CONFLICT, MUTUALITY AND SOCIAL JUSTICE: RETHINKING “STREET SWEEPS” AND “TIP-OFFS” IN THE CITY OF TSHWANE’S INFORMAL ECONOMY

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Declaration

I hereby declare that this thesis is the result of my work, except where otherwise indicated and due acknowledgement is given.

Ms Fanelesbonge Khuzwayo
The Student

Prof Vusi Thebe
The supervisor
Dedication

To my darlings Khaya and Omero (aka The Khayero’s or The Humans), a year ago we shared a back room whilst living off three suitcases. Look at how far we have come. I love you dearly and thank you for understanding.

This is dedicated to my little brother, Minenhle Wilhelm Khuzwayo who passed recently.
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Abstract

The informal economy continues to play a crucial role in employment and many people’s livelihoods, as a coping mechanism for marginalised populations in the developing world. In countries of the Global South, shrinking formal economies and job losses in both the public and private economies mean that the formal economy no longer provides a livelihood pathway for the majority of the population. Reducing socio-economic dilemmas has made the informal economy increasingly central to survival, and without it, access to a decent livelihood and escaping poverty cannot be achieved. However, be this as it may, the informal economy is not strongly positioned in public debates about policy on poverty and development. Accordingly, in many developing countries, at both central and local governments, informal economic activities are increasingly loathed, stifled and even criminalised. These tiers of government have evolved certain by-laws, regulations and frameworks that discourage or create difficulty for the legal and moral recognition of the informal economy. Nonetheless, this has not deterred informal traders who have found innovative ways to negotiate space and insert themselves in exclusive economies, albeit under unfavourable conditions of marginality, state brutality and inequality.

The starting point of this study is the recognition that economies, predominantly formal or informal, are plural. Following from this, the study argues that ‘informality’ and ‘formality’ are two sides of the same coin, only separated by the degree of the either form. Using an actor-centred approach, grounded in the qualitative or interpretative research paradigm, utilised in soliciting both primary and secondary qualitative data, the study sought to understand the worldview of those involved in the informal economy within the confines of the Tshwane Metropolitan City, and the dynamics of interaction among themselves and with Metro officials as enforcers of the by-laws. In broad terms, the study set out to enquire into street traders’ constructions of notions of social justice, within the context of informal traders’ understanding of state laws and by-laws. The study employed an extended fieldwork approach where brief periods of ethnography were employed to understand these actors on their own terms. Emphasis was made on the meanings and obligations held by the various actors in this locale as they went about creating livelihoods for themselves.

The findings have revealed a complex web of interactions among different actors with conflicting interests, typified by inherent tensions in the pursuit of self- and wider societal
interests. These actors were engaged in complex relations of survival where negotiations of space, rights and survival were paramount; and where these actors were connected and dependent on each other through reciprocal relationships. Those who succeed in negotiating and navigating this highly contested environment are able to make a decent livelihood and stave off potential arrests and confiscation of their wares by officials.
# Table of Contents

Declaration.................................................................................................................i
Dedication..................................................................................................................ii
Acknowledgements...................................................................................................iii
Abstract.....................................................................................................................iv
Table of Contents......................................................................................................vi
List of Tables (In the main text) ................................................................................ix
List of Figures ............................................................................................................x
List of Acronyms ......................................................................................................xi
Chapter 1: Study Orientation and Context................................................................1
  Introduction................................................................................................................1
    Introduction and Background ..................................................................................1
  Statement of the problem .........................................................................................2
  Research Objectives ................................................................................................4
  Significance of the Study .........................................................................................5
  Structure of the Dissertation .....................................................................................5
Chapter 2.....................................................................................................................7
  Literature Review ....................................................................................................7
  Introduction............................................................................................................ 7
  Conceptualising the Informal Economy ..................................................................7
  Schools of Thought and the Informal Economy ......................................................9
    Dualist School .......................................................................................................9
    Structuralist School .............................................................................................10
    Legalist School ...................................................................................................11
    Post-Structuralist School .....................................................................................11
  Development of the Informal Economy in South Africa .......................................12
  Research Gap .......................................................................................................16
  Chapter Summary ..................................................................................................17

Chapter 3....................................................................................................................18
  Research Methods ..................................................................................................18
  Introduction.............................................................................................................18
  Research Paradigm .................................................................................................18
  The Case Study Research Design ............................................................................21
    Research locale ..................................................................................................21
    Study population, sample and sampling techniques ...........................................24
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data collection tools and techniques</td>
<td>26</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>29</td>
</tr>
<tr>
<td>Data Collection Challenges</td>
<td>30</td>
</tr>
<tr>
<td>Ethical Considerations</td>
<td>31</td>
</tr>
<tr>
<td>Chapter Summary</td>
<td>32</td>
</tr>
<tr>
<td>Chapter 4</td>
<td>33</td>
</tr>
<tr>
<td>Laws and Traders</td>
<td>33</td>
</tr>
<tr>
<td>Introduction</td>
<td>33</td>
</tr>
<tr>
<td>National Legislation and Bylaws in the City of Tshwane</td>
<td>33</td>
</tr>
<tr>
<td>Applying for a street trading licence in the City of Tshwane</td>
<td>35</td>
</tr>
<tr>
<td>Interaction between the State, its Agents and Traders</td>
<td>38</td>
</tr>
<tr>
<td>International organisations and local businesses</td>
<td>41</td>
</tr>
<tr>
<td>Designated trading zones</td>
<td>42</td>
</tr>
<tr>
<td>Raids on street traders</td>
<td>43</td>
</tr>
<tr>
<td>Legacy of displacing street traders</td>
<td>45</td>
</tr>
<tr>
<td>Chapter Summary</td>
<td>47</td>
</tr>
<tr>
<td>Chapter 5</td>
<td>48</td>
</tr>
<tr>
<td>Inequality, Hierarchies and Self Organisation among Street Traders</td>
<td>48</td>
</tr>
<tr>
<td>Introduction</td>
<td>48</td>
</tr>
<tr>
<td>Poverty and Inequality in a South African context</td>
<td>48</td>
</tr>
<tr>
<td>Differences and Hierarchies among Street Traders</td>
<td>51</td>
</tr>
<tr>
<td>Hierarchies, obligations and exchanges between street traders and government officials</td>
<td>56</td>
</tr>
<tr>
<td>Pretoria CBD as a contested space among street traders</td>
<td>57</td>
</tr>
<tr>
<td>Entitlements of registered traders and the marginised voices of unregistered traders</td>
<td>60</td>
</tr>
<tr>
<td>Mutual Aid and Co-operativism among Street Traders</td>
<td>63</td>
</tr>
<tr>
<td>Chapter Summary</td>
<td>68</td>
</tr>
<tr>
<td>Chapter 6</td>
<td>70</td>
</tr>
<tr>
<td>Discussion and Conclusion</td>
<td>70</td>
</tr>
<tr>
<td>Introduction</td>
<td>70</td>
</tr>
<tr>
<td>Social Justice in the Context of State Brutality and Inequality</td>
<td>71</td>
</tr>
<tr>
<td>State laws and street traders</td>
<td>72</td>
</tr>
<tr>
<td>Inequality and hierarchies on the streets</td>
<td>73</td>
</tr>
<tr>
<td>Solidarity networks among street traders</td>
<td>75</td>
</tr>
</tbody>
</table>
List of Tables
(in the main text)

Table 3.1: Characteristics of Participants.................................................................24
Table 4.1: Characteristics of the respondents ..............................................................52
List of Figures

Fig. 3.1: Map of inner city (Pretoria CBD) ................................................................. 22
Picture 1: Pretoria hawkers protest against alleged abuse by police ................................................. 45
Picture 2: Armed JMPD officers ‘harrassing’ evicted informal traders .......................... 46
Fig. 5.1: Unemployment statistics (2015 – 2018) ................................................................. 50
Fig. 5.2: Increases in inequality .......................................................................................... 51
Fig. 5.3: Reporting structure of state officials ................................................................. 56
# List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANC</td>
<td>African National Congress</td>
</tr>
<tr>
<td>CBD</td>
<td>Central Business District</td>
</tr>
<tr>
<td>COSATU</td>
<td>Congress of South African Trade Unions</td>
</tr>
<tr>
<td>DVD</td>
<td>Digital Versatile Disc</td>
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<tr>
<td>FIFA</td>
<td>The Federation Internationale de Football Association</td>
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<tr>
<td>GEAR</td>
<td>Growth, Employment and Redistribution</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>NDP</td>
<td>National Development Plan</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>OXFAM</td>
<td>Oxford Committee for Famine Relief</td>
</tr>
<tr>
<td>RDP</td>
<td>Reconstruction and Development Programme</td>
</tr>
<tr>
<td>SALGA</td>
<td>South Africa Local Government Association</td>
</tr>
<tr>
<td>SARS</td>
<td>South African Revenue Service</td>
</tr>
<tr>
<td>SERI</td>
<td>Socio- Economic Rights Institute of South Africa</td>
</tr>
<tr>
<td>SMS</td>
<td>Short Message Service</td>
</tr>
<tr>
<td>Stats SA</td>
<td>Statistic South Africa</td>
</tr>
<tr>
<td>TMPD</td>
<td>Tshwane Metropolitan Police Department</td>
</tr>
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<td>UN</td>
<td>United Nations</td>
</tr>
</tbody>
</table>
CHAPTER ONE
STUDY ORIENTATION AND CONTEXT

Introduction and Background

We live in a highly unequal world where the majority of people, particularly those living in the Global South, derive their livelihoods from informal economic activities. For most of these countries, the informal economy has become an economic refuge for the majority of their people (Bromley, 2000; Hart and Rogerson, 1989). In broad terms, the informal economy covers a wide range of economic activities that are not taxed, regulated, or reported to authorities (Chen, 2012; Hart et al., 2010).

These activities often take place outside a society’s legal system and are thus not recorded in national (income) accounts (Chen, 2012). Activities that fall under the informal economy include but are not limited to waste/junk collectors, wage employment, informal trade such as rural markets and, most visibly, street trading – which is the subject of this study. As a significant part of the informal economy, street trading is a major source of employment and plays a prominent role in poverty alleviation in poor countries (Chen, 2010; Holness et al., 1999; Husain et al., 2015).

In these countries, the impact of socio-economic inequalities, such as unemployment and poverty, keep informal activities in perpetual growth. In South Africa for instance, current unemployment levels are estimated at 27.7 percent (Stats SA, 2017), with both the public and private economy unable to absorb the majority of the unemployed population, and pushing many people to the informal economy (Leibbrandt, 2009; Ligthelm, 2008; Rogerson, 2000). This is particularly the case in big cities, where the vast majority earn a living through street trading. Unfortunately, authorities underappreciate the added economic value that the informal economy, particularly street trading, contributes to Metropolitan cities and the countries within which they are located.
Overall, many governments view street trading as an unwelcome nuisance, which is hard to eradicate or manage (Binns et al., 1999; Bromley, 2000; Charman et al., 2015; Forkuor et al., 2017; Hart and Rogerson, 1989; Husain et al., 2015). Across the African continent, governments have launched ‘sweep the streets’ or ‘clean up the streets’ operations, which essentially forcefully and violently remove street traders. Zambia is one notable example where street traders are not tolerated and are blamed for discouraging foreign direct investment (Transberg, 2004: 70). Skinner (2008) found similar sentiments when examining the 2005 violent street clean-up operation in post-independence Zimbabwe code-named ‘Operation Murambatsvina’ (moving the filth).

Despite growing intolerance, the informal economy is a globally growing phenomenon even though initially it was perceived as temporary or residual part of the formal economy. Development economists expected the informal economy to disappear as development progressed, instead it has continued to expand throughout the world including in the industrialized and developed countries (Chen, 2012; ILO, 2002; Portes et al., 1989). Empirical evidence shows the persistence of the informal economy and estimates that millions of people have been absorbed since the 1980s (Altman, 2008; Bénit-Gbaffou, 2016; Chen, 2014; ILO, 2013). Evidently, it is not a temporary phenomenon.

**Statement of the Problem**

Recently, there has been renewed interest in the informal economy and this has compelled academics to rethink how they conceive of the ‘informal economy’. This shift has expanded the scope and catalogue of informal activities to include those typical of industrialized, transition and developing economies and the real world dynamics in labour markets (Chen, 2007). In South Africa, the informal economy affords crucial employment for the working poor and ultimately adds to the country’s fiscus.

According to Statistics South Africa, the informal economy contributed an estimated 5.2 percent to Gross Domestic Product in 2016 (Stats SA, 2016). It further estimated that around 2.5 million individuals worked in the informal economy in 2016, with the Tshwane Municipality, for instance, accounting for over 100 000 individuals (Stats SA, 2016: vi). Skinner (2008: 229) has noted that in South African cities, including the Tshwane
Metropolitan Area, informal trading has increased greatly since the end of the Apartheid state.

Economies, formal or informal, are plural and socially constructed. Indeed, informality and formality are sides of the same coin – they are both characterised by profit-making, accumulation motive, mutuality, reciprocity, trust, concern for others, inequality, hierarchies, acts of injustice, abuse, and criminality for instance. However, because the informal economy has fictitiously been placed outside the law, it is not recognised as a viable economic activity (Hart, 2000; Mokgatetswa, 2014; Willemse, 2011). Governments, and in particular local authorities have certain laws, regulations or frameworks that discourage or stymie the legal and moral recognition of the informal economy.

The City of Tshwane, like many Metropolitan cities, stifles the growth of certain informal economic activities through statutes and by-laws. For example, the City of Tshwane By-Laws, states that “No person shall within the municipal area of the Municipality, carry on the business of a street trader: in a public amenity” (City of Tshwane Bylaws, Section 4.1). Through this and similar statutes, the Municipality has managed to restrict where people may trade.

The regulation also emphasises enforcement and gives local authorities the sole power to declare where informal trade may take place. The Tshwane metro, like other local governments in South Africa, typically enforce this regulation by forcibly evicting traders, issuing fines and generally harassing these traders. Johannesburg’s ‘Operation Clean Sweep’ is another example of a local authority violently evicting traders and confiscating their goods (Crush et al., 2015; Pieterse, 2017). However, these stern actions have not deterred street vendors where, as Masonganyane (2010) and Skinner (2008) have shown, the majority of people depend on street vending for their survival.

As such, street vendors have been resilient and some have looked to the courts for reprieve. In 2014 two street trader organisations took the City of Johannesburg local government to the Constitutional Court alleging that the municipality had acted unlawfully by removing them
from the city. Before finding in favour of the traders, the Court slammed the Municipal act as promoting “humiliation and degradation” (Socio-Economic Rights Institute, 2014).

Given the challenges of managing street trading (as a result of restrictive policies and harassment by government agents), this study will highlight the informal and physical ways bureaucracy obstructs the informal economy regardless of state defined legality. The study specifically looks at how the Tshwane Municipality and its formal institutions interact with informal entities to construct their own sense of social justice.

The study also extends the researcher’s previous work on informal information flows between street traders and government officials in the City of Tshwane’s CBD. The findings showed that during the Tshwane Municipality’s ‘street sweeps’, street traders cultivated relationships or “informants” with state officials to alert them to future such operations. Armed with these ‘tips’ street traders were better placed to counter these sweeps indicating that self-interest and a concern for others could co-exist even under such circumstances (Kropotkin, 1902; Mauss, 1925).

This initial study, however, was limited in scope and did not cover various emergent issues of interest including the dynamics of interaction between street traders, and the hierarchies of power within the City of Tshwane streets. The current research pursued these themes by exploring hierarchies and power dynamics that exist between street traders as well as traders and officials, and how these hierarchies are blurred by the agency of ‘unregistered’ street traders. The study particularly sought to explore the street traders’ sense of social justice, and how they view city by-laws. Furthermore, although the informal economy is well documented, few authors have analysed the vertical and horizontal flows of information that exist between street traders and local authorities.

**Research Objectives**

This current study examines the multifaceted relationship between state officials and street traders in greater depth. It will assess how these information exchanges relate to the concepts
of agency and inequality to generate a specific interpretation of social justice. The study
seeks to achieve the following objectives:

- Explore how street traders interpret state laws.
- Investigate hierarchies held by various actors.
- Document street traders’ sense of social justice in the context of state brutality,
  poverty and inequality.

Significance of the study

In broad terms, this study investigates how street traders’ construct social justice given their
understanding of state laws and by-laws. It focuses on the informal co-operation between
traders and government agents noting how the traders negotiate territory under adverse
conditions of marginality, state brutality and inequality. This relationship is currently
underexplored, especially within the Tshwane Municipality.

This research intends to unpack some of the power dynamics that manifest as a result of these
relationships, particularly those that tend to blur the lines between authorities and traders. In
the process it will outline how people physically struggle to emancipate themselves from
socio-economic deprivation. It will further contribute to scholarship on street trading
dynamics in cities of the Global South. And, given that the number of traders is growing,
policy advisors and academics can use the findings to appreciate the dynamics of this
relationship and develop effective solutions based on cooperation, respect and trust.

Structure of the Dissertation

The dissertation is organised into six chapters, each focusing on different aspects. Chapter
One introduces the research problem, contextualises the study, outlines the problem statement
and discusses the specific research objectives. Chapter Two reviews the literature published
on the informal economy from a broader and more general perspective. The methodology
and techniques used in conducting the research is described in Chapter Three.
Chapter Four is the first chapter to describe the research findings. It unpacks state regulation and the procedures guiding street trading in South Africa, specifically in the City of Tshwane. It also looks at the challenges that affect how these regulations are enforced and the subsequent impact on street traders. Chapter Five then examines the relationship between inequality and the informal economy. It also looks at the interplay between state hierarchies and those found between street traders themselves in the Pretoria CBD.

Chapter Six concludes the study by discussing how people in the informal economy interpret social justice. This discussion pulls the major themes together, assesses their implications for our understanding of street trading and raises some broader policy questions.
CHAPTER TWO
REVIEW OF LITERATURE

Introduction
The informal economy remains a defining feature for many countries across the world, both developed and developing. It includes, as Hart (1973) noted, a number of precarious informal activities. Hart (1973) argued that although individuals in the informal economy generally worked below minimum wage and lacked social benefits, their activities allow them to be gainfully employed in a way that generated income and a livelihood. This chapter analyses the literature that assesses the informal economy. The analysis specifically focuses on how people in the informal economy assemble and sustain their livelihoods.

The chapter is divided into four sections, each addressing part of the framework of analysis South Africa uses to understand informality. First, a conceptual framework looks at the informal economy from a broader understanding. This is followed by a discussion of each of the formal schools of thought and their respective understanding of the informal economy. The third section focuses specifically on the development of South Africa’s informal economy and argues that the growth of this informal economy is influenced by two factors: unequal development and a lack of employment. The last section looks at how the formal and informal economies are linked.

Conceptualising Informality
Conceptualisations of the informal economy call for context specific narratives of informality. As such, this literature review looks at how the informal economy is understood highlighting how the informal community is defined by governments who obscure the complex heterogeneity of these communities. The review will also show the nuances that exist in both the formal and the informal economies and how they reinforce one another.

Before engaging in a discussion about the informal economy, it is important to explore the meaning of the word ‘informal’. Popular development narratives define the word as a “different way from the norm, one which breaches formal conventions and is not acceptable
in formal circles – one which is inferior, irregular and, at least somewhat undesirable” (UN-HABITAT, 2003: 100). Formal on the other hand constitutes the perceived norm where enterprises are regulated and organized (Guha-Khasnobis et al., 2006).

The context and use of the word informal is twofold. First, it recognises the existence of the informal economy and accordingly distinguishes between regulated and unregulated enterprises. Second, and perhaps more pervasive, by acknowledging its existence, most governments take steps to eradicate informality through formalization. Scott (1998) further argues that bureaucracies want to make everything legible. The expression of civility is a Eurocentric perception of development that is ingrained in the ideals of modernization. What is formal is seen as embracing modernity, and what is informal is seen as backward (Escobar, 1995; Esteva 1998; Ferguson, 1994).

In both academic and policy circles, much debate has taken place over the linkages between the formal and informal economies. Hart (2000) argues, “they are of course linked already since the idea of an ‘informal economy’ is entailed by the institutional effort to organize society along formal lines.” Furthermore, he asserts that they are two sides of the same coin since “both the bureaucracy and its antithesis contain the formal and informal dialectic within themselves as well as between them” (ibid). As such, these dialectics of the formal and informal economy continually shape and reshape one another. The focus of this review of literature will be on the linkages between the formal-informal economies and how they reinforce one another (Chen, 2007; Guha-Khasnobis et al., 2006).

Due to the binary constructions of formality and informality, there are scholarly tendencies to depict the informal economy in negative tones. These elitist perspectives view informality as a forerunner to the chaos responsible for destroying a government’s plans to modernise its economy. ‘Operation Murambatsvina’ in Zimbabwe in 2005 is a notable example where the government policy was to ‘clean up’ the streets (Kamete, 2013). This description denotes a negative and unacceptable entity that is dirty, filthy and in need of cleaning up. Similarly, ‘Operation Clean Sweep’ in Johannesburg in 2013 had the same connotation (Bénit-Gbaffou, 2016; Pieterse, 2017). This research highlights that there is formality in informality, and informality in formality. The difference in spectrum is a matter of perception and the degree of either of the dominant forms. Guha-Khasnobis et al. (2006) suggest that the informal and formal economy represent a continuum, with no clear boundaries between the two.
The formalisation agenda advocated by development economists, scholars and governments perpetuates a dichotomist view of the economy that separates formal and informal economic activities, as demonstrated above. This binary approach ignores the fact that informal economic actors often interact and exchange with the formal economy. Informal enterprises supply inputs into the production processes of formal enterprises and even engage in export activities (Schneider and Enste, 2000).

Examples of these mutual relations of support are clear when one examines the generation and sustenance of informal economies. This includes situations when business people seek to either increase their profits or stay in business by making use of off-the-books employment to save on overhead and taxes. In doing so, they are supporting the informal economy. This study aligns with these approaches using the case of street traders in Tshwane’s informal economy.

Schools of Thought and the Informal Economy

Literature on the informal economy has historically used different approaches to understanding the continued development of the informal economy. Four schools of thought have dominated development discourse on the informal economy. Each school tries to explain the evolution and persistence of the informal economy and their approaches to the informal economy and economic exclusion differ. Chen (2012) grouped the different schools as follows; (1) the Dualist School, (2) the Structuralist School, (3) the Legalist School and (4) the Voluntarists School. The fundamental attributes of each school are discussed below.

Dualist School

The dualist paradigm conceives the economy as being divided into two contrasting spheres that may share some characteristics such as the informal and the formal economy. The general view of the dualist interpretation is that the informal economy is a temporary phenomenon composed of marginal and subsidiary activities. From this perspective, the poor engage in these activities as safety nets while they transition from complete unemployment to more formal employment. In this way, the informal economy is distinct from the formal economy (Chen, 2012; ILO, 1972; Tokman, 1978). Chen (2012) asserts that this school of
thought has its roots in the survivalist tactics of the poor and assures incomes for the labour surplus relegated from the formal economy.

Advocates of this school of thought argue for more state regulation and towards formalisation of the informal economy; however, Pratap and Quintin (2006) argue that there is little evidence to support the notion that informal firms would disappear because of formalisation. Similarly, Mokgatetswa (2014) argues that government regulation attempts to graduate people in the informal economy to formalise their activities. Policies in this paradigm are therefore designed and skewed towards regulating informal activities and moving them towards those that are typical of a formal economy.

**Structuralist School**

The structuralist paradigm asserts that the state and capitalist firms are complicit in exploiting workers by seeking to reduce wages and enhance the competitiveness of capitalist firms. According to this view, the pursuit of capitalism explains the development and persistence of the informal economy – a consequence of industrial capitalism. Castells and Portes (1989) subscribe to the notion that the informal economy includes all income generating activities, in both developing and developed countries. Based on this perspective, the informal economy is not merely found in developing countries but across the world. Indeed, as Gli (2004: 1) states:

> The debt crisis of the underdeveloped countries, the dismantling of the public sector, the deregulation of the labour market under the structural adjustment programs of the IMF and the World Bank, and the succession of economic and financial crises in 1997, has pushed millions of people in Africa, Asia and Latin America out of formal employment and into the informal economy.

This statement supports the general idea that informal economy employment develops from survival strategies of the poor and marginalised. Furthermore, it asserts that globalisation and developmental programmes initiated by non-governmental organisations encourage the persistence of the informal economy. In terms of policy implications, this paradigm asserts that employment relationships between formal and informal firms should be better regulated.

Such regulation, they argue, will address the unequal relationship between formal (‘superior and progressive’) and informal (‘subordinate and regressive’) businesses
From this lens, the informal economy consists of low paid subcontracting and outsourcing such as ‘sweatshops’ or ‘call centres’ and, as such, people involved in the economy are unfortunate pawns within an exploitative global economic system where the interests of capitalists’ trump those of the workers (Davis, 2006; ILO, 2002).

**Legalist School**

Legalists argue that the informal economy thrives because there is too much state regulation, rather than there being excess labour in the market. Champions such De Soto (1989, 2000) maintain that state regulations and laws are excessively restrictive, and that to evade these regulations, people are forced to engage in informal economic activities. de Soto (2000) and Becker (2004) further assert that people in the informal economy continue to operate because the process to formalize their entrepreneurship is costly and time consuming. de Soto further asserts that governments should:

> …give people access to the system so they can join in economic and social activity and compete on equal footing, the ultimate goal being a modern market economy, which, so far, is the only known way to achieve development based on widespread business activity (2002: 244).

This paradigm assumes that people who lack access to the formal economy, because of high entry costs and other barriers are forced to act outside of the law. It assumes, however, that there are many benefits for the poor operating within the informal economy (Chen, 2005). Also noteworthy is de Soto’s recognition that a ‘one-size-fit-all’ approach cannot be adopted but that a more nuanced and context specific perspective is required. Put differently, the informal economy, and the fundamental legal reform regulating it, in the United Kingdom is not the same as that in Tanzania. Proposed policies, therefore, need to account for specific contexts.

**Post Structuralist or Voluntarists School**

The Voluntarists also believe that people in the informal economy deliberately decide, or make a rational choice, to work in the informal economy instead of being forced to do so because of poverty or unemployment. This choice, they say, is because informal workers perceive more benefits from working in this economy, such as avoiding government taxation and regulation (Chen, 2012; Maloney, 2004), compared to the formal economy. Williams
(2013) posits that the informal economy thrives because participants reject the neoliberal system that exposes workers to exploitation within the formal economy.

As a result, any policy proposals should seek to formalize informal enterprises with the objective of increasing the tax base. The outcome, they argue, would lessen the perceived unfair competition that informal businesses pose to formal enterprises. This paradigm differs to the legalist school in that it does not use the cumbersome registration procedures (such as providing proof of address where an individual resides informal settlement) as an incentive to operating in the informal economy (Maloney, 2004).

**Development of the Informal Economy in South Africa**

Before 1994, South Africa’s development was marked by the struggle for liberation, international isolation, and political instability among other factors that led to the majority of the population being socio-economically excluded. It is within this historical context that a vast majority of people were confined to the townships or homelands and were excluded from any significant economic opportunities (Mariotti and Fourie, 2014; Seekings and Nattrass, 2008; Van der Berg, 2011; Wiafe-Amoako, 2016).

Visser et al., (2017: 49) note, “under Apartheid, black persons were excluded as shareholders and completely disregarded as stakeholders.” Similarly, in an article that appeared on the New York Times (24 October 2017) titled *End of Apartheid in South Africa? Not in Economic Terms* the writer asserts that:

> South Africa began the post-Apartheid era facing challenges as formidable as those confronted by Europe at the end of World War II, or the Soviet Union after communism. It had to re-engineer an economy dominated by mining and expand into modern pursuits like tourism and agriculture, while overcoming a legacy of colonial exploitation, racial oppression and global isolation — the results of decades of international sanctions.

This legacy of Apartheid manifested in many ways, and has fostered the currently thriving informal economy. Furthermore, it has facilitated deep-seated disparities in income levels and access to land. The land, however, predominantly rests with the Caucasian elite. Another legacy is the geographical separation where black people were relegated to the townships outside the city or economic hubs (Hovsha and Meyer, 2015; Rogan and Skinner, 2017; Rogerson, 2004).
Many forms of inequality stem from the Apartheid period and colonialism before that, however, despite the many changes since 1994, crucial underlying determinants of inequality persist. As long as they remain real, they limit the opportunities for poor people seeking to escape poverty to the informal economy. Poverty levels in South Africa are rising, particularly among the formerly disadvantaged population groups and the youth. Statistics South Africa reported that more than half of South Africans were effectively poor in 2015, a figure that increased to about 55.5 percent compared to the previous years. From that figure, poverty was concentrated among black people in rural areas and those with limited literacy levels (Stats SA, 2017). Education inequality is noted as yet another manifestation of the Apartheid era thanks to its Bantu education policies enacted under the Bantu Education Act of 1954. This policy prescribed different access to education based on race with non-white people receiving inferior education. This has had devastating effects and has directly attributed to the extreme economic inequality in South Africa (Keswell, 2004).

In 2017, unemployment in South Africa reached 27.7 percent (Stats SA, 2017) and remains a critical challenge for local and national governments since this leads to restricted opportunities for work in the formal economy. Exacerbating the situation, growth in South Africa in any sector, be it manufacturing or agricultural industry, does not necessarily translate into employment growth, leaving many people without formal jobs (Fields, 2000; Hirsch and Hines, 2005). The government remains a major employer and has absorbed large proportions of the population into the civil service with 129 parastatals. However, even this is not enough to create livelihoods for the millions left on the periphery (McGrew and Poku, 2006).

Given Apartheid’s separate development ethos, whites were given sole priority to economic freedom through racial segregation. Black people remained on the periphery of economic activities, confined in the homelands, where their access to the cities was constrained. This was in the form of pass laws, which imprisoned black people in townships in deep poverty (Khalema et al., 2015; Terreblanche, 2002; Van der Berg, 2011) where they were expected to commute to work in the formal economy for their wages.

Post-independence, South Africa has only marginally addressed the ‘triple challenge’ of poverty, inequality and unemployment that has crippled national and local governments alike
(OXFAM, 2013). For this reason, the South African government has focused on the issues of socio-economic redress, informed initially by the tenets of the ‘Reconstruction and Development Programme’ (RDP).

The RDP was a socio-economic policy framework drawn up by the African National Congress (ANC) led tri-partite alliance along with other stakeholders, such as Non-governmental organisations (NGOs), to address the remnants of Apartheid policies. It emphasised incorporating small-scale enterprises and the informal economy to help fight poverty (Rogerson, 1996) and effectively framed the structural issues that faced the South African government during the democratic transition.

Unfortunately, the RDP was not able to solve rising poverty and unemployment as indicated by lacklustre job growth that could not keep pace with a rapidly increasing population (Stats SA, 1998). Critics of the policy pointed to the government’s inability to revitalise manufacturing under the campaign (Rogerson, 1996) and overambitious objectives given the debt and fiscal limitations inherited from the Apartheid era (Buhlungu, 2005).

The second development strategy was the ‘Growth, Employment and Redistribution’ (GEAR) policy framework which also attempted to deal with the country’s ever prevalent economic inequalities (Heintz, 2003). It was a macroeconomic policy that focused on stringent monetary and fiscal targets. GEAR was heavily criticized by COSATU in a policy statement released in 2001:

Wealth is still concentrated in a white minority. The nature of capital remains largely the same - concentrated in the mining-finance complex, which continue to dominate the commanding heights of the South African economy. Serious inequalities persist, with signs of worsening particularly among the formerly oppressed. The number of people living in poverty is staggering. Unemployment and underemployment are on the rise as more jobs are shed and people rely on survivalist activities to make ends meet. The complex nature of the transition emerged in deeply contradictory government policies. (July, 2001).

The policy was also criticized for its trickle-down approach appropriated from the modernisation theory of development. Accordingly, it assumed that the growth chain started at the top of the wealth scale and that it would ‘trickle down’ to those in the middle and the bottom of that scale. This theory further argued that resources should be concentrated where they could achieve the most.
The then President, Thabo Mbeki, was of the opinion that government investment could yield results for the informal economy. During his address Mbeki (2004) noted:

We must continue to focus on the growth, development and modernisation of the ‘First Economy’, to generate the resources without which it will not be possible to confront the challenges of the ‘Second Economy’.

The concept of the ‘first economy’ became a typical government response to informality with President Mbeki coining of the term ‘Second Economy’ in his 2003 state of the nation address:

the second economy (or the marginalised economy) is characterised by underdevelopment, contributes little to GDP, contains a big percentage of our population, incorporates the poorest of our rural and urban poor, is structurally disconnected from both the first and the global economy and is incapable of self-generated growth and development (Mbeki, 2003).

This discourse underpinned much of policy thinking within the government during the early 2000s but it also indicated a turn in economic thinking around the informal economy and the corresponding regulatory approach. Mbeki’s perception of two separate economic structures co-existing within South Africa without mutually benefiting from the other’s activities was at the heart of debate over government intervention in the economy. Regardless, GEAR failed to improve employment opportunities in South Africa during the 2000–2004 period, indicating that government policy interventions had potentially exacerbated unemployment issues, and instead provided jobless growth (Heintz, 2003; Hofmeyr, 2008).

The current economic policy plan in South Africa is the National Development Plan (NDP) launched in 2013. It focuses on promoting increased foreign direct investment in order to drive growth and increase employment, with a lofty goal of creating 11 million new jobs in South Africa by 2030, whilst promoting the reindustrialisation of the South African manufacturing industry (National Planning Commission, 2013). Employment objectives, however, were predicated on South Africa achieving 5.4 percent annual GDP growth, with the aim of reducing unemployment to 6 percent, from the 25 percentage measured in 2010.

Unfortunately, unemployment saw a marginal increase over the 2011 to 2015 periods with GDP growth averaging 2.4 percent (National Planning Commission, 2013; Statistics South
Based on the above-mentioned reasons the NDP, however, has not been able to match its expectations throughout its short tenure. While the post-colonial state has put together a horde of policy frameworks geared at amelioration and economic development, progress has been relatively slow.

Scholars such as Skinner (2018, 2013, 2008), Lindell (2013, 2010), and Crush et al., (2015) shed light on South Africa’s informal economy. They use this historical context to articulate and understand the significance and complexity of how people create livelihoods using urban public spaces. All three authors argue that national policy in South Africa reflects a limited understanding of the informal economy and consequently disadvantages those involved. Skinner (2013, 2008) analyses the legislative and policy framework guiding the informal economy. Lindell (2010) uses South Africa’s historical background to account for the collective organisation that exists within the informal economy. While Crush et al., detail the lives of migrants and refugees involved in informal economic activities within a South African context.

**Research Gap**

South Africa clearly adopted a policy perspective that focused on two dual economies operating independent of each other. And, as the Dualist School of thought asserts, policymakers clearly hoped that informality would disappear as soon as it was absorbed into the formal economy. This, as many scholars have argued, is a critique of development thinking as the informal economy has persisted and grown (Chen, 2012; Hart, 2000; ILO, 2013). According to the Dualist School, the formal-informal economies are different in nature. This study, however, argues that both the formal and informal economies coexist and are intertwined. Furthermore, both formal and informal economies have a mutually reinforcing relationship.

Few studies have focused on the linkages between formal and informal economies in South Africa (Altman, 2008; Davies, 2009; Kay, 2011). Furthermore, in the case of the City of Tshwane, even fewer studies have been conducted on the innovative ways that people construct their livelihoods. And, to the author’s knowledge, no study has been conducted on the social relations between informal traders and bureaucracy in the form of mutual exchanges. As such, this research and its specific objectives seek to bridge the existing gap in
literature on how bureaucracies act in informal ways to extend themselves to individuals in
the informal economy.

Chapter Summary
The chapter outlined a conceptual framework of the informal economy versus the formal
economy. In understanding the relationship between these two concepts, four prominent
paradigms were analysed. Individually, none of the paradigms presented fully explain the
growth and persistence of the informal economy. As a result, it is argued that context specific
interpretations are needed to understand how people within the informal economy create their
livelihoods.

Using South Africa’s specific context, the author traced the evolution and development of
policies showing how the government conceived of the informal economy. The above chapter
argued that the informal economy is not linked to spontaneous urban development but to
deeply rooted uneven urban relations and antagonisms. In the context of South Africa, these
antagonisms are anchored on unequal development, economic inequality and poverty. As a
result, people operating in the informal economy have found adaptive ways to sustain their
livelihoods.
CHAPTER THREE
RESEARCH METHODS

Introduction

The research methodology this study used was guided by an actor-centred approach and grounded in the qualitative research paradigm. This methodology was chosen to develop a more comprehensive understanding of the worldview of street traders in the informal economy in the Tshwane Metropolitan City. The chapter is divided into four main sections outlining the research paradigm, research design, target population and research sample, data collection tools, as well as data analysis techniques. A discussion of the methodological limitations is also offered to underscore the challenges encountered during the research process.

Research Paradigm

Overall, the literature on research methodology defines three major research paradigms, namely (a) qualitative or interpretative, (b) positivist or quantitative, and (c) mixed methods (Creswell and Creswell, 2017; Johnson and Onwuegbuzie, 2004; Krauss, 2005). The researcher opted to use a qualitative or interpretative research paradigm for this study. Babbie and Mouton (2002: 270) refer to qualitative research as studying “human action from the perspective of the social actors themselves”. The approach was deemed appropriate because the study seeks to document and explore human perceptions and experiences— in the present case, seeking to understand street trading and the process of information exchanges or ‘tips’ from the social context or perspective/s of the chosen locale.

It was also suitable since the study wanted to look at context-specific notions, behaviours, relationships and ideas that affected street traders. This approach could also provide textual descriptions of how the targeted sample experienced a given research issue – in this case working in the informal economy as well as various attempts to regulate the economy and enforce these regulations – and the meanings the target sample attribute to their behaviour, actions and interactions with others (Babbie, 2013).
Since this was a qualitative research approach, looking at a specific and small area within the Pretoria CBD, the researcher decided to adopt the grounded theory process of observing, reflecting, building up theory and testing it in the field over a period of time (Corbin and Strauss, 2014; Creswell, 2008; Glaser, 2017). Therefore, this study utilised grounded theory to investigate informality-formality nexus from the perspective of street traders by asking a series of open-ended questions related to their perceptions of informal trading.

In addition, the specific qualitative methodology required a list of research questions and a set of systematic and predefined procedures to guide the evidence collection process. Thereafter, data collected was used to produce findings that were not predetermined opening up the possibility for the findings to be applicable beyond the immediate boundaries of the study (Creswell, 2017; Kumar, 2011).

The fieldwork component allowed the researcher to determine the clarity of certain actions, and allowed for better insight into the complex nature of human interaction. The precarious nature of informality, specifically street trading, necessitated a research approach that allowed the researcher to be there, at the forefront of what was happening. This in turn provided greater validity to the research process. And, as Creswell (2009) indicates, such an in depth understanding would not have been captured through a quantitative approach.

In order to understand the participants within their social context, the study employed a combination of direct and participant observation techniques encapsulated in the ethnographic tradition and popularly employed by anthropologists. Schensul et al. (1999: 19) define participant observation as "the process of learning through exposure to or involvement in the day-to-day or routine activities of participants in the researcher setting". To get an insider’s perspective, the researcher entered an agreement with one of the unregistered street traders, Ms Nomangwane*, who sold African necklaces and perfumes, to set-up a makeshift trading stall next to hers, and sell some of her products from there. This was made easy since there was no licence needed and this was virtually Nomangwane’s trading space. The researcher would arrive early in the morning and help Nomangwane* set-up her temporary
stall together with her own. She would man the stall, while engaging with Nomangwane* and other unregistered traders until evening.

This method was preferred as it provided a more holistic understanding of people’s actions and thoughts, which were affected by a number of factors. Furthermore, this research paradigm acknowledged that street traders, in this context, knew their own lived experiences better than the researcher. In this sense, the participant observation method enabled an intimate relationship to be developed between the researcher and the community.

Ethnography also involves an analysis of the lived experiences, interpretations, subjectivities and realities of a group of people or society. Accordingly, it allows the researcher to examine the daily lived experiences of the target sample over an extended period of time (Bailey and Peoples, 2013; Creswell, 2014; Yin, 2011). The writer used ethnographic observation to help her understand the complex structures within the chosen area, the norms and the meanings that accrue for street traders.

This technique also helped her trace how and why people make the decisions they make, under what circumstances, and the eventual outcome. Hannabuss (2000: 99) purports that:

> Ethnographic research allows us to regard and represent the actors as creators as well as executants of their own meanings. The very way in which they tell us about what they do tells the researcher a great deal about what is meaningful for and in the research. It adds richness and texture to the experience of conducting research.

An advantage of using an ethnographic approach was that it allowed for multiple data collection methods. As such, the use of triangulation was important and prevented the researcher depending on one method for data collection. To supplement this, interviews with key informants were conducted. During multiple field visits spanning a period of 5 months, between December 2017 and March 2018, ethnographic observations and oral interviews were conducted.

Discussions with traders were also held, seeking to understand – over time - the composition and modus operandi of those involved, and to explore the nature of hidden exchanges of
information between traders themselves and with the various authorities. The interviews were supplemented by ‘informal’ discussions with people whom the researcher perceived to be very knowledgeable about the subject under investigation.

Special attention was given to power dynamics between local government agents employed to conduct ‘street sweeps’ and the street traders. This monitoring enabled the researcher to observe and analyse whether the relationship between the two role players encouraged cooperation or furthered confrontation and conflict in the negotiation of public space. Another key theme observed related to concepts of self-interest and mutuality, which enabled the researcher to analyse whether stakeholders exchanged information purely for self-gain or following principles of African philosophies such as Ubuntu, for example.

**The Case Study Research Design**

The ‘case study’ research design was chosen because of the study’s focus on phenomenographic data within a hermeneutical research approach. As Nieuwenhuis (2009: 75) asserts “the typical characteristics of case studies are to strive towards a comprehensive or holistic understanding of the interaction and relationships of participants or components in specific situations.” It was also assumed that the research design would enable the researcher to focus on the concepts of social justice and mutuality (two key concepts to be explored) within the informal economy. The informal economy derives perceptions from a variety of interlinked factors. These factors, however, were embedded within the context of the community and people.

**Research locale**

The study locale was the Tshwane Metropol, generally, and the Pretoria Central Business District (CBD), in particular. The Pretoria CBD was chosen, not only because it is a capital city, but also because it is a central node of pedestrian traffic into and out of the city. The Pretoria CBD’s central location serves as an ideal urban destination for many traders, accommodating a multicultural mix of people from different walks of life. This location was also chosen for its diversity in ethnicity and economic activities.
In the Pretoria CBD, the researcher found a variety of commuters from those who work in the many offices within the city to those that travel between places – be it to and from the surrounding areas with the City of Tshwane or from further afield. This includes travellers to other cities such as Johannesburg, to other provinces such as Limpopo, or even those travelling out of the country to Zimbabwe or Botswana, for example. There is a great bustle of urban activity which made the research area the ideal location.

Below is an excerpt of the aerial view of the study locale. The green outline indicates the exact geographic location of the study’s targeted area. The chosen locale also incorporated both registered and unregistered traders in those areas. The proximity of both types of traders was essential as they are both located in the hub of the inner-city centre. Although some operate with permits, they are both still exposed to the same vulnerabilities such as lack of access to water or ablution facilities.

**Fig. 3.1: Map of inner city (Pretoria CBD)**

Source: Google Earth
Within the Tshwane Metropol, registered and unregistered street traders fight for limited trading space within narrow pathways, in front of businesses and government buildings, and along the pavements. Traders can be found in places across the city such as Sunnyside or even in the townships, such as Denneboom in Mamelodi. It is not the purpose of this study, however, to cover street trading in the Greater Tshwane Metropol, rather focusing on selected streets within the CBD, the study provides a microscopic analysis of the Tshwane street trading spaces.

Lilian Ngoyi (formerly Van der Walt Street) is the centre point of the city, running a length of 2.27 kilometres. It is a one-way street that cuts across the upper and lower CBD. Taxis, buses and private cars from Pretoria East and South take Nana Sita or Stanza Bopape and turn into Lilian Ngoyi Street. Similarly, transport modes from Pretoria North and West use Francis Baard or Madiba Drive and cut across Lilian Ngoyi Street. Of course, besides being the centre-point and passage to the upper and lower city areas, Lilian Ngoyi also acts as a pick-up point or terminus for taxis ferrying people to different areas, be it townships, suburbs, or other towns and cities.

At the intersection between Lilian Ngoyi and Helen Joseph is a pick-up point for taxis to Mamelodi, Eesterus and Atteridgeville. Further down Lilian Ngoyi, in front of the retail shop, “Fashion World”, are taxis to Orchards and other areas in Pretoria North. On the same street, towards Bloed Street are taxis to Soshanguve, Garankuwa and Mabopane. At the corner of Lilian Ngoyi and Madiba Drive are bus stops to Pretoria East, including the Queenswood and Waverley areas. On Lilian Ngoyi, you also have major shops like “Shoprite”, which serve as markets for a steady flow of customers. Down the street, there is also the Bloed Mall. The vendors therefore find Lilian Ngoyi Street, and the cross streets nearby, ideal for trade and situate themselves strategically in this area.

Lilian Ngoyi Street and its immediate surrounding areas are sought after locations for both registered and unregistered traders. As alluded to earlier, the location presents a better business opportunity for vendors than other parts of the city. The competition is therefore high and conflicts abound. Since the location brings together different categories of traders,
some with legal rights to trade and others with little or no such rights, it became an ideal location to understand the dynamics of interactions between these different categories and between these categories and authorities.

**Study population, sample and sampling techniques**

*Population and Sample*

The City of Tshwane is the administrative capital of South Africa and strategically houses numerous government offices and foreign diplomatic embassies. As such, there is a multicultural mix of people from all walks of life. This was reflected in the number of foreign participants in the study who accounted for 46 percent of respondents.

**Table 3.1: Characteristics of Participants**

<table>
<thead>
<tr>
<th>Pseudonym</th>
<th>Gender</th>
<th>Age</th>
<th>Product or service</th>
<th>Nationality (Race)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mwanza</td>
<td>Male</td>
<td>55</td>
<td>Cosmetics and socks</td>
<td>Zimbabwean (Black)</td>
</tr>
<tr>
<td>Didier</td>
<td>Male</td>
<td>32</td>
<td>Selling second hand electronics/ fixing electronics</td>
<td>Congolese (Black)</td>
</tr>
<tr>
<td>Mavis</td>
<td>Female</td>
<td>44</td>
<td>Fruit and Vegetables</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Nomangwane</td>
<td>Female</td>
<td>28</td>
<td>African necklaces/perfume</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Lovedale</td>
<td>Female</td>
<td>38</td>
<td>Hair braiding</td>
<td>Zimbabwean (Black)</td>
</tr>
<tr>
<td>Sipho</td>
<td>Male</td>
<td>23</td>
<td>Sells water</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Thami</td>
<td>Male</td>
<td>41</td>
<td>Traditional herbs</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Vincent</td>
<td>Male</td>
<td>36</td>
<td>Second hand clothing</td>
<td>Nigerian (Black)</td>
</tr>
<tr>
<td>Itumeleng</td>
<td>Female</td>
<td>45</td>
<td>Pap &amp; wors / chicken or beef</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Gomolemo</td>
<td>Male</td>
<td>49</td>
<td>Sells rocks for eating</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Thandeka</td>
<td>Female</td>
<td>34</td>
<td>Fruit and vegetables</td>
<td>South African (Black)</td>
</tr>
<tr>
<td>Tapiwa</td>
<td>Female</td>
<td>31</td>
<td>Earrings / watches / hair accessories Vetkoek, sweets and chips</td>
<td>Malawi (Black)</td>
</tr>
<tr>
<td>Doris</td>
<td>Female</td>
<td>54</td>
<td></td>
<td>Ghanaian (Black)</td>
</tr>
</tbody>
</table>

While the study population included informal traders in the Pretoria CBD, it would have been both impossible and impractical to involve all of them in the study. It was, however, important for the researcher to include traders of all ages, representing different genders,
nationalities and both categories of traders (registered and unregistered) in different locations in order to reduce the possibility of data contamination.

The profile of the traders that participated in the study is presented in Table 3.1. The study also included government officials, particularly Metro Police Officers who were also interviewed on an unofficial basis. Participants were specifically selected based on the language they spoke, mainly for ease of communication. Given the cultural mix, as alluded to earlier, English was chosen as a medium for communication for the foreign traders. The interviews with local street traders were conducted in isiZulu, Xhosa, Tswana and Pedi. This was possible as the researcher speaks isiZulu (mother tongue).

Furthermore, the researcher has spent over 24 years in Pretoria and is familiar with Tswana and Pedi, which are predominantly spoken in Pretoria. The researcher was cognisant of time as a factor in allowing traders to continue with their business activities. As such, prior arrangements were made, wherever possible, to ascertain which days would be best to conduct the interviews. Most of the respondents preferred early morning or after lunch when the bulk of their customers were at work.

These respondents also had to fulfil the criteria of informality as defined in the study. To gather the sample, the researcher specifically pursued traders who were unregistered and operating along Lilian Ngoyi Street and registered traders along Helen Joseph Street. In the end, seven unregistered traders and six registered traders were selected to participate in the study. From the combined number of respondents, seven were female and six were male. To supplement the study’s findings, the sample was extended to sixteen targeted informants. This included; government officials and their agents (Metro Police), customers, business owners and other stakeholders with knowledge and expertise in the informal economy in the Tshwane Metropolitan area.

In order to address any sample bias, the researcher was cognisant of interviewing traders who were of the same age or gender therefore “narrowing the sample frame” with participants who have “similar characteristics” (White, 2002: 67). The researcher also tried to reduce this
potential bias by interviewing respondents with diverse backgrounds that differed in; ages, gender, goods sold and including differentiating between local and foreign traders. In this way, the researcher was able to capture different insights.

The researcher therefore adopted a purposive sampling technique, by identifying street traders who included both South Africans and non-South Africans, registered and unregistered traders. Patton (2002: 230) defined purposeful sampling as:

The logic and power of purposeful sampling lie in selecting information-rich cases for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the inquiry, thus the term purposeful sampling. Studying information-rich cases yields insights and in-depth understanding rather than empirical generalizations.

This technique was preferred as it allowed the researcher to identify and select individuals that were knowledgeable about street trading (Creswell and Clark, 2011). In addition, knowledge and experience, availability and willingness to be a participant were also important factors for choosing this technique. A non-probability, purposive sampling approach was followed by means of snowball sampling. Babbie (2007: 205) defines snowball sampling as:

The process of accumulation as each located subject suggests other subjects. The procedure is appropriate when the members of a special population are difficult to locate, such as undocumented immigrants.

In this endeavour, previous research conducted for a previous study was instrumental as it gave rise to an established relationship with the chosen community. Furthermore, it allowed respondents to introduce the researcher to more participants in their social networks that may otherwise have been hard to reach (Flick, 2009; May, 2011). The sampling approach was also necessitated by issues of trust – it was always going to be difficult to find traders willing to share information with a stranger. These traders would, however, agree to participate once the researcher was introduced to them by someone they knew and trusted.
Data collection tools and techniques

Documentary and oral sources

To understand this locale, the research employed both primary and secondary sources. The primary sources comprised data from field interviews, direct observations, policy documents, and similar materials. Secondary sources were mainly published findings such as books, journals articles, government publications, newspapers articles, both locally and globally, and other related materials.

With regard to data-collection tools, the interviews were conducted using an interview schedule to guide some of the questions which were open-ended. This was possible as the researcher had prior interaction with some of the traders, whilst others were through referral. Traders agreed to extend this research by allowing the researcher to conduct more in-depth and longer-term observations of their experiences and documenting them through field notes.

Direct Observation

This method of data collection involved directly observing the participants as they went about their daily lives, except for the one occasion where the researcher acted as a participant. The approach is based on the significance of documenting first-hand experience of a situation in order to obtain a deeper understanding thereof, instead of learning it from a textbook for example (Creswell, 2009).

Similarly, this research employed the direct observation method of collecting data. Here, the researcher walked around the Pretoria CBD observing and taking notes of the environment and, in particular, the ways in which street traders interacted with other traders, as well as with government agents in the form of the Metro Police. Observation as a research method was ideal as the study was set in a public area and the researcher could go about observing other layers of reality in the specific research field without formally sitting with subjects.

This method was preferred because it enabled the researcher to better understand and capture the context within which people interact using their first-hand experiences. Furthermore, the
approach allowed the researcher to learn things that participants may otherwise be unwilling to share or discuss in a formal interview. The process of observing street trading also afforded the researcher the opportunity to gain valuable insights and situated understandings of the research locale and their activities. In this endeavour, the researcher took field notes each day she was in the field on what she observed, where and by whom.

On each observation occasion, the researcher found a convenient nearby location to station herself – a corner intercepting two streets was preferred as it allowed for more to be observed. Observation was done in 20-minute intervals with the research noting the ambience, physical characteristics of the settings and what was happening. The purpose of this activity was to record, in as much detail as possible, what the scene was like from day to day. The physical writing of field notes was done away from the observation setting allowing the researcher to have uninterrupted observation time and to allow her to blend in with the crowd.

*Interviews*

To triangulate, supplement, and enrich the results of the research, semi-structured interviews were conducted with traders, and these were a vital source of information. As stated by Dilley (2004), interviewing helps the researcher know the context of the subjects’ behaviour and thus provides a way for a researcher to realise the meaning of that behaviour. Following Legard *et al.* (2010) advice about gathering qualitative data, the researcher developed a semi-structured interview schedule (Annexure 3) containing thirteen general items. The interview schedule consisted of topics related to the nature of the informal economy, specifically of street trading within the City of Tshwane.

Neuman (1997: 371) notes that interviews involve “…asking questions, listening, expressing interest, and recording what was said”. To establish a spirit of openness and maintain a good rapport with interviewees, it was necessary for the researcher to share his or her background with them. This method was preferred as it provided the researcher with the opportunity to probe the respondents for additional details. It also gave respondents flexibility to give more details about their thoughts and opinions.
In the beginning, eight street traders were targeted and approached. After a few one-on-one interviews, it was necessary to be more flexible and pragmatic since one trader pulled out from the research after the initial interview. Additional traders were used which brought the number to thirteen key respondents or traders. These included registered and unregistered street traders that formed the majority of the respondents.

In addition, informal interviews were conducted with government officials and agents (in the form of the Metro Police) and forum leaders. During these visits, an interview guide was prepared, focusing on a number of thematic areas (see Annexure 4). These entailed open-ended discussions that allowed street traders to speak more freely and obtain information specific to each theme. In the process, the researcher profiled the lives of participating street traders in this locale and how they related to one another, as well as government officials and/or agents.

**Data Analysis**

Once the data collection was completed, it was categorized and coded in preparation for analysis. It is important to note that on-going capture of data was done each time fieldwork was conducted. It was only after reaching saturation where no new information emerged from the field that the data was prepared for analysis. The data analysis was guided by the qualitative research design. The researcher analysed the data through thematic analysis and as such, this was a continuous process carried out over time.

Two broad themes were used to guide the research report. First, to account for street traders’ interpretations of state regulation, through their actions. Second, given that inequality remains embedded in many societies, especially those in the Global South, the study looked at how individuals constructed their own meanings in order to function as normal human beings within the context of their environment.

The thematic analysis was necessary in order to illustrate key thematic points. The broader themes that emerged were inequality, social justice and legislation. These themes were
integral in addressing the research objectives of the study, namely: how street traders interpreted state defined legality; their notions of social justice in the context of inequality; the impact of precarious work; and, social protection and survival.

In addition, detailed transcripts of the oral interviews supplemented the theoretical assumptions framing the study. Consequently, the researcher was able to easily extract key phrases and words pertinent to a particular theme based on what the informants directly expressed in their interviews. Data was also used in its raw state as direct quotations provided a greater level of detail.

Data Collection Challenges

The first limitation that emerged within the study was the mobility of street traders. Due to the precarious nature of street trading, there were days when the researcher could not find her informants as they had moved to other locations within the city. This mobility was blamed on the presence of Metro Police and respondents, fearing confiscation of their goods, opting to move elsewhere. This diversion delayed field work as it took time to track the traders down. Similarly, there were times when protests disrupted activities in the locale and specific roads were closed.

This also delayed the research process as the researcher had to make additional time to conduct fieldwork. For example, there was a protest march by ‘waste pickers’ that took place on 6 February 2018. The protest was accompanied by a large presence of Metro Police officials who were deployed to monitor the march. Street traders did not feel comfortable with the larger than usual police presence, and even worse, having the presence of a researcher during this time. In view of these circumstances, the researcher respected their wishes and did not conduct interviews during this time.

Secondly, one of the respondents pulled out during the interview process as he had changed his mind about participating in this research. He cited the fact that “students come and collect information from us but we get nothing in return”. It was important to the researcher to honour his wishes and in this regard nothing mentioned in this study reflects any
contributions from said street trader. Occasionally, there other occasions where the interviewing process was disrupted as a result of Metro Police being in the area. Customers also delayed the interview process with some respondents as they came to purchase products/services and the interview had to be paused.

The third limitation, as discussed in the introduction, was that the study reflected situations from a selected community, looking specifically at one area which was confined to a few busy streets in the Pretoria CBD. The researcher recognises that situations and outcomes may be different when looking at a broader level. Related to the chosen locale, some participants were not comfortable with the use of a tape recorder, an indication that trust with other traders was an issue.

**Ethical Considerations**

Any acceptable research study necessitates an ethical approach to ensure the well-being of participants is not affected. Ethics are concerned with honourable conduct. More specifically, ethics are concerned with a specific quality of interaction, that is, the kind of interaction that ensures that the interests of those involved are not prejudiced (Merriam, 2009). Therefore, ethics aim to ensure that in the interaction between two or more parties, the interests involved are enhanced (Rossouw, 2006: 3).

A letter of permission was obtained from the City of Tshwane’s ‘Economic Development and Spatial Planning Department’ to conduct the study within the city (see Annexure 1). Given the nature of the study and its use of human participants, the researcher introduced herself to the target audience, as well as the proposed research interest. This was important to ensure that before signing the ‘letter of introduction and informed consent’ (Annexure 2), participants understood what they were signing. This form was presented and signed before any research was undertaken to assure participants that the information provided would remain with the researcher and be used solely for academic purposes.

Although a certain number of participants had previously given consent during the prior research study, the researcher nevertheless introduced the new topic and research. For both
old and new participants, and given the nature of this research, it was important to provide prior explanation of the purpose of the research, and to gain informed consent to record discussions and conduct formal interviews. Moreover, none of the participants’ personal details including names were used in documenting this study. During each interview, participants were again alerted to the fact that they may withdraw at any time and that the information already collected from them would be discarded.

**Chapter Summary**

In this chapter, the chosen methodology and research paradigm used in the study detail the elements of data gathering, analysis and sample used. Using an actor-centred approach, grounded in the qualitative data, the study sought to understand the worldview of those involved in the informal economy within the confines of the Tshwane Metropolitan city. Apart from the benefits of the methods employed in this research, a brief overview of the challenges and limitations are outlined.
Introduction

In many developing countries, both central and local governments, informal economic activities are loathed, stifled and even criminalised. These various authorities develop by-laws, regulations and frameworks that discourage or impede the legal and moral recognition of the informal economy (Kamete, 2013; Potts, 2008). Nonetheless, this has not deterred informal traders who have found innovative ways to negotiate trading areas and insert themselves into exclusive economies, albeit under unfavourable conditions of marginality, state brutality and inequality (Hillenkamp et al., 2013; Le Roux, 2014; Moyo, 2018).

This chapter assesses how street traders interpret state laws and dissects the dominant narratives that influence how the informal economy is regulated. This assessment makes use of a brief background of the South African informal economy before arguing that, amongst other factors, the remnants Apartheid continues to spur unequal development and systemic economic inequality. The fact that these affects persist implies that the post-Apartheid government is ill-equipped to solve the challenges of poverty, inequality and unemployment. The chapter then highlights how legislation regulating the informal economy, particularly street trading, is made.

National Legislation and Bylaws in the City of Tshwane

The general regulatory environment applied by municipalities across South African cities includes the requirements and laws that govern the informal economy. There are a number of laws and policies, at both the national and local level, that regulate informal trade especially street trade. Indeed the City of Tshwane municipality can determine who trades and in which areas. Its roles and activities are guided by clause 6A of the Businesses Act no. 71 of 1991 describes the Powers of the Local Authority. According to the Act:
(2) (a) A local authority may, subject to the provisions of paragraph (b) up to and including (j), by resolution declare any place in its area of jurisdiction to be an area in which the carrying on of the business of street vendor, pedlar or hawker may be restricted or prohibited.

• (b) A motion that steps be taken to declare an area under this subsection shall be dealt with at a meeting of the local authority.

At a national level, clear guidelines and strict measures are already in place to manage where and how street trading takes place. Furthermore, point 2(a) emphasises that the power rests with and within the local authority to decide/declare where a street trader may conduct his/her business. The wording “dealt with at a meeting of the local authority” suggests a top-down approach where decision-making is made at government level, without consulting the people directly affected.

Most of the by-laws formulated and enacted across South African municipalities are based on section 6A of the Businesses Act 71 no. of 1991 and emphasise strict controls, restrictions and enforcement procedures. This enforcement is done by the Metropolitan Police Services (Metro police) who are primarily responsible for enforcing by-laws and monitoring traffic-related infringements. These by-laws represent strict order and regulation whereas street trading challenges these notions precipitating government calls to bring street trading under control (Matjomane, 2013). In a speech given in Parliament (Republic of South Africa) on the 18th May 2017, the Minister of Small Business Development, Ms Lindiwe Zulu, noted:


Regulating informal trade by registering traders, for example, is done through local municipalities. Formulating and interpreting these by-laws also fall under the local municipalities’ purview. However, a recent report released by the Socio-Economic Rights Institute of South Africa (SERI) along with the South African Local Government Association (SALGA) documents how, at local and national levels, traders are intimidated and harassed by local government agents. The report titled ‘Towards Recommendations on the Regulation of Informal Trade at Local Government Level’ substantiates the functionality of informal trading and calls on local governments to enact legislation that is less punitive.
Included in this document are the following recommendations: Municipal by-laws and policies governing informal trade should appreciate the nature, structure and composition of the informal trading sector within and across municipal boundaries. This recommendation emphasises a more nuanced understanding of informality by local authorities. It also mentions that municipal by-laws and the policies governing informal trade should ensure that informal traders are treated equally (especially foreign nationals) and discourages unfair discrimination by officials. This clearly outlines the hostile legal environment within which traders operate. The document then addresses a variety of recommendations ranging from ‘by-law and policy formulation’, the ‘legal requirements’ guiding informal trade, ‘law enforcement and compliance’ and ‘provision of services’ amongst many other categories.

Informal traders in Tshwane must also try to understand which specific department is responsible for regulating informal trading within the City of Tshwane. While the Local Economic Department is the body responsible for formulating policy, the Tshwane Metropolitan Police Department (TMPD) is responsible for enforcing those policies or by-laws. A majority of respondents confirmed that their interaction was mostly with the TMPD, or as they are commonly known, the Metro Police. When asked about their relationship as traders with government officials, 68 percent cited a negative relationship, 21 percent noted a positive relationship and 11 percent were indifferent.

**Applying for a street trading licence in the City of Tshwane**

The City of Tshwane CBD includes traders who are ‘registered’, able to operate in designated areas, and possess a permit or licence from the local authority. There are also street traders who do not possess permits or licences and these ‘unregistered’ traders have no legal rights to operate in the city. The distinction between the two categories of traders defines their interaction with each other and with Metro Police officials. These specific dynamics will be discussed in detail in the next chapter.
While legal operation within the city requires registration, the application process is not always easy. According to the City of Tshwane Local Municipality, an applicant needs the following in order to obtain a street trading licence or permit:

- a copy of an official ID;
- a permanent residential and postal address;
- an initial rental fee covering the 3 months;
- to sign a lease agreement;
- to sign a pledge form;
- to attend an orientation workshop;
- a monthly rental fee, depending on the stall provided;
- written proof of access to toilet facilities; and,
- the licence must be in the seller’s name.

This list only mentions some of the procedures traders need to follow. The challenge is that not all applicants have the means to obtain the trading licence because they have limited education. According to WIEGO (2014), traders must contend with a range of difficulties that start with the highly technical and legal language used on these application forms. This particular obstacle also emerged during the study. At least four traders also cited the fact that they did not have the money to pay the permit fee, while three traders did not have asylum papers to enable them to register for the permits.

Asylum seekers enter South Africa for a range of factors including political instability and persecution in their own countries. The process of applying for refugee status is another notoriously bureaucratic process (Khan and Schreier, 2014; Masawi, 2017; Rogerson and Perdeby, 2001), which leaves many foreign traders without the appropriate identification to apply for a permit. Mwanza*, for example, is a 55-year-old male from Zimbabwe. He says coming to South Africa was a means for him to “get a better life”. He added that “street trading was not my first option, but I had to wait for papers [legal status] and no one was hiring me, so it became an option”.

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*Pseudonym used to protect the identity of the individual.
First, immigration policy is the prerogative of the national government and is governed by the Refugees Act which prohibits asylum seekers from being expelled if their lives are physically threatened in their home country. It does not, however, allow seekers to economically support themselves in the host country, which leads to many working in South Africa’s informal economy (Republic of South Africa, 1998; Rogerson and Perdeby, 2001).

Second, a person renting a room in the township may not have a signed lease agreement with the home owner as this is not common practice. In townships, such agreements are often entered verbally and are based on trust, and sometimes, personal relationships. As a result, even those traders that have the necessary legal documents and fees often find it difficult to acquire trading permits or licenses. This was also evident in the study, where all participants were either living in shacks or were renting from land lords in the townships.

Without a trading permit, the council deems any trading within the city as illegal. But, for many participants, trading was a matter of survival. Mwanza* explained:

Getting these licences is not easy. We cannot wait around to get papers (legal documents) while we starve. Like everyone else, we have financial needs that are immediate and have to be satisfied now and not after we finally get permits. We need to feed ourselves, put our children to school and pay bills. How do we achieve these? (Interview, Tshwane, January 2018).

The local government, in this case the Tshwane Metropolitan City, has the authority to create by-laws relating to informal trading. This is done through by-laws that define who has the right to trade and the areas where such an activity should take place. Tshwane City By-laws (Section 8, Number 4) states:

A person who carries on the business of a street trader on a stand and who is unable to produce a valid lease agreement or token, as contemplated in section 8.2, shall be guilty of an offence.

By definition this already excludes many people who do not have the means to apply for the licence to trade on the streets. It also speaks to the very exclusionary nature of current policies regulating street trading in the City of Tshwane. Although initiatives are being rolled out to encourage and support trading, such by-laws still impede, if not negate, this support.
When asked about their knowledge and perceptions of street trading by-laws in the City of Tshwane, only a minority of traders said they were basically familiar with the legal stipulations. None of traders knew exactly what the by-laws were and how they apply to them and their activities. Registered traders appeared to be better informed about the by-laws, probably because of the workshop they attended after registration, then unregistered traders. About half of the registered traders said they were familiar with the by-laws, while closer to half of the unregistered traders said they had no idea. It is also interesting that all traders had a negative perception of the bylaws as the following response by one of the traders indicates:

I know the government has rules that we must abide by, but I have no idea what those are, all I know is that my children are hungry and I have to provide something for them, so I sit here and sell instead of going to do crime (Interview, Tshwane, January 2018).

Despite their unfamiliarity with the trading regulations, the majority of traders thought the current by-laws were a deterrent put in place to oppress and reinforce their demonisation. These results are from the study, but the use of by-laws as a deterrent measure is a point echoed by scholars (see Brown, 2006; Muiruri, 2010; Willemse, 2011).

**Interaction Between the State, its Agents and Traders**

To help draw foreign investors, municipalities want their cities that exude a healthy respect for law and order. To this end, the concept of ‘clean’ and orderly cities is often cited in government rhetoric and policies, many of which have been mentioned previously. The informal economy, and more specifically street trading, is seen as impeding on the state’s modernist views of urban cities. As a result, the interaction between the state and traders is often characterised by conflict. While conflict is the norm, cooperation and negotiation between traders and local government agents are a key focus of this research.

At a local level, there are a few initiatives in place. One such local government initiative is ‘Operation Tswelopele’ launched by the current Mayor Solly Msimanga to ‘revitalise’ the inner city and address urban management challenges. As part of its main objectives, the initiative aims to promote:

- shared economic growth and development;
• integrated social development and public safety;
• local economic development and realigning informal trade and management.

Indeed, the policy acknowledges the positive role the informal economy plays in mitigating socio-economic conditions in poor people’s lives and seeks to develop the potential of the informal economy. Furthermore, it highlights a developmental approach that acknowledges informality as a key player in creating livelihoods for the marginalised, thus alleviating poverty. Consequently, the Mayor referred to Pretoria:

As the face of the capital, the inner city needs to be a clean and safe environment that is befitting a capital of a nation (City of Tshwane Council Meeting, 27 July 2017: 12).

For the City of Tshwane and its counterparts across South Africa and in many cities around the world, the goal is to project their cities as modern metropolises, capable of generating capital and profit. Considering the government mandate and policies, another strategy used by local authorities to curb and regulate street trading is the use of ‘street sweeps’ or raids. Speaking on the harsh approach taken by local authorities to achieve their objectives, the City of Tshwane, Mayor Msimanga (2017) asserted:

The Metro Police Department will not storm in like the past and chase people away and enforce Bylaws. This approach usually resulted in major disruptions and retaliation by affected parties. In the past this created an environment that was even dirtier as a result of protest actions and in some instances violence (Tshwane Council Meeting, 27 July 2017).

It is against this background that traders find innovative ways to sustain their businesses. When approached about their interaction with local authorities, nearly half of registered traders cited a negative relationship. One informant noted: “they police us like children even though we pay for permits”. Unregistered traders, however, had a more unique relationship with Metro Police. While nearly all of them harboured negative sentiments, over half believed their relationship was based on reciprocity. These traders told of how Metro Police tipped-off traders of street sweeps in exchange for lunch or a ‘cool drink’ fee.

Lyons and Dankaco (2010) have shown how traders demonstrate their agency, despite harassment and the possible confiscation of wares, in order to continue trading. Similarly,
van der Heijden (2012) argues that street trade operations continue to grow despite harsh regulations by state authorities. When asked about how they negotiate trading locations with Metro Police, all the unregistered traders reported either paying officials or witnessing situations where officials were paid to allow traders to continue doing business or to release their wares.

For example, Simba* is a registered trader that sells hats and sunglasses along the demarcated area for street traders opposite the State Theatre in the Pretoria CBD. Before securing his stall, he worked in Marabastad. He says he managed to bribe an official to help him get a permit, and a supposed lucrative location closer to the inner city. He said that he paid R500 to an official after being introduced by a neighbour. Similarly, Noma* who is also an unregistered trader told of how she has learnt that paying was the best way to protect her goods from confiscation by Metro officials. This can be done directly or through a ‘middleman’. She opened up:

I had a good relationship with my fellow trader as my sister had been trading with him for years. After my sister fell ill and was no longer in a position to continue trading, the fellow trader told me about a gentleman in Marabastad who could secure information on street raids by Metro Police, and was paid R100 by every trader (Interview, Tshwane, February 2018).

A similar story emerged from one of the traders who had paid a Metro official through goods. He explained:

They [Metro Police] come around lunch time when they know I can offer them a plate of pap and chicken or beef. In return they offer tips on raids. They either send SMSes or they physically come and deliver the message (Interview, Tshwane, February 2018).

The raids by the Metro Police on street traders are generally not a secret, and can easily be detected. They often come in large groups, usually in a fleet of vehicles or a truck. This allows the traders to pack-up and disappear among the city centre crowd. The traders also have places within the city where they hide their wares during these raids. At the end of the day, raids generally fail to achieve their objectives.
Formal and regulatory institutions have been cited by several scholars as being weak and unfavourable to the informal economy, especially street trading. It is in this light that traders often rely on the interpersonal relations between themselves and state officials to ensure their survival. Unlike the formal economy where most interactions are impersonal, street traders typically deal with the same clients as well as the same Metro officials assigned to specific areas. As such, more personal social networks based on trust are created that allow for an easier exchange of information. Traders noted that having a relationship, or knowing someone who has a relationship with Metro Officers, was “an important resource if you want to survive out here”.

**International organisations and local businesses**

The state and its agents are not the only institutions that denigrate street trading. Globally, structural adjustment programmes and the global financial crisis are two notable factors that pushed millions of people into poverty worldwide. International organisations such as the International Monetary Fund and the World Bank are blind to how their policies contributed in perpetuating harsh inequalities. These organisations advocated for policies, in accordance with the *Washington Consensus*, that primarily called for state austerity and privatisation that vastly contributed to unequal growth in the world. This marginalisation pushed people into the periphery where being absorbed into the informal economy is how they survive.

Locally, and on the ground, business owners also vilify the informal economy. According to one of my informants, “former business people want clean and less congested streets, yet traders operating on the street congest the streets, and present a negative environment for business”. He added, “traders just set up their businesses anywhere, are unorganised and create chaos”. This was corroborated by a shop owner, who complained: “these people make a lot of noise around here that it becomes difficult for one to hear or understand what is happening around him/her. With so much activity around here, they could be involved in some criminal activities”.

Their problem with street traders did not end with acts and perceptions of criminality, it extended to issues of competition. One shop owner stressed the need for the government to enforce by-laws and to address visibility and access to their businesses. He complained:
We understand people want to make a living, but so do we. Why can’t they [street traders] do things correctly and get permits. We pay a lot of rent but they take our customers before they even enter our doors. Government needs to be more proactive in regulating street traders and find a place for them to operate (Interview, Tshwane, February 2018).

Although these formal business owners appeared to understand the plight of informal traders, they emphasised the need to regulate street trading and control where their activities should take place.

**Designated trading zones**

Designated trading zones are areas “designated for the purposes of informal trading after having followed the process for designation in terms of the Businesses Act 71 of 1991”. This process forms an integral part of the development of human settlement management by local authorities. However, informal trading is prohibited in certain parts of cities. In the City of Tshwane, street trading is prohibited “in a garden or park to which the public has a right of access”, also at “an auto teller bank machine” or in a “building declared to be a heritage resource” (City of Tshwane By-Laws, Section 4). The list of the generally prohibited areas is long, unclear and, as such, difficult to comply with.

Furthermore, designated areas, such as those found on Helen Joseph Street in the Pretoria CBD are limited due to allocation problems. Only a certain number of stalls can be allocated to traders, as a result even those with permits have no stalls to operate from. Traders lamented about the shortage of trading space. One of the traders complained, “the local authority promised us safer and secure places to operate from, but we have been waiting for a long time for trading spaces as there are too many people needing those spaces”. The main problem is that the local authority has designated limited space for informal trading and only a handful of people can occupy these areas at a time. The available trading stalls are mainly concentrated along Helen Joseph and WF Nkomo Streets. This leaves many traders with little option but to continue trading without a permit.

Furthermore, the spaces allocated to traders are far from the busy area where customers can easily access them. Thus, registered traders believe they are at a disadvantage compared to
unregistered traders who operate from the street, where there is a large volume of people. These streets are convenient for people going home from their shopping and work, since some are closer to the taxi pick-up points. This means less business for registered traders.

The situation has exacerbated an already volatile relationship between registered and unregistered traders. One of the registered traders complained, “we are allocated specific areas to operate from and are therefore confined, and they are freely mobile and pick and choose places to operate from”. Unregistered traders take advantage of this by strategically positioning themselves along taxi routes, for example, to attract more customers on their way to/from the city.

Another source complained that traders in designated areas were held to explicit restrictions – for instance, traders are not allowed to create smoke or carry out their trade in a way that ‘creates a nuisance’. This portrayal of informal trade being a ‘nuisance’ is problematic as it is a purely subjective narrative. But, to the local authorities, unregistered traders are a nuisance because they operate in prohibited areas within the city. As a result, they have to be stopped. The tactic to stop them from operating is to confiscate their wares, fine them or even arrest them. This is also an attempt to confine informality to designated zones or markets. By doing so, traders will be at the reach of the state where they can be firmly under the control of the local authorities (Bénéit-Gbaffou, 2016; Schneider and Enste, 2013; Vanek et al., 2014).

**Raids on street traders**

Raids, in the context of this research paper, occur on street traders as a deterrent measure by local government agents, in the form of Metro Police in the City of Tshwane. These agents conduct surprise raids with the intention of confiscating and charging people that trade without permission. According to Aas et al., (2013: 124) “the raids generally involve coordinated and planned surprise attacks”. Numerous such raids were witnessed during the course of the study.

One incident happened on the 12 February 2018 where eight Metro Police squad cars and two large vans descended on traders in the CBD. While the raid caught the traders by surprise and
there was visible panic, this raid also brought to light the interaction between unregistered traders who acted in unison and assisted each other to evade arrest. There was a visible exchange of information between those who witnessed the raid first and those who were not yet affected.

The general aim of these raids, besides street management, is to forbid use of specific urban locations. Generally, the raids involve the seizure of traders’ wares and destruction of temporary structures used as shelves or shelter. Raiding officers can also destroy wares that are displayed. For instance, the violent raid on street traders in Warwick Junction (in Durban) to accommodate the FIFA World Cup in 2010 (Aas et al., 2013; Bénit-Gbaffou, 2015; Skinner, 2010) is a case in point. For over a decade, Warwick Junction challenged modernist views to urban planning as street traders were integrated in the city planning. However, in 2009, the City Council decided to build a mall in Warwick Junction which threatened to leave thousands displaced. Here, the Metro Police closed the trading area and a violent interaction ensued between the officials and the traders (van Schilfgaarde, 2013: 36).

In the City of Tshwane, there is a long history of raids by Metro Police that have turned ugly and violent. In 2014, the Mail and Guardian Newspaper published an article with the headline “Tshwane metro police attack hawkers, confiscate goods.” An excerpt from that article read:

Informal traders in Pretoria say they were attacked by members of the Tshwane metro police on Friday. The vendors gathered outside the Pretoria Magistrate’s Court, where their colleagues were appearing after being arrested on Wednesday by the metro police. Hawker Foster Jan Rivombo was shot dead during the scuffle (Mail and Guardian, 10 January 2014).

Four years later, street trading is still seen as a ‘nuisance’, and operating without a licence or permit as an offence. The Pressreader once reported that the City of Tshwane Mayor, Solly Msimang was seen in the frontline, “serving fines and warnings on Robert Sobukwe Street” (Pressreader, 22 May 2018). This shows the seriousness within which informality is regarded by local authorities in their pursuit for ‘clean cities’ and this view is still part of the development agenda in democratic South Africa.
Legacy of displacing street traders

The City of Tshwane as a capital city, like many capital cities around the world, has informal traders that line the pavements of busy streets selling their products or ready to offer a service. Local authorities view this group of people collecting along sidewalks as undesirable. Nonetheless, street trading is one of the most visible activities within the informal economy and thus subject to varying degrees of control and police harassment. Oftentimes, the enforcement of by-laws exhibits an authoritarian approach by the Metro Police that leads to the displacement of street traders from public spaces.

The management of street trading through city clean-up operations such as ‘Operation Tswelopele’ in the City of Tshwane, or ‘Operation Clean Sweep’ in Johannesburg are well-known deterrent measures meant to remove street traders. Below are some examples of headlines appearing in the national newspaper, the Mail & Guardian, on the quest to create ‘clean’ cities through forced removals of street traders in Pretoria and Johannesburg.

NATIONAL

Pretoria hawkers protest against alleged abuse by police

Sapa, Jenasayi Maromo 17 Jun 2014 12:55

Members of the Tshwane traders’ forum at the memorial service of vegetable vendor Foster Nhombolo, who was allegedly shot dead for refusing to hand over his stock to Tshwane Metro police. (Gallo)
Regardless of where, when or how the displacement of street traders happens, one certainty is that this has not deterred traders from coming back (Crossa, 2009; Lees et al., 2015). Although the displacement of traders from public spaces is a common feature in local government policy, it also marginalises people who are already engaged in precarious activities. For example, Gomolemo is a 49-year old male who has been involved with street trading for the past eight years. He remembers hard times in his street trading career:

It was a difficult time in 2013 – 2014 because they were really trying to get rid of us [local government]. They would come in their big trucks, throw our things around and chase us away. The police [Metro Police] would take anything they find and we would not even know where to go get it back. We lost a lot of business that way.

Some of the lasting impacts of these sporadic raids, besides displacement, are the economic uncertainties created as a result of the loss of products. Other traders confirmed that they had also lost wares to Metro Police, and sometimes they had to start afresh. This is what makes them look for alternative ways of interacting with the Metro Police. “These other means are better than losing your livelihood”, one of the traders reasoned. “After all, these Metro Police are human and understand our situation. Sometimes they do not even ask for much”, he continued. Another key informant noted:
They [Metro Police] also have families, and some of them are out here with us trying to make a living. Sometimes they give ‘tips’ for money, but sometimes they do it for free because they are protecting a friend or family member (Interview, Tshwane, March 2018).

However, street trading is associated with anxieties and risks of police harassment all of which is well documented by other scholars (Bromley, 2009; Brown, 2017; Omoegun, 2015; Skinner, 2008).

**Chapter Summary**

This data analysis chapter examined how traders interpret state defined legality. This included unpacking the procedures in applying for a permit or trading licence within the City of Tshwane. The data showed that traders struggled to meet these requirements and the by-laws that govern the informal economy, particularly street trading. Some of the challenges experienced by traders included the inability to provide proof of residence or other forms of identification. The impact to traders of punitive legislation put in place by local governments, results in added economic uncertainty as they try to create livelihoods.
CHAPTER FIVE
INEQUALITY, HIERARCHIES AND SELF ORGANISATION AMONG STREET TRADERS

Introduction
In a South African context, and more specifically the City of Tshwane, the state represents a formal structure where regulation and control is prioritised. This chapter analyses the study’s second research objective aimed at exploring the hierarchies that emerge amongst individual traders as they engage in informal economic activities. The chapter argues that in the context of the Pretoria CBD, power relations are a site of moral reasoning where street traders negotiate and contest concepts of urban governance and the ideals of the state.

The data from this chapter is sourced from the fieldwork conducted over a period of three months within the Pretoria CBD, along with relevant literature such as journals, books and newspaper articles. The chapter provides a brief overview of the context of poverty and inequality in South Africa. Thereafter, it looks at state hierarchies and the types of power held by various actors. This is followed by a discussion of how the traders themselves understand the prevailing hierarchies, as well as their interaction with other stakeholders with conflicting interests.

Poverty and Inequality in a South African context
In South Africa, there is an apparent disjuncture between eradicating poverty and encouraging job creation. These concepts are mostly discussed and prioritised at the national legislative level. However, the burgeoning number of street traders, whose management is left at the hands of the municipality means addressing poverty and inequality is essentially a municipal concern. (Van der Heijden, 2012). The division between legislative prioritization and enforcement has created a degree of non-coordination between the two administrative levels which particularly striking when it comes to street trading regulation.
The national government seems to appreciate the plight and solutions informal traders institute, however, local authorities do not share these sentiments. For municipal officials street trading is undesirable because it is chaotic and, as such, affects the orderly image and good management of cities (Bénit-Gbaffou, 2016; Kamete, 2013). The reality is that an incorrect conceptualisation of inequality is used to inform legislation and policies. Furthermore, this conceptualisation does not relate to the situation on the ground.

Theoretically, there is a difference in how inequality is represented in theory, how it manifests in reality and how this impacts human development. Generally, inequality reduces the potential for human development. For example, poor people do not have the capacity to pay for quality education and consequently fail to achieve their full potential. In South Africa, the material comfort available to individuals and communities is intertwined with the historical remnants of racial inequality. Poverty in South Africa, according to 2015 figures, accounted for over half of the country’s population at 55.5 percent (Stats SA, 2017). This was also evident in the data which found that most all of the local traders came from poor backgrounds, either from the rural or township areas. To more accurately determine the threshold below which people are considered poor, Stats SA uses data collected from the spending and consumption of households as opposed to how much they earn.

The legacy of racial inequality has concentrated poverty particularly amongst black people (Devey et al., 2006). According to a World Bank report prepared in 2018 in collaboration with Statistics South Africa and the Department of Planning, Monitoring and Evaluation, more South Africans slipped into poverty, at least once, between 2008 and 2015.

Half of South Africans during the 2008 to 2014/15 period were considered chronically poor or having average consumption below the upper bound poverty line. At least 78% of South Africans were in poverty at least once during this period.

The World Bank report, titled *South Africa poverty and inequality assessment report*, further noted that high wealth inequality and low intergenerational mobility inherited from Apartheid saw the disparities (low levels of education) being passed down from generation to generation, thus perpetuating both inequality and exclusion. Another factor pushing poverty and inequality is unemployment –officially at 26.7% according to 2018 official statistics, but closer to 40 per cent if those who have given up applying for formal employment are counted.
(Stats SA, 2018; Leibbrandt et al., 2009; OECD, 2013). The figure below shows a timeline of unemployment trends in South Africa between 2015 and the first quarter of 2018.

Fig. 5.1: Unemployment statistics (2015 to 2018)

Source: Trading Economics for Statistics South Africa

Between the harsh inequalities left by the legacy of Apartheid policies and the inability of the current government to grow the economy, people lack the economic opportunities to fend for themselves. Furthermore, inequality in South Africa is influenced by a lack of access to diverse factors such as education, basic services, income, spatial integration, etc. One of the respondents solemnly noted:

We are not white… we come from nothing and have children who are inheriting nothing. Our past troubles us even now as we try to make an honest living. Even worse, the government uses by-laws to push us further into poverty (Interview, Tshwane, February 2018).

Economic inequality in South Africa has worsened since the end of Apartheid. The country has one of the most unequal distribution patterns in the world with 60 percent of the population in 2014 earning less than R5 000 per month (Stats SA, 2014). The diagram below shows how inequality has increased in many countries, including South Africa (depicted in red as having a ‘large increase’ in inequality). By comparison, countries such as Brazil and India have seen relatively small increases in inequality.
Differences and Hierarchies among Street Traders

The study draws information from thirteen targeted traders and sixteen key informants in the Pretoria CBD. There were seven females and six males from the official participants. From the women, five of them were South African and only two were foreign. Of the male informants, three were South African and three were from other countries. Their ages ranged from twenty two to sixty four years old, with the average age of the traders being forty one years old. Seven out of thirteen respondents were unregistered traders who had been trading in the area (albeit not in the same location) for at least five years.

As shown in Table 5.1 below, respondents between the ages of 30 to 50 made up the bulk of the respondents with only two of thirteen in their twenty’s and two in their fifty’s. It is important to note here that respondents indicated their need to relocate quiet frequently as
their circumstances were uncertain and precarious. As such, the age profile in any given area could change on a given day. The mobility of traders was an important thematic area of focus as it showed how traders constantly negotiated with their environment.

An important distinction about the traders in this area is that they are divided into two types: First, there are registered traders who pay a monthly permit fee ranging from R100 – 130 per month depending on the area and type of goods sold. These traders are not mobile but confined to a particular location that they rent. Second, there are unregistered traders who move around to be close to hubs and other factors deemed ideal for their location.

Table 5.1: Characteristics of respondents

<table>
<thead>
<tr>
<th>Characteristics of respondents</th>
<th>South African</th>
<th>Non-South African</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of traders</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Age group:</td>
<td></td>
<td></td>
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<tr>
<td>20 to 30 year old</td>
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<td>0</td>
<td>1</td>
</tr>
<tr>
<td>30 to 40 year old</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>40 to 50 year old</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>50+</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Highest qualification</td>
<td>Grade 9</td>
<td>Tertiary</td>
<td></td>
</tr>
<tr>
<td>Average Monthly household income (on average)</td>
<td>R2260</td>
<td>R2445</td>
<td>R4705</td>
</tr>
<tr>
<td>Number of dependents (on average)</td>
<td>4</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Knowledge of street trading bylaws</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of traders</td>
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<td>2</td>
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<td>Age group:</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>20 to 30 year old</td>
<td>1</td>
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<td>50+</td>
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<tr>
<td>Highest qualification (on average)</td>
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<td>Grade 12</td>
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<tr>
<td>Average Monthly household income (on average)</td>
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<tr>
<td>Number of dependents (on average)</td>
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<tr>
<td>Knowledge of street trading bylaws</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
In terms of household income, none of the respondents noted taking home more than R3000 on any given month. A stark finding since the national minimum wage bill in South Africa currently stands at R3500. That means that the men and women in the study (both South African and non-South African) are earning a wage well below the national minimum standard. This speaks to the precarious and uncertain nature of informality, especially where street trading is concerned.

Education levels play a key role in determining growth and output. While conducting fieldwork (interviews and observations) the researcher noted those traders who were better educated were able to earn more money than other traders. For instance, those traders who had better business and marketing skills to negotiate better prices were able to sell more of their products. The study also found that the majority of foreign street traders had a Grade 12 certificate (high school learning level) as a minimum and some foreigners even had some type of tertiary education. By comparison, their local counterparts had significantly less formal schooling with the highest qualification being Grade 11. In a South African context, this is largely because non-white South Africans were educated under the inferior Bantu education system which continues to trap millions of people at the bottom of the income scale and plays a large part in what people have access to (Banik, 2016).

Isaac*, for example, is a 43-year-old male from South Africa and hails from a nearby township in Pretoria. He sells chips, cigarettes and sweets. He has been doing this for almost eight years and says he has hopes for something better but in the meantime he has to make a living for him and his family. Before making a living off the streets, he worked as a gardener and pool boy. He is one of three children; the only breadwinner in the family. He says of the 80s and 90s “…there was no future in pursuing education, you had to go and work if you wanted to eat.” According to him, the level of education he received in the townships only prepared him for specific menial work such as working in the mines.

The harsh consequence, for Isaac and millions of other South Africans, of receiving limited education, is that he is excluded from the formal economy because he lacks the skills needed
to secure formal employment. This, of course, goes beyond individual output and shapes the
country’s incapacity to produce and grow skilled individuals.

Respondents barely earned the national living wage, nonetheless, traders continue to work in
the informal economy according to most respondents because it is the only way they and their
families can survive. Isaac noted:

If I go home with nothing then my mother and siblings will sleep without food as they
depend on me for their livelihood. I know I could be making more money as a criminal
but I chose to do this [work as a street trader] as it allows me to provide for my family
(Interview, Tshwane, March 2018).

Similarly, Loveness* noted that “just like the customers I sell to, I have responsibilities to
my kids to pay for their school, feed them and make sure they have clothes”. These
responses show the humane side of traders and are contrary to the villains bent on evading
taxation and creating chaos in the streets. This shows another side of street trading where
individuals – mothers, sons, grandparents, and so on – actively use their initiative or
agency to survive and ensure the continuation of their entrepreneurial endeavours.

Scholars (see Chen, 2012; Guha-Khasnobis and Kanbur, 2006; Hart et al., 2010) have noted
how the informal economy serves as a lifeline for the poor and as coping strategy for the
unemployed. Mitigating personal, economic, social and other factors influence participation
in the informal economy, thus showing that not all activity is undertaken entirely by choice.
Indeed authors associate informality with “livelihood creation” (Bhowmik, 2012; Brown,
2017; Muiruri, 2010: 28) for marginalised people across the world.

Migration has also played a significant role in the influx of people into the city. This includes
the migration of rural people to the urban areas, and cross border migration from one country
to the other because of civil war, for example. From the respondents, about half had moved
from the rural area within South Africa for better opportunities in the city, others were
migrants from other countries, while a minority of people considered themselves to be local
Pretorians.
Nomangwane*, for example, is a South African from Mthatha in the Eastern Cape. She is fairly new to the stall she currently occupies, having arrived in December 2017 in hopes to better her prospects. She has a shelter from which she sells African accessories and perfumes. She says this helps her feed her 7-year-old son who her mother (the child’s grandmother) raises in the rural areas. In her words: “Job opportunities are very scarce in the Eastern Cape, worst of all for someone from the rural areas”. She says of income prospects, “you either go work as a nanny or a maid in the suburbs, but there aren’t that many opportunities.” She opted instead to take her chances in the big city and first moved to Johannesburg in 2014. It was a year later that she found that Pretoria was a better fit and came to reside in a neighbouring township where she rents a room from the proceeds she makes in the streets. The rest of the money goes home to support her son and mother.

Didier*, on the other hand, comes from the Democratic Republic of Congo and has lived in South Africa for two years. He came to look for a better opportunity as things were “unstable” in his country, but found it difficult to do anything “without the correct papers” – referring to a work visa. He recollects:

Life is that of constant fear and anxiety as I can be sent back home at any time. My daughter was hospitalized back home and most of the money went into hospital fees. I was stranded in South Africa with the pressure of having to send money back home at a more frequent rate (Interview, Tshwane, January 2018).

Almost all the foreign traders noted that the “Metro Police are very hard on us”. They told of how they are often moved about and constantly threatened with deportation. These traders were extra vigilant with the police and avoided any confrontation and arrest because such incidents could result in deportation. However, they are exposed, since street trading takes place in public spaces, leaving them vulnerable to arrest. To mitigate such vulnerability, they develop “networks of survival”.

These networks act as informants who give them ‘tip-offs’ about possible police raids in their areas, so that they can disappear and only return when the streets are safer. One trader justified the use of these networks by referring to their safety. “Siyazivikela”, he said, meaning they protect themselves. “We also protect our sole means of survival”, referring to
informal trading. He further added, “at least it is better than going into the shops and robbing other businesses or going to people’s homes and robbing them”.

Hierarchies, obligations and exchanges between street traders and government officials

Policies and directives concerning the informal economy are passed through the hierarchical structures of various government administrations. For instance, each Metropol has its own laws that are enacted by the city’s Mayor at the top, the city managers who control the various committees and divisions that deal with specific by-laws in the middle, and the Metro Police who enforce these provisions at the lowest level.

Fig. 5.3: Reporting structure of state officials

In practical terms, however, the state uses the Metro Police to regulate and control the informal economy. As Matjomane (2013) and Pieterse (2017) argue, local authorities, such as the governors or the Mayors, use the Metro Police as a tool with which to extend their own executive powers. This means that in terms of state hierarchies, the Metro Police fall within the bottom level as depicted in Fig. 5.2.

As such, the Metro Police are mandated by city managers to police and maintain order in the streets. Furthermore, they are tasked with the power to confiscate and impound goods from informal traders, which are then handed over to the South African Police Service for safeguarding (Urban Landmark, 2010). The strict regulation and control by government
agents, however, merges with the ubiquitous corruption and blatant bribery within the informal economy. As alluded to earlier, Metro Police were seen accepting free lunch from street vendors in return for information on raids. Itumeleng*, who is a food vendor, explains one such arrangements:

We have an arrangement with Motsidisi*. Once or twice a week, she collects lunch here, and in return, she alerts me if there will be any raid on us or if they will come and move us. So, I donate some food, and she [the Metro Police officer] donates a ‘tip’ (Interview, Tshwane, February 2018).

During a conversation with another trader, the topic of corruption and bribery was raised. The trader recounted a story of how they stay relatively protected by paying another trader in Marabastad, also close to the Pretoria CBD, who has a contact within the Metro Police. When asked about the amount they pay, it emerged that they pay a protection fee of R100. These social relations are based on trust. Traders have to trust their informants: trust that the information they provide is correct and can be received timeously. These excerpts show the nature of social relations both amongst the traders themselves and between the traders and state officials. They also importantly show the informal and personal ways that state officials extend themselves to individuals within the informal economy as well as the impersonality that characterises their social networks.

**Pretoria CBD as a contested space among street traders**

The previous chapter demonstrated that trading space within the CBD is constrained and contested amongst traders and with enforcement officials. Space contestation, however, is more nuanced than simply competing for lucrative high traffic areas within the CBD. The Tshwane CBD, like all other urban centres in the country, is a place where vendors vie for terrain by contestation and negotiation. Trading takes place virtual everywhere where vendors can find space and attract customers. This section looks at the main actors involved and their interactions with and amongst each other. These include registered and unregistered traders, business people, customers and the Metro Police tasked with maintaining the law and order within the streets.
Contestations between registered and unregistered traders

James Scott (2008) notes in *Weapons of the Weak: Everyday forms of Peasant Resistance* that marginalised people, first, need to do something drastic to be noticed by their governments. Oftentimes, this manifests in violent protests and/or clashes with police. Captions such as these have become a normal part of our environment. Articles like, “Police, street hawkers clash in Marabastad”, “Cops and traders clash in Tshwane”, have become common in our local newspapers. Even outside Pretoria, we have seen articles like “Malawi: Lilongwe's illegal vendors clash with police” (British Broadcasting Corporation, 2012).

Scott asserts that it is important to notice these lonely actors (marginalised people) and their agency because the result is not a static binary between cause and consequence, but a complex relationship. It is important to understand that the lived experiences of street trading is a complicated mesh of fear, conflict amongst different stakeholders with differing interests and a history of harsh inequality and/or some form of marginalisation that drives people to selling on the streets. Understanding the nuances of the informal economy is, therefore, important for understanding a trader’s practical actions which becomes the basis for acts of mutuality.

Within the Pretoria CBD, two types of street traders can be found, as already shown. They can be categorised into registered (in possession of a permit from the local authorities) and unregistered (not in possession of a permit). Registered street vendors can be found along WF Nkomo Street and Helen Joseph (both streets formerly known as Church Street). Walking down Lilian Ngoyi Street, to the east, you will find registered traders selling cosmetics, jewellery, clothing, hats, sunglasses and shoes. Most of the items include African wear or accessories. These traders’ structures include a foldable tent, a foldable table on which to display their goods and a chair which they sit on whilst marketing their products.

Registered traders pay the local government for a monthly trading permit. They also invariably pay an extra fee to store their merchandise since it is burdensome to commute with the goods. Lovedale* is a 38-year-old who has been in South Africa for six years. She rents a room in a township called Soshanguve which is a distance from town and is forced to keep her stock in the Pretoria CBD as “it is convenient” – and it is the “convenient” location that
the most traders contest not the fact that she said she pays “R50 a week” to her stock safe. Noting its ideal nature and proximity to Lilian Ngoyi Street, most registered traders cited “unfair competition” from unregistered traders that sell similar goods on Lilian Ngoyi Street. As one trader noted:

I noticed another lady selling African products along Lilian Ngoyi. I approached her under the pretence of [being] a customer and asked how much one of the products was as I sold the same thing. Her price was R30 cheaper than mine. Even worse, she was in a convenient position to get more customers than me as customers on Lilian Ngoyi can even buy from inside the taxi (Interview, Tshwane, March 2018).

Immediately to the west of Lilian Ngoyi Street are traders selling fruit and vegetables. These traders are mostly young men with lots of energy shouting, “veggies’ or ‘fruit and veggies”, to attract customers. They are unregistered and operate under constant threat of eviction, fine or confiscation of their goods. An added disadvantage is that they have no structure where they can display their goods and protect themselves from the harsh weather. Some might have an umbrella or mobile carts to present their products, but the bulk of the traders only have a table or piece of cardboard on which they display their wares. As such, the fruit and vegetables are placed on the floor with no protection from the weather. These traders also confirmed paying anything between R30 to R50 per week for nearby storage facilities.

Metro Police officials interact with both sets of traders as they perform their duties. In other words, registered traders suffer the same abuse as unregistered traders during raids once transgressions were detected (Skinner, 2008). But, registered traders felt they should be handled differently since they had a ‘right’ to trade in their designated areas.

The study locale includes Johannes Ramokhoase Street, Lilian Ngoyi Street, Helen Joseph Street, and Bloed Street. These are busy and congested streets strategically chosen as the transport nodes for people working in the city or in between travel routes. The area is alive with activity, hustle and bustle, taxis hooting; which is a typical call to customers, an array of products on display “for customers to see and hopefully buy” according to traders. Here, you will find anything from the latest movies and series on DVD, to fruits and vegetables, to second-hand clothing to other items of clothing such as hats, socks, jackets, and t-shirts. Food such as vetkoeks, pap and meat are prepared throughout the day on portable gas stoves. You
also have people walking around carrying crates or boxes with water, or fizzy drinks, cigarettes or sweets selling to customers inside taxis waiting for them to fill up. In this area, services such as a hairdresser, barber or IT technicians are also available. These are a few examples of the activities and products on offer in this area.

These products and/or services are sold along the streets in between formal stores or offices and along pathways and passageways. One trader who sells bottled water noted:

I go to government buildings like SARS (South African Revenue Service) or the Department of Home Affairs since more people congregate there. This is ideal as people wait in queues for a long time and when they come out, there is some water waiting for them (Interview, Tshwane, March 2018).

**Entitlements of registered traders and the marginalised voices of unregistered traders**

There are many reasons why engagements or the lack thereof, end up in conflict. Traders often feel that they are voiceless when engaging with local authorities, and this sometimes leads to protests. Other factors include conflicting interests between relevant stakeholders (traders, property/business owners, local government and their agents), and the hierarchies that exist amongst traders; the most significant is between registered and unregistered traders.

Part of the conflict is for viable trading space, as a result of high competition between traders (registered and unregistered) and other attendant issues such as competition between locals and foreigners, and unequal education levels. Furthermore, as mentioned in a previous section, the issue of ‘state brutality’ lays the foundation for a tumultuous relationship between traders and local government agents. Even deeper, it lays the ground for suspicions between traders with permits and those without. The rest of the section is dedicated to these phenomena.

Socio-economic dilemmas affect people in different ways, in different places and at different times. The informal economy is one such socio-economic dilemma where on the one hand, a portion of people are forced by circumstances to engage in informality and on the other hand, their presence in the informal economy is legally questioned and they are branded as free-riders and criminals.
Regardless, stakeholders affected by the informal economy encounter inherent tensions between the pursuit of their own self-interest and larger societal interests. Given that different interests exist (such as profit making, pursuit of clean cities, or sustaining livelihoods) conflict is inevitable between stakeholders. This section analyses the different interests looking specifically at traders, government, property owners and customers within the Pretoria CBD.

Firstly, registered traders wanted more viable areas for them to sell their products and potentially grow their business. Based on the study, a majority (61 percent) of registered traders said they wanted more space to expand their businesses. Furthermore, they saw the issue of unregistered traders in their vicinity as “unfair competition” as they were unanimously of the opinion that they had more right to trade in the Pretoria CBD since they paid for the privilege.

In comparison, only 45 percent of unregistered traders wanted access to viable trading areas in the form of markets. The remaining 55 percent wanted makeshift shelters to be constructed along strategic areas where they can have access to customers. These spaces included areas along Lilian Ngoyi Street, which is a transport hub for the city. Currently, most registered traders are found along Helen Joseph Street, a cross street away from the strategic and lucrative area on Lilian Ngoyi Street.

The issue of shelter is a particularly important factor for street vendors operating along the Tshwane Streets. 62 percent of the vendors operated stalls without tents and were exposed to harsh weather conditions. These traders also confirmed that they did not have the permits to operate and were thus unregistered. They unanimously complained about rain, citing it as detrimental and hindered “their health and business”. The absence of a tent to protect themselves and their products from weather meant that they had to “pack their products when it is raining to avoid them being destroyed and leading to losses”.

Another trader noted the biggest challenge he faced was “cover from bad weather”. He said “business is slow if it rains” since customers won’t walk past him, or they will be running for
shelter. The respondent further lamented about a day when his stock was destroyed as a result of the rain. He was selling sweets and loose cigarettes (selling one each) when the rain destroyed the bulk of his product before he could pack it up. He continued to argue that street trading is a precarious endeavour and at any given day they could “go home with nothing but a loss having paid for transport and food for that day”.

Furthermore, being exposed to rain also left traders vulnerable to illness forcing them to stay at home for extended periods and again risk losing valuable income opportunities. Nomangwane* relived the day she was exposed to rainy weather. She subsequently fell ill and ended up in a public hospital with pneumonia. “I was out of work for over a week with no prospects of money”, she proclaimed. At the time, there was no one she trusted to take her stock to town and sell on her behalf. This meant that there was no income and no continuity for her business which solely relied on her physical presence. To address this issue, unregistered traders wanted local authorities to assist them with some form of shelter or tents for rainy weather. However, when speaking to registered traders about the same issue, they were quick to add that they “pay for permits” but they are also not protected from environmental elements. Registered traders, it seemed, were therefore similarly exposed to rain and were forced to pack up.

Access to basic services was another topic that came up during the field interviews. Vendors expressed concerns about the lack of services available to them, including access to toilets, water, shelter and storage amongst other issues. In the research locale, there are some options for the use of toilet facilities, all at a cost of R2 per use. Examples include ‘The Tramshed’ and ‘Sammy Marks Square’. However, the use of toilets was not an easy one since street traders set up stalls along pavements and cannot leave the stall unattended as it is out in the open. This was an issue that came up time and time again when respondents were asked about some of their challenges.

Dube* is a 36-year-old male who sells women’s cosmetics, socks and other accessories. In relation to ablution facilities, he noted:

The problem is that you have to rely on your neighbour when you need to relieve yourself as toilets are far. You could be gone from your stall for 10 or 20 minutes, just
to use the bathroom since you need to travel to a nearby mall, and pay to use the toilet. You also have to trust your fellow traders in the vicinity to not only look out for possible thieves but also to negotiate and make a sale on your behalf– at times against their own goods (Interview, Tshwane, February 2018).

This is of course not a new issue and other scholars have noted similar service related problems (Muiruri, 2010; Kumar, 2016; Brown, 2006). Regardless of what the topic of discussion, a recurring theme observed during the field interviews was the constant fear and suspicion, especially by unregistered traders, of being sold out (to the Metro Police for lack of permits) by businesses in the area or registered traders.

The unregistered traders were aware of their unwelcomed presence and kept a constant eye on Metro Police arriving and the constant threat of needing to move before being fined or having their goods confiscated. The majority of unregistered traders suspected that registered traders would inform Metro Police of their presence just to “take out the competition” since they “were in competition for the same space and customers”.

Based on the information collated during the fieldwork sessions, it was observed that a relationship of suspicion, antagonism and contestation exists between registered and unregistered traders. Furthermore, registered traders were of the opinion that since they paid for permits, they had a right to trade and unregistered traders were seen to be below them since they did not have permits. This was echoed by a key informant, a registered trader, who argued “we have a right to be here since we pay our permits”. Regardless, both vendor groups have relationships with the Metro Police that can either harm or benefit them.

**Mutual Aid Co-operativism Among Street Traders**

Beyond economic pursuits, street traders organise themselves into mutually beneficial associations and self-help groups in the form of ‘stokvels’. ‘Stokvels’ can be for funeral services, educational or savings investment. They also use each other to send money home or loan each other start-up capital. Traders form these solidarity networks to address the pressures associated with not being able to access financial institutions.
Livelihoods in the informal economy are based on such relations. For instance, trust becomes a valuable asset as individuals or groups involved in a ‘stokvel’ rely on the good word of their individual members to ensure that ‘stokvel’ money is paid on time. A ‘stokvel’ is a South African term that refers to the process where individuals partake in their own form of a savings or investment society and contribute an agreed amount each week or month. Hart and Sharp (2014: 80) asserts the subsequent alternative, to saving, investment and possible “earning income”, for marginalised people who are excluded from formal financial institutions paves the way for ‘stokvels’. Similarly, van Schalkwyk et al., (2012: 184) defines a ‘stokvel’ as:

Informal solidarity or self-help groups offering nearly all the financial services and some social and cultural needs required by the poor. This includes rotating credit and savings, funeral insurance, social occasions, etc.

There are different types of ‘stokvels’ across South Africa and they serve as safety nets for the marginalised and poor while also performing an economic and social function. Savings ‘stokvels’ are the most prominent in South Africa. Here, members agree to contribute a fixed amount of money each month, the money collected from the common pool is then paid as a lump sum to one member. The next month this process rotates and the money is therefore shared amongst the members (Noyoo and Boon, 2018; Smallhorne, 2013). In the case of the traders about half opted for this option citing its effectiveness to serve as a “bonus” once a year, in the words of Mavis*, a 44-year old local trader who sells cosmetics and socks:

The stokvel helps me a lot. I put the money away so I can buy my kids clothes and school things in December when I go back home. The savings also help me pay for their school fees which goes up every year. What else can I do as my kids have to go to school? (Interview, March 2018).

Investment ‘stokvels’ are different to the savings ‘stokvels’ in that each month a fixed sum of money is invested in a central account. This investment is not used until a mutually agreed time, usually end of the year, to purchase bulk food products to supplement the December-January periods (Praeter, 2013; Townsend and Mosala, 2016). These periods were identified by the majority of street traders as being the time where their households spend the most money. Only a minority opted for January as their households’ highest spending period. One participant from an educational ‘stokvel’ remarked:
I go home to the rural areas over December holidays. My mom looks after my kids and mine is the only income they depend on. We cannot spend too much money on Christmas food as you eat it for one day. I have to pay for my kids fees and buy them uniform and stationery (Interview, March 2018).

Registered traders spent the least amount of money on savings ‘stokvels’ opting to nest most of their money on funeral ‘stokvels’. Unregistered traders, however, spent most of their money on investment ‘stokvels’. Participation in a particular ‘stokvel’ highlights individual preferences per household, yet benefits are made possible only through the collective agency of traders. Furthermore, the 11 out of 13 respondents that confirmed using some form of ‘stokvel’ to supplement their incomes confirmed it was a necessity that allowed them to plan for emergency situations. This finding is in line with the argument by Mashigo and Schoeman (2010: 5) that stokvels cater for "unpredictable and expensive events such as illness and funerals".

Another form of self-organisation or mutual co-operativism involved social relations based on kinship ties. Bayat (2004) argues that informal activities are individualistic, however, this perspective does not consider the trader’s personal ties – whether of kin or friends – in mitigating challenges. This phenomenon is not specific to South Africa as Malefakis (2018) writes about a group of street traders in Tanzania who enter the urban informal economy using their established kinship lines. In the Pretoria CBD, traders relied on each other to avoid police harassment but also shared knowledge on where to store their goods or where to restock their supplies. Nomangwane* who has only been trading in the City of Tshwane for less than a year asserted:

I moved from the rural areas in Eastern Cape because my cousin gave me her spot to sell my things as she moved to another city. She had contacts I did not have because I did not know anyone. Before she left, she took me to town and introduced me to other traders. She also told me where I could store the goods because it would have been difficult to go home with them every day.

Street trader organisation: The ‘Barekisi (Street Traders’) forum

Traders also mutually arrange themselves through forums as a form of collective resistance. These forums relay the views of traders to local governments and other relevant stakeholders. Informal trading as stated in previous chapters can be framed by a generally antagonistic
relationship with local authorities due to the degree of restrictive and punitive regulation enforced by the municipality. Moyo (2018: 300) argues that informal traders find “covert and overt resistance to the local and central government”. In his analysis, he asserts that street traders do not just survive or engage in survivalist activities, but they are driven and unite amongst themselves either as individuals or groups (ibid.). The constant threat of eviction and harassment of street traders by local authorities has spawned a number of street trader organisations, or forums (Bénit-Gbaffou, 2016). These organisations aim to influence and resist street trading policies on behalf of their members. Street traders use their collective agency to put forward grievances and opinions to their respective organisations. Their organisations, in turn, interact with local and national governments to negotiate and fight for member’s rights to engage in economic activities.

The researcher observed how fluid the forums were depending almost entirely on their members organising themselves. This meant that the membership and therefore structure of the organisation could change at any given time since traders frequently relocate. Thus, the conclusions presented here are based on the researcher’s observations and interpretations. The researcher is aware that these conclusions are subject to variation and may change in a different context. A ‘forum’ and an ‘organisation’ are used interchangeably in this context to describe any street trader representatives challenging government policies on the informal economy.

The ‘Barekisi’ Forum (literarily meaning the ‘sellers’ – street traders) is one of the most prominent street trader forums in the City of Tshwane. It was established and registered in 2012 as a response to harassment of traders by city officials in the form of Metro Police. The current chairperson is Mr Shoes Maluka and the secretary is Ms Mary Ngema. According to an informant within the ‘Barekisi’ Forum, there are “more than 4 000 members spread across the Pretoria inner city, the townships surrounding the city as well as traders in Bronkhorstspruit [a town about 50km east of Pretoria]”. To be a member of ‘Barekisi’, there is a once-off joining fee of R60 and during the fieldwork period, ‘Barekisi’ was still negotiating a possible monthly fee with its members.
The author confirmed in November 2018 with Ms Ngema that the fee had still not been finalized and the discussion thereof would roll over to 2019. Ms Ngema confirmed “Barekisi meets weekly during time[s] of crisis, however, if there is no crisis then we meet every other month with our members”. According to the secretary, ‘Barekisi’ was given an office at the corner of Andries and Boom Street to use to coordinate their activities and as a meeting point for its members. From the thirteen traders interviewed, eight of them were confirmed members of the ‘Barekisi’ Forum. Two respondents said they belonged to another forum, the Tshwane Informal Traders Forum, and the remaining three participants were not yet members of any traders’ organisation.

When asked about the aim of the forum, one informant confirmed that they do “a range of activities on behalf of their members in order to protect them from harassment”. This included, but was not limited to, arranging skills workshops once a month for interested members. It also included assisting and organising members with protest action. On the more extreme side, the forum also facilitated the process of retrieving confiscated merchandise. This support also extended to representing street vendors in court cases.

Due to the precarious entrepreneurship of traders, coupled with their lack of – public and private sympathy, their interests focus is on themselves and on trader organisations. If street traders were not compelled to collectively organise themselves, forums such as the Barekisi Forum would dwindle into oblivion.

Based on the six registered traders interviewed, four of them cited a positive relationship with the forum. One respondent went on to say “we would fight with the Metro Police and not know where to turn to”. Similarly, Gomolemo*, a 49-year old male who has worked in the Pretoria CBD for the past eight years confirms noticing a difference now that he is part of a forum. The current secretary of ‘Barekisi’ also confirmed that they “advise traders on what to sell, where to sell it and advice on the formalisation process to obtaining a traders permit”. According to Gomolemo*, he did not have a permit to trade until two years ago. The main reason why he obtained a permit was because of the constant harassment and confiscation of his goods. He lamented:
The police were always here taking our goods. Even if you went down to the police station to collect them, they bunch them together so you do not know which is which. This created a lot of problems for us as we fought over what belongs to whom. Things are much better now with my licence because I finally have a spot where they [Metro Police] do not bother me as much (Interview, Tshwane, March 2018).

The perception of trader organisations was, however, not entirely positive. Some unregistered traders raised the fact that these forums seemed to give preference to registered traders. Similarly, Bénit-Gbaffou (2016: 1106) in writing about street trader organisations and politics asserted that they are criticised as a result of “focusing mostly on legal traders and protecting those traders’ (legitimate but narrow) interests (often with limited success)”.

Problems of Xenophobia are common in street trading discourses (Pieterse, 2017; Bénit-Gbaffou, 2016; Crush et al., 2015). Three of the foreign traders interviewed confirmed they were still waiting for papers from the government to confirm their legal status. As a result, they were left with little choice but to conduct their activities without being registered for a trading permit. Vincent*, a foreign trader who sells second hand clothing, said:

We join the forums but they don’t want us there. They protect the locals only because they say we take their business. We are also people you know. Even when we have our papers, they still see us as illegal kwere kwere’s [derogatory term for foreigners] (Interview, Tshwane, March 2018).

Chapter Summary
This chapter argued that persistent forms of inequality, poverty and unemployment exacerbated matters for marginalised people with informality as an escape and a means of securing a livelihood. The data showed that in the case of the City of Tshwane, and specifically the Pretoria CBD, street traders were characterised by interactions of suspicion and conflict between themselves and with local authorities and business owners. However, this was also a site for negotiations that were integral to street traders’ survival. Therefore, traders were involved in a social phenomenon that allowed them to redefine public spaces with new meanings that arise from mutual relationships with bureaucracy. In this regard, information exchanges through ‘tip-offs’ gave traders the incentive to create their own sense of social justice by protecting themselves from street sweeps as they would have prior knowledge.
The chapter also advances the notion that informal traders are also active resisters (Lindell, 2013; Hickey and du Toit, 2007: 3). From this perspective, street traders are thus not just unassertive victims, but actively deploy their agency to create and sustain their lives. Furthermore, the exchange of information provided a counter narrative to the vulnerability of street traders. This showed that street traders are not always necessarily vulnerable victims, but use their agency to negotiate public spaces and their environment. The agency they deploy is integral to their survival. In doing so, they become actors within a hostile system which the researcher argues is devoted more to order than to social justice. The research uncovered how information and access to information was crucial to street traders as it allowed individuals to act.
CHAPTER 6
DISCUSSION AND CONCLUSION

Introduction

This dissertation began by interrogating the interaction between the Tshwane Metropolitan City and informal traders within the city confines. Given the context of economic challenges, such as increasing unemployment and poverty, the City of Tshwane continues to stifle informal activities through statutes and by-laws. The systematic stifling of informal economic activities is not unique to Tshwane, but is a strategy used across several countries, by both central governments and local authorities. Authorities seek to ‘clean-up’ the streets of informal traders in an attempt to create order (Kamete, 2013; Matjomane, 2013).

These interventions, however, have not deterred informal traders from plying their trade. Instead they have found innovative ways to negotiate the urban spaces and insert themselves in exclusive economies albeit under unfavourable conditions of marginality, state brutality and inequality (Le Roux, 2014). This dissertation suggests that informality and formality are two sides of the same coin, only separated by the degree of either form: first, because the two operate alongside each other and complement each other, and second, because the informal economy is central to employment and development in the poor countries of the South and it will be difficult to eradicate.

The study set out to understand the interaction of informal entities with formal institutions and document how informal entities construct their own sense of social justice. In particular, this study sought to understand the worldview of those involved in the informal economy within the confines of the Tshwane Metropolitan City. The objectives were divided into three:

- to explore how street traders interpret state by-laws and regulations on street trading;
- to investigate hierarchies held by various actors in the City of Tshwane;
- to document street traders’ sense of social justice in the context of state brutality, poverty and inequality.
The research fieldwork was carried out between December 2017 and March 2018 in the Tshwane CBD in the City of Pretoria. Chapter 3 describes the research paradigm, the case study design adopted and the data collection methods employed. The chapter also justified how the ethnographic approach was adopted to allow for both direct observations and in-depth interviews which ensured that the subjects being studied are understood from their own context.

The study site was selected because it forms a central market for both unregistered and registered street traders, and therefore provided the opportunity to observe the interaction between informal traders and authorities. Not discounting their position of vulnerability, in a context where the city has legal backing and resources, the traders studied were social actors who operated within a socio-economic context, which continuously mediates their actions and interaction. This concluding chapter aims to pull these themes together, to discuss the effects of the interaction between informal traders and the City of Tshwane, and to discuss some broader policy questions emerging from the study.

**Social Justice in the Context of State Brutality and Inequality**

This study analysed the context in which street traders operate. The premise was that in order to assess the interaction of the City of Tshwane and the traders, it was essential to understand the underlying context that mediates the interaction. In the case of the City of Tshwane, this context included the frameworks and the by-laws guiding operations in the city, while for traders the context included the broader South African socio-economic context. The analysis revealed that the traders formed part of the South African population that can be regarded as poor and disadvantaged. This point was also supported by scholars not just in a South African context but in other countries as well (see Muiruri, 2010; Schneider and Enste, 2013; Skinner, 2008). As such, traders used informal trading on the street as a survival strategy to support their families. The following section is particularly focused on the informal vendors’ world of the street, of the city and the types of interactions involved.
**State laws and street traders**

Informal economic activities are burgeoning in developed and developing nations. Yet, informality has not been accepted in many countries. Governments, both central and local, have often shown their discomfort with informality and many have criminalised these activities and attempted to rid the city of these ‘criminals’ through regular ‘street sweeps’. For example, Zimbabwe’s ‘Operation Murambatsvina’ where informal economic activities in the city are associated with filth (‘Murambatsvina’ means ‘to move the rubbish’) and where measures should be taken to rid the city of such activities since they breed chaos and criminality (Kamete, 2013; Pieterse, 2017).

The above mentioned ‘clean up’ strategy is similar to the operations mounted in several South African cities. Local governments periodically purge streets of traders through ‘clean-up’ operations like ‘Operation Tswelopele’ in the City of Tshwane, or ‘Operation Clean Sweep’ in the City of Johannesburg (Bénit-Gbaffou, 2016; Crush et al., 2015; Pieterse, 2017). The cities are often guided by city by-laws that define who should trade and where such trade should take place in line with the orderly city ideology. This is achieved through a licencing system as we have seen in the Tshwane Metro case. But, permits are not transferable. For example, an individual who has obtained a permit for the trading bay cannot transfer that permit to another person. This speaks to the exclusionary nature of the by-law system in the City of Tshwane. Many people, however, have not been allocated stands since the available stands were limited, and others could not satisfy the registration requirements. As a result, the city divides people involved in informal economic activities into two categories: a legal category of those who are registered and an illegal category of those who are unlicensed and are vulnerable to harassment and arrest by city authorities.

The study revealed that the government’s strategy is to graduate people in the informal economy into formal economies effectively lessening informality (Maloney, 2004; Mokgatetswa, 2014). Such graduation is based on a development assumption found in the dualist paradigm that asserts that activities in the informal economy reflect people who are in a transition. Based on this assumption, regulation will lessen informality. However, this has not materialised (Pratap and Quintin, 2006). This narrow view ignores many context specific reasons why people are driven to the informal economy and applies a one-size-fits-all
approach (Schneider and Enste, 2013). This is particularly the case in South Africa, as revealed by the Tshwane Metro case, where the informal economy has proven to be another part of the economic system that is not temporary and not ending. While the people involved may have entered the economy as a temporary solution, they have stayed – some for as long as 25 years.

**Inequality and hierarchies on the streets**

Who exactly are the street traders on the City of Tshwane streets? The analysis has shown that the traders mostly hailed from poor communities. They were both males and females of different ages, ranging from 22 to 64 years, who had spent a different number of years on Tshwane’s streets. They represented different ethnic groups and nationalities. All participants came from households where they had family responsibilities and used street trading as a means to survive in a harsh economic environment. They had turned to the streets because they were unemployed and had little to no other prospects of making a living. Some were migrants or asylum seekers, who had no legal rights to work in the country and had found in street trading a source of income and maintenance outside the formal economy. On the Tshwane City streets, they sold different wares and operated from different structures, some permanent and others temporary.

The traders were divided between registered traders who had permits and operated within designated areas, and unregistered traders who had no legal rights to operate in the city. The latter operated at undesignated points, had temporary structures, were vulnerable to harsh weather, and were always on the move. The City of Tshwane provides designated areas (albeit a limited amount) for people who hold a trading permit. These registered traders pay a monthly fee to the city. Unregistered traders, for reasons that ranged from cumbersome bureaucratic procedures (Maloney 2004), to the inability to secure asylum documents from a national authority (Khan and Schreier, 2014), were unable to obtain the permits. In the majority of situations, registered traders were not happy with the perceived free riding behaviour of their unregistered counterparts. From their perspective, unregistered traders had an unfair advantage since their mobility gave them access to customers.
The study has presented the streets of Tshwane Metro as contested spaces, where traders compete for space but also cooperate with each another. Traders in this area compete for lucrative trading locations and negotiate their way into these spaces. As such, the relationship between traders is complex, hovering between hostility and cooperation. Alliance formation, in the form of information exchanges, is vitally important and these alliances are formed between different sets of traders as well as the Metro Police. These alliances are guided by the different circumstances of traders but ultimately for their own preservation and continued entrepreneurship. Unregistered traders face constant threats from city authorities who frequently arrest them and confiscate their wares. In addition, registered traders feel threatened by unregistered traders, while unregistered traders suspect that registered traders are responsible for the raids and subsequent confiscation of their wares.

Also related to hierarchies, both registered and unregistered traders had different levels of education, which partly mediated their income. It was shown that traders with a higher level of education had marketing skills and could negotiate prices with customers, which allowed them to increase their yield. They also had the skills to negotiate with the Metro Police, the agents that monitor compliance with city by-laws. While the income from street trading was generally low, and below the minimum wage, some traders, particularly unregistered traders that were strategically positioned, made more money than registered traders. The data showed that registered traders were often confined to a single location, which was sometimes far from potential customers. This was a major source of conflict between registered and unregistered traders.

In the Tshwane city streets, the study showed that hierarchies of interaction existed with different groups occupying different positions in the hierarchy. The Metro Police department enforces these laws on behalf of the local authority. Registered traders differentiate themselves from unregistered traders because they have the protection of permits which gives them security within the confines of the law. By virtue of their legality, they perceived themselves to have power over unregistered traders and saw themselves as having a right to the city’s informal trading.
Unregistered traders on the other hand, have little legal basis and are vulnerable since they have no legal protection. Their interaction with registered traders can be categorised as both antagonistic and suspicious, and yet the two groups have to co-exist. The life of unregistered traders is one of constant negotiation. Their survival on the street revolves around social networks and they negotiate and pay bribes to keep their continued existence on the city’s streets. Furthermore, they also established networks of information exchanges with Metro Police to provide them with “cool drink” (the term used on the streets to describe ‘tips’ on when ‘street sweeps’ would take place). The study revealed that they used their agency to negotiate space with registered traders, but also used their agency to negotiate operation space with the Metro Police.

Through these relationships with Metro officials, they gain power over registered traders whose only source of power, legality, is diluted. This supports the theory that traders are not passive victims but actively ensuring their continued survival and entrepreneurship. Furthermore, this is not a phenomenon unique to South Africa as extensive literature, across the world, exists on similar bribery exchanges with city officials (see Bhowmik, 2010; Devas, 2014; Muiruri, 2010; Ryan, 2011).

**Solidarity networks among street traders**

Solidarity networks are a key response by the poor, unemployed and marginalised to collectively build their own livelihoods in the devastating wake of crisis. An example includes the 2008 global financial crisis. Hart et al., (2010: 232) in a book titled *The Human Economy: A Citizen’s Guide* asserts that we should understand the concept of ‘solidarity’ as a “call for a return to social solidarity, drawing especially on the voluntary reciprocity of associations”. In this context, solidarity is a response, by street traders, to broader problems such as unemployment and the inability to access financial institutions. Solidarity thus includes different types of collective networks/practices such as grassroots organisations, associations or local community groups which exist in specific contexts. These initiatives are usually a call to address a particular need within the community or broader society that is not being met (Hart et al., 2010; Laville, 2010; Satgar, 2014).

A phenomenon that emerged from the study was another form of ‘mutuality’ that involved the philosophy of ‘Ubuntu’. The word ‘Ubuntu’ is a Nguni word meaning ‘humanity’. This
mutuality/Ubuntu manifested amongst street traders acting collectively and in solidarity. The word was popularised by Archbishop Desmond Tutu who noted that “A person is a person through other persons. We need other human beings in order to be human” (Tutu, 2004: 25). This means that as social beings, people have an undeniable duty not just to themselves but to others in order to affirm the spirit of reciprocity. Similarly, Turaki (2006: 36) describes Ubuntu as “people are not individuals, living in a state of independence, but part of a community, living in relationships and interdependence”. Khoza (2006) adds that Ubuntu is the act of expressing shared interest for the good of the community – these include acts that enable individuals and communities to foster self-actualisation. Other scholars describe Ubuntu as an expression of reciprocity and mutuality to ensure both individual and collective development (Ogude, 2018; Ramose, 1999). Mandela (2006), in an interview with Mr Tim Modise, framed Ubuntu as:

Though we differ across cultures and faiths, and though history has divided rich from poor, free from unfree, powerful from powerless, and race from race, we are still all branches on the same tree of humanity.

This collective organisation lends itself to similar characteristics as described in the definition of solidarity networks, where the ethos of community and society is paramount. Solidarity networks function in a twofold manner: first, they promote relative income security, and second, they manifest themselves through social networks such as members offering non-material support to a member in the event of death. From this perspective, members of the community have a vested interest in its collective prosperity. Traders on the Tshwane streets confirmed that they had been part of a social network since trading in the streets.

In the City of Tshwane, principles of Ubuntu manifested through information sharing or, as popularly referred to in the streets, ‘tip-offs’. Here it was observed that information was shared amongst traders on when the next ‘street-sweeps’ would take place. In this way, street traders were able to ensure their survival by protecting themselves and their products from confiscation or fines. There are other ways this information is shared as we have seen in the Tshwane Metropolitan, some traders have contacts within the Metro Police who provide information in exchange of either monetary or non-monetary benefits.
This shows another side to street trading that is more hidden. It shows how street traders (informal entities) interacted with government agents (formal entities) in ways that blurred the lines between those in authority and individuals whom the authorities seek to regulate. Furthermore, it emphasised how traders are not passive victims, but act with agency to protect themselves and construct their own new meanings. Informal traders in the City of Tshwane streets engaged in two types of solidarity networks. The first were the streets traders’ organisations known as street forums while the second involves economic solidarity where street traders support each other through ‘stokvels’, funeral insurance and other related schemes. Solidarity networks are driven by active citizens aiming to improve their economic circumstances whilst at the same time actively pursuing their livelihoods.

Self-organisation amongst street traders

With little infrastructural support from the state (such as ablution facilities or access to water and electricity) or social protection, traders find innovative ways to protect themselves while still making a living. The research showed that most of the traders were the main breadwinners in their households, and that street trading was their only source of income and survival. Self-organisation thus allowed these traders to overcome the burdens they otherwise would have carried on their own. Through self-organisation, they supported each other to ensure that their individual and collective business ventures thrived. This is evidenced by street traders paying a man in Marabastad to warn them of possible raids. Similarly, others had direct contacts with the Metro Police and could be sent direct SMSes or would receive direct visits by the police.

Under the South African Constitution all citizens enjoy the same rights, however, in practice, the poor in particular, find it difficult to obtain these rights. The Constitution of the Republic of South Africa (1996) confers on local governments the authority to promote development and provide services to their constituents. More specifically, Section 153 of the Constitution requires that local governments structure and manage their bureaucracy to prioritise social and economic development within their jurisdiction. However, the research findings along with literature on the informal economy (Brown, 2017; Lindell, 2010; Skinner, 2008) showed that the by-laws and other state regulations act as a
counterproductive process in promoting socio-economic development, especially for the poor.

Friendship and familial obligations were also a significant theme in the Pretoria CBD amongst different traders. These obligations were reciprocal and assured traders support in tough times. In his seminal work, the *Gift*, Marcel Mauss (1925) argued that obligations of gift-giving are a form of non-immediate reciprocity. In the long run, however, the gift is expected to be reciprocated. Bourdieu (1979: 22) further argued that “gift exchange is an exchange in and by which agents strive to conceal the objective truth of the exchange”. Based on this assertion, and in the context of the Pretoria CBD, the interaction between Metro Police and street traders in their gift (or information) exchange is a strategic economic calculation.

**The Idea of Social Justice**

Social theory refers to the general ideas, arguments and thinking about a society and social life. Broadly speaking, social theory is generally examined from a Western or Eurocentric perspective. It asserts that we are not simply blank slates – we are human beings living with sets of baggage, ideology, social contents, and so on. We are constantly in a network of relationships within society. The societies we live in are not static, but in a constant state of flux. This theory arises from everyday life and the social realities of our time, experiences and perceptions with ordinary people.

The theory helps us understand social problems and phenomenon (Parsons and Smelser, 2005; Seidman, 2016). For example, in the context of this research, street traders in the Pretoria CBD were actively engaged in redefining their own versions of social justice. According to the United Nations document titled *Social Justice in an Open World: The Role of the United Nations*, “Social justice may be broadly understood as the fair and compassionate distribution of the fruits of economic growth” (UN, 2006: 7). The document further asserts:

> When income and income-related inequalities reach a certain level, those at the bottom of the socio-economic ladder are no longer in a position to enjoy many of their basic rights. Inequalities tend to intensify and accumulate. The human suffering in such
circumstances is sufficient reason for public action—even without taking into consideration the real danger of social breakdown. The parallel in terms of international justice relates to the likelihood that efforts to build a global community will break down as the gap separating the poorest from the most affluent countries widens (UN, 2006: 8).

Social justice is an elusive concept that academics, philosophers, sociologists, etc. use to explain broader social, political, economic, and cultural understandings of a society. Others frame it in terms of fairness in the pursuit of socio-economic opportunities (Rawls, 2009; Sen, 2011). Rawls (2009: 3) articulates the concept of justice as a “social contract” where fair terms of cooperation are agreed upon by free and equal citizens. Rawls theorised justice as a focus on redistribution as a moral obligation in the context of individual equality and access to basic rights and opportunities. This can be understood as a social contract where the rights and protection of the marginalised are prioritised (Finn and Jacobson, 2012; Reisch, 2002).

In this dissertation, social justice refers to the concept of fair and just relations between all members of society. That means that institutions of society, such as local governments, are assigned powers to ensure that people receive basic benefits. Examples include access to social insurance and equal opportunity for self-actualisation (Finn and Jacobson, 2012; El Khoury, 2015; Rawls, 2009). These institutions, however, fail to provide these benefits and force marginalised people to create their own versions of social justice.

In both developed and developing countries, inequalities can be destructive and a threat to human progress (IMF, 2011; Milanovic, 2016; OXFAM, 2012; Therborn, 2013; Wisor, 2017). The cost of inequality, amongst others, is economic human suffering. It is against this backdrop that marginalised people find innovative ways to improve human development. The United Nations Development Programme defines the concept of ‘human development’ as:

….a process of enlarging people’s choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Additional choices include political freedom, guaranteed human rights and self-respect (Human Development Report, 1990: 1).

The human development approach is anchored in the Amartya Sen’s seminal work on human capabilities. Sen (2001: 3) asserts that human development is the “process expanding the real
freedoms that people enjoy…but freedoms depend also on other determinants, such as social and economic arrangements”. Accordingly, this perspective asserts that human development is a means with which to address problems of global inequality, poverty and unemployment. This approach focuses more on people, their opportunities and choices. As such, it prescribes that the fundamental aim of government policy should be to focus on increasing the opportunities that people have to live meaningful lives (Nussbaum, 2011).

It is also within this context that this research offers an analysis into the informal strategies that often go unexplored in current discourses when examining the informal economy. This narrative is also supported by seminal literature on the anatomy of inequality. The discourse shows that human progress is stunted, and especially more pronounced in poor and unequal societies. This demonstrates the importance of diffusing knowledge to understand the human cost of inequality and what it means for the pursuit of social justice (see Atkinson, 2015; Milanovic, 2016; Picketty, 2014; OXFAM, 2013; Stiglitz, 2012).

Government regulations marginalise the informal economy by trying to remove it from public areas and reinforce already existing economic inequalities and undue hardships on informal traders. Marginalisation, in the context of the City of Tshwane, includes a variety of vulnerabilities including a lack of recognition, lack of social protection and an ambiguous employment status (Bhorat et al., 2016, Neves and du Toit, 2012). Examples of these vulnerabilities are hazardous working environments, irregular working hours and limited access to resources such as finance. Lack of access to finance also reduces the quality of life for marginalised people (Bhowmik, 2013; Brown, 2006; Muiruri, 2010).

As mentioned in a previous chapter, South African policies were predicated and historically designed to cater for an elite few. The majority of Apartheid policies were designed specifically to oppress and create an unequal distribution of resources (be it income or skills) for millions. In the context of state brutality, poverty and inequality, local governments are unsparing in their approach towards the informal economy. They regulate the informal economy using by-laws to control and police individuals.
This leads to power struggles between the state and traders who seek legitimacy in the streets. Furthermore, regulations perpetuate entrenched socio-economic exclusions that hinder sustainable human development. To authorities, by-laws are a way to regulate and order society, however, to street traders, by-laws are a form of constraint and oppression. This point was evident in a discussion held with a female trader who had been selling ready-made food. Concerns about the idea of ‘social justice’ did arise from confrontations between registered and unregistered traders. When asked what his idea of ‘social justice’ is, Thami*, a 41-year-old registered trader had this to say, “we will have justice when other traders [unregistered] pay their licenses like the rest of us”. The same question was posed to unregistered traders and the majority of them cited Metro Police harassment as an injustice they hope to overcome. Even though both groups (registered and unregistered) had different outlooks on their idea of ‘social justice’, their collective economic circumstance propelled them to cooperate with each other for the common good of the entire group.

The informal economy provides a safety net in the form of employment opportunities for marginalised people. Informality is subsequently a key route in empowering individuals to mitigate persistent forms of inequality such as poverty. It also plays an important role in the quest for economic justice. Thus, caught in a web of abject mass poverty, economic inequalities and a harsh regulatory environment from local governments, traders in the Pretoria CBD fight, protest and collaborate for their own well-being. They use their agency to navigate social and economic problems.

**Conclusion**

Does the analysis of the City of Tshwane, the informal traders and their interactions tell us anything more about the state and informality in South Africa? This research has shown that inequalities and unequal development are amongst other factors that perpetuate the informal economy. Local governments, however, continue to vilify and marginalise the informal economy through government legislation. In this context, the study set out to explore how street traders survive and sustain livelihoods. In particular, the study uncovered the innovative methods street traders use to construct their own versions of social justice amidst unfavourable conditions of marginality, state brutality and inequality. My analysis suggests that the informal traders need the streets for their survival, and informal operators have
developed mechanisms of survival, which makes a mockery of government attempts to rid the streets of informality.

The Tshwane Metro, the authority responsible to the city, has by-laws that serve to control informal trading within the city’s parameters. These by-laws define who should trade, where they should trade from, and which places should be free of such trade. The Metro often enforces these by-laws through the Metro Police who have the power to arrest and confiscate wares of transgressors. The municipal body has also designated zones where individuals can trade under explicit controls and guidelines. These strategies, it is assumed, will maintain order and rid the city of a ‘nuisance’ (Potts, 2006). However, with every attempt to stifle informality, the informal economy has grown while those that are involved have found ways of surviving within these harsh environments. In the Tshwane City case, traders engage in complex interactions among themselves and between themselves and the city. These relations of survival have strengthened informality and improves how we understand an economy that has come to dominate the livelihoods of many South Africans and others living within its borders.

With so much focus on the government and its quest for law and order it is easy to forget how street traders survive. This analysis has shown how street traders engage in complex interactions that save them from arrest and their wares from confiscation, but more importantly, give them space to continue trading. For example, the street traders would develop social networks with individuals within the Metro Police who would alert them of an impending raid.

Street traders have been presented as vulnerable groups in the streets, where there are hierarchies because of the state defined legality. This research found, however, that traders used their agency and power to mitigate their marginality. Furthermore, the relationship between registered traders and unregistered traders has been presented as antagonistic and characterised by suspicion as the registered traders feel threatened by the presence of their unregistered counterparts. The unease of the registered traders has often forced them to set Metro police on their unregistered counterparts. It is noted that instead of accepting their
nullability, unregistered traders have used their agency to negotiate the system to their advantage.

Such agency was certainly at play in this study where informal traders were intertwined in exchanges with the Metro Police and which gave informal traders the means to sustain their entrepreneurship. By doing so, these traders were able to sustain their livelihoods. Patterns and themes identified in this dissertation are likely to be experienced across Pretoria’s urban locations, especially where the informal economy has become a refuge for the majority of the population. This study, therefore, provides useful starting points for understanding informality.

**Policy Implications**

This research aimed to contribute to a more qualitative understanding of the informal economy, specifically in relation to local government policy and street trading. Inequalities such as poverty and unemployment in the informal economy are part of the legacy of unequal development. Yet, while the government seems to understand the legacy left by Apartheid, it has had more difficulty recognising informality as part of this legacy. Specific policy questions emerged within the discussion and this concluding section offers some observations.

**Expand designated zones**

James Scott (1998) alerted us to the need for legibility. Legibility, he argued, was the state’s way of ensuring administrative ease. In this endeavour, local governments use by-laws to create order. As we have seen, informal trading on city streets constitutes disorder, and to create order designated zones were developed where trading is authorised. While this is a noble idea and cities elsewhere have adopted similar systems, in the City of Tshwane the local authority has failed to provide enough physical space to accommodate all who want to trade in the city. Many registered traders are still waiting to be assigned a legally demarcated trading space.
Expanding these designated zones will ensure that informal traders are absorbed and the city can achieve its ‘clean’ and ‘orderly’ ideals. This is also more likely to save the city money as resources can be diverted from enforcement to other projects. Registered traders in designated zones also pay different monthly fees, depending on the location of the designated zone and the type of goods sold effectively adding to the city’s coffers. By expanding designated trading zones to accommodate more traders the city would tap into a currently ignored revenue base and use the income to develop the city. As we have come to realise, enforcement has not deterred informal street trading but rather it has promoted corruption among Metro officials who capitalise on traders’ vulnerability.

**Relax conditions for holding a trading permit**

People engaged in the informal economy are generally from poor backgrounds, with limited education, who have either lost jobs or have struggled to find formal work. And, as this research found some are asylum seekers who are still processing their legal documents. This disadvantaged profile illustrates the underlying problem that keeps people on the streets as unregistered traders: they may not meet the criteria required for one to hold a permit. Indeed, the city requires applicants to present certain legal documents including a copy of an identity document, a residential address, and a three-month down payment.

While the majority could satisfy the first condition with ease, not many could satisfy the other two. Some of these traders come from informal settlements where they would struggle to produce a proof of address. It is certainly difficult for these people to make this down payment. My analysis has shown that these people struggle for survival, where even traders who occupy the most advantageous of spaces in the streets struggle to make R3 500 per month, which is below the minimum wage. To accommodate most of the street traders and create a clean city, the government needs to relax the criteria for obtaining a permit. A relaxed criterion will help refugees, migrants, people from informal settlements and those renting backyard rooms earn a legal living.
Designated zones should be conveniently situated

Since street trading is a survival strategy, and in most cases the sole means of income for many traders, the City of Tshwane must establish designated zones at convenient areas where traders can conduct business. The analysis has shown that the source of conflict between registered and unregistered traders stems from the location of official trading spaces *vis-à-vis* the spaces occupied by unregistered traders.

The official trading spaces are located away from potential customer traffic, which means that traders with permits cannot make the same amount of money as their counterparts at the locations with more foot traffic. In fact, unregistered traders have been reluctant to leave the unofficial spaces, despite harsh weather conditions and other risks involved, because the unofficial spaces are more lucrative.

Recognise informality

Finally, policy makers need to realise that informality is a growing and key part of the modern economy. Given South Africa’s high unemployment rates and its struggle to provide employment to all of its citizens, these traders have found refuge in a thriving informal economy. Instead of trying to stifle its growth, the government should support it so that it is sustainable and continues to contribute both socially and economically.
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Date: 29 August 2017

Dear Sir/Madam,

PERMISSION TO PERFORM RESEARCH ON TSHWANE INFORMAL TRADERS FOR A MASTERS RESEARCH REPORT.

This letter serves to inform University of Pretoria that Fanelo Khuzwayo is permitted to utilize City of Tshwane informal traders in the Pretoria CBD, particularly on Van der Walt (Lillian Ngoyi), Proes (Johannes Ramokhoase) and possibly Blood Street to conduct the research project as part of completion for Master's Degree. The research will benefit the City of Tshwane on the interventions and programme that needs to be design to address the challenges faced by the informal traders in different sectors. It is through this kind of project or initiative where strategies and policies get developed by government.

The information from City of Tshwane will have to be kept confidential by the University.

Yours Sincerely,

[Signature]

Tshikovhi Lufuno
Executive Director: Business Support Operations

Kgosi ye Tshwane ya Bonani • Departement: Ekonomiese Ontwikkeling • Lefatshe le Tshwane ya Bonani
Letter of Introduction and Informed Consent

Dept. of Anthropology and Archaeology (Development Studies)

CONFLICT, MUTUALITY AND SOCIAL JUSTICE: RETHINKING “STREET SWEEPS” AND “TIP-OFFS” IN THE CITY OF TSHWANE’S INFORMAL ECONOMY

Research conducted by:
Ms, FMB Khuzwayo, (u22324985)
Cell: 076 174 5229

Dear Participant

You are invited to participate in an academic research study conducted by Ms Fanelesbonge Khuzwayo, a Masters student from the Department of Anthropology and Archaeology (Development Studies) at the University of Pretoria.

The purpose of the study is to understand the social dynamics associated with street trading in the Pretoria Central Business District (CBD). I confirm that this study will be purely for academic purpose.

Please note the following:

- This is an anonymous study as your name will not appear on any of the documentation. The answers you give will be treated as strictly confidential as you cannot be identified in person based on the answers you give.
- Your participation in this study is voluntary. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences. Furthermore, the study will not lead to harm (emotionally or physically) to the participant.
- Please be aware that this will be a participant observation study with some discussions that will be grouped into thematic areas. The discussion should not take more than 20 minutes of your time.
- The results of the study will be used for academic purposes only. The results will be published as a Master’s thesis and may be published in an academic journal. I will provide you with a summary of my findings upon request.
- You are participating with the full knowledge that there are no direct benefits to you for the participation.
- This information will be stored in the Department of Anthropology and Archaeology for a period of 15 years.
- Please contact my study leader Prof Vusi Thebe on 012 420 3597 or via email vusi.thebe@up.ac.za if you have any questions or comments regarding the study.

Please sign the form to indicate that:

- You have read and understand the information provided above.
- You give your consent to participate in the study on a voluntary basis.
Participant's signature

Date
Annexure 3: Interview schedule

Interview schedule

Interview schedule for street traders

Introduction

My name is Fanele Khuzwayo, a Master’s researcher from the Department of Anthropology and Archaeology (Development Studies) at the University of Pretoria. The purpose of the study is to understand the social dynamics associated with street trading in the Pretoria Central Business District (CBD).

Questions

1. **What is observed**
   - Gender
   - Description of locality/site
   - What goods are being sold
   - What is the age of traders

2. **Background**
   - How did you come to work as a street trader? What did you do before?
   - Who are your main customers?
   - Describe a typical day for you.
   - How many people depend on your income (if any)?
   - What would you be doing to earn a living if you were not a street trader?
   - Are you the primary provider at home?
   - How often do you trade here and how did you pick this spot?

3. **Have you experienced any problems with this particular spot/any other spot that you have used before. If so, what was the issue?**

4. **Have you ever experienced any of the following:**
   - Harassment
   - Confiscation of goods
   - Relocation
   - Fines
   - Eviction
   - Other (please specify)
   - None of the above

5. **Which government officials (if any) do you mostly come in contact with most often and why?**

6. **How would you describe your relationship with government officials?**

7. **Have you ever been consulted by any government authority on issues regarding your occupation?**

8. **In your opinion, has there ever been a situation where a street trader has exchanged any money in order to occupy a particular place.**

9. **What are the three biggest challenges you face as a street trader?**

10. **Are there any conflicts among you as traders, if so, over what? How were these issues resolved?**

11. **Do you know the government regulations (by-laws) guiding street trading? If so, what are your thoughts on them?**
12. What are your thoughts on evictions that have taken place?
13. Would you say decision making amongst traders is based on individual circumstances or collective reasons?
Annexure 4: Thematic areas

Thematic Areas

1. Respondents Background
2. Inequality
3. Conflict
4. Mutuality
5. Social dynamics and interactions
6. Social justice
7. Growth and employment
8. Local government authorities and agents
9. Legislation and by-laws