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Exploring regulatory systems of informal economic activity in a dense settlement: The case of Extension 2, Ivory Park, Johannesburg.

Research Report

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Exploring regulatory systems of informal economic activity in a dense settlement: The case of Extension 2, Ivory Park, Johannesburg



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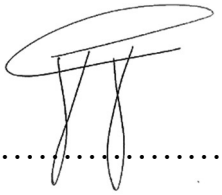
A research report submitted to the Faculty of Engineering and the Built Environment, School of Architecture and Planning, at the University of Witwatersrand, Johannesburg, in partial fulfilment of the requirements for the degree of Master of Urban Studies: Housing and Human Settlements.

Declaration

I declare that this dissertation is my own unaided work. It is being submitted for the Degree of Master of Urban Studies: Housing and Human Settlements to the University of Witwatersrand, Johannesburg. It has not been submitted before for any degree of examination to any other University.



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Signature of Candidate

05 day of September year 2023

DEDICATION

A special dedication is to the Matriarch, my grandmother, Mrs. Talitha Bongi Nzimande (née Zungu) who turns 90 years old in February 2023. My childhood memories are filled with images of the two of us going to Sunday church services, church conventions, and the many grocery shopping trips to town. You taught me public speaking, helped me manage my articulation disorder as a child, and encouraged me to be a confident young man. More than anything, you taught me to believe in Christ. You were always my confidant and I always saw myself as your protector. I dedicate this to you for always believing in me and for being my biggest supporter.

This is for you Nzimande, Mhlandla, Mangqingqingqi, Ngwekazi, Mdlovu, Phohlaphohla, Gqawu, Gwala, Shebe, Nozulu, Mphephethe! Madla kulandulwa. Nyawo zimhlophe ngokunyathela njengezihlabathi zolwandle.

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God

First and foremost, I would like to give thanks to the Almighty for making all this possible, for the opportunities and the strength to put this project together. You continue to bless me in ways that I had never imagined.

My Family

To my mother and sister, Xolie and Thandeka no one knows my struggles and battles like you do, yet you never cease to stand by me always. To our children, the future of our family, you are all an inspiration, our joy and hope. You are the best children in the whole world. Thubalakhe, Thandisa, Thembela, Thusi, Thamelani and Thaniya.

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My brother Mlungisi Nkabinde, in the most difficult year of your life, you still managed to call and check up on me. I value your friendship immensely and I pray God gets you through to the promise land.

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Thank you to my supervisors Prof. Sarah Charlton and Dr Mamokete Modiba for your guidance, help and support. Thank you for helping me manage my anxieties and fears and for pulling me back when I had lost confidence in myself. Be blessed abundantly!

My Friend

A special thank you to my "friend" Monalisa Ndlovu for your constant motivation and encouragement. For your inspiring calls, texts, and messages daily. I hope you succeed in your own studies in Gdansk, Poland. I cannot wait to see you back home permanently.

Table of Contents

Declaration 3
DEDICATION 4
ACKNOWLEDGEMENTS 5
LIST OF FIGURES 9
LIST OF ACRONYMS 10
ABSTRACT 11
Chapter 1 12
The orientation of the study 12
1.1 Introduction 13
1.2 Background 13
1.3 Problem Statement 15
1.4 Objectives 16
1.5 Research Question 16
1.6 Introduction to Research Methods 16
1.7 Structure of the Research Report 17
Chapter 2 19
Literature Review 19
2.1 Introduction 20
2.2 Informal Economy 20
2.3 Home-based Enterprises 23
2.4 Home-based Enterprises vs Regulatory Systems and Institutions 25
2.5 Home-based Enterprises and Land Use Management 27
2.6 Density 30
2.7 Conceptual framework 32
2.8 Conclusion 32
Chapter 3 34
Research Methods 34
3.1 Introduction 35
3.2 Rationale for choosing Ivory Park, Extension 2, 29th September Drive 35
3.3 Application of Research Methods 36
3.4 Data Collection Methods 37
3.5 Sampling Method 40
3.6 Data Analysis 41
3.7 Research Limitations 42
3.8 Ethical Considerations 42

3.9 Conclusion 43
Chapter 4 45
Research Findings 45
4.1 Introduction 46
4.2 Profiling home-based enterprises for the study 46
4.3 Regulations for opening a home-based enterprise in Ivory Park 49
4.4 Regulating and monitoring home-based enterprise activity in Ivory Park 55
4.5 Conclusion 58
Chapter 5 61
Research Analysis 61
5.1 Introduction 62
5.2 Positioning findings with literature on informal economy 62
6.3 Positioning findings with literature on Home-based enterprises 63
6.4 Positioning findings with literature on regulatory systems of home-based enterprises 65
6.5 Positioning findings with literature on regulatory systems of housing and planning 67
6.6 Positioning findings with literature on density 69
6.7 Conclusion 70
Chapter 6 73
Summary, Recommendations and Conclusions 73
6.1 Introduction 74
6.2 Summary of the main findings 74
6.3 Recommendations 78
6.4 Conclusion 78
References 80
Appendices 84

LIST OF TABLES

Table 1: Summary of Home-based Enterprises that were part of the study. 47
Table 2: Home-based Enterprises in relation to the Land Use Scheme Regulations 59
Table 3: Summary of findings and analysis of the study in relation to literature 70

LIST OF FIGURES

Figure 1: 2022 Map of Ivory Park and surrounding areas. [Source: Google Maps, 2022]..... 14
Figure 2: Conceptual framework. 32
Figure 3: Areal view of 29th September Drive and parts of Extension 2. [Source: GIS 2022]..... 35

LIST OF ACRONYMS

CoC	Certificate of Competence
CoJ	City of Johannesburg
GDP	Gross Domestic Product
ILO	International Labour Organisation
OVOAHA	One Voice of All Hawkers Association
RDP	Reconstruction and Development Programme
SAITF	South African Informal Traders Forum
SAMPRA	South African Music Performance Rights Association
SAMRO	Southern African Music Rights Organisation
SANTRA	South African National Traders Retail Alliance
SPLUMA	Spatial Planning and Land Use Management Act
TPA	Transvaal Provincial Administration

ABSTRACT

Informal economic activities are a crucial component of most economies in the global south. They are easily accessible as a tool for poverty alleviation and to fight against unemployment, due to easy entry requirements and no extensive processes to start a business. Home-based enterprises in particular offer a unique ability to minimise overheads and save on costs such as traveling expenses for business owners as economic activity occurs in the residential area. The growing number of home-based enterprises in housing settlements has made it impossible for the government to ignore them and has necessitated the need for government to recognise and regulate them.

This study explores the regulatory systems of home-based enterprises in Ivory Park, Extension 2 on 29th September Drive. Ivory Park is a housing settlement located in Region A in the City of Johannesburg. The area of focus is a stretch of a busy street located in between the main taxi rank in Extension 2, and Busy Corner Mall making this one of the busiest streets in the settlement. The area hosts a number of home-based enterprises located on the side-lines of 29th September Drive such as hair salons, spaza shops, clothing shops, fast-food outlets, internet cafes/ printing shops, furniture shops, and carpentry, plus a number of traditional medicine shops. The main objective of this study is to ascertain what are the systems which seek to regulate and facilitate home-based enterprises/ informal economic activity in this area.

The findings were made after consultation with literature, documents about the study area, and interviews with business owners, homeowners, a community leader, and a municipal official. This study revealed that the formal regulations set by the City of Johannesburg are largely informed by land use and planning development objectives and are very rigorous to adhere to by most homeowners and business owners. This combined with a lack of knowledge of the regulations has resulted in low levels of compliance, with most business owners relying on informal regulatory systems to manage their operations and affairs. Furthermore, this research report makes recommendations that programmes should be created to educate business owners and homeowners on the regulations which apply to them, and to revise the current regulations which seek to protect the integrity of planning and development objectives without any consideration for practicality for, and the economic development of the informal sector.

Chapter 1

The orientation of the study

1.1 Introduction

Informal economic activity is a crucial part of most economies of the global south. The growth of the informal economy is attributed to a number of reasons, which include growth in the urban populations, urban poverty, and the lack of formal job opportunities. Therefore, the informal economy should not only be viewed simply as economic growth, and a contribution to the relief of urban poverty but as a means of survival for many households (Rogerson, 1995). Rogerson (1995:179) argues that "the informal economy can clearly contribute to furthering the satisfaction of basic needs, to goals of self-reliance, and to a greater sense of purpose in life and work for participants." Locally the informal economy takes many forms, but the recognisable types are street trading and home-based enterprises. Tipple (2005) argues that most home-based enterprises start as a means to substitute diminishing or the total cease of formal wages and the enterprise is run at the only available place, the home.

If housing is approached and understood as a verb (Turner, 1976), then we would agree that it is fundamentally critical in the creation of the informal economy to serve as a host of business activity for people who have lost their jobs and do not have the income to start formal businesses in designated trading areas.

This study focuses on investigating the systems that exist to regulate and facilitate informal economic activity in a dense settlement. The focus of the study is 29th September Drive, Ivory Park, Extension 2. Ivory Park is a mixed housing development in the City of Johannesburg, with pockets of informal settlements, upgraded, and low-cost housing developments.

1.2 Background

Ivory Park is a settlement located on the east of the Midrand area. It falls under Region A of the City of Johannesburg. It is surrounded by Rabie Ridge township on the south and Ebony Park and Kaalfontein township on the west, and on the east of the settlement is a municipal border of Ekurhuleni Municipality and parts of Tembisa Township (see figure 1).

The settlement came into existence in 1990 through the expropriation of 700 hectares of land from the Transvaal Provincial Administration (TPA) (Masuku, 2015). Ivory Park had very limited access to basic services like water, electricity, schools, and clinics. The situation was

slightly improved in 1995 with the introduction of water meters and electrification in some parts of the settlement.

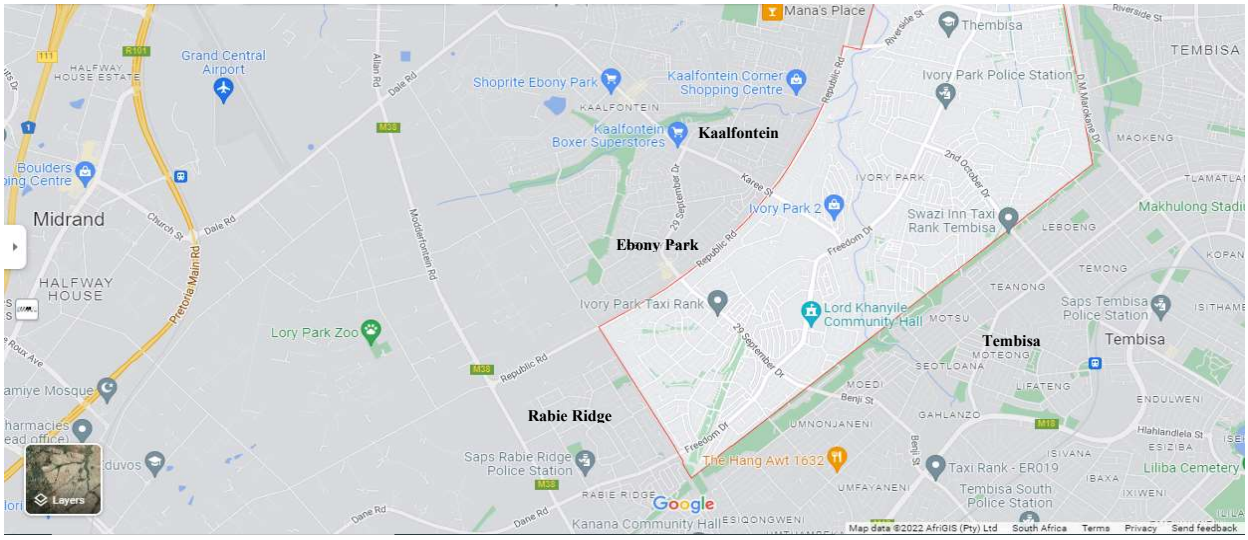

Figure 1: 2022 Map of Ivory Park and surrounding areas. [Source: Google Maps, 2022]

However, after the introduction of the Reconstruction, and Development Programme (RDP) and the post-apartheid housing programme, some parts of the settlement were built into RDP houses with roads, sanitation, and water services (Masuku, 2015). RDP houses is a nickname for government-built houses which were built and given to people as part of the Reconstruction and Development Programme of the first government after the 1994 Elections. Extension 2 specifically, is largely covered by beneficiaries of the RDP programme and most homeowners enjoy formal ownership of their houses.

The emergence of the Midrand area as an industrial centre for high-technology enterprises, prompted a significant population increase. Figures from the previous census indicated that Ivory Park's population is estimated at 184 383 people in a 9.21km radius (Stats SA, 2011). This rapid increase in population from to more than triple its original size in its inception in the early 90s and extreme levels of poverty in the settlement is what necessitated government intervention, by providing housing and basic services. In the past decade and a half, there have been various intervention by government which have resulted in improved access to basic services. There have been a few housing projects that have contributed to the improvement of housing conditions in Ivory Park, though a growing number of households still live in shacks.

1.3 Problem Statement

The urban population has seen an exponential and unprecedented rise in the last few decades. The population growth in urban areas is a result of varying factors but in most cases, people want to be closer to economic and job opportunities that are presented by economic hubs located in major cities. Many people partake in informal economic activities to earn an income and to support their households. However, in settlements like Ivory Park there appears to be no allocated areas to practice economic activity. For this reason, many households resort to launching their enterprises in their homes, on the street and in public open spaces. From observation, the increases in these types of enterprises creates competition, tensions amongst the enterprise owners or homeowners, and potential disregard for critical municipal bylaws and regulations.

Ivory Park Extension 2 is a walking distance from where I live in Rabie Ridge Township. Many in my neighbourhood including myself walk frequently to 29th September Drive where the main local taxi rank that serves local neighbourhoods is located. I first lived in the area between 2007 and 2010 until I moved away for 11 years. When I came back to the area early in 2022, I noticed a large number of economic activities which had not been there before. Homes on the main streets host a wide range of business activity and the RDP houses in most of these yards are surrounded by many other structures, either for backroom rentals or for shops. This partly motivated me to take up this research study. I became interested in how the hive of business activity is regulated, if at all. Who is responsible for settling business-oriented disputes as the businesses mostly operate at very close proximity to one another? Due to the growing number of enterprises in the informal economy in settlements like Ivory Park, this study's interest is to investigate the presence of management systems, whether formal or informal, which seek to regulate and facilitate practices of informal economic activity in Ivory Park settlement.

Ivory Park was chosen because it is one of the settlements around Johannesburg that has a high and still growing population, with a large amount of informal economic activity. This informal economy is dynamic in the sense that it offers a variety of typologies, most of which occurs at the residential home. The research focus area is narrowed down to one of the busiest streets in Extension 2, 29th September Drive.

1.4 Objectives

The aim of this research is to explore the various forms of management or authority if any, that oversees the economic activity in this area. It is important to investigate what informs them, how they are being perceived, if they are being adhered to, and who enforces them.

1.5 Research Question

What systems are in place which regulate and facilitate economic activity on 29th September Drive, Extension 2, Ivory Park?

Sub-Questions

- What are the different types of enterprises that form part of home-based enterprises in this area?
- What are the motivations, opportunities, and obstacles for owners of the various types of enterprises?
- What steps are to be followed when one starts an enterprise in this area?
- Who are the stakeholders involved in regulating economic activity in this area?

1.6 Introduction to Research Methods

This is a qualitative field study. Qualitative research according to Mouton (2001:161) is best described as "the use of predominantly qualitative research methods to describe and evaluate the performance of programmes in their natural settings, focusing on the process of implementation rather than on quantifiable outcomes." This qualitative research is inductive in nature, it starts by observations of the study area, and data collection, which guides the research towards specific themes and patterns.

The research methods includes a desktop study and an analysis of relevant policy documents which prescribe formal regulations, and the processes involved in setting up businesses. The research conducts an observation of business practice in the area of focus, 29th September Drive, Extension 2, Ivory Park. This observation process was useful for identifying and documenting the types of economic activity, overall business conduct and interaction amongst business owners.

Interviews were an integral part of the research process. Richards (1996) highlights that interviews are useful for interpreting attributes of persons involved in decision making and they

are also useful for providing information that is not recorded anywhere. The nature of interviews was semi-structured, giving the interviewer space to guide the process whilst allowing the respondents to also express issues outside of the interviewer's questions. The interviews focused on enterprise owners, homeowners, community leaders, and the official from the City of Johannesburg. The official is a critical component of the research, responding on the enforcement of municipal regulations, issues of land use and whether there are planned programmes by the City of Johannesburg to either recognise or develop the informal economy in the focus area. The research engaged with local leadership in the form of the ward councillor in giving the practical and lived experience of the issues and challenges faced on a practical and local level.

1.7 Structure of the Research Report

The research report consists of six chapters. The first chapter provides an introduction to the study. This chapter includes the background, problem statement and rationale, the aims of the study, research questions, and an overview of the research methods.

The second chapter contains the literature review and the development of the conceptual framework. This chapter of the research engages literature on the informal economy, home-based enterprises, regulatory systems and institutions, land use management, and density.

Chapter three outlines the research methods used in the study and how they were effectively implemented to gather data and the findings of the study. Here the research discusses the data collection methods employed by the study. It outlines the structure of all the interviews and the profiles of all the respondents that form part of the research.

The fourth chapter details the findings of the field data collection process. It provides descriptive accounts of various responses to the study and their lived experiences operating businesses on 29th September Drive. Equally, the chapter captures the responses from other stakeholders involved in the regulatory processes of home-based enterprises in Extension 2, Ivory Park.

The fifth chapter presents the analysis of the findings of the study. The aim of this chapter is to highlight the data findings on formal, informal, and industry regulatory systems against the literature presented in the second chapter.

Lastly, chapter six presents a short overall summary of the research findings and how they respond to the research questions, recommendations, and the wholistic conclusion to the study.

Chapter 2

Literature Review

2.1 Introduction

This chapter provides an analysis of the literature relevant to the themes covered in this study. The predominant themes that will be discussed in this study will be categorised into two clusters namely, the economic activity (informal economy, home-based enterprises), and the management and regulation cluster (home-based regulatory systems, regulatory institutions, land use management).

The first section of this chapter will discuss informal economic activity by offering a definition and a discussion on how the concept is characterised in the field of urban studies. The second section will focus on a strand of informal economic activity which is home-based enterprises. Here the focus will be on defining the concept, the extent to which it relates to the use of the home, and how it overlaps with regulation. Thereafter, the next theme will be the regulatory systems of the home-based enterprises. Here the literature will seek to conceptualise regulation, by focusing on the need necessity of the regulations and the forms which regulations may take. In addition, this section will focus on institutions which regulate, and the issues of compliance by the informal economic sector in township settlements. The literature will conceptualise home-based enterprises in the context of land use management. Since home-based enterprises occur at the home which is a site that is governed by land use management regulations, this section will use literature to describe the relationship between the two concepts and how land use management regulations impact home-based enterprises. Lastly, the study utilises a case study of a settlement which is densely populated and with very high volumes of informal economic activity. Therefore, the literature review will consider the concept density and how it impacts on the operations of informal economic activity.

2.2 Informal Economy

The International Labour Organisation (ILO) defines the informal economy as "all economic activities by workers and economic units that are – in law or in practice – not covered or sufficiently covered by formal arrangements" (2017:11). Firstly, what sets apart informal economic activities is that they operate in an environment where those enterprises are generally not registered, not regulated, and do not adhere to tax obligations (Portes and Haller, 2010). One would argue that since the informal economy by its nature is removed from these fundamental systematic and legal requirements there is tension between it and regulation. Secondly, Liedeman, Charman, Piper, and Petersen (2013) add that informal economic activity

is crucial in providing financial support to the owners and employees, and by extension their families and extended families. Even with these definitions, the concept is broad and takes different meanings in different contexts. For the purposes of this study, the approach to understanding the informal economy will highlight the characteristics of production units or enterprises where the activities take place and in addition the characteristics of persons involved or their jobs.

Broadway (2017) highlights that the informal economy in South Africa has become such an integral part of our society because it provides a livelihood for many people due to the extreme levels of unemployment and for many local communities it provides convenient access to goods and services. Benit-Gbaffou (2018) argues that there are notable differences between the approach of the national government towards the informal sector which sees the informal economy as imperative for poverty eradication. Municipalities on the other hand often see the informal economy as having a negative impact on urban management, citing strategies like Operation Clean Sweep by the City of Johannesburg (Benit-Gbaffou, 2018).

Operation Clean Sweep was a controversial initiative implemented by the City of Johannesburg in October 2013, aimed at addressing issues related to street vending and urban orderliness. According to Arias (2019), the operation involved the forceful eviction of approximately 6,000 street vendors from the city's central business district and was carried out by the South African Police Services, the South African Revenue Service, and the Johannesburg Metropolitan Police Department. The operation was initiated following inconclusive negotiations between the City, private property organizations, and street trader organizations regarding the terms of informal trading. While the consultation process was intended to legitimize street traders, the City failed to provide adequate support and instead treated all street businesses as "illegal," even those affiliated with trader organizations (Arius, 2019). Operation Clean Sweep involved the confiscation of inventory, including breaking into formal shops where goods were stored for street vending. The operation was conducted without considering the legal status of the businesses, leading to the interruption of livelihoods for many street vendors. The operation negatively impacted both the informal and formal economies of central Johannesburg. Formal businesses reported a decline in sales as the vibrant atmosphere created by street trading was diminished. The operation also resulted in immediate financial hardships for street traders, who relied on daily earnings to support themselves and their families.

Arius (2019) narrates that Legal action was taken by street trader organizations, leading to a consolidated court case. The Constitutional Court ultimately ruled that Operation Clean Sweep was unlawful and violated the traders' rights. The Court emphasized the importance of the right to earn a livelihood and recognized the harm caused by the operation.

Municipalities in South Africa have recognised that the informal sector has a major role to play in eradicating poverty, generating income, and entrepreneurial development (Broadway, 2017). According to Laframboise (2019), the informal economy accounts for 18 percent of South Africa's GDP and over three million workers make a living through the informal economy. The impact that the informal economy has on job creation makes it a critical economic space that cannot be ignored by the government and requires a certain level of attention and regulation. Regulating the informal economy is motivated by many reasons, which include the need to preserve it, develop it, the protection of consumers and to facilitate good business practices that take into consideration environmental, health, and safety concerns.

South Africa's apartheid regime considered informal trading an illegal act and it was strictly forbidden (Broadway, 2017). The post-apartheid government has adopted an approach that acknowledges the informal economy and its impact, and in addition has adopted policies which aim to regulate it. However, the experience of street traders in large urban cities like Johannesburg shows that the recognition of the informal sector through policy does not entirely mean that there is an embrace and acceptance of informal economic activity even in the new dispensation (Benit-Gbaffou, 2018). For some informal traders there is a strong belief that since the informal economy operates outside formal business practice, it cannot be regulated formally and should be left to operate without any obligations to authority. However, it can be argued that in order for the government to facilitate the development of the economy there must be regulation. Moreover, there is visible tension between the need to regulate the informal economy by the local governments and the need to create urban policies that bring about modernisation of urban cities towards what is perceived to be world class cities. Often the informal economy is considered to be against the vision of what is considered by many cities to be a visionary world-class city and the opposite of what their urban management principles seek to achieve (Benit-Gbaffou, 2018). The responsibility to drive economic development in urban settlements and the regulation of local informal economies lies more with local government and therefore most regulations that govern informal economic activity will be the task of the various municipalities. This means there would not necessarily be universal

regulations across the country as different municipalities adopt their policies to respond to local conditions and experiences.

As much as this study will focus on the informal economy, it is important to note that there is not always a clear distinction between the informal and formal economy. Oftentimes, there are features of the formal economy that exist in the informal economy as well, and vice versa. The informal economy is influential and productive as the formal economy as it produces for, trades with, distributes for, and provides services to the formal economy too (Chen, 2007). Secondly, whilst the informal economy is perceived to be illegal as it is made up of enterprises that operate outside of the formal requirements of a business, there are however many enterprises in the informal economy that adhere to basic legal requirements of trading because their operations depend on their compliance. According to Chen (2007) work in the informal economy is not only made up of survival activities, instead, there are also stable enterprises and growing businesses that feature wage employment as do the enterprises in the formal economy.

2.3 Home-based Enterprises

Many people have observed that the house may not only be a place for dwelling but can additionally be considered as an income generating location through economic activity. Straasmann (1987) describes home-based enterprises as enterprises which occur in or very close to the home rather than in a commercial or industrial building or area because the operation is usually centred on family. Whilst there are various ways to describe home-based enterprises, this definition highlights the elements of the house and family being the core of home-based enterprises. The family being involved in the operation of a home-based enterprise is not a universal fact, some operations may be on a larger scale in terms of space and special skill/ equipment and conducted by workers external to the family (Gough and Kellett, 2001). Tipple (1993) makes a point that the roles of home-based enterprises vary depending on the type of neighbourhood, and the needs of the locals.

The use of the home for economic activity has a number of implications. The rise in the number of home-based enterprises in developing countries is not only perpetuated by the appeal of income but the added advantage of savings in transportation costs and time. The ILO (2002) emphasises that home-based enterprises are an important source of livelihood for people who find themselves out of the job market and are left to make means by combining their skills and

resources towards such enterprises. According to Ezeadichie (2012) whilst home-based enterprises are not limited to low-income settlements, most studies particularly in developing countries focus on low-income neighbourhoods. A few studies (Straasman, 1986; Kazimbaya-Senkwe, 2004) have indicated that home-based enterprises tend to experience growth and an increase in employment when formal wages and jobs diminish. They become an important option for job opportunities. According to Hope (2004) whose work has focused on the impact of home-based enterprises on employment, the informal sector has been a great source of not just employment but economic growth to an extent that various African countries are motivated to consider relaxing most legislative restrictions so that the sector can flourish.

Whilst home-based enterprises have positive implications on economics, in planning development they are often perceived as undesirable because they introduce a commercial and industrial element in zones reserved for residential purposes (Ezeadichie, 2012). In developing countries, it has been found that there is a relationship between poverty, informal housing, and informal income generation, and this combination results in informal business ventures provoking house alterations because the dwelling is not large enough for the economic activity (ILO, 2009). Often home-based enterprises encourage extensive use of temporary structures and building alterations which do not align with building standards and do not adhere to land use development. Ezeadichie (2012) adds that the development of sheds for workshops and retail outlets has an effect on the physical character of the neighbourhood from a planning point of view as most of the building alterations done to accommodate home-based enterprises defy official regulations. Strassman (1986) makes an observation that the effects of a high rate of home-based enterprises, with some of the undesirable business practices can have a negative impact even on the worth of the houses in the neighbourhoods. The rise in home-based enterprises is attributed by some to the dearth of formal employment but from a planning perspective, it can also be seen as a challenge for planning authorities to enforce land use regulations. Watson (2011) reports that sometimes planning regulations are so stringent that the poor can only function if they operate outside the regulations and as a result end up being categorised as informal activity.

2.4 Home-based Enterprises vs Regulatory Systems and Institutions

Like all forms of economic activity that are recognised by the government and legislation, home-based enterprises are regulated. Regulation may come in different forms, most recognisable are the formal regulatory systems, which are regulations that would apply to all types of home-based enterprises and will usually validate the existence and operation of the enterprise. The second form of regulatory system could be based on an industry a particular type of home-based enterprise is associated with. These are regulations that apply and affirm industry standards in different types of enterprises or trades. Lastly, there are informal or local forms of regulation. Local areas tend to develop their own practices which reflect the conditions and circumstances of a particular area, and these develop over time and are usually not even coded into formal regulations.

Formal regulatory systems of home-based enterprises will be dealt with in detail in the next section because they are mostly regulated formally through urban planning and land use management policies. These include the processes to be followed when one establishes a home-based enterprise and how one must comply with specific requirements in order to sustain their enterprise in line with the law.

Industry regulatory systems are industry specific requirements. They are mostly regulated through various legislation that regulate the different industries which the enterprises might be classified under. The intention here is not to cover all of these industries but to give an idea of the extent to which home-based enterprises are regulated depending on their trade. According to the Businesses Act (1991) in South Africa you need a business license in order to start a business that sells or supplies food in the form of meals for consumption on or off the business premises, or any perishable foodstuff. In addition, the Health Act (1977) sets regulations governing general hygiene requirements for food premises and the transport of food. These regulations apply to any enterprise that handles food or permits food to be handled including restaurants. Such an enterprise must be in possession of a certificate of acceptability. These requirements apply to the many home-based enterprises which prepare and sell fast foods in the townships (Health Act, 1997).

In this section, there is also the requirement of a liquor license for businesses that sell liquor in a restaurant, shebeen, or retail enterprise for consumption or for off-site consumption. Enterprises that play music may in some instances be required to have a license from the Southern African Music Rights Organisation (SAMRO) and The South African Music Performance Rights Association (SAMPRA). More widely, enterprises like panel beaters, driving schools, carpentry etc, do not necessarily require specific licenses but the owner is expected to have a certain level of skill or competency.

Informal regulatory systems for home-based enterprises refer to the different practices or norms that different communities use to regulate different aspects of their informal economic activities. These regulations are not presented to the communities by the government but are adopted by the locals themselves as they deal with matters like approval of new enterprises in the local area, issues of competition, conflict, or safety matters which affect the local enterprises.

In Khayelitsha, local informal traders formed their own structure called the Khayelitsha Station Informal Traders Association (Broadway, 2017). Through this formation, the local traders can attend to specific issues that affect them directly and can be able to adopt their own ways and norms of operation. In many instances where there are no active formal systems that attend to matters that affect a specific activity in a community, local norms dictate that issues of conflict would divert to any visible leadership structure in the community. Communities that find themselves dealing with conflicts on community issues like land disputes will divert their grievances for mediation to local structures of leadership like traditional leaders in the case of a rural community or religious leadership in some areas. Rubin (2018) argues that there is demonstratable effectiveness of informal practices in dealing with local matters, as they have the ability to enable engagement and negotiation. In some areas, if the specific local regulatory systems are seen to be effective, they will be endorsed by government officials particularly if it is complementary to uplifting legitimate regulations.

In major cities like Johannesburg and Durban where municipal laws have been seen as repressive on informal economic activity particularly in the inner city, street traders have formed a number of organisations that represent them at various platforms. Johannesburg alone has a number of street traders' organisations which include the South African Informal Traders Forum (SAITF), the South African National Traders Retail Alliance (SANTRA) and the One

Voice of All Hawkers Association (OVOAHA). Even though most of these organisations started out small to address specific issues and to identity people who would represent the street traders at stakeholder meetings with the municipality, they have largely growth into becoming formalised organisations and even adopted union practices (Tissington, 2009).

There is not much evidence of informal business owners or traders from the housing settlements that have collectively formed organisations and forums to the magnitude of street traders in the cities.

2.5 Home-based Enterprises and Land Use Management

Republic of South Africa (2013:13) describes land use management in SPLUMA as "the systems of legal requirements and regulations that apply to land in order to achieve desirable and harmonious development of the built environment." Generally speaking, every property in the city is allocated a set of regulations for the purposes of controlling the development of the city. It is important because it helps control the allocation of land for specific uses and functions. Moreover, it is a way for the government to protect its people and environment from misuse. The function of land use management is closely linked to the management of transport, housing, and economic infrastructure. Land use is regulated through a number of schemes and land development procedures which focus on different elements of the planning division. According to Charman, Denoon-Stevens and Demeestere (2017), apart from facilitating development, land use management helps control the density and intensity of land use, because when these elements are left to happen on their own, they have the potential to impact people negatively. In addition, the social and health aspects of the people in a city can be managed through proper regulation of land use management.

In South Africa, the regulations and laws which seek to address land use management have the added responsibility to manage and address the effects of exclusion that the black populations suffered as a result of apartheid laws. Black townships are still today suffering the effects of racial spatial control that regulated prohibitions of black communities from developing various activities. In most cases, there is no land allocated for socioeconomic activity. Such historical effects have created challenges for the current administration and have complicated the implementation of land use management regulations in some areas. Harrison and Todes (2015) argue that the process of spatial loosening started even before the democratic dispensation and

continues decades onwards with alongside the removal of apartheid controls on various aspects of our lives.

In 2013 South Africa passed legislation called Spatial Planning and Land Use Management Act (SPLUMA) to spatially transform the country by introducing a spatial planning system which placed local municipalities at the centre of spatial planning and decision making related to land use management. Whilst the principles of SPLUMA are not really new, they are an alignment of principles to the National Development Plan to bring out four specific goals. According to the Association for Water and Rural Development (2017), SPLUMA aims to make changes in the following areas:

- Socially- Improve service delivery to the people.
- Spatially- Deal with the unequal spatial patterns of the past.
- Economically- Bring about investment in land development.
- Environmentally- Promote a balance in meeting the socio-economic needs of people with environmental management.

Republic of South Africa's (2013) SPLUMA provides for local municipalities to develop their own land use management by-laws which address their own unique contexts. This means that a municipality like the City of Johannesburg has to put together its own Land Use Scheme to regulate land use within the city. The land use management schemes have multiple objectives including being operational and giving direction on authorizations and amendments of various projects in the municipality. Given the landscape of this country, SPLUMA is very clear that land use management schemes should not only address urban settlements but equally must regulate rural and informal settlements on land use.

In the City of Johannesburg, the 2018 Land Use Management Scheme is the tool that is used by the city to direct and regulate all settlements. Home-based enterprises are also regulated through this scheme. The scheme directs the processes to be followed by residents when they want to start using their home for economic activity. It also gives guidance on the type of economic activity that is allowed and what regulations apply when that enterprise operates a business from a dwelling. The City of Johannesburg uses different sets of regulations and approaches when dealing with home-based enterprises as opposed to how they deal with street trade. Though both categories of economic activity could be placed under the informal economy, the extent of regulation differs and is sensitive to the area and the conditions of those

surroundings. This study pays particular attention to home-based enterprises and the approach that the municipality uses to regulate them. Charman and Denoon-Stevens (2017) add that homeowners can also be directed by their title deeds as to the restrictions that apply to their property. They give an example that in Ivory Park, the title deeds indicate that there needs to be a 3m servitude along street boundaries which automatically imposes an obstacle for a home shop which is encroaching onto the street beyond that 3m directive. Where the owner feels that they need flexibility from this or any regulation they have the privilege to apply to the municipality for an exemption. Building approval has its own process that is separate from that of getting permission to start a home-based enterprise. Therefore, the process to get approval to run a business from home is not a simple one but requires a proper understanding of processes as outlined in various pieces of law documents.

Nel (2017) warns that land use management schemes are challenging to implement in informal settlements because the very regulations that need enforcement indicate a level of formality which does not exist in most informal settlements as the sites are usually not surveyed and sometimes the boundaries are not clearly registered. Secondly, there is a general problem with lack of enforcement or monitoring compliance to the land use management regulations for simple reasons sometimes like the officials being afraid to go into settlements to enforce the regulations of the scheme. The issues highlighted by Nel are just a few of many that are the reason why there are often misalignments between regulations of land use management and their implementation.

It has been highlighted by some scholars that whilst there are strong policies that seek to regulate home-based enterprises, there is a great need for policies that promote the development of home-based enterprises (Hope, 2004; Nkeiru, 2012). This is because it is clear that a large number of people living on the poverty line, see home-based enterprises as a vehicle to sustain their livelihoods. The urban poor in particular largely operate home-based enterprises due to the high levels of unemployment and poverty. This indicates that policies should be friendly towards the establishment of home-based enterprises and in addition promote them since they play such a significant role in poverty reduction. Hope (2004) argues that the development of home-based enterprises is equal to inclusion of the poor in progressive steps towards sustainable growth, development, and socio-economic transformation which is much needed in sub-Saharan Africa as a whole. He adds that countries that do not consider the initiatives of the poor in their national policy frameworks are at risk of creating growth which leaves out

large sections of society from benefiting from the gains of sustainable economic progress in the future (2004). Therefore, leaving out some actors in the economy from development programs and promotion initiatives should be viewed as a deterrent to good governance.

Nkeiru (2012) goes further and calls for reforms to urban policy to transform and adopt an approach that protects rather than restricts informal economic practices like home-based enterprises. He advocates for zoning and housing regulations that incorporate the existence and promote the development of home-based enterprises. Government intervention and policies can enable and facilitate a more friendly and open informal sector where even workers can be protected and supported. Strict regulation of home-based enterprises encourages many enterprise owners to operate their enterprises in closed environments because the strict regulations force them to operate informally and under the raider. The belief by these scholars such as Hope (2004) and Nkeiru (2012) is that if enterprise owners operate under policies that encourage the existence of their enterprises, there would actually be a move toward a certain level of formality within the informal sector. Creating such an environment would even influence urban planners to be more considerate towards building an environment where land use management actively affirms the efforts towards the reduction of urban poverty.

2.6 Density

Density is considered as one of the fundamental mechanisms for the promotion of sustainability, resilience, and prosperity (Dave, 2010; Williams et al., 1996). This view is however contested by those who have a differing view and experience of density in developing countries like South Africa. Hardoy et al. (2000) argue that large population growth, concentration in specific urban areas, and different cultural mixes of people in cities of developing countries results in unmanageable crowding and congestion. Proponents of density claim that density can have positive effects promoting shorter traveling distances, close human interaction, and concentrated economic growth (Visagie and Turok, 2020). There is no clarity, however, on whether dense settlements enable a conducive environment for the regulation of informal economic activity.

Ivory Park has a high population, which results in high accommodation or building density. If one considers that the population of Ivory Park continues to grow without increasing occupation density, this means there is increased building density. Moreover, because of the

high levels of poverty and unemployment in the area, high building density has also resulted in an increased number of home-based enterprises. Such a situation indicates that there is a high chance of cramped living spaces with possible effects on the health, environmental and social status of the people in the area. Increased noise, lack of privacy, and constant disturbances are some of the conditions that are associated with dense settlements.

The City of Johannesburg is faced with the real challenge of managing the pressure on space use and how it can compromise the quality of life (Visagie and Turok, 2020). Active regulatory systems are then required to ensure that the pressure on living spaces does not duplicate itself on the spaces and home-based enterprise operations. This goes for the possible disturbances in buildings placed in close proximity to one another.

In every settlement, effective coordination of housing, social and economic facilities is important to ensure compatibility and harmony. This can be done by managing dense settlements through land-use management systems. Land consumption across residential, social, and economic sectors is critical and requires proper and active management and regulation by the local government. Local zoning regulations are an effective measure by local authorities to control the space between where people live, where they play, and where they work. If this is left unmanaged, and where people are not directed or checked on what they do with urban space there could be serious problems in the future.

In most African cities, there are community structures like local community forums, traditional leadership in some instances, or reliance on the ward councillor that build a solid form of authority where it seems like the government is not playing an effective role. Such community-driven authority can sometimes operate outside of the confines of the laws and without being checked can result in unfairness. Many South African settlements are subjected to the absence of basic planning which caters to mixed land uses. This can lead to a situation where every home is densely populated in both people and buildings, and in addition can host an enterprise without worrying about the compliance of any sort due to lack of enforcement.

Density has a direct relationship with the economy. Where there is a large concentration of people there is bound to be high competition and demand for local economic services. Equally, it makes sense because local informal economic entities allow the population to save on transport costs and provide immediate acquisition of products and services. The local demand

for goods and services coupled with a high volume of unemployment creates an opportunity for local enterprises. In turn, this demand and supply are created around the homes on large scales, and where the government lacks the capacity or will to enforce regulations there could be a large number of businesses interacting with citizens without the necessary checks and balances in place.

2.7 Conceptual framework

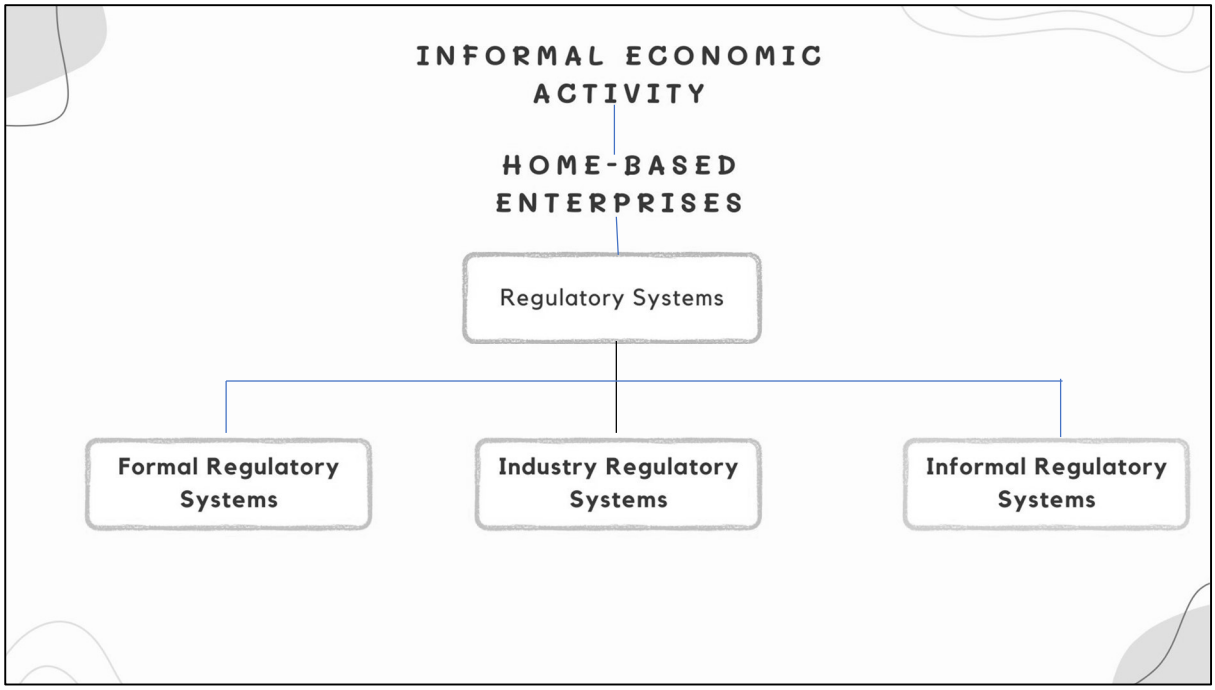

Figure 2: Conceptual framework.

The conceptual framework reflects the concepts and themes which the study engages. These themes were discussed in this chapter through literature and the following chapters will bring a practical perspective from the area of focus. The overarching theme is the informal economic activity, however, because this is a wide concept with many different typologies, the study will focus narrowly on home-based enterprises. Therefore, the regulatory systems which the study interrogates are those that deal specifical to home-based enterprises instead of the entire spectrum of informal economic activity. Regulatory systems can be categorised in three streams and this study deals with those against the findings from Ivory Park.

2.8 Conclusion

This chapter dealt with literature relevant to the study. It provides a brief review of informal economic activity and the motivations behind the establishment of informal economic

activities. In addition, it noted how vague the differences between formal and informal economic activity can be, as most enterprises could easily have features of formal enterprises even though they are informal enterprises. Due to the focus of the study on home-based enterprises, this chapter covered the definition of this concept and the importance of the role of the home in creating a livelihood for people. The second theme dealt with the regulation of informal economic activity with a particular focus on the regulations which are relevant for home-based enterprises. Here, the literature did not only deal with forms of regulation but also with who regulates, what they regulate, and how they regulate. On the theme of regulating the informal sector, this chapter also focused on how home-based enterprises are regulated under land use management laws. Here, evidence was given on how land use management can limit the operation or the establishment of economic activity in the home. Equally, the literature revealed that land use management can facilitate a healthy environment in which home-based enterprises can operate. Finally, the focus was on the density, which features in this study because Ivory Park, and Extension 2 in particular is a densely populated settlement and as a result, most activity which occurs, manifests itself in high volumes.

Chapter 3
Research Methods

3.1 Introduction

This chapter is dedicated to explaining the various factors that have influenced the research design and methodology which informed the study. It further discusses the selection of the data collection methods. The data collected for this study is in the next chapter analysed against the literature on the specific themes that were dealt with in the literature review chapter, in order to formulate the proper response to the research questions.

3.2 Rationale for choosing Ivory Park, Extension 2, 29th September Drive

29th September Drive is one of the main streets in Ivory Park. It connects two neighbouring townships, Tembisa township on the east and Ebony Park township on the west of Ivory Park. It is densely populated as it is one of the prime streets in Extension 2. The biggest taxi rank is located in the centre and the Busy Corner Mall, which is one of the busiest malls in the area is located on the edge of this street. The streets around this area and 29th September Drive have high numbers of foot traffic at all times of the day. The area around 29th September Drive is a prime location of Ivory Park because of the convenience it brings to residents and as a result it is in high demand for rental accommodation and informal business activities.



Figure 3: Areal view of 29th September Drive and parts of Extension 2. [Source: GIS 2022]

Whilst through observation, nearly every street in Ivory Park has some form of business activity or home-based enterprise, it is not to the extent that can be seen on 29th September Drive. Of great importance about the economic activity in this area are the diverse forms of enterprise that can be found, including clothing shops, food shops, hair salons, furniture shops, manufacturing and carpentry businesses, computer services shops, funeral parlours, driving schools, pharmacies, traditional healers, optometry, etc. Nearly every home has taken advantage of its prime location and has built a shop on the side of 29th September Drive either to run a home-based enterprise or to rent the space to other entrepreneurs. This rental activity on its own is a large business in this area. Some of these homes and spaces being rented out or used for business purposes were initially built and used as backyard rentals. Due to an increased demand for retail space by informal businesses and the homeowners seeing that there are greater gains if they use these spaces for businesses, they were converted to shops.

I pass through these areas every week because as I had mentioned above, I live in Rabie Ridge township to the south of Ivory Park and often I walk through Extension 2 to go to the taxi rank or the shopping mall. The rise in the economic activity on 29th September Drive in the last 10 years raised a lot of questions for me and curiosity about how those involved and affected manage all the interaction between the various activities (space usage, smoke, loud sound systems etc.). Hence, I decided to focus my research on the regulatory systems in this area.

3.3 Application of Research Methods

This study adopted the qualitative approach because it allows the research to be exploratory and for the research to explain the 'how' and 'why' a particular phenomenon, or behaviour, operates as it does in a particular context (Hollis, 1994). Qualitative research data results from human experience and thus it opens a window into audiences' minds and can paint a richer picture and a more holistic portrait of human behaviour. While quantitative data allows for statistical analysis and generalizability, it may not fully capture the nuances, subjective interpretations, and contextual factors that qualitative research can offer. For this study, it allowed for an insight into the experiences and circumstances of the various people in Ivory Park whether they are homeowners, enterprise owners, or community leaders. According to Wisdom and Creswell (2013:3) qualitative research methods "give a voice to study participants and ensure that study findings are grounded in participants' experiences". This approach was useful for understanding and representing the experiences and conditions of the people of Ivory

Park and the problems they encounter with the regulatory systems that their enterprises operate within. It equally allowed the researcher to adequately examine and assess significant issues guided by the lived experiences of the research participants themselves.

Qualitative research is reliant largely on experiential and practical knowledge of various people, which is called commonplace evidence (Hamel, 1993). This research collected the accounts from the actual people who possess the experience of being involved with the home-based enterprises located along 29th September Drive in Extension 2. Qualitative research data collection methods utilised by this study were able to capture the accounts as experienced by the respondents to the context in question. Moreover, these methods were able to obtain rational verbal reports of experience, and these were combined with thorough observation of the economic activities in the area of focus.

The research approach for this study was able to collect data relevant to exploring the concepts under study namely, regulatory systems, informal economic activity, and home-based enterprises using the practical experience of participants. These concepts were described and studied through observation of the researcher and the point of view of the participants. The participants mostly represent a variety of enterprises located on 29th September Drive, and each one of them has unique experiences and engagement with regulation. The qualitative method through semi-structured interviews enabled the study to capture in-depth the practical application of the various policies as they relate to each one of these enterprise typologies. More importantly, it enabled understanding, if they are being adhered to.

The next section will deal specifically with the dynamics of the various data collection methods and how they were implemented in this study.

3.4 Data Collection Methods

A qualitative research design "usually involves observing and recording people's behaviour either in their natural settings, for instance via participant observation, or as the people themselves recall such settings (e.g., by means of various kinds of narratives such as interviews" (Cropley, 2015:40). This study used a number of data collection methods. Firstly, the research is based on a case study concentrated on 29th September Drive in Extension 2, Ivory Park. In this area, data was collected through semi-structured interviews and observation.

The sections below will describe each of the data collection methods and how they were used for this study.

a. Desktop Research

Desktop research is a type of research that is based on the material published in academic articles, textbooks, reports, and similar documents that are available in public libraries, websites, and data obtained from surveys already carried out by other researchers. It uses existing data to support or validate outcomes and conclusions. It also helps build and collect literature on specific concepts and themes required by the researcher for their study. For this study, desktop research was an integral part of building the literature and conceptual sections of this study. Desktop research was used to access policy documents by the City of Johannesburg on the regulations and by-laws that apply to land-use management. The City of Johannesburg Land Use Scheme is a critical document for this study as it informs large aspects of the regulatory systems that are set out for home-based enterprises in the City of Johannesburg.

b. Case Study

A case study is a data collection method that examines a real-life bounded system (Cropley, 2015). It is experiential and evocative in nature because it is closely linked to real-life circumstances and conditions of people's lives and their feelings about those experiences. The data obtained from a case study may be in the form of a narrative provided by the person in question (such as an interview participant) or notes constructed by observation of the case (Cropley, 2015). According to Kromrey (2009), case studies are mainly useful for exploratory studies because they add value to help develop grounded theoretical concepts, theories, and hypotheses. Informal economic activities are a norm in various settlements around Johannesburg. The concept of home-based enterprises is equally a familiar phenomenon in many areas of the city. However, the focus on Ivory Park extension 2, allows this study to have a more realistic and sizable reach. Narrowing down the focus to a specific case study allows this research to better understand complex dynamics around the regulations of home-based enterprises and to better respond to the research questions.

c. Research Observation

Research observation is a strategy used by the researcher to gain access to information that would otherwise not be obvious from the point of view of a nonparticipant (Jorgensen, 1989).

It is commonly applied by the researcher to collect information within a social environment by taking a non-active role in that social environment. For the purposes of this study, observation played an important role in understanding the dynamics of economic activity in the area of focus as well as understanding the interactions amongst the different stakeholders. I needed to understand how busy the enterprises get and what times of the day they get more volumes of foot-traffic and how that impacts on their business activity. For example, when it is lunch time how busy does the food outlet closer to the taxi rank get and how does that impact on the businesses closely located to it, as there is barely any space in between them. Identifying the various research participants on 29th September Drive came from a thorough process of observation over more than three days. On one occasion the observation happened around 9h00 in the morning for about an hour and the other two times I visited the area around lunchtime. All observations happened during the week in the month of August. Observations assisted in understanding the interaction between the households and their enterprises including whether there is any interaction between the homeowners and enterprise owners in cases where the shop is rented. This process helped to see how the neighbours without any economic activity are impacted by the various enterprises, particularly, in front of their yards. These observations carried on even when interviews were being conducted in this area and were noted along with the various notes during the field data collection process.

d. Interviews

Interviews can be considered to be "a device for inciting narrative production" (Holstein and Gubrium, 2015:25). This method has been an integral part of this research and was used to collect a large part of the data that makes up the study. In a qualitative study, interviews are used to encourage the interview participant to share their construction of reality as freely as possible. Thus, the interviewer employs skills and abilities to lead the interviews and to persuade the participants to open up about their thoughts. During the process of this research, I encountered a number of participants that are foreign nationals, and in order to make them feel comfortable with revealing their own thoughts, I needed to be skilful and assuring in order to gain their trust. This was facilitated by a certain level of self-disclosure on my part, meaning that I had to reveal my own interests and motivations in the study by giving them my own personal history with the place and how I ended up choosing to do research on this field and area. I further had to explain that I am not linked to any government agency and my research would not have any impact on them.

The nature of the interviews was semi-structured and allowed me to probe questions and seek knowledge about the key issues that had already been identified but with some expectations that some other issues might emerge. There was a different set of interview questions for the different stakeholders. The participants included ten enterprise owners, two homeowners, an official from the municipality and the ward councillor. The home-based enterprise owners had a tailored set of questions as opposed to homeowners or the CoJ official. The questions differed because there was very specific information the research required from each type of the participants. The enterprise owners for instance had to respond to questions like, what process did you have to follow to start a business in this area? Is there any form of authority or official that checks on your compliance as a business operating in this area? The questions to the CoJ official however would require a different perspective, there would be questions like, what are the steps taken by the City of Johannesburg to ensure that the businesses in this area are fully compliant and are licensed? The questions for the ward councillor were situational based at most e.g. have you received complaints or disputes on the home-based enterprises and how do you handle those complaints and disputes?

The interviews were led by a small number of general questions which carried direction-giving prompts and follow-up questions came as a result of the direction the responses took and the issues that were raised by the respondents. All the interviews were face-to-face with the exception of one, where the interview kept on being rescheduled due to disruptions caused by load-shedding until myself and the CoJ official decided to have an online meeting using MS Teams. All interviews were audio recorded and later transcribed. They took place over three weeks, the first two weeks were dedicated to the participants from 29th September Drive and the last week was for the official. This happened in between September and October 2022.

3.5 Sampling Method

Sampling refers to the method used to select people for participation in a research study. In some cases, respondents might be reluctant to participate due to a lack of trust in outsiders or not placing any value on academic studies. However, most of the enterprise owners on 29th September Drive were generally accessible, friendly, and willing to talk about their experiences. Having first observed the different types of business activity it was clear that I needed to find a willing participant representing the different types of businesses. The enterprise owners who took part in this study represented different types of enterprises

including, a hair salon, furniture shop, carpenter, traditional pharmacy, general dealer, funeral parlour, Internet café/ printing shop, clothing shop, locksmith, and traditional healer. Therefore, I approached the different participants based on the type of business and their willingness to participate in the study. I generally chose quiet days like Mondays and Tuesdays when they were not busy for the initial introductory sessions and in most cases, we agreed on a specific day and time for the interview.

All these interviews took place during the day at the places of business of these enterprises. These interviews were complemented by two interviews with homeowners who were renting out retail space to the enterprise owners. These interviews took place in the homes of these two individuals.

I selected the ward councillor who presides over the ward where the area of focus is located to represent a community leader's perspective. This interview took place on the lawns of his offices at the Lord Khanyile Community Hall in Ivory Park.

At the City of Johannesburg, I interviewed an official from the Land-use Management division of the Development Planning Department. The official was recommended to me by her superiors after I had sent an email to the head of the department requesting an interview on this research study. The official was recommended because they deal directly with the community of Ivory Park and therefore were familiar with the conditions of the focus areas to a certain degree.

3.6 Data Analysis

The overall approach to the data analysis process was thematic content analysis. From the observation process, the various enterprises were selected because they represented their different types of business. The interviews were categorised to reflect the different sectors or stakeholders involved in the process, i.e. the enterprise owners, homeowners, official and ward councillor. The data was analysed on the basis of the various themes of forms of regulatory systems (formal regulatory systems, informal regulatory systems and industry regulatory systems) which the study was looking into. The data collected through interviews with various stakeholders was analysed with regards to how they respond or relate to these themes.

The observations made throughout this study were written and captured as notes to be used to reflect and when required to make particular decisions at various points of the research. During the interviews audio recording was used and notes were taken. Interviews were transcribed using the notes and audio recording. Subsequent to that, they were stored in my laptop and the notes are kept privately at my house. This information was only accessed by me for the purposes of compiling this research report. All the data was used manually and there was no analytical software tool used at any stage of analysis.

3.7 Research Limitations

The research encountered some language issues during some of the interviews with enterprise owners. A few enterprise owners even though they were willing to participate, opted out because I could not speak their home language and they struggled to express themselves in English since they were foreign nationals, mostly from Mozambique where English is not a language of communication. The English that they do speak is limited to phrases that enable them to communicate with their customers only. Secondly, a few enterprises only had employees during the days I was doing the interviews. The owners of these enterprises are not involved in the day-to-day running of their businesses and are hardly available at these sites. In such cases I had to schedule direct appointments with the owners or come on a specific day when they do their weekly rounds to check on their business, which was mostly early morning.

Another limitation is that I could not include all types of business activity found on 29th September Drive. This was due to unwillingness of the owners of these businesses and to a certain extent the size of the data I could practically work with for such a report. The report could have benefited from an experience of a fast-food outlet owner. These are businesses mostly located on the side of the street with is adjacent to the taxi rank. These are the outlets which cook using firewood in between their shops and the pavement. These businesses also play loud music throughout the day. This corner also has a high level of competition as there are a number of shops and hawkers who sell different types of fast-foods and beverages.

3.8 Ethical Considerations

Ethical considerations were given attention at every stage of this research. My initial visit to 29th September Drive was to introduce myself, and my research. When I came back on the date agreed for interviews, I re-emphasized the objective of the study, and participants' right

to participate or to withdraw from the research at any time they feel uncomfortable. Additionally, I explained that if they agreed to participate in the study, they would give their consent. All the participants completed consent forms with the exception of two enterprise owners who gave verbal consent as they were uncomfortable with putting their names and signatures on paper due to the fears around the legality of their citizenship status in the country. The interviews did not include questions of a personal or intrusive nature and participation was strictly voluntary. I assured the participants that the study respected their confidentiality and that their information would be kept away from the public. The pictures taken of their enterprises did not include their faces or their identity. Not all the participants allowed me to take photos of their businesses and such requests were respected and their pictures were not taken.

The issue of confidentiality needed a lot of consideration during this study. The study looks into the questions of compliance and the various businesses had to reflect on whether they are compliant or not. Whilst the report does not use the names of the participants as well as the names of their businesses, this raised a serious question on whether it would be good to use the pictures of the businesses on the report. I needed to consider if that would have an impact on their businesses. I considered that a number of the businesses that are part of the study are not compliant in one form or another and during the interview process, one of the respondents goes to lengths on what he believes to be corrupt practices by the police on him and his business. As a result, and after serious though, I made the decision that even though permission had been given by some of the respondents to use photos of their businesses, due to the information shared in this report I decided not to use any photos of the various enterprises.

The recordings and notes taken during the interviews were transcribed by me for the purposes of putting this report together. They have not been shared with anyone and nobody has had access to my devices during the period of this study.

3.9 Conclusion

The research adopted a qualitative approach in order to understand the ideas, experiences, and opinions of the participants on the concepts and themes that were raised during the semi-structured interviews. Selecting a case study was able to give the study a specific and practical reach in order to have a clearly defined focus. The participants were identified from 29th

September Drive representing various forms of business activities. They were complimented by interviews with the municipal official and the ward councillor. The data was collected from 14 participants in total, through semi-structured interviews. The following chapters will present the findings and analysis of the data.

Chapter 4
Research Findings

4.1 Introduction

This chapter will explain the findings of the data collected during the process of field interviews, observations, and the interrogation of the relevant policy documents on home-based enterprises in Ivory Park, Extension 2. Even though there is a wide range of home-based enterprise typologies in Ivory Park, regulations apply to all forms of enterprises in the home, regardless of the nature of business. The interest of this study is specifically the regulations that are in place which regulate informal economic activity in Ivory Park. In the context of this study regulations refers to a set of laws adopted by authorities, as well as local systems of management of home-based enterprises which regulate how they are set up, conducted and how they practice. Since the focus area is largely made up of businesses in the home the regulations that are relevant for this study deal specifically with the use of the home as a place of business. The findings also help the study to respond to the research questions. The first section presents the profile of the specific home-based enterprises that form part of this study and the motivations of the enterprise owners to start their businesses. The second section, reports on regulations of starting a home-based enterprise. The third section assists in understanding the regulation and monitoring of home-based enterprises' operations and compliance in Ivory Park.

4.2 Profiling home-based enterprises for the study

Out of the fourteen interviews conducted during this study, ten were with home-based enterprise owners. As per the location of the study, these owners run businesses on 29th September Drive, but they all own different types of businesses. Of the ten interviewed, only three of them are also owners of the homes where the business is located. The homeowner interviewed who does not run a business herself is an elderly woman, who finds it easier to earn passive income from renting out space rather than to go through the demanding tasks of running a business at her age. Most of those interviewed who run business on a residential property are renting the shop which they conduct their business from. The majority of the enterprise owners acquired the skills to run their businesses from previous jobs and some inherited the skills from their parents or from observing and taking part in family businesses in the past. The profiles of the various enterprises whose owners were interviewed are below:

Table 1: ***Summary of Home-based Enterprises that were part of the study.***

Business Description	Years in practice	Skills Required and how acquired	Motivation	Ownership
Hair Salon	7 years	Skills acquired through observation and practice	Desire for entrepreneurship	Renting the store
General Dealer (Spaza)	5 years	No specific skills but had worked for a similar shop before.	Needed to start a business to make a living because jobs are limited for foreign nationals	Renting the store
Locksmith	1 year	Skills passed down from father	Lack of employment opportunities	Renting the store
Clothing Shop	3 years	Had no specific skills but needed a lot of connections with suppliers	There was a gap in the market, there were no clothing shops in the area. Had an entrepreneurial spirit	Renting the store
Dressmaker/ Tailor Shop	10 years	Skills passed down from father	Business inherited from father	Homeowner
Traditional Medicine Pharmacy	-1 year	Had no skills initially but has had to learn soft skills.	Had lost his job and decided to start a pharmacy for the local community.	Renting the store
Traditional Healer	10 years	Skills taught by his parents	There was a need for such services in the area	Homeowner
Internet and Printing Shop	5 years	No skills but saw a gap in the market	Unemployed and decided to start the business	Renting the store
Funeral Parlour	2 years	No skills or experience. Capitalized on the market gap	Was unemployed and decided to go into business	Homeowner
Carpentry	1 year	Worked for a factory but also was sent to skills training	Lost his job and decided to start working on his own	Renting the store

With the absence of pictures of these businesses, I will give a description of the business activity that on 29th September Drive.

The enterprises are built on the boundary lines of the homes and looking into the main street (29th September Drive). They are built very close into the pavement of the street. In certain instances, they interrupt the movement of the people walking up and down the pavement. Businesses like the carpentry and clothing shop display their products in the small space between their shop and the street to attract the attention of the customers. However, this has an impact on the flow of movement on the pavement particularly in the busy hours of the afternoon when most people are on the street travelling home from work. The various shops have deliveries throughout the day. From the truck delivering bread, milk and meat daily, the deliveries of beverages by either the big South African Breweries truck or the Coca Cola truck, are all deliveries which this street was not designed for and as such they cause a destruction for people passing through or the cars on the street. Considering that one of the attractions on this street is the main taxi rank in the area, there are many taxis on this street on all hours of the day. When deliveries are made, they are made from the front of the shops, because the space between the store and the street pavement is small and, in some areas, steep, the truck have to park on the street to offload. When the goods are being moved into the shop the pavement is not accessible and pedestrians have to walk on the street that at that time has a congestion as only the one side of the two-way street is flowing due to the delivery vehicle being stationary.

I also observed that either due to constant loadshedding or cost-saving, the fast-food outlets cook using fire and wood in front of their shops. This air pollution from the fire has an effect on the shops around the area and the pedestrians. Everyone around them is exposed to smoke from the fire and you find that pedestrians walking to catch a taxi to work or elsewhere potentially could smell of firewood smoke by the time they reach the taxi rank, but the same could be said for other shops and on the same street close to these fast-food outlets.

During the busy periods for these fast-food outlets or even the internet café, their customers stand queues on the street pavement because there is not enough space in the shop to wait and there is not enough space in between the shop and the street to stand without obstructing the pavement for passers-by.

There is also the issue of waste management. Currently, the shops use the very limited public waste bins allocated on the street. However, these soon fill-up and overflow. The shop owners then resort to throwing waste in spaces between their shops. This could have negative effects on their neighbours, particularly those who do not have shops in their yards. The issue of waste

management could potentially cause serious tension between the shops and neighbours on this stretch of a street.

Lastly, I observed that there are shops that play loud music from the time they open in the morning until they close in the evening. Considering that some business activity caters to a market that requires a bit of quiet, this through my observation could potentially be an area of concern even from the neighbours.

4.3 Regulations for opening a home-based enterprise in Ivory Park

According to the official from the Land-Use Management Division of the Development Planning Department in the City of Johannesburg, home-based enterprises and shops located in the home are regulated by the Land Use Scheme of 2018. This will be dealt with in the next section under this heading (section a). Over and above these regulations, some trades or business activities require industry standard approval and require regulation on the basis of the specific trade or field. These will be dealt with in the second heading of this section (section b). Lastly, the third part will interrogate existing local and social permissions required to operate a business in the community of Ivory Park.

a. Formal regulations for opening a home-based enterprise

The City of Johannesburg regulates all properties within the municipal boundaries through the Land Use Scheme (CoJ, 2018), which is a determination of the Municipal Demarcation Board. The City of Johannesburg Land Use Scheme aims to promote economic growth, social inclusion, efficient land development, and management of land use amongst other things. It makes use of two terms to define the economic activities which are relevant to this study, namely 'house shop' and 'home enterprise'. A 'house shop' is defined as "part of the dwelling house/ unit or outbuilding, which provides a necessary local retail function to the community" (CoJ, 2018:19). It further emphasizes that what it deems as a house shop should not be the main function of the plot, but the residential component must remain the main use of the plot and the shop function is an add-on. A 'home enterprise' by definition of the scheme (2018:19) "means the practicing of a profession or occupation from a dwelling house/ unit." Indeed, during the process of collecting data in Ivory Park, I encountered two professionals. One is an optometrist who unfortunately was still setting up his consultation rooms and therefore could not be part

of the study, but one of the professionals, a traditional healer, was part of the interviews. The combination of the two terms used by the scheme (house shop and home enterprise) includes economic activities like childcare centres are generally referred to as home-based enterprises in literature. In either of these cases, the Land Use Scheme dictates that written consent of the Council must be acquired.

In order for the Council to give written consent for the establishment of a home-based enterprise in the form deemed by the Land Use Scheme as a 'house shop', the following must be adhered to. The homeowner must seek City Council permission. The request for approval to the Council must include written consent from the neighbours located along the direction where the enterprise activity will be conducted. Neighbours must consent that they give permission and, that they understand they have a right to object by making presentations to the Council and the owner, within 28 days of the date of notification of the application for consent. Additionally, consent will still require the building or structure where the business activity is to be conducted to be approved by Council in a separate application for building plans approval (CoJ, 2018). Council consent will not be granted to the owner of a house shop if:

a) The house shop or spaza sells items and foodstuff that are not pre-packed/ pre-wrapped.
b) The house shop or spaza sells liquor or meat.
c) The house shop or spaza has as its business amusement machines.
d) The owner of the house shop or spaza is any person other than the house owner or other occupant of the house.
e) The house shop or spaza has a staff complement of not more than two people unless approved in writing by the Council for more staff members to be involved.
f) The size of the house shop or spaza exceeds 36 square metres.
g) The house shop or spaza disturbs or interferes with public amenities.
h) The residential land use character of the site is not maintained by the enterprise activity. The dominant use of the site should remain residential (CoJ, 2018).

If any of these conditions have not been met from a land use point of view, the consent of the Council will not be given to the owner or applicant. Lastly, the Council may revoke consent even when it has been granted, if circumstances change, or it is later deemed undesirable from a town planning perspective to have the house shop. Moreover, if legislation and or by-laws of the City of Johannesburg change, the Council may revoke its consent.

With regards to ‘home-based enterprises’ described by the Land Use Scheme as ‘home enterprises for profession’, approval for written consent of the Council requires the following criteria to be adhered to. Firstly, the distinctive difference between this category and the home shop is that home enterprise refers to a business activity that may occur in the dwelling house or unit as opposed to any business activity which may occur in the yard or external building. The Land Use Scheme however is very specific that the following types of business activity are not permitted in the dwelling house or unit (CoJ, 2018):

a) Public garage,
b) Motor sales,
c) Motor workshop,
d) Heavy mechanical repairs like grinding, welding or sanding,
e) Car wash,
f) Industrial/ commercial purposes,
g) Noxious industries,
h) Scrap yard,
i) Spray painting,
j) Panel beating,
k) Coffee shop,
l) Tea garden,
m) Place of amusement,
n) Place of instruction,
o) Institution,
p) Guest house,
q) Bed and breakfast,
r) Boarding house, commune, hotel,
s) Funeral parlour
t) Undertaker,
u) Pet salon.

If the business activity is not within the list above, consent will be given provided the dwelling house or unit does not lose more than 25% of the built floor area or 50 square metres to non-residential activity. The owner of the enterprise must be a permanent occupant of the house and a maximum of two persons over and above occupants of the house may work in the enterprise. The business activity shall not have a negative impact on any infrastructure services

required for domestic use and the parking and loading activities related to the enterprise must be satisfactory to the Council. The Council should further be satisfied that the enterprise does not cause undesired disruptions as a result of:

i. The display of non-luminous signage on the buildings or boundary fences which is not in line with by-laws regulating outdoor advertising, (e.g. signage must not be a hazard for drivers at night, and it must not block any of the neighbours view from their house)
ii. Traffic that is caused by the activities relating to the enterprise,
iii. The nature of business requiring the passing of heavy vehicles through the neighbourhood,
iv. Noise, smell, dust, aesthetic appearance, or any other manner that arises as a result of the enterprises' activity,
v. The storing or keeping onsite of anything that puts at risk the safety and security of residents, such as ammunition, weapons, firearms, explosives, fireworks, chemicals, waste, etc.,

Lastly, should the enterprise require the use of or to be run in a non-permanent structure like a tent, a plan should be provided indicating the nature, size, and position of the proposed container or structure on the site. If deemed by the Council, such might require the submission of a building plan.

The regulations adopted by the City of Johannesburg for the use of the home as a place of business are arguably very stringent and too formalised for a low-income settlement like Ivory Park. Ntema and Marais (2014) argue that in cases where there is an over-regulation of a sector, it forces people to informality as they start to find ways to operate outside of the scope of rules if they find them to be unrealistic. It seems as if whilst the municipality allows for the use of the house to conduct business, the regulations do not reflect or encourage the residents to do so.

The research and interviews conducted with ten home-based enterprise owners on 29th September Drive, revealed that none of those enterprises have followed any of these steps set out by the Council. What came out of the ten interviews is that the enterprise owners are not even aware of the existence of the Land Use Scheme. The two homeowners who rent out space to some of the enterprise owners interviewed do not adhere to the regulations set out in the Land Use Scheme and they are not even aware of the scheme. When asked about the process

they used to start their enterprises, the enterprise owners often said they are not familiar with any formal processes to be followed nor have they been required to adhere to those formal processes by anyone in the one year to ten years of their business' existence in the area.

The Land Use Scheme also has specific regulations that relate to childcare services/ enterprises as well as agricultural activities that are run from the home. However, for the purposes of this study and the observations from the case study those types of enterprises are not present on 29th September Drive and therefore this study will not focus on those sections.

b. Industry Standards or Regulations

Even though the business activity found in the focus area operates informally from a Land Use Scheme perspective, there are however a few enterprises which due to their nature and practice require specific standards to be met before they can operate. This section will deal with two of those types of enterprises encountered during the research. The field study did not cover all types of enterprises on 29th September Drive due to limitations of time and non-willingness to participate from some of the enterprise owners.

According to the Liquor Act 59 of 2003, any business that sells liquor and or allows the consumption of liquor on its premises requires a liquor license outside of any other process or requirement to start a business. The one enterprise owner who sells liquor at his general dealer shop indicated that he does not have a liquor license because he considers his business informal and if he were to apply for a liquor license, he knows that he would not meet most of those requirements. He could not, however, specify what the specific requirements are that he does not qualify for.

One of the participants owns a funeral parlour which is an industry regulated largely by the Health Act 63 of 1977 which requires a Certificate of Competence as part of the application.

The applicant for this certificate must publish two notices in two separate newspapers in different languages. This is done to bring awareness to the public of his/her intention and additionally to invite objections from members of the community object if they so wish. This certificate is approved by the City of Johannesburg and gives the owner permission to run the funeral parlour and prepare a corpse. The certificate additionally allows the owner to deal with matters of death registration, purchasing of graves, cancelling of Identity Documents,

Crematorium protocol, and Health Department administration. The participant that was interviewed as part of this study indicated that they have the required Certificate of Competence and meet all other industry standards and requirements to operate a funeral parlour.

"I got the Certificate of Competence even before I started operating this business. The friend that introduced me to this kind of business told me that the CoC is practically my licence to work in this industry" (Interview with Funeral Parlour owner, 07/10/2022).

c. Informal Regulations for opening a home-based enterprise

Going into the field study, I expected to find that there would be some collective structure or forum formed by the various business owners in the area to oversee certain aspects of their businesses, particularly because these are mostly people who live in the same community. I thought there would be some form of collaboration between them. However, as the research started it became clear that there is no formation by businesses owners that looks after their interests. In addition, when starting a business in this area there is no form of permission or application required at a local or community level. To start a business in Ivory Park 2, 29th September Drive in particular, as interviews with the owner of the general dealer as well as the internet/ printing shop owner revealed, one only needs to approach the *mastende* (owner of the stand/ landlord) to rent space to operate their business. "I just came here and spoke to the owner of the house, and she gave me the space to work and I started the following week after moving all the equipment in" (Interview with Internet Café/ Printing shop owner, 28/09/2022). Interviews with the hairstylist showed that the homeowner or the *mastende* operates as authority over the activity that occurs on their site. She indicated that when she had issues with her competitors in the area, it was her *mastende* who acted as her protector and mediator, because the *mastende* felt it was their duty to oversee anything that occurs on her stand. They hold the right of access and the decision over the type of enterprise that can operate on their site.

The ward councillor indicated that it is not within his mandate to give permission to businesses to operate in the area. "The bylaws as set by the City of Johannesburg give the specific details on the kinds of compliance that is required of the various enterprises in order to start a business and they do not include the permission of the councillor. But the owner of the house must comply with the bylaws of the City" (Interview with Ward Councillor, 21/09/2022). He further submitted that his role would only be to encourage community members to adhere to existing

by-laws and regulations set-up by the different spheres of government. “The problem that we have is that these bylaws are no implemented, which means the City if failing its own people” said the councillor (21/09/2022).

4.4 Regulating and monitoring home-based enterprise activity in Ivory Park

The process of regulating business activity does not only exist at the establishment of the business, but it is present throughout the existence or operation of the business. The regulations that deal with monitoring of business activity can occur on the level of government, specific industry or through informal local structures. These will be explored below.

a. Formal Regulatory systems for monitoring compliance of home-based enterprises

According to the official from the City of Johannesburg’s Land Use Management Division, the City does not have systems in place or capacity to monitor the existence or operations of home-based enterprises in all settlements of the city. Instead, they work on a responsive approach. “Even though we do not actively go out into the settlements to monitor the compliance of the businesses, we do however, have an obligation to respond swiftly to complaints lodged by various stakeholders, be it neighbours when there are disputes or issues of nuisance caused by the enterprises that operate in their community.” (Interview with CoJ Official, 20/09/2022). The city gets involved when there has been a complaint lodged over the breach of the Land Use Scheme, lodged by the neighbours or any other interested party. It is mostly at such instances the City gets to be exposed to the conditions and breaches of the Land Use Scheme. However, once the City of Johannesburg officials get involved there are often serious consequences for the breach if an amicable solution is not reached between the parties involved. Such cases can result in the closing down of the business activity or even demolition of the structure in question. “There has been a complaint which was lodged with law enforcement, where rental rooms were built by a neighbour, but they were encroaching over the boundary line. Law enforcement sent an inspector who gave them 30 days to be compliant or face demolition. Indeed, when the inspector came back a month later and the building was still, they, a demolition notice was issues, which gave law enforcement instructions to demolish the building” (Interview with CoJ Official, 20/09/2022).

The ward councillor indicated that there have been a few cases where he has been called to intervene between neighbours where complaints of noise, disturbance or nuisance caused by a neighbours' business activity has been reported. His approach to such cases has been to escalate such matters to the relevant authorities including the police where necessary. "How I have settled those disputes, I call on the law enforcement agencies through the ward inspectors. We then go to those areas and try to mitigate by talking to the complainant as well as the person who has infringed the bylaws, and in most cases, we are able to settle those disputes verbally, without even writing notices." (Interview with the Ward Councillor, 21/09/2022).

The ward councillor indicated that most complaints are for noise disturbances during the night-time coming from neighbours of shebeens. His approach is always to bring all parties together to negotiate and agree on a curfew or time suitable for all involved to have the sound off or at minimum volume. If the problem persists from there, he would then allow the proper authorities to deal with the matter.

The enterprise owners themselves did not raise any cases where there has been any form of authority or representative of a government entity that has visited them to monitor the legality or check for compliance of their enterprises.

b. Industry Regulatory systems for monitoring compliance of home-based enterprises

The enterprise owners interviewed during this study indicated that they have not been visited or checked by any agency. The general dealer owner indicated that every now and again he is visited by police officers who quiz him about not having a liquor license. However, this owner also alluded to the fact that these visits are not entirely a result of official police business instead they are done by the same pair of police officers with the intention to get the owner to give them a bribe every time because they have come to know that he does not have a license and he is also an undocumented foreigner.

"The mistake that I did was to give them a bribe the first day they came here, so it now seems they come here expecting a bribe. I do not even thing they are sent here by their boss or if they even record somewhere that they come here, what is on their mind is the money I give them. And I have no choice by to give them because if I don't, they can cause trouble for me." (Interview with General Dealer owner, 07/10/2022).

The owner of the funeral parlour indicated that he does not get monitored on his compliance by any authority. He does, however have the Certificate of Competence to operate the enterprise as required by law and is always compliant otherwise he notes there are critical functions that he would not be able to perform without it, particularly when he has to liaise with the Department of Health and the Department of Home Affairs. "The CoC is the one that I have, it allows me to do a body pick-up from either a hospital to be able to place it in my mortuary, it is the most important piece of paper in my line of work because without it, no department will recognise you or work with you." (Interview with Funeral Parlour owner, 06/10/2022). The rest of the enterprises or homeowners have no experience of a system of monitoring for compliance.

c. Informal Regulatory systems for monitoring compliance of home-based enterprises

The enterprise owners during the interviews indicated that at a community level they do not have a business structure that oversees their enterprise operations. Therefore, there is no active forum that ensures that there is some level of compliance or anything to that effect. The respondents equally did not mention cases where they have issues that would have required external intervention. One hair salon owner mentioned an incident which was motivated by high competition amongst the various hair salon owners in the vicinity which caused tensions. In that case she was accused of witchcraft by her competitors and that case was resolved by her *mastende*, who facilitated a mediation meeting between the competing hair salon owners operating on 29th September Drive. "I did not even report this to my landlord, but she heard that I was being confronted by other hairstylists in the area and decided to intervene and take charge because she felt that everything is happening in her yard and therefore is her business" (Interview with hair salon owner 28/09/2022).

During my interview with the clothing shop owner, there was thick smoke coming towards our direction from the fires burning on the side of his shop. This is where the fast-food stalls cook their food to sell mostly to taxi drivers. They cook outside on the ground using wood and charcoal. He seemed unphased by this, probably because it's a daily occurrence that he has become accustomed to. Even during our interview, he did not mention this incident as one of the challenges for his business. I was not sure whether this is because he has tried to deal with the matter before but failed or whether he feels he has no authority to question this situation

since he is a foreign national of Pakistan origin operation in a black township. His response was rather sympathetic towards his fellow colleagues, “what can I do, they are also trying to make a living like me, I do not have the power to tell them to stop their business because it is not good for mine” (Interview, 22/09/2022).

What came out frequently in most interviews is an expression for the need of an informal structure to oversee business operations in the area and to deal with a growing number of cases of theft and break-ins. The locksmith mentioned that from his previous experience business owners normally work together to create a crime fighting forum that either pays a group of people to patrol the area or hire a formal security company to do so. Some of the shops have been broken into overnight, and even during the day there are incidents of theft. The research discovered that there is more of an appetite for an authority or system that will deal with crime rather than one that deals with regulating business practice and compliance.

4.5 Conclusion

The data presented in this chapter deal with three fundamental areas of the study. Firstly, it was data on the profiles of the various home-enterprises, their owners as well as their motivations to run their businesses. As indicated by the different business profiles in this chapter, there is a wide range of enterprises on 29th September Drive. These range from businesses which sell products and services to those that manufacture furniture and provide traditional healthcare.
Secondly, the chapter presented data relating to regulations and requirements for starting a home-based enterprise in Ivory Park as a settlement under the City of Johannesburg. The research gave a practical account of the experiences of the different enterprise owners who were only required to be permitted by the homeowner to start trading. This evidently is in conflict with the formal requirements by the City of Johannesburg which prescribe that all home-based enterprises require the permission of the City Council in order to use the home as a place of business.

Thirdly, the data was collected relating to regulatory systems which monitor home-based enterprise operations and compliance on various levels. The research alluded to a general lack of monitoring systems in the focus area. None of the enterprise owners had been monitored officially for any form of compliance.

Table 2: Home-based Enterprises in relation to the Land Use Scheme Regulations

Business Description	Business Classification as per Land Use Scheme	Notable Non-Compliance
Hair Salon	Yard Fixed Structure/ Home Enterprise	Hairdressing being a profession is allowed as home enterprise but the trading with customers should not occur on the site. Structure built on beyond the boundary line. Has morethan two people working. Not owned by occupants residing in the house.
General Dealer (Spaza)	Yard Fixed Structure/ House Shop	Sells liquor and allows for the consumption of liquor. Sells meat. Not owned by occupants residing in the house. Deliveries take place in front of the shop and blocks the street often.
Locksmith	Yard Movable Structure/ Home Enterprise	Locksmith as a profession is allowed as a home enterprise, but the trading with customers should take place in a commercial site, not in the dwelling. The shack is built half in the yard and half on the edge of the street.
Clothing Shop	Yard Fixed Structure/ House Shop	Has a staff compliment of more than 2 people. The structure is more than 36 square meters. The building is building from the yard and overlaps the boundary onto the street pavement. Deliveries take place in front of the shop and blocks traffic flow. Heavy noise pollution throughout the day. Not owned by a person residing in the house.
Dressmaker/ Tailor Shop	Yard Movable Structure/ Home Enterprise	The shack is built on the edge of the house and into the street. Work displays placed around the shop which is already a few meters from the street pavement. Work displays and signage may interfere with neighbourhood amenities.
Traditional Medicine Pharmacy	Yard Fixed Structure/ House Shop	Heavy noise pollution throughout the day. Not owned by a person residing in the house.
Traditional Healer	Room attached to the main house/ House Enterprise	Home enterprise is for professional work in the home but not for customer trading.
Internet and Printing Shop	Container in the Yard/ House Shop	Containers are allowed for a house shop; however, the container is placed dangerously in between the house with its front half onto the street. Business activity interferes with neighbourhood amenities as during peak hours customers queue into the street pavement.
Funeral Parlour	Yard Fixed Structure/ Home Enterprise	A funeral parlour is forbidden from the dwelling.
Carpentry	Yard Fixed Structure/ Home Enterprise (most work done outside in the yard)	The enterprise does industrial work of manufacturing furniture and the selling of the furniture. Scheme prohibits industrial and commercial activity from a home enterprise.

		Furniture displays interfere with neighbourhood amenities. Displays places everywhere around the shop into the street pavement. Most carpentry work occurs in the small open space in front of the shop and the street pavement.

What this chapter presents is a selection of the nature of business activity found on 29th September Drive, as well as, the dynamics and experiences of the various enterprise owners interviewed for this study. These factors will enable the analysis for this study in order to understanding the relationship between regulation and the home-based enterprises on 29th September Drive. The next chapter will seek to analyse these findings against literature.

Chapter 5
Research Analysis

5.1 Introduction

This chapter analyses the findings of the field study in Ivory Park, and the interviews with an official of the City of Johannesburg against the position of the relevant literature relating to the concepts covered in earlier chapters. This analysis responds directly to the research question of the study. The research study seeks to answer the main question which is, what systems are in place which regulate and facilitate economic activity in a dense settlement like Ivory Park, Extension 2? In getting to that answer, the study needed to deal with the following sub-questions, what are the different types of enterprises that are found in the area of interest? What motivations, opportunities and obstacles that have influenced the home-based enterprise owners in this area? What steps need to be followed to start a business in this area? Lastly, which stakeholders are involved in regulating informal economic activity in Ivory Park, Extension 2 on 29th September Drive?

5.2 Positioning findings with literature on informal economy

Beall and Fox (2009) argue that residents of urban settlements tend to rely on informal economic activities as means to build sustainable livelihoods and to escape poverty and vulnerability. People who find themselves out of the job market, utilise the skills they have acquired either in their previous employment or through family knowledge passed down on them to start businesses. The informal economy is often easily accessible because it does not require large capital or red tape to enter. The respondents of the study were motivated to start their enterprises largely because of unemployment, and for some having acquired a skill gave them the break they needed to start. The carpenter who is one of the enterprises involved in this study had worked for a manufacturing company for a number of years where he acquired his skills. When he was retrenched by the company, he decided to use those skills for his own business. The respondent who has a locksmith business, acquired his skills from his father. Upon moving to Ivory Park, he realised that there was no locksmith business in the area and thus decided to start his own.

Laframboise (2019) indicates that the informal economy makes a recognizable though small contribution to the GDP of the country, and in many cities, it remains the major option for jobs for a large number of people. The significance of the informal economy to job creation is also emphasised by Valodia et. Al. (2005) who found that half of the employment and business

activities in the informal sector are made up of retail activities. The findings from this study through observation and interviews agree with both sentiments that the informal economy is a job creator and in this area is mostly retail oriented. The only business in study that did not employ any workers was the locksmith. In all the other nine businesses the owners have hired someone from the community or their family to work with them or for them.

The City of Johannesburg has undergone a lot of changes in the past few years and its approach to informal economic activity has differed based on the specific mayor and the focus of the political party dominant in the city council at any given time. In general, the City of Johannesburg has always given some level of recognition to the informal economy through regulations and by-laws even though the experience on the ground might seem to indicate otherwise. However, monitoring the implementation of these regulations has differed. There is no clear plan that is known to the City of Johannesburg official, the ward councillor, or the enterprises owners on the development of home-based enterprises or the informal economy in the area of Ivory Park Extension 2. The business owners interviewed during this study all agree that there has not been any interaction between themselves and the city officials. According to the official from Land Use Management at CoJ, they get involved when responding to complaints from neighbours regarding regulation breaches by businesses. She further explains that even then, their initial approach is that of tolerance as they encourage negotiation between those concerned before enforcing strict measures like shutting down business activity or demolishing structures or even involving law enforcement.

6.3 Positioning findings with literature on Home-based enterprises

The findings of this study reveal that there is a misalignment in how home-based enterprises are defined in literature as opposed to how the City of Johannesburg defines them in its policies. Literature often leans towards the definition by the ILO, whose definition of home-based enterprises emphasizes the ease of entry, reliance on indigenous resources, family ownership of enterprise, small scale of operation, labour-intensive, skills acquired outside the formal schooling system, unregulated competitive markets, and lack of legal or government recognition as its distinguishing features (2007). The City of Johannesburg Land Use Scheme, however, makes a distinction between a house shop and a home enterprise. The significance of the distinction between a house shop and a home enterprise is that the home enterprise

specifically refers to a professional working from home but not necessarily trading at the home. The CoJ during the interview made an example of a baker who bakes from home but sells whatever they bake from a shop located somewhere else. Both these definitions fall under the universal understanding of home-based enterprises. This study did not find any evidence of the usefulness of this distinction especially because there are not even significant regulations which apply to the one type and not the other. In addition, the nuances that are specified between these two definitions are irrelevant when placed against the practicalities of real-life experience. The city documents define home-based enterprises based on the lenses of land use and development planning, and this is not the best way to define business activity. Instead, the definition should aim to capture what the activity aims to achieve not what the municipality seeks to regulate.

The area of this study is a street with potential for economic development and the use of concepts which inform land use limits the potential of the place to be seen as an economic hub if the terminology of the bylaws were based on practical sense rather than the need to regulate. Chen et. al. (1999) stress that the home becomes a central host of the business because of its locality for the customers, its convenience, and its savings on traveling and setting up costs. The findings of the study agree with this notion based on the interviews with both the enterprise owners and the homeowners. The funeral parlour owner during the interview indicated that working from home makes it easy to set up his kind of business as opposed to being in a shopping centre where he would be exposed to strict and stringent processes and rules to comply with, like limited trading hours and adherence to centre management rules. The carpenter who runs his business from a rented shop agrees that operating his business from a home-based shop makes it easier to access customers and does not require him, his employees, and his customers to travel since they all live in the area. He adds that if he were to rent space in an industrial area, he would be charged heavily for rent based on the size of the structure, in addition, he and his employees would have to travel to that location and his customers would not be easily exposed to his business. Where he is located currently on 29th September Drive, he is able to have his manufacturing and retailing done at the same shop and he can showcase his products to his customers and potential customers passing through the street by simply putting them outside his shop. Topple (2005) stresses the point that home-based enterprises have the ability to cater to a variety of needs and can spread across a large spectrum of industries.

The convenience and diversity of the residential area for informal economic activities particularly home-based enterprises as indicated by literature in Straasmann (1987) and Gough and Kellett (2001) is supported by the findings of the study. The next section will deal with the tense and controversial relationship between home-based enterprises and regulation or the regulators of informal economic activity.

6.4 Positioning findings with literature on regulatory systems of home-based enterprises

Home-based enterprises are a recognised form of economic activity even though they are considered to be informal trade. Therefore, there is some level of regulation that applies to them in various ways as established in the previous chapters. There are formal regulatory systems, industry regulatory systems, and informal regulatory systems which can apply to home-based enterprises depending on the specific circumstances and location. Not all of them will apply or will be active in all environments in which home-based enterprises operate. With regards to formal regulatory systems, they are often guided by the law and enforced by spheres of government and or government agencies.

Smit and Donaldson (2011) state that Schedule 48 of the Constitution gives local government the responsibility for implementing and facilitating trading and building regulations. The field study confirmed that the formal regulations which oversee the practices of home-based enterprises in Ivory Park fall under the jurisdiction of the City of Johannesburg. The department of Human Settlements and the Planning Development Department at the City of Johannesburg combined would oversee the policies and regulations relating to activity in the home and economic activity in the form of home-based enterprises.

The findings of this study show that the Land Use Scheme is the main piece of regulation that the City of Johannesburg uses to regulate home-based enterprises. This is because the use of a residential site for economic activity should be done in a way that preserves the main function of the site as a residential entity (COJ, 2018). The Land Use Scheme regulates economic activity in the home from a planning and development perspective. This is important for the city because residential areas especially in urban settlements are often areas where many households live within close proximity to one another and the activity of one household should always be regulated in order for it not to interfere with the lives of others negatively.

Industry regulatory systems are also guided by the law, but they apply to certain types of home-based enterprises based on what products they sell or services they provide. Smit and Donaldson (2011) indicate that according to the Business Act of 1991, home-based enterprises require a licence to sell medicines, liquor, and perishable foods like meat, bread, milk, and other fast-food items. In addition, such home-based enterprises require a Certificate of Acceptability according to national health regulations. Moreover, where alcohol is sold, the establishment needs to have a liquor licence. These licences require the inspection and approval of a number of other divisions from the City of Johannesburg depending on the specific activity of the enterprise. Departments like "Environmental Health, Noise and Air Pollution Control, Metropolitan Public Safety, Urban Planning, and Building Control" may be involved in assessments, and approval of the various licences according to Von Broembsen (2007:16). In the instance of industry regulatory systems, the regulations are administered at various levels of government including provincial or national levels.

It is important to note that the study revealed that there are no active systems to monitor compliance with these industry standards by any form of authority. As a result, with the exception of the funeral parlour, all of the other interviewed enterprise owners are non-compliant with the industry standards, and they have never been in a position where they were asked to account for them. The general dealer/ tuck shop owner mentioned that police officers visit his shop every now and then to check for his liquor license since he sells liquor at his shop. He also dismissed these visits stating that they are not conducted as part of official police work but as an act of corruption by the police officers. He says they visit him when they want a bribe from him not necessarily because they require his liquor license as an official act of their duties. The owner of the funeral parlour is compliant with the Certificate of Competence because it is required of him when he liaises with the Health Department and the Home Affairs department, but since the existence of his business, he has never been subjected to any form of authority which monitors compliance in other aspects of his business.

Secondly, the study findings show that the respondents are not aware of the majority if not all of these standards or regulations they must adhere to. During the interviews, the enterprise owners stated that there has not been any awareness or promotion of the various regulations and requirements they need to adhere to in order to run their businesses. In fact, they believe

the very idea of them operating their businesses in informally automatically excludes them from the expectations of compliance.

Lastly, the regulation of home-based enterprises can happen through informal structures. These are local systems of regulating informal economic activity. Ntema and Marais (2014) warn that the over-regulation or lack of regulation of the informal sector and home-based enterprises in major cities where there is an infiltration of non-South Africans into these sectors has the potential for danger. In some instances, informal systems of regulations come about when there is a persistent challenge that the locals are facing, and in their efforts to deal with that problem form a structure which ends up regulating all other aspects of their informal economic activities, as seen in Khayelitsha through the establishment of the Khayelitsha Station Informal Traders Association (Broadway, 2017). This means that we cannot ignore that there are informal systems and formations which regulate informal economic practices. In the case, of Ivory Park extension 2, the informal regulation of home-based enterprises lies between two people, the mastende or homeowner and the ward councillor. The study revealed that the mastende regulates the start-up process and entry into the business of the home-based enterprise. Where the enterprise owner is renting, they only require the approval of the mastende or homeowner. The same person operates as a monitor and mediator when there are tensions that affect home-based enterprises. According to the ward councillor, he gets involved when disputes between neighbours and the enterprise owner or mastende escalate and a complaint is laid with his office. These two forms of informal regulatory systems are largely effective in managing disputes at a local level before authorities are called to intervene.

6.5 Positioning findings with literature on regulatory systems of housing and planning

As indicated in the previous section the formal regulations for home-based enterprises are designed to protect the integrity of the house as a place of dwelling. This section will deal with the specific findings on the level of compliance and awareness of these regulations by homeowners and enterprise owners. Clause 3 of the Land Use Scheme (2018) states that the regulation is adopted in terms of the City of Johannesburg Municipal Planning By-Law and aims to facilitate the development of land in the City. There are two issues that the findings of this study revealed. Firstly, the regulations relating to processes to start a home-based enterprise are too stringent and to a degree, they could be considered non-realistic. For instance, the Land

Use Scheme forbids the renting out of home-based enterprise space as it requires that the owner of the enterprise should be the owner of the residential site or that the enterprise must belong to a permanent resident of the household where the enterprise operates. Another example is that the regulations only allow the sale of "pre-packed and/ or pre-wrapped items and/ or foodstuff as well as the sale of airtime and telephone kiosks from the spaza/ house shop" (2018:50). To forbid the sale of fast foods and other convenience food items from a local shop in a residential area is highly unrealistic.

The second issue is that the Land Use Scheme is not clear on the plan to monitor or promote the regulations it sets out. Due to the lack of promotion of the regulations that relate to home-based enterprises and the lack of monitoring systems, there is simply no compliance by the enterprise owners or the homeowners in many aspects of the Land Use Scheme.

Smit and Donaldson (2011) explain that due to stretched capacity and limited personnel of most municipalities in South Africa, the policing and regulation of home-based enterprises is done in an ad hoc manner, especially in the townships. The findings of this study align with this view. The responses from both the ward councillor and the CoJ official suggest that there are no active systems to promote or monitor compliance with the regulations, instead their approach is responsive. The CoJ officials get involved in monitoring the compliance of the home-based enterprises when they receive a complaint of non-compliance from neighbours of the home-based enterprises mostly. Even at that point, the official stresses that their approach is of tolerance rather than authoritative, it encourages negotiation and compromise from those involved, and only when there is no compromise or agreement in sight do they apply strict measures like demolition of structures or shutting down of business activity. The ward councillor also encored the same approach. He does not actively get involved with home-based enterprises or economic activity in general unless there are complaints that are brought to him. He explains that given the economic situation in the country, and the high levels of unemployment and poverty, it becomes difficult to make decisions that will end up shutting down businesses due to non-compliance with regulations. Instead, he facilitates a process of compromise between the parties involved. However, when there is no prospect of compromise or it is an issue which is related to the encroachment of built structures into the sites of another resident, he escalates the matter to law enforcement to deal with as dictated by the law.

The pragmatic approach adopted in these instances points to the nature of the regulations set by the Council is out of touch with the reality of how people live. The fact that neighbours are able to agree outside of the regulations for home-based enterprises could be seen as an indication that when they assessment the regulations against the reality and lived experience they are able to find more practical ways to make their conditions work for everyone. Therefore, whilst there are active regulations which regulate home-based enterprises, the study reveals that the practical experience in Ivory Park is that of non-compliance due to ignorance or belief that certain regulations do not apply in informal sectors of business. In addition, this lack of compliance could be exacerbated by the alternative types of approaches taken to resolve complaints and frictions whereby the ward councillor is able to facilitate compromises amongst neighbours instead of insisting on the regulations to be implemented as they are set. The reality is that the informal regulatory structures are the most prominently used and most recognisable regulatory systems for managing home-based enterprise operations like the mastende being the overseer and the gatekeeper of the informal economic activity.

6.6 Positioning findings with literature on density

Ivory Park extension 2 is a highly populated area. As a result, the majority of households have multiple built structures for residential purposes on their stands. In addition to those residential structures, households alongside 29th September Drive have additional built structures which operate as shops. Therefore, the highly populated area has in addition multiple structures on small and concentrated sites. This situation combined with a large number of shops on the side of 29th September Drive gives a picture of a highly dense area.

The impact of this dense situation on home-based enterprises is the businesses themselves are closely situated to one another. This causes tensions where there are no active collective and uniform regulatory measures because some business activities do not align with one another and because there is no central point of approval that is recognised by all stakeholders besides the mastende, there is no collective way to fix this problem. During the interview with the clothing shop owner, right next to his shop, was a large fire belonging to one of the food outlets next to his shop cooking pap and meat using fire and wood instead of electricity. The smoke from the fire comes in the direction of the clothing shop all day and by the time the shop sells most of its clothes on display, the clothes smell of smoke. The clothing shop owner who is also a Pakistani national did not even raise this as a challenge during our interview, however,

because it was happening as we were speaking, I asked him about it. His response was “what can I do, they are also trying to make a living like me, I do not have the power to tell them to stop their business because it is not good for mine.” (Interview, 22/09/2022). Therefore, there are specific issues which arise from the fact that there are just too many outlets in close proximity and with a lack of clear and applicable regulation, could escalate to major problems in future.

6.7 Conclusion

This chapter will conclude with a table that summarises all the findings of this study and a summary of the analyses of the findings.

Table 3: Summary of findings and analysis of the study in relation to literature

Concept	Literature	Findings Summary
Informal Economy	● Easy entry requirements ● Operates outside of the law, tax obligations, licenses, and industry formalities ● Driven by the need to sustain livelihoods ● Critical for job creation ● Has a complicated relationship with authorities	Due to high levels of unemployment and poverty, there is increased motivation to do business in the informal sector. There is less hassle and requirements to start a business, as long as one has skills, experience, and the minimum amount of cash for necessities like stock, and the enterprise owner can start operating. There are no processes to be followed to start a business in the informal economy. All under the impression that they are exempted from any regulations as they operate in an informal setting.
Home-based Enterprises	● Operates in the home ● Less money required to start ● Saves on transportation and traveling ● Serves the local community/ neighbours with convenience goods	A majority of the businesses interviewed were not aware of the regulations that home-based enterprises are meant to comply with. Only 1 of the 10 businesses interviewed had an industry license. None of the businesses have been visited by any authority that checks on compliance. They are all not aware that a home-based enterprise is subject to land-use regulations.
Regulatory Systems	● Formal Regulatory systems ● Industry Regulatory systems ● Informal Regulatory systems	Formal regulatory systems are present on paper only. They distinguish between a home shop and a home enterprise in order to separate the types of businesses that sell a product or service from home and a professional worming from home but not trading from there instead trading from a different maybe designated located. municipality is responsible for administering regulations governing home-based enterprises and regulations exist but are not promoted. There are equally no monitoring systems. Industry regulations are a product of legislation and apply to home-based enterprises as they do to formal businesses, yet there is no awareness of these regulations. Two businesses are aware of the industry

		license they need to operate yet one of them complies. The other relies on bribing the corrupt system. Lastly, informal regulatory systems are present and operate at a local level through the mastende and the ward councillor.
Regulations and Institutions	● Local government/ municipality ● Government Agencies ● Ward councillor & Mastende	Due to a lack of promotion and monitoring of the regulations which govern home-based enterprises, there is no compliance. The city does not have the capacity to monitor all activities of home-based enterprises in settlements instead its approach is on an ad-hoc basis and responsive. The ward councillor equally gets involved with home-based enterprises upon receiving complaints from the members of the community. Most of these complaints would have been reported to the mastende/ homeowner beforehand.
Housing and Land-Use	● Land-Use Regulations ● Building Regulations	The municipality is a custodian of the land use policies and regulations and therefore regulates home-based enterprises through the Land Use Scheme. The scheme entails the requirements for the establishment of home-based enterprises and how enterprise owners should apply for written consent of the Council in order to operate. The Land Use Scheme may be used in conjunction with other regulations like health or environmental or building regulations/ by-laws depending on the type of business activity and structures involved.
Density	● High population ● Concentrated urban settlements	The high levels of population and the concentration of structures including home-based enterprises and shops results in some tensions between the businesses as some of the business activities are not complimentary yet are located in close proximity of each other. Due to the lack of a visible and active regulatory body, such tensions remain unresolved and unchallenged out of fear of confrontation by other business owners especially those of foreign nationality.

This chapter has dealt at length with the application of the various regulatory systems on home-based enterprises in the area of focus. The biggest challenge with the formal regulations is that they seek to regulate economic activity with using planning and development principles. In as much as a home-based enterprise is notably an entity which is using a residential location for its operations, it is still a business that affords the people in the community and those who run it and work in it many advantages. There should be a developmental approach when setting rules for the operation of economic activity in the home especially in a country with such high levels of unemployment and high levels of poverty. The fact that people who are involved in settling disputes and challenges faced by the different stakeholders adopt a pragmatic approach

is indicative of how the regulations themselves should be set. The ward councillor expressed during the interview that it becomes very difficult in a place with such poverty to push for the closure or demolition of someone's business who is simply trying to make a living.

The manner in which businesses operating from home are defined in the Land Use Scheme is indicative that the regulation is not economic driven and is rather entrenched in policing the practice. The nuances and distinctions made in the definition of the home shop and home enterprise are not useful practically. People who operate their businesses from home, do so because of the convenience and to save costs by alienating rental costs and overheads of running a business from a commercial location. Therefore, when the scheme defines a home enterprise as a professional who works on his trade from home but sells that service or product elsewhere is very far from the reality of the people who live in Ivory Park.

Such factors make it difficult for people to operate their economic activity within the regulations because the regulations themselves are impractical and in a way, force people who operate informally.

Chapter 6

Summary, Recommendations and Conclusions

6.1 Introduction

The aim of this study was to establish the nature and existence of regulatory systems which oversee the informal economic activities that are found in Ivory Park, Extension 2 on 29th September Drive. Generally, it can be said that there are existing regulatory systems, however, there is a very high level of non-compliance with these systems. The various home-based enterprise owners in this location blame the lack of promotion of the regulations for their ignorance of the formal regulatory systems which govern their business and how they are meant to function on the lack of awareness by the governing institutions. Whilst the formal and industry regulatory systems and institutions are not visible or actively applied, there are, however, informal regulatory systems that close some of the gaps that exist in regulating informal economic activity.

The objective of the chapter is to give a summarised reflection on the study and its findings. The chapter will start by summarising the findings of the study. Thereafter, I will conclude how the findings respond to the research questions of the study. Lastly, this chapter will offer recommendations for the future and a brief note on the limitations of the study.

6.2 Summary of the main findings

My research found that all the enterprise owners on 29th September Drive did not engage in any formal regulatory process or requirements during the process of starting their business. In fact, they were not even aware of any form of authority or regulatory institution which they had to get permission from in order to start trading with the exception of the Funeral Parlour and General Dealer owners. Respectively they were aware they needed the Certificate of Competence in the case of the Funeral Parlour owners which he has, and the Liquor Licence in the case of the General Dealer which he does not have.

The study categorised the different forms of regulatory systems into three groups, namely, formal, industry, and informal regulatory systems. Formal regulatory systems consist of regulations set out in the City of Johannesburg's by-laws and other forms of legislation that are approved by the various spheres of government. These regulations apply to all forms of economic activity and are a way in which the government manages informal economic activity and in particular home-based enterprises. The industry regulatory systems are a set of rules that apply to businesses based on the type of industry and the types of trade they are involved with.

These could include licenses required to fulfil specific requirements of the business or certain permissions that are required by the businesses to operate certain functions, in a specific industry or to sell specific products or services. The final category, informal regulatory systems mostly operate at a local level and are established by communities in order to regulate how business is conducted in their specific areas.

From the study in responding to the research question it emerged that:
There is generally no compliance with formal regulations for home-based enterprises as none of the home-based enterprises in this study were compliant or even aware of the regulations that apply for their businesses to exist in this area. There appears to be a strong belief that since these enterprises are operating in an informal sector they are not expected to comply with any form of formal regulation. This common assertion has contributed to a general disregard and ignorance of the regulations. Additionally, due to a lack of capacity by the City of Johannesburg to monitor compliance, there is no accountability for all the home-based enterprises for not adhering to the regulations. This is in line with Smit and Donaldson (2011) assertions that regulation and compliance are often affected by the lack of capacity by the local government to enforce the regulations. Instead, the approach by the City of Johannesburg is reactionary. Compliance and monitoring of regulation only occur when there have been formal complaints of non-compliance by neighbours of the home-based enterprises.

Informal regulations systems are the go-to systems in cases where there is tension and disputes. The home-based enterprise owners use the mastende (homeowner) or the local ward councillor as the form of informal regulatory authority to engage in cases of conflict among informal business owners or with neighbours. The industry regulatory systems have a very low level of compliance and in cases where there is compliance, it is motivated by the inability to operate certain functions if a specific regulation or requirement is not met.

The study had to engage four different sub-questions which were critical in responding to the main research question. Firstly, the study had to determine the different types of enterprises which can be found operating on 29th September Drive in Extension 2. The study found that there is a wide range of enterprises on this busy street. The home-based enterprises operating in the area of study host a range of industries from retail outlets, food outlets, medical and health services, food and beverages outlets, and manufacturing and service-oriented outlets. The study, however, could not include all of these businesses as it could only incorporate ten

enterprises as part of the study. The study engaged through interviews, with respondents from the following enterprises: hair salon, general dealer/ spaza, locksmith, clothing shop traditional medicine pharmacy, traditional healer, internet and printing shop, funeral parlour, and furniture manufacturing and repair (carpenter).

The second sub-question was, what are the motivations and opportunities they had as enterprise owners which encouraged them to start their businesses, and what are the obstacles if any? In response to that question, the study found that the majority of enterprise owners found themselves unemployed and decided to use the skills they had acquired to generate an income. The carpenter acquired his skills from a company that he had been previously working for. The locksmith, however, had their skills passed down from his father who was also a locksmith. The hairdresser did not have formal training but through observation from other hairdressers acquired the skills to open a hair salon. These are some of the respondents who saw an opportunity and a gap in the market to start their enterprises offering services that were not available in the areas when they started. Generally, the enterprise owners through their businesses have been able to employ other people or provide employment for their family members. The study was able to establish the general concern for their enterprises was crime in the area. Even though the enterprises are operating from home, but they are all facing the main street and thus exposed to overnight break ins.

Thirdly, one of the sub-questions was, what are the steps to be followed to start a business in this area? The study has engaged this question at length in the previous sections from different perspectives. In practical terms, the evidence given by the respondents is that there was no process that they had to follow in order to set up their enterprises. The homeowner had full discretion in the process and because the enterprise operates in his house or yard, they believed that it is only their approval that was required. This, however, is totally different from what is prescribed in formal regulations. The City of Johannesburg's Land Use Scheme requires everyone who starts a home-based enterprise to get approval from the City Council through an application (2018). This process involves a number of steps which include getting consent from neighbours and getting approval for the building structure where the enterprise will operate, amongst others. There are other formal requirements that are required to start a business which are dependent on the type of enterprise in question. These extra requirements could include getting a liquor licence if the business will sell alcohol. However, as the indicated above, the study through interviews found that none of the enterprise owners involved in the study

followed any of the formal processes of opening a business in Ivory Park, instead the approval of the homeowner or mastende was the only required.

The final sub-question was, what institutions or stakeholders are involved in regulating the informal economic activity in this area? The study found that there are four stakeholders involved in this process. Firstly, it is the mastende/ homeowner who is the main stakeholder involved in the process of starting an enterprise and in addition they are heavily involved in managing conflict and disputes. Secondly, the ward councillor plays a role in managing harmony between the enterprises and neighbours and bringing in law enforcement where necessary. The third stakeholder is the City of Johannesburg. According to the review of the prevailing municipal laws and regulations, City of Johannesburg should be the predominant entity in regulating home-based enterprises from the process of giving permission to start home-based enterprise to regulating the operation and compliance of the enterprises. However, the data collected through interviews revealed that the City of Johannesburg does not play an active role in this regard, instead they only regulate when called to enforce and resolve complaints from the community on a matter that affect the regulation of home-based enterprises. Lastly, there are other government agencies which should play a role in regulating informal economic activity and home-based enterprises in particular. The regulation of liquor licenses and other forms of trading licenses require different government institutions to regulate. However, as established through this study, these agencies are not active in this role. The respondents have not had any experience with government agencies coming into their spaces to monitor their compliance with various aspects of their enterprises. The police checked for compliance with the liquor license from one of the respondents, however, the respondent was very clear that they believe this was not for official work purposes but something particular police officers do when they seek a bribe from him. Therefore, whilst there are agencies in place to regulate home-based enterprises there are not actively seen to be doing this in Ivory Park Extension 2.

The responses to these various research questions form the bases of this study of the regulatory systems in Ivory Park, Extension 2, 29th September Drive.

6.3 Recommendations

- There needs to be active programmes by the City of Johannesburg promoting regulations of the home-based enterprises in the community of Ivory Park. These programmes need to address the need for training initiatives that will equip the community with an understanding of how their enterprises need to adhere to the Land Use Scheme and other regulations which are created to protect the interests of the community.
- The City of Johannesburg could also use this as an opportunity to review some of the regulations that are meant to regulate business activity in such areas as this research found that some of the regulations are impractical and unnecessary. Therefore, through such engagements with the people on the ground, there could be a process to enhance the regulations to work towards building regulations which promote business activity in the home rather than the current regulations which push people to work informally because they are so stringent to adhered to.
- Government needs to create economic development programmes that will aim at developing areas like 29th September Drive into proper business avenues. Such a street which has displayed so much business potential could be recognised by the City of Johannesburg as a business/ market street, with development to fit the kind of business activity that is suitable for this kind of location. However, such a development should be community driven, meaning there should be a bottom-up approach, where existing systems are endorsed and upgraded rather than a situation where government would bring in its own ideas of what an economic development area should be like or how it should operate.
- Participants in the study raised concerns around security and safety in the area. There was a common request for a forum that would look into tackling security matters and the safety of businesses from theft and overnight burglary. This should be prioritised because these businesses are located in residential spaces, outside people's houses and the rise of criminal activity will eventually begin to target the homes in the area if left unchecked.

6.4 Conclusion

In conclusion, there are existing regulations for informal economic activity, particularly home-based enterprises but there are very low levels of compliance. There are many factors that

contribute to this low level of compliance with regulations, and they mostly differ depending on the category of regulation systems. The main reason can be attributed to the lack of monitoring systems by the City of Johannesburg or authorities. Because there are no active programmes which aim to enforce compliance of regulations or promote and educate the enterprise owners and homeowners on the regulations, there are few prospects that compliance will improve. Currently, the monitoring of the compliance that govern home-based enterprises by the City of Johannesburg is only activated when there are complaints of non-compliance lodged. Government agencies that are meant to monitor compliance of industry standards and certification do not have active systems that look into compliance of home-based enterprises in township settlements like Ivory Park. This leaves the mastende and ward councillor as the only active systems of regulation of home-based enterprises in township settlements. These being informal systems of regulation of home-based enterprises, there are various limitations and gaps that could potentially grow into bigger problems if left unchecked for too long.

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Appendices

Participation Information Sheet

Dear Sir/ Madam

My name is Thabisani Nzimande. I am a Masters student in Housing and Human Settlements at the University of Witwatersrand, Johannesburg. My supervisors are Prof. Sarah Charlton and Dr. Mamokete Modiba. I am conducting a research study about the regulatory systems of Home-based enterprises. The title of the study is **Exploring regulatory systems of informal economic activity in a dense settlement: The case of Extension 2, Ivory Park, Johannesburg.**

I am inviting you to take part in an interview because your business is of interest to my research because of its location and the type of business activity. If you decide to take part, your participation in this research study will last about 30 minutes. The interview will take place at your place of business.

With your permission, I would like to audio record the interview. This data will be stored on my laptop computer which is password protected. Only I as the researcher will have access to the raw data.

During the research activity, I will need to ask for some information about your business. The interview will be confidential. When I share the results of the study, I will not include your name or any of your personal information.

If you decide to take part in the research study, it should be because you want to volunteer. You do not have to take part. You can stop being in the study at any time. You do not have to answer any questions if you do not want to. You will not get any direct benefits if you choose to join the research study. You will not lose any services, benefits or rights you would normally have if you decide not to join. Taking part in the research study will not cost you anything. You will not be paid for being in this research study.

This research study will be written up as a research report. The report will be available on the university library website. If you would like to receive the summary of this report, I will be happy to send it to you.

If you have any questions during or afterwards about this research study, feel free to contact me on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research (Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrcnon-medical@wits.ac.za

Yours sincerely,
Researcher:
Thabisani Nzimande,
1561090@students.wits.ac.za, 08#######

Supervisors:
Prof. Sarah Charlton,
Sarah.Charlton@wits.ac.za
Dr Mamokete Modiba,
Mamokete.modiba@wits.ac.za, 011 717 ####

Consent Form

Title of project: Exploring regulatory systems of informal economic activity in a dense settlement: The case of Extension 2, Ivory Park, Johannesburg.

Name of researcher: Thabisani Nzimande

I, …… agree to participate in this research project.

I agree to the following:

The research study was explained to me. I understand what this study is about.	YES NO
I understand that I can volunteer to take part in the study	YES NO
I agree that the interview may be audio recorded	YES NO
I agree that direct quotations from my interview may be used by the researcher in their research report	YES NO
I agree that my participation will remain anonymous (my name will not be used by the researcher in their research report	YES NO
I agree that other researchers may use the information I provide in my interview depending on their own ethics clearance being obtained but my name and any personal information will not be used or passed on	YES NO

Participant signature: …….

Name of participant: ……

Date: ……..

Researcher signature: …….

Name of researcher: ……

Date: ……..