‘Nothing about us without us’:
A case study of the dynamics of the informal
workplace at Mitchell’s Plain Town Centre

Pamhidzai Bamu & Jan Theron

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Private Bag
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South Africa
Tel: 27-21-650 5634
Fax: 27-21-650 5660
Email: faldeilah.khan@uct.ac.za
http://www.labourlaw.uct.ac.za

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‘Nothing about us without us’:
A case study of the dynamics of the informal workplace at Mitchell's Plain Town Centre

By PAMHIDZAI BAMU* and JAN THERON†

INTRODUCTION

The International Labour Organization (ILO) has defined decent work as comprising four strategic objectives: creating jobs, guaranteeing rights at work, extending social protection, and promoting social dialogue. These objectives “hold for all workers, women and men, both in formal and informal economies; in wage employment or working on their own account”.¹ The concept therefore envisages that the term “worker(s)” is not confined to those who are in wage employment. Further, decent work envisages extending to workers in the informal economy the rights and protections that have hitherto been enjoyed only by workers in formal employment. These rights and protections, it should also be noted, have been developed primarily to cater for workers in standard employment relationships.

The fundamental question confronting any endeavour to extend rights and protections to workers in the informal economy is how, practically, it can be done. Our point of departure is that any such endeavour will surely fail without the active support of the organisations representing workers in the informal economy. So the need for representation and voice for those in the informal economy must be recognised “as a fundamental right and an enabling right to enhance their access to other rights at work”.² But this, again, gives rise to the same question.

When the term “informal sector” was first popularised in the early 1970s it gave rise to a substantial literature. The informal sector was then viewed as comprising small, unregistered enterprises in developing countries.³ Early accounts of this phenomenon characterised it as an avenue of last resort for those who could not find work in the formal sector.⁴ The informal sector was also regarded as being separate and structurally disconnected from the formal sector.⁵ It was assumed that as the economies of these “third world” countries matured and as development gained momentum the informal sector would gradually disappear.⁶ The informal sector was therefore conceived of as a passing phenomenon.

The adoption of the term “informal economy” to some extent represents a break with this conception. There is now a degree of consensus that activities in the informal economy do not merely exist and operate alongside the formal economy, but are inextricably linked to and interdependent with the latter.⁷ The concept of the informal economy has been expanded to include not only informal enterprises, but also informal employment taking place in both formal and informal enterprises.⁸ The informal

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¹ LLB LLM PhD (UCT), Post-Doctoral Research Fellow, Faculty of Law, Stellenbosch University.
² BA LLB Advanced Diploma in Labour Law (UCT), Co-ordinator of the Labour Enterprise Policy Research Group, Faculty of Law, University of Cape Town.
economy is regarded as comprising a range of economic activities such as trading and manufacturing, and covers heterogeneous employment relationships, for example, self-employed workers, home workers, and paid and unpaid workers.\textsuperscript{9}

However, while notions of formality and informality are obviously central to the concepts of the formal and the informal economy, there is no consensus as to how these terms should be defined, let alone measured. While the term “formal” relates to the regulation of economic activity by means of labour laws, tax laws, and the like, it is also necessary to distinguish between effective and ineffective regulation, and between different degrees of compliance. Indeed, it is difficult to see how these distinctions can be accommodated within the same concept.\textsuperscript{10}

The approach we have adopted here is to regard formality and informality as constituting a spectrum. At one end of the spectrum, complete formality represents full compliance with and the effective enforcement of regulations. At the other end, informality represents a complete lack of compliance with the relevant regulations, coupled with a failure to enforce these regulations.\textsuperscript{11} We also regard the term ‘regulation’ as wider than mere regulation by the state, whether at a national, regional or local level.

Indeed, it would represent something of a contradiction in terms were it possible to extend rights and protections to the informal economy by relying on state regulation, given that compliance with state regulation is, by definition, partial and ineffective (at best) in the informal economy. If state regulation has a role to play, it would therefore be necessary to develop forms of regulation whose efficacy do not depend on the repressive capacity of the state.

One such attempt is a superficially appealing but ill-defined “developmental” approach, which is premised on a recognition that the informal economy contributes to employment creation and poverty alleviation, and which aims to promote and support the informal economy.\textsuperscript{12}

Support for the informal economy can take various forms. It may involve, for example, facilitating access to legal, economic and other resources, or to markets, information, infrastructure and social services.\textsuperscript{13} It may involve improving the productivity of and earnings from informal economy activities, and extending social protection to those working in the informal economy.\textsuperscript{14} However, to the extent that support for the informal economy is underpinned by regulation, our point of departure is that workers in the informal economy need to be persuaded about its benefits. It would be better still if they could be involved in the design of such support.

There is a precedent for this in the formal economy, where workers have been involved in developing labour regulation, through a process of trade union organisation, collective bargaining, and social dialogue. The latter processes have been characterised as “regulation from below”.\textsuperscript{15} The basis on which trade union organisation has been built is the workplace. The workplace ought therefore to be a key aspect in promoting the organisation of workers in the informal economy, and in strengthening workers’ capacity for collective action.\textsuperscript{16}
Accordingly, this study sets out to explore whether the concept of the workplace could be the basis for organising persons in the informal economy, for extending social protection to informal workers, and for giving them a voice.

METHODOLOGY

In terms of South African labour legislation, the workplace is the place or places where the employees of an employer work.\textsuperscript{17} In practice, however, even in the formal economy, the workplace is increasingly a place where there are many employers, and also own-account workers and the self-employed. The present study is part of a broader project that has examined changes that have occurred in the workplace, and the policy consequences of these changes.\textsuperscript{18}

According to the aforementioned project, a workplace is regarded as the place where workers actually work, and an informal workplace is therefore a place where workers in the informal economy actually work. It goes without saying that an informal workplace is not a workplace in terms of labour legislation.

The initial hypothesis was that there would be a spectrum of informal workplaces, ranging from a workplace that is located contrary to zoning regulations on land to which the occupier has no legal title, to a workplace located on land specifically demarcated for the purpose e.g. informal trading areas permitted by local authorities. Further, it was hypothesised that various linkages between formal and informal workplaces were possible.

Specifically, we envisaged three possible scenarios. The first scenario was where economic activity takes place at the perimeter of the formal workplace, for instance, traders selling goods outside a factory or a retail mall. The second scenario was where economic activity occurs on public space, with the tacit or express permission of the local authorities. An example of this might be a flea market or an informal market. The third scenario was a combination of the two scenarios, that is, where the informal activity takes place at the perimeter of the formal workplace and on public space.

Two possible sites were selected to test our hypothesis. One was a site at Cape Town’s main railway station and the other was at Mitchell’s Plain Town Centre, a shopping centre in the centre of Mitchell’s Plain, about 20 km from the centre of Cape Town. However since both studies concern informal trading, and for the sake of brevity, among other reasons, we decided to consider only one case study in this paper.

Informal trading (also known as street trading) can be regarded as the prototypical informal economy activity. For the purposes of this paper, informal trade is understood to be the sale of goods and services in public spaces by a person who has not registered as a business enterprise in terms of the relevant legislation. However, as will be seen in the case study, informal trade is not entirely informal, as it is regulated by national and local legislation and policies.
The Mitchell’s Plain case study provides a clear example of the linkages between the formal and informal workplaces, and answers several research questions designed to elucidate the dynamics of the informal workplace. Informal trade is conducted in and around the shopping centre, with much of it taking place outside the premises of formal stores. The property on which the Town Centre operates is owned and controlled by the City of Cape Town, thus making it a public space. It therefore falls within the third scenario outlined above, that is, a site where informal activities take place on the periphery of formal activities and in a public space.

The Town Centre is considered to be a lucrative site for informal trading due to the high number of pedestrians who pass through it daily. It was identified as a site for one of the City’s Urban Renewal Projects. One of the key aspects of the project was the relocation of informal trading activities, which had far-reaching consequences for the informal traders operating there. Some informal traders resisted these proposed changes, with the Concerned Hawkers’ and Traders’ Association (CHATA) of Mitchell’s Plain being the most vocal. The controversy led to clashes between informal traders and the authorities both before and after the interview period. The controversies arising on these sites emphasised the centrality of the workplace (in the extended sense) to the economic livelihood and security of workers.

The fieldwork was undertaken in September and October 2009. Semi-structured questionnaires were designed to conduct the interviews. Two representatives from the City of Cape Town were interviewed: the overall service co-coordinator for Business Area Management and the co-ordinator for Mitchell’s Plain Town Centre.

Four sets of questions had to be answered to investigate how informal traders were operating on the site. The first set related to demographic factors such as age, sex, race and national origin. The second set related to the nature of the enterprise, and sought to categorise enterprises according to the nature of goods and services sold and the level of development of the enterprise. The third set interrogated the issues relating to employment relations between informal traders and their employees. These included employment status, the basis of employment and other conditions of employment. The fourth set sought to investigate the traders’ experience with regards to space allocation and the politics surrounding space-related interaction. In particular, the researcher sought to investigate the impact of security of tenure in the workplace on income security for enterprises and workers.

Nineteen informal traders were interviewed at Mitchell’s Plain Town Centre. Each trader was interviewed on his or her respective trading space to minimise disruption and to allow the researcher to observe how the traders conducted their trade. Traders were specifically chosen to reflect the demographic diversity of informal traders, with regard being had to their sex, age, race21 and national origin,22 as well as to the diversity in the goods sold and the services provided.

Although the samples selected were small and by no means representative of all the traders operating on each chosen site, in-depth interviews were conducted. This allowed a deeper analysis of the personal experiences and struggles of informal traders than would have been possible with a large-scale survey. The limited interviews with
individual traders were supplemented by interviews with representatives of the organisations representing the informal traders and by media and other reports which highlighted the challenges faced by informal traders on these sites. Representatives of six informal traders’ organisations representing traders in Mitchell’s Plain were also interviewed.

The researcher also attended two meetings organised by StreetNet, in collaboration with the South African Municipal Workers’ Union (SAMWU), the Congress of South African Trade Unions (COSATU) and informal traders’ organisations representing traders in the Western Cape. These organisations had embarked on an initiative to establish an umbrella organisation to represent informal traders’ organisations at the provincial level. The aim of the first meeting attended was to finalise the arrangements for the general assembly of informal traders. The second meeting was the general assembly itself, which was held in the City Hall in Cape Town. Both meetings were held in October 2009. The StreetNet organiser who co-ordinated this campaign was also interviewed.

This paper is divided into three parts. In the first part we consider the regulation of informal trading in Cape Town, highlighting key aspects of municipal policies and by-laws governing informal trading. The second part comprises the case study of informal trading in Mitchell’s Plain Town Centre. In the final part we consider how the workplace (in the extended sense) has been the site for mobilising and organising informal traders in Mitchell’s Plain. We conclude by drawing together the lessons learnt from the case study, with particular emphasis on how a redefined notion of the workplace can be used as a basis for organising workers and ensuring the provision of social security. Although the analysis focuses on the results of the survey, it also draws from research and reports on informal trade in South Africa and other countries.
PART 1: THE REGULATION OF INFORMAL TRADING IN CAPE TOWN

The Businesses Act is the overarching national legislation that sanctions the enactment of by-laws to govern the supervision of informal trade at local government level. In the case of the City of Cape Town (“the City”), there have been by-laws in place since 1996. In 2003 the City introduced an Informal Trading Policy and Management Framework, which proposed what it characterised as a more developmental approach to the regulation of street trading. In line with this policy, the City introduced a new by-law regulating street trading which came into force in 2010. 

Informal trading in Mitchell’s Plain was initially governed by a by-law introduced in 1996. This by-law governed the “carrying on of a business of street vendor[s], pedlar[s] or hawker[s]”. These terms were not defined in the by-law, which also contained a number of general provisions that affected informal traders. It required traders to lease trading space from the City and keep written proof thereof. It prohibited trading in certain places and established rules governing informal trade, for example, trading areas, stands and goods had to be kept in a clean and sanitary condition. The by-law permitted traffic department and South African Police Service (SAPS) officers to impound goods found at a place where trading was restricted or prohibited or where a trader was infringing any provision of the by-law.

The main thrust of the by-law was thus to establish a series of prohibitions and restrictions about where and how informal trading could be conducted, and to provide penalties for non-compliance. There was no recognition of the rights of informal traders, or provision for recourse to the authorities when they were aggrieved by the decisions or actions of the authorities. The by-laws did not recognise informal traders as a part of the economy, and certainly did not support or encourage their activities.

1.1 The Informal Trading Policy and Management Framework

In 2003, the City of Cape Town released a policy document on its plans for an Informal Trading Policy and Management Framework. The document defines informal trading as economic activity undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property, within the informal sector. It defines the informal sector as comprising unincorporated enterprises, employing less than 20 employees, and not keeping a set of separate business accounts or paying Unemployment Insurance Fund (UIF) contributions.

The scope of informal trading covered by the policy includes street/kerbside trading, trading in pedestrian malls and markets (craft, flea markets and special sector-based markets), trading at transport interchanges, and trading in public open spaces, in mobile traders (roving traders, bakkies and caravans), at intersections and at special events. The policy therefore excludes trading taking place on private property, for example, in the home.
The policy acknowledges the contribution that informal trading makes to the economy, by giving opportunities to the unemployed and providing income in poor households. The City’s vision is one of a “well managed informal trading sector that is fully integrated into the economic, spatial and social development objectives of the City”. It envisages the City adopting a “developmental” and “facilitative” approach to informal trade, by providing a stable regulatory environment. The main pillars of its strategy are infrastructure support and services, entrepreneurial development and spatial planning.

Infrastructure support and services include municipal services such as sanitation, security, maintenance, water, sewage services and electricity. Business services include providing business literacy skills and training; providing advice, information and business counselling; providing management and appropriate technical training; and providing marketing and market development services. The key portfolios within the City that form the backbone of the informal trading policy are utilities services and cleaning, economic development, planning and environment, and community services.

The City’s conceptualisation of informal trading informs its strategy and policy towards traders. The policy classifies businesses according to their degree of sophistication, as this determines the type of services they require. Thus, “emerging and stable businesses” at the higher end of the spectrum require interventions such as financial support, business management advice and skills, market opportunities and technical skills. On the other hand, “survivalist and necessity entrepreneurs” require financial support and assistance with locating market opportunities. The City’s strategic goal is to encourage and facilitate the movement of traders along a development continuum.

The policy also details the criteria and rules governing the allocation of trading bays. Trading bays may be allocated only to “bona fide informal traders”. Thus businesses that operate from brick and mortar premises are excluded. An applicant must have a South African identity document or residence permit. Only one bay will be allocated per trader and household. The City gives preference to the unemployed and to “historically disadvantaged individuals” (HDIs). It also gives preference to traders who operate four days per week (or at least 45 weeks per year) over occasional or casual traders. Traders are required to update their information with the City annually, and may not sell or sublet their spaces to other people.

As far as management of trading areas is concerned, the City has adopted a multi-faceted approach, recognising that “different situations require different models and relationships, depending on the characteristics of the market or informal trading areas”. In some cases, the City outsources the management of trading sites on a competitive tendering basis. Contracts are concluded for a stipulated period after which the market will once again be open for competitive trading. Service level agreements between the City and the management agents are supposed to outline each party’s responsibilities and penalties for non-compliance. A designated trading area may also be leased out to a commercial operator, a traders’ association or a local civic or community association, which is then responsible for all aspects of the market. Alternatively the City may manage a trading area and issue permits and leases to individual traders.
On paper therefore, the policy document does adopt a more developmental approach, and recognises the diversity of informal traders. It rejects a simplistic “one-size fits all” approach as inappropriate, and arguably attempts to address some of the realities faced by informal traders, for instance, by allowing family members to trade when a trader is unable to do so. The question that naturally arises is to what extent the policy has been translated into practice.

One example of an area where implementation is lacking is the provision of business-related services and support to informal traders, with traders and key informants indicating that very little has been done in this regard. Another key gap in implementation lies in service and infrastructure delivery, with most traders and their organisations complaining about lack of facilities such as shelter, storage, water, and adequate sanitation.

1.2 The new Informal Trading By-Law

In 2010 the City introduced a new Informal Trading By-Law. This by-law contains provisions similar to those of its predecessor regarding prohibited trading areas, restrictions on informal trading, waste removal, hygiene, and certain offences. It also incorporates most of the recommendations of the policy regarding the criteria to be applied when considering applications to trade. It introduces new provisions, including the definition of informal trading, the freedom to engage in informal trading, trading plans, public participation before the adoption of a trading plan, special events, and obligations on owners of non-City property. These are discussed in greater detail below.

The by-law defines an informal trader as a person or enterprise that is not registered or incorporated and engages in informal trading. Informal trading is defined as “trading in goods and services in the informal sector by an informal trader.” The by-law recognises the freedom to engage in informal trading, stating that “informal trading is permitted in any area within the jurisdiction of the City, subject to any trading plans adopted by the City, the provisions of this by-law and any other applicable law.”

In terms of the by-law, the City must adopt trading plans, “particularly in areas where there is a significant overlap between formal and informal trading”. The adoption of trading plans may be initiated by the City or any interested party. The City is obliged to consult with interested and affected role players, including formal and informal traders, before adopting a trading plan. A trading plan must define the geographical boundary of the trading area and demarcate informal trading bays. It may also cover matters such as the terms and conditions of trading, the promotion of social and economic development, and the management of the market.

The by-law may be enforced by, among others, traffic officers, members of SAPS and municipal police officers. An officer may issue a person with a written warning if she or he believes that person has contravened the by-law. If the person disregards the warning or repeats the contravention, the officer may impound the property in which the informal trader in question is trading.
The new by-law is a marked improvement on the old by-laws and is consonant with the City's policy on informal trade. It provides greater clarity on the types of activities that are governed by the regulations, and, by providing for appeals against decisions made in terms of by-laws, it allows for the voices of informal traders to be heard (in theory), and protects their interests in matters that directly affect them. The challenge is, of course, implementing and enforcing the by-law. It remains to be seen whether the provisions will be backed by adequate human and other resources to combat prohibited practices such as the sub-letting and “sale” of trading spaces, which are common practices at the sites that were investigated for the case studies.

PART 2
CASE STUDY: MITCHELL’S PLAIN TOWN CENTRE

As already noted, our research was conducted at a time when plans to move the majority of informal traders from within the Town Centre to designated markets at the outskirts of the Town Centre were being finalised. With the exception of traders who were allowed to trade within two designated squares inside the Town Centre, all the traders were subsequently moved to the dedicated markets. Before considering the research findings, it is important to provide some background on Mitchell’s Plain and the Town Centre.

2.1 Background to Mitchell’s Plain and the Town Centre

Mitchell’s Plain was built in 1974 to alleviate housing shortages for coloured people, many of whom had been forcibly removed from their homes in terms of the Group Areas Act. It was conceived of as a self-sufficient ‘dormitory town’, and is spatially marginalised and largely isolated from the rest of Cape Town and its amenities and opportunities. Although Mitchell’s Plain was originally intended to accommodate about 250,000 people, its current population of approximately 400,000 far exceeds that number. About 22 per cent of Mitchell’s Plain households live in informal houses.

Mitchell’s Plain is a poor community, with estimates of unemployment in the area ranging from 30 per cent to over 50 per cent. This is largely attributable to low levels of education in the community: about 75 per cent of the adult population have not matriculated. The most cited reason for leaving school is to work or to look for work. A small proportion of the population has attended a tertiary institution, and a few are employed in highly skilled, professional and managerial positions. Crime is endemic in Mitchell’s Plain, with high levels of murder, violent crime, property crime and residential burglary. The area is infamous for gang activity. The rapid spread of HIV/AIDS also presents a serious challenge in the community.

The Town Centre was built in the late 1970s and is the oldest shopping centre in Mitchell’s Plain, spanning approximately 70 hectares. Besides being a popular shopping centre, it is also a major interchange for rail, bus and taxi commuters. In 2003, it was the third busiest nodal public transport interchange for rail, bus and taxi in the metropolitan area, and about 75,000 people moved through the interchange during the morning and
afternoon peak periods. It was also the busiest taxi terminus in the Western Cape at the time.

By the late 1990s, a number of problems had been identified in the Town Centre. These included inadequate facilities for buses and taxis and their passengers, design restrictions on the movement of buses, and the fact that the bus rank occupied prime trading space. Violent conflict frequently erupted between the 24 taxi associations. Other problems related to informal trading, which obstructed pedestrian walkways and hampered the movement of pedestrians and vehicles. Formal business people were frustrated by the high levels of crime in the Town Centre and by the encroachment of informal traders. Some formal businesses decided to leave the Town Centre, while those that remained threatened a rent boycott. The Town Centre was a site of conflict, with diverse and conflicting stakeholder interests.

In order to address these concerns, the City of Cape Town declared Mitchell’s Plain to be an Urban Renewal Project in 2001. Two years later, the Town Centre project started, with the main focus being the upgrading of the transport interchange. One key objective of the project was to provide a safe environment for commuters and for shoppers. Two other objectives were to promote as much informal trading as possible in a prime location, and to create opportunities for further retail development. If “retail development” is understood to mean “formal retail”, these two objectives seem to create a potential conflict between informal and formal traders vying for more and better space on which to operate.

The Mitchell’s Plain CBD task team was established as a platform to ensure unity and co-operation between the stakeholders, to provide a forum to discuss the vision for the Town Centre, and to map the way towards its realisation. It was informally established in 2001 and comprises representatives from the taxi industry, informal traders, formal businesses, property owners, rail authorities, the Golden Arrow Bus Company, city officials and councillors. Two task teams were also established to deal with specific matters. The taxi task team was formed to agree on taxi infrastructure and the operations and management of allocated taxi association blocks. The informal traders’ task team was formed to unify the sector, and to agree on trader infrastructure and the operation and management of trading facilities.

2.2 Mapping out Mitchell’s Plain Town Centre

A number of well-known chain stores and food outlets can be found in the Town Centre, for example, KFC, Hungry Lion, Sterns Jewellers, Morkels Furniture Store, Joshua Doore, Shoprite, Markhams and Jet Stores. A number of banks have branches there, including Standard Bank and Capitec. Several smaller formal retailers also operate in the Town Centre, the majority being owned by members of the coloured community.

At the time when our research was conducted, the Town Centre bustled with informal traders, providing a variety of goods ranging from agricultural produce, groceries and cooked food items, to non-food items such as cosmetics, jewellery, cell phone accessories, clothing, crockery and home décor items, for example, curtains and linens.
A number of services were also provided by informal traders, including phone services, watch and other repairs, and hair braiding. It is estimated that about 1,000 to 1,500 informal traders operated in the Town Centre.

It is important to outline the structure of the Town Centre to better understand the allocation of informal trading space before the move. The centre of the Town Centre is called Harmony Square. It is a large open space with a concrete floor and is flanked by formal shops. It is connected to the rest of the mall by a number of pedestrian walkways that branch out from it. The pedestrian walkways are flanked by formal shops on both sides. Over one hundred informal traders conducted their informal operations in Harmony Square.

According to informants, Harmony Square was a prime trading area, and had historically been reserved for traders who had operated in Mitchell’s Plain for a long time, the majority of whom had been there for over 15 years. A number of traders operated there on non-allocated spaces, within Harmony Square or as close as possible to it. Lyric Square is another small, but popular, square where many informal traders had traded for decades. Below is a picture of informal trading operations outside a formal shop in Harmony Square.

There are several pedestrian walkways connecting the different ends of the Town Centre. Those leading out of Harmony Square were the most coveted by traders as they were the busiest thoroughfares in the Town Centre. In 1999, the City designated a number of spaces within these walkways for informal trading and allocated them to traders. Other traders occupied non-demarcated spaces in the walkways and began to trade there without the City’s permission. In 2008, the City amended its demarcation and prohibited trading in these walkways. The consequences of this decision will be discussed in greater detail below. However, at the time of the interviews, the traders were still operating on designated and non-designated spaces. Below are photographs of informal trading on Sonate Lane and another pedestrian walkway respectively.
In addition to trading within the Town Centre, informal trade also took place on an open space along Fifth Avenue just outside the Town Centre. This trading area is referred to as “Fifth Avenue” and will be discussed in more detail below. At the time of the interviews, the Fifth Avenue traders were operating there with the permission of the City.
2.3 Research findings on informal trading in the Town Centre

The interviews conducted at the Town Centre sought to explore the relationship between informal traders, their workers and the trading space on which they operated. As will be shown below, we sought to learn more about the background of the informal traders, the nature of their enterprises, matters relating to employment, and the challenges faced by the traders. Finally, the issue of space allocation was explored.

The informal traders

While informal traders at the Town Centre came from various ethnic groups and nationalities, the majority of them were South Africans, and most South Africans were from the coloured community. The majority of the South African traders interviewed had not completed high school and had only completed Grade 8 or Grade 10. Most traders had formerly been employed in the formal economy, in sectors such as clothing, construction, catering, transport and printing, and had been retrenched. They therefore did not choose to become informal traders.

Relatively few of the South African traders said that informal trading was the only work that they had done, and they had all started trading in their late teens or early twenties. However, given the fact that most of the traders interviewed had been operating for more than ten years, it is likely that the proportion of traders who have no work experience other than informal trading will grow.

Foreign traders hailed from, among other countries, Zimbabwe, Kenya, Cameroon and Somalia. It was noteworthy that only one foreign trader lived in Mitchell's Plain, with the rest living in areas such as Mowbray, Bellville, Mandalay and Philippi. The reason why they came from further away was the lack of trading space or employment in areas close to their residence. The foreign traders tended to be better educated than the South Africans. The main reason for their becoming informal traders was the lack of employment opportunities for foreigners due to language barriers, lack of proper documentation, or non-recognition of their qualifications and experience. Only one trader interviewed had been an entrepreneur in his home country. Three (one of whom was employed by an informal trader) had previously been employed in South Africa, but had felt that they were paid too little when formally employed.

Their enterprises

We sought to investigate the circumstances under which the traders had started to operate as informal traders and, more specifically, why they had come to trade at the Town Centre. Our observations and interviews revealed the diversity of traders' operations and the varying levels of their development. It was therefore necessary to classify them into broad categories to better understand the traders' experiences and strategies.

A few traders said they had chosen the informal trade because they did not find their employment rewarding or fulfilling and preferred having their own businesses. Most
traders said they would have preferred to operate in a formal shop, but doubted that this was possible, because of their lack of resources. Some of them hoped to establish a formal store one day, and viewed informal trade as a transition phase. There was thus a mixture of those who had been forced into street trading and those who were drawn into it, those who saw it as a “dead end” and those who viewed it as a stepping stone to formal trading.

Traders cited a number of reasons for choosing to locate their enterprises in Mitchell’s Plain generally, and in the Town Centre specifically. As regards reasons for trading in Mitchell’s Plain, those living in Mitchell’s Plain found it easier to trade close to their homes, as this reduced their transport and other costs. It also meant that they did not have to spend much time travelling to and from their place of work. They also felt that it was an advantage to trade within their own community, among people who knew them.

The traders who lived outside Mitchell’s Plain were migrants from other African countries, and lived in areas such as Bellville, Mowbray and Mandalay. They came to trade in Mitchell’s Plain because they had been unable to find trading space in other areas, such as Cape Town’s city centre and Bellville. Most of them had been brought to Mitchell’s Plain by relations, friends or acquaintances who were traders in Mitchell’s Plain, or they had local contacts who assisted them in securing trading space in the Town Centre.

As for the choice to trade at the Town Centre specifically, the answer was the same for local and foreign traders: they benefited from the pedestrian traffic into and out of the Town Centre. Thousands of people visit the formal shops or walk through the Town Centre on any given day. The Town Centre was an ideal place to trade, one trader remarked, “because people who go to buy in Shoprite and the other formal stores leave their change here with us”.56 Others said that customers visited the Town Centre especially to buy from the informal traders, as their goods were much cheaper than those in the formal shops and other shopping centres.

All the self-employed traders indicated that trading was their main or only source of income. There was a broad spectrum of trading operations in the Town Centre, showing the diversity of experiences and the varying developmental levels of the operations. The three main categories were the “walking traders”, those operating on small spaces, and those having large stands.

“Walking traders” did not have a fixed trading space, carried their goods with them and therefore had to walk around the Town Centre to meet potential customers and persuade them to buy their products. They generally sold a limited range of small and low-value goods, such as clothes pegs, hats, socks and dish towels. Some of these traders sold more sophisticated goods such as perfume, handbags, and CD cleaning kits. The walking traders were running the least profitable operations, since what they could sell was limited to what they could carry. A walking trader who approached the researcher with imitation perfumes claimed that he stole his stock from a wholesaler.

The traders with small trading spaces typically had a space of about one square metre, and displayed their wares on a box or a few crates. A few had display stands on which
their goods were hung. These traders mostly lacked shade or covering from the elements, and many of them were stationed right outside formal shops. They sold a broad range of predominantly non-food items, such as cosmetics, small electronic goods (for example, cellular phone chargers and adapters), personal accessories and small household goods (for example, crockery and cutlery). Very few of these traders could afford to hire an assistant to help them.

The traders with larger stands had tables with special display stands, a metal frame and protection from the elements. They used net covers on sunny days and plastic covers on rainy days. The size of their spaces ranged from 4 to 12 square metres, and, in some cases, 15 square metres. Some specialised in a particular range of goods, for instance, fruit and vegetables, crockery, clothing, bedding, and cooked foods. Others identified themselves as ‘general traders’, and sold a wide range of (mainly non-food) goods according to what was in season or in demand at the time.

These enterprises were clearly more stable economically than those of the walking traders and, in some cases, they employed people to assist them. Some had more than one stand, including a Somalian trader who had two stands selling identical products (handbags and luggage) not very far from each other. Most of these traders employed assistants, with some employing up to three assistants. It is therefore possible to view the informal traders as constituting a hierarchy, according to how vulnerable they were. The diagram below depicts this hierarchy as follows.

Diagram 1: Mitchell’s Plain Town Centre Informal Traders

<table>
<thead>
<tr>
<th>Lowest degree of trader vulnerability</th>
<th>Highest level of business development</th>
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</thead>
<tbody>
<tr>
<td><strong>Traders with large spaces</strong></td>
<td></td>
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<tr>
<td>- Employed up to three workers</td>
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<tr>
<td>- Wider product range</td>
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<tr>
<td>- Mostly established traders</td>
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<tr>
<td><strong>Traders with small spaces</strong></td>
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<tr>
<td>- Mostly solo operations</td>
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<tr>
<td>- Wider product range</td>
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<tr>
<td>- More stable operation</td>
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<tr>
<td>&quot;Walking traders&quot;</td>
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<tr>
<td>- Solo operations</td>
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<tr>
<td>- Limited product range</td>
<td></td>
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<td>- Most vulnerable</td>
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Highest degree of trader vulnerability

Lowest level of business development
All the traders said that they sourced their goods from a range of formal shops, with the majority saying they bought the bulk of their goods from formal shops in Bellville and Cape Town, where there was a wide variety of goods at cheaper prices. Most traders claimed that shops in Mitchell’s Plain and particularly the Town Centre were not a good source of merchandise. However, traders occasionally had to buy goods from the Town Centre to replenish their stocks in between trips to their main suppliers. For instance, one trader selling cell phone chargers dashed into a nearby formal shop to buy a charger requested by a customer as she did not have one in stock. Traders had to make plans to go to other areas to purchase stock and, with the exception of two traders, had to use public transport to transport their merchandise. It also meant that their businesses were closed when they went to purchase stock, unless they had an assistant to work while they were away.

The walking traders almost exclusively bought their merchandise from wholesalers and retailers within the Town Centre. Traders selling cooked foods mainly sourced their ingredients from within the Town Centre or other shops in Mitchell's Plain, with the exception of the confectionery trader who sourced her ingredients and packaging from specialist wholesalers outside Mitchell’s Plain.

Traders had to provide their own shelters and tables, other equipment, and electricity or gas, if needed. They had access to public toilets on the Town Centre’s premises. Traders were also responsible for their own storage as the City did not provide storage facilities. Some traders carried all their stock and equipment home. One trader said she piled all her stock and equipment into a supermarket trolley which she pushed to and from the Town Centre each day. But most traders arranged to store their merchandise with people who owned shops or lived in rooms in the Town Centre, for which the traders paid R200 per month. One trader said that the person who was storing his goods had rented a room especially for this purpose and was making a reasonable profit from this.

Informal traders who employed other workers

In general, walking traders and those trading on small spaces could not afford to employ assistants to help them with their trade, whereas the traders with larger stands employed from one to three assistants. Some of the employees were family members who would otherwise have been unemployed. Traders who did not employ their own family members said they hired workers referred to them by friends and family. It was also a common practice to hire work-seekers who would wait near the storage spaces in order to make contact with traders.

The traders said they paid their workers a fixed weekly amount, with one saying he paid his assistant R200 per week. None of the traders paid on a commission basis, although a few indicated that the amount paid could change depending on the level of sales in a particular week. Traders said they were unable to contribute towards social security benefits such as unemployment insurance and workers’ compensation. Only one trader
said she was in the process of registering her two employees with the Unemployment Insurance Fund (UIF).\textsuperscript{57}

The challenge faced by traders was to meet the required level of sales to pay workers the agreed wage. In some cases, traders had to ask their assistants not to come to work during low sales periods as they were unable to pay them. Two traders complained that their sales assistants sometimes failed to record all the sales they made, leading to discrepancies between stock levels and sales figures.

Unsurprisingly, the main complaint of the employees was that their wages were too low, and none of the workers interviewed belonged to a trade union. There also seems to be no realistic prospect of workers in their position being unionised, or of regulations such as UIF ever being enforced by government inspectors. There would be a better prospect of extending regulation providing social protection to employees if their employers were made aware of the benefits of doing so through education and training, or organisation. This possibility will be discussed further below.

The case studies below shed some light on the nature of the employment relationship between traders and their employees.

\textit{Case Study 1: Nadeema’s Confectionery}

Nadeema and her husband have been running a confectionery business at the Town Centre for 18 years. They sell an assortment of cakes, pastries, scones, and other confectionery, and various snacks. Nadeema’s husband is a qualified confectioner who bakes from their home in Mitchell’s Plain. Nadeema sells the confectionery in the Town Centre.

Nadeema and her husband started the business as a short-term venture to raise money for their daughter’s debutante ball. They decided to continue with it, until eventually Nadeema’s husband resigned from his formal job so that he could work exclusively for the business. The couple secured a loan to buy machines to enable them to increase their output and product range. The business has been relatively successful, but they cannot afford the high rentals for formal shops and therefore continue to operate informally in the Town Centre.

Nadeema and her husband employ three assistants, two as baking assistants and one as a sales assistant. The workers receive a weekly salary and are not registered in terms of social security legislation.
Case Study 2: Mohamed’s Exhaust Pipe Fitters

Mohamed worked as a clothing salesman for 15 years before resigning from his job. In 1991, he established an informal business specialising in selling and fitting car exhaust pipes and other car parts. He operates in the informal market on Fifth Avenue, just outside the Town Centre. Mohamed owns a small truck that he uses to transport the goods and equipment from suppliers, and to and from his home where he stores them. In the 18 years that he has traded on Fifth Avenue, Mohamed has built a loyal customer base, which continues to grow as more new customers buy his goods and use his services.

Mohamed employs three assistants, including his son. They have all worked for him for several years. He pays them daily. When business is slow, it is a challenge to pay full wages. He is unable to pay for social security benefits such as UIF.
The vulnerability of informal traders

The traders cited a number of challenges they experienced in operating their businesses. All the traders complained about the level of crime in the area, with theft of merchandise and money being a common occurrence. Traders said they had to be constantly vigilant in keeping an eye out for “skollies”. As one trader put it, “you can turn your back for a second and turn around and find something is missing”. Those that could afford to hire assistants reported that this had been a significant help in reducing theft of their stock.

Access to trading space was also a significant challenge for many traders. The number of formal trading bays allocated by the City could not meet the demand for trading space in the Town Centre. Traders had therefore resorted to operating on non-demarcated spaces and over time title to these spaces came to be informally recognised by fellow traders. All the traders in a particular area knew who was trading on which space and defended their fellow-traders’ rights to their spaces, even in their absence: “We know who trades on these spaces which are empty now, and even if they are not here today, nobody can come and start selling there. We tell anyone who tries to take over that the space is already occupied. We have to, because otherwise that could lead to problems when the owner returns.” This created an incongruous situation where traders occupying non-allocated trading spaces had title almost equivalent to that held by traders who were allocated space by the City.

The enforcement of these informal rules meant that there was virtually no “free” trading space available in the Town Centre. Access to a defined trading space therefore had to be obtained from those who were fortunate enough to be “owners” of spaces that they had acquired formally or informally. A few traders were fortunate enough to have family members or friends who allowed them to trade on their trading spaces, ostensibly for no charge. Others had “bought” or were “sub-letting” spaces from these owners, often for
exorbitant amounts. Many of those who bought or rented these spaces were usually desperate foreign nationals. Thus, besides being the site of transactions (that is, the place where people bought and sold goods and services) the trading spaces were also the subject of transactions. Those who did not have the necessary social capital (friends and relatives) or the finances to enter these transactions were therefore unable to acquire access to trading space.

The traders complained about insufficient protection from the weather, especially rain, which in some cases kept them from trading for several days. The sun and wind also caused the loss of or damage to some goods. One trader said that the weather not only damaged their goods, but was also detrimental to their health, as they sometimes had to work without adequate protection from the wind and rain. On rainy days, traders had to choose between working in the rain to make some money, and possibly getting sick, and not trading. One trader said: “If I get sick then I am not able to come and sell and that means no money”. Some of the more established traders said that the City had previously provided protective structures but these had been destroyed during police raids on traders in the Town Centre.

Competition was another challenge cited by traders at the Town Centre. This was largely because most traders sold similar goods sourced from the same shops and could not effectively compete on the basis of providing unique goods or cheaper prices. Traders found that their main competitive strategies were to establish themselves as honest and reliable traders and to develop good customer relations.

The reallocation of trading space in the Town Centre

In July 2008, the City published a proposal to address the challenges resulting from the growth of informal trade in Mitchell’s Plain Town Centre. The proposal identified 13 areas in and around the Town Centre as informal trading areas. These 13 areas comprised some of the existing trading areas such as Harmony Square and Lyric Square, and some new trading spaces that had been built for trading purposes in terms of the Urban Renewal Project. The proposal also sought to prohibit informal trading on Symphony Walk and Sonate Lane, the pedestrian walkways, which, as already noted above, were occupied by many informal traders. The City then demarcated 1,107 trading bays in the designated trading areas and proposed to charge a rental of R80 per month per trading bay.

Before finalising and implementing these proposals the City initiated a process of consultation. This involved meetings with organisations representing informal traders in the Town Centre. The process was not without controversy. However, it is clear that individual traders had an opportunity to apply for trading spaces, and that traders' organisations were allowed to make representations regarding the proposals, and the process of allocation of spaces to individual traders. According to the Council officials interviewed, all the traders who registered on the databases were accommodated in the demarcation. The traders began moving to the new markets in November 2009.

The plan to move traders was met with mixed reactions from the traders’ organisations. Most of them supported the plan and their members moved voluntarily in late 2009 and
early 2010. Some, however, complained that the trading bays were too small, and that a move would lead to loss of business. Others countered that a trader’s location is not determinative of his or her success. Interestingly, the traders who were more supportive of the move were largely represented by the six traders’ associations that the City recognised and engaged with.

One the other hand, the members of the Concerned Hawkers’ and Traders’ Association (CHATA) – which was not recognised by the City – resisted the City’s plans to relocate traders. The members of this organisation were very vocal in this regard, and at the time of writing (early 2010), CHATA was resisting police attempts to remove members from their spaces and was considering legal action to interdict the City from implementing its plan.64 As at September 2011, it has not instituted legal action against the City.

Below is a photograph of one of the new market squares before it was occupied by traders. It was formerly a bus terminal which was refurbished and remodelled as a market. The markets comprise clusters of six or eight trading bays which measure four square metres each. Each market also has a dedicated space for fish mongers to prepare and display their fish. In addition, there are kiosks available, which were originally allocated for the storage of goods but may be allocated for traders to trade in. The entire space is covered by an aluminium roof.

At the time when the interviews were conducted (September and October 2009), the traders were operating in three distinct spaces under the new allocation. Firstly, some traders have been allowed to trade in Harmony and Lyric Squares, with the majority of these being “historical traders” who have traded in the Town Centre for many years. Traders that were operating around the pedestrian walkways have been moved to the new markets in the South and North terminals on the periphery of the mall. Finally, members of the Fifth Avenue Traders’ Association have been allowed to continue to trade on their space outside the Town Centre.
PART 3
THE WORKPLACE AS A SITE FOR ORGANISATION

This case study has illustrated the importance of the physical space where the traders operated. The physical space was important not simply because it was the place where their livelihoods were generated, but also because the trader’s enterprise was more likely to succeed if his or her title to the trading space was secure. Traders in fact regarded security of tenure to trading spaces as crucial for determining the success or failure of their enterprises.

The location of the space was also important, as the majority of traders preferred the busy squares or main thoroughfares which guaranteed greater numbers of “passing feet” needed to generate business. The study highlighted how differences in access to, and security of access to, trading spaces created divisions and hierarchies among the traders. The process of contestation between traders (whether organised or unorganised) and those who control the space relates to what Hakimi calls “the politics of space”.  

One of the purposes of this paper was to examine whether the workplace – conceptualised as the physical space on which workers work – could also be regarded as a site for building unity and solidarity between traders. This solidarity was demonstrated in the some traders’ willingness to defend their fellow traders’ informal title against potential encroachers even in their absence. At a more formal level, it was demonstrated by the existence of informal traders’ organisations that were involved in the urban renewal and demarcation process.

A total of seven informal traders’ associations organise traders in the Town Centre. Five of these associations were willing to participate in the research, namely, the Fifth Avenue Traders’ Association, the Mitchell’s Plain Progressive Traders’ Association, the Mitchell’s Plain Stallholders’ Association, the Town Centre Hawkers’ Association and the Mitchell’s Plain Concerned Hawkers’ and Traders’ Association (CHATA).

The majority of these associations were established in the 1990s, as the number of informal traders operating in the Town Centre began to increase. In October 2009, the membership figures of the respective organisations ranged from 78 to 450 traders. Their main objective is to represent and protect the interests of their members. They all have constitutions and rules that their members are required to abide by. All have executive committees that meet regularly, and provide for general meetings to be held to inform and consult with members about matters affecting them.

In this part, we take a closer look at these organisations, and examine their potential to address the challenges faced by informal traders and improve their working lives. Given the importance we attach to the workplace, it is appropriate to begin by considering their engagement with the entity that controls this space, namely the City. This engagement represents a process of negotiations. Next, we consider the various initiatives that the organisations have embarked on to support their members, as well as initiatives they have not taken, but might be expected to take, to raise their level of organisation.
Finally, we consider the partnerships and alliances that the associations have formed with other organisations outside the Mitchell’s Plain Town Centre.

3.1 Negotiations with the City

Over the years, there have been negotiations between the traders’ organisations and the City regarding a number of issues affecting informal traders at the Town Centre. To facilitate the process of negotiations, and to enable the associations to speak with one voice, the traders formed an umbrella body, or secondary association, known as the United Hawkers’ Forum (the Forum), in 1995.

The Forum comprises representatives of six informal traders’ associations, but excluding CHATA, which has publicly denounced the umbrella body. Each member association is represented on the Forum by three of its members from each of the six organisations. The Forum’s members jointly represent about 800 informal traders operating in the Town Centre, who employ approximately 2000 people.

Issues which the Forum and the City have negotiated include the establishing of a formal market, ensuring security of tenure, and providing kiosks and structures to protect traders and their goods from the elements. The Forum considers one of its greatest achievements to be persuading the City to write off all traders’ debts in respect of trading fees. These debts were estimated to exceed R5 million, and many of the accounts had been challenged for being incorrect and excessive. The Forum also persuaded the City not to charge fees until all the traders had been moved to the new allocated spaces. It was also consulted about the reallocation of trading spaces in 2009.

The Forum holds monthly meetings with the City. Leaders who were interviewed characterised relations with the City as generally positive and harmonious, and the Forum supported the plans to move traders to the designated market from the outset. The Forum also convenes its own meetings whenever issues arise that require discussion and decision-making. According to its Chair, its members usually reach consensus on matters before it. Members have had to vote on relatively few issues.

The Forum is also represented on the Mitchell’s Plain Town Centre Steering Committee, which governs the overall operation and development of the Town Centre in partnership with the City.\(^\text{66}\) The Steering Committee comprises 20 members who represent formal and informal traders, taxi associations, the Golden Arrow Bus Service, the City, the Fire Department, and SAPS. The Steering Committee’s over-arching mandate covers a broad range of issues including the upgrading of the Town Centre, security, cleansing and lighting.

“Membership” of the Steering Committee should thus not be confused with a membership of the Forum.

CHATA argues that it has been deliberately excluded from both the Forum and the Steering Committee because it is the only traders’ association that has criticised the City’s policies and decisions. However, membership of any association is and must always be voluntary and one cannot complain about being excluded from a voluntary
association. “Membership” of the Steering Committee is a different matter because it is or should be a consultative structure that is open to organisations that meet the City’s criteria.

CHATA also believes that the traders were not adequately consulted regarding the City’s planning and implementation of the move, and its interactions with the other traders’ associations and with the City have been acrimonious. Regardless of the truth of these allegations, it appears there is a general recognition that informal traders’ associations need to negotiate with the body or entity that owns and controls the physical space on which they trade. Access to trading space, security of tenure, adequate shelter, ablution facilities and security are issues which individual traders cannot easily address on their own.67

3.2 Initiatives to support informal traders and the broader community

The associations were all formed with similar objectives in mind: supporting their members, helping them to build and improve their enterprises and livelihoods, and helping them to make a positive contribution to their community. The organisations have had varying degrees of success in fulfilling these objectives.

One way in which an association can support individual members is to promote collective solutions to their problems. This was exemplified in the case of the Fifth Avenue Traders’ Association, which operates just outside the Town Centre. Members of the association take turns to patrol the area to provide greater security and protection to customers, fellow traders, and their goods. They also assist each other with filling and carrying their water containers. This is especially important for members of the Fifth Avenue Traders’ Association, as they do not have immediate access to running water, unlike the traders operating within the Town Centre.

An example of the way a traders’ association can address a common problem in a trading area is Traders Against Crime (TAC) in the Warwick Junction Market in Durban.68 The association comprises traders who volunteer to patrol the market and apprehend criminals in the market to protect both their businesses and their customers. In recognition of their efforts, the City has supported them by facilitating their interaction with SAPS and the Durban Metropolitan Police. This has resulted in the establishing of a training programme, to make the traders aware of the proper procedure for making a citizen’s arrest, and of how to make a statement to the police.

Forming associations also enables people to use the power of their numbers to do things more easily and cheaply. One of CHATA’s goals is to establish a bulk-buying scheme so that its members can benefit from the economies of scale that accompany buying goods in bulk. However, CHATA does not appear to have implemented this scheme. None of the other associations have instituted such schemes either, which is indicative of a failure to raise the level of the association to a higher level. Elsewhere in South Africa, and in countries such as Ghana, bulk-buying schemes have been shown to shift the power balance with suppliers and have enabled informal traders to benefit from lower prices and increase their profit margins.69 Traders making bulk purchases
can also negotiate for the delivery of goods on more favourable terms, thus reducing the
time and transport costs associated with making individual purchases.\textsuperscript{70}

There is also potential for informal traders to use their associations as a platform to
approach institutions that can provide support in the form of advice and assistance. The
Progressive Traders’ Association had such a vision when it registered itself as a section
21 company in 1999.\textsuperscript{71} The association subsequently approached the Small Enterprise
Development Agency (SEDA)\textsuperscript{72} to assist with business skills training and other
assistance for its members. Although SEDA was unable to provide this support to the
traders, there is potential to further explore and pursue such possibilities.

Traders’ associations can also be used to establish pools of funding that can be
channelled towards developmental projects for traders, and towards providing much-
needed finances to fellow traders in desperate need. Two of the associations, the Fifth
Avenue Traders’ Association and CHATA, have created a pool of finances that can be
used for such purposes. These are funded by weekly contributions from members. The
Fifth Avenue Traders’ Association uses part of these funds to provide business loans to
members who are permitted to repay the loans in instalments. For example, the
association lent money to a member whose caravan was falling apart and needed to be
replaced. It is also common practice for the traders’ associations to collect donations
from members to support fellow members on the deaths of their close relations.

In addition to providing support to their own members, associations also seek to support
the broader community. This recognises the fact that traders do not live in a vacuum
and are dependent on the broader community for the success of their livelihoods. The
majority of the associations collect money, food and clothing to donate to the poor
during festive seasons such as Christmas and Ramadan.

The Fifth Avenue Traders’ Association has played a more active role in the community.
It uses part of its funds for fund-raising events such as karaoke evenings, dinner dances
and raffles.
The proceeds from these activities are primarily used for community outreach
programmes, including a weekly soup kitchen for the poorest members of the
community. The association also holds special lunch or dinner parties for targeted
groups such as the elderly. These events are typically held in a decorated tent on the
Fifth Avenue trading space and entertainment is provided. At the time when the
interviews were being conducted in September and October 2009, the association was
raising funds for three community projects, including a children’s home and a shelter for
abused women and children.

Undoubtedly, the services that existing associations provide could be developed and
expanded and associations could use their collective power to perform functions that
alleviate some of the problems experienced by traders. These include the provision of
cheaper storage, the bulk-buying of goods for sale, providing transport services, and
providing savings and credit facilities. Their efforts to build a sense of solidarity between
members, by pooling resources to support each another during difficult times, could also
be expanded. For example, the local market traders’ associations in Ghana encourage
and operate loans and savings facilities to assist their members. In Kenya, the
secondary body representing several local traders’ associations (Kenya National Association of Street Vendors and Informal Traders) has established a micro credit scheme to benefit individual traders. Other associations have chosen to facilitate transactions between their members and have established micro credit institutions by providing information and by vouching for their members.\textsuperscript{73}

Traders’ associations could also build on the ad hoc support they provide to members on the death of their close relations by providing more structured social security benefits, for example, fixed contributions and fixed pay-outs in the event of the illness or death of a trader. These may take the form of burial societies or savings and credit cooperatives.\textsuperscript{74} Secondary informal traders’ associations elsewhere have spearheaded the establishing of microfinance products and services to suit their members’ needs. For example, the National Alliance of Street Vendors of India (NASVI) has partnered with the pension and development sectors to provide affordable and accessible micro-pension schemes for informal traders.\textsuperscript{75} In addition, NASVI is investigating the development of micro-insurance schemes to cover the loss of informal traders’ goods as a result of natural disasters and other events.\textsuperscript{76} These are options that their South African counterparts could consider.

3.3 Engagement with other informal traders’ associations and the labour movement

The traders’ associations who participated in the survey demonstrated a willingness to engage with other organisations that seek to promote and advance the interests of informal traders. They felt it was necessary to build solidarity with fellow traders who face similar challenges, and to develop innovative approaches to help them improve their operations and activities.

Two of the associations, namely the Fifth Avenue Traders’ Association and CHATA, are affiliated with StreetNet International, an international alliance of organisations that organise and represent informal traders.\textsuperscript{77} While our research was being conducted, these associations participated in an initiative called the World Class Cities for All (WCCA) campaign, spearheaded by StreetNet International.

The aim of StreetNet’s World Class Cities for All campaign was to challenge the traditional elitist approach to building so-called “world class cities” in preparation for high profile international events,\textsuperscript{78} which leads to the exclusion and marginalisation of vulnerable groups such as informal traders and informal settlement dwellers. The objective is thus to establish a more inclusive approach, involving the participation of informal traders and other groups of the urban poor.

The campaign was launched in South Africa in 2008, in anticipation of the FIFA 2010 World Cup, and was driven by a coalition of organisations including the informal traders’ organisations and the South African Municipal Workers’ Union (SAMWU), with the support of the Congress of South African Trade Unions (COSATU). It sought to initiate an inclusive consultative process to ensure that the needs of informal traders and other groups were considered before making and implementing decisions that adversely
affected them. It also sought to prevent undue disadvantage to informal traders as a result of urban renewal or urban improvement initiatives in preparation for the World Cup. Its efforts were primarily directed at the municipalities that governed the cities where World Cup soccer matches were being held. The picture below captures the key principles around which the WCCA campaign was organised.

An important aspect of the Cape Town campaign was to facilitate the establishing of an umbrella body to represent all informal traders’ organisations in Cape Town and the surrounding areas, which would lead to the adoption of a common position with regard to the municipal authorities and other stakeholders. This was the main objective of the general assembly of informal traders that was held in Cape Town in October 2009.

The general assembly was attended by approximately 1,000 informal traders. These included the representatives of informal traders’ organisations in Cape Town. Representatives from various organisations attended and pledged their support. There were general discussions where ordinary informal traders were allowed to air their grievances and frustrations. Chief among these was the removal of informal traders from spaces on which they were trading because these spaces were not designated for trading.

The assembly adopted a resolution to establish an informal traders’ coalition to represent all informal traders in Cape Town. Two representatives from each of the various areas were to be chosen to represent their localities in the coalition, and an interim committee was subsequently established. The interim committee engaged with the Mayor to secure a moratorium on evictions and to ensure that informal traders were offered alternative trading spaces if they were removed from their spaces. However, at
the time of writing (March 2011) a permanent coalition committee had still not been formed, apparently due to disagreements between some of the constituent associations.

Despite the failure to establish a permanent coalition in Cape Town, the WCCA campaign demonstrates the potential for harnessing the collective strength of different kinds of organisations operating in a space controlled by a single authority. The coalition could have increased the bargaining power of the informal traders when engaging with the City. It would also have allowed the different organisations to share experiences and best practices with regard to organising traders and providing services to members.

Importantly, the involvement of SAMWU in these organising efforts raises the question of the relationship between the trade union movement and informal economy workers. Trade unions have traditionally organised workers who are in a so-called standard employment relationship, that is, workers employed on a permanent, full-time basis and working on the premises of the employer. The decline of the model of standard employment and the exponential growth of the informal economy have forced trade unions to consider redefining their constituencies, given their declining membership (a practical necessity) and their political commitment to an inclusive working-class movement (a political necessity).79

Bonner and Spooner identify a number of ways in which trade unions elsewhere have played a role in organising and representing informal economy workers. These include establishing new unions or associations to include informal economy workers and encouraging existing affiliates to expand their reach to include informal workers. The Ghana Trade Union Council has several affiliates that organise in the informal economy and has established an Informal Economy Desk to co-ordinate their activities.80 These direct efforts to organise in the informal economy challenge the labour movement to develop alternative organisational strategies and to provide services and benefits that differ from those that are relevant to workers in the formal economy.81

Alternatively, trade unions can play an indirect role by building alliances with non-union associations of informal workers and lending financial and other assistance to their organising initiatives. SAMWU and COSATU’s involvement in the efforts to organise Cape Town’s informal traders is an example. Arguably, SAMWU’s involvement in this initiative and in organising informal traders in other regions is linked to its relationship with the local authorities who control the physical space on which the traders operate. An organisation such as SAMWU would be able to provide invaluable information and support relating to appropriate organising and bargaining strategies. Alliances such as these have the potential to enhance the effectiveness and increase the visibility of the organising activities of the informal workers’ organisations.82
CONCLUSION

In the introduction to this paper, we outlined the four pillars of the ILO’s Decent Work Agenda, namely job creation, guaranteeing rights at work, extending social protection, and promoting social dialogue. We highlighted the scope of the Decent Work Agenda, which aims to extend protection in these four areas to all workers, regardless of where they work or their employment status. We emphasised that while there is a consensus that the Decent Work Agenda envisages the protection of workers in the informal economy, very little has been said about what concrete measures should be taken to bring this about.

This study sought to explore whether the concept of the workplace could be the basis for examining whether and how persons in the informal economy could be organised, and for extending voice and social protection to informal economy workers. We argued for a conceptualisation of the workplace premised on the notion of a physical space where workers – be they employed by an employer or self-employed – are engaged in a common economic activity, or in different aspects of the same activity. The Mitchell's Plain informal traders provided a case study within which to interrogate this hypothesis.

We found that the informal traders’ associations at the Town Centre have had some success in their negotiations with the City and in providing assistance to the broader community. It was clear that one association has surpassed the rest in terms of building solidarity among its members and promoting community development. However, our overall impression is that the associations have not harnessed the potential for workplace organisation to achieve the goals of the Decent Work Agenda. The associations could build on existing initiatives and do much more to support their members and to establish more structured social security programmes to cover members and their employees in times of need.

We noted that, to the extent to which the traders’ associations have been used as a medium for social dialogue, their focus has been on traders who operate for their own account and those who are employers. It does not appear that the associations have created room for employees of informal traders to air their concerns about their working conditions. Rights at work such as health and safety at work, working hours and security of employment in the face of fluctuating demand do not appear to be a priority for the informal traders’ associations. The thinking behind this appears to be, firstly, that anyone who is employed should regard him- or herself as lucky to have a job and, secondly, that focusing on supporting employers in the informal trade will eventually improve the lot of their workers as well.

Much still needs to be done to ensure that decent work becomes a reality for the self-employed, employers and employees working in the informal economy. The State and, in this case study, the City could play a more meaningful role in improving the working conditions of those in the informal economy. Organisations representing those in the informal economy need to be strengthened and they must collaborate with other organisations that can contribute to their initiatives. Organised labour could do more in the informal economy and thus honour its commitment to "securing comprehensive and equitable economic commitment for workers everywhere".

83


6 Bangasser (note 4) 4, 11.


11 Chen, Vanek and Heintz (note 5) 2131; Theron, Godfrey with Visser (note 10) 32–34.

12 See, for example, eThekwini Unicity “A Consistent Rental Policy for Informal Trading in eThekwini Unicity” 1, 5–6; City of Cape Town “Informal Trading Policy and Management Framework” (2003) 5.


14 Bangasser (note 4) 19.


16 Bangasser (note 4) 19.

17 See s 213 of the Labour Relations Act 66 of 1995, which defines the workplace as “the place or places where the employees of an employer work. If an employer carries on or conducts two or more operations that are independent of one another by reason of their size, function or organisation, the place or places where employees work in connection with each independent operation, constitutes the workplace for that operation”.

18 The project is to examine “inequality in the extended workplace”, and is undertaken by the Labour and Enterprise Policy Research Group (LEP) at the University of Cape Town.
Several developments occurred between the time of the interviews in late 2009 and the time of writing the report, and it was necessary to gain clarity on their implications. The researcher conducted five telephonic follow-up interviews with key informants in February and March 2010. The report endeavours to capture these developments as far as possible.

Race is more of an issue at Mitchell’s Plain Town Centre, where there is a mixture of black African and coloured informal traders. All the traders on the Cape Town Upper Deck are black Africans.

The issue here was the distinction between South Africans and non-South African nationals, with the latter being nationals of other African countries. This distinction was more pertinent at Mitchell’s Plain Town Centre where the majority of traders were found to be South African, with a sizeable minority of foreign informal traders. The overwhelming majority of traders on the Upper Deck are foreign nationals, with only one of those interviewed being South African.

StreetNet is “an international alliance of street vendors that was launched in Durban in 2002. Its affiliates are member based organisations directly organizing street vendors, market vendors and/or hawkers all over the world. Its aim is to promote the exchange of information and ideas on critical issues affecting street vendors, market vendors and hawkers and on practical organizing and advocacy strategies.” From “StreetNet International”, brochure available at www.streetnet.org.za, accessed on 11 September 2009.

Businesses Act 71 of 1991. This Act provides for the provision and regulation of business licences by provincial administrators and local authorities. Section 6A of the Businesses Act provides that local authorities, with the approval of the provincial administrator, may make by-laws governing the supervision and control of the business operations of street vendors, hawkers and pedlars. The Act requires businesses providing meals and perishable foodstuffs, certain health facilities (such as massage or infrared treatment facilities) and entertainment to obtain a business licence to do so. It also requires hawkers providing meals and perishable foodstuffs to obtain a licence before they begin to trade.


Cape Town Municipality By-Law for the Supervision and Control of the Carrying on of Business as a Street Vendor, Pedlar or Hawker 5099 of 1996.

Section 2 prohibited trading in, inter alia, public parks, churches, national monuments, entrances and exits to buildings and areas next to residential buildings.

Section 5 of the by-law.


“Informal Trading Policy and Management Framework” 3.

“Informal Trading Policy and Management Framework” 5.

“Informal Trading Policy and Management Framework” 5.


A household is defined as “persons living together as life partners and their dependants”.

These are black people (in the broad sense), women, and people with disabilities.
However, in special circumstances, such as the death or illness of a trader, or the trader taking time off for religious observances, the City may, on application, allow a trader's family member or assistant to trade in his or her place for a stipulated period.


Section 2 of the draft by-law.

Section 3 gives examples of typical forms of informal trading, which include street trading; trading in pedestrian malls and in public open spaces; trading at markets, transport interchanges and special events; mobile trading, such as from caravans and light delivery vehicles; roving traders and beach trading.

Section 5 of the draft by-law.

Section 6. Thus the City must give interested and affected parties an opportunity to make comments and objections and must respond to any queries related to the draft trading plan. It must also consider these objections and comments before making a decision whether to adopt, amend or reject the draft plan.

Section 2 read with s 18 of the draft by-law.


Approximately 58 per cent of households comprise four or more persons. The majority of the Mitchell’s Plain population, some 62 per cent, are below 29 years of age. Approximately 90 per cent of Mitchell’s Plain residents are coloured, and the remainder are black Africans, Indians, Asians and whites. Afrikaans is the home language of most Mitchell’s Plain residents, followed by English and Xhosa.


The task team has continued to operate and was formally established as the Mitchell’s Plain CBD Steering Committee in 2007. It is discussed in more detail in section 3.1, where the organisations representing informal traders in the Town Centre are described.

These shops sell a wide range of goods, such as clothing, electronic goods, furniture, food items and cosmetics. A number of services are also provided in the formal shops, including the repair of cell phones and other electronic goods, and hair dressing.

This demarcation was made in terms of s 6A(1) of the Businesses Act, discussed above. Individual traders were allocated spaces and issued with trading permits. Traders were required to pay a monthly rental fee for their trading spaces.

The person who had worked the longest as an informal trader had done so for 28 years, while the shortest period as an informal trader was three years. Six traders had been trading at the Town Centre for over 20 years and eight had been trading there for between 10 and 20 years.

The majority had completed high school. One had completed a Bachelor's degree and another was enrolled at the University of the Western Cape.

Interview, informal trader 4, Mitchell’s Plain, 19 September 2009.

A statutory body responsible for collecting employer and employee contributions and for making payments for unemployment benefits in terms of the Unemployment Insurance Act 63 of 2001.
A colloquial Afrikaans phrase, which can be roughly translated as “bad elements”.

Interview with informal trader 10, Mitchell’s Plain, 24 September 2009.

Interview with informal trader 2, Mitchell’s Plain, 19 September 2009.

Interview with informal trader 3, Mitchell’s Plain, 20 September 2009.

106 objections to the allocation of certain spaces to particular traders were recorded. Many objections were made on the grounds that new traders had been allowed to choose their spaces before traders who had been in the Town Centre for longer. There were also allegations of nepotism, and claims that leaders of traders’ associations had used their positions to secure preferred trading spaces for their family members.

Interview, Mr R Skrikker, Area Co-ordinator for Mitchells Plain, City of Cape Town, Cape Town, 15 September 2010; interview, Mr Paul Williamson, Service Co-ordinator, Business Area Management, City of Cape Town, Cape Town, 8 September 2009.


Hakimi argues that informal trade is about “the politics of space and the politics of economy”. M Hakimi “Beyond 2010: Space and Survival at Cape Town Station” 2010 Gender and Media Diversity Journal 20.

The Mitchell’s Plain Town Centre Steering Committee was informally established as a task team in about 2001. It was formally established and adopted a constitution in 2007.


One of the most celebrated examples of constructive engagement between traders’ associations and local authorities is the Warwick Junction Urban Renewal Project. This was initiated by Durban’s local government in 1995 to tackle urban management and design challenges in the area surrounding Durban’s primary transport node. Much of the project’s success has been attributed to the involvement of informal traders and their associations in the process, which allowed for the crafting of innovative solutions to urban management, architectural and design challenges. R Dobson, C Skinner, with J Nicholson Working in Warrick: Including Street Traders in Urban Plans (Durban: University of KwaZulu Natal School of Development Studies, 2009) 1.


Von Broembsen (note 69) 59–60; Lyons and Brown (note 67) 8–10.

A section 21 company is a non-profit organisation that is registered in terms of s 21 of the Companies Act 61 of 1973.

SED A is a government agency established by the Department of Trade and Industry to provide support to small enterprises.

For example the Busia District Produce Dealers’ Association in Uganda. See Shepherd (note 67) 33.

Shepherd (note 67) 33–34.


National Alliance of Street Vendors of India website (note 75).
StreetNet was established in Durban in 2002 and is based in South Africa. According to its website, its affiliates are member-based organisations directly organising street vendors, market vendors and/or hawkers all over the world. Its aim is to promote the exchange of information and ideas on critical issues affecting street vendors, market vendors and hawkers and on practical organising and advocacy strategies. See [www.streetnet.org.za](http://www.streetnet.org.za), accessed on 1 May 2011.

The focus of this traditional approach is on attracting foreign investment. World-class cities are assumed to have modern up-to-date infrastructure and smooth traffic flows, and to show no visible signs of urban decay, poverty and other social problems. It is common for informal traders and informal settlement dwellers to be evicted and in some cases no alternative space or accommodation is offered to those evicted. It is also common for street children and beggars to be rounded up and kept out of sight for the duration of the international event. See “World Class Cities for All”; *StreetNet News* No 16, July 2009; *StreetNet News* No 17, November 2009, available at [www.streetnet.org.za](http://www.streetnet.org.za), accessed on 9 December 2009.


Bonner and Spooner (note 79) 90–91.

Bonner and Spooner (note 79) 100–101.

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