



Department of Economic
Development
Umyango Wezokuthuthukiswa
Komnotho

KWAZULU - NATAL

FINAL REPORT

KWAZULU NATAL DEPARTMENT OF ECONOMIC DEVELOPMENT

Consumer and Policy Sub Programmes:
Management Support

**GREEN PAPER: POLICY FOR
INFORMAL ECONOMY
PUBLIC PARTICIPATION**

MAY 2006



Mageba Projects cc

192 Windermere Rd, Morningside

Durban, 4051

Phone (031) 303 3900 Fax (031) 303 3911

Email allan@mlakzn.co.za

SECTION A: BACKGROUND AND OUTLINE OF THE GREEN PAPER: POLICY FOR INFORMAL ECONOMY

1. INTRODUCTION

The legislative mandate of the KZN Department of Economic Development (KZN DED) arises from the Constitution of South Africa. This mandate includes contributing to the formulation of economic policy development and articulating the economic development strategy for KZN and to promote and facilitate economic empowerment programmes. To fulfill this mandate, the KZN DED is organized into operational units or Sub Programmes, responsible for implementing the following core functions:

- Providing advice & seeking consensus on economic growth
- Providing funding for catalytic economic infrastructure
- Leveraging trade and investment support
- Enhancing logistics and transportation infrastructure & reducing the costs of doing business
- Enhancing competitiveness of firms in selected sectors
- Supporting Human Resource Development through the SETAs,
- Providing Business support services for SMMES
- Providing support services to promote Black Economic Empowerment (BEE)
- Creating jobs through developing an enabling local economic environment
- Implementing initiatives to ensure the sustainable rise in the income levels of those living below the poverty line

The KZN Department of Economic Development (DED) appointed Mageba Project cc in November 2005, for the provision of Project Management Support to the Consumer and Policy and Special Projects Sub programmes for the public participation for the Green Paper: Informal Economy.

Mageba Projects commenced work in November 2005 for a period of over 6 months for completion in May 2006. The programme was extended due to a number of delays (these are covered below). The scope of work is as follows:

- To identify stakeholders
- Understand stakeholders and establish expectations
- Understand the types of influence that stakeholders have in the proposed legislation
- Implement stakeholder management
- Facilitate / coordinate public participation workshops
- Arrange meeting dates, venues and make other logistical arrangements
- Widely advertise public participation workshops
- Receive oral and written comments
- Analyze comments

The **Project Deliverables** were as follows:

- Ongoing project management support
- Delivery of project specific documentation
- Monitoring project and Sub Programme Budget Expenditure
- Monitoring project implementation and the impact of projects delivered
- Provide a concise but comprehensive project close out report clearly synthesizing the key findings of the project to be supplied in hard copy and digital format.
- Provide capacity support programme for assigned personnel from KZN DED regarding project implementation.

The **Project Implementation Phases** for the public participation for the green Paper: Policy for the Informal Economy was as follows:

- Phase 1: Understanding the key issues
- Phase 2: i) Advertising in various media forms to enhance public participation
- Phase 3: i) Formal meetings / workshops with identified stakeholder groups;
ii) Administer questionnaires (in consultation with DED)
- Phase 4: Compile report and circulate to stakeholders for comment.

Each of these phases are discussed in more detail in the sections below. It is also noted that although the programme identified phases, the phases were implemented simultaneously. Mageba Projects did not wait for completion of one phase to initiate the next. For example, Phase 1 is a continuous process as stakeholders are constantly being identified and included to the distribution lists, while certain activities in Phase 2 and Phase 3 were implemented simultaneously.

2. BACKGROUND – SHORT HISTORY

In KwaZulu Natal (KZN), there is no uniform policy to support the informal economy. The regulation and development of the informal economy in the province lacks overall co-ordination and is sometimes absent, or outdated. In instances where efforts are being made to support operators in the informal economy, these are uncoordinated and uneven. The KZN DED has embarked on the development of an economic policy proposal for the informal economy in the province with the intention to move towards a unified regulation of the informal economy. The process provides the KZN with the opportunity to pilot a best practice model by setting policies, guidelines and regulations.

The intention of the informal economy policy development process is to set policy and create an economic and regulatory environment that supports sustainable economic growth in the informal economy in KwaZulu Natal so that it can contribute to the economic development of the province.

The process has been ongoing with the initial phases involving the development of a policy framework and the Development of a Policy Proposal, which is the subject of the report and is in the public domain for comment.

3. CURRENT LEGISLATION IN PLACE

3.1 The National Constitution

The Constitution has determined the objectives of local government, and these include the promotion of social and economic development. The Constitution further provides that national and provincial governments must support and strengthen the capacity of municipalities to manage their own affairs by legislative and other measures, and must enable them to exercise their powers and to perform their functions.

The Constitution also provides for mechanisms for conflict resolution between national and provincial spheres of government, in the event that there is conflict between national and provincial laws:

In contrast, no similar conflict resolution mechanism exists to resolve conflicts between municipal by-laws and national and provincial legislation. This is subject to Section 156(3) of the Constitution, which provides that any by-laws that conflict with national or provincial legislation will be invalid.

3.2 The Businesses Act of 1991 (since amended by Act No. 186 of 1993)

The Businesses Act of 1991 (since amended by Act No. 186 of 1993) prevents the conduct of a business without possession of a requisite license. Categories covered by the Act include mainly those engaged in food and perishable food trade, entertainment and health facilities. The rationale for the requirement of regulation of these trade activities is in order to maintain norms and standards on health and safety. The Act provides for the designation of municipalities as Licensing Authorities by the then Provincial Administrator. It further stipulates conditions for the issuance and refusal of licenses.

The powers of licensing authorities do not give due regard to the involvement, participation and consultation of informal economy operators.

3.3 National Small Business Act No. 102 of 1996

The National Small Business Act No. 102 of 1996 differentiate small business in terms of sector categories referred to in the Act, such as medium, small, very small, and micro. The Act further defines the categories in terms of the number of employees, turnover and asset value of the business. There appears to be no national point of reference for dealing with those unable to meet these criteria, such as those operating in the informal economy.

3.4 KwaZulu License and Business Hours Act of 1984.

The KwaZulu Natal License and Business Hours Act specify various categories of trading activities in terms of which a license from "the issuing authority" is required. It also creates the licensing boards and designation of such areas by the Minister.

4. WHAT WILL THE ENVISAGED INFORMAL ECONOMY BILL DO TO REPLACE ARCHAIC LEGISLATION?

The laws that influence the informal economy are fragmented and do not constitute a cohesive legislative framework within which to operate. Most of the existing policies do very little to support or develop the informal economy. Furthermore, instead of creating support mechanisms or an enabling trade environment for the informal economy, the existing legislative framework is mainly geared towards policing, regulation and taxation. There is limited scope for an enabling environment.

The proposed policy will:

- recognize that informal activities are a permanent part of the overall economy
- target smaller, survivalist enterprises and individuals
- respond to the needs, problems and opportunities of all those operating in the informal economy
- allow for the management of co-operation and conflict between individuals in the formal and informal economies given that these economies are interlinked and mutually interdependent.
- be rooted in an economic perspective for the informal economy and also not aimed at supporting the move of informal economy operators into the formal economy,
- address issues of gender and gender sensitivity
- promote co-operation between all spheres of government and between departments within provincial government.
- recognize that the characteristics and needs of small and medium enterprises differ to those of the micro survivalist enterprises and those who operate within them.
- initiate in terms of support to the various sectors of the informal economy, (e.g. women or people/operators/workers that move from sector to sector, those who will always be survivalists and those who have the potential to move away from the survivalist end).

The policy recommends that:

- there is a need for improved co-operation and co-ordination between the national and provincial government and between departments operating at each level.
- the different roles and responsibilities of the local and provincial spheres of government must be clarified
- increase access to micro financing, promote savings and advance some form of social protection against equipment losses or income losses due to illness.

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- Provisions must be made for more research to be carried out in certain areas as information is still lacking
- increase access to training for development of skills and provision of financial support for this initiative.
- Create an enabling environment for effective dialogue and consultation skills for both officials and informal economy stakeholders

The establishment of a Provincial Authority will achieve this, which would act as an implementation and co-coordinating mechanism. This Authority either may be located within the Department or alternatively as a statutory body established in terms of the proposed Act.

The Provincial Authority will enhance provincial government support for the informal economy providing an overall vision with clear objectives. The authority will also act to implement norms and standards from which local government support can draw from.

The policy also recommends that the KwaZulu Licenses and Business Hours Act No. 11 of 1984 be repealed in its entirety, while Aspects of the Businesses Act, which are pertinent, should be incorporated into the new legislation to ensure that a "user" has a single source, rather than being required to use numerous pieces of legislation.

SECTION B: PUBLIC PARTICIPATION: COMMENTS ON THE GREEN PAPER

This section deals with survey and workshop comments provided over the past 6 months during the public participation process. The processes for soliciting these public comments on the Green Paper are covered in Section C of the report, including all operational aspects.

1. SURVEY RESPONSES & WORKSHOP COMMENTS

The survey and workshop has managed to reinforce a number of the issues that have been raised in the Green Paper policy document. It must be noted that for the purposes of this survey, street traders operating in the informal economy were interviewed and workshops for street trading organisations, representing various informal economic activities, were held. The main reasons for choosing street trading activities were easy accessibility to street traders and the policy being centred on street trading activities within the informal economy. The survey covered the following sections in the Green Paper:

1.1 PROFILE OF BUSINESS OPERATING IN THE IN THE INFORMAL ECONOMY

The profile of the businesses operating in the informal sector varies depending on location of these businesses or operations. At least 84% of the sample of street traders interviewed sold mainly fruit and vegetables. However, of these, 10% of the street traders highlighted seasonal trading operations. The seasonal products sold were mainly cheap imports, including jerseys in winter, umbrellas in the summer or rainy season and bags (feminine, school bags or travel cases) when available. Most of the seasonal goods were bought from formal businesses mainly Chinese (Asian) wholesalers and in some cases Indian owned wholesalers. This diversification of business operations was mainly in Pietermaritzburg and Stanger.

In Manguzi, 95% of the respondents sold fruit and vegetables, while the remaining 5% also sold cheap imported items.

At least 90% of the operators interviewed operated within close proximity of transport hubs. Only 5% operated in a designated market area, while the remainder on the pavements.

Sixty five percent (65%) of the respondents were female and 35% male. This however was not the case within the organized informal trading sector. Male representatives dominated this sector, as in the case of Siyagunda, all members are foreign and pavement barbers. There seems to be 100% male domination, mainly due to the sector in which they operate in, tends to separate hair cares salons (formal businesses) dominated by females and pavement barbers (informal operation).

All respondents indicated that they are self employed and owned the businesses. The businesses have been in operation for the following number of years in the informal economy:

0- 3	0
4 -6	30
7 -10	50
10 - above	15

Approximate age distribution was as follows:

20- 30	10
30 – 40	55
40- 50	30
50 above	5

1.2 KEY OPERATIONAL ISSUES AND CHALLENGES

1.2.1 Micro financing

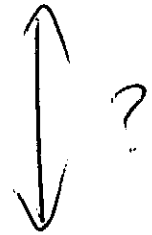
Eighty seven percent (87%) of the respondents indicated that they have never had access to any formal credit facilities, while those traders who received credit / loans had received these loans from Credit Indemnity. The loans ranged from R800 to R2, 500 and no security was required. The Pietermaritzburg Credit Indemnity, Church Street branch was the only formal institution recorded to have provided formal micro loans to informal traders.

The use of the loans was split between improving the business operations (purchase of stock / goods / materials) and within the household environment (house improvement, school fees, funeral costs for a family member).

In cases where items were required to be purchased on hire purchase for the home, the respondents mentioned that employed family members would either stand as surety or buy the items using their ability to member's access to credit, due to employment status. The informal trader would then make monthly payments for the items for the duration of the repayment period.

All of the respondents indicated that they used informal loan operators and some used loan sharks. In other cases, loans were sourced from other informal traders at 10% interest. These loans were based on trusts and required no forms of security. Access to micro loans is limited. None of the respondents reported that they were able to secure any loans from micro lenders.

Source of credit facilities	Frequency
Formal institution (Banks, Credit Indemnity etc)	?
Micro Lender	
Stockvel	
Other informal traders	
Loan sharks	



Note that in some case more than one source of credit facilities has been utilised by the informal trader, therefore the results vary.

1.2.2 Savings

The respondents indicated the following important aspects with regard to savings:

a) Access to saving facilities within formal institutions

With regarding to savings and access to facilities for savings, the respondents noted that with the introduction of the Umzansi Banking product / facilities offered by most formal financial institutions, they are now able to open bank accounts and save their money. African Bank was also

Approximately 30% of the informal traders preferred the Postal Bank services. This was however due to the traditional view that the Post office had over the years provided access to banking facilities without stringent requirements, such as pay slips and utility bills for the household.

The location of the banking institutions was cited as playing a vital role to the traders' choice of bank / preference. Traders preferred banking institutions that were within close proximity to their business operations rather than products or services such banks offered. In many instances, access (location / ability to open an account) was regarded as more significant than the 'monthly interest rate' or services charges offered on savings.

The traders also utilised other more 'informal approaches' to access saving facilities. These saving approaches include stokvels and 'revolving monthly salary schemes'. In both instance the stokvel members will have increased access to banking facilities through the stokvels bank account. Note that this may be regarded as a

The stokvels compelled traders to save over a period of time in order to have access to credit facilities when money was required. The lending interest rates varied from 25 – 35% monthly.

The revolving monthly salary schemes on the other hand provided access to saving facilities over a specified period of time. Each month a member would collect the total sum of the all the funds paid into the stokvel, in the form of a lump some payout. Once the member has collected this once off lump some he / she is compelled to continue payments for the specified period.

Formal institution (Banks, Credit Indemnity etc)	
Stockvels	
Revolving monthly salary schemes	

b) Informal operators' ability to save surplus money

Although a high number of traders indicated that they do not have surplus money to save, it must be noted that in may research survey there is a tendency for high level of secrecy when discussing income levels due to expectations.

c) Uses of Savings

The respondents highlighted that not all of the savings are utilised for business interests. A higher proportion of the money is used for the household environment. Most traders did not make any distinction between household and business use. In fact, savings / money was prone to be set aside for used for household future use.

1.2.3 Capacity building, Training for Business Skills

80% of the informal traders surveyed indicated that they have never had any business skills training in the past two years. In Manguzi, for example 100% of the stakeholders reported that they have never had any business training or access to business training initiatives from a public or private institution.

The 20% who did receive *some form of business skills training* in the past two years were distributed as follows:

Pietermaritzburg	7,5%	KZN DED
Port Shepstone	7,5%	Port Shepstone Total Education & Training Trust
Stanger	5%	SEWU
Manguzi	0%	

It is worthwhile to note that there has been limited government (local and provincial intervention in any the area selected. Both in Port Shepstone and Stanger, Non-Governmental Organisations (NGO's), and facilitated the training, while in Pietermaritzburg the block representatives indicated that has been selected for KZN DED training in 2004. The actual details of the training which department provided the training were not clear, however the training was organised through the municipal office.

~~The priority support interventions in order of priority were as follows:~~

1.2.4 Capacity Building for Effective Dialogue

The policy has highlighted the following: "In many parts of the province the history of relations between officials and operators in the informal economy has involved contestation and conflict. Where agreements have been brokered, these have often broken down when one or other of the parties is perceived to have failed to deliver. As a result, current dialogue and consultation is often clouded by suspicion, mistrust and inappropriate stereotyping."

Therefore, in order to be effective dialogue between all stakeholders, a practical capacity building strategy for the informal economy stakeholders needs to be developed. There is a suggestion that all parties, including informal traders and municipal officials, receive adequate training in order to effectively engage each other. It is also note that these relationships vary according to the following levels:

- established relationships between operators at street trading level
- establishing and strengthening relationships between traders and government (local and provincial)
- establishing relationships between traders and private business
- establishing relationships between traders, private business, NGO's and government (local and provincial)

The following capacity building initiatives for effective dialogue are noted:

a) **Capacity Building for Municipal Officials**

The Project Steering committee noted that Isibani Soluntu found that one of the main reasons for the failure of the capacity building initiative for street vendors in Durban, was that the vendors could not practice any of the negotiations skills they had learnt because of the municipal officials' lack of capacity to engage properly with them in negotiations and their inability to change the old-fashioned patronization which they adopt in relation to street vendors.

Therefore local government / municipality must be able to fulfill its mandate and adequately carryout its role in the development of the informal economy. The informal economy operators must have access to government resources, such as programmes and facilities. The officials will needs to be equipped with the necessary skills to adequately understand the sector and respond to the needs of this sector. However, this can only be achieved by addressing the skills and ability of the officials to adequately engage the operators in the sector to eliminate such suspicion, mistrust and inappropriate stereotyping.

A strategy for the development of municipality officials' skills to be more sensitive towards the informal sector is required.

b) Capacity Building for Informal Traders

A strategy for the development of operators in the informal economy skills towards better negotiations with other sectors is required. This will equip informal economy operators skills and enable them to engage any sphere of government, private sector business and Non-Governmental Organizations (NGO's), the institutional relationships at all levels require examination.

1.3 Institutional issues (relationships / structures)

Various institutional issues were surveyed amongst stakeholders. The survey covered mainly views of the traders with regard to:

- Representation of their interests, including organization
- Relationships between each other
- Relationship with government (local and provincial)

It is noted that for the purposes of the survey, various organizational affiliates were targeted for interviews. Therefore, in cases where street traders were represented by an organization, three respondents from each organization in an area were identified for interviews:

Stanger	ACHIB	3
	SEWU	3
	Block representation	4
Pietermaritzburg	ACHIB	3
	Block representation	6
Manguzi	No representation	10
Port Shepstone	No representation	10

A number of institutional arrangements and relationships were surveyed with the following street traders' organizational & representation setups:

1.3.1 Street trading organizations

1.3.1.1 Formalised street trading organization

In all municipalities surveyed, with the exception of Manguzi, street traders had some form of 'collective bargaining' with regard to representation. Well-established organizations such as ACHIB, SEWU (although the organization is no longer in operation members have continued to identify themselves as SEWU) were very active in representing street traders at the various forums.

1.3.1.2 Interest groups

In Port Shepstone, a localized interest group rather than an organization with an affiliation to a regional or national structure represented traders. The interest group represented traders with permits and those without permits.

1.3.1.3 Contentment with the street trading organisations

Most members were satisfied with the services they received their organizations as discussed below in 1.3.4.

1.3.2 Block representation

One of the practical mechanisms for adequate representation is the appointment of block representatives by street traders to represent them at various forums. Traders who held legal status such as permits or trading licenses or traders who did not want to align themselves with organizations seen to be politically were inclined favour this method of representation.

The respondents also noted that with the block representation system there were no requirements for:

- Membership fees were required
- Additional money for special their duties or out of town meetings

Most of the traders felt that the representatives acted in the interests of the traders they represented. As in all forms of leadership and within interest groups, few traders felt that some representative were in these positions to further their own agendas and personal interests.

In the case of Port Shepstone, block representation through an interest group (see below) seemed to be the more effective method. All respondents in these areas felt that they preferred this system.

Whereas in Pietermaritzburg, there was a mix of organizational representation, with ACHIB is the dominant group, while in some areas where traders had permits, block representation systems was preferred. Again the trend is that the 'legal status' of the traders was the determining factor selecting the preferred method of representation.

1.3.3 Reasons cited for preferred method of representation by street traders

It must be documented that in many instance, "traders without permits" were more likely to join an organization to represent them, while traders holding legal status in the form of permits preferred block representation. The "traders without permits" felt that the municipality was prejudice to their plight and therefore required more militant methods towards reaching their objectives.

The methods used included:

- invasions of trading sites,
- trading in non-trading designated sites,
- mass action (marches to city hall)
- sporadic blatant harassment of legal traders.

In Stanger, the SEWU aligned women traders were more development orientated in their approach. The reasons cited for joining the organization was mainly access to the opportunities the organization had initially presented. These opportunities included training, saving schemes, networking, and access to information on issues relating to the development of women (nationally & internationally) and informal economy development initiatives.

In outer lying (rural areas) such as Manguzi, no formal structures to represent traders were formed; however, more traditional methods of organisation were cited. The allocation of trading sites, for example, was done through the induna or a representative of the traditional house. The induna or a representative of the induna also resolved disputes. Male traders seemed to dominate any discussion or issues that needed to be resolved.

Membership fees and other sporadic 'sponsorship' fees for leadership were also frequently requested from organisational members.

1.3.4 Management of conflict between traders

In most cases, the street traders reported that they were capable and in many instances were able to resolve disputes between themselves.

In areas such as Stanger and Pietermaritzburg, where a mix of traders' representation exists, it was reported that the municipalities have played a vital role in resolving disputes in instances where local trading block negotiation failed to reach agreement or where agreements have been breached.

These areas have also formed structures such as forums. The forums consist of representatives from various sectors, such as street traders, private business, municipal officials, flea markets and home industry operators. In instances where forums have been set up, the relationship between traders and the municipalities has been optimistic. This is not conclusive; however, there have been number of instances where agreements between parties were maintained.

1.4 Traders relationship with municipality departments

1.4.1 Traders' priority issues of concern (list in order from highest to lowest)

The survey also attempted to identify priority issues for the traders with regard to their relationship with the municipality. This would assist the Authority to concentrate on specific issues that concern informal economy operators and their municipalities. Many respondents identified the following issues in their order of priority:

1	Municipalities are non responsive to the needs of the traders
2	Traders want to be included in the process for designation of trading zones and allocation of sites
3	Traders want to be included in the process for policy formulation including bylaws, fines etc.
4	Traders want to contribute towards the planning and development of facilities for trading (physical infrastructure)
5	Transparency of municipal processes
6	The need to initiate a representative structure including all stakeholders
7	Traders want easier access to municipal programmes

1.4.2 Improvement of relationship between traders and the municipality

All respondents indicated their willingness to work with the municipalities and other organizations representing the informal traders. However, the respondents indicated that the municipal officials must also show their willingness to engage in the process. Apathy amongst municipal officials was cited as the reason for traders not being able to improve their relationship with the municipality.

The traders welcomed the initiative by the KZN DED as a stakeholder and monitor of relationships between traders and municipalities. In the case of Manguzi, the DED public participation process initiated the process for establishing a formal relationship between street traders and the Umhlabuyalingana Municipality.

The public participation process of the Green Paper: Policy for the Informal Economic Development initiative serves to confirm that the one of the major functions and duties of the proposed Authority is to assist municipalities and stakeholders establish and improve institutional relationship between stakeholders.

1.4.3 Management of relationship between traders and municipality

Presently, the relationships between traders and municipality are self-regulating. Many respondents are not happy with the current situation. The main course of conflict between the parties is that traders are not considered as important players and are excluded from many decisions that directly affect their operations and heir lives.

The traders felt that the municipality must facilitate ways in which the traders can be better represented in forums that would assist the municipality to carry out its mandate. The traders noted that the activities of the municipal officials require monitoring by an independent body. This body must be able to mediate in instances where local negotiations have failed to secure agreements or in cases where agreements have not been honored.

Although, most respondents reported that a self-regulating forum at municipal level, consisting of all role players would be adequate, it was the lack of an adequate monitoring system and addressing of complaints against the municipalities that the traders felt was required. The Authority will be tasked with monitoring of all relationships between informal economy operators and municipalities. This would entail specific set of regulations that would define the roles of stakeholders and compel all of them to act in a manner that equals the playing fields.

1.4.4 Trader's expectations from local government / municipalities

As in any research / survey study, it must be noted that the informal traders tended to respond to questions based on what they perceived will be gained from the survey.

The traders expected more involvement in decision that directly affected them. These included issues of allocation of funding for infrastructure development, access to government programmes. Lack of transparency of municipal processes was also cited as a priority issue. The operators require more sympathy and prompt response from municipalities.

1.4.5 Relationship with other Provincial government departments

90% of the respondents reported that they have never had any engagement with departments from the Provincial Government. In Manguzi and Port Shepstone, all respondents reported that they have never received any assistance from any Provincial government department and have never had any access to programmes.

1.5 Social security

There is no available social security directed at the informal economy. The following issues have been cited:

1.5.1 Government Social Grants and Access

The only available grants to informal economy operators are the existing government grants provided by the KZN Department of Social Welfare and Development. These grants range from Child Support, Old Age Pension and Foster Care grants.

Respondents in many cases cited the lack of identity documents, children's birth certificates and approval periods as having a major impact on the access to government social grants.

Respondents also noted limited access to other government programmes. Although in Pietermaritzburg for example, respondents indicated that they have had access to housing in other areas such as Manguzi, no government programmes have been extended to them.

1.5.2 *Impact of AIDS in the Informal Economy*

A number of traders have indicated that AIDS has had impact on their ability to perform their duties. Although the traders did not reveal their status, they did mention cases of AIDS infections amongst the trading population.

The traders further reported that caring for infected and affected family members was an added burden. The impact of AIDS amongst the traders has also been cited as a problem. Due to issues of disclosure, traders will often wait until it is too late to receive medical assistance.

Currently there are no 'AIDS work place programmes' primarily targeting those operating in the informal economic sector.

With regard to the impacts of AIDS in the informal economy, the Authority will be required:

- to establish relief programmes that would target AIDS infections amongst traders,
- research the AIDS impact and monitor the various interventions.

1.6 **Trading Areas**

Due to the lack of a clear policy, the traders have expressed distrust, 'corruption', unfair practices on the part of officials, such as discrimination, favoritism and bribery. In many instances, the traders felt that the municipalities failed to adequately consult them on the location of the trading zones and sites, which at times have had negative impacts on their ability to trade. In some instances, the location of the trading zones and sites were not suitable for the traders, who did not have any recourse, as they had been entirely excluded from the process.

Furthermore, one of the issues highlighted is the loose use of the term "illegal" in relation to people who are not necessarily breaking laws, but who may well be unregulated, causes lots of problems in practice. A preferred concept would rather be "traders without permits" or "undocumented traders".

1.6.1 **Zoning and Markets**

All the traders interviewed expressed concern with regard to the designation of trading zones and their exclusion from the planning process. There is also no transparency in the allocation process.

Some organizations felt that they should be responsible for allocation of trading sites. They insisted that they are in a much better position to be responsible for the activity as they were more familiar with the circumstances of the informal traders than the municipality. They also stated that the municipalities do not understand the plight of the traders.

This issue is also linked to the provision of basic infrastructure by the municipality. In many municipalities due to a lack of policies and funding, there is no proper planning for the informal economy.

1.6.2 Registration, Rentals and Licensing

Within the KZN, most municipalities lack consistent policies with regard to registration, rentals, licensing and procedures for the informal economy, particularly street vending. Very few municipalities have procedure for review of any of the policies in place. Although in some instances where municipalities have attempted to institute policies, such policies were:

- not well communicated to all the stakeholders, especially the street traders
- established without proper consultation with all relevant stakeholders, hence they receive very little support from the informal economy sector

Furthermore these policies are seen to be non-functional and lack flexibility to easily adapt to the constantly changing environment in the informal economy sector. The current scenario is also reported to be partial and mainly supports the interests of formal business at the expense of the informal sector.

In Pietermaritzburg and Port Shepstone, the respondents felt that municipalities tended to be impartial in favour of formal businesses when required to mediate a conflictual situation. This was evident in instances where a vendor and a formal shop were selling the same product. Although the vendor reported that they sold the product first, before the formal shop, once the formal shop starts selling the same product the vendor was required to stop selling that product. The municipality would mediate in favour of the formal shop and not even attempt listen to the concerns of the vendor.

The traders felt that the formal shop was extended the right to lay a complaint, which was then given priority at the expense of the vendor.


The traders also noted that the prejudices were based on the premise that the vendors did not pay any registration, rentals and licensing fees and therefore viewed as a nuisance, rather than value adding business venture.

All the informal traders have expressed their willingness to be 'formalised' or 'regulated' through a process of issuing of permits and licenses and systematic process of review.

In Manguzi, 100% of the respondents did not have some form of legal trading documents / trading permits. This municipality like many other municipalities in the province has no designated site for trading zones and no procedures for application of permits for trading in place.

All the traders were concerned with a lack of a consistent process with regard to registration, site rentals and licensing. Respondents also expressed the following:

- the need to be involved in the development of various processes
- clear and definitive process with time frames outlining the process
-

(Did anybody express a need to see a more consistent and transparent process being implemented ?) 

1.6.3 Allocation of Sites

The following issues were confirmed in the survey:

In many municipalities such as Pietermartizburg, Stanger and Port Shepstone, the site allocations vests with various departments within the same municipality, however the processes and activities differ from one municipality to the other.

All the traders expressed concern with the manner in which trading zones and sites were designated and allocated by the municipalities. The primary concern by the traders was that the policies for the application for trading sites were not consistent. In Port Shepstone, 60% of the respondents stated that they had trading permits, while the remainder reported that they still await their permits. In one case, the respondent stated that an application was lodged in 2003 and to date no response has been received despite constant visits to the municipality's office.

The municipality has never been involved in any informal economy initiative. The recent initiative by KZN DED has placed the municipality at the forefront of developing adequate systems for developing and managing the informal economy.

Members of the more established organizations such as ACHIB were of the opinion that they as traders should be responsible for site allocations.

The traders insisted to be involved in all processes for the allocation of sites. In Stanger for example, the taxi operators have been involved in allocation of trading spaces, as they had more control of the taxi ranks than the traders or the municipality.

1.7 ACCESS TO BASIC INFRASTRUCTURE

The informal traders highlighted access to basic infrastructure or improved infrastructure was the primary concern for the development of the informal economy. Firstly, they are not involved in the planning and allocation of funding for basic infrastructure. Secondly, they are provided with inadequate infrastructure, such as low quality shelters that do not protect them and their goods from the weather elements. Thirdly, in most informal trading areas there are no shelters to conduct trade, inadequate ablution and sanitation facilities and no water and electricity.

The other primary concern is lack of storage facilities. There are no storage facilities and this has negatively influenced their incomes. The traders are compelled to pay private individuals to transport their goods, which are also stored in privately owned storage facilities at high rates.

Finally, the respondents highlighted that the municipalities have shown no commitment of financial resources to improve the current situation. The traders have not been involved in any strategic planning processes, which will enable the municipalities to understand and meet the trader's needs.

For example, the traders in Port Shepstone expressed concern in the manner in which shelters for pavement trading were provided. The traders were not involved in the planning process. A contractor was appointed for the implementation of the project and none of the traders were provided any employment opportunities during this construction phase.

1.8 HEALTH AND SAFETY

The lack of access to basic infrastructure was cited as high risk to health and safety and this can be mitigated against by provision of adequate facilities. The traders also stated that they were in total agreement with the Bylaws pertaining to Health, particularly if they traded in food. The traders however insisted that the municipality must provide access to training in handling of food and monitoring. Furthermore, they must provide the correct licensing or required permits.

The traders also insisted that the municipalities must collaborate with law enforcements agents (SAPS, Community Policing Forums) and the traders in order to combat crime at the trading zones. The Stanger traders highlighted the current taxi violence that is negatively influencing their ability to make a living.


The suggestion was that in most trading zones where taxi operators were stationed; they should be identified as a major stakeholder. The taxi association representatives should also be involved in the informal trading forums that would be established. The representatives

would be able to understand the municipality's policies and activities towards the informal economy.

1.9 GENDER ISSUES

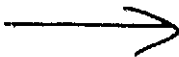
The women highlighted that crime is affecting them on the streets.

(IS THIS ALL YOU GOT ???)

Are there any difficulties that women working as street traders particularly face? If so, what do you think these are? 

1.10 POLICY AND LEGISLATION

The street traders in Stanger, Pietermaritzburg and Port Shepstone noted that they were aware of street trading bylaws. The informal traders did however mention that they were not familiar with:

- how these bylaws were formulated
- who was responsible for formulating these bylaws
- why they are not consulted when these bylaws come into effect
- why they are not consulted when the bylaws are amended
- were they aware of the **CONTENTS** of the bylaws ?? 

In Manguzi, there were no bylaws. The policy formulation process has assisted the Umhlabayalingana Municipality to identify informal trading is a major contributor to its inhabitants income. The municipality is in the process of finalizing its Land Use Management systems and has incorporated informal trading into its current town planning and IDP processes.

1.11 STATUS OF FOREIGN TRADERS AND ABILITY TO OPERATE WITHIN THE INFORMAL ECONOMY

The Siyagunda Organisation represents a number of foreign traders involved in the street barbershops throughout Durban and surrounding areas. This organization has highlighted a number of concerns that will need to be addressed by the Informal Trading policy. These include:

- Legitimate status for foreign traders with regard to issuing of licenses and allocation of trading sites
- Access to basic infrastructure (as those required by all informal economy operators in RSA)
- Access to government programmes related to informal trading
- Better representation at various forums created at municipal level for informal trading
- Access to credit and social security
- Protection of basic rights as stipulated by the Constitution of South Africa

3. SUMMARY OF COMMENTS

This section of the report summarises comments and survey responses, and is arranged in accordance to the Green Paper policy recommendations. Sections 1 to 7 in the Green Paper, have laid the foundation for policy recommendations, as such, the survey has attempted to confirm and identify any additional issues outlined in the framework, including operational issues that confront informal economy operators and municipal officials daily. Furthermore, these sections outlined the informal economy in KZN and described the legal, economic and institutional framework in which a policy for the informal economy will be situated.

In addition to the above, the report will also cover additional issues and responses to Sections 9, which outlines the provisions for the recommended Provincial Act, and Section 10 that proposes interim arrangements. The informal economy operators responded to operational issues of the proposed policy. The survey has highlighted the gaps that the policy will attempt to fill with the establishment of the Authority to carry out a number of functions that no institution is presently responsible for.

(The following section is not very clear about different views from different stakeholders that you consulted. It gives the impression that there was complete consensus between all stakeholders and that this summarised set of recommendations is a consensual position – which seems somehow unlikely. In terms of the brief – to consult different stakeholders – it didn't seem to be in line with the brief. There were differences of opinion, came out in the consultation process. Remember, politicians respond to different political interest groups anyway, and if the differences are not clearly stated, they may try to guess them – which would not necessarily be good for the outcome of this process.)



3.1 CO-ORDINATION OF INSTITUTIONAL ROLE PLAYERS

The stakeholders welcomed the Act as a legal framework for the coordination of all informal economic activities in the province.

In Section 9.1, the Act must also provide for a delineation of roles between national government and other spheres of government. The stakeholders felt that in some instances national government programmes can be accessed directly by the municipalities.

In order for adequate interventions to be developed, the Authority must be in a position to understand the context in which all municipalities operate. The stakeholders have cited the following:

3.1.1 Development of a Vision, objectives and strategy (long and short term)

The policy must compel municipalities to compile a clear vision and development strategy for the integration of the informal economy into the overall economic activities of within the municipality. These plans can be defined as municipal informal economy development plans. The strategies must be practical and demonstrate the municipality's financial and human resource requirements to develop the informal economy over a stipulated period.

3.1.2 Alignment to Integrated Development Plans (IDP's)

The policy must compel municipalities to demonstrate that all development initiatives for the informal economy are aligned to existing IDP's and other municipal plans. This will allow municipalities to adequately plan for the development of the informal economy. The Authority would also be in better position to measure and monitor progress.

3.1.3 Municipal targets in relation to Provincial and National targets

All municipal strategies must correlate to provincial and national strategies for the development of the informal economy in order to meet targets. In each financial year, the municipalities must submit targets (project and aligned funding) to the Authority for assessment.

3.2 ESTABLISHMENT OF A PROVINCIAL AUTHORITY

(It would be particularly important to give a disaggregated report on the different stakeholders' opinions on this part of the Green Paper proposals – because it has already been identified as the most contentious issue for the politicians – by Mike Mabuyakhulu.)

The establishment of an Authority is cited as the most important step towards developing the informal economy. The stakeholders felt that co-ordination and monitoring of municipalities were important for the success and implementation of the policy for the Informal Economy.

3.2.1 DUTIES AND POWERS OF THE PROVINCIAL AUTHORITY

3.3 TRADING AREAS

3.3.1 Location of designated trading zones

3.3.2 Establishment of a consolidated municipal trading zones and sites register

It was propose that the Authority must establish a register (database) of all trading zones and sites within municipalities throughout the KZN. The municipalities must be required to submit all information or amendments with regard to the trading zones and sites to the Authority. Although the municipalities will continue to designate these sites, the Authority must be able to intervene should there be a dispute between informal economy operators, formal business and the municipalities in order to assist the parties to resolve such disputes. The assistance of the Authority will be required in the cases where local level negotiations have failed to secure resolutions.

The Register will also:

- act as base information for the Authority
- assist to identify and locate areas that require basic infrastructure development
- assist to resolve disputes should local level negotiations fail
- assist to identify the suitability of the trading zones
- monitor trends within the informal economy

3.3.3 Allocation of trading sites

All informal trading operators' indicated that their source of income is dependent on the location of its operation. As the allocation of sites is the most important concern raised by the respondents, the respondents indicated that the Authority must provide clear guidelines for the municipalities for the allocation process of sites. These guidelines must indicate processes for:

- allocation of trading sites
- transparent application procedures for trading permits and sites
- consultation processes to be followed should be
- the final registration and issue of permit / license
- dispute resolution at local level and requirements for Authority's intervention

3.4 POWERS AND OBLIGATIONS OF LOCAL AUTHORITIES

3.4.1 Location of designated trading zones and permits

The municipalities will continue to designate trading zones and various forms of permits required for trading at these sites. The municipalities will be compelled to submit all the relevant information and amendments to the Authority.

3.4.2 Establishment of a consolidated municipal trading zones and sites register

All municipalities must establish a register (database) of all trading zones and sites within municipality. This register and its amendments must be submitted to the Authority. The municipalities will continue to designate these sites and should a dispute arise the municipality will be responsible for resolving the disputes. However, the Authority must be able to intervene and resolve any disputes, should local negotiations fail to secure resolutions.

This information would provide the basis for resolution of disputes that have been referred to the Authority.

3.4.3 Provision of and access to basic infrastructure by municipalities

The Act must compel municipalities to submit yearly planning strategies and aligned funding for the development of the informal economy. The development strategies must also be able to demonstrate how the municipalities will meet the basic infrastructure requirements of the informal economic operators.

The municipalities must involve all stakeholders during the entire planning and budgeting process.

3.4.4 Planning for crime and security

The informal traders felt that it is the responsibility of government to protect its citizens against crime and provision of adequate security. There has been an increase of crime incidents due to lack of security. The lack of basic facilities has also escalated the problem. The traders reported that female operators have been targeted in the past.

The municipality must be required to demonstrate initiatives for planning for crime prevention in areas where a crime problem has been identified.

3.4.5 Linking the informal economy to other government programmes

The municipalities must also demonstrate how the informal economy will be linked to other government programmes such as housing, LED, safety and security or AIDS initiatives. This will enable the Authority to assist in creating such linkages, creating new programmes should these be required and accessing funding for these initiatives. The municipalities with the assistance of the Authority would also be able to identify any gaps.

3.5 CO-ORDINATION WITH OTHER GOVERNMENT DEPARTMENTS AND/OR ORGANS OF STATE

The informal economy operators are of the opinion that municipalities lack the capacity (both financial and human resources) to develop the informal economy. The implementation of the overall Provincial policy will be an added burden. The Authority would have to assist municipalities, which lack capacity, to implement this policy. This must be done in a transparent manner and within a development framework defined by all stakeholders.

3.6 PROVISION FOR LEGITIMATE FOREIGNERS TO OPERATE

The Act must make provision for inclusion of legitimate foreigners to operate within the province. The Authority must stipulate all the required documentation from foreigners. The foreigner traders must have access to basic requirements for them to be able to operate in the informal economy.

SECTION C: OPERATIONAL ACTIVITIES THAT WERE ENGAGED TO SOLICIT COMMENTS

1. IDENTIFICATION OF STAKEHOLDERS

A Project Steering Committee was set up and a detailed project programme approved. Four areas were selected for research survey. The criteria and status of the informal economy in these areas is discussed below.

1.1 Stanger / KwaDukuza area

a. Location

The area is located on the north coast approximately 80kms from Durban.

b. Rationale for selection

This area was selected mainly due its proximity to Durban. The DED has also interacted with the municipality with regard to informal economic activities and policy related issues.

c. Initial meeting & stakeholder contact

- An initial meeting was held on 24 November 2005 and attended by Mr. Mandla Manzini (KwaDukuza Municipality: LED and Housing Director) responsible for LED component for the municipality.
- The Green Paper was distributed and delivered for circulation to this recently formed forum that deals directly with the policy issues.
- The Municipality has welcomed the Green Paper and has stated that it will draw on the principles of the Green Paper policy / guidelines during the formulation of its informal trading policy.

d. Status of Informal Economy

- The KwaDukuza Municipality currently does not have any informal economy / street trading policy. This municipality is however in the process of formulating such a policy and a draft has been produced. The policy will cover mainly street trading activities within the municipality, specifically regulating such activities in the CBD.
- A forum, comprising of stakeholders has been established for the formulation and review of this policy A draft municipal street trading policy has also been completed.
- The concentration of street traders is at transport nodes, characteristic of every other municipality in South Africa.
- There are mainly street traders organized by ACHIB, former SEWU members and other individuals. The organization SEWU has ceased to exist, however, the members continue to refer to themselves as SEWU. (Did you come across anything which indicated that this may have been because SEWU had addressed gender concerns of

women vendors ? If so, it would be good to note that in 1.9 above, and to specify what these concerns were if mentioned.)

e. Issues for consideration

The taxi violence has disrupted the transport sector now for a number of years. The Municipality and Department of Transport have closed a number of taxi ranks due to the ongoing taxi war between Mpumalanga and Stanger taxi associations / operators. This has affected informal trading within the transport nodes although it has continued under these dangerous conditions. A number of brutal attacks at taxi ranks have also taken place.

1.2 Manguzi (Mhlabuyalingana Municipality)

a) Location

The area is located near the South African -Mozambique border, approximately 460 kilometers north of Durban.

b) Rationale for selection

This area was selected due to its proximity to the South African -Mozambique border. This has created an opportunity for abundant cross border activity in the area. Approximately 80% of the economic activities within the municipality operate in the informal economy. The Umhlabuyalingana Municipality does not have an informal economy policy, as there is no adequate town-planning scheme and LUMS process is underway. This process presents an opportunity for the municipality to adequately plan for the vibrant informal economy for the area.

c) Initial meeting & stakeholders contact

- In the past 6 months, Mageba Projects has held extensive discussions with the uMhlabuyalingana Municipality and was informed that Mr.M. Ntsele (LED Director) is presently on suspension and Ms. Nokuphila Ncube is acting in that portfolio.
- The informal traders are not well organized compared to other areas that have been earmarked for consultation. The municipality has however identified the informal sector, particularly informal trading activities as the main source / opportunity for income for the local inhabitants.
- Digital copies and hard copies have been circulated to the municipality and street traders.

d) Status of the informal economy

- This municipality does not have any informal economy policies, which

acts to guide activities in the sector. The document provided is based on the Dept of Traditional Local Government Affairs' bylaw guidelines. These cannot be effectively implemented, as there is a lack of land use management and planning guidelines.

- There is limited organization and representation amongst street traders. This has created limited access to these street traders for further consultation and overall policy feedback.
- There is no record of street traders for the area.
- Traditional leadership roles still dominate in the area.
- What about the preponderance of cross-border trade in the area ?

e) Issues for consideration

- The municipality has assisted in organizing the traders into a structure that can be accessible.
- The LUMS process is underway and will assist in the future location of both informal and formal businesses in the area.
- Mageba Project made a brief presentation to the municipality and later at a joint meeting with the traders.
- What about the gap in policies or strategies for cross-border trade since it is such a prominent part of the informal trade in the area ?

1.3 Hibiscus Coast

a) Location

- Digital copies of the Green Paper have been circulated to the LED, Planning offices and Legal offices of the municipality.
- Additional information (see above for information requested by consultant) is presently being collated for further assessment and discussion. The informal sector operators seem to be much organized in the municipality. Ms Ellen Mbhele (LED office) is assisting with arranging a meeting for presentation with the municipality and informal trading organization representatives. The municipalities' informal trading policy is rudimentary.

b) Rationale for selection

- This area was selected due to conflict between the municipality and Informal traders Hibiscus coast area.
- The area also consists of a high number of informal traders
- There is limited policy initiatives with regard to informal trading

c) Status of the informal economy

- There are no formal institutions / forums established to deal with all informal trading issues.
- The informal traders and municipality have no established relationship except for enforcement of bylaws by the municipality and reactions from the street trading community.
- There exists an antagonistic relationship between all parties.

d) Issues for consideration

- According to the street traders, the municipality has attempted to enforce municipal bylaws without any consideration for the situation of the traders.
- The informal traders continue to organize against the municipality with regard to allocation trading spaces and regulation of the sector.
- Much of the activities, needs and requirements of the sector continue to operate unchecked.

1.4 Msunduzi Municipality (Pietermaritzburg CBD)

a) Location

Pietermaritzburg is located 90km from Durban, in the midlands area.

b) Rationale for selection

The area has been regarded as having a proactive stance to informal trading with much support from the municipality.

c) Initial meeting & stakeholders contact

- An initial meeting was held on the 22nd November 2005 with Mr. David Gingan (LED and Planning) of the Msunduzi Municipality. The Pietermaritzburg Chamber of Commerce were issued with both hard and digital copies of the Green Paper and brief discussions were held with the CEO.
- Discussions were also held with individual block representatives and ACHIB members

d) Status of the informal economy

- A stakeholder forum, which Mageba Project contacted to make a presentation prior to initiating field survey work, was established.
- The forum is active in the regulation and development of the street trading activities in the municipality. Although municipal bylaws are in place and the municipality is undertaking regulation, a number of the activities of the sector remain unchecked.
- *After the local government elections, the forum was disbanded and an interim 'forum' led by municipal officials established.*

(Maybe we need to somehow flag this issue of municipalities unilaterally scrapping setting up and scrapping forums, since it has emerged here – and it also happened in

Durban in 1996 – as an instance of the unequal relationship between municipalities and street vendors where municipal-dominated forums, rather than legitimate negotiating forums where there is a level playing field, seem to dominate. How sustainable is this in the long term, especially once street vendors get their act together and organize more strongly and independently in the way the trade unions did in the 1980s ?)

e) Issues for consideration

- There is limited trading space for the informal traders
- There are street trading organizations that do not want to interact with other representatives and the municipality. ACHIB has refuted any actions or discussions with other stakeholders, and the municipality. They have continued to disregard the established forums and any municipal bylaws.

1.5 eThekweni Municipal area (Durban)

The Durban municipal area has not been selected as an area for surveying, as a policy already exists; however, a digital copy has been made available to the various stakeholders for additional comment.

2. DISTRIBUTION OF THE GREEN PAPER

2.1 Advertising and Monitoring in the media

Advertising is considered a critical and important marketing instrument for stakeholders in the consultative process. This was accomplished through the print media, circulations of the Green paper via emails, announcements at community and commercial radio stations.

2.1.1 Print Media

The items listed below were advertised in various newspapers throughout KZN:

- availability of the Green paper (digital and hard copies)
- invitation for comments
- dates for stakeholder workshops and contact details

KZN (isiZulu)	iSolezwe (Natal Independent Newspapers)	24 February 2005	Availability of the Green paper
	ILANGA	2-4 March 2006	Availability of the Green paper
KZN (English)	Mercury (Natal Independent Newspapers)	04 March 2006	Availability of the Green paper

	Daily News (Natal Independent Newspapers)	03 March 2006	Availability of the Green paper
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2.1.2 Digital medium form

The Green paper was circulated via email to identify stakeholders and to solicit comments from interested parties. Since inception of the project in November 2005, stakeholders were circulated reminders via emails at two-week intervals requesting comments on the Bill. Records of all correspondence have been kept.

2.1.3 Discussion with journalists / columnists

The aim was to initiate discussion in the media with regard to Green paper. Both digital and hard copies were made available to the following journalists / columnists of leading newspapers in the KZN:

2.1.3.1 **Sunday Times:** The Green paper was emailed to the newsroom, Ms Suthenpira Govender on 17 February 2006

2.1.3.2 **Sunday Tribune (Independent Newspapers):** The Green paper was emailed to the consumer columnist on 17 February 2006.

2.1.3.3 **Ilanga:** Mr Sandile Mdadane was emailed documents and hard copies also made available on the 22 February 2006.

2.2 Monitoring and reporting

A Steering Committee provided monitoring and the following meetings were held: (i) 9th November 2005, (ii) 3rd February 2006; (iii) 21 February 2006. **In addition progress reports Were submitted:** (i) Report 1, dd 20th January 2006; (ii) Progress report 2, dd 31st January 2006; (iii) Progress Report 3, dd 21st February 2006; (IV) Progress Report 4, dd 23rd March 2006.

2.3 Advertising in Community and Local Radio stations

Digital copies to community and local radio stations were sent via email. In most cases, due to lack of funding, telephone lines had been disconnected. Hard copies were also mailed to the radio stations programme directors, who indicated that advertisements to solicit comments, and the availability of the Green paper, had been made.

The following radio stations have been targeted:

- Durban Youth Radio
- Radio Sunny North
- Imbokodo
- Newcastle
- Kwezi FM
- Radio Icora
- Radio PMB
- Radio Maputoland
- Radio Highway

2.4 Commercial Radio stations

The Green paper was circulated to commercial radio stations in the province and requested to advertise the availability of the bill in order to initiate discussions and solicit comments on the piece of legislation.

2.4.1 *Radio Ukhozi FM*

Copies of the Green paper were emailed to Mr Mdletshe (SABC Senior announcer) on 2 March 2006. Hard copies were also delivered to the SABC head quarters in Old Fort Road.

2.4.2 **East Coast**

Electronic copies were also forwarded to the East Coast Radio. The radio station was requested to initiate discussion and inform their listeners of the proposed legislation and to provide details where interested parties could collect copies of the Green paper. A number of emails were sent between December 2005 and March 2006.

2.4.3 **P4 / IGAGASI**

Digital and hard copies of the Green paper were provided to P4 / Igagasi Radio Station. The acting station manager was requested to initiate discussions, informing their listeners of the proposed legislation and where interested parties could collect copies of the Green paper.

3. CO-ORDINATION AND FACILITATION OF WORKSHOPS /MEETINGS

Workshops were co-ordinated and facilitated in various areas throughout the KZN. The process was as follows:

3.1 **Workshop format:**

The workshop format was as follows:

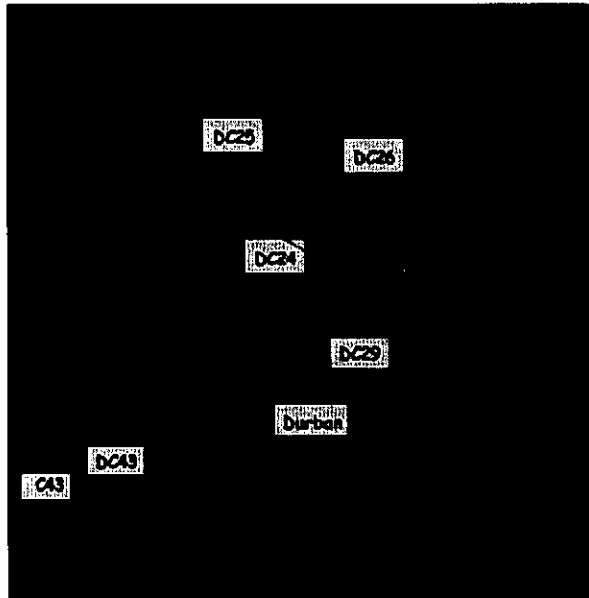
3.1.1 Introduction and presentation of the Green paper

The following was presented to the participants:

- background to the development of the Green paper
- role of the participants in the legislative processes
- the components of the Green paper
- comments and inputs by stakeholders

3.2 Areas of Reach

3.2.1 Locality Plan



Source: DED Consumer Education report

The following areas were selected:

1. Stanger (KwaDukuza) – DC 29
2. Manguzi (Umhlabuyalingana) DC27
3. Pietermaritzburg – DC22
4. Hibiscus Coast - DC 21

3.3 Limitations to the Consultative process

3.3.1 Project delays

The following factors were identified to have contributed towards project delays during implementation phase:

- **2005 – 2006 December / January holiday period**
Approximately **three weeks** were lost during the implementation phase. This was mainly due to participants / stakeholders unavailability for consultation as many indicated that they were on holiday or unreachable.
- **Local Government Elections (1 March 2006)**
The local government elections also contributed towards slowing down of the project implementation process. At the advent of the elections, direct contact with the relevant stakeholders became limited. This was mainly due to heightened political activity, with the focus directed towards the local government elections. In many cases, municipalities and constituencies were more eager or receptive towards physical development rather than policy related development issues. The professional team was cautious and worked through the existing local structures at municipal level.

3.3.2 Limited response from stakeholders

In some instances, there was limited response from stakeholders. The project team speculates that the limited response from stakeholders can be interpreted as one of the following:

- Lack of general interest from stakeholders with regard to the proposed legislation
- Lack of adequate time for stakeholders to respond (at workshops and after sessions)
- Full agreement with all principles of the proposed legislation
- What about the challenges in tracking down members of the street vendors sector ? (which you handled very well, by the way – better than most consultants we have come across so far !)

On review, the consultative process was transparent, inclusive and stakeholders were given adequate time to submit written comments from their constituencies.

3.3.3 Attendance of Workshops

In some areas, invited NGO's could not attend workshops due to:

- Lack of funding to travel to the workshop venues
- Proximity or distance of the of workshop venue