People working informally:
negotiating the use of public spaces in Durban city

by

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1   Introduction

I start with two vignettes of recent interactions between street traders and local government, in the city of Durban, South Africa:

Cardboard recyclers
Waste recycling is a burgeoning industry, and is one of the segments where the poorest work. In the paper and cardboard sector, informal collectors typically deliver materials to middlemen, who weigh and then deliver to formal recyclers. In 2000, the price of paper and cardboard was in the region of 30 South African cents per kilogram; the material was difficult to weigh, and collectors were vulnerable to unscrupulous middlemen. The city's Department of Solid Waste intervened. Working in co-operation, with the Self Employed Women's Union, SEWU – an organisation of women informal workers – it designed a better weighing machine, taught women how to weigh, negotiated with one middleman to let the women do the weighing, and set up decentralised depots – Buy Back Centres - where this could take place. The location was more convenient for informal collectors, and women's income increased, slightly but noticeably.

City Health and the mielie cookers
Cooked mielies ('corn on the cob') are a staple breakfast in mielie season. Tonnes are sold daily near commuter nodes in the central city, with farmers delivering directly to the street cookers. There are public health concerns: one more minor, when the same water is used repeatedly for boiling the mielies, and two more major, when the mielie leaves are left in the streets, attracting rats, and because of the hazard to passers-by presented by the fires on the sidewalks and gutters. In 1999 the City Health Department embarked on a seven month negotiation with mielie cookers, the central trade-off being, 'The city will give you more water, and remove leaves and cobs, if you will move further back from the street, and change the cooking water regularly.

In South Africa's transition to democracy, much attention has focused on policy changes at the *national* level. Policies cover a wide range of sectors, and have had in common that they attempt to address the legacy of racial discrimination and inequality that was the outcome of years of colonialism and then apartheid. In a very concrete way, the daily lives of urban citizens are affected by the actions and approaches of *local government* – approaches which help or hinder people in gaining entry and access to the city, and shelter, and basic services, as they try to create or maintain secure places for living, and for making a living.
There has been a buzz of policy activity around local economic development, and around integrated development planning for urban settlements in 'the new South Africa'. Those managing cities must hold in balance the potential conflicts between the old bureaucrats and the new, contestation between political parties, and potential conflicts

between the rights and entitlements of South African traders and newcomers from other countries. Those charged with managing the finances of the city have to address the need for investing in development of basic infrastructure in the previously neglected peripheral black townships, while maintaining the investments that have been made in the central city and suburbs. There are many claims on the city's resources – and many people who are re-creating and re-shaping built space around their own need to make a living. With the new commitment to participation in local government, spaces also need to be created in which government and citizens can negotiate around the creation and use of space for making a living. Yet the relationships between informal workers and local government are bound to conflictual. The contestations take place over both the use of private space (inside people's homes) as well as public space – and it is the latter that is the main concern of this brief paper.

Durban is in KwaZulu-Natal, the most populous of the nine provinces. The province as a whole has high rates of poverty and unemployment, and a great deal of circular migration between rural and urban areas. Durban is the third largest city in the country, with some 3 million people, and is the economic engine of the province. Since 1994, the city has positioned itself both as an investor-friendly city, and as one with a commitment to the development of poorer people and poorer areas. One process of policy change addressed the development of a new policy and approach towards informal workers and their enterprises, an approach which would enable both better management of the city, and the promotion of economic opportunities for poorer people.

This paper gives a very summarised account of the background to the policy, and the innovative elements of the policy. (An account of the process account is being prepared in a monograph by myself and Caroline Skinner). I then identify some of the key strategic issues which helped facilitate this process of transition.

2   The informal economy in South Africa, and in Durban

It is difficult to estimate precisely the trends in growth of the informal economy in South Africa, owing to recently introduced changes in the way that work is measured. Employment in the informal economy appears to have increased, but at least part of this can be attributed to better enumeration measures in recent surveys. Nevertheless, it is estimated that informal employment (including work in subsistence agriculture and in domestic work) constitutes about 25% to 30% of all employment in South Africa (Devey, Skinner and Valodia, 2002). The following are key characteristics of the informal economy:

- African people comprise 86% of those in the informal economy.
- Women comprise 45% of all informal workers.
- Men are spread across various industries; women are predominantly in domestic work, and in trade.
- Most informal work is of a low skill nature, and carries low incomes.
- Women occupy the lower skilled, lower income end of the informal economy.
- More women than men enter street trading with no former work experience. Where women have had former work experience, it is likely to have been in domestic work –

where there was little opportunity to accumulate savings, tools, and bargaining and negotiating expertise to take forward into self employment. (Devey, Skinner and Valodia; Lund, 1998; Valodia, 2001)

In Durban itself, we have no accurate figures to work with - and the need for good city level estimates of the size and contribution of the informal economy will be one of the recommendations on this paper. Some of the things that we know are:

- It is used as convenience shopping by thousands of commuters daily.
- It satisfies a market for indigenous and cultural consumer goods.
- Too little is known about the links between formal and informal enterprises at different points along chains of production and distribution..
- Street traders themselves create employment, in storage, in transport, and for assistants.
- There is very poor information about home based work (but see Cross et al, 2000, for a recent Durban study).
- Buildings in the city centre which were built for office space have been converted into informal factories, especially for garment production.

3   The Durban local government approach to the informal economy

3.1 Background

Under apartheid, central and local government attitudes towards informal enterprises, and especially towards black informal traders were harsh and repressive. Restrictions on the types of occupations for people in different racial groups put a cap on entrepreneurial activity in general; the exercise of economic activities in public places was disallowed, with a few exceptions (municipal markets and street vendors). There was a four-minute move-on rule; sellers who did not move on were harassed and had their assets confiscated or destroyed.

These constraints on constraining the development of vibrant local markets combined racial restrictions of economic opportunities, with racially segregated residential and business areas. The image of the European city – an image of order and progress – was to be preserved, relegating to the periphery those who were black (and most of whom were poor), while protecting the white minority with a range of measures such as subsidised housing, health and welfare services, and education. The control of street traders was but one part of the white domination and control of urban space.

3.2 The transition

Towards the end of the 1980s there was a change in economic policy towards seeing an important role for small enterprise in economic growth; the new Business Act of 1991 essentially prohibited local government from restraining informal business activity. This marked a change, in a short time, from harsh over-regulation, to almost complete deregulation.

T the 1994 transition, the new government faced many challenges. Laid across the specific sectoral policy reforms such as land reform, health, education, training, social services, housing, were a number of cross-cutting themes:

- The primary challenge facing the new government was to address racial inequality.
- The racial discrimination had determined spatial settlement patterns in a fundamental way.
- There was a commitment to address gender inequalities – with the setting up by government of complex 'gender machinery'.
- There was a commitment to the idea of policy processes being participatory and inclusive of multiple interest groups, and getting the voices of the poor.
- Later, and still being worked out, was decentralisation.

A comparative study of five South African cities (Skinner, 2000) showed that Durban was already ahead of the others, inter alia in the perceptions of officials, in resource allocation to infrastructure for traders; in attempts to negotiate new bylaws; in initiatives in health education, accrediting traders who upgraded their stalls; in setting up a dedicated unit to deal with traders; and in taking the enforcement function out of that unit; and in instituting the idea (as had Cape Town) of area managers. However problems remained (N&SCLCs, 2000):

- There was no vision within the Metro or the central councils of the place of the informal economy in the overall economic strategy.
- Street traders – the most visible actors – had a high and negative public profile.
- There were complex unco-ordinated institutions.
- The licensing procedures discouraged registration of small enterprises.
- There was a lack of fit between generally progressive policy, and the organisational culture and officials.
- There was no coherent policy about planning and building new markets; some newly built market facilities were closed, or had never opened, because there was no policy to determine site allocation.
- There were no continuous structures for negotiation with traders.

3.1   The policy

At the time of the 1994 elections, there were 48 separate administrative structures governing different parts of Durban – racially divided, fragmented. These were merged into six so-called 'substructures' in Durban, with one overarching administrative body called the Metro. A central debate about local government in the years between 1994 and 1998 was whether the major cities should be governed by one central structure, becoming so-called 'unicities', or whether substructures should retain a degree of relative autonomy. Those promoting the move towards unicities won the day.

In 1999, the two powerful substructures covering the CBD were Durban North Central and South Central Local Councils (N&SCLCs). They extended south to include Umlazi and Chatsworth, inland to short of Pinetown; north to include Newlands East and

West, Phoenix, KwaMashu and parts of Inanda. At the end of 1999, these two councils initiated a process of policy development for the informal economy. A Technical Task Team (TTT) was set up, comprising officials from different departments, and two outside advisers. Officials were from City Health, Police, Planning, CBD Revitalisation Committee, Urban Renewal projects, and the Metro's Economic Development Department.

The ungainly title of the TTT - Technical Task Team for the Development of an Effective and Inclusive Policy for the Informal Economy – pointed to its intentions. The 'Technical' signified 'not political' – it was to be a team of government officials, not party-political functionaries. It was to be 'effective' – the outcome had to be do-able, in a short time; it could not come up with rhetorical wish lists that could not be implemented. It was to be 'inclusive', and this had a number of meanings: it had to include and give attention to peripheral areas as well as the core central business district; it had to be a consultative process involving multiple interest groups.

It is not possible here to give all the details of the resulting policy. The basic framework and broad outline of the resulting policy were as follows:

- Informal workers and informal enterprises were accepted as a permanent feature of the city's physical, social and economic landscape, and were important constituents of local economic development.
- Local government had to accept the dual functions: the management task of managing the city, and the economic task of providing support to small enterprises.
- Leading from this, area based management would be the tool for management, and sector/ industry specific support to encourage the growth of small enterprises.
- Pavement/ sidewalk space should be perceived as a development tool in the support of enterprises; by the same token, all sidewalk space should not be allocated equally valuable, and differentiated site fees should be introduced.
- Existing registration procedures carry high transaction costs; registration should be simplified, and incentives should be attached (in the form, for example, of access to business support services).
- Local government can, using existing resources, offer concrete support to trader organisations.
- There should be no more development of markets in outlying areas without economic assessment, which links market opportunities to local need.
- Formal and informal business should as far as feasible be dealt with by local government in the same negotiation platforms such as forums and committees.
- An appeals mechanism should be set up to deal with disputes between local government and informal operators, and between formal and informal operators.

After a consultative process (see below) the policy was accepted by the city leaders.

4 Key strategic issues

4.1 Appropriate institutional location

In South Africa in the past, responsibility for 'the informal sector' at local government level was typically assigned to departments such as health, cleansing, police, or traffic control – all of which are indicators of how informal workers and their enterprises were perceived. During the transition, policy development for the informal economy was located in the Department of Economic Development, which had a senior status as a department in the 'new' democratic city. Management of the informal economy was mostly located at sub-structure level, in the Development and Planning division. Both of these new locations give off very different, and potentially positive, signals about the role of the informal economy in the city.

4.2 Internal drivers

A relatively senior official within the Economic Development Department was assigned the task of chairing the TTT, and was allowed to prioritise this process in the midst of conflicting demands on his time. Furthermore, other senior heads of departments were able to prioritise this initiative, enabling the slow development of a coherent approach with cross-departmental agreements.

4.3 Political support and ongoing interaction with politicians

Durban was undergoing the third round of restructuring local government since the democratic elections in 1994. There were many important transformation tasks that needed to be done, and the informal economy policy was just one part of it. Durban was trying to find out how to attract foreign investment, at the same time as trying to pursue pro-poor polices, deal with a vast housing backlog, and get infrastructure such as water and sanitation and telephones out to poor areas.

The TTT made presentations to various committees of councillors and officials as the work went on, so that they were familiar with the emerging content of the policy by the time it came to be presented.

4.4 Building on history – learn from failed interventions, and also from successful pilots

There had been a number of failed attempts to develop policy for street trading and for markets; there had been some very successful pilots and initiatives where good work had been done. The TTT started by recognizing this history and these attempts. An early report – called the Interim Document - was used as a tool to get people to acknowledge, especially, the failure of past attempts.

Some of the lessons from past failures were:
- Stop-start initiatives with negotiating with trader organisations failed, and the failure carried a high price in terms of lessening the legitimacy of local government, and causing mistrust.
- Past attempts at doing inter-departmental work with street vendors failed partially because of the lack of a city-wide, cross-departmental information system.
- One past attempt at outsourcing management of a market to a private trader organisation had ended in violence.
- Absence of clear policies and procedures for allocating new trading spaces in new built markets led to conflict and violence.

Some of the lessons from successful initiatives were:
- Simple actions using existing resources could be helpful in supporting organisations of informal workers.
- All pro-poor and sustainable innovations depended on NOT having privatised – they depended on smart and inexpensive use of existing municipal resources.
- Organisational mandates for fair negotiations could only come from organisations which had at least a constitution, occasional open elections, and membership lists which were open to scrutiny.

4.5 The role of research in the process

The political ideology of apartheid signalled the way for economic and social policies to be dominated by ideology rather than by fact. One of the challenges of policy development in the transition has been to 'let the data lead to the policy', though within the initial commitment to pro-poor policies.

In Durban, informal economy policy development process was framed around the idea that it would be advised by good research and statistics. This intention was limited by the lack of statistics about the contribution of traders to the Durban economy; this was offset by the commissioning of a number of very useful, focused small studies around particular themes such as storage needs of traders, use of municipal markets, distribution chains in particular sectors.

4.6 Alignment with and integration into other city initiatives

There were many municipal policy initiatives going on in parallel. For a new approach to the informal economy to endure, it was important to make sure that it was not simply a 'stand-alone' initiative. It was strategically important to try and ensure that:

- the vision for the informal economy was in line with the overall vision for the city;
- the direction of the policy flowed in the same direction as other initiatives for city management and urban renewal. Important among these were ideas for area-based management, and the Safer Cities project;

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- the private firm of consultants who were working on the Longer Term Development Strategy for Durban – the Monitor group - integrated the policy directions for the informal economy into their plan.

4.7 Consultative process

An unusual feature of the policy development process was that there was an extensive process of consultation with a variety of stakeholders. A variety of mechanisms were used to gauge opinion and explore a small core of central policy alternatives. These included:

- Small and large workshops, run in English and in Zulu – with street trader organisations, CBOs and NGOs, city officials and councillors
- A one day mass meeting, including breakaway groups, with some 800 street vendors
- Dissemination of key documents, in English and in Zulu. In particular, 'The Issues Document' focused on a limited number of core issues for discussion, in order to generate realistic policy alternatives, and to clear out of the way issues that were known to be 'red herrings'.
- A phone-in service where comments could be given for the consideration of the TTT
- Selected key informant interviews with key stakeholders.

Much energy was put into this process, but it was also important that the TTT was sanguine about the limitations of such consultation. Not all informal trader organisations were consulted, but by the same token, a number of smaller and lesser known ones were. Not all 'civil society' organisations, and formal business chambers were consulted, but numbers were brought into a city process of policy development for the first time.

4.8 The important role of communications and the media

The experience of the innovative Warwick Junction Pilot Project in Urban Renewal in Durban had shown how important it was to allocate time, energy and money to communications with stakeholders. In India, SEWA had found it very important to change public perceptions of informal workers, and that informal workers themselves have a role to play in this.

In Durban, part of the TTT's work was to ensure that efforts were made to expose the media to the many positive stories that there were to publicise, not only about the contribution informal workers make to the city, but also about the policy process itself. One very strong story was about co-operation between formal and informal traders, and another about co-operation between informal traders, the health department, the cleansing department, and the police, in ensuring that trading sites and streets were regularly cleaned.

4.9 Stepping stone to an even more inclusive approach to the informal economy

This policy process focused predominantly on traders in public places in the more central parts of the city. This was a start. A fully 'inclusive' policy, in future, will need to take into account the growing numbers of home based workers, as well as need for the city to develop an urban agricultural policy for those who will be have been and will be producing for subsistence and for sale within the municipal boundaries.

5   Conclusion

It is widely held that 'the new South Africa' has been marked by policies which are high on the rhetoric of change and development, and yet have been slow in implementation. There has been an under-estimation of the amount of time and energy required to slow down and then turn around the massive ship of apartheid, with its heavy cargo of laws, institutions, budgetary allocations, distorted markets, all of which eventuated in such deep racial imbalances.

It is as yet too early to form a confident assessment of what it will take for this Durban policy on the informal economy to survive, and be implemented, in ways which will achieve the twin purposes of offering more secure working conditions to informal workers, while enabling good management of a modern city. This brief account does not do justice to the process of policy development, let alone venture into future predictions. It might be helpful, though, to conclude with final remarks about three absolutely essential things that are needed if local governments will be able to promote local economic development in a way that incorporates the interests of poorer informal workers, and especially women among them.

First, there is a need for city-level statistics about the informal economy: the numbers of workers, their employment status, the size of their enterprises, the sectors in which they work, and their economic contribution to the city and the region. An excellent example of work of this kind was that done by Jeemol Unni, of the Gujarat Institute of Development Research, for SEWA in Ahmedabad. This work became a useful tool for SEWA in its negotiating for better conditions of work for street vendors and for home workers.

Second, for policies for this vulnerable sector to endure there needs to be alignment in two directions: first, horizontally, where informal economy policies need to be in synch with other city initiatives, and second, vertically, between local, provincial/ state, and national/ federal economic policies regarding addressing small enterprise development, and poverty programmes. Progressive local governments can play a lead role in ensuring that provincial and national levels of government 'get it right'; South Africa has some good examples of good (and bad) practice to draw and learn from.

Third, and finally, there must be a recognition that enduring management of the contestation and conflict about scarce city spaces will only come about when local government has strong organisations of informal workers with which to negotiate – and local government itself has a concrete role to play in enabling the development of such partners. Local government can also do much to educate its own personnel about why

informal workers and their organisations are important contributors to the health and strength of the local economy.

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