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FACTORS INFLUENCING STREET TRADING IN THE TSHWANE

CENTRAL BUSINESS DISTRICT

by

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A dissertation submitted in partial fulfilment of the requirements for the Degree

Magister Commercii

in

Business Management

Faculty of Management

UNIVERSITY OF JOHANNESBURG

Supervisor: Mr Chris Schachtebeck

2016
DECLARATION OF ORIGINAL WORK

I certify that the minor dissertation submitted by me for the degree Masters of Commerce (Business Management) at the University of Johannesburg is my independent work and has not been submitted by me for a degree at another university.

Betty Nkrumah - Abebrese
ACKNOWLEDGEMENT

Firstly, I would like to thank God for his grace, love and mercy.

I would like to thank my supervisor Mr Chris Schachtebeck for guiding me during the research.

I would also like to say a big thank you to my father Mr Kwame Nkrumah - Abebrese for his continuous support and guidance throughout my career.

To my mother Mrs Elizabeth Nkrumah – Abebrese, thank you for your prayers and encouragement.

To the rest of my family and friends, thank you for your continuous support

And finally, thanks to all the Tshwane Street Traders who willingly assisted me in the data collection process. Thanks for your time and input.
ABSTRACT

Street trading plays a significant role in the informal economy; this economy has grown worldwide given worsening economic conditions in many countries (Willemse, 2011). Over the years, the informal economy has created jobs for many South Africans, and taking into consideration the high rate of joblessness in South Africa, the informal sector continue to improve the lives of many people especially for a lot of people from disadvantaged communities.

The primary objective of the research was to identify the factors influencing street trading in the Tshwane Central Business District. The secondary objectives for this research included determining the characteristics of informal street traders operating in the Tshwane CBD; to investigate the survival challenges that informal street traders face in the Tshwane CBD; to investigate if street traders are aware of street trading policies; to identify if street traders are licensed to operate; to determine how the street traders view their relationship with the Tshwane Metropolitan Municipality and Municipal Officials; and finally to make recommendations on actions that the municipality can adopt to effectively manage the informal street trading sector in the Tshwane region.

The literature review gives a detailed summary on the topic through the use of secondary data. It provided a conceptualisation of street trading, characteristics of the informal street trading sector and challenges facing street trading. It also tackled the main drivers influencing street trading activities, and finally the benefits accruing from street trading activities.

A total of thirty (30) street traders were interviewed. The main themes that emerged from the interviews with regard to the factors influencing street trading in the Tshwane CBD, were unemployment, migration and urbanisation, poverty, entrepreneurial ambitions and for survival. The views and perspectives of the participants of the study during the data collection process in addition to the literature review was used as a base
to make recommendations on the factors influencing street trading in the Tshwane CBD as well as in finding ways to improve the street trading sector.

The main themes derived from the documentary analysis were that, although policies and by-laws are implemented to manage the informal sector, the Tshwane municipality is faced with the challenge of ensuring that these policies are successfully implemented. These challenges included the problem of site allocation and trading facilities; the lack of a governance regulatory framework to prevent unlawful trading; ineffective business registration process; lack of consultation between the street traders and stakeholders; and the poor planning and control of the street trading sector.

During the direct observation period, the research revealed that, the business operation hours for street traders were approximately 13 hours per day; the nature of the working environment for street traders differed based on the trading location and conditions of the trading sites; and finally it was observed that street traders attract customers by displaying the price of their goods and also by calling out potential customers to their stalls.

Based on the findings of the research, the recommendations made are for the Tshwane municipality to create better job opportunities; provide training and education; provide better and safer working conditions; improve business registration and operating licensing process; and finally, provide financial assistance to street traders. In terms of creating awareness of the existence of the street trading policies, the Tshwane municipality can promote public participation in policy drafting and decision making; and also to translate street trading by-laws from English to languages that street traders can easily understand.
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### APPENDICES

**APPENDIX A** - Interview Guide

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

The informal sector is found in both urbanised and underdeveloped nations, with a large number of individuals earning income by operating such small businesses, however, as pointed out by the International Labour Organization (2013) as well as Karthikeyan and Mangaleswaran (2014), the socio-economic environment of this sector remains poor in many countries. In the last 20 years, the informal sector, especially street trading operations, have played a major role in most underdeveloped countries, somewhat due to the high rate of poverty, high level of joblessness and an increase in population (Horn, 2011).

In this chapter, the researcher will present a general background focusing on the topic ‘Factors influencing street trading in Tshwane Central Business District’. The chapter will discuss the background and rationale of the study, research problem, objectives of the study, research approach, data collection instruments and data analysis method, together with the chapter layout that will summarise the various chapters that will form part of this research report.

1.2 BACKGROUND AND RATIONALE OF THE STUDY

Street trading plays a key role in the informal economy; this economy continues to grow worldwide given worsening economic conditions in many countries (Willemse, 2011). Over the years, the informal economy has created jobs for many South Africans, and taking into consideration the high level of joblessness in South Africa, this sector continues to improve the lives of many people especially for a lot of people from disadvantaged communities.
The informal sector provides employment opportunities and a source of income for many people globally, and this sector has close ties to the formal economy (International Labour Organization, 2013; Willemse, 2011). Due to the significant role of the informal sector, many countries have recognised it by making sure that the sector is properly managed, regulated and controlled (Women in Informal Employment and Globalising Organisation - WIEGO, 2013). Mbaye and Mohammed (2006) claimed that, the informal sector is characterised by easy entry and exit; dependant on indigenous people; physically demanding and modified technology and expertise obtained outside the traditional education structure and now globally accounts for the main source of employment in cities. For example, Adedeji, Fadamiro and Adeoye (2014), in their study about the Spatial Implications of Street Trading in Osogbo in Nigeria, stressed that the informal economy creates approximately 75% of non-farming jobs in Gambia, around 50% in Thailand, 75% in Morocco, 70% in Bangladesh, 47% of construction and 95% of public transportation in the capital of Lima and 51% in the Philippines. Siqwana-Ndulo (2013) also argued that the informal sector contributes approximately 60% of the economy in Sub-Saharan Africa.

In South Africa, the street trading activities have significantly increased when compared to the apartheid era when such activities were not encouraged (Masonganye, 2010). Over the years, however, the informal economy has created jobs for many South Africans, and taking into consideration the high rate of joblessness countrywide, this sector continues to improve the lives of many people especially for a lot of people from disadvantaged communities (City of Tshwane, 2015). According to the Small Enterprise Development Agency – SEDA (2008), the total amount of street traders in the 1990s was believed to be around 150 000, with 50 000 being small shop owners (including spaza shops).

Records further indicate that more people are engaging in street trade activities yearly, particularly with the migrations of informal traders from other parts of the continent into
South Africa who have to compete with locals in the informal sector (Mokgatetswa, 2014). Even though street trading in South Africa has augmented in the last 20 years, the country still remains one of the lowest in Africa, at 32.7% involved in street trading activities (International Labour Organization, 2013).

In South Africa, most of the street traders are African women who sell a variety of products such as snacks, tobacco, cigars, confectionery products, outfits, fruit and vegetables, cooked food, 'muti' (traditional African medicine) (Frazzoli & Mantovani, 2014; Siqwana-Ndulo, 2013; Skinner, 2008; WIEGO, 2013). Although the street trading sector is not given much recognition by city authorities, it is considered as one of the main participants of the informal sector representing more than two-thirds of the Small, Medium and Micro Enterprises activities in South Africa (Mokgatetswa, 2014) and serves as the main source of income for a lot of families, especially in the poor urban areas (Karumbidza, 2011).

There are various drivers influencing the increase of street trade activities and Horn (2011) as well as Callaghan and Gwatidzo (2013) stated that, the increase in the number of street traders is influenced by unemployment, poor economic conditions, poverty and the need to survive and has driven many to find alternative ways in order to earn a living. Skinner (2008:7) however, agreed that street trading overtime is mainly related to growth and development in cities, relocation and economic growth methods.

Authors such as Mokgatetswa (2014) and Adedeji et al (2014) also mentioned that people go into street trading as a result of its minimal barrier of entry which requires no education and expertise; continuous high unemployment rate, low level of education and the difficulty of entering into the formal sector. As a result, many South Africans, particularly individuals from underprivileged communities resort to street trading as a means to survive (Frazzoli & Mantovani, 2014; Horn, 2011).
1.3 PROBLEM STATEMENT

Tshwane Central Business is highly congested with street traders in nearly every space on the street pavements (Mokgatetswa, 2014). The street traders in this area sell a variety of goods such as cigars, snacks, garments, bags, shoes and agricultural products as well as cooked food among the many items displayed for trading (Siqwana-Ndulo, 2013). The growth in street trading activities has created various challenges for municipalities, relevant stakeholders and the informal street traders. Such challenges as mentioned in the City of Tshwane Informal Trade Policy and Implementation Plan (2011 & 2013) include ineffective participation of stakeholders in the informal trade policy making, lack of planning, lack of control of this growing sector, insufficient storage and trade facilities and the lack of an effective registration process for such businesses.

Street trading activities and the challenges facing city centres are viewed differently by different authors. Masonganye (2010) and SEDA (2008), for example, argued that informal traders, from historical perspective, had to face legal action and were evicted from cities by municipal officials because street trading was believed to be linked to a high crime rate, creation of unhealthy and poor environmental conditions, blocking efficient flow of vehicular and pedestrian traffic, and reducing the values of properties in the area. Lyons and Brown (2007), Brown (2006) and King (2006), added that the removal of traders from city centres is perceived to be a method of clearing street traders from areas outside allocated areas as the sites usually occupied by street traders are perceived to be crime-ridden and a source of pollution. This perception has been used to remove traders on numerous instances.

Mwasinga (2013) also stressed that the "Operation Murambatsvina", which was meant to "restore order" in Harare in 2006 by the Zimbabwe government that obliterated the livelihood of about 50 000 import-driven traders by destroying their flea-market was considered necessary by municipal officials due to the belief that the informal sector
accommodates criminals, individuals who engage in unlawful deeds, while other polluted cities, thus damaging the image of the cities and the nation as a whole. In November 2013, in South Africa, the City of Johannesburg forcefully evicted approximately 6 000 street traders from the sidewalks of the inner city through” Operation Clean Sweep” (Centre for Urbanism and Built Environment Studies – CUBES, 2015).

Despite the above situation, Statistics South Africa (2015) found that the informal sector in South African cities and towns grew from 2.4 million at the end of 2014 to 2.8 million by March 2015 and this increase has been seen in four successive quarters. In the Tshwane Municipality alone, the total number of individuals involved in the informal sector is estimated to be 123,000 (Statistics South Africa, 2015). Even though this sector keeps increasing, Horn (2011) asserted that most of these businesses are unlicensed, which indicates that the number of traders could be higher.

Based on this overview, the key issue underlying this study is to identify the factors influencing street trading activities in the Tshwane CBD. It is envisaged that the research findings will provide policy-makers, planners and city administrators with a better view of the topic, given that the actions of municipalities play a crucial role in minimising, perpetuating or increasing the vulnerability of street trading activities. The research will also assist policy-makers in identifying ways of addressing street trading activities in a more sustainable manner, resolve their spatial issues as well as curb the negative impact of street trading in urban cities.

1.4 RESEARCH OBJECTIVES

The primary objective of the research is to identify the factors influencing street trading in the Tshwane Central Business District (CBD).
The secondary objectives of the study include:

(i) To determine the characteristics of informal street traders operating in Tshwane CBD:

(ii) To investigate the survival challenges that informal street traders face in the Tshwane CBD:

(iii) To investigate if street traders are aware of street trading policies:

(iv) To identify if street traders are licensed to operate:

(v) To determine how the street traders view their relationship with the Tshwane Metropolitan Municipality and Municipal Officials:

(vi) To make recommendations on actions that the municipality can adopt in effectively managing the informal street trading sector in the Tshwane region.

1.5 RESEARCH QUESTIONS

The main research questions emerging from the research objectives are as follows:

Primary question

(i) What are the factors influencing street trading in the Tshwane CBD?

Secondary questions

(ii) What influences one’s decision to get involved in street trade activities?

(iii) What are the survival challenges faced by the traders?

(iv) What are the characteristics of informal street trading businesses operating in Tshwane CBD?
(v) What are the perceptions of street traders of the Tshwane Municipality trading by-laws and policies?
(vi) How do street traders view their relationship with the Tshwane Metropolitan Municipality and Municipal Officials?

1.6 RESEARCH DESIGN AND METHODS

This section gives an overview of the research design and methods as a detailed methodology of this research is covered in Chapter 3.

Research design is an “outline used for the gathering and examining of research data to answer research questions and reach research objectives providing reasoned justification for choice of data sources, collection methods and analysis techniques” (Saunders, Lewis & Thornhill, 2012:680). The research design for this study is discussed below.

1.6.1 Research philosophy

According to Saunders et al (2012), a research philosophy is the manner in which data is collected to provide a background of a research topic. Cohen, Manion and Morrison (2007) defined research philosophy as a broad outline, consisting of views and beliefs and understandings of various hypothesis, and ways that are used to carry out a research – it is the process followed in ensuring that research objectives are linked to research questions.

The research philosophy for the study will be from a direct realism point of view. According to the direct realists, one’s views and perceptions represents exactly what is happening in the real world (Saunders et al. 2012:136). Indicating that, a person’s observation and understanding of occurrences are the correct portrayal of what happens in the world. The justification for using this research philosophy is because the findings
will be based on the views of the research participants and through direct observation by the researcher.

1.6.2 Research approach

An abductive research approach will be applied for this research. Abductive research according to Saunders et al. (2012:665) involves “the collection of information to explore events/occurrences, identify themes as well as describe patterns, in order to identify original or amend an existing hypothesis which is then tested”. The reason for using this approach is to allow the researcher to gather information to be used in investigating the topic to gain an in-depth understanding of the factors influencing street trading activities in Tshwane. This will then be analysed by using existing information from previous research and new information collected from the sample population.

1.6.3 Sampling Approach

The form of the non-probability sampling method selected is snowball sampling. Snowball sampling is a non-probability sampling method in which the first partakers of a study identify others who can be helpful to the researcher in the data collection process (Saunders et al. 2012). This sampling method was chosen because it will not be easy to get people to willingly stop trading to participate in interviews, therefore it is more appropriate to use the snowball approach, as identified willing participants can refer the researcher to others who will be willing to be interviewed and useful in data collection.

Baker and Edwards (2012) stated that at the beginning of a qualitative research study, it is usually difficult for a researcher to determine how many participants will be required to participate in the data collection process based on the fact that qualitative research is usually extensive; however, the acceptable number of participants is usually between 20 to 30 people. Furthermore, Mason (2010) indicated that, qualitative research can be expensive and time consuming in terms of the data collection process and analysis,
which makes it impractical to analyse information from a large sampled group. Therefore, the sampled population is lesser in qualitative research in comparison to quantitative research, with an average of 31 participants required in qualitative research (Mason, 2010).

For the purpose of this research, an estimated number of 30 people will be interviewed in the sampled area.

1.6.4 Sampled area

A broad overview of the sampled areas is discussed in Chapter 3. However, areas to be selected for the study include:

(i) Lilian Ngoyi Street (formally known as Van der Walt) and Bloed Street surroundings;

These areas are located in the centre of the Tshwane CBD with a mall and taxi ranks on Bloed Street. The areas also accommodate many street trading activities (Henning & Cronje, 2012).

(ii) Marabastad

Marabastad is positioned in the north-western part of the Tshwane city centre and is considered to be one of the areas in the Tshwane CBD with a high density of street traders, public transports, taxi ranks, railway stations and various entrepreneurial activities in the area (City of Tshwane, 2011).

1.6.5 Research strategy

In terms of the research strategy, this research will take a case study approach. Babbie (2007:298) defines a case study as a detailed assessment of a single instance of some social phenomenon, such as a community, relatives, or a juvenile gang. Saunders et al. (2012:666) also define case study as a research approach that entails the practical
exploration of a particular existing event within its real-life situation, using various sources of facts. The chosen research approach allows the researcher to focus on the characteristics of a pre-defined case, thereby also allowing the researcher to analyse the data through various lenses.

This research will take an exploratory case study approach, and according to Yin (2003) this is a type of study whereby insufficient research has been carried out on the topic at hand. Such study assists in exploring and acquiring extensive knowledge on a topic. This approach will involve the use of existing literature as well as new information collected during the interview process with the research participants – this will assist in gaining a better understanding of the research topic.

1.6.6 Research methods

The methodological choice for this study will be the qualitative research method, which according to Saunders et al. (2012:165), “are based on the behaviours, knowledge, views and mind-set of research participants”. Therefore, this method will be used to do an exploratory research to gain an insight on the factors influencing street trading activities in the Tshwane CBD based on their perceptions, experiences and views on the topic.

1.6.7 Data Collection Methods

Various qualitative data collective methods will be used for this research. This involves the use of documentary analysis (secondary and empirical data such as the Tshwane Informal Trading Policy and Implementation plan, regulations and policy documentations), semi-structured interviews and observation data collection methods. Secondary data on street trading and the informal sector provides an overview for this study.
Semi-structured interview questions will be used to collect qualitative information from the sampled group. Sparkes and Smith (2014) states that this type of interview creates a sense of flexibility for the researcher and participants this can lead to an in-depth collection of data as most of the questions are open-ended questions. Therefore, this approach will assist the researcher in exploring the topic based on feedback received from the respondents. Semi-structured interview questions will also help the researcher in extracting relevant information needed for the purpose of the study (Babbie, 2007).

The documentary method is another technique that will be used by the researcher in the data collection process. According to Trautrim, Grant, Cunliffe, and Wong (2012:832), a documentary method “produces information through a summary of events that has taken place”. Weller and Malheiros da Silva (2011:298) further stated that, with the documentary method, “information is usually collected from open communication and group discussions whereby the views and experiences of participants are shared; this data collection approach is used by researchers to explore the everyday experiences of individuals and also to give account of what was discussed and how it was said; this then gives a reader an opportunity to get a better understanding of how an event occurred”. The reason for choosing the documentary method in this research is to allow the researcher to review historical information to provide a background into the research topic and research objectives, and also to gain an insight into the challenges faced by affected stakeholders - informal street traders and the City of Tshwane Municipality.

Another form of data collection is through observation. Remler and Ryzen (2011:73) define observation as “a type of data collection method in which the researcher tries to remain undisruptive and avoids interviewing or interacting with the sampled population”. Information captured or recorded through observation will primarily focus on the objectives of the study and will also to take into consideration the everyday activities of the informal traders, their surroundings and the interaction of the street traders with
customers and municipal officials. The reason for using observation as a data collection method is to help the researcher in gaining a better understanding about the settings and daily activities of the street traders which are meant to help the researcher in adopting useful ways during the data collection process.

In summary, information is collected through the documentary method, semi-structured interviews and observation, will help the researcher in comparing responses from different participants and also to guide the direction of the interviews in attaining valuable information relevant for this research; and finally observation which assists the researcher in taking field notes and images which can add value to the research findings.

1.6.8 Data Analysis

The aims and objectives of a research can be used to determine the most appropriate research analysis method required (Berg, 2009). According to Malterud (2012:802) “data analysis is a procedure used to examine, organise, convert, and represent data with the aim of finding constructive information, ideas and conclusion based on information collected”. Therefore, information and recordings collected during the semi-structured interview will be converted into text format and then categorised into themes, and finally analysed. Interview responses are recorded (either through audio recording or taking notes – depending on what the participants are comfortable with) and then analysed.

Data collected through the documentary method (the use of informal policy documents and by-laws) will be analysed by coding the data into themes as this assists in identifying the similarities and differences of the data collected. This will also help the researcher in highlighting the shortcomings of street trading policies, challenges faced by the informal traders, relevant government departments, informal traders’ organisations and the Tshwane municipality as a whole. Observational data collected
through field notes are analysed by taking into consideration the frequency of events that occurs in the sampled areas during the observational period.

In summary, content analysis and thematic analysis will be used and as defined by Berg (2009:338), content analysis is “a careful, detailed, systematic examination and interpretation of a particular body of material in an effort to identify patterns, themes, biases and meanings through a coding and data interpreting process”. According to Babbie (2007:320) content analysis can be defined as “a study of recorded human communications such as books, websites, speeches, paintings and laws”. Content analysis involves “coding – a process of tagging the text or other qualitative data using a system of categories” (Remler & Ryzin, 2011:76).

Thematic analysis on the other hand involves the recorded views and opinions shared by research participants as a means to identify common themes and patterns; either through direct quotes or by paraphrasing the responses received by research participants (Aronso, 1995). Braun and Clarke (2006) stated that, these two data analysis method goes hand in hand and are among the most suitable methods used in qualitative research.

These types of analysis will be appropriate in analysing the data because information gathered from the interview (based on the different perspectives and experiences of the participants), observation and documentary method is interpreted in text format. The use of content and thematic analysis will help the researcher in identifying themes and patterns and key aspects of information collected which are used in answering the research objectives and research questions.

1.7 ETHICAL CONSIDERATIONS

The topic and the aim of the research will be introduced to participants before the interview commences. The participation in this research will be voluntary and all
information provided remains confidential and is used for research purposes only. The integrity and privacy of participants will be protected as the identities of participants will remain anonymous (no personal details of participants are to be included in the research findings). All personal information provided by the respondents will remain confidential and unknown. Participants will be informed that they can withdraw from the interview whenever they wish to do so, and can decline answering questions that they wish not to answer. The ethics guideline for the University of Johannesburg will be used as a guide in conducting the interviews.

1.8 IMPORTANCE OF THE STUDY

The main aim of the research is to investigate the factors influencing street trading activities in the Tshwane Central Business District (CBD). This study is important because, although research has been done around the informal sector, researchers have conflicting reasons as to why this sector continues to grow globally. This study will help in understanding the factors influencing street trading activities in the cities, especially the Tshwane CBD and in identifying the challenges being faced by street traders in our cities.

Being able to investigate the topic and identifying challenges faced by street traders will also assist municipal officials and other policy-makers to introduce interventions that will assist in addressing the operation of the street trading in a sustainable manner which can resolve municipal spatial issues and curb the negative impact of street trading in urban areas. Additionally, conflicts normally created between the street traders and the municipal official can be identified through the research findings which can be useful in creating a harmonious relation and in creating a favourable socio-economic environment for business operation by street traders. The study will finally add a better understanding to the factors influencing street trading in the Tshwane CBD and will also add value to the entrepreneurial body of knowledge.
1.9 CHAPTER LAYOUT

The study will be divided into five chapters.

Chapter 1: **Introduction**

Chapter 1 discussed above gave a general introduction of the study. It focused on the research background, research problem, the aims and objectives of the study, research design, ethical considerations and the organisation of other chapters of the report.

Chapter 2: **Literature Review**

Chapter 2 will present the literature review. This chapter will draw attention to prior research done on street trading activities. Definition of the main terms used in the study will be captured. The chapter will also cover the drivers influencing the increase in street trading activities; challenges faced in the street trading sector; characteristics of street trading activities and the importance of street trading activities.

Chapter 3: **Research design and method**

Chapter 3 will give a comprehensive discussion on the justification for choosing the various research approaches/methods, details of the research population and sampling, a background on the sampled area, details of the data collection and data analysis method used.

Chapter 4: **Research findings and analysis**

The research findings from the study will be presented in this chapter. Data collected will be presented through individual interpretation. The findings will be presented in a qualitative format - text for easy understanding.

Chapter 5: **Conclusion and Recommendations**
This Chapter will give a summary of the research, the limitation to the study, and recommendations which are based on the findings in Chapter 4, together with the identifying of a need for further research to be undertaken on the factors influencing street trading in our cities. Lastly, the conclusion will be drawn from the contents of the entire research.
CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The informal sector played a vital role in creating employment opportunities for many people, especially the urban poor in developing countries (Moloi, 2014; Ayeh, 2009; Lyons & Brown, 2007). The municipal public space played a key role in serving as a source of income for the underprivileged; however its value in developmental procedures for urban areas was mostly ignored by municipalities (Brown, 2006; Ayeh, 2009). Although street trading created job opportunities for many, this also led to problems in urban areas such as, congestion, overcrowding, crime and dirt in the CBDs with pedestrians, drivers and the public in general having to compete with street traders for public spaces which are not meant for street trading activities (Mwasinga, 2013; Masonganye, 2010; SEDA, 2008; Ayeh, 2009).

The aim of Chapter 2 is to give a detailed outline on the topic through the use of secondary data. The chapter provided a conceptualisation of street trading, characteristics of the informal street trading sector and challenges facing street trading. The Chapter also tackled the main drivers influencing street trading activities, the benefits accruing from street trading activities and finally, by summing up the contents of the chapter as a Conclusion.

2.2 ENTREPRENEURS

Brewer and Gibson (2014) defined entrepreneurs as individuals who are risk takers, by being innovative and original in the products and services they produce for themselves and their clients. Similarly, Timmons and Spinelli (2009), described entrepreneurs as persons who come up with ground breaking ways of doing things. Cyprian (2011:1)
stated that, “entrepreneurs are individuals who initiate, organise and manage commercial activities or businesses, taking the risk of losses as well as reaping profits”. An entrepreneur refers to persons who recognise and identify better ways to meet the requests of clients (Moore, Petty, Palich & Longenecker, 2010).

As stated by Ligthelm (2010), there are two main categories of entrepreneurs in the informal sector, namely, necessity entrepreneurs and opportunistic entrepreneurs. Ligthelm (2010:137) argued that, “entrepreneurs who pursue a business opportunity are referred to as opportunity entrepreneurs, while those who are involved in an entrepreneurial endeavour because they have no other choice of work are referred to as necessity entrepreneurs”. Hechavarria and Reynolds (2009:417) defined necessity entrepreneurs as “the type of entrepreneurship whereby individuals establish a trade due to job opportunities not being available or unsatisfactory”. Businesses run by necessity entrepreneurs are on average small, and such businesses have lower growth expectations (Poschke, 2010:11). An opportunistic entrepreneur on the other hand is the willingness for one to start a business by choice and such entrepreneurs generally are from middle-class background as well as very knowledgeable; who works towards growing their businesses and increasing their returns (Chen & Elston, 2013:8).

Karthikeyan and Mangaleswaran (2014) categorised necessity entrepreneurs as poor - performing independent workers who are mostly uneducated, with minimal expertise and knowledge required in the formal sector; hoping to earn a living by operating unlicensed businesses. This poor - performing independent workers are also known as survivalist entrepreneurs who get involved in the informal sector as a way to sustain their livelihoods without much focus on growing their business (Bota, 2013:23).

According to Nieman and Nieuwenhuizen (2014), there are different levels of entrepreneurs, that are; basic survivalists, pre-entrepreneurs, subsistence entrepreneurs, micro-entrepreneurs and small scale entrepreneurs.
**Basic survivalists** as explained by Nieman and Nieuwenhuizen (2014) are persons who work alone by selling products on public roads; and who hardly employ additional workers due to the low level of growth in their businesses (Perumal, Bozas & Perumal, 2014). Basic survivalists are usually considered to have a minimal impact on the economy (Choto, Tengeh & Iwu, 2014:93). According to Amorós and Cristi (2010), the majority of this type of entrepreneurs are considered to be underprivileged and are mostly found in underdeveloped countries. These entrepreneurs usually work in conditions that are not structured nor properly controlled by laws and regulations.

Perumal, *et al.* (2014) as well as Aremu and Adeyemi (2011) further argued that many people become survivalist entrepreneurs with the main aim of making money. In addition, Ranyane (2015) pointed out that, this type of entrepreneurs fully rely on their basic earnings to take care of their families due to their poor financial backgrounds. As defined by Nieman and Nieuwenhuizen (2014), **pre-entrepreneurs** are a group of people operating their small businesses on the side of the road and selling their products at the same price.

**Subsistence entrepreneurs** “are those who become entrepreneurs as a means of providing subsistence income” through trading at a particular allocated space (Schoar, 2010:58). Just like basic entrepreneurs, subsistence entrepreneurs are mostly found in developing countries with little or no plans to grow their businesses (Ranyane, 2015; Atieno, 2009). Sridharan, Maltz, Viswanathan and Gupta (2014), argued that there is a close relationship between subsistence entrepreneurs and micro-entrepreneurs based on the fact that these type of entrepreneurs operate small businesses mainly from their neighbourhood by providing basic products to consumers as a means to survive.

According to Nieman and Nieuwenhuizen (2014), **micro-entrepreneurs** refer to individuals who operate their informal businesses from their personal space like their place of residence and as Schoar (2010) argued, such businesses hardly grow but it is
merely a means to earn income to support family members. Small scale entrepreneurs exist in many economies and this type of entrepreneurs refers to people who trade in allocated sites and as further argued by Aremu and Adeyemi (2011:200), such entrepreneurial activities can be used as a means to alleviate poverty as it provides earnings and job opportunities for many. The income level is very low due to the low level of sales and the low prices of goods, and at times the owners of such businesses employ others to assist in running the business (Atieno, 2009).

For the purpose of this research, an entrepreneur referred to individuals who are risk takers, by being innovative and original in the products and services they produce for themselves and their clients (Brewer & Gibson, 2014).

2.3 CONCEPTUALISING OF INFORMAL SECTOR AND STREET TRADING

There are many concepts and definitions by various authors relating to the informal sector, informal trading or the informal trader and entrepreneurs. These various concepts are discussed below.

2.3.1 Informal Sector

Masonganye (2010:4) in her report to the Urban Landmark defines the informal sector as “an economic sector that is largely untaxed, excluded from the government’s Gross National Product (GNP) and not monitored closely by government”. Callaghan and Gwatidzo (2013) also described the informal sector as an unlicensed employment industry with an ease of entry, therefore making it difficult for municipal authorities to control the industry. Mokgatetswa (2014), however, referred to the informal sector as an economic activity carried out by self-employed individuals who trade lawful products in public places. Tissington (2009) and WIEGO (2013) stated that the informal economy is the type of economy that consists of people who operate inside the informal economy and possibly work for themselves; or work for other another person; operating an
unlicensed trade; or be contracted by a big organisation for an agreed duration of time; with minimal protection by regulations.

The informal sector differs from the formal sector because unlike the informal sector, businesses in the formal sector are required to pay tax in an extremely organised and controlled environment (Rolfe, Woodward, Ligthelm & Guimaraes, 2010).

However, for the purpose of this research, informal sector refers to "employees who do not have a written contract of employment, are not registered for income tax or value-added tax, and do not receive basic benefits such as pensions or medical aid contributions from their employers" (Statistics South Africa, 2015:3).

2.3.2 Informal Trader

An informal trader or vendor, according to Asiedu and Agyei-Mensah (2008:191) is "a person who offers for sale to the public without having a permanent build-up structure from which to sell". Willemse (2011) also defined an informal trader as an individual who carries out an informal street trading small business, mainly from pedestrian areas, and who, render a wide range of goods and services to potential clients. Tissington (2009:4) argued that “street trading is an act of selling goods and services on the street pavements, in the middle of the road or in other public spaces undertaken by a street trader or street vendor in an activity that forms part of informal economy”.

Businesses operated by informal traders can be considered as a small business which, according to the National Small Business Act (1996:2), is defined as “a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or subsector of the economy and which can be classified as a”;

(i) “Micro enterprise - total full-time equivalent of paid employees are 5 people;
(ii) very small enterprise – total full-time equivalent of paid employees are 10 people;
(iii) small enterprise – total full-time equivalent of paid employees are 50 people;
(iv) medium enterprise – total full-time equivalent of paid employees are 100 people.”

TABLE 2.1: Activities of street trading according to Small Enterprise Development Agency (SEDA)

<table>
<thead>
<tr>
<th></th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>“all &quot;unregulated nature of activities, such as, subsistence agricultural workers, domestic workers, home-based workers and commercial sex workers&quot;</td>
</tr>
<tr>
<td>(ii)</td>
<td>&quot;those businesses which are not registered by VAT and are also not subject to other formal regulation or taxation, especially in retail and hawking&quot;</td>
</tr>
<tr>
<td>(iii)</td>
<td>&quot;economic activity undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property, within the informal sector&quot;</td>
</tr>
<tr>
<td>(iv)</td>
<td>&quot;economic activity by individuals and/or groups involving the sale of legal goods and services, within public and private spaces, which spaces are generally unconventional for the exercise of such activity. In its most basic, informal trading takes place on streets and pavements, on private property and tends to require little more than the actual goods and services to set up&quot;</td>
</tr>
</tbody>
</table>

Source: SEDA (2008:9)

The Small Enterprise Development Agency (2008:10) further categorise informal street traders into the following types as explained in Table 2.2 below:

TABLE 2.2: Categories of informal street traders

<table>
<thead>
<tr>
<th></th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>“Those trading in public open spaces (such as, street and pavement, pedestrianised streets, intersection trading and trading at transport interchanges);</td>
</tr>
</tbody>
</table>
Mobile trading, (such as, caravans, bakkies, bicycles, mobile containers, trolleys/pulleys);

Stationery or fixed containers;

'Spaza' shops;

Special purpose markets (flea-markets, craft markets, converted or renovated buildings, satellite markets) and

Those trading during major events (period markets, seasonal markets and night markets."

Source: SEDA (2008:10)

For the purpose of this study, the term informal street trading refers to the definition as given by Meyer (2015:1) in her study on informal street trading in Johannesburg by defining informal street trading as “the sale of goods and services in public roads, public space and in specific allocated areas; in stalls; or the sale of goods during specific occasions”.

2.4 CHARACTERISTICS OF THE INFORMAL STREET TRADING SECTOR

The informal street trading sector has various characteristics as this sector comprises of a wide variety of activities. Among the characteristics of this sector are the following:

2.4.1 Demographic characteristics

Various researches done on street traders and the informal sector indicated that there are similarities and also differences in the demographic characteristics of street traders across the country (Cyprian, 2011:21). A number of these studies established that the majority of street traders are the youth (18 – 35 years old) and females when compared to the proportion of those older than 35 years old and the proportion of men. Lyons and Brown (2007) argued that, informal employment is estimated to consist of a larger
portion of non-farming employment representing approximately 10-35% of the non-farming workers in underdeveloped countries; moreover youth and females constitute a generally higher percentage.

Ayeh (2009), in his research into the urban source of revenue and the use of public space by street traders in a City of Kumasi in Ghana, supported the above assertion, by concluding that the majority of traders in the City of Kumasi are aged between of 18 - 45 years, representing about 82% of the street vendors surveyed. Out of this figure, the 25 - 34 years age group constituted 48% of the street traders. This then implies that because street trading is tiresome and exhausting, it is usually the energetic and young people who engage in these activities (Ayeh, 2009). When compared to men, females were the majority of street traders in the study as street trading serves as the main source of income for most families in the city. Various studies in other parts of Africa and Asia into street trading activities have concluded that women were considered to constitute about 92% overall of the informal trade sector in Benin, 81% in Mali, 66% in Burkina Faso and 72% in the Philippines (Mwasinga, 2013).

In South Africa, the majority of street traders tended to be within the range of 25 - 49 years (WIEGO, 2011 & Mwasinga, 2013) and females were expected to be older than their male counterparts. Siqwana – Ndulo (2013) concluded that the majority of street traders aged between 21 – 30 years were males, with the majority of females aged between 41 – 50 years old; indicating that females usually got involved in street trading activities at a mature age (41 – 50 age groups), males on the other hand normally got involved as well as exit the street trading sector at a younger age (21 – 30 years old). The Statistics South Africa (2009) Quarter Labour Force Survey, also reported that 60% of those working in informal retail were women and this has also been supported by a survey conducted by the Economic Development Department of the then Durban Metropolitan Municipality on street trading, which reported that 59.3% of street traders in
Durban were females and almost one out of two were found to be selling consumable products (Data Research Africa, 1998:12).

In terms of the educational level of the street traders, Cyprian (2011) stated that, many street traders had low educational levels and many acquired their business skills on the job. Ayeh (2009) also argued that 53% of the street traders in the City of Kumasi had a very low level of education. Another discovery was that 20.7% of the respondents had never been to school. Consequently, an estimated number of the vendors (75%) indicated that it was impossible for them to find jobs in the formal sector because of lack of skills, and that, their only way of survival was to get involved in the informal economy. About 23.2% were senior high school graduates but had a low chance of occupying senior positions in the formal sector. Only 2.7% of the respondents have had vocational educational skills they could survive on.

In the City of Cape Town CBD, Van Heerden (2011) and Mwansinga (2013) discovered that the level of education amongst street traders was found to be low but higher than that from other studies done in other areas – the low level of education can make it difficult for one to enter the formal sector. Mwansinga (2013) claimed that education amongst male migrant traders was found to be higher than their South African counterparts as they had some form of tertiary education while South African traders were found to have none. The need for support and training of South African traders was therefore emphasised.

2.4.2 Locational characteristics

Although informal trade continue to grow in many urban areas in underdeveloped countries and serves as the main source of income to many families, Mitullah (2006) stated that one of the main challenges encountered by the informal traders was the difficulty in having access to a trading location and the right to operate lawfully.
Mwasinga (2013) further added that street trading existed mainly at strategic locations within the cities with high congestion of pedestrians - next to major roads, close to transportation facilities and in areas that attracted potential clients to the street traders.

Siqwana-Ndulo (2013), however, noted that street trading over the years became a part of many cities, mostly in areas where there was heavy volume of foot traffic – usually next to busy streets, recreational areas, pathways, in shopping centres, bus stops, train stations, truck shops, and in areas that had a high level of customer-base but WIEGO's (2013) view was that the majority of informal street traders were positioned at the Central Business Districts (CBD's), informal settlements or in market spaces. The end of the Apartheid era in South Africa also saw urban spaces, including urban street and pavement spaces becoming available for large populations seeking opportunities in informal economy activities (Dobson & Skinner, 2009). In the City of Kumasi, Ayeh (2009) indicated that street vendors were located along the roads, on the road, in front of shops, in open spaces near markets and railway areas. The study further found that, even though a lot of the street traders were not officially permitted to trade at a specific location, they usually operated their businesses at the same spot on a daily basis and the main reason given was the availability of customers at the various locations.

Yankson (2007), however in a research done in Ghana, explained that informal street traders operated in both allocated (licensed traders) and unallocated areas (unlicensed traders) in cities and according to Rosales (2013), Powerman (2010) and Mitullah (2006), many of the trading spaces used by the traders were unallocated spaces and therefore considered temporary as such locations had not been officially declared by the municipality as a trading site. In addition to this, evictions that were normally associated with conflicts between the city authorities and informal traders' occurred whenever the city authorities needed the spaces for planned development. Saha (2011:20) therefore advocated for licensing of such unallocated areas for street trading businesses in order
to minimise the level of harassment and removal of informal traders by local authorities and local police.

At these different site locations for operation, the traders used different structures, to conduct their businesses. Kumar (2015) expressed that these included mats, gunny bags, table, racks wheel barrows, handcarts, and bicycle seats to display their goods. Mitullah (2006) further indicated that several traders just carried their goods around to attract customers, whereas others displayed their products on walls, trees and fences. Another group of traders chose to build an interim shelter with stands for exhibiting their products (Tissington, 2009).

2.4.3 Conditions of employment

Many employees in the informal street trading sector did not have a formal contract of employment which leads to a low level of job security and no fringe benefits (Raveendran, 2015). As stated by Statistics South Africa (2015:3) informal sector “employees are those who do not have a written contract of employment, are not registered for income tax or value-added tax, and do not receive basic benefits such as pensions or medical aid contributions from their employers”.

In support to this, Osei-Boateng and Ampratwum (2011:15) stated that, “job protection in the informal sector is very low and usually, the employer decides when to employ or dismiss without notice, in addition, it is at times difficult for workers to get compensation for being unfairly dismissed due to the absence of a written and signed job contract that usually protects workers rights”. Generally, employers in this sector decide on how much to pay an employee, which is usually lower than the minimum wage as most of these businesses do not make a lot of profit (Raveendran, 2015).

Moodley and Cohen (2012:10) argued that, workers in a typical work relationship and in the informal sector encountered unprotected and unstable employment environments
and for the conditions of employment to be improved for the informal workforce it was important for employers to provide better wages and decent employment conditions. In 2014, a study conducted by Jha (2014) indicated that the majority of informal employees had no written job contract and were not eligible for paid leave or social security such as provident fund, pension, gratuity or health care.

2.4.4 Flexibility of Trade

Roever (2014) stated that, street trading activities tend to be more flexible when compared to the formal sector, with a low barrier of entry, hence, making it easy for people to get in and out of this sector when necessary. The formal sector, normally, was characterised by regulations, business registration, organisation and specific business operation requirements and had been the main source of employment in many urban areas (Dzansi & Njike, 2014). The informal sector, on the other hand, was characterised by ease of entry and exit; dependent on locals and their needs; manual labour and adaptable tools; and practical skills and was globally becoming the main source of employment in many cities (Onyenechere, 2009).

Some consider informal trading as a flexible way of employment because of the flexible employment setting as well as flexible working hours. Moreover, the informal sector was also considered to be an effortless way of establishing a trade in comparison to establishing a formal trade that required one to go through a lengthy process in order to get the business registered (Jhabvala, 2013). Cyprian (2011:47) stated that many females preferred flexible working hours as they also had to carry out their domestic duties coupled with the little experience and capital required to engage in the activity.

According to Rolfe et al. (2010) even though this sector seemed to be continuously growing due to the flexibility of trade, many of the businesses were unregistered for tax purposes due to the perceived high tax level and complicated regulatory systems which
made it difficult for government to effectively regulate this sector. The level of competition among traders was also very high in the informal sector because there was no regulation that controlled the kind of products that one could sell (Raveendran, 2015). Additional to the above is the fact that the starting capital in the informal sector was considered to be much lower than in the formal sector.

2.5 LEGISLATIONS AFFECTING INFORMAL STREET TRADING

2.5.1 South African Informal Trader Legislative Framework

In South Africa, the street trading sector is mostly managed and controlled by regulations and rules at the municipal administration level (Moloi, 2014). According to Tissington (2009), the Business Act 72 of 1991 as well as the Business Amendment Act 186 of 1993, allowed municipalities to draft and implement regulations; such Municipal regulations needed to comply with the Constitution of the Republic of South Africa, Act 108 of 1996 and laws gave effect to it for example, the Local Government: Municipal Systems Act 32 of 2000 (Municipal Systems Act, 2000).

The by-laws that have an effect on street trading in South Africa will be discussed below.

2.5.2 Constitution of the Republic of South Africa Act 108 of 1996

(a) Bill of rights

The Bill of Right in the South African Constitution recognises various rights and safety of everyone living in the country, and this applies to experiences and challenges faced by street traders. The Bill of Rights mainly focuses on the right to equality and dignity. And as stated in Section 9, all residing in South Africa are treated the same before the law and has the right to be treated equally. Section 10 speaks about “human dignity and states that everyone has inherent dignity and the right to have their dignity respected and protected” (Constitution of the Republic of South Africa, 1996).
Section 22 particularly explains the right for one to trade freely, as long as such trade is lawful (Constitution of the Republic of South Africa, 1996). The City of Cape Town’s Informal Trading Policy indicates that Section 36 provides that rights contained in the Bill of Rights may be limited “in terms of a law of general applications to the extent that the limitation is reasonable and justifiable in an open and democratic society based on human dignity, equality and freedom, taking into account all relevant factors” (Constitution of the Republic of South Africa, 1996). The Informal Trading Policy (2013) additionally mentions that “the right to choose a trade is simply an acknowledgement that the right to trade is not a right that cannot be limited and must be considered and interpreted taking into account other competing rights”.

2.5.3 Business Licence Application Regulation

According to the City of Tshwane (2015), the Tshwane Business Licence Application regulation serves as a compliance method used to ensure that street traders operating in the Tshwane Municipality have the necessary permits and licenses which allow the traders to operate their businesses lawfully. Registration of street trading businesses takes place at the Local Economic Department at Pretoria, which allows traders to be allocated trading facilities and trading licenses, however, street traders need to have all the required documents, in order for their business to be registered (City of Tshwane, 2015). The requirements include an identity document, proof of residence, upfront payment of 3 months rental fee, and signed agreement documents.

The City of Tshwane (2015) further stated that any additional information required by informal business owners is usually obtained at the Local Economic Development (LED) Offices in Pretoria. This indicated that street traders who operate far from these offices would incur extra travel costs if they want to get their businesses licensed by the Tshwane Municipality. In addition to this, street traders who do not possess all the
required information stated above will not be able to register their businesses, which can lead to street traders operating unlawfully.

2.5.4 Informal Trading By-Laws

In 2013, the informal trade policy of Tshwane was approved by the Mayoral Committee with the aim of ensuring that laws and processes were implemented to help in effectively managing the growing number of informal traders in the Tshwane region, to create a sense of transparency in the policy and its principles for all its stakeholders, and to monitor and evaluate processes with clearly defined key objectives (City of Tshwane, 2015). As stated by the City of Tshwane (2015), the informal trading by-law is aimed at offering the following services to traders:

(i) Trading facilities such as trading space and stalls are rented out to traders.

(ii) Street traders selling consumable products must apply for a trading license which takes two weeks to be issued and which is renewable on a yearly basis. The approval of a business license will only be issued after approval by the Health and Social Development, Community safety and City Planning, Development and Regional Services Sections of the municipality.

(iii) Informal street traders have an option to apply for a one day trading license to allow them to trade for only one day at specific events (such as at festivals and at soccer matches) under the condition that the trader attends a prescribed workshop prior to the scheduled trade date.

(iv) Registration requirements and fees are made available to traders both online (at the City of Tshwane website) and manually at the Economic Department offices in Pretoria.

There are four main objectives behind the implementation of the policy (planning, registration, allocation and rental policy) which is aimed at creating employment and
trading opportunities in the informal sector through inclusion of street trading activities in the city planning process (City of Tshwane Informal Trade Policy of Tshwane (2013). The planning policy aims to make sure that provisions are made to provide traders with better working conditions that meet the economic needs of the traders such as providing easy access to transport, together with providing health and safety facilities. As many traders continue to operate without license, the aim of the registration policy is to ensure that all traders are licensed which will help the municipality in facilitating the payments of levies and rental space by the traders. In terms of space allocation, the Tshwane Municipality will work with all relevant stakeholders to support both existing and new traders in being economically sustainable. Street traders will be expected to comply with the rental policy by regularly paying rents to help the municipality to generate income, as well as through paying taxes, levies and service fees.

2.5.5 City of Tshwane Metropolitan Municipality by-laws relating to public amenities

According to the City of Tshwane Metropolitan Municipality By–Laws relating to Public Amenities (City of Tshwane, 2015), public amenity includes any public road, road reserve, street, lake, dam, river, stream or spruit which is owned, rented, or managed by the Municipality and made accessible to the public. This by-law prevents any persons from selling any products at all without being given the permission by the municipality to do so. The Municipality By–Laws relating to Public Amenities (City of Tshwane, 2015) further states that any person who deliberately contravenes this law will be fined not more than R10 000 or such persons can be imprisoned for maximum period of one (1) year.

This indicated that street traders, who operate unlawfully in unallocated public spaces and not adhering to the law, could be fined or will have to face a jail term. As stated in the Tshwane Informal Street Trade Policy and Implementation Plan (2013), the municipality has a challenge in having enough trading space available to accommodate
the number of street traders operating in the Tshwane areas. This can be considered to
be problematic for the growing number of informal street traders who want to register
their businesses and the municipality as a whole.

2.5.6 City of Tshwane Informal Trade Policy/By-Laws and Implementation Plan

The City of Tshwane Informal Trade Policy and Implementation Plan (2011 & 2013) which
was proposed on 29 September 2011 and the follow-up session which occurred
on 1 August 2013 by the Tshwane Mayoral Committee, aimed at ensuring that the
Tshwane Council approve and adopt the proposed Informal Trader’s Policy. This policy
aimed to allow all relevant government departments to unite in creating a conducive
informal sector that benefits its participants (informal street traders), stakeholders and
the municipality as a whole. The City of Tshwane Policy and Implementation Plan
(2013:2) aimed to implement an effective street trading policy that was clear and
workable.

Although the City of Tshwane Informal Trading Policy and Implementation Plan
(2011:365) aimed to control and effectively manage the informal sector, the municipality
had a challenge when it came to providing enough space needed by the increasing
number of street traders to operate lawfully and as stated in the City of Tshwane
Informal Trading Policy and Implementation Plan (2011:365) “the allocation policy
should be such that it accommodates as much traders as it possibly could irrespective of
their race, colour or creed. This still seems to be a challenge in terms of the allocation
policy”.

Currently, all informal traders are required to register their businesses at the Department
of Economic Development office in Pretoria, and are informed within 30 days on whether
or not the permit was granted. According to the Policy and Implementation Plan
(2013:20), “the policy goal is the registration of all informal traders and the sustained
payment of rentals. This action gives permission to operate, and provides access to
services and support. Simplifying existing registration procedures and moving towards the one-stop centre concept can reduce costs”.

The informal trading policy aims to promote public participation. The aim of including the public in the policy making process is to improve communication, to listen to the traders and stakeholders in order to meet their needs, to make the policy more acceptable to the public, to allow the public to share useful ideas with the municipality and also to improve the decision making process in the municipality by creating a sense of ownership and democracy for the general public and all relevant stakeholders. With that said the proposed Implementation Plan (2011: 364) stated that, the Tshwane Municipality faced various challenges in terms of the stakeholder engagement process.

The four main challenges are: the problem in the allocation of the trading sites and regulation of storage facility; the lack or poor space allocation located within the Spatial Framework of the City to meet the demand of informal traders; inadequate level of legal support to protect informal traders against any abuse by the so called trader organisation; and the lack of a governance regulatory framework to prevent illegal trading activities within the municipality’s streets and pavements (City of Tshwane Informal Trading Policy and Implementation Plan, 2013). However, these issues have remained a challenge for the City of Tshwane, and consequently, hindering the effective implementation of the street trading policy due to the highly uncoordinated nature of the street trading sector (City of Tshwane Informal Trading Policy and Implementation Plan, 2013).

2.6 CHALLENGES FACING STREET TRADING

Street trade activities serve as a source of employment for many households, however, there are various challenges facing trade in South Africa. These include trading space and infrastructure challenges, economic challenges, such as, lack of financial
assistance, inadequate business or entrepreneurial skills, poor working conditions, lack of awareness of Municipal Street Trading Policies and by-laws.

2.6.1 Trading space challenges and lack of Infrastructure

One of the main challenges encountered by informal traders is with regard to trading space. As previously stated by Rosales (2013), Powerman (2010) and Mitullah (2006), usually, the trading spaces used by street traders are unallocated spaces and therefore considered temporary, given that such sites have not been officially declared by municipal authorities as a trading area; in addition to this, evictions that are normally associated with conflicts between the city authorities and informal traders occur whenever the city authorities need the spaces for planned development.

According to the eThekwini Municipality (2013), street traders face the challenge of having insufficient business infrastructure. Shrestha (2013), agreed with the above statement, but is also of the view that due to the continuous increase of street trading activities in city centres, it is becoming difficult for municipalities to be able to provide adequate space and infrastructure for such trade.

Basinski (2014), however, argued that the areas used by the traders usually leave the traders vulnerable to environmental toxicants due to the lack of infrastructure. Basinski (2014) added that many of the traders operate in open spaces, which expose them to harsh environmental conditions that in turn can affect the quality of their goods and products, thus, resulting in a loss of income. Shrestha (2013) concluded by stating that apart from being unable to trade freely at a location of choice, and exposure to harsh environmental conditions, street traders are also deprived when it comes to safety of their goods, transportation means to transfer their goods from one place to another and they sometimes lack municipal services such as security and storage facilities, water and sanitation, in their place of operation.
Nteta (2015) is also of the view that, although it is important for the municipality to provide traders with specific allocated trading spaces, such areas must be busy enough to attract clients together with basic necessities such as sanitation, shelter and storage spaces. There are instances where the trading location is far from the goods and services supplier; this incur additional costs for the street traders especially for those who cannot afford to buy goods in bulk but can only buy regularly in small quantities (Tshuma & Jari, 2013).

2.6.2 Lack of access to finance

The main and possibly the key existing restraint encountered by the informal industry is the lack of funding and sponsorship to support such businesses (Tshuma & Jari, 2013). According to Onyenechere, (2009) and Skinner (2008), poverty and the high level of unemployment rate drive people into the street trading activities as a means to provide for their families, however, having access to financial resources can be a challenge for poor street traders who do not have collateral to secure a loan from financial institutions. This notion is also supported by SEDA (2008:11) but Kusakabe (2010:128) believed that, it is important for street traders to find other ways to raise start-up funds for establishing their businesses.

The eThekwini Municipality (2013) in its Gauteng Informal Business Sector Strategy (2014) suggested that street traders struggle to get financial assistance from formal financial institutions to fund their businesses. Saha (2011) and Powerman (2010:4 -7), claimed that the majority of traders start up their businesses through borrowing money from money lenders or informal credit providers who charge very high interest rates, which in the long run make it difficult for such traders to successfully sustain their businesses. Other traders, according to Willemse (2011:8), started their trading businesses by borrowing money from “social networks - acquaintances and relatives - which indicates that there is a high need for formal financial assistance in the informal
sector”. The lack of finance prevents such small businesses from growing and to be sustainable (Chiu, 2013).

2.6.3 Lack of entrepreneurial business skills

The lack of entrepreneurial expertise and shortage of training programmes that is easily accessible to street traders are considered to be among the challenges faced by informal street traders. Cichello (2005:26) commented that “lack of knowledge on technical, business and entrepreneurial skills deter informal street vendors from effectively conveying the opportunities of their informal businesses to financiers”. Companion (2010:87) also remarked that the lack of appropriate societal and industry information generally hinder traders as they usually train themselves or gain knowledge and experience from a less qualified person. SEDA (2008), on the other hand, claimed that, there are situations whereby street traders are reluctant to take time off work to participate in training programmes due to the business costs involved in not working during the training period. Due to the low level of education among many street traders, lack of training and business skills make it hard for such informal businesses to grow and be sustained (Nteta, 2015).

2.6.4 Poor working conditions

Poor working conditions that lack the basic sanitation necessities, and unsafe trading environments which can lead to the loss of goods is another challenge being faced by street traders (SEDA, 2008). Basinski (2014) further stated that the areas used by the traders usually leave the traders vulnerable to environmental toxicants as many operate in open spaces, which in turn can affect the quality of their goods and products, resulting in a loss of income. Shrestha (2013) concluded by stating that apart from the right to trading space, exposure to harsh environmental conditions; street traders are also deprived when it comes to safety of the goods, transportation means to convey their
goods from one place to another; and they sometimes lack municipal services such as storage facilities, water and sanitation.

Saha (2011:19) stated that most of the informal traders who operate in cities usually reside in disadvantaged communities that lack essential health and welfare services, and safe working environment. Tshuma and Jari (2013) also acknowledged that, as street traders work outside in an open environment, they get exposed to environmental contamination and pollution which can be detrimental to their health in the long-run. Also, due to the highly un-unionised environment in which street traders operate, Kumar (2015) stated that, this reduces the collective bargaining power of street traders making them vulnerable to harassment by municipal officials and also making it difficult for them to fight together for better working conditions.

2.6.5 Awareness of municipal street trading policies

Another challenge facing the street trader is a lack of awareness or education with regard to municipal trading policies and by-laws. According to Siqwana-Ndulo (2013), although there are municipal street trading policies in place, such policies are not always easily accessible for many survivalist entrepreneurs. Many traders are not aware of what the policies and by-laws entail while others perceive the trading registration processes, for example, to be too lengthy (Nteta, 2015; Powerman, 2010). In South Africa, even though a lot of informal businesses would like to be formalised, the informal street traders perceive the process as cumbersome, meaning that street traders feel that it is still difficult to convert a small trade into a formal trade (Dzansi & Njike, 2014:664).

SEDA (2008) acknowledged that there are municipal street trading policies that are not easily accessible to street traders, due to lack of effective communication methods between the municipalities and the street traders. According to the eThekwini Municipality (2013), the inconsistent enforcement of trading policies can create confusion for the street traders, making traders reluctant to comply with the trading
policies. Some traders view the business licensing process as lengthy and costly leading to some paying bribes to speed up the process for them, while others get discouraged from getting their businesses licensed and end up operating unlawfully (Tambunan, 2009).

Roever (2014) however argued that usually municipal policies and practices do not provide enough support to street trading compared to the support received by the formal sector. For example, The Tshwane Spatial Development Framework (SDF) does not give much recognition to informal trading as the spatial outline excludes the provision of trading space for informal street traders and among the reasons given for not incorporating street trading in the SDF, according to Masonganye (2010:8) were: “that they destroy the character of the area; they are not in line with the zoning of the area; and they are associated with anti-social behaviour (such as drugs being sold in the stalls)”

Although the Tshwane Municipality is implementing processes to efficiently manage, control and tackle the issues faced in the informal economy, the City of Tshwane Policy and Implementation Plan (2013) mentioned that there are various issues experienced by the Municipality in recuperating the nature of the street trading sector. These challenges include lack of proper planning, site allocation, availability of space, and the lack of a governance regulatory framework to prevent people from trading unlawfully (City of Tshwane Informal Trading Policy and Implementation Plan, 2013).

2.7 DRIVERS INFLUENCING THE GROWTH OF STREET TRADING ACTIVITIES

Research has shown that there are different drivers that influence the increase of street trading activities in South Africa. Moore et al. (2010) argued that a range of factors force one to engage in entrepreneurial activities and this consist of socio-economic factors such as, high unemployment rate and poverty, inadequate formal job opportunities, the
desire for one to be on his or her own, migration, and low level of education and skills requirements for formal jobs.

The section identifies the main factors influencing street trading activities as follows;

2.7.1 High unemployment and poverty rate

The high unemployment rate in South Africa is amongst the core challenges faced by the ruling party (Fleetwood, 2009:34). According to Statistics South Africa (2015), about 5.5 million people in South Africa remain unemployed, with another 14.8 million people who are not economically active; meaning, the unemployed working age (15 – 64 years) increased from 13.8% in 2014 to 15.5% in 2015. The inadequate income in the country coupled with the failure of the government and formal economy to absorb the unemployed to cope with the high growth of the economically active age category of the population is considered to be two of the major causes for the increase in informal trading in South African urban areas (Willemse, 2011:7). Anderson (2012) and Mokgatetswa (2014) also added that the high rate of unemployment along with the high level of poverty in South Africa are the two main factors contributing to more people engaging in street trading.

Other authors such as Skinner (2008) recognised poverty as one of the key driving forces driving one to engage in street trade businesses as it serves as a source of livelihood in many households. The high level of poverty and the high cost of living drive people into finding alternative ways to survive and as Onyenechere (2009) puts it, the poor economic conditions and a high level of poverty influence people’s decision to get involved into street trade as a means to provide for their families. Cyprian (2011) mentioned that, poverty is usually caused by loss of employment, lack of interest in the formal sector, the need for one to be entrepreneurial and a high unemployment rate are some of the reasons that force people to enter into the informal sector as street traders, which according to Tshuma and Jari (2013:252) promotes and empowers them
to escape from malnutrition, hunger, and diseases by working in this industry and in 2014 alone the informal sector in South Africa employed about 1.5 million people.

2.7.2 Migration and urbanisation

In underdeveloped countries, the high increase in population growth in urban areas has led to the growth in the informal sector (De Soto, 2000) which is evident in many Sub-Saharan African urban areas where the increase in population in cities has minimised the employment opportunities for the underprivileged (Lyons & Brown (2007). Skinner (2008) argued that, urbanisation, relocation and economic growth trends indicate that there has been a swift growth in the number of street traders working in urban areas on the African continent. Adedeji, et al (2014) further argued that with regard to the high rate of urbanisation in Africa which is currently on 39% and the urban growth rate of 3.2% (2005 - 2010), the formal economic sector of urban areas in Africa cannot cope with the rising population in employment provision. Tipple (2005) concluded that the informal sector is therefore the main employer of many underprivileged city residents due to the fact that it is impossible for the formal economy to create employment opportunities for the high number of unemployed people.

Immigration serves as one of the drivers influencing the increase of street trading activities in developing countries (Skinner, 2008; Basinski, 2014). Landau (2007) argued that people migrating from one country to another in search for greener pastures, is often caused by regional economic inequalities. Thompson (2012) and Anderson (2012) believed that unequal distribution of wealth, unequal level of development and poverty among countries prompt individuals from underdeveloped regions to relocate to cities with the aim of finding better opportunities. Also, due to the crisis and civil wars in Libya, Egypt, Somalia, Sudan, Democratic Republic in Congo, Ethiopia and Eritrea, have all led to the increased rate of forced relocation both within Africa and elsewhere (Skinner, 2008; Mwansinga, 2013).
In South Africa, the end of Apartheid in 1994 made it easy for many of these migrants to enter into the country and engage in entrepreneurial businesses such as street trading as a way to survive (Cyprian, 2011). The deregulation of the sector and the democratic political transition after 1994 saw the swift growth of the informal economy, especially in the inner cities of several municipal vicinities which were previously reserved for White enterprises (Holness, Nel & Binns, 1999) and this added to the growing number of people trading in public places in the cities in South Africa. Rolfe et al., (2010) moreover added that, the end of Apartheid limitations in city residency post 1994, together with the high poverty rate in the rural districts, previously set aside for Africans under apartheid referred to as the homelands, caused the population in cities to grow as many people moved to these areas in search of better opportunities. These migrants in most cases ended up in not finding work in the South African formal sector which is influenced by the rigid labour legislations but in the informal sector which has a low barrier of entry (Van Heerden, 2011).

In most countries, people relocate to the capital metropolis looking for better opportunities with the hope of improving their lives and Tshwane being the capital of South Africa, increases the chances of local and international migrants relocating to the city hoping to find better job opportunities to improve their lives (Mokgatetswa, 2014). According to Rosales (2013) and Deluca (2012), the inability for undocumented migrants to find employment in the formal sector forces them into street trading as a means to survive due to the low barrier of entry.

2.7.3 Low level of education

Moore et al. (2010) and WIEGO (2011) attributed the increase in the informal sector activities, partly to the low education, low skills requirements and low barrier of entry into the sector. The high level of competition in finding jobs in the formal sector and the inability for the uneducated and unskilled to get a well paid job in the formal sector have
influenced people’s decision in engaging in the informal economic sector (Karthikeyan & Mangaleswaran, 2014), which according to Mbaye and Mohammed (2006) amounts to approximately 75% of non-farming jobs in Gambia, approximately 50% in Thailand, 75% in Morocco, 70% in Bangladesh, as well as 51% in Philippines. Skinner (2008) echoed the above by stating that although some street traders may be educated, many are considered to have a low level of education making it almost impossible for such people to get a well paid job in the formal sector.

Moloi (2014), was of the view that the existence of Apartheid in South Africa prevented the previously marginalised group to gain proper education and in participating in the formal sector which have led to a high level of poverty rate in such communities; with many not having the right skills and experience to participate in the formal sector, the informal sector remains the only option for such people. According to Tshuma and Jari (2013:251), whilst most of those engaging in this sector are those who could not be accommodated within the formal sector either due to their lack of education or skills, some consider this to be an easier option to engage in entrepreneurial activities without having to comply with a lengthy process of formally registering a formal business and paying tax.

### 2.7.4 Ease of entry and exit

As stated by Jelilie and Addibu (2006), the formal sector is normally characterised by legal requirements, legal licensing, organisation and a meticulous process of documentable form of operation and this has been the main source of employment in city centres but the informal economy is characterised by a low barrier of easy entry and exit, dependable on local resources, demanding manual labour and adaptable expertise and skills obtained outside the traditional education system. Furthermore, it is considered worldwide to be the main source of job creation method in many cities (Willemse, 2011).
Callaghan and Gwatidzo (2013) further argued that, mainly due to the difficulty in entering the formal sector with rigid entry conditions forced many to venture into the informal sector. The International Labour Organisation (2013) argued that, the key factor influencing the increase in the informal traders is the high unemployment rate as well as poor economic growth in mainly developing countries. Individuals who struggle to find work in the formal sector revert to street trading activities because of the low barrier of entry and many migrants who engage in such activities find it difficult to enter into the South African formal economy which is sometimes influenced by the rigid labour legislations (Van Heerden, 2011).

2.7.5 Entrepreneurial ambitions

Many view street trading as an entrepreneurial way of starting one’s own business. Brewer and Gibson (2014) stated that, these types of entrepreneurs are considered to be low performing/freelancers who have a minimal level of education or none at all, and who get involved in unlicensed street trading businesses primarily for survival purposes. Karthikeyan and Mangaleswaran (2014) agreed with this view by stating that individuals who engage in informal businesses usually lack expertise and knowledge compared to what is required in the formal sector, however, Van Heerden (2011) mentioned that, low entrepreneurial skills and lack of experience in sustaining and growing their businesses lead to lack of business growth opportunities for the street traders.

Chiu (2013) gave a very similar view on why many people enter into the informal sector as it serves as an entrepreneurial opportunity for others and also gives them the opportunity to create a family business that can be handed down from one generation to another. Street trading enables the jobless to become self-sufficient, alleviate poverty, improve the way of life for households as well as serve as an additional source of income for many families (Horn, 2011).
2.8 BENEFITS OF STREET TRADING

According to research, street trading has various benefits not only to the street trader, but also to the municipalities and the economy as a whole. Some of the benefits of street trading will be discussed below;

2.8.1 Contribution to Gross Domestic Product (GDP)


From the South African perspective, it is normally estimated that of all the formerly employed individuals, SMMEs contribution is approximately 50%, while contributing about 42% of the country’s GDP (Dzansi & Njike, 2014:667). Through increased street trade activities, income can be generated for municipalities through tax, permit issuing and business registration. In Tshwane for instance, although the City of Tshwane (2015) is facing a problem of ensuring that all street traders comply with the policy, however, on a yearly basis, this sector contributes +/- R420,000 in revenue to the municipality.

2.8.2 Creation of employment opportunities

According to the World Bank (1990), the informal economy is perceived to contribute to around 75% of the overall amount of job creation in Sub-Saharan Africa, approximately 87% in Pakistan as well as 75% in Brazil, 48% of non-farming employment in North Africa, 51% in Latin America along with 65% in Asia. In totality, the informal economy in Africa contributes approximately 60% to employment in urban areas and more that 90% of all recent urban employment (Skinner, 2008).

The total sum of street traders has increased significantly post apartheid (Skinner, 2008) and this sector is believed to contribute considerably to the South African economy...
because around 2.2 million citizens worked in the informal economy in 2010 and about 46 000 more individuals ventured into this industry in the first quarter of 2011 (Quantec Research, 2011). Guliwe (2013:19) in his report for the Gauteng Department of Economic Development stated that, the informal sector in South Africa creates about 3 million employment opportunities in the country. According to Tambunan (2009:40) and Kusakabe (2010), street trading reduces the poverty rate and serves as a survival approach for many citizens who struggle to find jobs in the formal sector (Kusakabe, 2010). Roever (2014) also argued that income accrued from street trading is used to increase family income which then improves the lives of many households.

Jhabvala (2013) also stated that many have used informal trade as an alternative approach in earning an income. The small nature of informal businesses allows traders to use little start-up funds in establishing informal businesses (Dzansi & Njike, 2014). This can be considered to be the easiest way of absorbing socio-economically disadvantaged people who are uneducated and lack the entry requirements into the formal sector, or lack the means of establishing a big business (Dzansi & Njike, 2014:667). Moreover, there are people who consider street trading as an inexpensive and less difficult way of establishing a small business in comparison to the lengthy process that one has to follow in starting a formal company (Tshuma & Jari, 2013).

2.8.3 Confidence and entrepreneurial skills

It has been stressed by Willemse (2011:8) that, informal street traders also provide informal training to those who would have been jobless or those who could have gotten involved in criminal and unlawful dealings. Neves and Du Toit (2010:3) mentioned that establishing small informal businesses can increase one’s entrepreneurial skills as such trade comes with creativity, risk taking and financial management.

According to Kusakabe (2010:127), street trading ventures can boost the level of self-confidence in street traders due to the fact that by earning some revenue, street traders
can financially cater for their families. Van Heerden (2011) argued that, street trading activities allows one to get involved in entrepreneurial activities to sustain them, especially in instances where the formal economy is unable to absorb all unemployed individuals who are willing to work.

2.9 CONCLUSION

This chapter discussed the most prevalent literature on the informal sector and street trading activities. An overview of the drivers influencing street trading activities in South Africa, characteristics of street trading activities and the entrepreneurial aspect of street trade, the benefits of street trading, the challenges facing street traders in South Africa, and various legislations affecting street trading have been discussed.

Various definitions relating to street trading activities were defined in the chapter and different categories of informal traders were also discussed. In terms of the characteristics of the informal street trading sector, black females were identified as the major component of the sector and that street traders operate under poor business conditions because of stringent municipal policies and by-laws.

The various drivers influencing street trading are high unemployment and poverty rate; migration and urbanisation; low level of education; ease of entry and exit; and finally, due to entrepreneurial ambitions. The benefits of street trading discussed in this chapter included contribution to Gross Domestic Product (GDP); creation of employment opportunities; and to enhance the confidence and entrepreneurial skills of street traders.

Different challenges faced by street traders, such as site operation and right to trading space, harsh environmental conditions, issues pertinent to trading licenses, lack of finance and appropriate infrastructures, lack of education and awareness, have been captured in the chapter as impediment to successful operation of informal trading activities in South Africa.
The various legislations affecting street trading were discussed. These legislations include the South African Informal Trader Legislative Framework; Constitution of the Republic of South Africa Act 108 of 1996 (Bill of rights); Business Licence Application Regulation; Informal Trading By-Laws; City of Tshwane Metropolitan Municipality by-laws relating to public amenities; and finally the City of Tshwane Informal Trade Policy/By-Laws and Implementation Plan.

This chapter also discussed the various factors affecting street trading in South Africa, moreover, it was established that street traders are operating under poor conditions as they are not always recognised by urban authorities. High rate of unemployment, poverty, low level of education, ease of entry into the trade and urbanisation are among the factors that have led to a high increase in the informal trading activities in South Africa.
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

Chapter 3 of this research presents the research design, methods and techniques used to explore the reasons for the increase in street trading in the Tshwane CBD. The first section introduces the research design and gives the detailed description of the research method used and the justification as to why the chosen methods were used. The chapter presents the sampling method adopted, the method of data collection used, as well as the method used to analyse the data collected. The section also considers the ethical issues that may have emerged during the research process.

3.2 RESEARCH DESIGN

Research design is defined by Saunders, Lewis and Thornhill (2012:680) as “an outline used for the gathering and examining of research information to provide a better understanding of research questions and research goals, as well as rationalising the reasons why certain research methods were used”. According to Flick (2014), a research design is the framework used for collecting and analysing data to assist in answering research questions.

3.3 RATIONALE FOR THE RESEARCH METHODOLOGY

This research was based on a qualitative research approach, which is defined by Lapan and Quartaroli (2009:183) as “data that can be in a form of words developed using visual observation or interviews”, the aim of which is to conduct a research that explains the perceptions and experiences of the research participants in a narrative manner. This notion is supported by Saunders et al. (2012:165) who indicates that, “qualitative research is based on the behaviours, knowledge, views and mind-set of research participants”. Flick (2011) also agrees that qualitative research has some main benefits which include ensuring that properly collected qualitative information focuses on
occurrences that take place in the real world, and information received comes from the experiences of participants through face-to-face interviews.

Lapan and Quartaroli (2009:183) further states that, “in qualitative research, words from participants and the descriptions from the observations offer the most complete picture of a research”, and in addition to this, Babbie (2007) argues that usually, the qualitative method is used in exploring significant areas with little research being done or in areas where one wants to gain more insight into a topic. This means that qualitative methodology is intended to investigate complex trends or events based on the views, beliefs, and experiences of the research participants in which data is usually analysed in a non-numerical manner. According to Vaismoradi, Turunen and Bondas (2013:398) “qualitative methodologies consist of the philosophical perspectives, assumptions, postulates, and approaches that researchers employ to render their work open to analysis, critique, replication, repetition, and/or adaptation and to choose research method”. Berg (2009:3) adds that, “qualitative research refers to the meanings, concepts, definitions, characteristics, metaphors, symbols and descriptions of things”.

The purpose of the research was to explore and gain a better understanding into the factors influencing street trading activities in the Tshwane CBD. As argued by Pedhazur and Schmelkin (2013), and Vaismoradi et al (2013), an exploratory study is appropriate in a qualitative research because it permits one to investigate and gain insight into areas where little or no research has been done. This is in line with the fact that qualitative research focuses on areas where there is little or no research done as argued by Babbie (2007). Sparks and Smith (2014) further state that, exploratory research is more suitable for a qualitative research because it is aimed at investigating a research problem that is not evidently defined. This approach will assist the researcher in exploring the topic based on the different opinions, experiences and perceptions of the sampled population.
In addition, the research took an abductive approach. According to Flick (2014:126), abduction begins when a researcher is taken by surprise of a situation, and it ends when the surprise is replaced by understanding and the ability to make predictions. In other words, abduction starts with observation and ends with reason and explanation. Abductive approach assisted the researcher in gaining an insight and better understanding into the factors influencing street trading activities through literature review, observation, and interviews with informal street traders and through documentary analysis.

Therefore, a qualitative method and abductive approach was considered to be most suitable for this research in gaining an insight into the factors influencing street trading in the Tshwane CBD from the perspectives and experiences of street traders in the area, together with the challenges they face and their views on the Tshwane trading by-laws and policies. As Malterud (2012) concludes, most researchers are using qualitative methods to gain information and awareness from the experiences of others which is vital in conducting this research as data collected will be based on the views, perceptions and experiences of the research participants.

3.4 SAMPLING METHODS

Maxwell (2012) observes that the value of a research is not only determined by the suitability of the research methodology, but rather by also ensuring that the sampling method used is the most appropriate choice. According to Pedhazur and Schmelkin (2013), four key factors have to be considered in sampling, namely, the sample size; the representativeness and parameters of the sample; availability of the sample; and lastly, the sampling approach to be used.

For the purpose of this research, a non-probability sampling method was used and the type of non-probability sampling chosen was snowball sampling. Saunders et al. (2012) defines snowball sampling as a form of non-probability sampling by which participants of
a research introduce the researcher to individuals who may be of help in the data collection process. The rationale for selecting this particular sampling method was due to the fact that it was going to be difficult to get participants to willingly stop trading to participate, therefore it was more appropriate to use the snowball approach as identified willing participants could refer the researcher to others that will be willing to be interviewed and useful in data collection.

The need for sampling arise from the fact that issues like research costs, limited research period and limited access to the sampled population often makes it difficult for researchers from attaining data from the whole population group. It is therefore important for researchers to acquire information from a smaller group in a manner which will allow the knowledge gained to be representative of the entire population of the research; the smaller group is the sample (Babbie, 2007).

Malterud (2012) echoes this sentiment by stressing that sampling is the method of identifying and choosing components such as individuals and groups from a larger population. In qualitative research, sampling is used to identify who to interview; and what texts or images should be recorded in the content analysis (Remler & Ryzin, 2011:156). The reason behind using a sampled population while carrying out a qualitative study is to ensure that researchers are able to make assumptions about a larger population from the conclusions drawn from a smaller population (Berg, 2009:48).

Maxwell (2012) identifies two core techniques of sampling; one can either choose probability sampling (also known as a random sample) or a non-probability sample (also known as purposive sampling). Maxwell (2012) further explains that in a probability sample, everyone in the total population has a high possibility to be selected to participate in a research. Probability methods include random sampling, systematic sampling and stratified sampling. Unlike the probability approach, Berg (2009) states
that, a non-probability sample do not always give individuals equal opportunity to participate in a research.

The question then arises as to how big the sample size for the research should be. The right sample size should be based on the rationale of the research and nature of the sampled population. Sparkes and Smith (2014) advise that usually, a sample size of 30 is considered to be appropriate in most circumstances, especially if there is a need for qualitative analysis to be made.

Baker and Edwards (2012), also adds that qualitative research data collection is usually extensive and it is not always possible to indicate the exact number of people to be interviewed, however, the average number should be between 20 to 30 interviews. Mason (2010) similarly states that, the sample population size for qualitative research is usually smaller than quantitative research because qualitative research can be costly and data collection and analysis can take a long time to be finalised; and it will be impossible to analyse data from a large sampled population and that, research shows that the mean sample size is usually 31 interviewed participants.

For the purpose of this research, 30 people were interviewed in the Tshwane CBD with specific reference to Marabastad, Lilian Ngoyi (previously known as van der Walt) and Bloed Street and surrounding areas.

### 3.5 CHOICE OF RESEARCH STRATEGY

This study was based on a **case study method**. Babbie (2007:298) defines case study as “the in-depth examination of a single instance of some social phenomenon, such as a village, a family, or a juvenile gang”. A case study as defined by Saunders *et al.* (2012:666) is a “research strategy that involves the empirical investigation of a particular contemporary phenomenon within its real-life context, using multiple sources of evidence”. The reason for using this approach was to narrow down the research to a
specific sample population that come from different points of view. The form of case study used was an exploratory case study, which Yin (2003) describes as the kind of case study through which restricted study has been done on a particular issue; this form of study assisted the researcher in exploring and understanding the research topic. Through exploratory research, existing literature on the topic were reviewed, and new data collected from the sampled population with no intentions of making a definite conclusion on the topic but rather to gain insight into the research question based on views of research participants.

3.6 CASE SELECTION

This section explains which case was chosen. Two areas in Tshwane city centre were selected for the study. These are (i) Lilian Ngoyi Street (formally known as van der Walt) and Bloed Street surroundings and (ii) Marabastad. The map below shows where the Tshwane province is located in South Africa (City of Tshwane, 2015).

Figure 3.1: The Republic of South Africa indicating where the City of Tshwane is located

Source: Google Maps (2015)
3.6.1 Lilian Ngoyi Steet and Bloed Street surroundings

Lilian Ngoyi Steet (formally known as van der Walt) and Bloed Street are in the inner City of Tshwane with a mall and a taxi rank on Bloed Street. The taxi rank and the mall attract a significant number of street trading activities and many retail shops as well as a high volume of pedestrian traffic (Henning and Cronje, 2012).

The main reasons behind building the mall and a modern taxi rank, according to Henning and Cronje (2012) in such a busy area are to rejuvenate this part of the CBD by encouraging activities such as street trade, health and security services; to provide transportation services, and banking facilities in the area; to provide street trading facilities; and to also promote rural immigrants. Most of the overcrowding and traffic jams in the Tshwane CBD are due to taxis in Bloed Street trying to enter or exit the taxi rank basement.

The map below shows the Lilian Ngoyi Street (formally known as van der Walt) and Bloed Street surroundings in the CBD.

Figure 3.2: A map of the City of Tshwane CBD indicating where the various sampled areas are

Source: Google Maps (2015)
3.6.2 Marabastad

Marabastad is considered to be one of the areas in the Tshwane CBD with high density of street traders, positioned in the north-western part of the Tshwane city centre. According to Masonganye (2010), the high level of population density is influenced by the high level of street trading activities in the area.

The City of Tshwane (2011) gives a brief background of Marabastad by referring to the areas as a mixed-land use environment with formal and informal trading being the dominant use which serves as a major transportation node. The City of Tshwane (2011) further states that, the strategic location of the Marabastad precinct is in close proximity to the CBD in relation to major transport routes and systems which makes it easily accessible locally and regionally. Pedestrian activity is high and the area provides a large employment base and entrepreneurial opportunities.

Figure 3.3: A view of the Tshwane CBD

Source: Google Maps (2015)
3.7 DATA COLLECTION METHODS

Various data collection methods were used, including the documentary method, the interview approach (semi-structured interviews) as well as direct observations.

3.7.1 Documentary Method

The initial data collection method for this study was a documentary method. Weller and Malheiros da Silva (2011) mention that, data collected through a documentary method is derived from public communications and discussions that allow participants to voice their views and perceptions of their daily experiences.

The primary sources of documentary data were the Tshwane Metropolitan Municipality records. Informal street trading policy, minutes of official meetings of the informal sector and related activities by the municipality were reviewed.

The usefulness of a documentary method in the proposed study was that it provided additional information as well as an insight and understanding of the background of the research. Through the application of a documentary method, the researcher will be able to identify issues that may be instinctively ignored, to ascertain issues that the respondents may unwillingly want to address and to add a certain freshness to data collection which are often absent in other forms of data collection (Flick, 2011).

3.7.2 Direct observation

Observation is a data collection method used to study the behaviour of individuals and thoroughly record such behaviours (Remler & Ryzin, 2011). Observations are conducted by taking into consideration the research questions and research objectives (Flick, 2011).
Direct observation, also known as non-participant observation, was also used in this research, particularly where the street trading activities have resulted in spatial and physical interventions as in the Tshwane town centre, and it was important to see how such spaces, such as street pavements and open spaces are being used. The advantage of this approach is that it is inconspicuous and subtle in nature (Babbie (2007).

The action and behaviour of participants are critical to any study, therefore the direct observation method was used to watch, record, analyse and interpret people's actions and behaviours in their normal environment. Direct observation was useful in the sense that it made the researcher realise the 'real life in the real world'. Field notes and photographs were used to record observations. The duration for the observation process was ten (10) days, and during this period, the researcher ensured that the researched area was visited at different times and ensuring that the normal daily activities of the street traders were not interrupted in any way. During this process, field notes and photographs were captured as part of the findings for the research.

3.7.3 Interview methods

Sparkes and Smith (2014) define interview as a discussion between a researcher and participants whereby the researcher has a goal of acquiring information based on the participants' views, opinions and judgments of a specific topic. The outcome of such an interview is usually considered to be accurate and reliable information (Maxwell, 2012). Sparkes and Smith (2014) state that a qualitative interview can either be structured, semi-structured, unstructured and a group interview or a combination of the above.

Baker and Edwards (2012) stated that a structured interview is extremely standardised and a rigid method of interviewing. Participants are asked various pre-defined interview questions in a similar way (Sparkes & Smith, 2014). An unstructured interview on the other hand is a situation where the interview questions are not pre-defined; the
participants have more control of the interview as they discuss their views and perspectives on a broad topic (Babbie, 2007).

A semi-structured interview as explained by Babbie (2007) means to identify relevant interview questions that will be used as a guide in extracting relevant information for the research while at the same time giving room for the participants to add on additional views that might add value to the research and most of the questions are open-ended questions. Berg (2013), further states that this type of interview creates a sense of flexibility for the researcher and participants and this can lead to an in-depth collection of data.

For the purpose of this study a sum of 30 semi-structured interviews were conducted with willing participants in the Tshwane CBD. Babbie (2007), as well as Maxwell (2012) argues that semi-structured interviews as a data collection method helps the researcher in comparing responses from different participants and also to guide the direction of the interview in attaining valuable information relevant for this research. The interview process was completed within four weeks. A copy of the interview guide has been attached to the research as Appendix A.

### 3.8 DATA ANALYSIS

Data analysis methods are mainly influenced by the aims and objectives of a research (Berg, 2009). Malterud (2012:802) explains that, data analysis is a procedure used to examine, organise, convert, and represent data with the aim of finding constructive information, ideas and conclusion based on information collected. Remler and Ryzin (2011:75) add that, qualitative data analysis is the organisation and explanation of field notes, interview records, tapes, audio footage or articles. According to Flick (2014) qualitative researchers must accurately interpret the data collected from the research participants in order for the research findings to be considered as viable.
The data analysis methods for the three data collection will be discussed below.

### 3.8.1 Documentary analysis

According to Weller and Malheiros da Silva (2011), documentary analysis is done through summarising, narrating and storytelling of events that has occurred; this is done by highlighting what was said, and how it was said and also by making a comparison on the differences and commonalities in view, opinions and perceptions. Hence, the Tshwane municipality informal trading policy and informal trading by-laws and policies were analysed in order to gain an insight into historical information of open communication and discussion between street traders and relevant stakeholders. Documentary analysis can help in understanding the official policy approach to street trading in the Tshwane area.

The documentary analysis for this research was done using Trautrim’s, Grant, Cunliffe, and Wong’s (2012:833) narrative approach by firstly reviewing transcribed documents, rephrasing interpretation (what was said), reflective interpretation (how it was said) and comparative analysis by highlighting the similarities and differences of opinions in open communication and discussions; and also to highlight the manner in which issues/challenges has and will be tackled. Once analysed, the information was grouped into themes /sub-topics (as per diagram on next page).
3.8.2 Direct Observation/Non-participant observation

Information gathered through direct observation is analysed by taking into consideration how frequently certain events occurred during the observational period and also by giving a descriptive account of events that has occurred (Berg, 2009). The researcher watched, recorded, analysed and interpreted people’s actions and behaviours in their normal environment. Analysis was done by describing the similarities and differences of relevant events observed such as characteristics of the sampled population, the nature
of the working environments and its activities, and finally, the verbal and non-verbal behaviours of the informal traders and how they interact with their customers. And as stated by Remler and Ryzin (2011), this will help in identifying trends and patterns, which can then be compared to draw a conclusion.

The researcher took field notes during the observational process and the observational data was analysed by describing events that have occurred throughout the observational process which assisted in making an assessment of the data collected at the sampled areas.

3.8.3 Semi-structured interviews

The type of data analysis method used was through coding and content analysis. Maxwell (2012) and Berg (2009) state that one of the most appropriate ways of analysing qualitative information is through coding and the use of content analysis. Babbie (2007:320) defines content analysis as the “study of recorded human communications such as books, websites, speeches, paintings and laws”. This type of analysis was appropriate in analysing the data because information gathered from the interview (base on the various perspectives and experiences of research partakers) was interpreted in text format together with the researcher’s observation. Berg (2009:338) defines content analysis as “a careful, detailed, systematic examination and interpretation of a particular body of material in an effort to identify patterns, theme, biases, and meanings”.

According to Remler and Ryzin (2011:76) coding refers to “a process of tagging the text or other qualitative data using a system of categories, used by qualitative researchers to code their data to make the task of analysing and interpreting it more systematic”. With this being said, the coding method was used by the researcher to categorise and group responses based on themes. Flick (2014:24) further states that in coding, data
segments are labelled and grouped by categories which are used by many qualitative researchers in data analysis.

Berg (2009) also mentions that, responses from participants in a qualitative research can be analysed by the use of coding which involves identifying similar themes, topics or issues based on the recurrence in the responses of the different participants. The coding process used in analysing interview data for this research was the process as suggested by Remler and Ryzin (2011:79) which is summarised in the table below:

**Table 3.1: Coding process used in analysing interview data**

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>(i)</td>
<td>Store and organise qualitative data in electronic forms, including text, images and audio files.</td>
</tr>
<tr>
<td>(ii)</td>
<td>Reading through all the responses to gain a broad understanding of the contents of data collected.</td>
</tr>
<tr>
<td>(iii)</td>
<td>Search interviews or notes for key words or phrases.</td>
</tr>
<tr>
<td>(iv)</td>
<td>Create coding categories and themes (by using the interview questions as a guide), as well as flexibility edit or rearrange categories as the analysis proceeds.</td>
</tr>
<tr>
<td>(v)</td>
<td>Identify the frequency of categories or themes.</td>
</tr>
<tr>
<td>(vi)</td>
<td>Information and recordings received through the interview will then be converted into text format and presented as the findings of the research.</td>
</tr>
</tbody>
</table>

*Source: Remler and Ryzin (2011:79)*

The data analysis steps for the interviews proposed by Remler and Ryzin (2011:79) above is similarly supported by Hoyos and Barnes (2012:5) which involves data collection and management; organising and preparing data; coding and describing data; conceptualising, classifying, categorising and identifying themes; coding and interrelating data; and finally, interpreting and providing meaning.
3.8.4 Thematic Analysis

According to Aronson (1995), thematic analysis is used to categorise themes and patterns of people’s activities and occurrences. Taylor and Bogdan (1984:131) define themes as units derived from patterns such as "conversation topics, vocabulary, recurring activities, meanings, feelings, or folk sayings and proverbs". As explained by Braun and Clarke (2006:57), thematic analysis is “a method for systematically identifying, organizing, and offering insight into patterns of meaning (themes) across a data set - through focusing on meaning across a data set, thematic analysis allows the researcher to see and make sense of collective or shared meanings and experiences”. Marks and Yardley, (2004:57) similarly argued that, a theme refers to a specific pattern found in a data in which one is interested”. Aronso (1995) explains that, thematic analysis involves the recording of the inputs of research participants and then transcribing the data in order to derive common themes and patterns – either through direct quotes or by providing a summary of what was said. This method of data analysis is demonstrated below;

According to Fereday and Muir-Cochrane (2006) thematic analysis is used in qualitative research in identifying vital and common themes in addressing an occurrence. It refers to an observation by the researcher, as well as the views and perception shared by research participants (Marks & Yardley, 2004: 58). The main advantage of using thematic analysis is due to the fact that it allows a researcher to thoroughly analyse
qualitative data and to be able to relate the data to a wider theoretical literature and concepts (Braun & Clarke, 2006).

3.9 LIMITATION OF THE STUDY

The outcome of this research was based on the views and perception of the sampled population only in Marabastad, Lilian Ngoyi Street (formally known as Van der Walt) and Bloed Street areas in Tshwane CBD, which was influenced by the duration of the data collection. Therefore the conclusion drawn from this research may differ from a different sampled population in the Tshwane region and other areas in South Africa, for that reason, the results cannot be generalised to the entire informal street trading sector.

3.10 ETHICAL CONSIDERATION

The integrity and privacy of participants were protected. Before the interviews commenced, participants were informed of the purpose of the research and what it aimed to achieve (Appendix A of interview guide). Each participant was informed that partaking in the research was by choice and that they were not obliged to respond to questions that they did not wish to answer. The confidentiality clause was explained to participants, which stated that personal information provided by participants remained undisclosed and confidential and was not recorded or documented throughout the interview process. The ethics guideline for the University of Johannesburg was used (Appendix B of the University of Johannesburg Code of Academic and Research Ethics). All personal information provided by participants remained undisclosed and unknown and was not recorded or documented throughout the interview process.

3.11 CONCLUSION

Chapter 3 has explained the research methodology and the reasons why specific research methodologies were used. Two areas in the Tshwane city centre were selected for the study, namely, Lilian Ngoyi Street (formally known as Van der Walt) and Bloed
Street surroundings and Marabastad. Interviews, observation and the documentary method were used in collecting data. The research took a qualitative and exploratory approach as this was considered as the most appropriate method to use in collecting data. The researcher believed that this approach produced better results in exploring and describing qualitative data for this specific research. The findings from the data collected were analysed and presented in Chapter 4.
CHAPTER 4: FINDINGS AND ANALYSIS

4.1 INTRODUCTION

This chapter presents the findings derived from the various data collection sources, namely, documentary method, semi-structured interviews and direct observation. The chapter firstly presents the findings from the documentary analysis - through the use of the City of Tshwane Informal Trade Policy/By-Laws and Implementation Plans of 2011 and 2013, the City of Tshwane Metropolitan Municipality by-laws relating to public amenities and the registration of Business Licence Application process. These documents assisted the researcher in identifying the objectives of the policy and the concerns raised by the municipality, relevant stakeholders and informal street traders. The chapter also presents the findings from direct observation and the interviews with the street traders.

4.2 DOCUMENTARY ANALYSIS

The City of Tshwane (2015) regarded informal trade as a helpful expansion in the micro business sector because it helped in creating employment opportunities and had the potential to positively contribute to the economic growth in the municipality. The findings of the documentary analysis from various sources are as follows:

4.2.1 City of Tshwane’s Policy Framework for Street Trade

This document discussed the prohibition of street trading in certain areas, the general conduct of street traders, cleanliness, site allocation, and the prohibition of underage street trading and the issuing of fines.

Firstly, the City of Tshwane Metropolitan Municipality Street Trading By-laws (refer to Appendix G) prohibited one from trading in private and public spaces (public parks, state or private owned buildings, public road and pedestrian passages) as well as street
trading in unallocated areas. The policy framework urged street traders who operate in allocated areas to ensure that their goods were placed in a manner that did not inconvenience pedestrians in anyway. The policy also stressed the importance of street traders to keep their trading spaces and the CBD as a whole clean at all times.

The City of Tshwane Metropolitan Municipality Street Trading By-laws (refer to Appendix G) further indicated that, the application for trading sites had to be made through the LED, who would then advise applicants on whether or not the application was successful. Once the application had been approved, a site would be allocated together with a trading token which street traders were to present to municipal officials during inspection.

As per the City of Tshwane Metropolitan Municipality Street Trading By-laws, persons younger than 16 years old were prohibited from engaging in street trading activities. Anyone who employed persons who were younger than 16 years old would be fined or imprisoned for a maximum of three (3) months (City of Tshwane Informal Trading Policy and Implementation Plan, 2013).

4.2.2 The Informal Trade Policy / By-laws and Implementation Plan

This document discussed the importance of public participation in policy making and the challenges that hindered the effective implementation of the informal trading policy. The City of Tshwane Informal Trade Policy and Implementation Plan (2011 & 2013) recognised the importance of street trading in the upliftment of the municipality and also in fighting crime; however, they raised some concerns regarding the continued growth of informal traders, which in 2011 stood at 4000. The plans also questioned the unlawful operation of street traders in the city, which if not properly managed, could negatively affect the image of the Tshwane municipality. As clearly stated in the City of Tshwane Policy and Implementation Plan (2011:361), "uncontrolled and unplanned growth of the informal trading sector already has negative impact on the city". A clash normally occurs
among municipal workers and street traders, and also among traditional traders and new traders due to uncertainty of each other’s trading territory.

The above statement indicated that there appeared to be an unhealthy relationship among the street traders themselves and also between the traders and the Tshwane Metropolitan Municipality and its officials. It also stressed the unfavourable impact of informal trading on the city.

The City of Tshwane Implementation Plan (2011:364) identified the challenges facing the Tshwane Municipality as follows:

(i) Problem in the allocation of the trading sites and regulation of storage facility;
(ii) Poor or inadequate spaces to meet the demand of informal traders;
(iii) Inadequate level of legal support to protect informal traders against any abuse by the so called trader organisation; and
(iv) Lack of governance regulatory framework to prevent illegal trading activities within the municipality streets and pavements.”

The Policy Implementation Plan (2013:3) further stated that, there was a public participation process that was put in place on 16 February 2012, at the Centurion Council Chamber to create a forum which consulted with the public on Informal Trade Policy. At this forum, the main issues raised by street traders, ward councillors and the business communities were the City of Tshwane Informal Trading Policy and Implementation Plan (2013:3).

(i) “The requirements for law enforcement needed to be clear
(ii) Conductive regulatory environment in the informal sector is needed
(iii) Establish a single organisation to represent traders
(iv) Empower the informal sector through various interventions
(v) The informal trading policy aims to promote public participation.”
The aim of including the public in the policy making process was to improve communication, to listen to the traders and stakeholders in order to meet their needs, to make the policy more acceptable to the public, to allow the public to share useful ideas with the municipality and also to improve the decision making process in the municipality by creating a sense of ownership and democracy for the general public and all relevant stakeholders. With that said, the proposed Implementation Plan (2011: 364) stated that, the Tshwane Municipality faced various challenges in terms of the stakeholder engagement process, the commitments from stakeholders and the shortage of trading space as stated below (City of Tshwane Informal Trading Policy and Implementation Plan (2011:364).

(i) “Problem 1: Problem in the allocation of the trading sites and regulation of storage facility.

(ii) Problem 2: Lack or poor space allocation located within the Spatial Framework of the City to meet the demand of informal traders.

(iii) Problem 3: Inadequate level of legal support to protect informal traders against any abuse by the so called trader organisation.

(iv) Problem 4: Lack of governance regulatory framework to prevent illegal trading activities within the municipality streets pavements.”

4.2.3 By-laws relating to public amenities

The City of Tshwane Metropolitan Municipality Public Amenities regulation stated that, public amenity included any public road, road reserve, street, lake, dam, river, stream which is owned, rented or managed by the Municipality and which citizens were allowed to use in their personal capacity (City of Tshwane, 2015). This by-law prevents any persons from selling any products at all without being given the permission by the municipality to do so. Any person who deliberately contravened this law will be fined not
more than R10 000, or such persons can be imprisoned for a maximum period of one (1) year.

This indicated that street traders who operate unlawfully in unallocated public spaces could be fined by the municipality or would have to face a jail term. As stated in the Tshwane Informal Street Trade Policy and Implementation Plan (2013), the municipality had a challenge in having enough trading space available to accommodate the number of street traders operating in the Tshwane areas. This could be considered to be problematic for the growing number of informal street traders who wanted to register their businesses and the municipality as a whole.

4.2.4 Business registration requirements and processes

The City of Tshwane (2015) states that all street traders were required to register with the municipality and the Tshwane Business Licence Application regulation serves as a compliance method used to ensure that street traders operating in the Tshwane Municipality had the necessary permits and licenses which allowed them to operate their businesses lawfully. However, street traders needed to have all the required documents in order for their businesses to be registered (City of Tshwane, 2015).

4.2.5 Public participation in policy making

The City of Tshwane Policy and Implementation Plan (2013:2), stressed the importance of public participation in informal street trading and ensured that through public participation, the informal sector would be commercially viable in contributing to economic growth and improving the standard of living for the Tshwane residents through the formation of appropriate and workable legislation.

The Policy Implementation Plan (2011:361) further acknowledged the promotion of stakeholder participation and the rights of informal street traders. As highlighted in the policy implementation plan, “The City of Tshwane in its endeavour to improve the
current informal traders businesses and ensure that traders are best served and their rights are not construed. The adoption of the policy will, however, reinforce compliance and propagate a culture of mutual understanding and support”.

As part of the public participation process there was also a need to encourage traders to register their businesses in order to assist in data management. Some of the main objectives of the policy was to ensure that every street trader acquired a trading licence; and for traders to regularly pay rent for allocated trading spaces; to provide basic services and support to street traders; and finally the municipally aimed to improve the current business registration processes so as to encourage more people to register their businesses.

4.2.6 Challenges that hinder effective implementation of the informal trading policy

The Tshwane Policy and Implementation Plans questioned the unlawful operation of street traders in the city, which if not properly managed, could negatively affect the image of the Tshwane municipality. As stated in the Policy and Implementation Plan (2011:361), "uncontrolled and unplanned growth of the informal trading sector already has negative impact on the city”.

Although the Tshwane Municipality was implementing processes to efficiently manage and control the informal sector, the Tshwane Policy and Implementation Plan (2013:3) indicated that the following challenges could hinder effective implementation of the Informal Trading Policy as summarised below;

<table>
<thead>
<tr>
<th>Table 4.1: Challenges that hinder the effective implementation of informal street trading policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) The informal sector is highly fragmented and uncoordinated;</td>
</tr>
<tr>
<td>(ii) Problem with the allocation and availability of trading sites and regulation of storage facility;</td>
</tr>
</tbody>
</table>
(iii) Inadequate level of legal support to protect informal traders against any abuse by the so called trader organisation; and

(iv) Lack of governance regulatory framework to prevent illegal trading activities within the municipality streets pavements;

(v) The business registration process is perceived to be lengthy and costly, and this discourages the street traders from registering their businesses;

(vi) Hostile relationship between informal and formal business people and their associations exists;

(vii) Strained relationship exists between the City officials and informal traders organisations due to improper implementation and enforcement of policy, which has lead to frustration by both parties.

Source: City of Tshwane Informal Trading Policy and Implementation Plan (2013:3)

The challenge above indicated that there appeared to be an unhealthy relationship among the street traders themselves and also between the traders and the Tshwane Metropolitan Municipality and its officials. It also stressed the negative impact of informal trading on the city.

4.3 DIRECT OBSERVATION

The use of direct observation for the research was done by taking into consideration the time of operation of street traders; the working environments of the street traders; the verbal and non-verbal behaviours of the informal traders and how they interact with their customers. The findings were narrated as follows:

4.3.1 The time of operation of street traders

In terms of the nature of street trading in the Tshwane CBD, the researcher observed that most of the street traders daily arrived at their trading sites around 7a.m and left between 7p.m to 8p.m in the evenings. Many arrived with their stock packed on the back
of a bakkie, while others carried their stock in boxes to their trading sites. It was observed that, street traders who sold fruits and vegetables and those selling non-food items on a small scale started packing up their products around 6:30p.m while many of those who sold cooked meals (pap, rice, braai) left later. The stalls that sold cooked food tended to get busier with customers during lunch time and after 6p.m, perhaps due to the residents or commuters in the CBD around that time of the day. The average number of working hours per street trader was approximately 13 hours per day.

4.3.2 Working environment

The following issues pertinent to the street traders’ working environment were considered; presence of law enforcement agents, trading space, goods and services sold or rendered facilities or structures used by street traders and the conditions of the trading areas (environment, congestion and pollution).

4.3.2.1 Presence of law enforcing agents

In terms of the presence of law enforcing agents, the researcher observed a high level of the presence of Tshwane Metro police in the Tshwane CBD. Clearly marked metro vehicles were parked at street corners while other metro cops occasionally drove around. There were instances were metro police were interacting with street traders who operate on pavements to place their goods in a manner that minimised pedestrian traffic. In addition, some of the Tshwane metro police were seen interacting and even purchasing items from the street traders. The presence of law enforcing officials created a sense of safety and calm in the highly congested CBD area.

4.3.2.2 Poor conditions of trading spaces

The researcher observed that among the challenges faced by street traders were the conditions of some of the trading sites. The nature of trading spaces observed by the researcher differed. Although some of the street traders were seen trading in small
shops, others were seen trading in stalls. The similarity between these two types of trading spaces was that these traders were sheltered from the harsh sun or rain. On the other hand, there were street traders who did not have a specific trading site, but rather walked around the CBD with their good hoping to attract customers in order to generate some income. In addition to this, the researcher observed that many street traders used gazebos/umbrellas to create a trading space and shelter for themselves in pedestrian passages while others operated in the sun/open space with no shelter as seen in the figure below.

Figure 4.1: A picture taken by the researcher showing traders trading in the Tshwane CBD/pedestrian pavements.

4.3.2.3 Characteristics of goods and services sold or rendered

There were a variety of products sold at the Tshwane CBD. Food items such as fruits and vegetables; and cooked meals such as pap, braai, kebab, rice were sold. Snacks such as gum, sweets, chips and biscuits were displayed in small shops and on tables on
pavements. The non-food items that were being sold ranged from clothes and shoes, clothing accessories, cell phones and chargers, sunglasses and cigarettes. There were many salons operating at busy areas with hairdressers and barbers roaming the street to hand out flyers to potential customers – as a marketing technique. Hair products such as hair relaxer, hair extensions, hair spray and hair food were sold very close to salons and even inside some salons. Females and males were seen braiding and cutting hair not only inside the salons but at street corners as well.

![Figure 4.2: A display of food and non-food items displayed for sale on the streets (A) and inside the pavements of Bloed Mall (B).](image)

4.3.2.4 Facilities and structures used by street traders

It was also observed that although some of the street traders operated in sheltered stalls, many operated in unsheltered areas, or used gazebos or umbrellas to provide shelter. Others on the other hand moved around with their products in order to attract customers. The researcher also noticed that the sanitation (public toilets) facilities were
not close to the traders. However, the researcher observed that some shops had private toilets which were only made available to customers. Although there were public toilets inside the Bloed Mall for example, these toilets were situated in the basement of the Mall, close to the taxi rank and one had to pay a fee in order to be allowed to use it.

The picture below was taken on Lilian Ngoyi Street, and it shows street traders selling on pavements using gazebos or umbrella for shelter.

![Figure 4.3: A picture taken by the researcher of street traders selling cooked meal in a mobile site as well as in tents in the Tshwane CBD](image)

### 4.3.2.5 Conditions of the trading areas

The conditions of the trading areas for the street traders varied. The researcher observed a high level of congestion and pollution in busy areas such as taxi ranks. A street trader who operated in small shops or on the pavements inside the malls/shopping centres had a better trading condition than those operating in open
spaces without proper shelter. This is because, those operating in malls/shopping centres were protected from harsh climates (rain, sun, wind) while those operating on pavements without proper shelter were seen packing their goods in an instant when it was raining to prevent damage to their products.

Most pavements in the Tshwane CBD were congested due to the number of street traders selling in these areas that were meant for pedestrian usage. Street traders who sold cooked food were seen throwing away unwanted dirty water and liquids on the street which caused pollution and bad odour.

**4.3.2.6 The verbal and non-verbal behaviour of the informal traders and how they interact with their customers**

In terms of the verbal and non-verbal behaviour of the informal traders and how they interacted with their customers, many street traders attracted customers through interactions with existing and possible customers. The street traders often attracted customers by calling potential customers to their stalls/trading space in order to draw the customer’s attention to the products being sold. Many addressed potential customers as “my brother”, “my sister”, and “my dear”, while others tried to attract new customers by marketing their products as being cheaper than that of their competitors. Others marketed their products by visibly displaying the process of their goods.

It was also observed that many of the street traders seemed hardworking and friendly when interacting with their customers. Many sat in the open sun but seemed very passionate about their work. An example is seen below of a male trader selling fruits and vegetables who attracted customers by loudly calling potential customers and promising to offer customers a “good” price.
4.4 INTERVIEW FINDINGS

This section presents the findings and analysis of the feedback received from the participants during the interviews. The findings from the interviews were based on the interview questions asked and also from the perceptions and experiences of the respondents. The various themes derived are discussed below.

4.4.1 Drivers influencing street trading activities in the Tshwane CBD

There were various themes derived from the reasons why more people were becoming involved in street trading activities. Among the themes identified were, to earn an income, to find jobs, for survival purposes, unemployment, poverty, lack of skills, migration and urbanisation and due to entrepreneurial reasons.

In terms of unemployment, the perception was that, it was not easy to find jobs in the formal sector. The inability to find jobs in the formal sector was believed to be caused by the lack of skills. The lack of employment opportunities lead to poverty which then forced many to engage in street trading activities as a means to survive and support their families.
I am from Limpopo. After matric I was unemployed so I became a security guard for a while. But the money was very small. 2 years ago I moved to Gauteng to improve my life – Respondent 11

With regards to migration and urbanisation, the perception was that this influenced street trading as people moved to urban areas in search of a better life and better jobs. The relocation of immigrants to the inner city had also contributed to the factors influencing street trading activities due to the difficulty of finding jobs in the formal sector due to lack of legal documents by non-South Africans, hence, influencing people to engage in entrepreneurial activities as a way to improve their way of life and also to grow their businesses.

Among some of the views shared by the street traders were:

When I first arrived in South Africa from Pakistan, I did not have a job and I do not speak very good English so it was difficult so I started this business. It is better for me to have my own business – Respondent 10

4.4.2 Demographics of informal street traders in the Tshwane CBD

The demographic characteristics for the research were made up of age, gender of the street traders; nationality; race; and educational level of the street traders. The summary of the findings are tabulated below.

Table 4.2: Demographic characteristics of street traders

<table>
<thead>
<tr>
<th>A1</th>
<th>Gender</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>37%</td>
<td>63%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A2</th>
<th>Age</th>
<th>Younger than 18</th>
<th>18 – 30</th>
<th>31 – 40</th>
<th>41 – 50</th>
<th>51&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>7%</td>
<td>43%</td>
<td>33%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

| A3 | Nationality | South African | Non-South African | If non–South African, please specify nationality |
|----|-------------|---------------|-------------------|-------------------------------------------------
|    |             | 63%           | 37%               |                                                 |

Cameroon – 3%
4.4.2.1 Age and gender of street traders

The findings in Table 4.1 indicated that most of the participants were aged between 18 and 40 years old, with the minority above 50 years old. In addition to this, the majority of street traders in the Tshwane CBD were female traders.

4.4.2.2 Nationality and race of street traders

As per Table 4.1, the majority of street traders were South Africans; with others stating that they were from Nigeria, Cameroon, Ghana, Pakistan and Zimbabwe. Africans were the majority of the street traders, followed by Asians (Indians and Pakistani), with a White minority. This indicated that South African and African immigrants were competing in this sector to make a living.

4.4.2.3 Educational Levels of street traders

Many of the street traders as indicated in Figure 8 had a low educational level; the majority indicated that they only had a matric qualification, with the minority stating that they had a post-matric qualification. However, there was a very small minority indicating
that they did not complete their high school education. The need for skills development and training of South Africans street traders was however stressed.

4.4.2.4 Age of the street trading businesses

Most of the respondents indicated that, they had been in the street trading business since the early 2000s; with the minority stating that although they had only been operating in the CBD for about two (2) to nine (9) years, they were initially trading in the outskirts of Tshwane and moved to the CBD due to better business opportunities in the inner city (refer to Figure below).

Table 4.3: Number of years in the street trading sector

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Source: Authors calculation from research findings

It emerged that, others started street trading activities from their home countries and carried on with the trade upon arrival in South Africa. A male Nigerian national, aged between 31 to 40 years old who made and repaired shoes in the Tshwane CBD stated the following:

*I was introduced into this business 13 years ago in Nigeria by my father. My father was in the business for many years and he would ask me to help and learn after school. When I arrived in South Africa 3 years ago, it was difficult for me to find a way to earn income so I decided to trade. I’ve only been trading in the Pretoria CBD for just over a year – Respondent 2*
A South Africa woman who was in the salon business indicated that she had been in the street trading sector for about 5 years and presently for 3 years in the Tshwane area.

I have been doing this for 5 years. After matric I did not go back to school so I started helping family and friends with their hair at a small fee. But that was in Soshanguve. Now I’m in town (referring to Tshwane CBD) working here in the salon because there is “business” this side. I have been here for 3 years – Respondent 20

An African female trader, aged between 18 – 30 years who sold fruits and vegetables indicated that she had been selling her products for 4 years;

I have been selling vegetables and fruits here (referring to Lilian Ngoyi street) since 2011. I’m very familiar with this place and I chose this “spot” because there are a lot of people this side – Respondent 4

4.4.3 The level of skills and experience acquired by the street traders prior to starting their street trading business

In terms of the skills and experience acquired by the street traders prior to starting their businesses, the interview participants indicated that they did not have prior training. Although some of the traders were aware of the training programmes offered by the Tshwane Municipalities, they had not attended any as they did not have the time to do so; others on the other hand had no knowledge of the existence of the training programmes offered by the Tshwane Municipality as indicated below;

✓ No I did not have prior training and have not attended any training programmes. I am selling so how will I go (attend that training workshops)? I don’t even know where the training happens – Respondent 6
I had very little skills. I gained through observing other traders. I’m not aware of the municipal training programmes – Respondent 21

Others indicated that their knowledge in business stemmed from their post-matric educational background and knowledge; while some received training from their families/previous employers who operated the same kind of business in the past.

Among the remarks made by the informal traders were the following;

I used to work for another person so I learnt from him but I have not attended any training. I’m not aware of the training by the municipality – Respondent 20

I was trained by my father every day after school. I went to school but because of my father’s shoe workshop, I ended up following his footsteps. I am aware of the municipal training but I have not attended. I don’t have a reason why I have not attended – Respondent 2

4.4.4 Survival challenges faced by street traders

There were various survival challenges faced by the street traders based on the views shared by the participants. Some of the themes identified were: difficult and poor working conditions, low income, the need for price reduction, high starting cost and sustainability, and high cost of goods from suppliers, and the lack of financial start-up assistance.

In terms of poor working conditions, there seemed to be a need for the municipality to provide trading space that provided proper shelter for the traders. Street traders who operated without proper shelter to protect them and their goods from wind, sun and rain ended up being vulnerable to environmental toxicants which in the long run could affect their health and also damage their goods. This remained a challenge for street traders.
Statements made by the street traders with regards to survival strategies are as follows:

✓ **The working condition is not nice. We sit in the sun the whole day – Respondent 9**

Due to the high level of competition among traders, there was a need to reduce costs as a means to attract customers. This was influenced by the fact that, there was no regulation that controlled the kind of products that one can sell. Therefore, this put street traders in a position where they had to compete with each other to attract customers.

✓ **I always reduce my prices because there is Shoprite around so if I sell at high price people won’t buy from me. We try to sell at cheaper prices so we end up not making a lot of profit – Respondent 17**

✓ **The working environment is difficult. As you can see the space is very small and we are sitting close to each other selling the same things – Respondent 8**

Street traders mentioned that the cost of starting their business is high. The themes derived were that informal businesses were funded through donations from churches, loans from the informal sector, personal savings, and donations from family and friends.
Street trader started their trading businesses through borrowing money from family, friends and through personal savings – suggesting that there was still a need for the formal financial institutions to support and provide funding for such small businesses. Among the views shared by the participants were the following:

- I sell second hand Christian books. I started the business through donations from church, friends and family – Respondent 1
- When I first came to South Africa from Zimbabwe, I did waitressing for a while. I saved up some money and used that as the starting fund – Respondent 17
- My brothers have a shop so they helped me to start my business – Respondent 10
- I went to the bank and they said I do not qualify for a loan. I borrowed from someone and paid back with interest – Respondent 24

### 4.4.5 Types of products sold (food items or non-food items)

According to the data collected from the respondents there were a variety of products sold at the Tshwane CBD ranging between food (fruit, vegetables, cooked meals, snacks and sweets) and non-food items (clothing, cosmetics, cigarettes, traditional medicine and airtime) as indicated in Table 5 below.

**Table 4.4: Types of products sold**

<table>
<thead>
<tr>
<th>Types of products sold by street traders</th>
<th>Food items</th>
<th>Non-food items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Respondents who sold food items focused more on selling fruits (apple, banana, grapes, peach, strawberry, water melon, and mango) and vegetables (tomatoes, onions, potatoes, cabbage, lettuce, carrots, cauliflower, spring onions, spinach). Others on the
other hand focused on selling cooked meals such as pap and meat/kebab, pies, scones and rice and snacks such as chips, chewing gum and sweets.

There were a variety of non-food items as well, namely, clothing items, jewellery, air time, lap top and cell phone cases, hand-made crafts, cosmetics, cigarettes, traditional medicine and airtime. Hairdressers roamed around the streets with flyers marketing their products and also to attract customers. The hairdressers offered the following services: haircuts, relaxing, braiding and styling while others sold hair products and hair extensions as well.

During the interviewing period, street traders indicated that they purchase their products from formal businesses while others indicated that they purchased from other informal businesses. Some stated that the quantity of goods they purchase from suppliers was based on how much money they had and how much stock their businesses required.

The main suppliers for fruit and vegetables traders were the Tshwane market and Evergreen (vegetables supplier in Tshwane) and suppliers of the non-food items were mostly China Malls and also fellow street traders who operate in the CBD.

Below are some of the views shared by the street traders:

- **I buy my fruits and vegetables from the Tshwane market. That’s where we all buy our stuff from. I buy enough to last a week. Vegetables won’t sell if it’s not fresh** – Respondent 8
- **I sell sunglasses and I buy it from China Mall. It is cheaper to buy in bulk there** – Respondent 3
- **I buy from Evergreen (vegetables supplier in Tshwane). I buy based on how much products I need. If I’m short of tomatoes that’s what I buy** – Respondent 20
- **I repair shoes and I buy the materials from the informal shops in Marabastad** – Respondent 22
4.4.6 Future plans for the informal businesses

In terms of the future plans for the informal businesses, there were a variety of themes derived from the input provided by the street traders who contributed to this study. The themes derived were: there were no long term plans for the businesses; and that the street trading business was temporarily for survival purposes.

There was an indication that street trading was used as a means to accumulate money to further one’s education with the hope of finding better employment in the formal sector. Also, the inability to find employment influenced one’s decision to engage in such activities as a means to earn income. Street traders who had entrepreneurial ambitions hoped to grow and expand their businesses so that the business could be handed over to their children one day.

The comment below was made by a male trader, aged between 18 to 30 years who had been trading for the past 3 years

*I’m not sure right now because I want to get my diploma so I will go back to school – Respondent 7*

Another street trader made a similar statement by stating that her job was just temporary and for survival purposes

*I would like to have a better job. This one is not easy. The money is small but I have to survive – Respondent 12*

A trader aged between 31 to 40 years old who at the time of the interview sold corn pointed out to that she would like to diversify and sell different products, but the issue faced was that selling more products required a bigger trading space which she did not have. The following statement was made by the female trade;
I would like to get a shop and sell more stuff and different products. At the moment I’m selling corn and would like to sell other things like vegetables and fruits but I will need a bigger space – Respondent 20

A male trader who made and repaired shoes indicated that he had 13 years of experience in his field of work and although he works in an allocated stall, he would like to get a shop one day so that he would be able to employ people and grow his business.

I want to invest. I want to get more merchandise and grow the business. I would like to get a shop because right now I work in this stall (referring to an allocated space) and it’s difficult to grow my business here – Respondent – Respondent 23

A Pakistani national indicated that he also would like to expand his clothing business as his wife and children were already assisting him in running his small shop.

I want to have a bigger shop because right now my wife and children are helping me so I want to grow my business. When I get new stock, it does not always fit and I have to find a place to store the clothes – Respondent 28

A street trader who was interviewed pointed out that he wanted to expand his business while another indicated that she hoped to own her own salon one day as stated below;

- I want to leave something behind for my kids. I run this shop with my brother and I want to grow this business –Respondent 6
- I have always been good with hair even when I was in school. I used to help my friends with their hair so it is something that I like to do. The money helps me pay my bills and I like to work for myself. I would like to own a salon one day – Respondent 30
4.4.7 Awareness of the consequences of contravening the municipal by–laws, or any other legislation

Based on the responses received from the street traders, it seemed that many of the individuals operating in unallocated areas were aware of the consequences they could face for contravening the municipal by–laws although it seemed that the by-laws are not fully understood by street traders.

Some of the street traders indicated that they were aware that operating in unallocated areas could lead to confiscation of goods by the municipal officials; there was also an awareness that fines would have to be paid for operating unlawfully, and also the fact that it made them vulnerable to police harassment.

Among the views shared by the street traders were the following:

- *I know the metro cops can take away my goods* – Respondent 9
- *Sometimes they (municipal officials) tell us to pack and leave and if you are not lucky they take your stock* – Respondent 15
- *I operate anywhere I think I can get customers ....the police fight with us and take our goods for selling here but I have to work* – Respondent 11

4.4.8 Business registration and licensing

The participants of this research had various reasons for either registering their businesses or not registering their businesses. Among the themes identified was the fact that it is the right thing to do as this eliminates the fear of getting into trouble with the law. Also, street traders perceive the business registration process as lengthy which leads to many of the street traders operating without license.

Those who had registered their businesses shared the following sentiments:
✓ It’s the right thing to do. Registering the business provides better opportunities. It helps in getting contract. If you don’t have business registration details you won’t get contract – Respondent 21
✓ I’m renting this shop from the owner. The business is registered with SARS because I don’t want to get into trouble with the law – Respondent 5
✓ I registered with the Municipality because I want to operate without fear of getting my goods confiscated for operating illegally without license – Respondent 29

Another theme that was identified is based on the fact that some of the street traders did not register their businesses due to perceived high tax rate and expensive business registration costs. This was due to the fact that, business registration for Tshwane street traders only took place at the Local Economic Development department and one had to be in a queue for a long time in order to get an operating permit.

✓ I don’t want to pay tax because I already make small profit. I created this space myself. I saw the space and asked the other traders if I can put my table here and they were okay with it – Respondent 10

Street traders complained about the financial cost of registration as well, which drove them to operate without a license. Street traders and the perceptions that, providing the municipality with their personal details in order to register their businesses obliged them to pay taxes which many hoped to avoid.

Those that had not registered their businesses gave these reasons for their decision for operating without a license and operating in unallocated areas:

✓ This area is not allocated. I spot the location and knew it will be good for business...but we don’t have shade – Respondent 13
4.4.9 Services offered to street traders by private and public institutions

There were various services mentioned by the participants of the research, ranging from sanitation facilities, police services, stalls and storage. In terms of sanitation facilities, although such facilities were available in the CBD, street traders who operated in stalls and unallocated areas complained that these facilities were far from trading sites, and in addition, users were required to pay R2 before being allowed to use it. Street traders who operated in small shops had a built in washroom and did not have any issues with sanitation facilities provided by the municipality. As stated by a respondent below:

✓ There are toilets on the other side of the road. But you have to pay R2 to use it – Respondent 9

Street traders were aware of police presence in the CBD and this made them feel safe. The Tshwane Municipality also provided stalls and storage facilities to licensed traders. However, some of the street traders did not seem sure of the types of services offered by private and public institutions as stated below:

✓ Not much. But the police are here to watch the criminals – Respondent 18
✓ I think lot of services are provided. But because I don’t have trading license, I do not benefit. Some people have trading space and storage which helps them – Respondent 18

✓ My friend has been trading here. She moved her table to accommodate me...I’m aware of the consequences for trading here. We need shelter because we are selling here in the pavement – Respondent 26
4.4.10 Awareness of street trading policies and municipal by-laws

The responses derived from this question varied. Some of the themes identified were that, the street traders were aware of the existence of the trading policy and municipal by–laws. In some instances, fellow street traders would inform their counterparts of what the by-laws entailed and the consequences of not abiding the law.

Also, municipal officials seemed to play a role in terms of educating street traders about by-laws. The street traders indicated that, they were usually informed of the by-laws by municipal officials before their goods were confiscated and there were instances when they were warned by municipal officials who patrolled the CBD to ensure that street traders complied with the legislation. However, there seemed to be a misunderstanding about the contents of the by-laws, probably due to the fact that the policy is in English which some indicated they found difficult to understand.

Some of the sentiments shared are as follows:

- **I’ve heard from other traders and also from officials. When they are moving us from the pavements they tell us about it… I don’t know what my perceptions are of the policy and by–laws because I don’t have the details** – Respondent 2
- **Yes, I’m aware of the policy. Before I started selling books I asked around and they (other street traders) told me to go to the municipal offices for details** – Respondent 27

Street traders associations also play a role in educating their members about the by-laws and also encourage members to register their businesses and to operate lawfully. The internet is used as a tool to have access to such policies as it was derived that there were those who educated themselves about the policies by using their phones and internet cafes to access the internet. The conclusion drawn was that the street traders had a positive attitude towards it.
Some of the views shared in this regard are as follow;;

✔ Yes, I’m aware of it. I am part of the Small Business association. The association tells us about it. My perception is that it is ok. I don’t understand everything but it seems ok – Respondent 11

✔ Yes, I read on the internet on my phone but I don’t understand every part of it...my perception is that it is meant to help us but if you are a foreigner you don’t always benefit – Respondent 19

4.4.11 Awareness of the rights of street traders

Although some of the street traders had some knowledge of their rights to trade freely and legally without harm or harassment from municipal officials, others were aware that operating without a license made them vulnerable to harassment and the possibility of having their goods confiscated by municipal officials, others on the other hand did not know their rights.

Responses derived from the interviews are as stated below:

✔ Yes. I know that if I have trading license the police cannot harass or harm me – Respondent 23

✔ Not really. I don’t really know my rights – Respondent 30

The need to inform street traders of their rights is important as this is among the objectives of the Tshwane Informal Policy Implementation Plan (2011:361). As highlighted in the policy, “The City of Tshwane in its endeavour to improve the current informal traders businesses and ensure traders are best served and their rights are not construed”.

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4.4.12 Street traders perceptions on their relationship with the Tshwane municipality

The perceived relationship with the municipality varied for the street traders. Although some stated that they have a good relationship, others seemed unhappy with the current services offered to them. Some of the positive perceptions were that, although the municipality was aware that some of the traders were operating without a license, the street traders were happy that the municipality still allowed them to trade as this helped them in earning income to support their families.

There also seemed to be a pleasant relationship between some of the traders and municipal officials as it was derived that officials at times gave traders who operated in unallocated areas a warning instead of confiscating their goods. The presence of metro police made traders feel safe although they sometimes feared being harassed for operating in unallocated areas and without a trading license.

On the other hand, some of the negative perceptions of the street traders’ relationship with the municipality were based on the fact that, street traders had to protest in order to be heard. The need for an effective public participation in decision making was highly important in this regard. It was also derived that the street traders felt that municipal officials were sometimes rude to them, especially when confiscating goods. There seemed to be a need for sanitation facilities to be built closer to trading sites as the general consensus from the traders was that, sanitation facilities were far from trading sites and one had to leave one’s products unattended if one had to use such facilities.

It was regarded as important for the municipality to work closely with the street traders and street traders associations in order to create a favourable and pleasant working environment.

Among the views that were shared were as follows:
My relationship with the municipality is ok. But we always have to protest to get attention – Respondent 6

The police harass us every day. We are only trying to survive. When they take (confiscate) your vegetables, they want you to pay before you get it back – Respondent 26

My relationship is ok. I like it when the police vans are here. It makes me feel safe because there are criminals around in town. My only problem is that the municipality must make it easy for us to get trading license – Respondent 8

4.4.13 Recommendations suggested by the street traders to the Municipality to implement as support for their businesses

There were various themes that emerged from the interviews in terms of suggestions on what the Tshwane municipality could implement to support street trading businesses.

Among the themes that were identified were the following:

(i) The need for the municipality to provide a safer working condition: In terms of working conditions, it was important for the Tshwane municipality to provide safer working conditions as street traders did not always feel safe in the CBD area. Criminal activities in the CBD seemed to be the reasons why the CBD was perceived to be unsafe.

A male small shop owner who sold clothes made the following comment:

As a foreigner, I don’t always feel safe. The officials must be friendly and helpful. Sometimes you stay here in fear of being attacked by criminals. There are many criminals here and sometimes they attack foreign owned shops for no reason – Respondent 10

Another street trader made a similar comment:
We need them (municipal officials) to support us. Police like to harass us. No one is listening to us – Respondent 15

An older woman who sold second hand Christian books indicated that the condition of the stalls needed to be improved to protect her goods during rainy days, and also for sanitation facilities to be built closer to the traders.

They (municipality) can provide us with better stalls that can protect my books in rainy days. When it rains I have to pack up to protect my goods. We also need toilets to be close because it is not safe for me to leave my goods unattended as I walk far to use the public toilets – Respondent 1

(ii) The need for training and education opportunities: Although the municipality offered training programmes to street traders, some of the participants of this research did not seem to know much about it. There seemed to be a need by the traders to get training and educational opportunities from the municipality, and training information needed to be made easily accessible to the street traders.

Some of the street traders made the following comments regarding the need for training:

✓ They (referring to the Tshwane Municipality) should take us to school so that we can better our lives. Maybe they can train us or even employ us. There are jobs in the municipality and it will be nice if they can consider us – Respondent 19
✓ The Tshwane Municipality must give us training and better working conditions. They need to educate us because I know that the policy exist but I don’t understand it. When we protest it is because they are not treating us well and we want them to listen – Respondent 22
There is a need for financial assistance from government: Being able to get financial assistance from the formal financial institutions seemed to be a challenge for many traders. This was due to the fact that some of the traders indicated that they did not meet the application requirements of the financial institutions (such as having the required proof of income, SA ID book, address, credit records) hence making it impossible for them to get their loan application approved.

A Zimbabwean trader who held a National Diploma and had been trading for 7 years said the following;

- Perhaps the municipality can finance our businesses and also make it easy for people like me to register my business because I do not qualify for a Bank Loan because I do not meet all the requirements – Respondent 17

Another informal hairdresser who had been trading in the Tshwane CBD since 2007 also suggested that the municipality could perhaps assist with financial aid as stated below:

- They can give us money to grow our business because we do not earn a lot of money – Respondent 26

The need for participation in decision making: Although the City of Tshwane Informal Policy Implementation Plan (2011 &2013) included various stakeholders from the street trading sector in all aspects of the policy drafting process, some informal traders still felt that they were not included in decision making, which made it difficult for them to fully understand what the policy entailed. This could mean that there was a lack of information or inaccessible information by street traders.

This was apparent in statements made by some of the street traders who ran their businesses from an unallocated area:
The government must involve us in issues that affect us as traders. I found out some of these things (by-laws and policies) from other traders or from metro cops when they are moving us. They just tell us that we are not abiding the law by operating unlawfully and they take our goods. We have to pay a fine before you can get your goods back – Respondent 6

The municipal officials must talk to us. They don’t consider us. They just make policies and want us to obey it – Respondent 18

(v) The need for the Tshwane Municipality to sub-contract the street traders:

Another theme that was identified was the need for the Tshwane Municipalities to sub-contract street traders as this will help in growing their business.

Some of the comments made by the informal traders were the following:

They (the municipality) can give us jobs/contracts so that we can make enough money to support our families – Respondent 13

The municipality can buy from us and allow us to supply fruits and vegetables to the canteens in the municipal buildings. This will be good for business – Respondent 28

4.5 CONCLUSION

The information gathered through the various data collection methods (documentary method, observation and semi-structured interviews) were discussed in this chapter. It was identified that, among the challenges faced by the municipality in managing the street trading sector were; ineffective implementation of trading regulations, provision of storage facility; lack or poor space allocation to meet the demand of informal traders; inadequate level of legal support to protect informal traders against any abuse by the so
called trader organisation; and the lack of a governance regulatory framework to prevent illegal trading activities within the municipality streets and pavements.

Street traders indicated that economic pressure such as unemployment; poverty and the need for survival were some of the main reasons for entering the street trading sector. The lack of financial assistance, the need for better working conditions, the need for training programmes and also the need for their effective involvement in the decision-making process were some of the concerns raised by the street traders. Even though many continue to operate in unallocated areas or without license, street traders seemed to be aware of the existence of the informal trading policy, although they did not always fully understand its contents. Based on the views and perceptions of the respondents, one could conclude that, it is vital for the Tshwane Municipality, Informal Street Traders Associations and the street traders to work together to create a better and cordial working relationship.
CHAPTER 5: CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

The primary objective of the research was to identify the factors influencing street trading in the Tshwane Central Business District. The secondary objectives included determining the characteristics of informal street traders operating in Tshwane CBD; to investigate the survival challenges that informal street traders face in the Tshwane CBD; to investigate if street traders are aware of street trading policies; to identify if street traders are licensed to operate; to determine how the street traders view their relationship with the Tshwane Metropolitan Municipality and Municipal Officials; and finally to make recommendations on actions that the municipality can adopt in effectively managing the informal street trading sector in the Tshwane region.

Based on the outcome of the interviews, the factors influencing street trading in the Tshwane CBD were unemployment, migration and urbanisation, poverty, entrepreneurial ambitions and for survival. During the documentary analysis, it was identified that although policies and by-laws are implemented to manage the informal sector, the Tshwane municipality is faced with the challenge of ensuring that these policies are successfully implemented. These challenges included the problem of site allocation and trading facilities; the lack of a governance regulatory framework to prevent unlawful trading; ineffective business registration process; lack of consultation between the street traders and stakeholders; and the poor planning and control of the street trading sector. Through direct observation period, the research revealed that, the business operation hours for street traders were approximately 13 hours per day; the nature of the working environment for street traders differed based on the trading location and conditions of the trading sites; and finally it was observed that street traders attract customers by displaying the price of their goods and also by calling out potential customers to their stalls.
5.2 RECOMMENDATIONS

The recommendations identified from the findings for the research is aimed at addressing the research objectives as discussed below.

5.2.1 Factors influencing street trading in the Tshwane Central Business District

Among the themes derived from the interviews on the factors influencing street trading in the Tshwane CBD they are mainly due to: unemployment and poverty, lack of skills and poverty; and entrepreneurial reasons.

These issues can be addressed through the recommendations made below:

5.2.1.1 Providing job opportunities to the street traders

Providing job opportunities through rotational outsourcing of the street traders can improve the relationship between the street traders and the Tshwane Municipality. This can be done through for example ensuring the cafeterias at the municipal offices exclusively purchase food products (fruits and vegetables) from contracted street traders to help them grow their businesses. Interested street traders who sell food items can perhaps be given the opportunity to enrol in catering courses, and upon completion get employed by the municipal cafeterias. The provision of job opportunities will reduce the level of poverty and unemployment rate.

5.2.1.2 Training and education opportunities

Training and education opportunities can be done through mutual collaboration with all stakeholders and educational institutions in setting the requirements needed for a street trader to be granted a sponsorship to study a business course. It is important for this to be done in a transparent manner so that the traders are aware on exactly what is
required and how to apply to enrol in such courses. Through training and educational opportunities, street traders can improve their entrepreneurial abilities.

5.2.2 Characteristics of informal street traders operating in Tshwane CBD

As indicated in chapter 4, the majority of the street traders who participated in this research were aged between 18 years and 40 years old. The reasons given by them for engaging in street trading activities were poverty, low level of education and unemployment. The municipality can offer scholarships and training programmes to deserving candidates who wish to further their studies. By educating themselves, street traders will have better job opportunities, especially in the formal sector; and those who intend to enhance their entrepreneurial skills in the informal sector can also achieve that.

5.2.3 Survival challenges that informal street traders face in the Tshwane CBD

As mentioned by some of the street traders, the working conditions in the street trading sector are poor, due to the difficulty in operating during rainy days, as the stalls provided by the municipality do not always protect their goods. Some also mentioned that the current trading space is not big enough to expand their businesses. Lack of financial assistance and unsafe working conditions were also identified as challenges faced by street traders. Recommendations made in this regard are as follows.

5.2.3.1 Provision of better working conditions

The Tshwane Municipality in collaboration with the street traders can provide better stalls/trading spaces, perhaps by slightly increasing the rental fees to improve the conditions of the trading sites. This can help the traders in trading and storing their goods in the same venue or a closer location rather than having to pack up their goods on a daily basis for storage at a different location that may be far from the allocated trading site. This way, the traders can be encouraged to register their businesses, as some of the unlicensed traders who operate in unallocated unsheltered areas
complained about the harsh sun in summer and the bad weather in winter and how it damage their goods and prevent them from selling to customers.

5.2.3.2 Provision of safer working conditions

There is a need for the traders to feel safe while trading and also during their interactions with municipal officials. The presence of police officials must minimise criminal activities in the city centre and also the perceived hostility towards metro cops can be minimised if both parties interact with each other in a less aggressive manner.

The municipality, street traders together with the street traders associations can work together in identifying the basic necessities that need to be provided in order to improve the working conditions. In terms of the stalls, some of the traders mentioned that the condition of the stalls can be improved to protect their products in bad weather. The street traders can be approached to provide input on exactly what they require.

5.2.3.3 Financial assistance

Being able to get financial assistance from financial institutions seems to be a challenge for many traders. This is due to the fact that some of the traders indicated that they do not meet the application requirements by the financial institutions hence making it impossible to get their loan applications approved. The Tshwane municipality and street traders associations can work with private financial institutions to assist licensed traders in gaining access to financial assistance. This can improve the relationship between all relevant parties.

5.2.4 Street traders’ awareness of street trading policies

Based on the findings of the research, although some street traders are aware of the existence of the trading policy and municipal by–laws, others became aware of it through other street traders, municipal officials, and internet and trade union
associations. The business registration process seemed to be a challenge as well as many considered it to be lengthy. Awareness of street trading policies can be promoted through the following ways.

5.2.4.1 Translation of by-laws and policies

Although this might be costly to the Tshwane Municipality, this issue can be addressed by translating the street trading policies into various languages that can be easily understood by the street traders due to the fact that the current trading policies are in English which might be the reason why some traders (whose first language is not English) do not fully understand its content. Regular road shows and awareness campaigns can be organised by the Tshwane Municipality. In addition to this, street traders associations and relevant stakeholders can educate its members about these policies.

5.2.4.2 Improving business registration and operating licensing process

Although some of the participants registered their businesses because they felt that it is the right thing to do and also to avoid confiscation of goods, others felt that the process or queue is usually long, which discourages the traders from getting their businesses registered. It can be recommended that the Tshwane Municipality brings the registration facilities closer to the people as at the moment business registration takes place at the LED municipal offices. This can be done by informing the street traders in advance of the importance and benefits of registering their businesses and the need to pay tax. The Municipality can bring this service closer to the street traders by using mobile offices that move around the Tshwane CBD on specific days to encourage business registration and tax payment, which in the long run will increase municipal revenue and also to make it easy for the street trading sector to be regulated and many of the traders will be on record.
5.2.5 Improving the relationship between street traders and the Municipality

Based on the suggestions made by the street traders, the following recommendations can be made to improve the relationship between the Tshwane Municipality and the street traders:

5.2.5.1 Participation in decision making

Although the Tshwane Informal Policy Implementation Plan (2011) included various stakeholders from the street trading sector in all aspects of the policy drafting process, some informal traders feel that they are not included in decision making, which makes it difficult for them to fully understand what the policy entails. This could mean that there is a lack of information or inaccessible information for the street traders. The street trading policy can be translated from English to other languages to help traders in understanding what it is about and what is required from them. Public participation forums must be closer to the CBD and not in Centurion and far away areas where it was previously held. This can improve the public participation process and the willingness of street traders to voice their opinions. Concerns made by street traders must be reviewed and feedback provided within a reasonable or agreed period of time.

5.2.5.2 Assisting with start-up funding

The street traders seem to have difficulty in gaining access to financial aid and securing financial loans when starting their businesses and also when they want to grow their businesses. Among the ways in which street traders currently gain access to financial assistance in starting and maintaining their businesses is through personal savings, family and friends and though borrowing from loan sharks who charge high interest rates. Perhaps this is due to formal financial organisations not having the guarantee that the street traders will be able to pay back the amount being lend to them. This issue can be addressed by formal financial organisations if specific loan types were to be created.
to assist licensed/registered informal street traders to meet the set requirements in qualifying for the loan.

5.2.5.3 Public Participation

There is a high need for the public participation process to be implemented in an effective manner. The City of Tshwane Informal Policy and Implementation Plan (2011:361) indicated that, “what seems to be lacking based on the policy status quo is that there is no provision made for a framework of stakeholders for stakeholder participation. Some of the participants did not feel that they are fully aware of the contents of the street trading by–laws. Public participation is important in ensuring that affected parties comply and although there are street traders associations and forums that can inform its members to participate, the Tshwane Municipality can regularly send out questionnaires to street traders in seeking their views prior to the implementation of such policies as this approach will make the street traders feel involved and consulted in decision making.

5.2.5.4 Skills development and training

In terms of skills development and training programmes, although such exist in the Tshwane municipality to enhance the business skills of informal street traders, some of the traders do not seem to be aware of it. Those that are aware do not attend the training programmes because they feel that the training takes place at times when they are trading to earn income which makes it impossible for them to attend. The Tshwane Municipality together with the various street traders associations and relevant stakeholders can engage with the traders to propose a time that is more convenient. This can be done through improving the communicating channels and public participation process between the municipality and the street traders in a way that both parties feel that their views are taken into consideration. Such training programmes can take place in the evenings (with agreement with the street traders) or during hours
where street trading activities are at a minimal so that those that are interested can attend.

Also, it will be beneficial for the Tshwane Municipality and Street traders associations to work with other educational institutions to grant street traders who have done exceptionally well in running their business bursaries and training opportunities in business courses. The street traders will need to be aware of these opportunities so that those who are interested in enrolling in such courses can apply for admission.

5.2.5.5 Provision of basic municipal services

There were various services mentioned by the participants of the research, ranging from sanitation facilities, police services, stalls and storage. Although these services exist and police presence in the CBD made street traders feel safe from criminal activities, there is a need for sanitation facilities to be built closer to the street traders as many complained that they had to leave their goods and walk far in order to be able to use the public toilets at a fee. Perhaps, the Tshwane municipality can introduce mobile toilets which are not too far from the street traders to minimise the risk of the street traders leaving their goods unattended while going to use the sanitation facilities.

5.2.5.6 The protection of the rights of street traders

Workshops and educational programmes are needed in terms of educating street traders about their rights. Although some of the participants are aware that obtaining business license prevents the city officials from confiscating their goods, there are some of the participants who seemed unaware of their rights. There is a need for the street traders to have easy access to such information. This can be achieved through creating billboards in city centres which make the traders aware of their trading rights. Street traders associations can also educate their members; and finally, when interacting with
street traders, city officials can inform them of their rights. It is also important for regular workshops to take place for these educational purposes.

5.3 RECOMMENDATIONS FOR FURTHER RESEARCH

It is recommended that quantitative research can be conducted on a bigger sample size. There is also a need for future research to be conducted in other areas in the City of Tshwane with a different sampled population (cross-sectional study) due to the fact that this research was based on data collected in Marabastad and Lillian Ngoyi and its surroundings. This was a qualitative research with only 30 street traders who partook in the study. Perhaps, longitudinal studies on the topic can also be conducted over a longer period of time to determine if the findings and trends will differ from that of this study or stay the same. These future researches can help in identifying trends and patterns in providing more accurate results.

5.4 CONCLUSION

The informal sector has created job opportunities for many. The significant role that the informal economy plays worldwide has made it important for many countries to recognise and also to find better ways to regulate this sector. Based on the findings for this research, there are various reasons why people get involved in street trading activities, namely, a high unemployment rate; flexibility of trade; migration and urbanisation; low level of education; entrepreneurial ambitions and poverty.

The main objective of the research was to identify the factors influencing street trading activities in the Tshwane CBD. Based on the findings, it was identified that people get involved in street trading activities due to unemployment, poverty, migration and urbanisation, for survival and for entrepreneurial reasons. The inability to find jobs in the formal sector or in less developed areas drives one to seek alternative ways in the inner city as a means to earn income and to survive.
The findings further indicated that, the informal street trading sector has various characteristics as this sector comprises of a wide range of activities. This research identified that most of the street traders in the Tshwane CBD are the youth and women when compared to the proportion of men and the old. In addition to this, most street trading activities take place in the busiest areas such as in city centres and CBDs. Although the informal sector continues to grow, there are various challenges faced by street traders which include trading space challenges and lack of infrastructure; lack of finance; lack of entrepreneurial business skills; poor working conditions; and the lack of awareness of municipal street trading policies.

Street trading has various benefits not only to the street trader, but also to the municipalities and the economy as a whole. Street trading activities contribute to GDP; it creates job opportunities; in addition, such activities enhance the skills and entrepreneurial skills of the street traders. Nevertheless, there is a high need for financial aid; skills development and training programmes; better working conditions; improved business registration processes; provision of basic municipal services; and finally a more effective public participation process needs to be implemented to ensure that street traders strive and succeed in this sector.
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