The district plan has outlined that a minimum of two years to a maximum of over five years is allocated for the Nolungile interventions. Overall the role of that the City of Cape Town wants to play in the future of Nolungile (2012: 147) is to “encourage the development of new housing, shops, trading space and public facilities in close proximity to the rail stations.”

### **Informal Trading Policy (2013)**

The informal trading policy was created in an attempt to manage and regulate the informal economy. The City of Cape Town (2013a: 4) claims that “the policy seeks to set out the: strategic objectives for the development of the informal trade sector, planning and management guidelines for informal trade in the City, and stakeholder roles regarding the informal trade sector.” As mentioned earlier, the government is recognising the importance of the informal economy, and aims to create a thriving and well-functioning informal economy. The City of Cape Town (2013a: 8) further claims that through “a developmental approach, *they* seek to facilitate the access to job and entrepreneurial opportunities within the informal trading sector... and the nurturing of a positive relationship with the formal business sector and consumers by providing a stable regulatory and flexible management environment that is predictable, empowering and sustainable.”

The strategy that the City of Cape Town (2013a: 8) puts forward is a policy that sets out to address three key agendas in the informal economy, which are: policy issues, institutional arrangements, and the development of the informal economy and planning. They recommend (City of Cape Town. 2013a: 9) tackling these issues using five strategic objectives: “planning for and initiating development activities for the sector; introducing new technologies and promoting sector innovation; supporting or establish industry development organisations; establishing stakeholder dialogue institutions and support existing representative institutions; and engaging in policy development, review and mainstreaming processes.”

The policy proposes four implementation measures in ensuring sustainable urban management, which are: planning, the allocations policy, the registration process and the rentals policy, (City of Cape Town, 2013a). Thus the power in allocating, renting and registering space for informal trading lies with the City of Cape Town. In order for traders to trade, each trader needs to first and foremost be registered. This information is then stored in a central database system, containing the traders' information, where they are trading and how much rental they are paying. In allocating a space, the allocating can only be done by City officials, however, the choosing of a site is claimed to be a negotiation between different stakeholders, including a balance of access to opportunities between established traders and new entrants, (ibid.). The prices that are provided are based on the value that is placed on sites, which happens through a system of differentiated tariffs, which the City officials claim they have a right to charge.

The City (2013a: 20) also suggests that “tariffs will be linked to site size, desirability of location and the level of services provided... which are determined by considering the cost to local government of providing the facility, bearing in mind the need to subsidise new opportunities in appropriate areas.” Thus different tariffs are applied depending on proximity to good resources implying that various areas are managed differently. For example, management of formal market sites are outsourced on a competitive tendering basis, (ibid.). Moreover, this policy stipulates things that are not permitted, which are punishable by law. Things such as (City of Cape Town. 2013a: 21): not being permitted to trade if your business causes a nuisance or is a danger or threat to public health and safety are an example of such prohibitions. In these cases, a permit can be revoked or suspended. Despite this, the City of Cape Town claims to allow for a process of inquiry, in which the trader inquiring has to have a witness and an inquiry meeting where minutes are taken is conducted. However, this process is governed by the Municipal Systems Act (Act 32 of 2000), which implies that the traders need to have a copy and know the Municipal Systems Act well enough to follow the protocol and know what to do, which many traders are unaware of.

### **Informal Trading By-laws (2009) and the Informal Trading Amendment By-law (2013)**

The By-law, which was promulgated in 2009, aims to give meaning to and explain things in the policy, such as what constitutes beach trading, illegal goods, special events, etc. which may be unclear or interpreted falsely. The By-law also aims to sets out (besides the adoption

of a trading plan), the public participation process in adopting the plan, amendments and comments to the trading policy. The By-law additionally focuses on general prohibitions and restrictions on informal trading, in which the prohibitions and offences that are placed on trading are made clear. It gives powers for an officer of the law to act upon or punish an informal trader (after issuing a written warning) if in their opinion a trader has contravened the By-law. The City of Cape Town (2009: 23), states that “traders who contravene any provision of this By-Law or fails to comply with any condition imposed in terms of thereof: threatens, resists, interferes with or obstructs any officer or any employee of the City in the performance of official duties or functions in terms of or under this By-Law; or deliberately furnishes false or misleading information to an officer or any employee of the City; If guilty of an any of these offences and liable on conviction to a fine not exceeding R5000 (five thousand Rand) or to imprisonment for a period not exceeding 3 months.”

This policy was amended in December 2013, in order to make provisions for concerns, and for providing better clarification on prohibitions. In echoing Maloney (2004) and de Soto (1989), the City officials have come to realise that people can have a desire to be an informal trader and become a part of the informal economy. Thus a provision was made for section 8.4.1 in which the By-law (2013) now states that “in order to qualify for a permit, the applicant must be an informal trader or *desire to become an informal trader*.” Additionally, the number of employees an informal trader can have were reduced from twenty to five (cannot employ more than five people) which are in line with the 15<sup>th</sup> ICLS (1993) definition of the informal sector. Moreover, allocative structures were amended, where an informal trader may not be allocated more than one trading bay. The City also proposed that food products that are prepared and sold have to have a certificate of acceptability, however, guidelines or information on how this is done is not provided. Importantly, the powers of an officer to act upon or punish an informal trader, were amended. An officer can now only take action of an offense after two written warnings. However, they are allowed to impound trader goods if they see fit. Lastly, in issuing the permit, the informal trader is required to attend an information session on the Policy and By-laws that govern trading.

The informal trading policy and its By-laws have been commended for being a good policy in terms of clarifying and simplifying the law, improving enforcement, encouraging compliance, and facilitating registration (Bachoo, 2013). However, there are elements that can be noted which are currently lacking in the current regulation which consists of two things. Firstly, there is a failure in stipulating the manner in which capacity building will be

addressed by the City. Not having this will impede not only on the process of managing the informal trading, but also equipping people with the right tools for being able to trade in areas. Secondly, the permit application requirements and process should be reviewed periodically in keeping with current risks and regulations, without being too bureaucratic (Bachoo, 2013). The informal economy isn't static which is why reviewing the policy every four years (like the last time the policy was reviewed) is too long. It can be noted that there is a need to constantly rethink and rework regulations in determining as to what regulations are appropriate for which components of informal employment (Chen, 2012). Moreover, the policy and by-law still have a tendency in outlining enforcement and regulation with minimally offering means of providing protection for the informal traders, which can be seen to be a major downfall for this progressive policy.

### **Passenger Rail Agency of South Africa (PRASA)**

PRASA is a state-owned transport company, which was established in 2009 and is responsible for South Africa's processing of passenger transport. PRASA is active in six metropolitan areas and has four subsidiaries in operation: Shosholoza Meyl (intercity train services), Metrorail (regional train services), Autopax (long distance busses), and PRASA Intersite (real estate and transport), (PRASA, 2015). The hierarchy and capacities found in the PRASA group is displayed in Figure 6. PRASA (2013: 3) states that its responsibility lies in "effectively developing and managing rail & related transport infrastructure, and to provide efficient rail and road based passenger transport services within, to and from urban and rural areas." They (PRASA, 2015) claim that their primary objectives lie in the provision of urban commuter services, whilst secondary and tertiary objectives lie in generating income from its assets and complying with the governments (social; economic; and transport) objectives respectively, (PRASA, 2013).



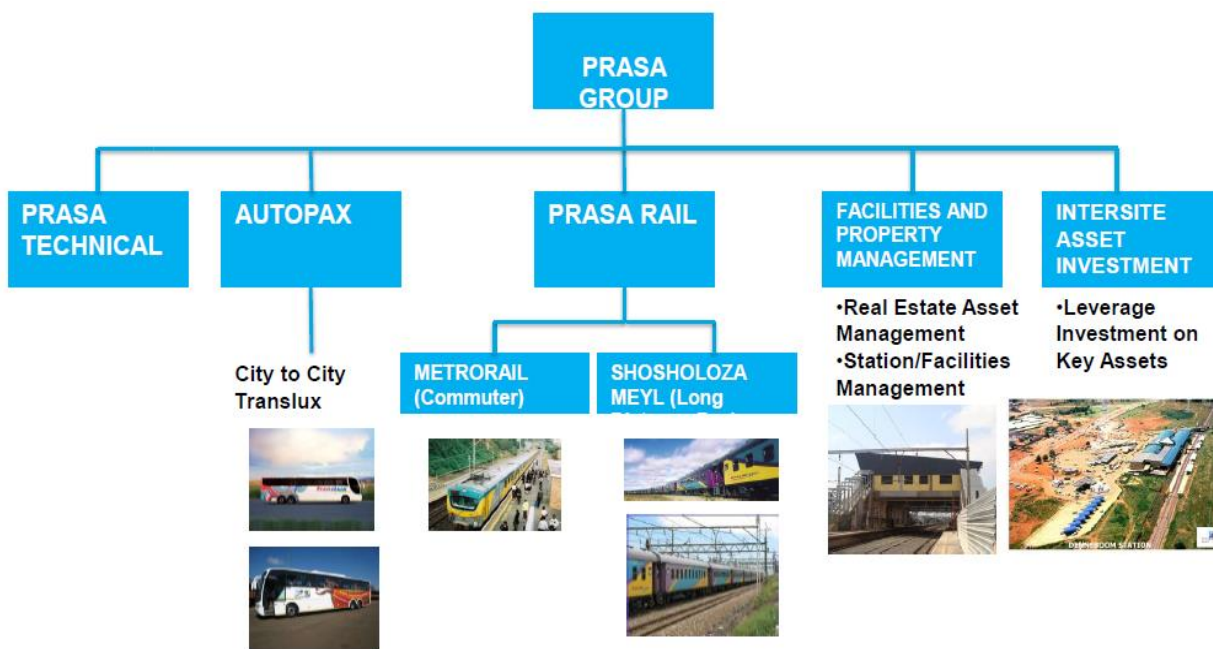


Figure 6: Hierarchy of PRASA group (source: PRASA, 2013)

According to PRASA (2013: 12), their vision is “to be the leader in passenger transport solutions, with a mission centred on striving for high-quality and sustainable passenger services through service excellence, innovation, and modal integration.” PRASA (ibid.) claims that this vision is guided by five principles, which are: mobility (sustainable public transport); accessibility; modal integration (seamless integration and partnerships); service excellence; and sustainability (environmental quality and social equity).

### National Station Modernisation Project

In keeping in line with the National Development Plan vision for 2030, being the evolution and transformation of transport systems in meeting the demands of the growing economy, PRASA has decided to embark on a nationwide station improvement and upgrade programme. “PRASA says its critical objective over the next few years is to modernise the existing passenger railway system in order to meet the challenges of a contemporary society... through implementing plans for the modernisation of the signalling, telecommunications systems, stations, security, rolling stock and train operating systems,” (African business journal. 2014: 2). This infrastructure project entails 134 planned station

improvements and other facilities which include: the provision for universal/disability access, commercial facilities to enhance revenue generation at stations, intermodal connectivity as well as enhancing the customer and communications interface at stations, (PRASA, 2012). Mawu (2015) states that PRASA will spend R1.3 billion over the next three years as part of the National Station Upgrade Programme, with expected costs amounting to R5.4 billion. In a presentation done by the former PRASA CEO Tshepo Lucky Montana, in describing the look and feel of what the modernised stations were to look like, images such as those shown in Figure 7 were displayed. Additionally, PRASA (2013: 41) believes that the benefits of this National Station Upgrade Programme will be “1 000 jobs created by the direct construction process; improved revenue collection; improved station operations; enhanced commuter flow/access in and out of the station; enhanced station surroundings – intermodal facilities, shops, and other commuter requirements; and providing universal access.”



*Figure 7: image of future stations (Source: PRASA, 2013)*

PRASA former CEO Lucky Montana (2013) believes that the main challenges that are found regarding local economic development (LED), is that of the company’s inability to support economic activity and the limited access created to socio-economic opportunities for the rural and urban poor. He (2012: 2) states that “railways have the potential to link the different regions of a country and create a single, articulate economy...they have the potential to connect producers to their markets within an economy, ensure access for both the rural and

urban people, and ensure connectivity and integration within the different regions of the Continent.” Due to these concerns and realisations, PRASA in collaboration with Gibela consortium claim to have a contractual agreement, shown in Figure 8, stipulating that (PRASA, 2014):

- R977 million are invested on Broad-Based Black Economic Empowerment (BBBEE) Skills Development initiatives;
- R892 million are spent on the development of enterprises in the rail sector;
- R323 million are spent in socio-economic developments;
- R1.7 billion of services are procured from Woman Owned Entities; and
- 8088 (eight thousand and eighty eight) direct jobs are created.

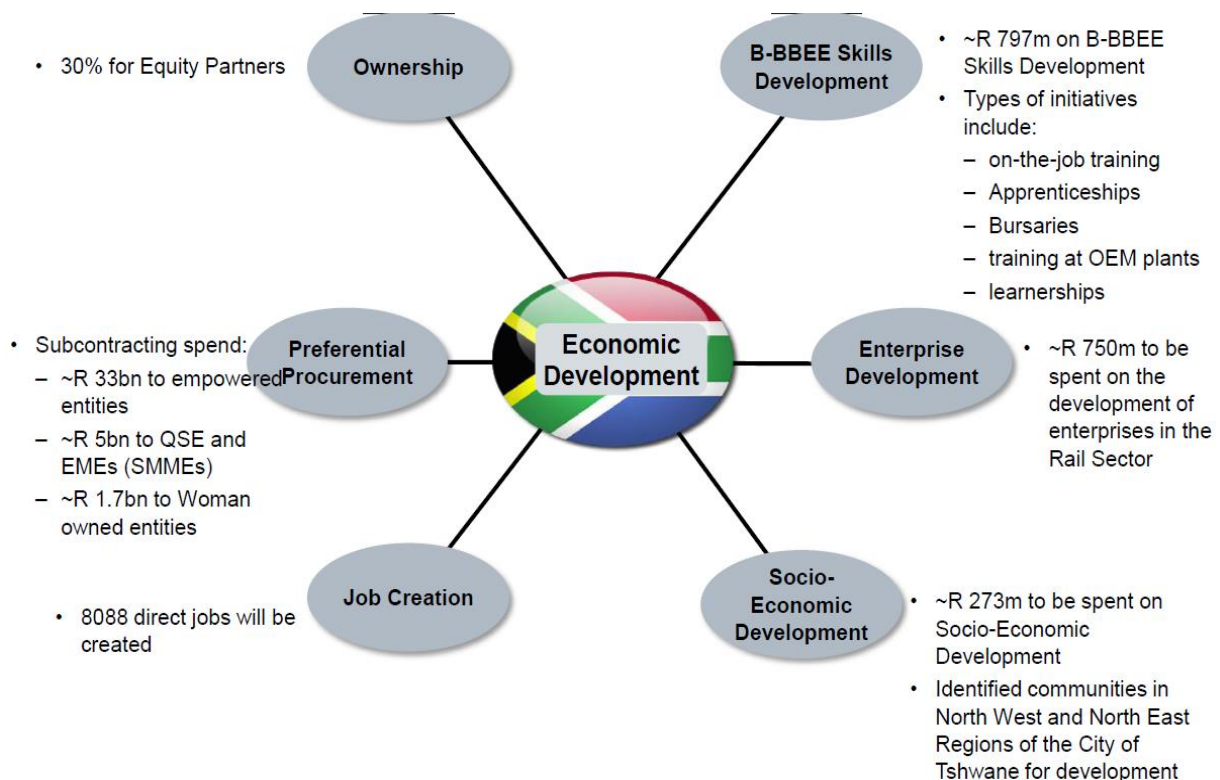


Figure 8: Local Economic Development to be promoted by PRASA (source: PRASA, 2013)

Moreover, Lucky Montana explains (2015: 3) that his goal is to “turn stations into profitable commercial hubs, thus generating greater revenue, keeping commuter prices down and enabling the agency to create a better service...if you have 145 000 people passing through the station, and if you’re involved in retail and selling foodstuff, it’s the right place to be.”

Thus it can be seen that in creating and promoting the Station Modernisation/Upgrade Programme, PRASA claims a position that is said to promote and boost the current economic initiatives that are occurring at the stations. However, it should be noted that in examining the various documents written by PRASA regarding the station modernisation programme, the terms: *informal economy*, *informal sector*, *informal traders* or *informality* were not mentioned whatsoever. Instead, the words ‘direct jobs’ appear more often alluding to the fact that PRASA is geared towards providing more direct jobs in relation to the modernisation programme.

When concerning existing entities present at the station, PRASA uses terms such as ‘SMME’; ‘BBBEE’; ‘black-owned businesses’; and ‘women owned businesses’ to insinuate an encompassing of the informal economy. What is also apparent is that PRASA aspires for modernity, which echo Robinson’s (2002) concept of global South countries trying to establish themselves as ‘world class cities’ through big construction projects. Additionally, although PRASA claims to promote have commercial hubs, which are to be created through this upgrade, they only have 16 trading spaces currently allocated for traders at Nolungile station. At its current stage the project has its plans (drawings) done and approved in conjunction with City officials, and is at a budget review phase in analysing the projects feasibility, and what the return on the project will be. Additionally, the tender for Nolungile has gone out and has been reviewed. The project is expected to be underway by mid-year 2016.

### **DesignSpaceAfrica (DSA)**

DesignSpaceAfrica (Pty) Ltd. was founded in 2009 by director Luyanda Mpahlwa, and consists of employees made up of urban designers and architects. This architectural company believes in creating change through design, with design being defined as (Mpahlwa. 2014: 1) “a collective discipline, driven by individual initiative and innovation.” The company aims to provide architectural and design solutions for sustainable buildings, creative interiors and transformative urban spaces. Mpahlwa (2014: 1) explains that “our design philosophy is inspired by the desire to translate African culture and traditions into a contemporary architectural aesthetic, beyond limiting stylistic interpretations...in seeking to engage with our unique and diverse African culture and climate, the creative use of materials and our natural landscape is pursued.” The vision that the company abides to is that of ‘responsive,

intelligent, enduring design'. The company asserts that this vision is underpinned by striving "towards finding new architectural expressions through the use of space, light, colour, form and materials which are more reflective of our unique South African heritage... and believing that architecture has a role in the transformation of our country and the upliftment of marginalised communities," (DesignSpaceAfrica, 2014). Along with this vision, DesignSpaceAfrica claims to be driven by their mission of designing for social change.

### **National Station Modernisation Project**

PRASA, in progressing with Phase 1 of the Station Modernisation Project for the Western Cape Region (WCR), commissioned DesignSpaceAfrica in designing the spatial plans. Five stations were chosen, in creating a railway link between Cape Town Central Station and the Cape Flats, with a budget of R400m - R450 million assigned. These stations are: the Bonteuhwel station, the Stock Road station (Phillipi), the Mandalay station, the Lentegeur station (Mitchells Plein), and the Nolungile station (Khayelitsha). DesignSpaceAfrica (2014) claims that "integrated in their local contexts, this Station Modernisation Project seeks to bridge the social and spatial divide providing state of the art public transport nodes that conform to National standards." The first station to be upgraded is Nolungile in Khayelitsha, and will be the catalytic project for the other stations

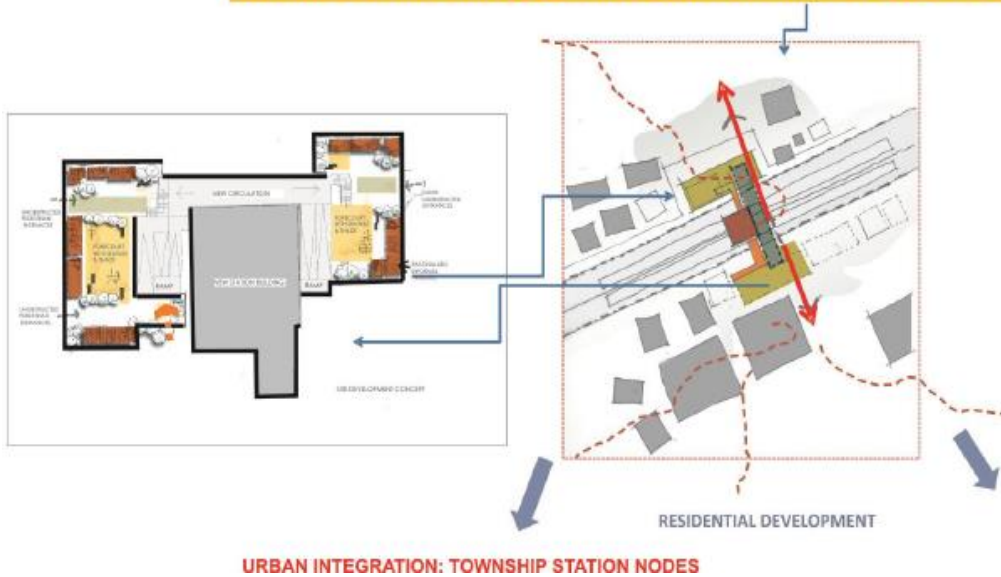
DesignSpaceAfrica approached the design of the Nolungile station across three scales: city region (scale 1), local area (scale 2) and building (scale 3). Mpahlwa (2013) states that the key principles which were applied across these scales were: *resilience, sustainability (economic and environmental), people friendly environments, legibility and safety, access and connectivity, efficiency and comfort, place-making, and a trading hub*. The company (DesignSpaceAfrica, 2014) claims that their vision they have for the station is one that "contributes to commuter experience, is attractive, and is an efficient and enabling environment," displayed in Figure 9.

WHAT IS THE VISION:

A comfortable, safe desirable commuter experience  
An attractive destination for commuters, as well as secondary users  
an environment that is efficient and facilitates the activities of commuters and rail operator



**LOCAL STATION NODES: INTEGRATION WITH URBAN CONTEXT**



**URBAN INTEGRATION: TOWNSHIP STATION NODES**

Figure 9: vision for Station modernisation project (source: DesignSpaceAfrica, 2013)

At a city region scale (scale 1), the company’s analysis consisted of unlocking the potential of the five stations, in creating starting points around which local amenities, housing, public space and economic activity can grow (Mpahlwa, 2013), which is displayed in Figure 10. Moving down to the local scale, a concept design was created in encompassing the values and vision. This concept design consists of: the core station building, gateways for public spaces, connecting routes, and economic nodes, which is shown in Figure 11 and 12. This concept was also applied to the station building (scale 3), in which the building was expanded with an administrative wing and a new public area (open public space). Figure 13 shows what the complete building is to look like, which sort of resembles that of the Cape Town station, and shows no indication of any commercial activity outside the station or on the ramps.

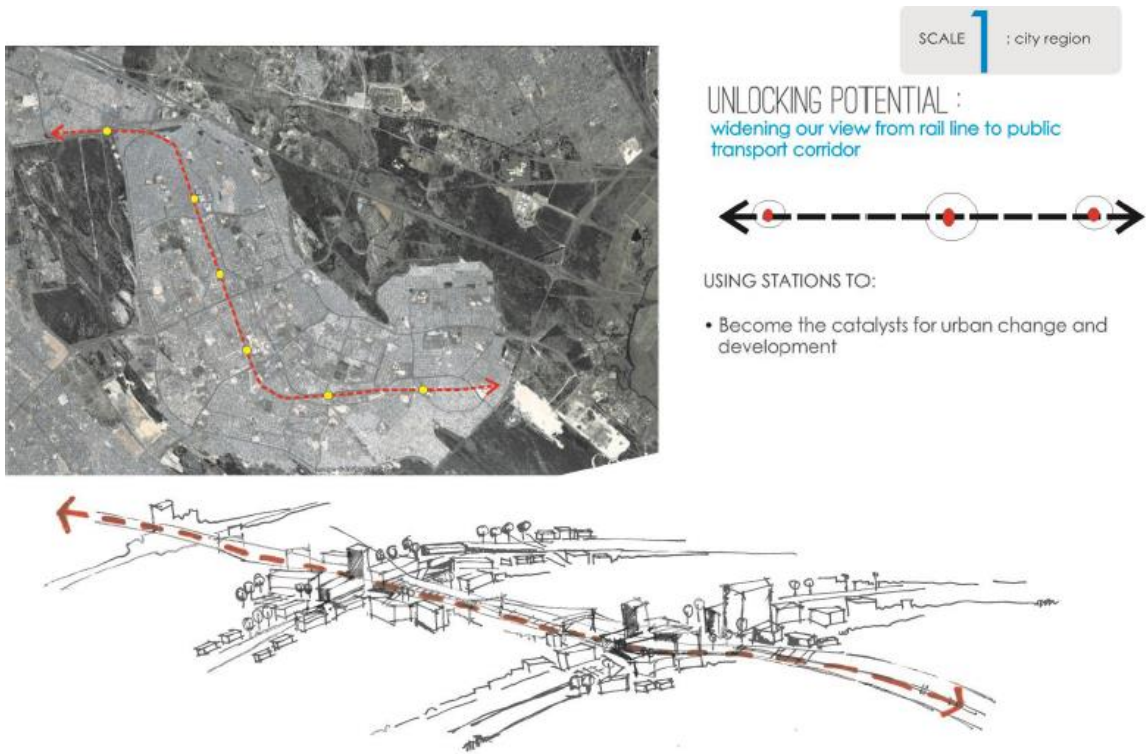


Figure 10: station modernisation city region scale (source: DesignSpaceAfrica, 2013)

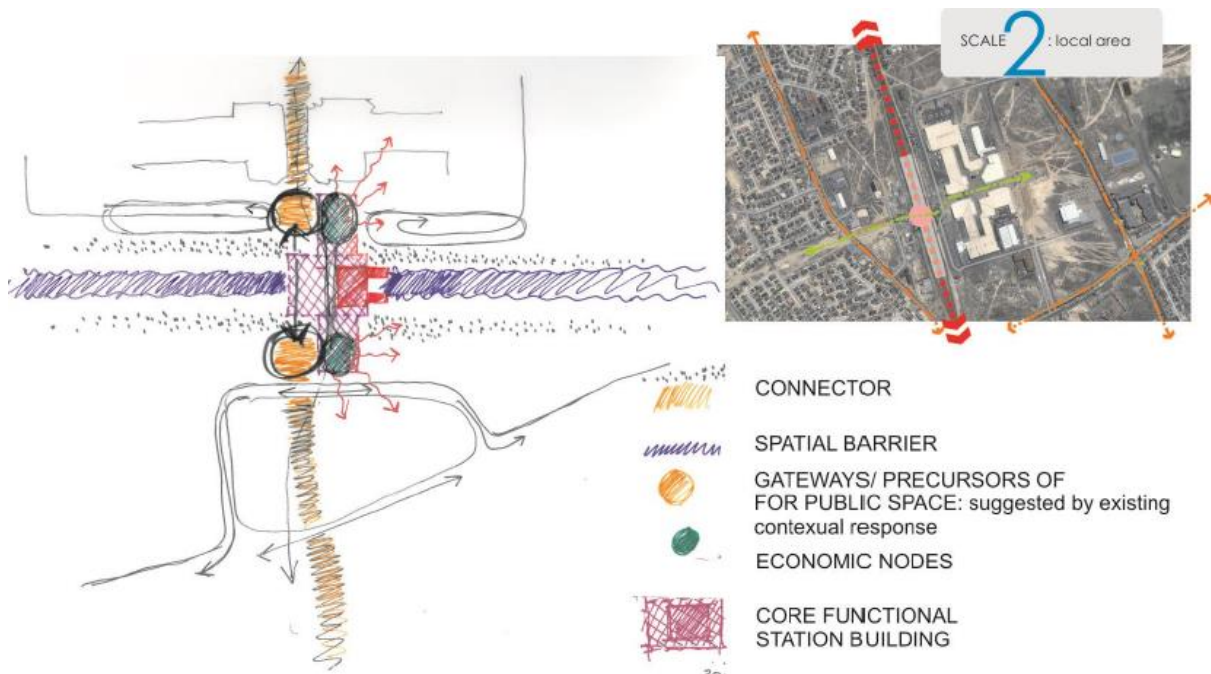


Figure 11: Nolungile station concept drawing (source: DesignSpaceAfrica, 2013)

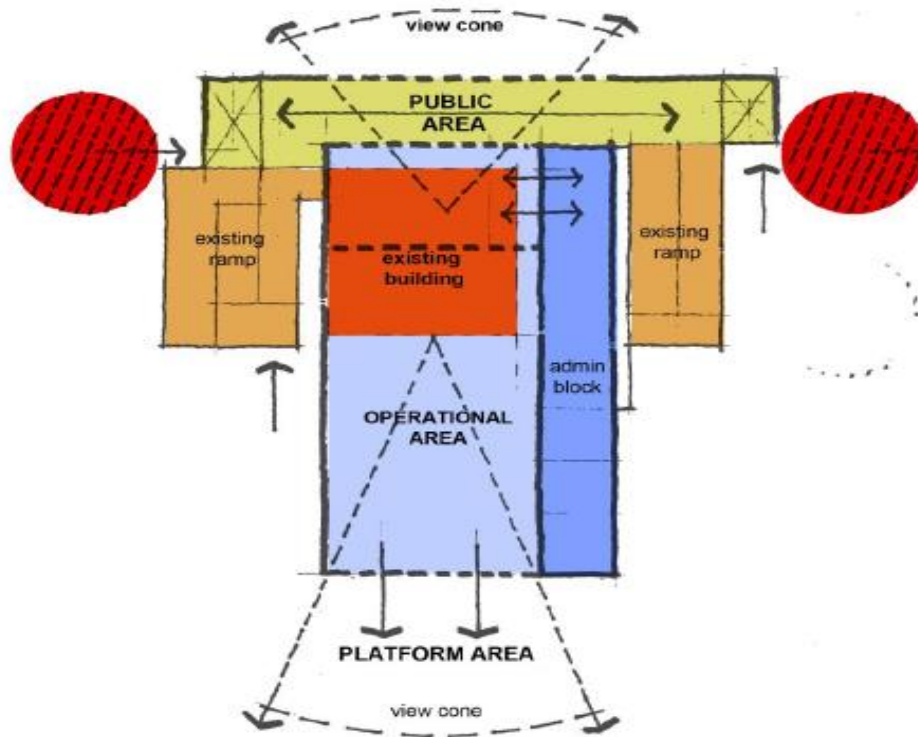


Figure 12: concept drawing of station building (source: DesignSpaceAfrica, 2013)

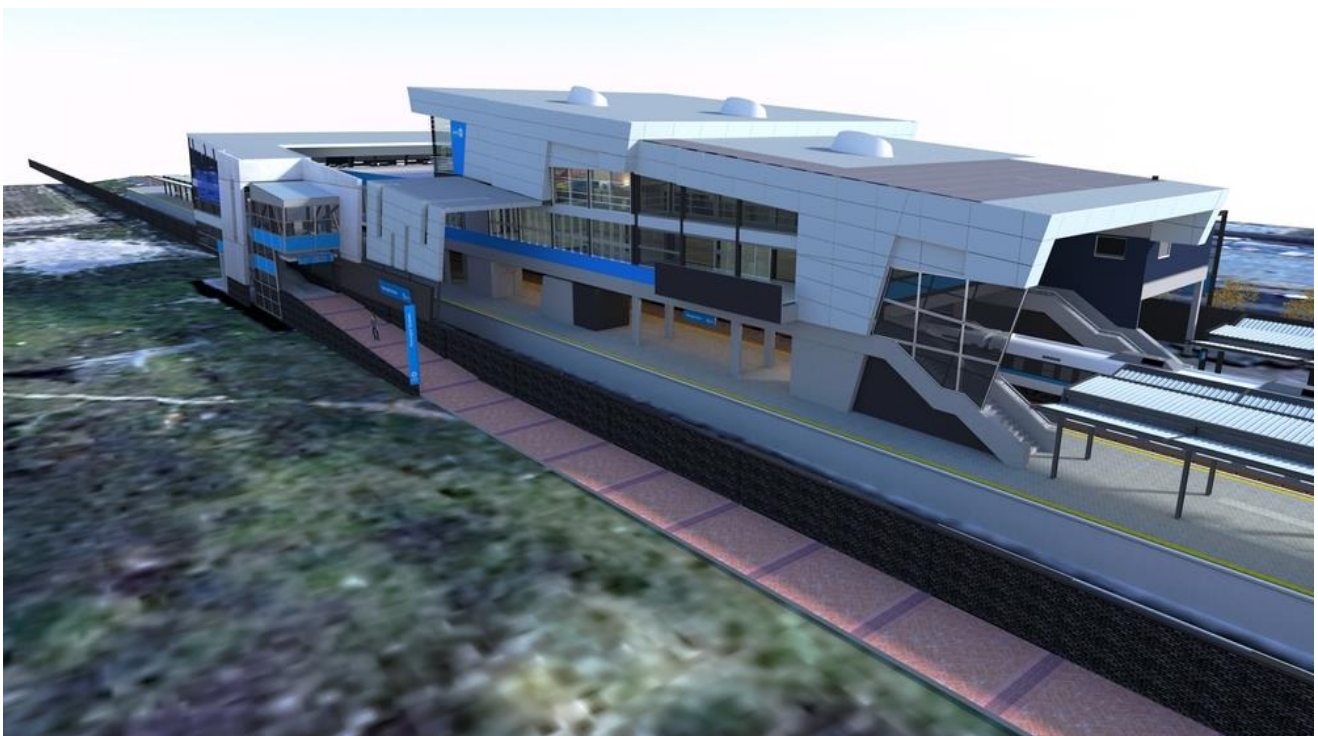


Figure 13: future plan for Nolungile station (source: DesignSpaceAfrica, 2013)



## Implications for traders

DesignSpaceAfrica (2014) has stated that they want to encourage a space that is economically friendly and is inclusive. This new proposed precinct is suggested to consist of: the new station building, station forecourts which are used as open public spaces, and retail spaces. However, despite the desire to have an area that is ‘economically friendly and is inclusive’, the drawings and images which have been designed for this new precinct show no indication or gesture that suggests that the informal traders are going to be included in these plans. Thus deducting from these plans and images, such as Figure 14 and 15, it is quite apparent that the traders who are trading at the station could possibly be moved from their designated areas. It is unapparent as to whether the traders are content with these plans, however, this could have various consequences for the traders which will be discussed in the findings chapter.



*Figure 14: view of Nolungile station from the outside (source: DesignSpaceAfrica, 2013)*



*Figure 15: view of Nolungile station from the inside (source: DesignSpaceAfrica, 2013)*

## Conclusion

This chapter has reviewed the legislation, city plans and policies that apply to informal trading in Cape Town. It has also highlighted the importance of policy in governing informal

trading and has pointed out that government has realised the importance of the informal economy, and is now accommodating for informality in policy. The City of Cape Town has adopted a developmental approach in creating sustainable urban markets, however, whether this is what is happening on the ground is yet to be determined. Additionally, this chapter has analysed strategies and policies put in place that govern PRASA and DSA, and its operations. The station modernisation project was examined, along with the drawings and plans for Nolungile station. It can be seen that the drawings and plans for Nolungile station are going to affect the informal traders, as their areas of trading (being their livelihoods) could potentially be altered and/or changed. This chapter also served to show that both companies claimed to have a consideration and promotion for the informal economy, however, the final intervention consisted of having plans and images in which none of them gave an indication or attention to the plight of the informal traders.

## Chapter 6

### Interchange for the informal market?

*Coming out of the train going to Nolungile ready to spend the day with the traders, I worm and weave myself through a hoard of people all briskly walking. As they disappear through the entrance gates, I am greeted by a number of stalls. These stalls have varying displays of fruits, sweets, and even accessories. A number of elderly traders, all get up realizing the next load of customers are here to buy. I see that a number of people are now at some of these stalls, chattering, picking and buying the products on displays. As I get closer to these stalls, I get confronted by the wind that channels through the station tunnel. As I walk away, leaving the tunnel, the smell of braai meat fills the air. As I am walking over the bridge and look over, I see traders who are busy with corrugated iron and wood. They are working on their prefabricated shack components, ready to put them on display. As I reach the end of the bridge I finally see where the smell is coming from. It is coming from containers resembling a meat market where young men are preparing braai meat. The further I move away from the station, the more traders I see, and the more the heart of the economic life of site C flourishes. Taxis drive by, all turning into the same place, in which I assume is the rank. Following these taxis and crossing the street, I see the 'clothing centre', where an array of colour is seen from clothes that are on display. A street of ladies, whom are called 'mamas' are sitting sewing some garments, and selling sweets on the side. Further down a hair salon and repair shop is seen. The composition of these various forms of trading all come together forming a lively urban market.*

(Observation by author, 28/08/2015)

### **Introduction**

This chapter explores the findings from the fieldwork. As noted in Chapter 4, interviews were conducted with informal traders who are trading both on the inside and outside of the Nolungile station. The chapter begins with discussing basic demographic variables.

Information regarding what goods are traded, aspects of business and opportunities and constraints that the traders face are also discussed.

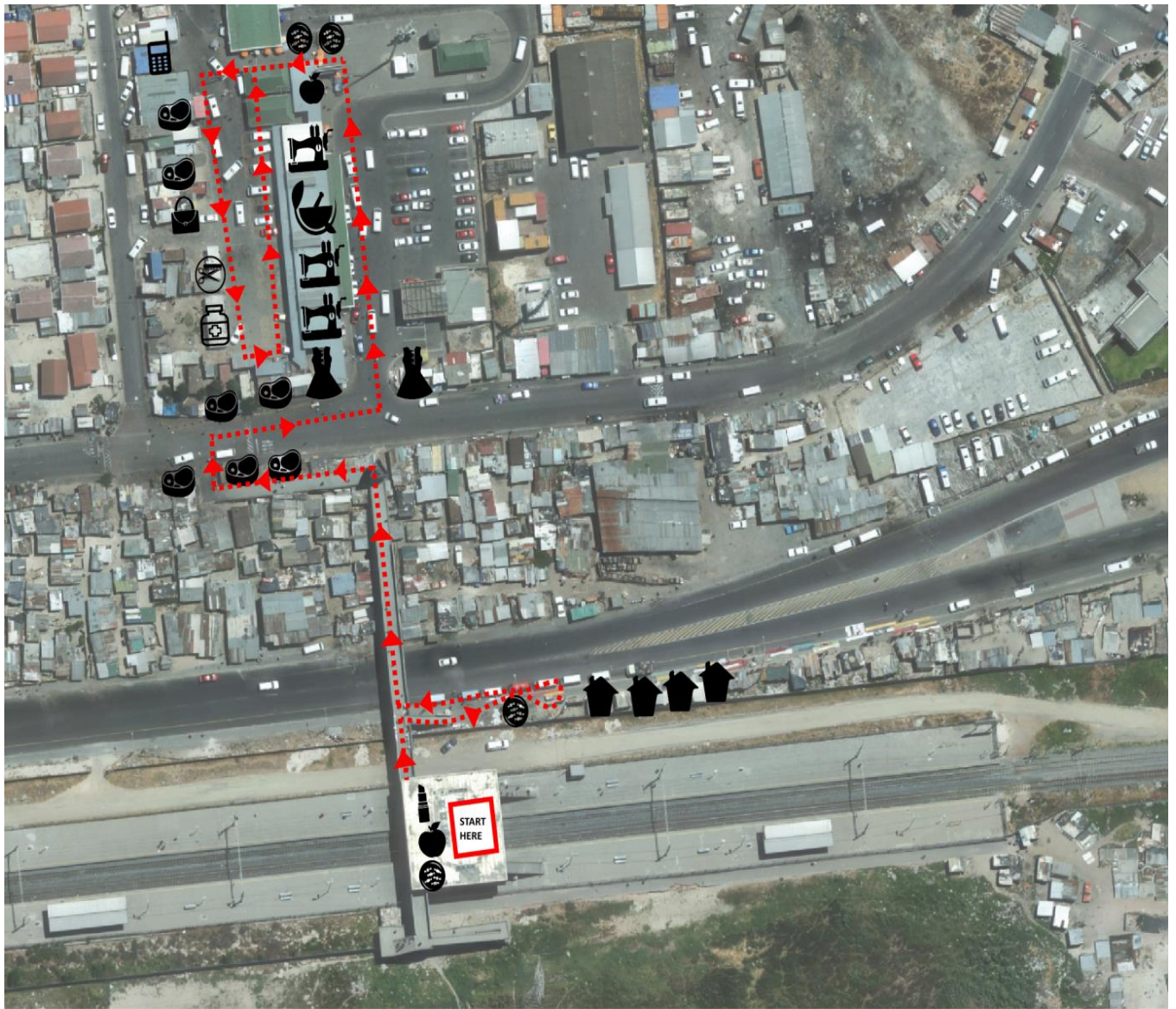


Figure 16: Trading that occurs in site C (Author, 2015)

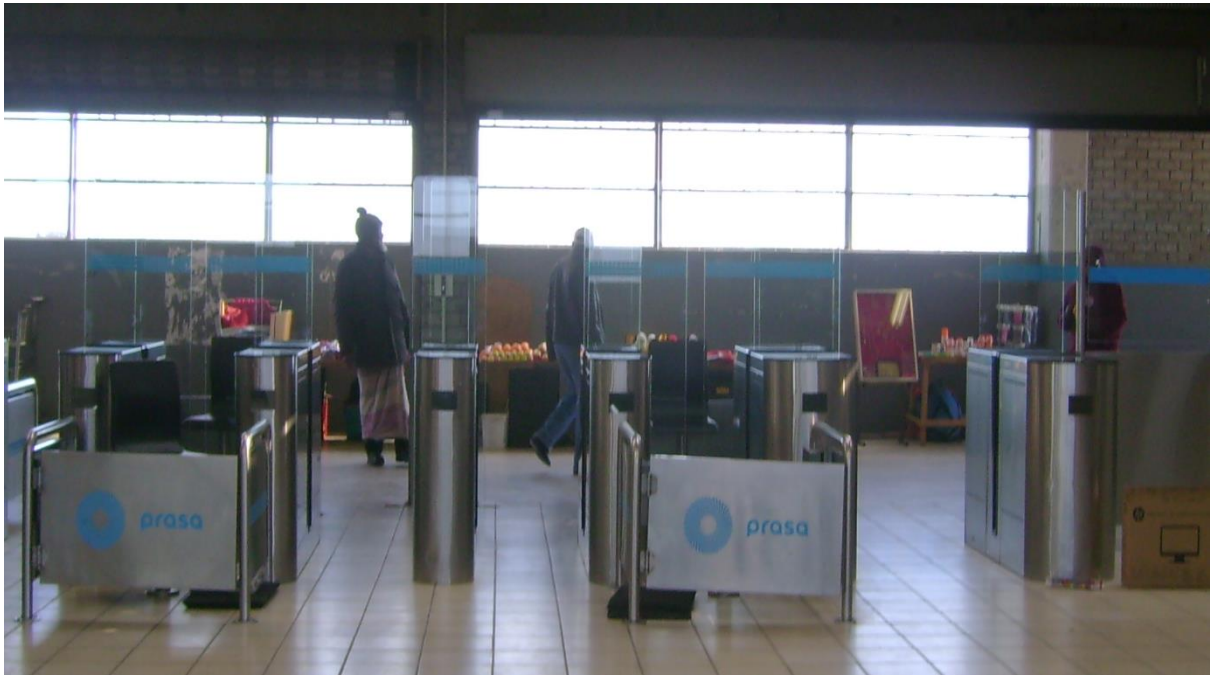
Examining what motivates people to enter the informal economy and what stops them from achieving sustainable livelihoods are of importance. In examining whether *change* will happen for the informal traders at this interchange, and whether that change is positive or negative needs to be explored, which will be tackled through examining findings that encompass the Nolungile station upgrade.

Figure 16 displays the trading that occurs in the site C area of Khayelitsha. The movement paths taken in surveying the area follows pedestrian movement which usually starts or ends at the main transport nodes (the train station or taxi rank). This also shows the strategic selection by the traders in positioning themselves where there will always be a customer base. Significant findings that came out of the survey was that the area has two distinctive trading patterns found which constitutes of a small number of traders trading on the inside, and the rest of the traders who trade outside the station, closer to the taxi rank. The different types of trading all group together (the people who sell meat are together, and the sewers are together, etc.), resembling slight niche markets. Additionally, the closer one gets to the taxi rank moving away from the station, the greater of numbers of traders increase.

There is a variety of goods that are found in the site C area, these are: consumables, fruit, cosmetics, jewellery, prefabricated shack components, clothing, fast food, meat centre, hair salon, and cellphone repair shop, to name a few. Siqwana-Ndulo (2013) states that “the majority of street traders in South Africa are black women who trade in a range of goods including sweets, knick knacks, cigarettes, clothing, and (most prominently) in fruit and vegetables (often produced by someone else).” The findings that were uncovered in the field are in line with this statement, which was seen the greatest inside the station.

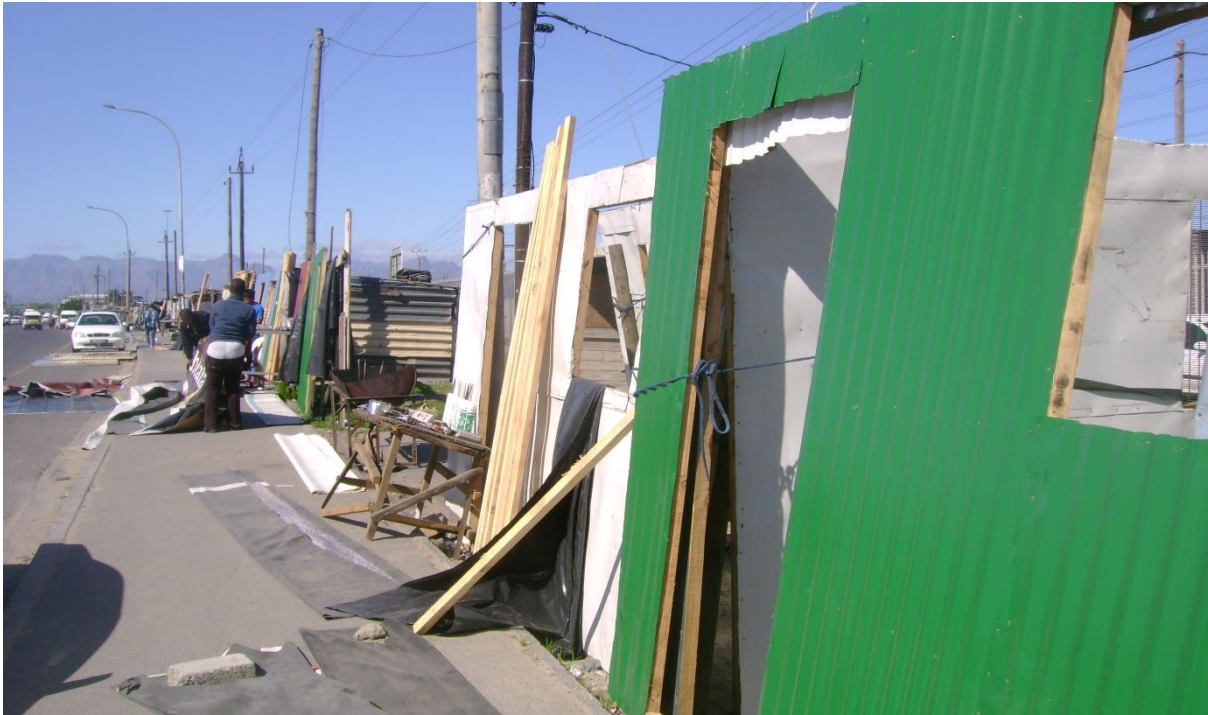
Those who are trading on the inside of the station are selling fruits, consumables, cosmetics and jewellery, as displayed in Figure 17. The customer base at the station mainly consists of general by-passers, commuters of the train, and schoolchildren. This area is seen as suitable for what is sold, the customer base buys. What is also apparent is that the sale of these products is reliant on passing feet, thus foot movement is an important factor in trading, and location for trading. Traders also recognise the importance of passing feet. Remarks such as “*I also like the fact that there are constantly people around so you always have customers,*” (2/9/2015) and “*there are always people here. It’s always convenient for people to get stuff here before they go home,*” (28/8/2015) were common statements that were made in reference to the choosing of the location for trading. Additionally, 87% of traders interviewed had

stipulated that they were trading at the site C location because of the transport interchange, and the good proximity to customers they always had.



*Figure 17: trading happening on the inside of the station*

The traders that are selling inside the station are also very old, and have a long history of trading in the station, whilst the younger traders are found outside the station. Considering the foot movement an area such as a train station receives, it is quite baffling to find a very small number of traders operating in the area. The majority (67%) of traders work extremely long hours (12 hour days), and work 6 days a week. The types of goods of those trading on the outside vary. By Govan Mbeki Road, there is the selling of prefabricated shack components displayed in Figure 18. The selling of these is a unique feature that differentiates trading in townships from trading elsewhere. Further down there is the meat centre, which is shown in Figure 19, and the clothing centre, which is shown in Figure 20. Trading on the outside also features a hair salon and a cellphone repair shop, which is the only one in the area, shown in Figure 21. These trades (less the prefabricated shack components) seem all to be in the same general area, despite the different needs by each industry (meat people, from clothing people), which speaks to the need for a trading area that will cater to these different needs. It is apparent that there is a difference in trading in goods between those trading on the inside and those trading on the outside. It also provides a contrast on the enforcement of regulations between the inside and outside of the station.



*Figure 18: prefabricated shack components being made outside Nolungile station*



*Figure 19: meat braaing found at site C*



*Figure 20: trading that is found outside of the Nolungile area*

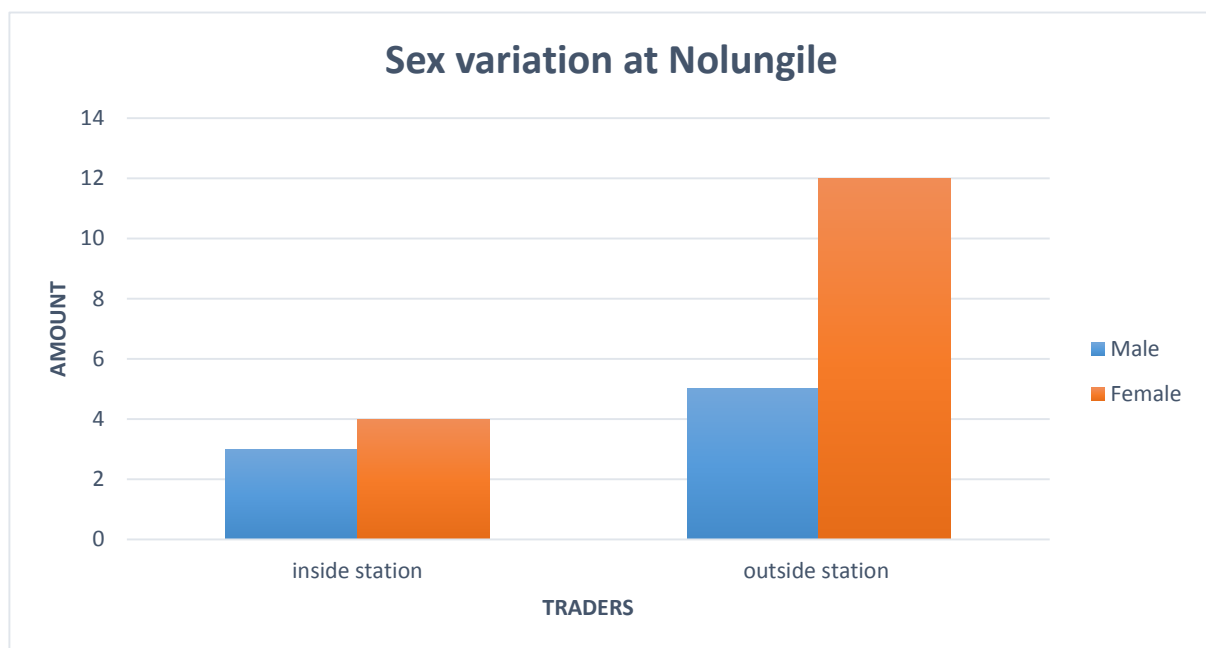


*Figure 21: Cellphone repair shop found outside*



## Demographic Variables

The works of the ILO (2013), Siqwana-Ndulo (2013), and Skinner (2008), claim that the majority of traders in Africa, and South Africa more specifically, are females. Like these works, the traders interviewed both inside and outside revealed that the majority of the traders are women, displayed in Figure 22. Despite, the purposive sampling in actively seeking out males in getting a balance in representation, there were more women than men present at both (inside and outside) areas in site C, which validate and echo the concept of women being more present in the informal economy.



*Figure 22: sex variation of traders inside and outside of Nolungile station*

Siqwana-Ndulo (2013) states that “a Labour Force Survey conducted in 2000 estimates that there are 500,000 street traders across South Africa... their age tended to range from 25-49, with women likely to be older than male street traders.” In examining the Khayelitsha (site C) traders on the inside (of the station) the majority of traders were of the 55-64 year old age bracket, displayed in Figure 23. There seems to be a hierarchy present in the area where ‘elders’ trade on the inside of the station, which unfortunately couldn’t be further explored due to time constraints. In exploring those trading on the outside, the majority of the traders were in the 45-54 year old age bracket, which is also shown in Figure 23. The ages seen are not like the ones reflected by Siqwana-Ndulo (2013), which could possibly be explained by

the fact that the traders have a long history with the area and also have a long history of working at/and or close to the station, with some spanning 25 years.

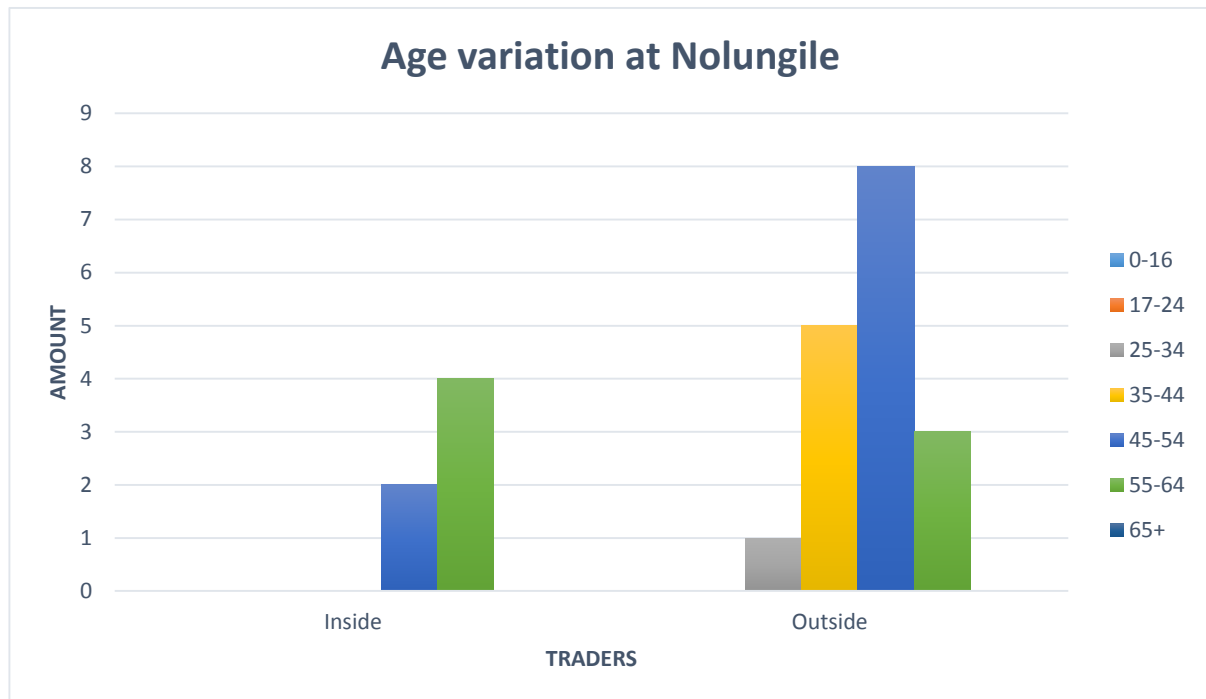


Figure 23: age variation of traders at Nolungile station

As was discussed in chapter 3, the majority of informal traders who trade do so in townships, generally made up local community members, (Thomas, 2014). However, as also noted in chapter 3, a lot of migrants operate in the informal economy. As shown in Figure 24, 92% of the traders interviewed were South African. However, 22% of interviewees were not originally from Khayelitsha, with the majority of them being from the Eastern Cape. Eight percent of interviewees were foreign - they were from Pakistan and Nigeria. The relatively small numbers of foreign traders could be attributed to the fact that most people who trade in townships use the dominant language (in this case Xhosa), which many foreigners do not know. In echoing Hunter and Skinner (2001) and Moyo and Gumbo (2014), the two foreign traders interviewed cited their reasons for being in the informal economy were due to political reasons, and despite having diploma's couldn't find a job in the formal economy. This highlights and mirrors ideas from the Dualist school of thought.

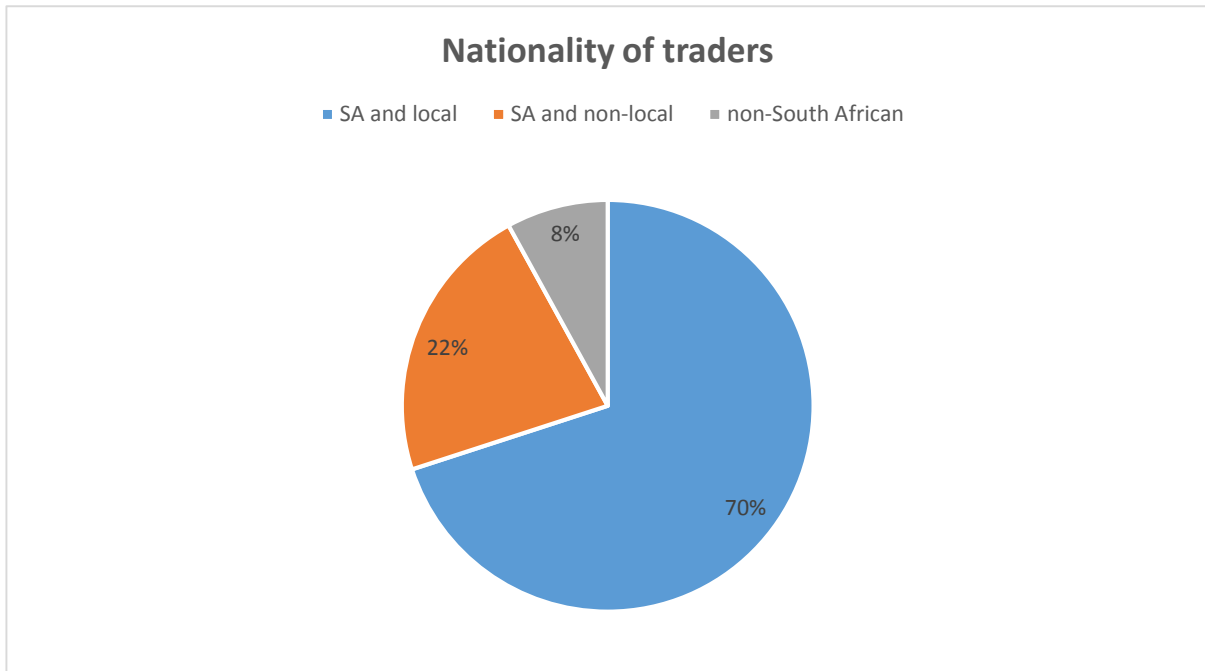


Figure 24: nationality and origin of traders at Nolungile



Figure 25: level of education of people trading at Nolungile

The majority of traders trading inside the station have a grade 0-8 level of education. They account this to a lack of money and the circumstances of the time. Those that are trading outside of station have a grade 9-11 level of education (6 people), with the second highest

amount of people (5 people) having finished grade 12. One informant explains: “When there was food that needed to be on the table, you didn’t care about going to school, you had to try find a job so your family can eat” (Interviewee 1, 2/9/2015). Others attribute it to the education system of the time, and knowing that because they were black, they were not going to go into good jobs because of Apartheid (interviewee 5, 2/9/2015). The fact that a few of the traders have completed their secondary education and still work in the informal economy resonates Siqwana-Ndulo’s (2013) ideas that the “significant numbers of people with a formal education in the informal sector underscores the lack of employment opportunities the South African economy offers.” This also resounds ideas from the Dualists in that people are excluded from the formal economy due to a lack of opportunities in the formal economy for those in informality to enter. However, a lot of informants did share the sentiment of wanting to get an education but due to expenses were unable to currently do so, and that for those who cannot afford education, skills workshops would be a somewhat appropriate alternative to at least equip them with something. The levels of education that traders trading inside and outside the station are displayed in Figure 25.

**Household location and structure**

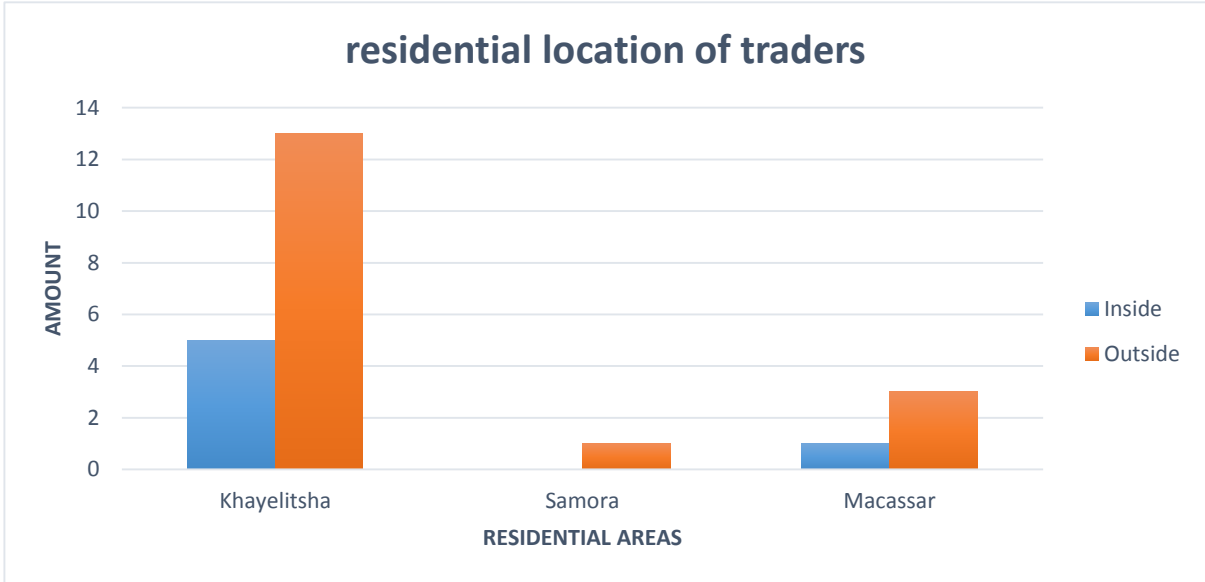


Figure 26: residential location of traders found inside and outside the Nolungile station

Figure 26 displays the residential location of the informal traders. The majority of the traders live in Khayelitsha. When asked why they preferred to live in Khayelitsha, most of the traders attributed this to having to carry their goods back home with them due to a lack of storage space. Others felt that their current trading spaces were not secure enough. The rest of the traders who weren't from Khayelitsha lived in neighbouring suburbs of Philippi (Samora Machel) and Macassar, which are a relatively short taxi/bus/train ride away. A lot of South Africans residing in townships spend a large proportion of their income on transportation costs (Marais, 2010; Venter, 2011) which explains why the traders would prefer to either live in Khayelitsha or a neighbouring suburb which is not too far and has easily accessible transport routes.

Traders were asked as to how many people were dependent on their income in exploring dependency ratios. Those trading inside the station saw themselves as breadwinners despite having spouses or children who were contributing to the household. An interviewee explains this by stating that *"I've supported my four children through school with my informal business. Although they are earning money now, I am still the head of the house and still have responsibilities, which is why I can't put pressure on them to bring in money for the house,"* (Interviewee 2, 2/9/2015). Those who are trading on the outside consider themselves as not being the breadwinner when they are married and the spouse is also making an income. Phrases such as *"we support the family together,"* (Interviewee 9, 28/7/2015) and *"we work together to make a better life for our children,"* (Interviewee 14, 28/7/2015) are such sentiments of the idea that they are sharing the responsibility of being the breadwinner. 40% of the traders trading on the outside also were sole breadwinners with no support coming from anywhere else. All of these were women, which reiterates Skinner (2008) and Siqwana-Ndulo's (2013) findings on challenges faced by women in being the sole income earner in the household and having to support their children and run their household solely from the money acquired from their informal businesses. This also highlights gender relations that are present in the informal economy, and that women have different structural and social issues to men.

### Aspects of business

As can be seen from Figure 27, the majority of people (4 out of 6) trading on the inside of the station run their own business by themselves with no employees. Two out of the 6 traders inside the station are in a partnership, in which one is with a family member and the other with a close friend. Seven out of 17 of those working on the outside are own account workers who have employees. Whilst 6 out of 7 people are own account workers who have no employees and working on their own. A significant finding is that there a number of people who are informal traders because a mother or father was in the trade, and are now also in the business as a result or have taken over the family business. A trader explains: *I've been in this area since I was a child and my mother traded here. My mother supported us through trading and now that she's passed away I have my own business to support my child and father,* (Interview 2, 28/8/2015). 4 of the interviewees who were trading on the outside were these.

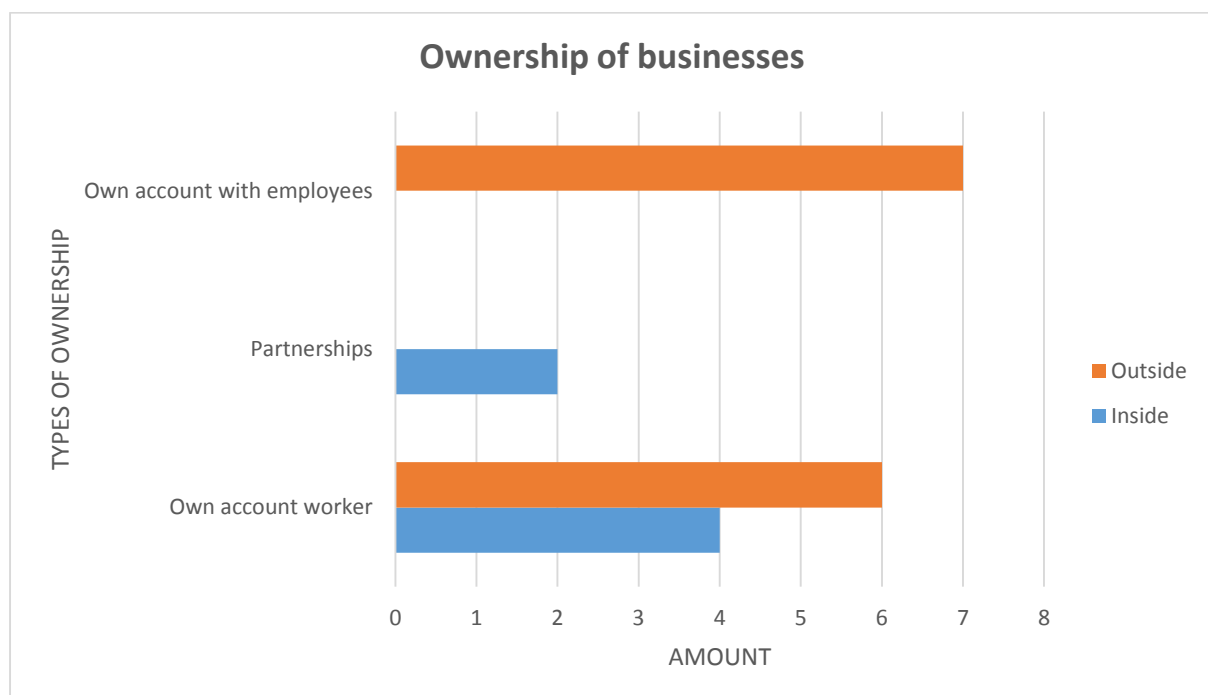


Figure 27: types of ownership seen at Nolungile

Out of all of the traders interviewed, the majority of them (52%) all had jobs before they became traders. These jobs ranged from cleaner (4 women), to domestic worker (3 women), to construction worker (2 men). Other jobs that were mentioned was being a casual at a clothing store, and even running an NGO, which a non-South African trader used to do in his

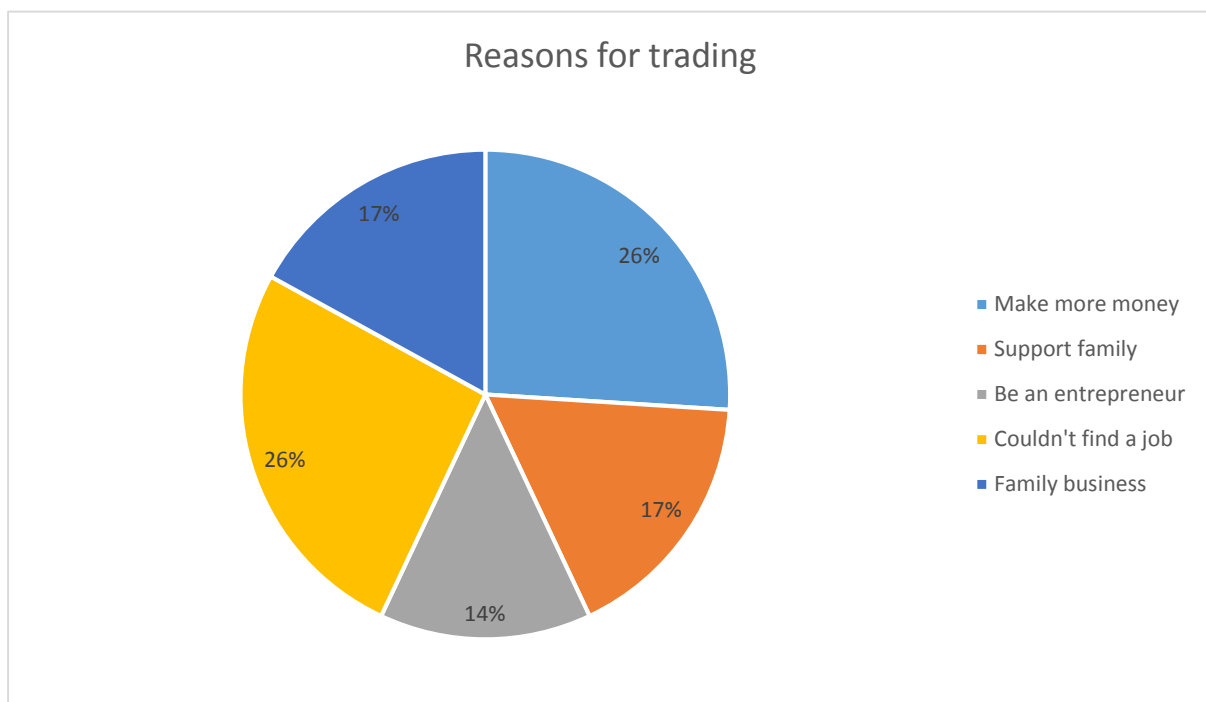
home country. A lot of people left these jobs either due to it not paying enough or keeping them far away from home. A trader illustrates “*I used to be a domestic worker in Stellenbosch. I could only come home during weekends and was only paid R400 a month. I wanted to be closer to my children and I felt like the cash I was earning wasn’t enough,*” (Interviewee 3, 27/8/2015). Twenty four percent of these traders were unemployed, in which half of these were women who were housewives, and spent the day tending to the house and looking after their children, whilst the rest did nothing. 24% of the interviewees claimed that before opening their business in site C, to have already been traders, which includes the generational traders.

### **Reasons for trading**

A number of theorists have speculated as to why people work in the informal economy. The four schools of thought discussed in Chapter 2 all had various reasons for this, which also explained their core belief about what makes up the informal economy. Other scholars such as Hunter and Skinner (2001) and Siqwana-Ndulo (2013) in examining the South African context have stated that a shortage of new job opportunities in the formal economy has resulted in many South Africans, seeking alternative work in the informal economy, and have turned to street trading as a way of generating income.

In examining the people trading at Nolungile, the majority of traders (26%) declared that they are traders because they couldn’t find a job (shown in Figure 28) despite 2 out of the 6 having a diploma, which verifies claims made by Hunter and Skinner (2001) and Siqwana-Ndulo (2013). 26% of people also stated that they are working in the informal economy because they wanted to make more money, and their reasons being mostly financial in entering the informal economy. 17% of people stated that they entered the informal economy in supporting their family, by either supplementing their income with their business in the informal economy or helping their husband by entering the informal economy. The majority of these people now solely work full time in the informal economy. 17% of traders stated that they entered the economy because it was what their parents did or that they have taken over their parents’ business after their passing. Only 14% of the people interviewed stated they were in the informal economy because they wanted to be entrepreneurs. These traders claimed that they wanted to open up a business and that the informal economy was the easiest way, however, it should be noted that 2 out of these 3 people stated that they wanted to

eventually be part of the formal economy but because it is so difficult, remain in the informal economy. As it can be seen, there are various reasons as to why traders have entered the informal economy. There are those that resonate theories of the Dualists (being unable to find a job in the formal economy), whilst there are those that echo ideas from Structuralists (earning too little money due to capitalism) and Volunteerists (willingly choosing to be in the informal economy). These reasons are displayed in Figure 28.



*Figure 28: traders' reasons for trading*

### **Number of years trading**

As can be seen from Figure 29, the majority (3 out of 6) of the traders trading on the inside have been trading there for 21-25 years, with 1 person having traded for 18 years. Only one person is in the 1-5 year trading category who had been trading 3 years. This shows that the people trading on the inside of the station are mostly made up of elders, who have a long history of trading at the station. Those who are trading outside the station vary in years of trading. A few people trading have been trading there for 11-15 (7 out of 17) years, closely followed (6 out of 17) by people who have been trading for 21-25 years. This is then



followed by people who have been trading for 16-20 years (2 people) and lastly 2 people who have been trading for 2-5 years. Thus it is clear that the majority of the traders in site C, approximately 87% of the traders, have been trading in the area for more than 10 years. Hence, the traders possess a lot of history of the area. An informant explains “*this place has seen transformation. At one stage this was very much bush and lots of vegetation. This used to be a big place of unrest especially during the Apartheid times, we’d have to be able to pack and run when need be,*” (site C trader organisation, 28/7/2015). Thus the traders have been critical in the production of the space (factors such as social, economic, and ideological that result in the physical condition of the material setting) that is the site C market. This is especially important in considering sustainable businesses and livelihoods, and in light of the renovations that are to happen.



Figure 29: number of year’s traders have been trading

### Days and hours worked

The number of days and hours worked among traders varied. The majority (67%) of the traders on the inside worked 6 days a week, reserving the last day for rest, church, or business and/or family related activities. Only 1 trader worked 5 days a week, and 1 trader who worked 7 days a week. Those trading outside the station had a large proportion (41%) of people trading 6 days a week. This was closely (35%) followed by people who worked 5 days a week. The rest (24%) worked on weekends. What was of significance is that in both cases,

those trading on the weekends either had employees who worked weekends or were involved in a partnership in which they alternated weekends worked. Additionally, those that were in the meat and fast food industry worked 7 days a week.

In terms of hours worked, most traders (67%) on the inside operate between the hours of 6am to 7pm. The rest of the traders work between 8am to 5pm and 6am to 6pm respectively. Those trading on the outside also have a majority (35%) of people who are trading between the hours of 6am to 7pm. Those trading outside have more of a variation of hours worked. Hours of operation (besides those worked by the majority) range between: 8am to 6pm; 8am to 5pm; 6am to 6pm; 5:30am to 6:30pm; 6am to 5pm; 7am to 7pm; and 8am to 7pm. What was apparent is that those who trade in consumables generally start earlier than those who sew clothing. Additionally, those who are in the food industry close later. Moreover, in both cases, as Wills (2009) has shown, those who are self-employed work less conventional work hours as compared to informally employed individuals.

### **Spatial layout of trading bays**

For the traders on the inside, PRASA has allocated and assigned 16 1x1m trading bays for the traders, after moving them as a result of being in the way of pedestrians using the station, which are shown in Figure 30. However, a lot of traders have expressed that they are not happy with these and are insufficient. One of the traders reveals “*the trading spaces that PRASA outlined for us are also too small,*” (Interview 1, 2/9/2015) and “*PRASA gave me number 7 to trade on but I prefer to trade here and those spaces are a bit too small, so this is the place I chose for myself,*” (interview 4, 2/9/2015). As a result, they have ignored these bays and have continued to trade in the way that they see is best.



*Figure 30: 1x1m trading bay outlines done by PRASA at Nolungile*

Concerning those that are trading outside, unlike on the inside of the station, there are no designated bays for trading or anything that indicates that bays are allocated for trading by management. What can be seen is that the meat centre is quite large, and happens on both sides (opposite each other) on Njongo Avenue. These are back to back with the containers that face the other way selling fast food. These meat businesses, however, do pose spatial barriers. The meat trading takes up the entire sidewalk, leaving pedestrians to walk on the road, which creates safety hazards, displayed in Figure 31. Health risks could also potentially be created through dirty water that is thrown away on the streets. According to informants, the City of Cape Town, in recognising the barriers posed by this centre has pitched the idea of a ‘meat market’ in the area. This consisted of one site visit in which a City of Cape Town area manager did. However, during this site visit the area manager concerned themselves solely with ‘health concerns’, thus only talking to those in the meat trade. As a result, consultation only happened with a portion of the traders, thus excluding the rest of the traders.



*Figure 31: meat operations at site C*

Those trading by the clothing centre, where women sew clothes, sell pinafores and consumables, the sidewalk is slightly wider, thus allowing for traders to display their goods and for pedestrians to also walk. However, the displays of the products (clothing) take up a lot of pedestrian space and can sometimes pose as a barrier for pedestrians, which is shown in Figure 30. These manners of trading and displaying are similar to those that were seen in Warwick Junction prior to the urban design project that was conducted with the traders. This speaks to the potential the area would have as an urban regeneration project, and how the area, with the traders' help could be uplifted and enhanced, in creating a better life for the traders.



Figure 32: clothing centre at site C

### Sources of products

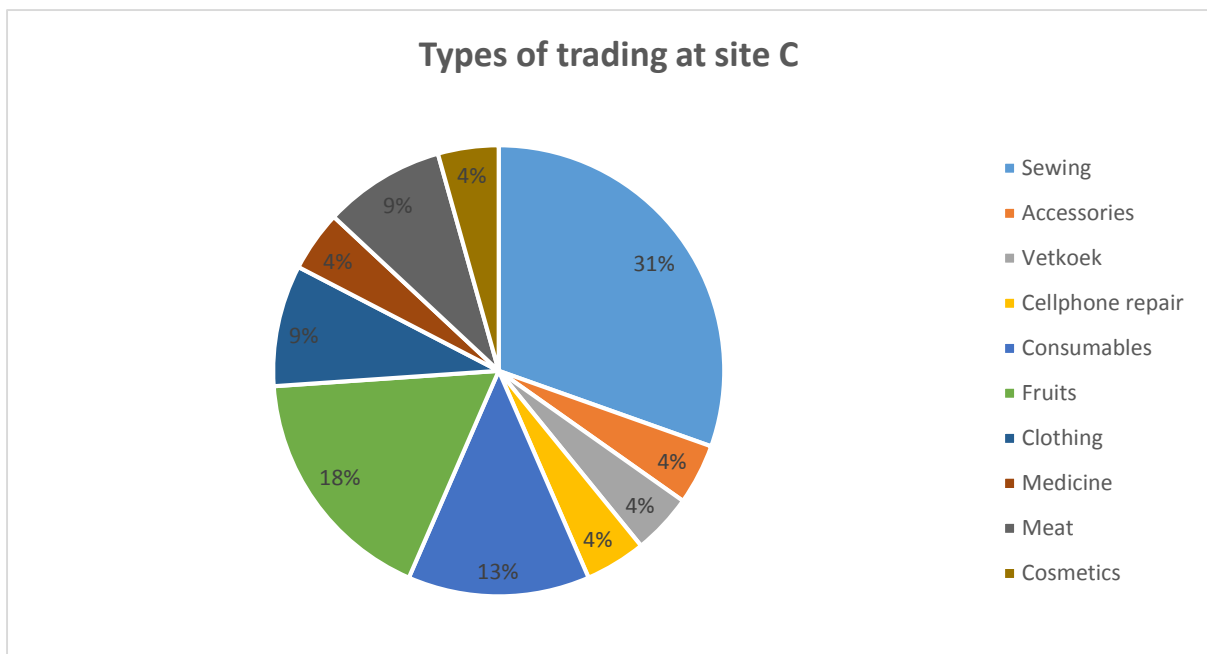


Figure 33: distribution of the types of trading at site C

The traders that were interviewed at site C were trading in: sewing; accessories; vetkoek and chips; cellphone repairs; consumables; fresh produce; clothing; medicine; meat; and cosmetics. The distribution in the types of goods interviewees sold is displayed in Figure 33. A large number of interviewees were involved in sewing, selling consumables, and fresh produce. Traders were asked where they sourced their products, and a few aspects were discovered.

### Sewing and Clothing

Amongst those who were trading in clothing, 3 reported getting their products from town, whilst over 90% of the traders stated that they sourced their stock from Bellville. What was also of significance is that these traders carpool together to Bellville and buy their material in bulk from wholesalers. This contributing to the formal economy as speculated by many scholars (Skinner, 2008; Devey et al. 2006; Budlender, 2011). Exploring this relationship between the clothes traders in site C and the formal wholesalers could be of future interest.

### Fruits and Vegetables

Like Siqwana-Ndulo (2013) states, most of the traders who sell fruits and vegetables do not grow them themselves, but source them from elsewhere. In this particular case, interviewees stated two sources of their products: Lentegour and Philippi. These are fairly close by areas, which highlights how perishables (like fruits) need to be sourced somewhere close enough and accessible to get to.

### Consumables (sweets, chips, cigarettes, cooldrink, and nuts)

Those that sell consumables usually buy from wholesalers in the neighbourhood or in Lentegour, which are nearby like the fruits and vegetables traders. These wholesalers are formal businesses which the traders buy from every month. Thus revealing that there is a relationship the informal traders have with the formal businesses, unlike what schools of thought like Dualists may assume.

### Meat

Those that sell braai meat receive their products from local butcheries. As reported by the traders and seen from observations, the butchers deliver their stock once a week via a truck. Thus there is a strong relationships that the informal traders with people who run formal businesses in the area, such as the butcher.

### Cosmetics and Accessories (bags, cellphone covers, duct tape, and belts)

Traders who sold cosmetics and accessories stated that they got their goods from Bellville, the majority of these people were also selling clothing and thus got their accessories when they got material.

### Medicine

The only trader who was selling medicine received her products from a traditional healer in Langa, which is a neighbouring township.

### Fast food (chips and vetkoek)

Ladies who make fast food such as fried chips and vetkoek (fried dough bread) get their products at the local mall (Khayelitsha Mall) or supermarket. Seeing as though their products consist of flour, potatoes, yeast, etc. (small household items), such items can be bought in bulk at a supermarket thus not having to travel far for products.

### Cellphone repairs

The only person in the area who did cellphone repairs claimed that he got his products from Bellville. He also stated that when he couldn't find what he needed he got it from Rylands, where a lot of the other cellphone repair people operated. It was uncovered that there is a network of cellphone traders from Pakistan who run cellphone repair shops, who all have close connections with each other. The informant was part of these, thus sourcing products is never an issue for him.

## **Rentals and Services**

As Dobson and Skinner (2009) point out traders have sector specific needs and require sector specific interventions based on these needs. For some water is a great need, whilst for other it will be electricity, like the traders sewing. Examining municipal services like water, shelter, sanitation and refuse removal services, as well as access to electricity, is thus a necessity. Both traders on the inside and on the outside do not pay to operate in the area (except for the once off UKITA fee). Those trading on the inside do not pay to use facilities (such as the toilets), which are managed by PRASA. The toilets found inside the station consist of 4 stalls and 4 taps. However, traders have voiced that they'd rather bring their own water because they do not want to drink water from the toilets taps. Those trading on the outside use toilets that were provided when the Congress of Democratic Taxi Associations (CODETA) taxi rank was renovated. This renovation was accompanied by a building which has electricity. The toilets that are provided outside consist of 5 stalls and 4 taps.

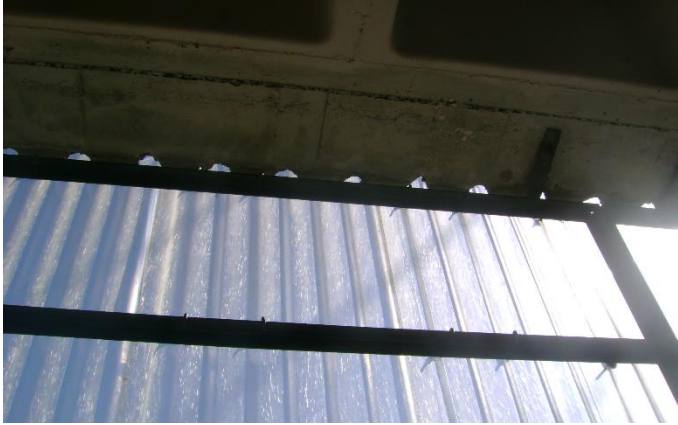
Thus it can be seen that both traders on the inside and outside do not have access to water, and are left with either drinking the tap water that is from the toilets or bringing their own. One of the traders explains "*there is only water from the toilets. The only way you get water is if you bring some yourself or ask for some at the neighbouring houses,*" (Interviewee 2, 28/8/2015). The lack of provision of facilities is not so accommodating of traders, despite the recognition the City has in realising that many trading areas "lack basic services like water, electricity and ablutions in some of the facilities and areas where informal trading is taking place," (City of Cape Town, 2015). The lack of water is especially alarming for who use water in the preparation of food products. This lack of provided water and usage of tap water from the toilets poses health concerns. It is thus of necessity that these traders not only get access to water, but also training on food safety.

## **Shelter**

As Skinner (2013) suggests, provisions of basic infrastructure such as shelter and storage, is essential for more sophisticated trading and substantially reduces stock damage. All trading occurring on the inside can be considered as technically sheltered. However, the traders and their stock are not protected from the weather. Whilst the trading policy and UKITA commit to offering basic infrastructure to better trading, on the ground, this is not a reality. On the



inside the traders have to brave the strong winds that flow through the station tunnel and deal with leaks and broken infrastructure shown in Figure 34 and 35.



*Figure 34: areas of leaking in the roof*



*Figure 35: broken windows in station*

Outside the station, traders are either in the provided building, trade in corrugated iron stalls, or own containers. However, there is a large number of traders who do not have shelter, and use the buildings roofing in trying to get shelter but unfortunately this space cannot accommodate everyone. This leaves some traders trading in the open without any protection, leaving them and their goods vulnerable to weather conditions.

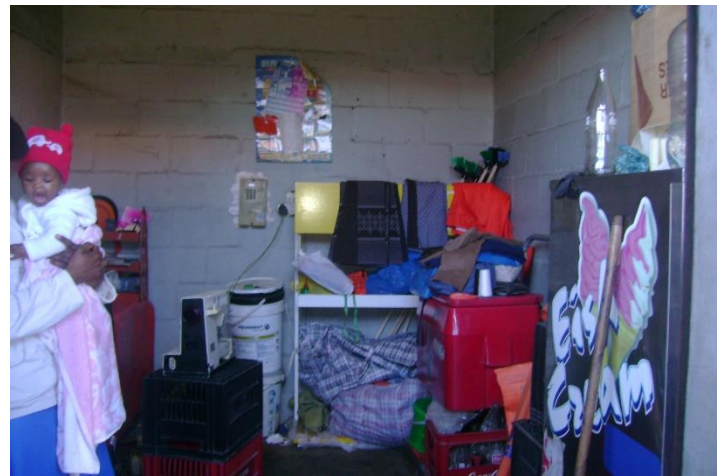
### **Storage facilities**

In terms of storage facilities, those who are trading on the inside have no storage facilities. They are as a result forced to take their stock back home with them every day. A trader explains “*I store my products at my house, I use a shopping trolley to move them,*” (Interview 1, 2/9/2015). They have voiced a desire for these storage facilities, as one states “*it would be really nice to have a secure storage facility. It would make life a whole lot easier,*” (Interview 2, 2/9/2015). The lack of storage can prove to be very difficult, especially if the trader doesn’t live in the area they are trading in. Those that are trading on the outside either have to share with those that have storage facilities or take their goods home with them, like those trading on the inside. Some of the traders have shared that they pay R50 a month to store their products in other traders’ storage facilities. However, the traders with storage facilities are not liable for any damage or theft to goods stored. Some traders with storage space have not

wanted to rent out their storage space because of the fear of theft. A trader explains “*I don’t want to rent my storage space because what happens if their stock gets stolen and not mine? Then it seems like I’m the one who told the skollies (thieves) to come steal. I don’t want that,*” (interviewee 9, 28/8/2015). Additionally, the storage space that the traders have to share is very small as displayed in Figure 36 and Figure 37, which also possess a limitation for the traders. It was noted that those who trade outside and take their goods home, are people who live in the neighbourhood.



*Figure 34: storage spaces found outside in site C*



*Figure 35: small storage spaces found outside in site C*

## **Electricity**

As mentioned earlier, those on the inside have no access to electricity. However, a different scenario transpires for those who are trading outside. The only available electricity is from the one building that is provided. This electricity is prepaid and traders buy as they need. Due to the large numbers of traders requiring electricity, many share the electricity and split the costs. However, this mass sharing of electricity poses a fire risk. Thus it is fundamental that the traders receive access to electricity.

## **Profits**

Getting accurate data on earnings in the informal economy is generally difficult as revealed by scholars (Skinner, 2008; Budlender, 2011; Vanek et al. 2014). When traders were asked to

give estimates regarding their turnover and profits, many traders expressed their concern for disclosing such personal information. One trader conveys *“I don’t like giving out that kind of information, I don’t want my business to be affected by this information,”* (Interviewee 5, 28/9/2015). Getting accurate estimates is also difficult because some traders are unsure of their earnings or exact profits. The profits earned per month amongst traders ranged from R350 to R800, with the general average being R500. The industries that made the most money were: those involved in food preparation, sewers, and those in fresh produce. What was of significance was that those who had been trading in the area for over 20 year seemed to make higher profits, which could possibly be attributed to experience and knowledge and skills of running a business acquired over time.

Most of the traders interviewed had stated that they are essentially left with nothing at the end of the month after deducting the costs of school fees, carpooling for school, household costs, and travel costs, and that they live from hand to mouth. As a local ward councillor explains *“they are called survivalists because they trade for survival purposes. They don’t qualify to rent a building or to have space to trade in which they rent, they do not fit in that picture,”* (2/9/2015). This is in line with Keith Hart’s (1971) idea of traders being survivalists, and those that live and struggle in the cycle of poverty. A trader organisation committee members explain that *“this money that we’re making here is very small, after all of our costs we are left with nothing. Then they (the City) expect us to pay high rates for renting space! Where do we get that money? We live from month to month here,”* (26/7/2015).

## **Relations with Governance institutions**

As stated in previous chapters, governance institutions are important for these policies not only govern how informal trading is done, but also serve in providing knowledge of the management and regulatory structures that affect informal trading. In exploring the traders’ knowledge of policies and their relationship with government institutions a few things came to light. Those that are trading on the inside have no relationship with members of the City council. When asked about the management of the area, they referred to PRASA as being the only government body managing the area. Due to not knowing a local city council member (area based manager), when they were in a situation with PRASA in which they needed help and/or representation, they didn’t know who to call. A ward councillor worker explains *“when they (traders) were chased out of PRASA premises by the securities last of last year*

(2013), which was a decision taken by PRASA management, they (traders) came to my office and at that time they were not even really sure if they were at the right place, (2/9/2015).

However, it should be noted that the City of Cape Town has no influencing powers on land that is owned by PRASA. A City of Cape Town explains “we have no powers over land that is occupied by a transport interchange, we cannot tell PRASA what to do,” (7/10/2015). This highlights the possible issue that in whatever PRASA decides to do, there will be hardly any intervention around other institutions (such as the City of Cape Town) having a say, or in trying to influence PRASA around their decisions.

Those trading on the outside were asked the same thing regarding their knowledge of who manages the area or their knowledge of government institutions, they either stated that they knew no-one or that the only people managing the area were the site C trader organisation leaders. Although UKITA is in charge of management of the area, many individuals did not see them as being in charge which speaks to their lack of presence in the area. When City officials were asked about the management of the area they stated that “it is difficult to manage informal trading that is happening in townships, so we don’t necessarily manage directly what happens in townships. However, this is one of the reasons why UKITA was started, in trying to address this,” (7/10/2015). This speaks to the very problematic management model the City uses. The outsourcing of management to a trader organisation obscures the role of the government. This highlights the hands off approach the city officials have in managing the area.

When traders were asked about experiences (good or bad) that they’ve had with government institutions, a lot of the traders (88%) did not have experiences to share, which attest to the minimal relationship they have with state officials. Other traders have tried to independently find out who manages the area, and who they could talk to if an issue ever arises. A trader discloses “we don’t have contact with anyone from the City. Once we tried to independently call the City helpline for someone from the city to help us but they told us they didn’t know who was in charge here in site C and they didn’t know anything about the area so they couldn’t help us. It was pointless,” (27/8/2015). This brings into question public participation processes and just how much communication is relayed between City officials and informal traders, especially in light of UKITA that the City of Cape Town launched, and the hundreds of traders who belong to this organisation.

## **Trader organisations**

As mentioned previously, scholars (Skinner 2008, Bhomwik 2005; Duminy 2011) have noted that in general, it has been difficult for informal traders to stand up for their rights individually and that informal workers need to form a ‘collective voice’ in increasing their bargaining power and challenge poor government administration and policies. In exploring trader organisations that exist in Nolungile, it was discovered that those trading on the inside are not affiliated with any trader organisations. This leaves them quite vulnerable. The majority (82%) of those interviewed who are trading on the outside are with UKITA. Despite having affiliation with this organisation which the City helped launch, an informal trading plan does not exist for this area. UKITA’s efforts in managing the area are rendered futile without an informal trading plan. This brings to question the City of Cape Town’s intentions in helping launch this organisation as they’re approach since has been very hand off. UKITA was launched in addressing the needs and challenges that informal traders in Khayelitsha, Nyanga, Philippi, Bellville, Langa and other areas face, (City of Cape Town, 2015). However, despite being part of this organisation, the informal traders in site C have formed their trader leader committee (practice of traders within a particular area looking out for each other).

When asked about the benefits of being with UKITA, most informants stated that the primary benefit lies in getting a trading permit. Others have showed dissatisfaction with UKITA and city officials. An informant explains

*“We think that the City isn’t doing enough to help us. They always say ‘empower yourself’ but how are we supposed to empower ourselves when they don’t equip us? We don’t even know who is in charge of this area and who we can call when we need help. When we talk to our ward member he also says there’s only so much he can do. There needs to be more of a hands on approach and some accountability and responsibility that needs to happen. You can’t just come in here, take our names down then disappear. It shouldn’t work like that,”* (27/8/2015).

Thus there are gaps with what UKITA has hoped to achieve, and what is seen in reality. The site C trader leader committee have formed as representatives of the traders in offering support and lobbying for the traders. As Skinner (2010) suggests, the importance of trader organisations lie in lobbying and advocacy, particularly at a local level and for product specific issues. This committee consists of 8 members who get elected by the traders

annually, and are elected in solving ‘trader issues’. However, what has been significant is that despite belonging to an umbrella organization (such as UKITA) the traders still continue to have a very limited voice in the influencing of decisions and policies that affect.

### **Trading permits**

As discussed in chapter 2, the right and access to public space are critical to the livelihood strategies of the informal traders. The traders on the inside have stated that they do not have any trading permits. PRASA has however, put them on a waiting list to get a permit to trade in the area (despite having been there for over 10 years). PRASA has also allocated yellow-lined trading bays for the traders inside the station. This indicates the notion of formalisation which is insinuated by PRASA and the City of Cape Town’s documents.

The majority of those trading on the outside claimed to have a trading permit. These trading permits are received through the United Khayelitsha Informal Traders Association (UKITA). The application process requires one to fill in a form (register) and pay a once off payment fee of R150. Once the process is complete, traders get a nametag certifying that they are part of UKITA and stating where they trade. However, when City officials were asked as to how permits are issued in an area that has no informal trading plan, a City informant explained

*“The dynamics in most township areas is that they (trader organisations) state that you must be a member of this association, and you have to pay this much. When we engaged with UKITA about these so-called payments, they say its membership fees,”* (16/10/2015).

This highlights the alarming scenario in which traders are making dubious payments that show no form of return. This was further highlighted by the number of traders who were unaware of the processes that are involved with registering and have also voiced concerns that due to a lack of frequent communication between the City of Cape Town, UKITA officials, and themselves, they don’t know as to whether they are secure in their trading areas. A trader expresses this by stating that *“although we have permits, we don’t know if we’re secure here. They can just come and remove us whenever they want maybe,”* (28/8/2015). Sadly, these forms of payments provide traders with false security, as they’re ‘paperwork’ would not be recognised by City officials if a trading pan were to be created and implemented. The investigation into the dynamics of this organisation and related payments, could be an area for further research, and could additionally prove beneficial for the traders.

## **Support institutions and programmes**

Support institutions are associations that are aimed at supporting the development of the informal economy. Traders were asked what support they received from government and non-governmental institutions. The majority of the interviewees were not aware of any support institutions available to informal traders. A trader expressed “*we don’t have much support, but we have formed our own trading committee to help each other out. I have no resources to access these support systems. I also don’t know where I would start,*” (27/8/, 2015). The very few who had heard of events or support institution meetings, usually with Vukuzenzele (a state supported organisation), had stated that they had heard about it via word of mouth, and that they usually couldn’t attend because they were too far.

When investigating the type of support programmes potentially available to traders or small business owners, the only websites that were found were Cape Town Activa (City of Cape Town support program) and Vukuzenzele (which 2 traders knew of), which were not based in Khayelitsha, but in town. All these sites serve to advise and offer financial support and skills development training. The City of Cape Town also has the ‘City small business services support’ which they claim was established in promoting entrepreneurship and “preventing entrepreneurs from wasting energy, money and time approaching the wrong support organisations and service providers or paying for services that are sometimes freely available or partly subsidised,” (City of Cape Town, 2015). They also provide functions in (ibid.) information and advice about city procedures and business assistance programmes; and connecting businesses to the right City officials and resources. Additionally, they also claim to aid with resolving bottlenecks caused by a lack of knowledge of City processes, business-related issues and regulatory compliance. They also assert that they provide access to financial guidance in order to find the most suitable source of funding.

The key aspects that these institutions aim towards are ones that are critical to informal businesses thriving, and if managed and executed well could prove to be very beneficial for traders. Such attempts are encouraging and speak to the state’s efforts in supporting informality. However, it should be noted that a lot of the traders do not have laptops and computers, or internet thus leaving the method of delivering these notifications about support systems ineffective. Additionally, these platforms are all in English, which makes the assumption that every trader speaks fluent English. Moreover, the researcher stumbled upon

the pamphlet advertising the ‘City small business services support’ by chance in town, and these were not distributed or advertised in any Khayelitsha community halls/centres. Thus a consideration of better communication methods (such as radio, newspaper, and SMS), and multilingual delivery must be undertaken by the systems.

## **PRASA upgrades**

As explored in the previous chapter, the Nolungile station is to be renovated through the PRASA modernisation project. The Regional Program Head of PRASA has explained that the goal for this project for Nolungile is to “*ensure facilities that enhance commuter travel, that improve accessibility, that create safe environments for commuters, and that also act as economic hubs in terms of small businesses to well established businesses,*” (21/9/2015).

When PRASA was asked about the informal trading that is happening at Nolungile they (ibid.) replied that “we have to maintain *the small trading areas at the station because most of our commuters buy from traders.*” This can be verified by the questionnaire the researcher had compiled for commuters who use the train. Nine out of 10 of the commuters who had filled in the questionnaire had expressed that they buy from the informal traders quite often (usually fruits and sweets), and that they were happy to have the traders trading at the station. Thus the traders play a significant role not only in securing their own livelihoods but offering a convenient service to general commuters.

When the traders trading inside the station were asked about the renovations, all of them confirmed that they were aware of these renovations. When asked about whether they were consulted, they all replied they had not been consulted, and rather had experienced some hostility from PRASA. A trader explains

*“We haven’t had a really good experience with them. They have tried to move us in 2008/2009 and we refused to go because we have been here for years. Then they tried to move us again in 2012 and we went to our ward councillor Mr. Maphuma for help. We had talks with them which resulted in what you see now, the 1x1m trading squares created for 16 people, and being moved to the other side of the station. Some people even moved because of this,”* (2/9/2015).

Another discloses



*“When PRASA came the last time they tried to remove the people trading here. I was so shocked because it was unbelievable that these people have been here for years and now they are getting moved. As a black person doing this to another black person, how does that security guard feel? It’s so inhumane the way they treat people here,” (2/9/2015).*

Although there aren’t clear indications as to the processes and events that led to the removals in 2013, it is noted that through the efforts of the local ward councillor, these removals resulted in a round table negotiation between PRASA, the City, and the traders. A key informant expresses that

*“For the first time in 2013 they were able to sit around the table with the management of PRASA because I was liaising with the management of PRASA. I invited the management of PRASA in this office to come so that we can discuss things. The person who was in charge at that time as the regional manager of PRASA was Mthuthuzeli Swartz. Although they were too conservative, I managed to track them down and we sat in this office together with the representatives of the traders, and we tried to resolve the matter, (2/9/2015).*

Currently, the ward councillor is in the process of trying to arrange a meeting with the City, PRASA and the traders in negotiating the renovations and making a space/place for the traders.

When the traders (both on the inside and outside) were asked about their opinions, both expressed a concern for their livelihoods being threatened. Like Porter (2009) and Marcuse (1985) point out these kind of projects are likely to lead to displacement. The people trading at site C are experiencing (Marcuse, 1985) displacement pressure, where one is made to be unhappy in their current environment, which could potentially lead to exclusionary displacement where access is denied. An interviewee explains

*“I just don’t want them to chase us away, they must accommodate us in these renovations. They can’t make us rent the spaces for an expensive price as well, otherwise the Somalians will have all the trading space. PRASA can’t always just keep moving us when they feel like it without talking to us. You can’t just remove people, that’s abuse,” (2/9/2015).*

Another expresses

*“I am not happy with what has happened so far regarding this station. We have to constantly fight about keeping our place here and being included in these upgrades,” (2/9/2015).*

The modernisation project has now fallen out of the hands of PRASA Corporate Real Estate Solutions (CRES) who had created the original portfolio for the modernisation project, and is now in the hands of PRASA Technical, mainly made up of engineers and construction experts. Thus it can be seen, like in most cases, the agenda for transport interchanges is established by engineering and profit considerations, instead of a multi-disciplined team that will encourage sustainable development. This usually results in a ‘some win-some lose’ outcome. An informant from PRASA management has stated that “*we believe in the so called economic progression model whereby we monitor the progress of small traders where ultimately they become well established businesses in our stations, but that is the responsibility of PRASA Tech to handle now,*” (21/9/2015). As a result people’s sense of place is threatened.

Thus as Roy (2005) states, in cases such as these, having spatial planners (and a multi-disciplinary team) in overseeing such processes (like they did in the Warwick Junction case) not only helps in shaping local authority responses to these issues, but also in reconceptualising and re-evaluating means of intervening and accommodating for the dominant way most people are living in urban centres (the urban poor) in South Africa. The people trading at site C have resolved that in whatever happens at the station, they are going to fight for their space at the station. A trader explains “*they can come and even bring police but we will not leave, we will fight,*” (28/8/2015). Mitchell (2003: 194) states that fighting for ones rights creates new ways of living and new ways of using public space and that “the cry and demand for rights is a means for producing the right to the city.”

### **Key constraints in securing sustainable livelihoods**

Sustainable livelihoods are important for they give people the capacity to maintain their means of living, thus enhancing well-being. Interviewees were asked as to what the main constraints or challenges were that restrict them in securing a more sustainable livelihood. The results of these are discussed below according to the most frequently mentioned challenge.

### **Lack of security**

When traders were asked as to what their three biggest obstacles were, the majority (78%) had stated a lack of security. An informant explains

*“The biggest obstacle we face right now is with PRASA in accommodating for us and giving us proper space to trade. If we could sit down and work together and have an agreement, it would be nice,”* (2/9/2015).

Those trading on the outside have also expressed similar concerns, although their situation has less of a threat of that happening. It can be seen that a fixed place to trade is a priority shared by most traders and having it disrupted by big construction or beautification projects can cause a real threat to people’s livelihoods which has been previously discussed.

Additionally, this lack of security in one’s place also stems from the lack of a relationship traders have with government officials. Not only are they unaware of the policies that regulate trading, they are additionally not given access to leverage the very same frameworks they are governed by. As a trader states, *“having a person who manages this area and who communicates with us would be nice,”* (2/9/2015). The lack of a relationship leads to a lack of information, which causes the lack of security, thus leaving traders vulnerable.

### **Lack of adequate infrastructure**

Traders identified the lack of decent infrastructure as their next biggest obstacle. As one trader explains *“there is not much shelter here. It leaks when it rains and it gets very windy here, sometimes our things (goods) blow away,”* (2/9/2015). Decent working spaces for informal traders have always been seen to be lacking across the country. As Skinner (2013) suggests, the provision of infrastructure can enhance and better traders’ lives. Thus a lack of this important infrastructure proves to be a hindrance for most traders. The lack of infrastructure leads to damage of products, health products, and uncomfortable working conditions. The lack of storage was also a concern many traders voiced. A trader expresses *“it would be really nice to have a secure storage facility. It would make life a whole lot easier,”* (28/8/2015).

### **Stalls too small**

Size of stalls are important for they hinder the display of their goods. All of the traders trading inside the station complained about the sizes of their stalls (1x1m) that PRASA had outlined for them. A trader states “*the trading spaces that PRASA outlined for us are also too small, some people even moved because of this,*” (2/9/2015). Another trading on the outside explains, “*My trading space is really small and I can’t store too much. We also share my trading space here as storage space which is a disadvantage,*” (28/8/2015). Thus stall sizes being too small can prove to impede traders in securing a sustainable livelihood.

### **Crime**

As Karumbidza (2011) expresses, traders are exposed to high levels of crime, which increase their vulnerability. Traders have pointed out that the lack of security is a big issue and that they can only trade up to a certain hour because of crime. A trader trading outside explains “*the only security we have here is the man who guards the toilets, he doesn’t concern himself with anything else that happens in this area, so we are scared to trade late,*” (28/8/2015). *It is very unsafe here. I’ve been robbed on three occasions in the last 2 months and I’ve been shot,*” (2/9/2015). Many of the traders wanted the government to reduce crime levels. Doing business in an unsafe environment is constraining. This, combined with the fact that the majority of traders in the area are women makes township business owners more vulnerable to crime than their counterparts in the suburbs.

This chapter has explored and presented research findings that were uncovered on the informal trading that is done in Khayelitsha site C. The findings revealed that for the majority of traders enter the informal sector because of their inability to find formal employment or earning a better income in supporting their family. It was also uncovered that a lot of the people trading at site C are survivalists. City officials find it difficult to manage informal trading that is happening, and as a result a lack of support structures and relationship manifests, which has led to many traders feeling that livelihoods are being threatened. Additionally, the PRASA modernisation project was also examined and responses of traders uncovered. It can be seen that this project could potentially negatively affect trader’s life thus causing a *change* for the informal. These findings point to a need for urban policies, planning and management to re-evaluate and reimagine current systems of operation in creating a more inclusive environments for the informal traders in the city. The next chapter will look at

precinct (local area) plan that arose from a collaborative effort between the traders and the researcher in envisioning a better trading area for those at site C.

## **Chapter 7**

### **Conceptual Framework**

As discussed in chapter 2, public urban spaces are essential in a well-functioning urban environment, and quality urban spaces are essential in ensuring sustainable livelihoods. Well-managed quality urban spaces need to be envisioned for informal traders at site C. In examining the spatial elements of Khayelitsha through a conceptual framework, an insight of the current realities that affect the area can develop. This kind of analysis also provides an opportunity for reimagining the space of Khayelitsha, whilst also highlighting how the space can be better optimised. This framework begins with a site analysis of Khayelitsha as a whole and its surrounding areas. The site analysis process will also look at some of the main features that should be considered, in order to identify potential and existing constraints as well as opportunities. These features include: biodiversity; hydrology; existing settlement and services; and transport and movement systems. This is then followed by the development of a conceptual framework and layout. The conceptual framework establishes spatial objectives as well as guiding principles for the development in Khayelitsha.

#### **Site analysis**

##### **Biodiversity**

Khayelitsha incorporates a number of areas that are recognized as being ecologically significant locally (shown in Figure 36). The main vegetation type, which is the Cape Flats Dune Strandveld, is considered as endangered (only 6% conserved). Due to the Cape Flats aquifer (and river environments east of Khayelitsha and wetlands in low-lying areas), the Khayelitsha area is prone to flooding, in which the biggest threat is to some residential areas in site C. Much of the original natural habitat in Khayelitsha has been converted for residential or urban use which poses a threat. Additionally, alien species, are another threat which continue to lead to significant loss of biodiversity and transformation of ecosystems.

## Climate Change

Climate change according to the Intergovernmental Panel on Climate Change (IPCC) can be defined as changes in climate that is “statistically significant variations that persist for an extended period, typically decades or longer,” (www.ipcc.com 2007). In the Western Cape, the pressures that exist which cause changes in climate are: economic activities (energy, transport, and waste dependencies), overexploitation, land transformation (urbanisation and agriculture), invasive species and pollution, (State of Environment Western Cape Report, 2005). Climate change not only affects sectors such as water, agriculture and the economy but it also affects the inhabitants of the region. Areas such as Khayelitsha may be affected due to predicted increases rainfall, which makes the area more vulnerable to flooding (as it is a flood prone area), which is seen in Figure 37. As it is a future phenomenon, it is of importance to consider the effects it will have for Khayelitsha, and as a result prepare specialists and communities alike with mitigation and resilience techniques.



Figure 36: biodiversity found in Khayelitsha (source: Botha, 2014)



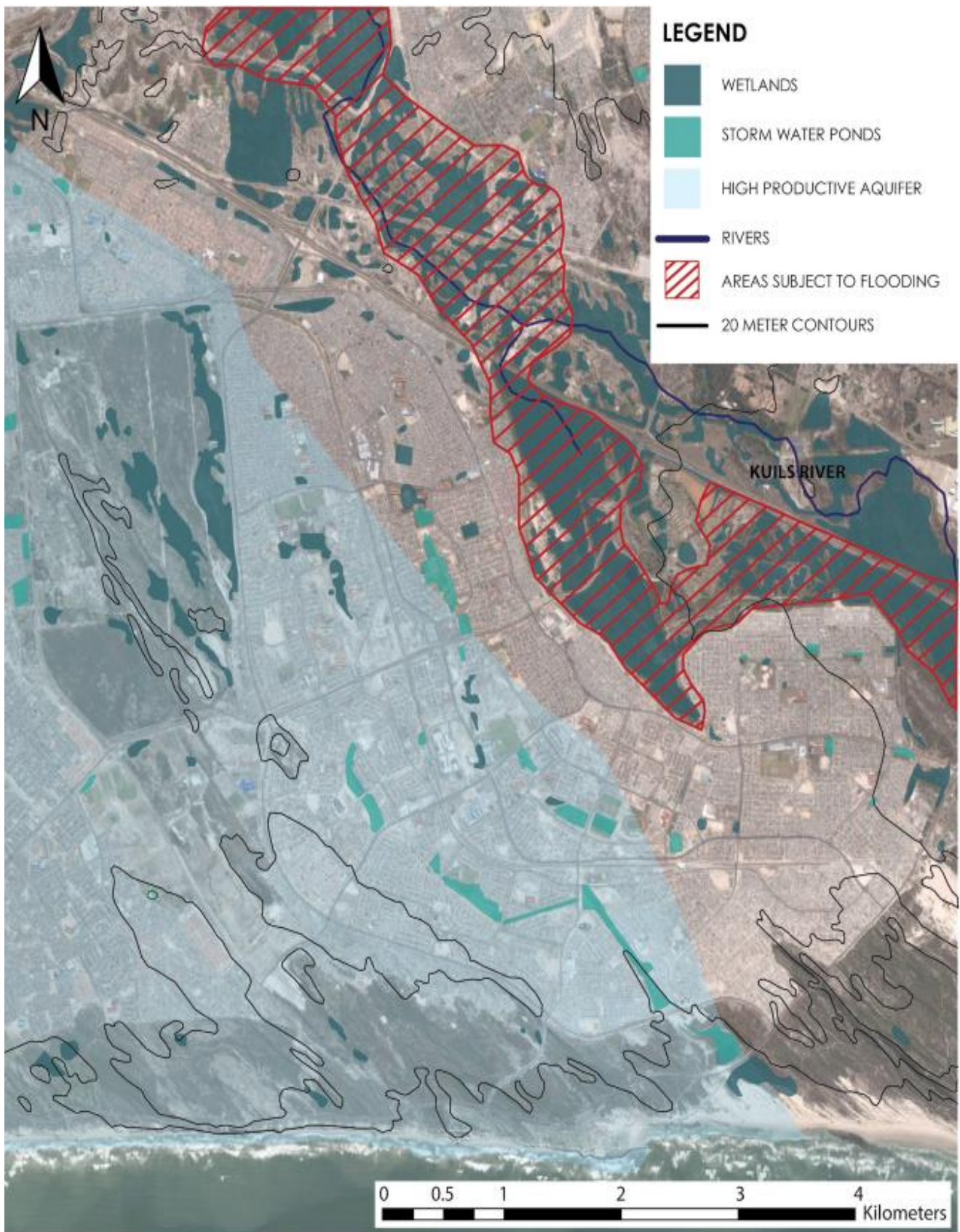


Figure 37: hydrology found in Khayelitsha (source: Botha, 2014)

## Economic Analysis

Despite large amounts of government capital investment in infrastructure and facilities during the last two decades into Cape Town, private investors have continued to avoid the south-eastern areas of the city, such as Khayelitsha. As a result property values (commercial and industrial) in the area are generally low. Economic growth in the Metro Southeast has mainly been confined to the retail sector, which is mainly due to shopping malls, which a prevalent in the area. Additionally, as mentioned in previous chapters, formal urban areas are generally not supportive of the informal economy and small businesses. Leaving the informal economy excluded from the main wealth of the city, and largely confined to the overtraded low-income areas, such as Khayelitsha. The concentration of informal trading areas are seen near transport interchanges such as those of site C (Nolungile), site B (Nonqkubela) and site A (Khayelitsha). Economic activities that are found in Khayelitsha are displayed in Figure 38.

## Settlement and Services

Khayelitsha has a semi well-developed road network (Lansdowne rd. and Spine rd.). However, the majority of residents take public transport, with rail being the most popular, (City of Cape Town, 2012). It can be noted that the majority of the residents in Khayelitsha have access to basic services which is shown in Table 10. However, many residents residing in the areas still lack essential basic infrastructure. Due to urbanisation, rapid development of informal settlements has occurred (which has increased the density of Khayelitsha), and has also resulted in pressure on infrastructure and basic services. Additionally, there is illegal dumping of waste in these areas which creates pollution of wetlands. There are a high number of informal dwellings found in the area, with 55% of households not living in a formal dwelling (Stats SA, 2011). The built form of Khayelitsha can be seen in Figure 39.

Infrastructure access	Percentage (of residents)
<b>Electricity</b>	81
<b>Piped water</b>	62
<b>Weekly refuse removal</b>	81
<b>Flush toilets</b>	72
<b>Formal dwellings</b>	45

*Table 10: access to services in Khayelitsha (source: Stats SA, 2011)*

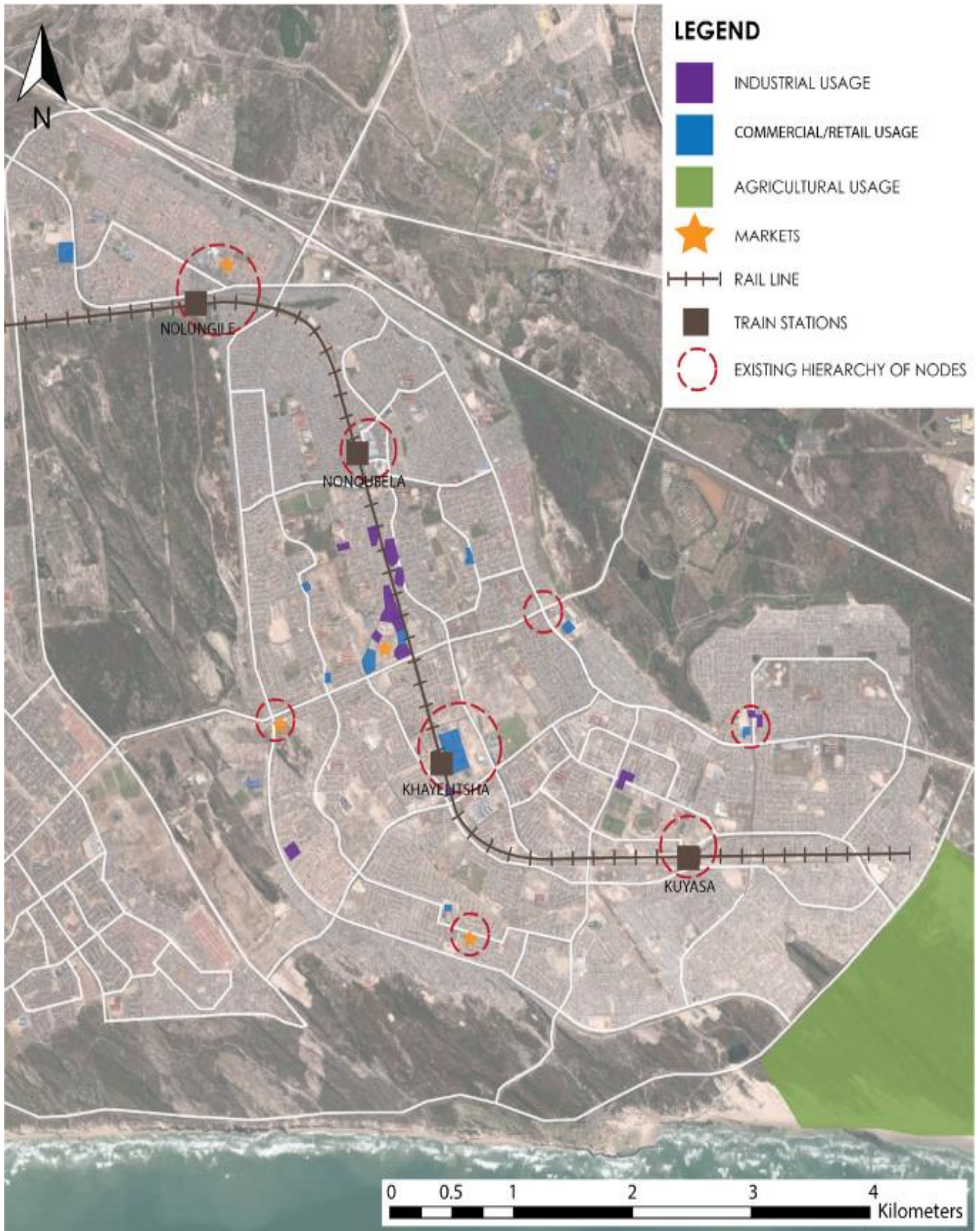


Figure 38: economic activity found in Khayelitsha (source: Botha, 2014)

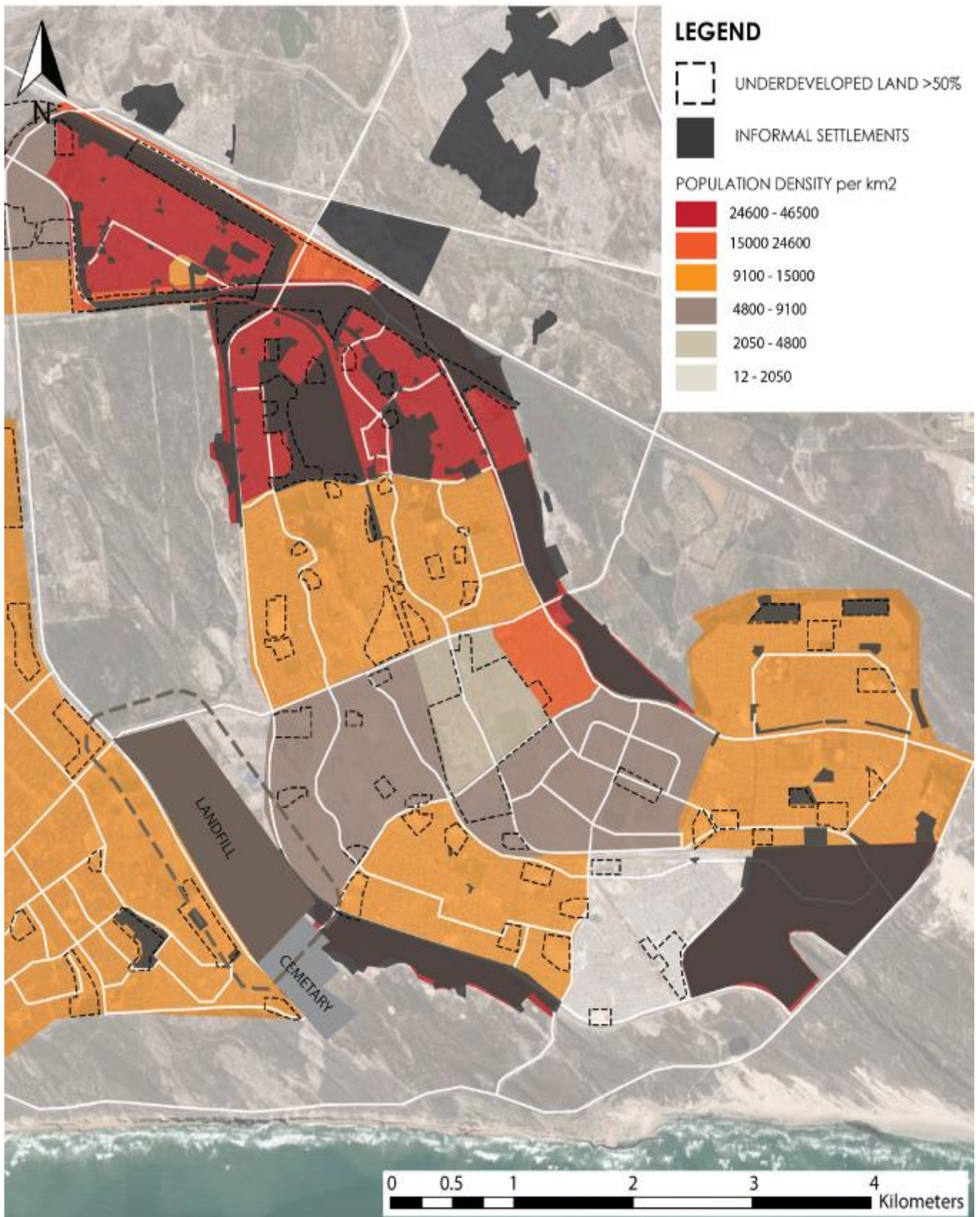


Figure 39: built form of Khayelitsha (source: Botha, 2014)

As mentioned earlier, Khayelitsha lacks many needed social facilities. The facilities that do exist, are concentrated around site C (Nolungile), site B (Nonqubela), and site A (Khayelitsha). However, these public facilities appear to be underserviced which speaks to a need for a revitalisation of services. Khayelitsha also has the worst socio economic index (measuring socio-economic well-being according to a number of indicators: income, education, employment and skills levels) out of all the other districts, with a socio economic index percentage of 62% and above, (City of Cape Town, 2009). Additionally, Khayelitsha has the largest population of any district and has the highest population density. It is characterised by the lowest standard of living and has the highest unemployment in the city, (City of Cape Town, 2009). The investment in the area is low with commercial properties accounting for 3.6% and industrial properties only at 1.1%, which are the lowest proportions of commercial and industrial activity of all the districts, (ibid.). This results in the perpetuation of the poverty cycle, as there is no socio-economic upliftment. The district has one of the worst 'social fabric' crime rates of all districts. In 2005/2006, it had by far the largest percentage (44.6%) of reported murders and reported rapes (33.9%) in the city. It also has the second highest incidence of drug-related crime (19.7%) in the city (City of Cape Town, 2006b). The social facilities and public open space is displayed in Figure 40.

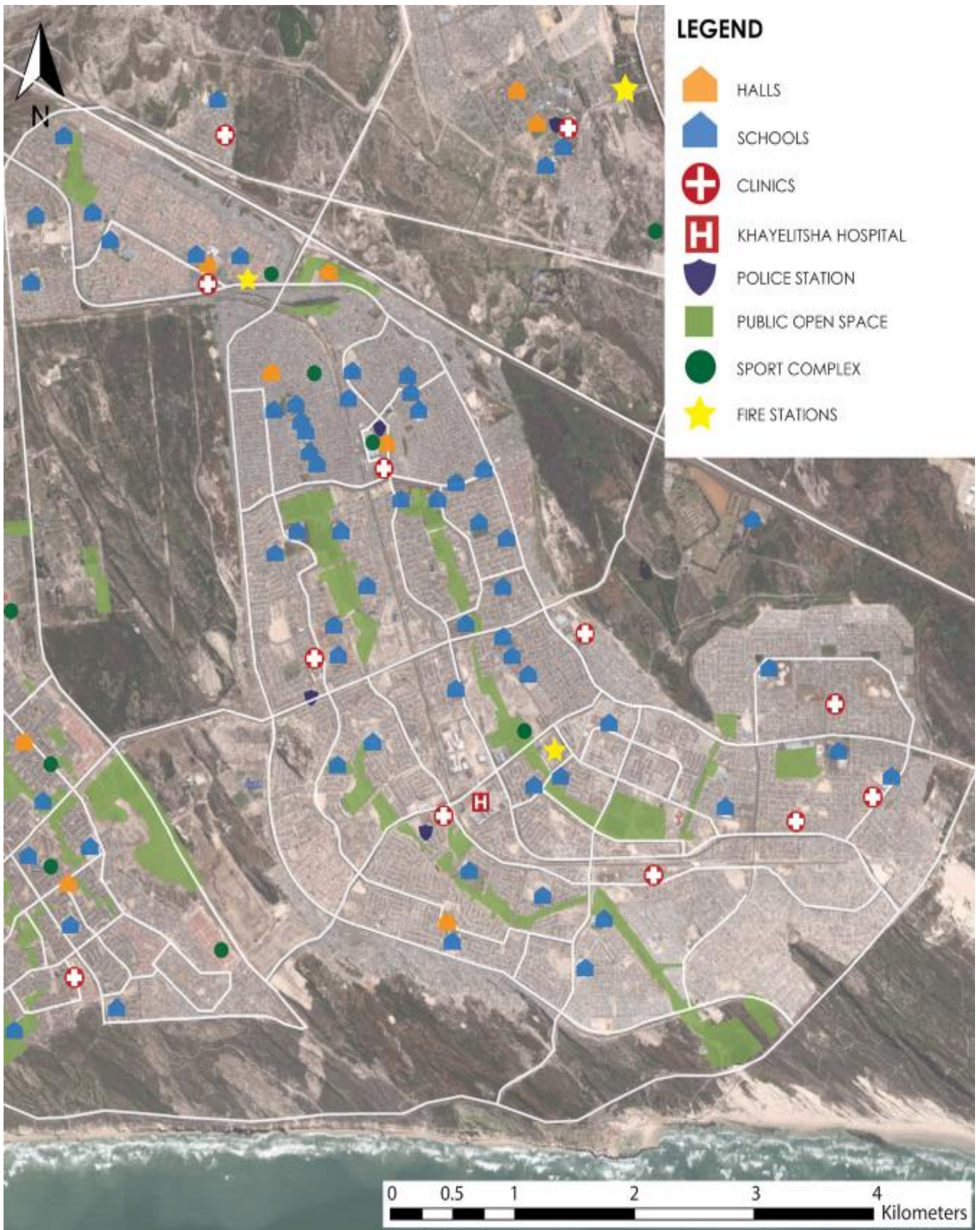


Figure 40: social facilities found in Khayelitsha (source: Botha, 2014)

## Opportunities and constraints

Having consolidated the natural landscape; economics; and settlements and services, the identification of opportunities and constraints was conducted. These opportunities and constraints (shown in Table 11), will help dictate as to what extent various spatial design elements are feasible within the area.

SECTOR	OPPORTUNITY	CONSTRAINT
<b>Natural Landscape</b>	<ul style="list-style-type: none"> <li>Using wetlands and natural features in creating urban parks and places of social gathering</li> </ul>	<ul style="list-style-type: none"> <li>Threat of climate change impacts and land degradation.</li> <li>Threat to Cape Flats Dune Strandveld</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>Expanding on and coordinating informal trading.</li> <li>Business sector development: forums, informal trading markets, and business skills Centre.</li> </ul>	<ul style="list-style-type: none"> <li>Administrative barriers in efficient economic functioning (red tape, etc.).</li> <li>Informal economy issues (no regulation, and poor infrastructure).</li> </ul>
<b>Settlement and services</b>	<ul style="list-style-type: none"> <li>Social clustering of facilities</li> </ul>	<ul style="list-style-type: none"> <li>Housing backlog and informal settlements.</li> <li>Lack of social facilities and other amenities</li> </ul>

*Table 11: opportunities and constraints in the Khayelitsha area (created by author, 2015)*

## Conceptual Framework

### Spatial objective

The conception of this framework is informed by sustainable urbanism and urban acupuncture. Urban acupuncture argues that changes to a community don't need to be large scale or expensive in creating mass change, but small scale interventions have the

ability to transform the larger urban context. Rasmussen (2012) explains that urban acupuncture creates a dialogue between the community and designers where sustainable projects serve as needles that revitalise the whole by healing the parts. This coupled with sustainable urbanism ensures that a balance between the built environment, the natural environment, social and economic values is created. Thus the values and principles which underpin this framework are those that are aimed at promoting sustainable development that: contributes towards the economic growth of the region; promotes innovation; and combines concern for the environment with social-economic issues so that human health and the natural and cultural resources are not harmed.

The ethical position of this report speaks to the support for local priorities, plans and policies that include the promotion of social and economic development within a safe and healthy environment, and the protection and conservation of all environmentally sensitive areas and endangered species. A conceptual framework was undertaken (as opposed to a local area plan) in following a non programmatic approach. It has been recognised that plans that are outlined to the very last detail end up being overly designed and result in sterile areas. Additionally, a conceptual framework was undertaken as the design process of a local area plan requires stakeholder participation, which is beyond the scope of the dissertation research. Benefits that are associated with a non-programmatic approach are that: they are driven by a concern with the quality of the whole (and not just parts), they focus on human activity in space rather than just land use, and are concerned with environmentalism and humanism, (Dewar and Louw, n.d.).

## **Guiding principles**

### Place making

Place making is concerned with creating a 'sense of place' for local residents. This sense of place is translated as creating a sense of belonging through place, (CTSDF, 2012). The importance of place making is that it capitalises on local community's assets and potential, with the intention of creating public spaces that promote people's wellbeing. In addition, "placemaking facilitates creative patterns of use, paying particular attention to the physical, cultural, and social identities that define a place and support its ongoing evolution," (Rasmussen. 2012: 70).



### Mixed land use

“The definition of mixed land use refers to the horizontal and vertical integration of suitable and compatible residential and non residential land uses within the same area or on the same parcel of land,” (CTSDF. 2012: 26). Mixed use developments promote a diversity of activities and public services close together that compliment each other. Additionally, it discourages car usage, and promotes and fosters human connections and interactions.

### Pedestrianisation and mobility

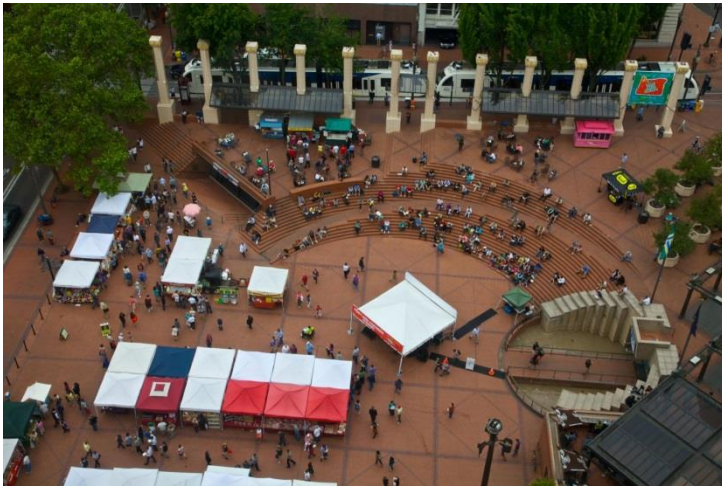
Pedestrianisation and mobility is concerned with providing quality pedestrian experiences and movements. This entails providing safe pedestrian routes that connect different land uses and public spaces. Good pedestrianisation and mobility also discourages vehicular usage thus promoting community interaction and health.

### **Strategies**

In analysing the Khayelitsha region, a set of strategies have been established in order to guide the operation of the planning programme and the preparation of the area. Strategies that were identified are: creating better linkages and improving access to economic opportunities, enhancing the natural environment, and urban upgrades.

#### *1. Creating better linkages and quality public spaces*

Townships such as Khayelitsha were planned in an inward manner that maximised isolation from other areas. In addition, although these areas consist of individuals who take public transport and are mainly pedestrians; these areas lack quality pedestrian spaces. Moreover, public spaces are limited and the creation of areas where community members can gather and interact is needed. Having such spaces would also contribute to better economic growth as traders would also be able to trade in these spaces. Thus it is a key strategy to encourage pedestrian movement and good quality spaces.



*Figure 41: Pioneer Courthouse Square, Portland (source: the Square, 2015)*

### **Precedent**

#### *Pioneer Courthouse Square, Portland*

Pioneer Courthouse Square is an urban park located in Portland, Oregon (USA). This area was created with a vision of gathering space for the benefit of Portland's community members and visitors. Through this unique public-private management model, the Park has been recognized as one of the most successful public spaces in the United States

## *2. Improving access economic opportunities*

It is of a priority to promote sustainable economic growth within the area. The major problem that is seen is that of lack of services and access opportunities in economic areas, especially with regards to the informal economy. As noted in the previous chapter, there is a need in site C for basic infrastructure such as water points and shelter. Recognition of different trader needs also needs to occur as different sectors have different needs (for example fresh produce versus meat traders) and will require sector specific interventions. Another issue lies in the lack of support and opportunities for the informal economy. In having business support facilities near these trading areas (social facilities) supporting for the traders can be accomplished. Thus in creating optimal trading spaces in established public areas such as the train station (transport nodes), informal traders can begin to establish their businesses better.



*Figure 42: Warwick Junction in Durban  
(source: project for public spaces, 2015)*

### **Precedent**

#### *Warwick Junction, Durban*

Warwick Junction located in Durban (South Africa) is known as one of the most successful projects in designing adequate spaces for traders which address their needs. The project was developed through an extensive process of consultation between local formal and informal businesspeople, local government, and other stakeholders. What resulted was a highly functional space in which pedestrians and traders could both use.

### *3. Urban upgrades*

The geometry of the block and superblock, and their spatial arrangement is the main determinant of the urban form, and can be appropriately augmented to cater for the required land-use of the site, the creation of memorable spaces, and to optimise efficiencies of both pedestrian and vehicular movement. The notion of the superblock allows for creating a hierarchy of movement and accommodates for various activities. This arrangement allows work especially in light of the different forms of the urban form that is seen in Khayelitsha. Additionally, although most residents have access to water; electricity; and housing, there are many of those who live in informal settlements without access to basic services and many more who are on the housing waiting list. There are also a few issues noticed socially, such as that of health and the lack of social facilities. Thus the aim is to have a region that has a favourable social development environment, along with efficient and sustainable infrastructure.



*Figure 43: Mtshini Wam Reblocking  
(Source: South African SDI Alliance,  
2015)*

### **Precedent**

#### *Mtshini Wam, Cape Town*

Mtshini Wam is an informal settlement which was prone to flooding and had various infrastructural and social issues. Through a collaborative effort between designers, NGOs and community members, infrastructural needs were established and provided. This also helped create open public spaces and roads by re-arranging 250 shacks in accordance to a community-designed layout plan.

### **Conceptual layout**

The conceptual layout translates the guiding principles established in the previous section, in creating a layout planning guideline. The layout provides an example of how the site C can be envisioned. The layout is driven by encompassing the strategies discussed above through reinvigorating public space. Dewar (n.d.) explains that public spaces are the primary elements affecting the quality of cities as they are experienced by all people...while being important for all, the role of public spaces in the lives of the urban poor is critical. Thus it is the framework of public spaces, institutions and facilities, therefore - not houses – which must be seen as the basic structuring system of urban settlements, if genuinely liveable environments, which improve with time, are to be created (Dewar, n.d.). As Figure 44 displays, the intervention area chosen is the site C interchange between the train station and taxi terminus. The key idea involves creating a gateway from the station into the terminus, in which informal traders can trade. Trading stalls are promoted along existing pedestrian movement, which is prioritised over vehicular movement (where cars have to give way to pedestrians). These trading areas proposed are to be accompanied by water points, shelter, and storage.

The individual layers displayed in Figure 44 demonstrate how the area can be changed and promoted for the better. Table 12 discusses key interventions and implantation.

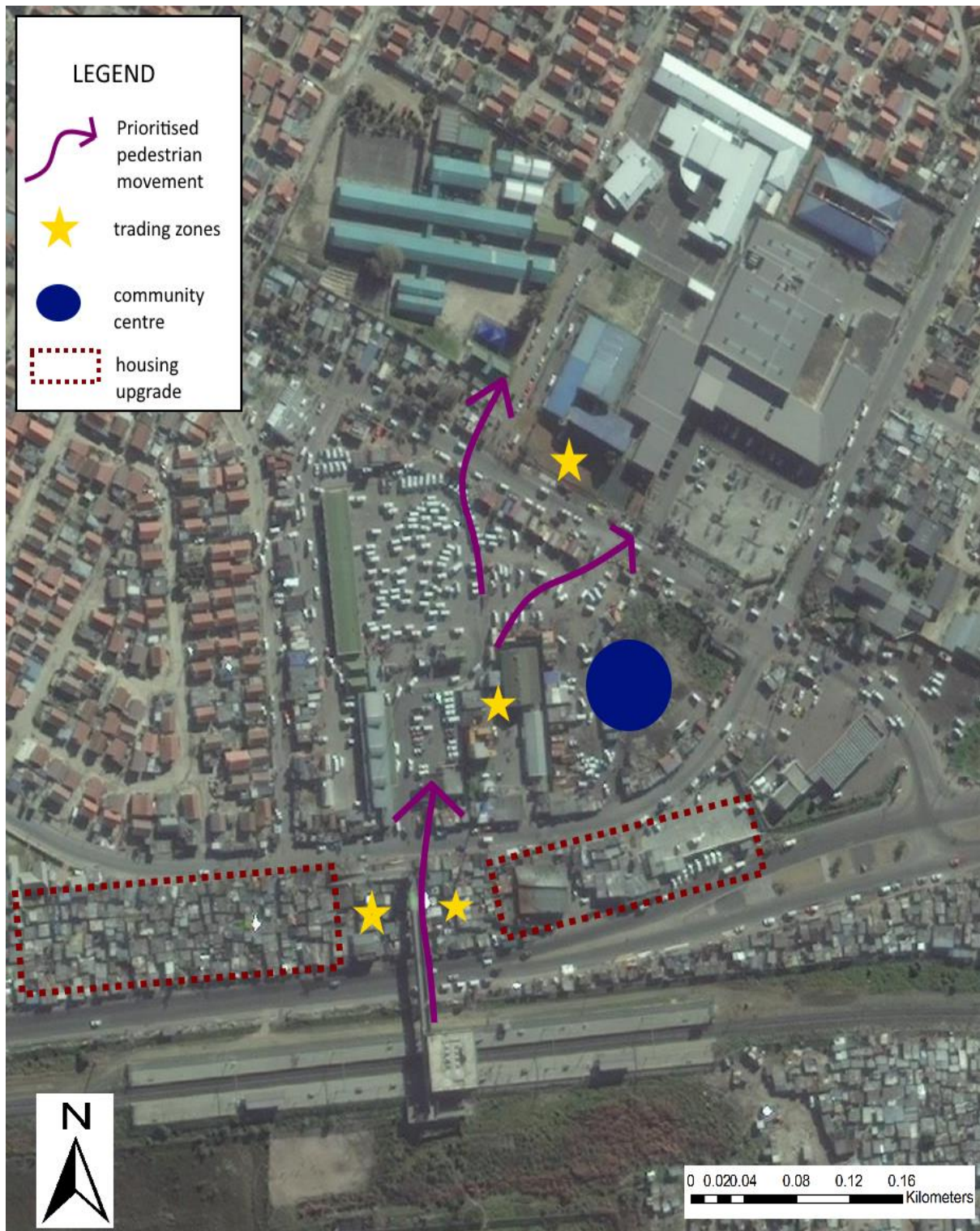
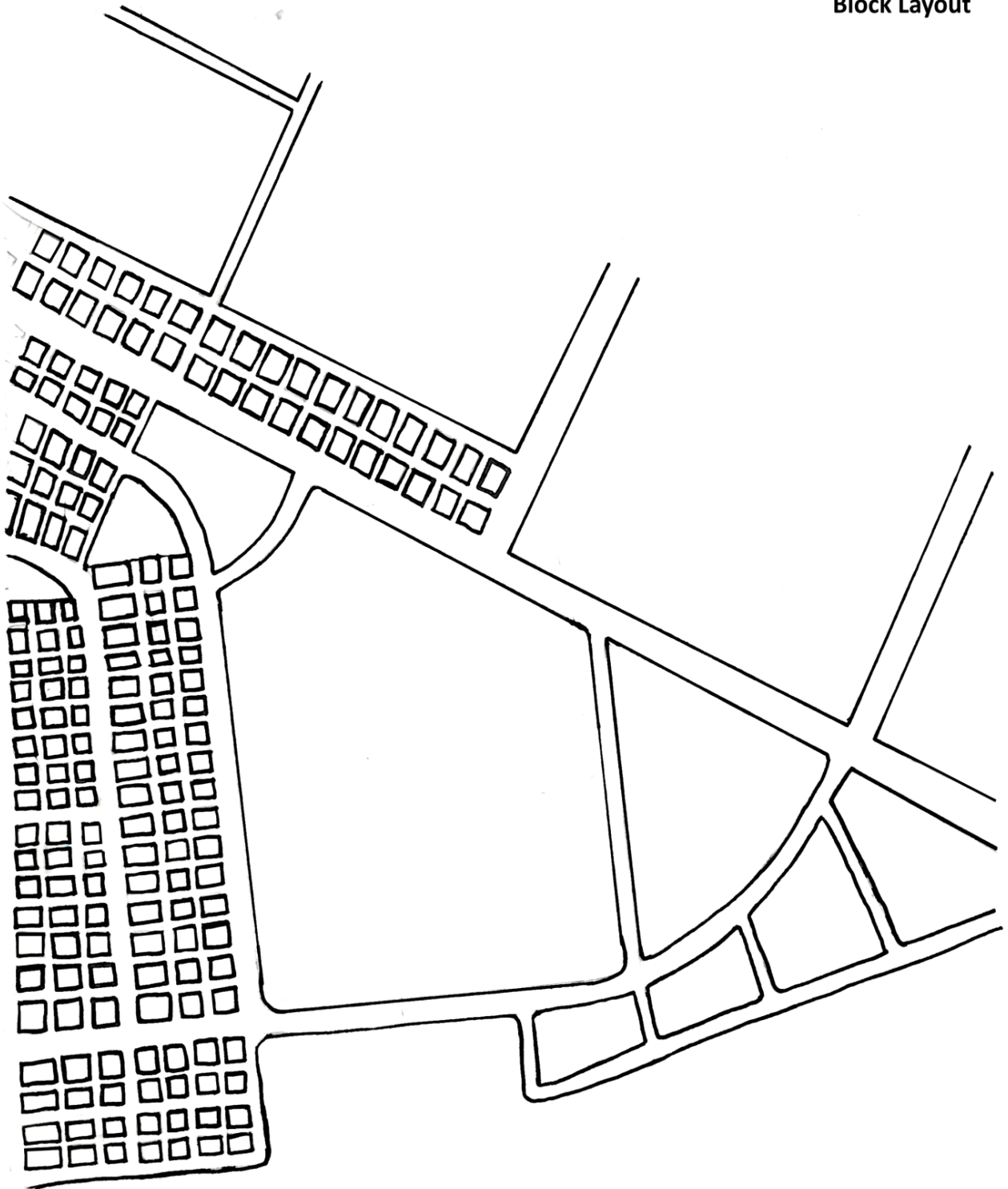


Figure 44: concept diagram for Nolungile area (Author, 2015)

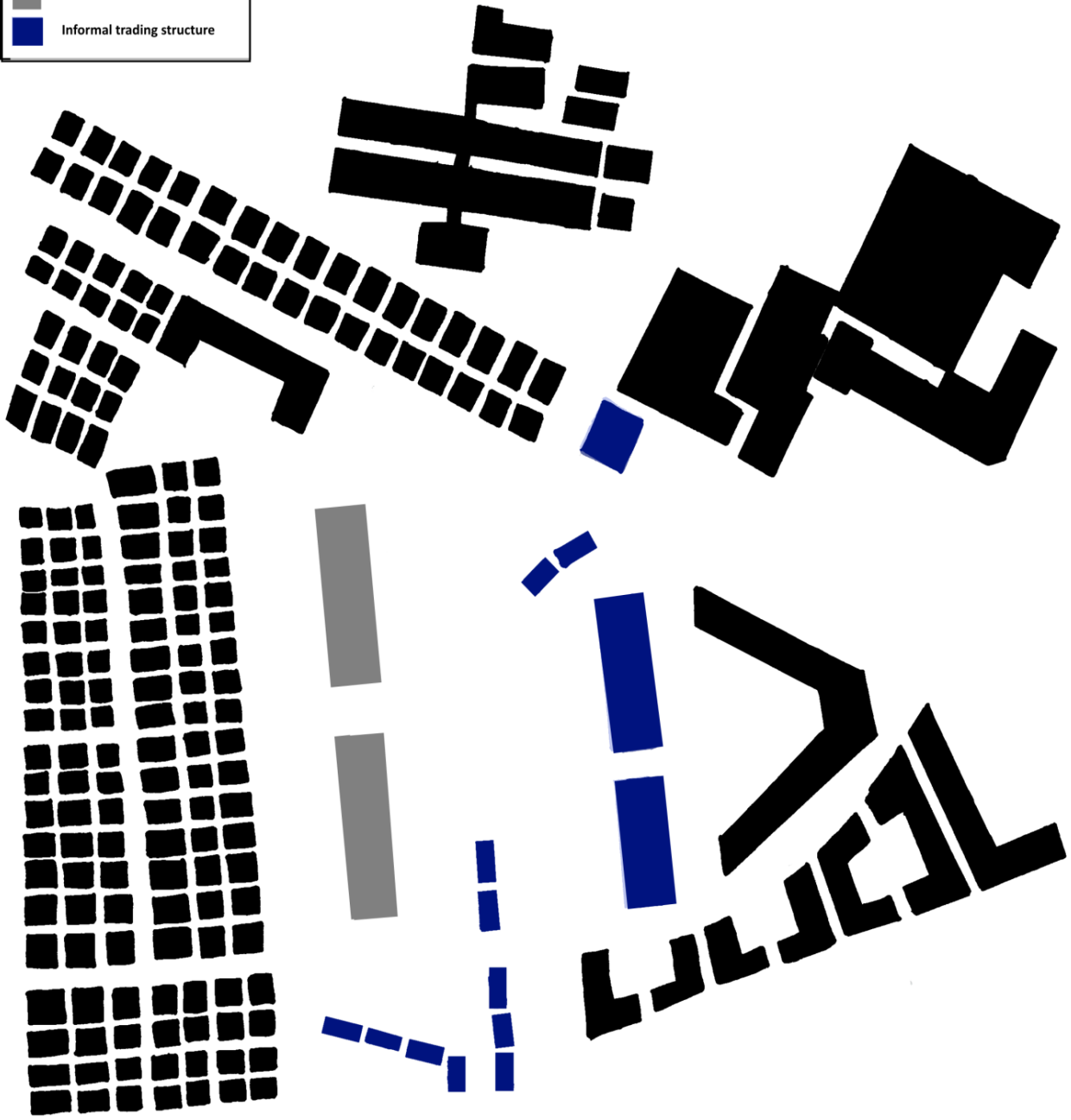
Block Layout

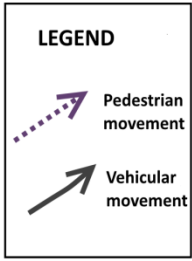


Built form

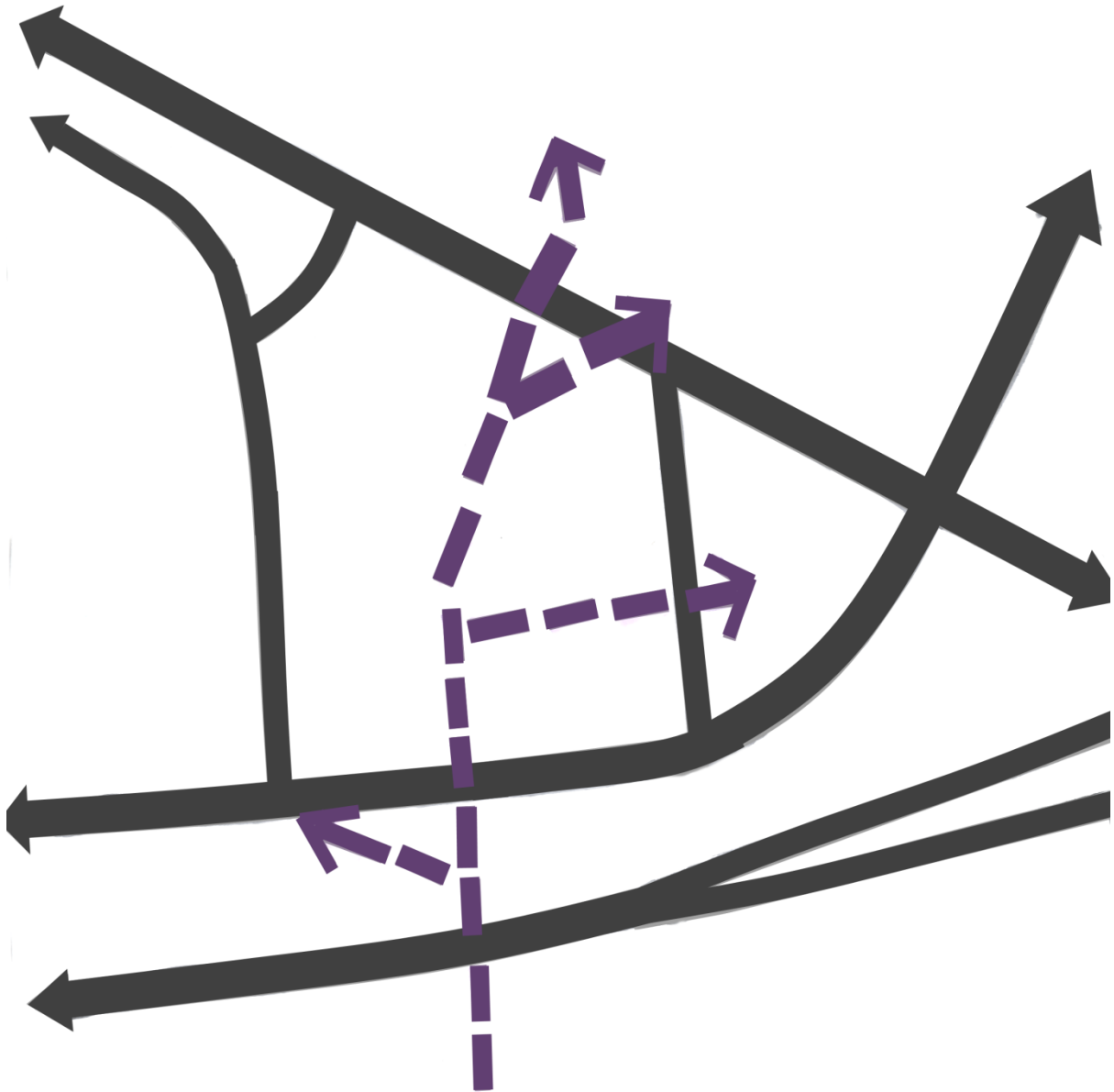
LEGEND

- Buildings
- Transport infrastructure
- Informal trading structure





# Movement





# Spaces typology

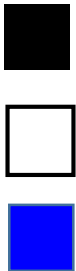


**LEGEND**





- Hard open space
- Active public space
- Green space





*Figure 45: Basemap for layers (Author, 2015)*

<b>CONCEPT LAYOUT PROPOSAL</b>				
<b>CONCEPT</b>	<i>Establish mixed use development in Nolungile</i>			
<b>PURPOSE</b>	<i>To improve and enhance existing facilities, whilst promoting new development opportunities.</i>			
	<b>LEGEND COLOURS THAT APPLY</b>	<b>KEY INTERVENTIONS</b>	<b>STRATEGY ALIGNMENT</b>	<b>*TIMEFRAME</b>
<b>LAND USE</b>		<ul style="list-style-type: none"> <li>• Creation of new mixed use development</li> <li>• Establishment of residential blocks</li> <li>• Improve existing commercial areas and create new social facilities</li> <li>• Provide viable economic centres through provision of trading spaces, and necessary infrastructure</li> </ul>	<b>1, 2</b>	Short to Medium term
<b>ACCESS</b>		<ul style="list-style-type: none"> <li>• Upgrade Njongo Road</li> <li>• Establish pedestrian routes between Govan Mbeki and Njongo Road</li> <li>• Establish new BRT/Bus station</li> </ul>	<b>1, 3</b>	Medium to Long term
<b>PUBLIC SPACE</b>		<ul style="list-style-type: none"> <li>• Create access to new public spaces</li> <li>• Create landscaping on road and public spaces</li> </ul>	<b>1, 2</b>	Medium term

	 	<ul style="list-style-type: none"> <li>• Encourage informal trading in active public spaces</li> </ul>		
<b>BUILT FORM AND BLOCK LAYOUT</b>	 	<ul style="list-style-type: none"> <li>• Establish medium density perimeter blocks and block layout in defining public spaces and streets and creation of private courtyard spaces for occupants</li> </ul>	<b>1, 3</b>	Long term
<b>IMPLEMENTATION</b>		<ul style="list-style-type: none"> <li>• Establish accountable management and a committee that includes representatives from all relevant stakeholders in the area to work with the municipality in regard to planning, design and maintenance</li> </ul>	<b>1, 2, 3</b>	Short to Long term
<p><b>*TIMEFRAMES- Short term: 1-5 years, Medium term: 5-10 years, Long term: over 10 years</b></p>				

*Table 12: Conceptual layout proposal (Author, 2015)*

## **Conclusion**

This chapter has examined the spatial components of Khayelitsha. Firstly, a site analysis was conducted in highlighting and recognising phenomenon such as the threatened endemic vegetation and social issues that exist. Opportunities and constraints were developed, which informed strategies that were used in developing the conceptual framework. It can be noted that Khayelitsha has great potential in terms of reimagining the space. The framework established displayed the basic interventions that could be considered in utilising the space more efficiently, and how trading can be included in these designs. It also served to show ways in which urban regeneration initiatives and future development could occur in a sustainable manner. The next chapter will provide conclusions and recommendations regarding the research

## Chapter 8

### Conclusion and Recommendations

This research has undertaken a study in examining and exploring the informal economy in Khayelitsha, with a central focus of understanding trader's experiences of the space they currently operate in. This was achieved through using purposive sampling in interviewing 23 informal traders, along with 10 commuters of the station. Thus far this chapter has reflected on the literature regarding the informal economy, and more specifically the informal economy in the South African context. Although definitions of the informal economy vary, there is a consensus that the informal economy is here to stay. More importantly, this economy contributes to job creation and sustainable livelihoods. In the South African context, the importance of the informal economy was highlighted where this economy plays a key role in the provision of food security for those who are moderately or severely food insecure.

Documents written by PRASA and the architecture firm in charge of the designs were examined in seeing whether the informal traders was considered and whether these renovations could pose a potential threat to the informal traders' livelihoods. Of significance was the responsibility and concern they claimed to have for the informal economy, yet in analysis of the documentation and plans shows that informal traders are not being incorporated. This research has shown that there is a fundamental disconnect between policies statements about the informal economy versus realities on the ground. This chapter offer conclusions with regards to the above-mentioned issues and will discuss and synthesise the primary findings. In addition it offers recommendations on how to integrate the informal economy into urban governance and plans. Lastly, the chapter will conclude with areas for further research.

As the research has shown, there are many traders that trade in the site C area, selling a variety of goods and services. Traders congregate around transport interchanges as there is a customer base with needs to be serviced. This is the case in this area, other parts of the city, country and in the world. The research revealed that many of the traders that were interviewed had stipulated that they were trading at the site C location because of the transport interchange. Thus it can be seen that the transport interchange is central to the

traders' livelihoods and that they can sustain themselves and their families through trading at these interchanges.

In understanding processes that enable/disable workers and operators in the informal economy to have sustainable livelihoods, four issues stood out. Firstly, the research showed that infrastructure both basic (water and toilets) and trader related (shelter, storage space and electricity), were big constraints to improved livelihoods. Many traders did not have access to water and as a result ended up having to drink and use the tap water from the public toilets or from neighbouring houses. This was especially concerning as those selling food due to health concerns. Shelter was also a concern. Many traders did not have access to any shelter leaving them to trade in uncomfortable situations, thus leaving them and their stock vulnerable to weather conditions

Sheltered areas that were available to some traders were extremely small restricting the amount of stock traders could keep. Many traders (both trading inside and outside the station) didn't have storage space and as a result had to move their stock with them every day through using shopping trolleys, whilst those who had, had very small spaces as mentioned earlier. Electricity often facilitates value adding activities. Some traders were sewing. Those who did shared xx number of electricity points which poses a potential fire hazard as there ends up being too many connections to one electricity source. Lack of electricity is a constraint to more traders adding value to products and getting involved in more lucrative trades.

The sizes of trading stalls were also a concern that most traders expressed. The traders trading on the station concourse have been given 1x1m trading squares in which they could trade. All of them said this was small. As a result, many traders have chosen to ignore these demarcations and take up the space they need. Those on the outside have stalls of varying sizes. However, the majority have very little stalls, whilst some have to trade right next to where the taxis load their passengers, proving to be a hazard to both commuters and traders. Small stall sizes limit the traders' ability to display goods which in turn impairs business.

Crime was cited by all workers as a critical issue. There is little visible policing in the area and this proves to be a hindrance in traders' lives. Many traders reported incidents in which they have been robbed (even shot) in the area. In addition, many traders feel uncomfortable trading too late in the evening because of the crime. Others have resorted to finding ways to secure their trading areas, such as getting burglar bars for security. It can be seen that the lack

of security or surveillance in the area restricts the traders from being able to trade freely and diminishes the hours in which they can trade.

Lastly, was the lack of communication between state officials and the traders. This was such a problem, that when the traders trading inside were forced out the station (by PRASA), they resorted to finding a local ward councillor in a neighbouring suburb to represent them in voicing their opinions and needs. Despite the fact that some traders belong to a registered trader organisation (UKITA), those that are trading on the outside have resorted to forming their own trader organisation in which fellow traders can voice their concerns, and action can be taken. This speaks to the lack of presence and management by state officials. Additionally, many traders are also unaware of the support structures that are available to informal traders (such as the City Small Business Services Support). This lack of adequate communication and relationship between state officials and traders also is an impediment to effective and inclusive management of the area

### **Policy and implementation contradictions**

The City of Cape Town has formally established policies and personnel who are responsible for informal trading. The Economic Development Department (EDD) is responsible for informal trading and on paper commits to providing an enabling environment for entrepreneurship and business growth. Along with managing the informal economy, they are responsible for drafting, implementing, and overseeing the informal trading policies and by-laws. As mentioned previously, the City of Cape Town (2013a: 8) claims “a developmental approach, *they* seek to facilitate the access to job and entrepreneurial opportunities within the informal trading sector... and the nurturing of a positive relationship with the formal business sector and consumers by providing a stable regulatory and flexible management environment that is predictable, empowering and sustainable.”

However, the research shows a very different reality in site C. Traders in interviews reported that they did not know which city council official or department manages their trading area. A City of Cape Town councillor expressed that they have difficulty in managing township areas, as there are no formal trading plans, and the processes that dictate management in these situations are obscured by red tape. Comparing this with research on Cape Town’s approach to inner-city trading (Bukasa, 2014) suggests that township traders are severely neglected in comparison. The City was instrumental in the launch of UKITA, yet did not set foundations



in creating management initiatives for the area, highlighting concerns that in a 20 year period of democratic rule, there is no informal trading plan that exists for the area. The City seems to rely on UKITA to manage the area, this suggesting a hands-off approach. The lack of provision of adequate facilities for traders also points to the neglect of the area, a major transport intersection in the city. The lack of resource human and financial resource allocation by the city shows how the city has disregarded this element of the economy.

### **Potential impacts of PRASA upgrades**

As outlined in Chapter 5, PRASA claims the desire to promote and boost existing facilities with regards to informal economy activities occurring at the stations. However, what was discovered from the research was that PRASA CRES was initially in charge of the modernisation project and drafted most of the plans, but the project was subsequently taken over by PRASA Technical thus giving leaving all the decision making to a team mainly made up of executives and technical professionals. Thus there is very little indication that traders will be accommodated for, as the current plans show no indication of informal trading.

The investigation of the Nolungile station upgrade has revealed a number of things. Firstly, the traders at the station and PRASA have a history, one that contains a lot of tension due to PRASA trying to remove the traders from the station (in 2013). This tension and disagreements have led to the informal traders finding someone to represent them (ward councillor). After negotiations PRASA agreed to give the traders a space to trade and assigned 16 1x1m trading squares. Currently, the traders, the ward councillor, and PRASA are in negotiations as to how the traders can be better accommodated at the station. Secondly, as mentioned earlier PRASA Technical is in charge of the renovations that are to occur at Nolungile, and even though the traders are aware of these upgrades that are to happen, there hasn't been a public participation process, but rather negotiations have occurred as a result of the threat of being moved out and their livelihoods jeopardised. Lastly, the traders are very concerned about their future at the station. As was discovered in Chapter 6, many traders are very insecure about their position at the station and whether they will have a place to trade after the renovations are done. As a result, this insecurity restricts traders from securing sustainable livelihoods.

## **Theoretical implications**

There are many reasons as to why people work in the informal economy. Various elements of the different schools of thought were noted in this research. Many interviewees stated that they couldn't find a job in the formal economy, in line with the dualist position. Whilst, others have stated that they willingly chose to be in the informal economy, in line with the voluntarist school of thinking. In addition, formal-informal linkages were discovered between the traders and various formal stores. Thus verifying Chen (2007) and Devey et al.'s (2006) research on the linkages that exist between formal and informal economies in the form of sub-sector networks. Moreover, the challenges and issues that are faced by the informal economy are highlighted in this research. Adequate infrastructure and minimal support are indications of such challenges, and the research demonstrates that these challenges leave traders very vulnerable. These ideas that are articulated by the schools of thought and other scholars (Siqwana-Ndulo's, 2013; Skinner, 2008; Bhomwik, 2005; and Duminy, 2011) all highlight that social and economic justice which is unsustainable and inequitable often lead to the poor suffering the most, and the informal traders more specifically. These concerns have led scholars to suggest a more comprehensive and holistic approach (as discussed in Chapter 2) in regards to addressing the informal economy.

Urban planners have a role to play in ensuring social and economic justice. Firstly, urban planners have a role to play in shaping local authority responses. Through appropriate and responsive planning practices, planners can begin to change and influence decision makers in creating plans and policies for the urban poor. Secondly, through embracing modern systems coupled with tradition and local knowledge, planners can create promote more inclusive cities. There is a need to recognise that trade-ups (win-win) rather than trade-offs (some win-some lose) are more appropriate in handling scenarios, where planners plan with rather than plan for individuals. Thirdly, through spatializing culture (studying culture and the political economy through the lens of space and place), through understanding and being able to observe the production of space planners and state officials can begin to create more contextually based approaches (such as the Warwick Junction case). Lastly, planners need to engage with the policy process. Through having planners involved with the policy process, informal trading can be better accommodated for. Adopting these ideas allows for planners and state officials to be able to respond to the changing nature of the city, include local knowledge in their plans and create sustainable urban strategies.

## **Recommendations**

Drawing on the concerns and issues highlighted in the above sections, a few recommendations can be formed in allowing for better management and usage of the site C area.

### **Initiating and sustaining a comprehensive participation processes**

The public participation process needs to be pursued. Public participation processes in planning with and not for the urban poor. This public participation process should also encourage community members to design and conduct analyses in reinvisioning and interpreting their spaces. This allows for better planning and gives informal traders the platform to have their say in how informal trading materialises on the ground. The public participation process needs to engage more with interested and affected parties and should be less of a tick boxing mechanism, which is seen to be happening in many parts of the country.

Through this, local and scientific knowledge can be integrated to provide a more comprehensive understanding of complex and dynamic processes and outcomes. In light of this, the role of the planner should be one that creates an environment that facilitates and emphasises empowerment, equity, trust and shared learning. However, in order to design more effective and appropriate participatory processes, research is needed to better understand and prioritise the factors that make stakeholder participation lead to stronger and more durable decisions in different contexts, (Reed. 2008: 2426). Through these means, stronger public participation can be realised. Like in the Warwick Junction case, the planner needs to encourage resource allocation to infrastructure for traders; negotiate new bylaws with traders; encourage initiatives in health education, accredit traders who upgraded their stalls; and oversee that a dedicated and accountable unit is provided to deal with traders; whilst promoting the protection of traders.

### **Establishment of responsible and accountable management**

The research has shown that this area is largely neglected by the city. An informal trading plan needs to be formulated as a matter of urgency. Thus it is key that in moving forward a baseline study be performed in formulating policies and management plans for the area. Additionally, a multi-disciplinary team is needed in creating the project, overseeing the project, implementing the project and monitoring it. As was shown in the case of Warwick

Junction (2009: 35), (which had a team made up of Architectural Services; City Health; City Police; Development and Planning; Drainage and Coastal Engineering; Durban Solid Waste; Electronics; Housing; Informal Trade and Small Business Opportunities; Licensing; Parks; Protection Services; Real Estate; Roads; Traffic and Transportation; Urban Design; and Waste Water Management), projects that consist of multi-disciplinary team which recognise the interdependencies between sectors and achieves multiple reinforcing gains usually end up in success, due to different experts working together towards a common goal and vision.

The study has revealed that there are a range of activities occurring with different needs that are found in Khayelitsha. In line with this, there needs to be a provision of infrastructure such as water, shelter and storage, with appropriate management mechanisms in overseeing this. In addition to this, responsible staff in managing trading in the area is essential. Furthermore, more rigorous protocols for monitoring and evaluating programs and policies are needed which are suited to issues of today. Monitoring and evaluation leads to better implementation outcomes. These protocols need to outline duties, along with methodologies appropriate in achieving them. This entails better coordination between stakeholders, state departments, assigning of competent staff, and appropriate budgeting. In this manner, a standard means of monitoring can occur (rather than widespread inconsistencies).

### **Reconsideration of PRASA's approach to station upgrades**

There is a serious need for PRASA to reconsider their approaches and integrate informal traders into their plans. Through not allowing this, PRASA perpetuates the poverty cycle in continuing exclusion and displacement of South Africa's urban poor. Considering that these upgrades are a nationwide project, it is of great necessity for PRASA to reconceptualise their plans. Additionally, there is a need for projects such as these to consist of a multi-disciplinary team and not left in the hands of just technical staff (engineers).

### **Initiation of support programs**

The study has revealed that there needs to be a creation of support structures for informal traders. Many traders were unaware of any support structures that existed for them highlighting the lack of these important structures. These need to be locally based, easily accessible and encourage the promotion of business training; trader networks; informal

economy development forums; and skills development. Additionally, appropriate management structures are needed, which are critical to the success of these programs.

### **Increased legal awareness**

In creating better and more integrated informal trading management, a changing of the current modus operandi needs to occur in terms of legal awareness and management. Administrative neglect that bedevil informal trading can only be addressed through better communication and the sharing of the legal structures that guarantee the fundamental rights of informal street traders. Through having pro bono (free) legal aid someone who is trained and skilled on the content of the trading policies and by-laws, a sharing of information can occur. More importantly, through amending the policies and by—laws in creating stronger legal protection for the traders, an improvement in the ideology and implementation of informal trading approaches and management will not change.

### **Development of a local area plan**

As was displayed in the previous chapter, having an environment that promotes sustainable livelihoods is critical in traders' lives. Therefore, a local area plan for the area needs to be formulated in a participatory process that follows an economic logic (Bukasa, 2014). A local area plan also helps identify catalytic intervention projects and development investments that the municipality could contribute to. As the conceptual framework revealed, there are many opportunities available in site C to maximum public spaces and increase trading areas in the vicinity, thus the need for this plan.

### **Areas for further research**

This research has examined the relationships and lives of 23 traders in the site C area who trade both on the inside and outside of the station. The research has covered a minor amount of the trading that exists in Khayelitsha, thus there is an opportunity to research the amount, variation, networks and connections of informal trading that exists in the entire site C area. There is also an opportunity to explore the relationships and hierarchies that exist between those trading inside the station versus those that trade on the outside. As was noted in Chapter 6, those trading on the inside are much older and investigating the hierarchies that exist, as

well as the experiences of those who have been trading for over 20 years could be of interest. As was expressed in Chapter 2, there is a relationship that exists between formal and informal businesses. Chapter 6 showed that a large amount of traders sourced their material from formal shops. This provides an opportunity to explore the formal-informal relationships that exist between the informal traders in site C and the formal shops that exist. There is also an opportunity in exploring the support structures that exist for informal traders in township areas. Examining its operations and where gaps exist (between what is on offer what is needed) could be of great benefit to informal traders and strengthen their livelihoods.

It can be seen that although South African legislation and its principles are ones that encourage sustainable development; social justice; and equitable livelihoods, the reality is far from this. There are challenges experienced, such as policies and legislation that don't protect the traders; lack of communication between traders and the state and not being considered in big infrastructure projects; and current mind-sets, which hinder effective environmental management. However, the issues experienced are ones that can be reformed and enhanced for the better management of informal trading. Through working together in achieving shared objectives and outcomes, the appropriate management and assessments can occur. Without an enabling and well-functioning urban public space, sustainable livelihoods among individuals cannot be ensured.

### **Areas for further research**

This research has examined the relationships and lives of 23 traders in the site C area who trade both on the inside and outside of the station. Firstly, there is an opportunity to explore the relationships and hierarchies that exist between those trading inside the station versus those that trade on the outside. As was noted in Chapter 6, those trading on the inside are much older and investigating the hierarchies that exist, as well as the experiences of those who have been trading for over 20 years could be of interest. Secondly, as was expressed in Chapter 2, there is a relationship that exists between formal and informal businesses. Chapter 6 showed that a large amount of traders who sew sourced their material from formal shops. This provides an opportunity to explore the formal-informal relationships that exist between the informal traders in site C and the formal shops that exist in Bellville. Lastly, there is more research that is needed in terms of examining the effects that big infrastructure projects

(such as upgrades and renovations) have on informal traders. Having more information on these effects can also help in formulating standards on protocols that need to be followed when these kind of projects occur.

It can be seen that although South African legislation and its principles are ones that encourage sustainable development; social justice; and equitable livelihoods, the reality is far from this. There are challenges experienced, such as policies and legislation that don't protect the traders; lack of communication between traders and the state and not being considered in big infrastructure projects; and current mind-sets, which hinder effective environmental management. However, the issues experienced are ones that can be reformed and enhanced for the better management of informal trading. Through working together in achieving shared objectives and outcomes, the appropriate management and assessments can occur. Without an enabling and well-functioning urban public space, sustainable livelihoods among individuals cannot be ensured.

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## Appendix



### SCHOOL OF ARCHITECTURE, PLANNING AND GEOMATICS

University of Cape Town

Private Bag x3, Rondebosch 7701

Centlivres Building

Email: [Janine.Meyer@uct.ac.za](mailto:Janine.Meyer@uct.ac.za) Tel: 27 21 6502359

June 2015

**STATEMENT TO BE READ OUT TO AN INTERVIEWEE BY A STUDENT ABOUT TO UNDERTAKE AN INTERVIEW FOR THE PURPOSES OF A MASTERS DISSERTATION, AS A REQUEST FOR PERMISSION FOR THE NAME AND/OR IDENTITY OF THE INTERVIEWEE TO BE REVEALED IN THE DISSERTATION**

*For example: Your thesis would contain a statement such as: Mr Smith (Head of Spatial Planning at the Municipality of Cape Town), or even: Head of Spatial Planning at the Municipality of Cape Town, as this person would be easily identifiable. Amend the form as necessary.*

A copy of the form can be given to the respondent if they request it.

MY NAME IS **Thokozani Zulu** AND I AM STUDYING CITY AND REGIONAL PLANNING AT THE UNIVERSITY OF CAPE TOWN.

I AM DOING RESEARCH ON **Informal trading at train station interchanges** AS PART OF MY MASTERS DISSERTATION AND I WOULD LIKE TO ASK YOU SOME QUESTIONS TO HELP ME WITH MY RESEARCH.

I WOULD LIKE TO USE YOUR NAME, DESIGNATION AND POSSIBLY DIRECT QUOTES IN MY DISSERTATION AS A SOURCE OF INFORMATION. PLEASE INDICATE YES OR NO BELOW TO GIVE OR WITHOLD YOUR PERMISSION FOR ME TO DO THIS.

**YES I GIVE PERMISSION FOR YOU TO USE MY NAME / DESIGNATION / WORDS IN YOUR DISSERTATION**

**NO I DO NOT GIVE PERMISSION FOR YOU TO USE MY NAME / DESIGNATION /WORDS IN YOUR DISSERTATION**

IF YOU WANT TO END THE INTERVIEW AT ANY POINT YOU ARE FREE TO DO SO.

MY SUPERVISOR IS **Caroline Skinner** AND HIS/HER CONTACT DETAILS ARE:  
**caroline.skinner@uct.ac.za**

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Signature and designation (interviewee)

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Signature of student

*This form is to be completed with your name and topic and submitted with your ethics form*





Application for Approval of Ethics in Research (EiR) Projects  
Faculty of Engineering and the Built Environment, University of Cape Town

## APPLICATION FORM


**Please Note:**

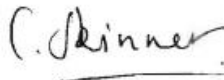

Any person planning to undertake research in the Faculty of Engineering and the Built Environment (EBE) at the University of Cape Town is required to complete this form **before** collecting or analysing data. The objective of submitting this application *prior* to embarking on research is to ensure that the highest ethical standards in research, conducted under the auspices of the EBE Faculty, are met. Please ensure that you have read, and understood the **EBE Ethics in Research Handbook** (available from the UCT EBE, Research Ethics website) prior to completing this application form: <http://www.ebe.uct.ac.za/usr/ebe/research/ethics.pdf>

APPLICANT'S DETAILS		
Name of principal researcher, student or external applicant	Thokozani Zulu	
Department	Architecture, Geomatics and Planning	
Preferred email address of applicant:	Zlxtho003@myuct.ac.za	
If a Student	Your Degree: e.g., MSc, PhD, etc.,	Masters in City and Regional Planning
	Name of Supervisor (if supervised):	Caroline Skinner
If this is a research contract, indicate the source of funding/sponsorship	n/a	
Project Title	Interchange for the informal? An An investigation of the nature of the Nolungile station upgrades and informal trading.	

**I hereby undertake to carry out my research in such a way that:**

- there is no apparent legal objection to the nature or the method of research; and
- the research will not compromise staff or students or the other responsibilities of the University;
- the stated objective will be achieved, and the findings will have a high degree of validity;
- limitations and alternative interpretations will be considered;
- the findings could be subject to peer review and publicly available; and
- I will comply with the conventions of copyright and avoid any practice that would constitute plagiarism.

SIGNED BY	Full name	Signature	Date
Principal Researcher/ Student/External applicant	Thokozani Zulu		11/06/2015

APPLICATION APPROVED BY	Full name	Signature	Date
Supervisor (where applicable)	Caroline Skinner		11/06/15
HOD (or delegated nominee) Final authority for all applicants who have answered NO to all questions in Section 1; and for all Undergraduate research (Including Honours).			
Chair : Faculty EIR Committee For applicants other than undergraduate students who have answered YES to any of the above questions.	G. SiHole		21/07/15

## Interview questions

### Informal traders

#### Observations (for researcher)

	<b>Male</b>	<b>Female</b>			
<b>Gender</b>					
	<b>Black African</b>	<b>White</b>	<b>Coloured</b>	<b>Asian</b>	<b>Other</b>
<b>Race</b>					
	<b>Ramps</b>	<b>Sidewalk</b>	<b>Inside</b>	<b>Other</b>	
<b>Location of business</b>					
	<b>Wood</b>	<b>Cages (metal)</b>	<b>Concrete</b>	<b>Corrugated iron</b>	<b>Other</b>
<b>Type of stall used to display products</b>					
	<b>Produce</b>	<b>Medicine</b>	<b>Clothing</b>	<b>Consumables</b>	<b>Other</b>
<b>Goods being sold</b>					
	<b>Toilets</b>	<b>Electricity</b>	<b>Storage facility</b>	<b>Water</b>	<b>Other</b>
<b>Access to infrastructure (if visible)</b>					

Observed obstacles of trading area/location (if any) \_\_\_\_\_

Usage of space \_\_\_\_\_

#### 1. Demographics and home based questions

##### 1.1 Please tell me about yourself

1.1.1 What is your name?

1.1.2 How old were you on your last birthday?

- 1.1.3 Are you married?
- 1.1.4 How many years of school did you complete?
- 1.1.5 Have you completed any post school qualifications? If yes what?
- 1.1.6 Are you originally from Khayelitsha? If not where are you originally from? (Country and City)
- 1.1.7 Do you currently live in Khayelitsha? If not what suburb do you come from?
- 1.1.8 How many children do you have?
- 1.1.9 How many people are dependent on your income?
- 1.1.10 How many other income earners are there in your household?

## **2. Regarding the business and work history**

### **2.1 Please describe your business**

- 2.1.1 How long have you been trading here?
- 2.1.2 What motivated you to start this business?
- 2.1.3 What did you do before starting this business?
- 2.1.4 What experience, if any, did you have with business before you started?
- 2.1.5 How did you learn how to run a small business?
- 2.1.6 How many days a week do you work?
- 2.1.7 On an average day what time will you start and finish work?
- 2.1.8 Do you have people working for you? How many? What do they do?

## **3. Regarding location and spatial conditions**

### **3.1 Please tell me about the location of your business**

- 3.1.1 What do you like about trading at this market?
- 3.1.2 What don't you like about trading at this market?
- 3.1.3 Why did you choose this specific location for trading?
- 3.1.4 What are the advantages and disadvantages of your current location?
- 3.1.5 Have you ever experienced theft or criminal violence whilst trading here?
- 3.1.6 How would you feel if everyone had one special area in which they could trade?

3.1.7 How would you feel about the site on the far right (point out) being the new trading site?

#### **4. Regarding supply and relationships**

##### **4.1 Please tell me about your products**

4.1.1 Do you produce the goods you sell, or do you purchase it from elsewhere?

4.1.2 If so where?

4.1.3 What relationship do you have with the formal businesses around you?

4.1.4 What experiences have you had with the surrounding formal businesses?

#### **5. Regarding access to infrastructure**

##### **5.1 Please tell me about the infrastructure provided (if any)**

5.1.1 How far is the closest toilet?

5.1.2 How close is the closest water point? (If available)

5.1.3 Do you have access to electricity?

5.1.4 If you have access to these basic infrastructures, do you have to pay for them?

5.1.5 Where do you store your products every evening?

5.1.6 How much do you pay to store you goods there?

5.1.7 Who do you pay to?

5.1.8 What are the advantages and disadvantages of the storage space provided?

#### **6. Regarding permits and regulations**

##### **6.1 Please tell me all you know about the regulations regarding running a business**

6.1.1 Who manages this area/market?

6.1.2 How much do you pay to operate at this site?

6.1.3 Who do you pay?

6.1.4 Do you as a trading community have a say in any of this?

6.1.5 Is your business registered with any governmental register?

6.1.6 Do you know the content of the informal trade policies and by-law?

6.1.7 Are there any other regulations you comply with?

6.1.8 Where did do you get your information on regulations?

## **7. Regarding relationship with council**

### **7.1 Please tell me about state officials involved with this area**

7.1.1 Who from the city do you have most contact with?

7.2.2 Please give me an example of a negative experience you have had with state official.

7.2.3 Please give me an example of a positive experience you have had with a state official.

7.2.4 What are the 3 most important things you think the local council could do to improve 7.2.5 your working environment for the type of trading you do?

## **8. Regarding support systems**

### **8.1 Please tell me about the support systems you know about**

8.1.1 Do you know of any support systems available for informal traders in the form of business training and financial help?

8.1.2 What made it easy for you to use business training and financial help facilities?

8.1.3 What makes it difficult for you to use business training and financial help facilities?

8.1.4 What is your opinion on these business training and financial help facilities?

8.1.5 Where did you find information on these?

## **9. Regarding trader organizations**

### **9.1 Please tell me about the trader organizations you know about**

9.1.1 Are you part of an informal trader association?

9.1.2 If yes, please provide the name of the organization

9.1.3 How long have you been a member?

9.1.4 What are the primary benefits of being a part of this organization?

## **10.Regarding wages and profits**

### **10.1 Please tell me about your income**

10.1.1 On an average week what is the value of goods that you trade? (Turnover)

10.1.2 On an average week, after all your business expenses are paid, how much money do you take home? (Profit)

## **11.Regarding station upgrades**

**11.1 PRASA is planning on upgrading the train station area. They are planning on creating: better platforms, changing the walkways, and upgrading the areas around the station, including this area.**

11.1.1 Do you know anything about the Nolungile upgrades?

11.1.2 Were you consulted about the station upgrades?

11.1.3 If yes, how were you consulted about it?

11.1.4 What is your opinion on these upgrades?

## **12.Regarding changes for more sustainable livelihoods**

**12.1 Please tell me about your future plans for this business**

12.1.1 What is the biggest obstacle you face in securing your livelihood?

12.1.2 What are a few practical things you think the local council could do to improve your working environment for the type of trading you do?

## For PRASA

What is your company and when was it established?

Please describe the company and the services offered

Please tell me about yourself (background, education and the role you play in the company)

What are your company's main functions?

What is your company's vision for Nolungile station?

Can you tell me how many people are trading at the station and how many people will be accommodated for in the new setup (once upgrades are completed)?

What processes are you going to follow regarding the relocation or reallocation of informal businesses that have stalls near the station precinct?

How will you manage this process?

When the station upgrade is complete, will you allow any informal trade on the forecourt?

What is your opinion on the informal trading happening at the Nolungile station?

The CEO of PRASA has stated that one of the company's challenges is that of PRASA's inability to support economic activities and providing socio-economic opportunities for the rural and urban poor. What in your opinion could be done to encourage economic support and socio-economic activities at the Nolungile station?



## For City of Cape Town

Please tell me about yourself (background, education and the role you play in the company)

Can you tell me a bit more about your informal trading policy and by-laws (public participation process, criteria for accepting or rejecting a trading permit application, validation, how people are allocated, how long the process takes, etc.)

What is the City's vision for informal trading activities in Cape Town?

How does your department encourage this?

In what manner are formal enterprises engaged in terms of street trading in Cape Town?

Are there any support structures or services (workshop, business forums, etc.) for traders in terms of educating or keeping them up to date about street trader By-Laws or amendments?

If yes, how is this managed?

Do you know who manages the informal trading in Khayelitsha and how it is managed?

What are the key challenges your department faces in regards to informal trading?

What possible first steps (in your personal opinion) can be taken in resolving these issues?

## Questionnaire for Commuters

What gender are you?

- Male
- Female

How old are you?

- 0 – 16 years
- 17 – 25 years
- 26 – 35 years
- 35 – 64 years
- Older than 65

Which suburb are you from?

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Why do you use the train?

- It's the most efficient?
  - It is the cheapest option?
  - It is close by to where I live
  - It is reliable
  - Other (please state)
- 

What do you use the train station for?

- Going to school
  - Going to work
  - Recreational purposes
  - Other (please state)
- 

Are you aware of the trading that happens in and around the station?

- Yes
- No

How do you feel about the trading that happens at the station?

- I'm happy that they are there

- I would like to see them gone
  - I have no particular feeling towards them
  - Other (please state)
- 

Do you ever buy anything from the traders?

- Yes
- No

How often do you buy from the traders?

- I specifically come here for the traders
- Quite often
- I have never
- Only once
- Every now and then

What do you buy from them?

- Produce (fruits and vegetables)
  - Snacks (cooldrink, chips, etc.)
  - Airtime
  - Clothing
  - Services (salons, barbers, etc.)
  - Other (please state)
- 

Are you happy with the way the station currently is?

- Yes
- No
- I have no particular feeling about this

If No, what changes would you like to see?

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