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Caroline Skinner and Vanessa Watson

Viewpoint
Planning and informal food traders under COVID-19: the South African case

Introduction

Across the global South the informal economy – informal producers through to distributors – plays a critical role in food security and employment. Policy measures to prevent the spread of COVID-19 have profoundly disrupted this system. Over the period of more stringent restrictions or 'lockdown', many countries (Peru, Mexico, Ghana, Nigeria, Zimbabwe, India and Thailand, among others) strictly limited the activities of informal food producers and distributors.[1] While South Africa adjusted these restrictions during lockdown, it imposed constraints and requirements which severely disrupted informal food supplies. Drawing on an understanding of this context, and on experiences from other parts of the world, this article considers implications for planning arising from 'unlocking' the informal food system.

We start by outlining the scale and nature of the informal food economy in South Africa. We then consider the impact of lockdown regulations on informal traders as well as on their suppliers and transporters. We argue that this, combined with attempts to formalise informal traders and exclude immigrants, has exacerbated the food crisis in the country. Given the critical role informal food traders play in feeding poorer communities and generating jobs, it is essential that state actions protect and enhance their operation. This is the case not only for those involved in final food supply to consumers, but for the entire food system which involves activities from 'farm to fork'. The third section suggests short- and long-term health-related, regulatory, spatial and financial interventions that reduce the risks and capitalise on the opportunities of informal food trade.

1 Drawn from https://www.wiego.org/news/street-vendor-news-gms-global-review-analysis-april-2020 (accessed 22 June 2020) and https://www.wiego.org/street-vendors-essential-goods-and-urgent-needs (accessed 22 June 2020).

Caroline Skinner is a Senior Researcher, University of Cape Town, African Centre for Cities, Cape Town 7700, Rondebosch, Western Cape 7701, South Africa, and Urban Research Director, Women in Informal Employment: Globalizing and Organizing, African Centre for Cities office, Manchester, M2 7EN, United Kingdom; Vanessa Watson is Professor, University of Cape Town, Architecture, Planning and Geomatics, Cape Town 7700, South Africa; email: caroline.skinner@uct.ac.za; vanessa.watson@uct.ac.za

The scale and nature of the informal food economy

Across the global South the informal food economy plays an important role in employment, particularly of women (International Labour Organisation, 2018) and in food security.[2] South Africa is no different. In the last quarter of 2019, Statistics South Africa recorded seven per cent of the total labour force working in informal-sector retail. An estimated 42 per cent are informal food retailers.[3] Informal distribution dominates certain product lines, notably fresh produce. In Johannesburg over 50 per cent of sales from South Africa's largest fresh-produce wholesale market, City Deep, are to informal traders who usually sell fresh produce at half to one-third of the price of the same produce in supermarkets (Wegerif, 2020, 1).

Household food-security surveys consistently show that low-income households regularly source food in the informal sector (Skinner and Haysom, 2016; Crush et al., 2018). The poorer the household, the more likely it is to source food from informal outlets. This is because their income is erratic, they often lack refrigeration and storage space, and they use public transport or taxis, which limits the amount of food that they can buy (Skinner and Haysom, 2016, 7–8). Maps of informal food outlets show how well spread they are throughout low-income settlements, hence potentially playing an important role when the health directive is to 'stay at home' (Battersby et al., 2016).

In line with global and regional trends, there has been rapid supermarket penetration into low-income urban areas in South Africa. In many cases this has impacted negatively on informal retail, while in others the formal and informal coexist (Haysom and Skinner, 2016, 9–10). Food-security surveys suggest a pattern of consumers bulk-buying staples from supermarkets while relying on the informal sector for daily food needs. During the lockdown period, the two largest retailers sent trucks converted into mobile shops into low-income areas, amplifying the trend to compete directly with small-scale retailers.

The impact of COVID-19 on informal traders

Health measures to prevent the spread of COVID-19 have profoundly disrupted the informal food system. For the first ten days no traders were allowed to operate. In early April 2020, in response to pressure from civil society, the government declared spaza shops and informal food traders (excluding those selling cooked food) 'essential service' providers. The Department of Small Business Development subsequently issued directives specifying that traders had to secure permits 'in line with provisions of the 1991 Businesses Act' and non-South African citizens were required to have

2 Consuming Urban Poverty (CUP) project and Hungry Cities Partnership.

3 Authors' own calculations generated from Statistics South Africa, Quarterly Labour Force Survey Statistical Release, http://www.statssa.gov.za/publications/P0211/P02114thQuarter2019.pdf (accessed 22 June 2020).

business or asylum seekers' permits. The permit requirement is new for spaza shops. Many informal food outlets are run by immigrants (Petersen et al., 2019), most of whom would not have permits to operate a business. The department appears to be using the opportunity to achieve longer-term ambitions of formalising the informal economy and dealing with unregistered foreign migrants.

The action research network Women in Informal Employment: Globalising and Organising (WIEGO), through regular interviews with informal-worker organisations, closely monitored the impact of COVID-19 regulations both in South Africa and elswhere.[4] One week into the lockdown, informal-trader leaders across the country reported that many members were struggling to feed their families.[5] Once the change in regulations was announced, some traders attempted to go back to work. With childcare responsibilities due to schools being closed, women traders faced additional challenges. Traders reported difficulties in accessing permits – with lack of clarity as to where to get them. Many reported problems with accessing supplies. Fresh-produce traders reported that while the primary bulk fresh-produce markets were open, secondary fresh-produce markets remained closed. Traders who managed to secure stock said there were issues with transport, with goods being confiscated due to not having transporters' permits. In trading locations, there were widespread reports of confiscation of goods by heavy-handed security officials. Many stated that they had used their last monies to attempt to trade.[6]

This occurred as food insecurity across the country intensified. Within two weeks of the lockdown, two-thirds of the population in poorer urban areas reported having no money to buy food (HSRC, 2020). A key response from government, civil society and the private sector has been the distribution of food parcels, with demand being overwhelming. While food parcels are important, they are likely to further undermine the viability of the informal food system. Food parcel contents are being sourced from big formal firms, at considerable expense. In late April, the government increased existing social grants and introduced a new grant for the unemployed. Set between R250 and R500 (£11.90–£23.80) a month, these grants will place much-needed cash in the hands of poor consumers but will be insufficient to address hunger.

Necessary policy and planning shifts

The South African case, but also experiences from other parts of the world, suggests both short- and longer-term interventions that reduce risks, allowing informal traders to continue to feed low-income communities. These involve a combination

4 See https://www.wiego.org/covid19crisis (accessed 22 June 2020).

5 Interview Rosheda Muller, president of the South African Informal Traders Association (SAITA), 3 April 2020.

6 Drawn from regular updates from SAITA, supplemented by observations from non-governmental organisations working directly with vendors.

of health-related, regulatory, spatial and financial actions. The health risk which the informal food sector poses is real but is not necessarily different to risks in the formal food sector. Early in the crisis WIEGO worked closely with public-health experts to develop safety guidelines for informal traders to prevent the spread of COVID-19. They concluded that if the guidelines were followed, informal traders could trade as safely as supermarkets.[7]

Informal trading in the era of COVID-19 entails a very different use of space. For street and market traders, trading layouts need to change so that both traders and customers can maintain a two-metre distance. Traders and some local authorities have adapted to these new realities. For example, in New Delhi, India, traders marked places for their buyers and developed new dispensing techniques (New Delhi Television, 2020), and Ghanaian market vendors offered to reduce their numbers by half, by trading on alternate days (GhanaWeb, 2020). Municipal authorities in Central Java, Indonesia (Kompas, 2020) and Kalaw, Myanmar (Nyein, 2020), converted roads into fresh-produce markets. This simply entailed repainting the road markings to demarcate trading sites; the width of roads easily allows for customer distancing. Within settlements, currently unused space, for example school fields and parking lots, could be converted into food markets, so reducing the need to travel to supermarkets. Figure 1 shows a pre-COVID-19 linear street market in Lusaka, Zambia, in which physical distancing measures could be easily added.

The identification of well-located sites and the installation of infrastructure will need to happen very quickly given the health risks, the extent of current food insecurity and unemployment levels. This needs to be done in consultation with community organisations and street and market traders. Demarcation of trading sites will allow easier provision of COVID-19-related infrastructure: hand-washing stations, water points, waste disposal sites, shelter, hardened ground surfaces, fire hydrants, sanitised toilet facilities, distribution points for masks and sanitisers, information and education stations and health testing. Assigning municipal officials to help manage space is important. An incremental approach can begin with space demarcation and temporary provision of key elements of infrastructure and services but should be upgraded and become permanent. This approach will not only address key short-term pandemic issues but also have significant long-term health and economic benefits in poor communities.

Planning for the spatial distribution and servicing of informal traders is an issue long neglected by most municipalities. Surveys with street and market traders in South Africa and elsewhere have repeatedly highlighted deficits in infrastructure – water, toilets, paved surfaces, shelter, storage and electricity (Roever, 2014). Previous policies have tended to over-formalise and restrict sites for traders and have often located

7 See https://www.wiego.org/resources/poster-covid-19-health-guidelines-informal-traders (accessed 22 June 2020).

Figure 1 Street market in Lusaka, Zambia
Source: Prof. Nancy Odendaal, UCT

infrastructure well away from pedestrian flows which are essential for trader survival. The result has been a divide between smaller numbers of legalised and better-off traders and the many who survive illegally in and around transport termini and on the routes leading to them. Home-based spaza shops, often run by foreign nationals, spend much capital on security measures to avoid frequent attacks and looting.

Harassment by police and army officials is a significant constraint to informal food retailers in South Africa and elsewhere. No part of the food chain should be restricted: this involves formal *and informal* food production, transport, wholesale, retail, preparation and disposal. Regulatory and permit requirements which favoured South African citizens over non-South Africans are a dangerous stimulant to xenophobia and community divisions, and exacerbate food insecurity.

Spatial planning and infrastructural interventions are just elements of an overall strategy needed to support and protect this sector of the economy. Many traders have spent their last savings during the lockdown period and without an injection of funds they will not easily be able to restart their businesses. A government-provided start-up grant is essential to help traders re-establish themselves. In the longer term, in which unprecedented levels of poverty, unemployment and hunger will be facing many households, municipalities will need to develop a wider informal-economy support

programme involving grants, loans and infrastructure investment. This will require a major shift from current approaches which are restrictive and regulatory, and tend to favour large and formal suppliers of food.

Conclusion

The COVID-19 pandemic has brought to the fore the difficulty of applying universal lockdown guidelines in cities where poverty, inequality and informality are dominant characteristics. As the application of stringent lockdown regulations in South African cities (and other cities in the global South) has shown, the result is rapid economic collapse, especially in the informal economy, and descent into mass hunger and destitution. Frequently this situation leads to irresolvable debates over whether governments should be prioritising either health or the economy, and strong pressure to lift lockdown regulations to stimulate economic survival. This choice does not need to be 'either/or' and a far more context-sensitive government response to health issues can avoid the destruction of livelihoods. Moreover, it opens the opportunity for planning and policy measures which should have been introduced a long time ago, and which shift urban economies in the direction of greater equity and sustainability.

The pandemic has shown the importance of urban food security and the critical role which the informal food economy plays in this. As a key source of delivering affordable, accessible and fresh food to poor communities, and providing a very important source of income, insensitive lockdown regulations succeeded in stifling these key basic needs. Instead, support for the informal economy and particularly the food economy, through the range of measures we suggest here, could have made a major difference to the destructive aspects of lockdown regulations. With the national economy now facing long-term recession and formal job loss, support for the informal economy is essential.

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