

A Ground-up Perspective on Informal Trade from South African Informal Trader Organizations

Facilitated by Lethu Masango

Panelists

South African Informal Workers Association – Dumisani Mntshane

South African Informal Traders Forum – Brian Phaloo

South African Informal Traders Alliance – Rosheda Muller

Joburg Informal Traders Platform – Gog' Lulama Mali



Brian Phaaloh

- Secretary General of SAITF

Est. in 2004

- An umbrella body to represent informal traders and trader organizations
- Govt officials consistently raise the lack of organization of the sector
- 12,000 members countrywide, focused on metros
- Focus on informal trading
- KZN sister org = focused on retail markets – Early Morning Market

How has COVID Lockdown impacted on the work of SAITF and informal trading? Reflect on challenges experienced?

- Initial National Gazette Regulations permitted the trade of fruits and veg as essential services yet excluded informal traders
- 24 March sit in = Dept of Small Bus (re fruit & veg trade as per national lockdown regulations)
- PTA - Informal Trader Permits were localized. An informal trader would live in one locations, say Mabopane and trade in another, say Pretoria CBD
- City of CT applied regulations in the informal sector, contesting the national regulations
- Experience of traders has continued with authorities wanting to stop trading, cf. JMPD demanding permits during Level 3 even though these are not required

- See a Private Business / Developer challenge in ongoing court action purporting that informal traders spread COVID19

Guiding Questions for the Webinar

1. How has the Informal Trading Sector been affected by the COVID19 crisis?
2. How have provinces and municipalities been responding in managing the crisis?
3. What have been the challenges & successes we can learn from?
4. What is the role of cities and broader intergovernmental relations in enabling critical economic development spaces, such as CBDs, informal trading spaces, townships, and encouraging inclusive economic development?
5. What are the interventions that are required to unlock economic activity and assist the informal trading sector in reaching its full potential and contributing to the national economy?

Unions, i.e., COSATU, NUMSA, focus on broad issues and are not focused on informal trader issues

Location of SAITF in Jhb is to pioneer efforts, regulations, interventions, etc.

Covid19 response?

- De Villiers Str (Jumbo Sale 2nd Hand Clothing) proposal for the 210 traders who can circulate trading times to ensure social distancing
- Stopped meetings and instead visit individual traders to ensure they have hand sanitizers and face masks

Covid19 Funding Response?

- Bailout compensation for informal traders has not taken place.
- Proposal submitted that deals with recognition of traders to enable disbursement of funds.
- Traders ultimately are survivalist and must be trading to ensure their survival



Asiye Etafleni has been instrumental in bring together trade organization. What other organizations are involved in organizing traders?

- Basic form of organization is street committees, from which other structures emerge
- Ubumbano provides a platform where street committee and traders unify their voice
- SAITA
- Masibambane Traders Organization

Phumzile XULU

- SAIWA

Est. 2011 to organize informal workers on the ground

- Spatially focused on Warwick Junction in Durban, KZN
- 8 distinct sectors incl. medicines; beads; cooked food (inhloko); etc.
- to engage local government regulators (cf. 2010 efforts around WC sought to remove trading spaces)
- ±8,000 informal workers
- Traders delineated a tourism route centered on the 2010 WC

Challenges in organizing informal traders?

- Funding support for organizing workers to undertake tasks and programmes
- Asiye Etafuleni (local NGO) assisted / supported with in ensuring organization
- Recognition by local authority as a representative of informal workers
- Platform to raise issues
- Ongoing funding

Engagement with members?

- Pre-Lockdown - most members are in Warwick Junction
- COVID19 has made engagement difficult.
- Cellphones / WhatsApp groups
- Typically, organize by community / sector where trading happens.
- Ubumbano / SAITA

Gog' Lulama Mali

- JITP

Chairperson of JITP

- Trading in the Jhb Inner City for 25yrs
- City regulations has always resulted in movement from one point to another
- Exec Council of 6 – meets fortnightly
- 3 representatives in Executive Council – meets once a month
- Goal is to improve the lives and businesses of the informal secto

Reflections on Recommendation R204 and aspirations of JITP

- Was introduced by NGOs = WIEGO and SteetNet and not government
- Officials do not seem to be interested in discussing and finding resolutions to implementing of R204
- Approved as pilot project
- Non responsiveness of regulatory authorities

Recommendations on informal trade going forward?

- City can partner with trader organizations to set up a help desk to address daily challenges faced by informal trades
- There is no regulation of freelancers who trade at traffic lights, etc. who compete with regulated traders
- JITP and associated organizations have developed a turnaround strategy to establish a one stop shops to deal with issues of overnight storage of goods, traders to pay weekly rental, possible rental holiday for 1 year; the facility can be used as skills training centre, a day care, and an after care centre.
- Agricultural and supermarket cooperatives that require training in agriculture, business, financial and manufacturing.
- There is a need to train such cooperatives in process / convert agricultural produce to manufacture higher value goods
- Assistance with land and/or buildings, and training on this.



Rosheda Muller

- SAITA

Est. 2013

- StreetNet supported the formation of SITA (Dr Pat Horn)
- 9 provincial representative trader organizations
- Consolidate provincial trader organization under a national structure
- Objective of representing informal businesses at a national level

See presentation

- SA requires uniform regulatory bylaws for informal trading
- “NOTHING ABOUT US WITHOUT US”
- Note recommendations
- Recommendation R204 of the International Labour Organization (ILO)

What has worked from the perspective of SAITA?

- There has to some form of mobilization / organization of traders and pressure groups representing trader interests with regulators
- In City of Cape Town for instance: Cape Peninsula Informal Traders Forum ensures
- StreetNet training programmes assists in highlighting issues and rights of traders

Reflections on ILO Recommendation R204?

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City-led Activities

Facilitated by Andrew Charman

Panelists

Ekurhuleni Metropolitan Municipality – Sithembiso Garane

EThekweni Municipality – Michael Hlangu

Mangaung – Teboho Maine



COE funding

- 1) Ximilani – seed funding for traders and small business
- 2) R80 mil has been set aside in recent COE Budget
- 3) Application process to be announced during Sept 2020



Trader organization must criticize the local authority but must also engage with policies when they are being developed.

Space, cf fibre infrastructure and

What has the COE done to support Informal Traders?

- Concerned with weakened informal trader organizations / structures in COE. They are fragmented making it difficult to determine a point of contact and engage of issues
- National informal trader bodies must intervene
- COE DED has advised EMPD (by-law enforcement) must secure ongoing engagement with traders.
- Initial publication of regulations created confusion. There were +8,000, including first time application with 4,600 qualifying.
- Mistake were made
- Note: trading is flexible where traders applied for fruits/veg permits even though they trade in other sectors
- With further relaxation, this presented a challenge. COE now considers permits to be equally flexible and allow permits to be valid when traders revert to other sectors.
- Informal traders' database is outdated. COE is utilizing a computer application to update the database.
- In light of COVID 19 and social distancing measures Use of technology should be embraced





Michael Hlangu
- EtheKwini Metro

EtheKwini Municipality Successes?

- Social Dialogue organized with ILO to discuss issues that affect the informal economy sector



EtheKwini Municipality Response

- 6-month payment holiday for trading permits, between April to Sept 2020 for traders who were in good standing
- Disinfecting council owned facilities that accommodate traders
- Training for cooperatives that clean areas
- Issuing 2x face masks to all informal traders
- 8,713 special permits for traders to continue trading in townships and Durban CBD (that comply with informal trading policy and by laws)
- 70% of informal traders are back to trading, especially informal food handlers and street barbers
- Some facilities and markets remain closed as social distancing is difficult to observe
- EtheKwini Municipality Informal Economy Forum Interactive platform

Has EtheKwini Municipality prepared any support measures to support traders that are not yet permitted to open, such as bead sellers?

- ???????

EtheKwini Municipality Informal Economy Forum?

- Sits quarterly
- Representation from trader association, formal businesses, council in economic development portfolio committee, legal reps and enforcement agencies
- To ensure compliance to COVID 19 regulation and street trading bylaws
- Interactive platform with virtual meeting planned for August 2020

- There are 45,700 registered informal traders on computerized revenue management system
- Informal traders are affected by COVID 19, with some having closed down
- Traders are depended on street trading for their livelihood
- Informal traders had an expectation to receive relief funding
- EtheKwini Munic Business Support Unit has assisted informal traders, spaza shop owners, motor mechanics, SMMEs in clothing & textiles to apply for relief funding set up by Dept of Small Business Development, SEFA, SEDA and NYDA
- 2,737 traders have been assisted, with half awaiting approval
- CIPC, SARS, and UIF compliance is a hindrance with registration to these a prequalification criteria

Mangaung Support and Interventions?

- Mangaung has gazetted an informal trading bylaw
- Metro but regulate the space
- City hosts workshops on compliance and enforcement of informal trading bylaw and regulations
- Informal trading organizations have inconsistent leadership and must organize better; making it difficult for the city to engage with the sector.
- Mangaung has rolled out permits throughout all lockdown levels
- Have disinfected trading spaces including taxi ranks
- Provided water tanks



Mangaung Municipality Response

- The municipality has demarcated physical trading spaces in the CBD
- Have convened a task team to ensure to create operational spaces that do not conflict with bylaws and other regulations / legislation
- The Roads Transport Act permits informal trading in CBD areas

MAHA (an informal trading organization) wants to co govern trading spaces, causing disruptions

Geography of Mangaung
Informal trading is decentralized with numerous outlying towns, such as Wepienaar, Soutpan, Botshabelo



Open Discussion

All participants



Dr Pat Horn (StreetNet)

- ILO Recommendation 204 speaks to the transition of the informal to the formal
- There are currently no statutory forums for informal traders to engage with authorities.
- Pilot is identified as a pilot to assist with setting up proper negotiating forums
- Working with SALGA and COGTA and willing to work with metros

Managing public space

- Covid19 response to get more social distancing has exacerbated the problems that were there before re the management of public space
- NEDLAC has put together a task team to work with jointly SALGA and COGTA on managing public space in a more coordinated way (will start to operate next week)

Budgeting in the Municipality

- How do we get informal traders to participate in the budget / IDP process

Brian

- COE must consider providing a platform to engage with informal trader organizations
- Informal traders are ignored, thus frustrated
- City must avoid compensating people who sit in their platforms stipends as this causes divisions
- The perceived fragmentation should be the cause of cities not providing traders a platform to engage
- The attitudes of the cities should not be to “police” but manage informal traders



Andrew

- Although the issues of technologies is important, having the potential to significantly improve access, there are underlying issues such as access to data

Rosheda

- The R204 can solve many of the issues in terms of how we communicate with each other
- Informal Trader Organizations must be unified in their approach to realize success, esp. in policies, and agree on best practices
- There is a municipality that still refuses trading in lockdown level 3
- Compliance criteria (CIPC, SARS, ,etc) for the informal sector as a hindrance to access finances / relief funds should be revised to empower informal traders to access funds; can work through trader organizations
- Trader Organizations must work together to enhance the capacity of informal traders to embrace technology

Xolela -

- Trader organizations are not united. Hopefully present structures reach out to other provinces to ensure common goals
- Trader organizations must ensure accountability of

WAY FORWARD

- Cities need to shift from law enforcement to recognizing the sector for its role and contribution within city economies, led by a bottom up supportive approach
- While the sector seems to be organized, it is not uniform. Sector organizations must be better capacitated to engage
- Cities are not uniform in how they engage with the informal sector

Importance of Collaboration

- The entry point to government for the informal trading sector is local government, and this relationship must be nurtured to be more conducive to collaboration.
- The current reality is that it is not, with of control, policing, regulating, time pressures,
- Planning, especially at local level, for the informal sector must be driven by real engagement and response to real needs.
- THERE IS NOTHING ABOUT US, WITHOUT US
- The result of non-collaboration is the interpretation that pressure works

Role of City Government

- The immediate COVID response has been of
 - providing water
 - organizing trading space
 - suspension of fees
 - Health screening
- Concern that to date of flows of funding not coming through

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Cities

- Need informal traders to engage with city platforms in IDP and budgeting
- Strengthen city level organization
- Other support requirement that lie within local government purview include
 - Constitutionally compliant and unified policies,
 - Simplify licensing to assist with legal compliance
 - Access to land and buildings
 - Supportive facilities such as Storage; Day Care; After Care
 - Free wifi in supporting informal traders digitize
 - cionsRole – immediate COVID response: health screening, suspension of fees, face masks but no funding flows

Recommendations

- Share platforms required: draw from Indian Experience
- Further engagements through the City Economic Development Managers' Forum to discuss the ILO Recommendation 204. To get to a better understanding of what the recommendation means for South African cities

Access to Information

- Dept of Small Dept Informal traders support instruments will be uploaded on City Support Programme COVID 19 Portal:
<https://csp.treasury.gov.za/Pages/default.aspx>