

CHAPTER SIX

OVERVIEW AND RECOMMENDATIONS

6.1 INTRODUCTION

The socio-economic state of affairs in the region depicts a situation where especially a number of the unemployed have to depend on their initiatives to survive. The demand by these vendors to cater for their well being has to be encouraged through sustainable policies. This will in the end not only ensure the success of the traders but boost overall economic development in the region. In this chapter, an overview is given. Suggestions regarding the upliftment of the micro-enterprise are also discussed.

6.2 GENERAL DISCUSSION AND CONCLUSION

A scrutiny of the study area reveals an array of more weaknesses than strengths. There are more people in the region because of its condusiveness for habitation and evidence exists that the population is increasing. Present unemployment numbers are high.

An increase in population creates an expansion in demand, but this might not be effective because of poverty. Demand will not be backed by effective purchasing power. The attractive coastal resorts, game reserves and other places of attraction make the region a tourist centre. Road and rail networks are developed and augur well for growth and expansion. Families have a high dependency ratio, therefore the need to engage in something that generates income. There are more young people in school, which is an indication of the scramble for jobs in future.

Poor socio - economic conditions in the vast rural areas have led to migration or influx to the already congested urban centres. Income sources are very unreliable especially among the rural folk. These conditions detrimentally affect economic development.

Those with initiative and aspirations to achieve something for themselves need encouragement through packaged incentive plans. Traditionalism may hamper change but despite the depths to which it has reached, understanding coupled with the educational levels of today can be tapped to the advantage of the society in the midst of any beliefs that may exist. Wrong policies can be traced and corrected since blaming the past evils for present predicaments really compounds the situation.

The positiveness in these vendors begins with the demand to fend for themselves by marketing agricultural products. Marketing is an art and needs to be attractive to entice people (customers) backed by an effective demand. This depends on methods employed to achieve the goal in mind, i.e. income for survival. It occurs in an ever-changing environment and needs adaptation from the participants. They need to apply common sense and judgement for a profitable end. Free enterprise prevails in South Africa today, and these vendors are responding to the ups and downs within the system. The response needs to be effective. Despite their smallness they fit into the system because of the patronage from the huge non-affluent population.

Tapping into successes and adapting (only if applicable in the South African context) and looking at failures and why they occur and not revisiting them would be a way out. If these traders trade successfully, the government's task to combat unemployment would have been solved through the people's initiatives of self-employment through the distribution service. The spin off or ripple effects would be favourable not only for the participants but their dependants, the society and over all economic development.

Too many idle hands within an ever-increasing population would mean the devil finding jobs for such hands. The semi-literate and the literate form the majority among these traders, therefore any efforts to educate and upgrade them would succeed.

Where they are mostly concentrated or located (city pavements, along busy streets and highways) leaves much to be desired. They are faced with several dangers and they create inconveniences for others. They would need to co-operate with local authorities in their efforts to decongest them.

Sourcing is not a major headache for these hawkers. Those around East London have proximity advantage because of their nearness to the East London market (ELM). Products from this market spill to other areas in the region but at high transaction cost (traders far from the ELM). The market in King William's Town (KWT) needs upgrading to cater for those away from ELM. It will also avert possible exploitation by other merchants.

This would enhance meaningful returns for the hawkers. Transport is easily available at the source (ELM) because privately owned trucks and bakkies are always available at the market to help cart goods to various destinations at shared cost. Fruit and vegetable markets as sourcing points are not well developed in the region. Efforts should be accelerated to improve other markets or create markets in the interior because of potential demand.

Despite their humble means of averting spoilage, perishability remains a problem which affect margins detrimentally. Vendors can use smaller grinders (available in most hardware shops in South Africa) to turn overripe tomato into puree. Yams (a tuber crop similar to potato) are cut and dried in the sun to store for a longer period or dried yams are grounded into powder to further increase storage time. Such possibilities can be exploited for potato, beetroot etc. Over-ripe fruits can be squeezed and washed for the seeds. The dried seeds could be sold to potential gardeners and farmers or used by traders themselves in their home gardens and farms. Damaged or extremely soft fruit and vegetables can also be taken home and fed to animals like fowls, pigs, and goats on free range.

As observed around, such spoils litter trading places, which are an eyesore. Livestock farmers around can organise them to put such spoils in bins for daily collection to feed animals. Such practices would not only alleviate the litter problem but also reduce cost as a result of spoilage.

Traders have tangible reasons for abandoning established trading sites in some areas (Figure 6.1). This problem has to be revisited to make these points conducive and attractive to use. For example, a central market should be well-fenced and lockable at night. This should be centrally located and within easy reach for both traders and buyers with places of convenience, day nurseries, apportioned trading sheds or stalls or kiosks, use of night guards to protect goods, and cleaners to clean the market everyday. However for this to materialise, there would be the need for a joint effort from the local authorities and the hawkers. Traders elsewhere in West Africa located in central markets pay a minimal fee daily by buying tickets from local council officials who go round the market. In addition to paying the daily fees, stalls are rented annually at affordable prices depending on the size of space occupied. This amount could be spread over one year to make payments flow and avoid accumulation. Proceeds from here are then used to maintain the market and related expenditures. The local authorities would need to be tough as well as flexible in the implementation of such a scheme.

Various reasons have been offered as reasons for hawking. But most importantly they are driven by the profit motive. They use modest means rather than complex pricing methods to arrive at this. While hawkers kept fixed prices, they were affected by frequent supplier price fluctuations. They need to adapt to such changes to run a good business.

Consumers may be satisfied with their prices, but the unpredictable environment should guard them in their daily chores of business. Selling a few commodities all the time could be a means of reducing risks. They would have to be risk favourable by looking at opportunities for expansion into other fruits and vegetables.

For example adding pepper and okro or okra to their wares could increase a number of customers and enhance income. The region abounds in other nationalities (West Africans, Indians, and Greeks) that use these vegetables a great deal.

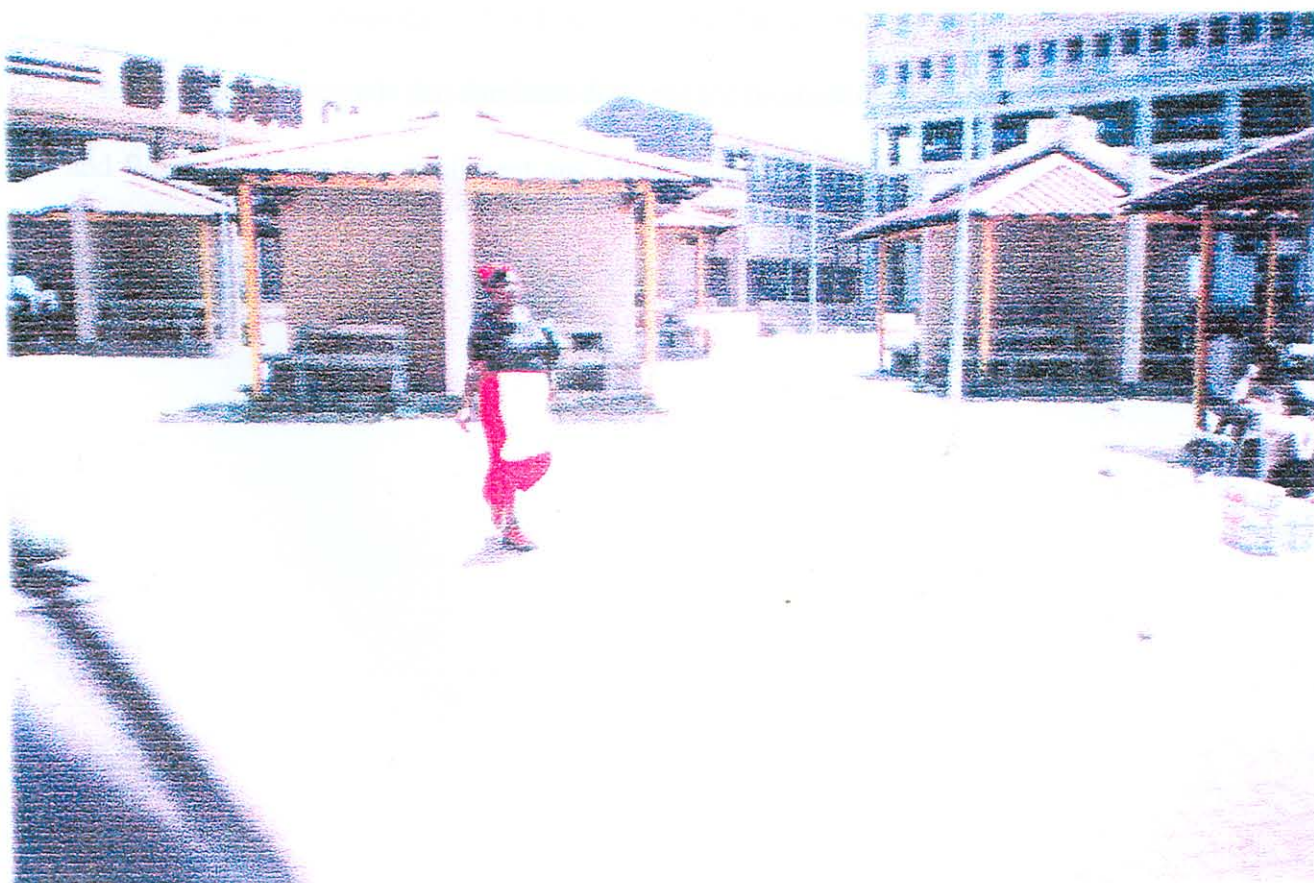
Competition, which is fair, is needed for efficiency and will in a way sift the good from the bad traders. Those flushed out can engage in other self help businesses since they have the initiative. In a competitive spirit these traders would strive to succeed. Price differences between the market and hawkers show profits for almost all goods sold. This augurs well not only for traders in meeting some of their family commitments but also the local authorities to organise them to pay minimal and appropriate taxes which will enhance mutual benefits. Importantly traders should not concentrate their returns only on spending. They should learn to be thrifty and put money aside for bad times and to expand.

Mutual understanding and co-existence between local authorities and traders could help to counteract the problem of hygiene. Should there be understanding and co-operation, and proper organisation, the local authorities can put in place inspection mechanisms to ensure that non-contaminated products are sold to the public. Improved hygienic conditions and surroundings would attract more customers.

The understanding expected from traders would depend on how they are made to realise that their problems or fears can be turned into opportunities, paying a minimal fee could be used for a shelter to sell, store and protect not only goods but also the trader from hazards of the weather. Stolen goods mean loss of profits. Cold and flu due to exposure could mean loss of trading days and profits from sales.

Hawking or street trading is a reality, which we have to live with, especially in the face of high unemployment. Any attempts to stifle the activities of these traders in the form of stringent regulations as prevailed in the past would be counterproductive. The 'carrot in front' approach would be needed to entice traders to apply for licenses or permits and sites (Appendix B). If grievances of traders are investigated thoroughly, corresponding solutions can be found to avert any chaotic situation.

Figure 6.1: Abandoned or under-used market in Bisho



If values and attitudes of recipients of package were remodelled though with time and education they would be receptive to innovations. Since every independent being has the internal urge to improve upon his present situation, if moves are made in this direction, favourable results could be achieved. Though the problems of changing men exist they can be surmounted if the "carrot in front" approach is adopted. Good entrepreneurship can exist without conflicting adversely with beliefs.

There are already in certain areas, abandoned market sites (Figure 6.1). These could be renovated into habitable and tradable points as suggested earlier through pilot schemes.

Another way of siting them without incurring much displeasure is by looking at the possibility of developing the places where they are already concentrated into safe trading sites.

The government cannot provide jobs for everybody, but it can provide the necessary encouragement and backing in her role to favourably encourage these traders. For example, the need for tools that eliminate demerits and promote merits, through workable and flexible policies to compliment any effort to make them build on their laudable initiatives.