

https://dspace.org/

The impact of municipal skills development programmes on the informal trading sector: Johannesburg (2001-2006)

Radebe, Nkosinathi Witness

2008-04-10T09:28:05Z
http://hdl.handle.net/10539/4752

Downloaded from a DSpace repository. https://dspace.org/

1. BACKGROUND

The introduction of municipal skills development in the COJ was a slow process, which required the participation of all concerned. The first basis for municipal intervention in the informal sector was the desire to promote and create employment. The COJ provided a programme on critical skills and support to informal traders located in the formal market. It believed that the successful implementation of this programme would increase the City's impact on economic growth and job creation.

The second basis was to develop a research path from which interventions could benefit from expert advise, knowledge and comparative analysis for future development (COJ: 2006: 66.2). This was prompted by the outcome of the survey conducted by World Bank in 2000 that there were skills gaps within the black informal businesses, that Africans were the majority in the semiskilled employment sector and that whites dominated the skilled occupations in Johannesburg (Majola: 2002: 01). The origin of informal training in the COJ was ad hoc with many "perceived contradictions" which later formed the basis for resurgence of informal traders training. The COJ intervention in the informal business had many reasons for example pollution (which is less than that produced by formal sector), the loss of taxes, and blockages in the streets, informal business affecting formal business and squatting on land (EDU: 2006: 02).

The year 2002 marked the beginning of the municipal training programme for the informal business. Challenges crept into the training implementation process for example the COJ launched the Centre for Entrepreneurship Education and Development for informal traders needs, but this coincided with the launch of the World Summit on Sustainable Development in Johannesburg. The training programme was then adjusted to meet the requirements of the Summit. The COJ introduced five projects that catered more to the needs of the industry than of the informal traders. However the municipality has evolved to a level where training is having a meaningful impact on the informal traders such that there is a growing realisation of the importance of informal economy in the COJ as demonstrated by the number of projects initiated by Economic Development Unit (EDU)

One of such programmes that have gained momentum is “Grow Your Business” (GYB) which has direct relevance in addressing the skills gap in the informal sector. The programme hopes to increase profit in the informal business so that informal traders move into entrepreneur stage. In 2006 GYB was running its second programme of training. The first group of 500 informal traders completed their course in 2005. This research report will focus on the first group of informal traders who graduated from GBY programme and ascertain if there were any improvements in the manner informal traders were doing their businesses. The group of informal traders who participated in the survey was taken from the Metro Mall, in the CBD area of Johannesburg. This was because the COJ provided training to informal traders who were located in the formal markets. Metro Mall was chosen because of its strategic location (see Annexure A, which shows the stand where Metro Mall is located). There were estimated 24 000 informal street traders in the Greater Johannesburg Metropolitan Region in 2006 and approximately 5 000 registered informal traders within the inner city (EDU: 2006: 05).

The role of development planners in informal trading business is for example integration of policies and spatial development. The planners’ use spatial plans as a roadmap in locating new markets, renewal projects and provides guidance where resources should be directed. It is the role of planners to provide guidance in specific programmes to ascertain if they would elicit the desired effects. After an in-depth analysis of the conditions of informal traders, planners may recommend a support mechanism to ensure that training is linked to other structures such as finance, mentorship, infrastructure, further research and so on. If in views of the planners the programme for example does not benefit the target group, planners may initiate adjustments and make necessary recommendations, alternatively discard the programme.

This research attempts to examine the impact of municipal skills development programme within the informal sector from 2001 to 2006. The basic premise is that training does not take place in a vacuum; there is a need for both informal traders and municipality to study the conditions under which training can be provided. The needs of informal traders may vary from credit facilities, access to training, infrastructure (toilets, childcare facilities, security and so on). The lack of adequate skills among the informal traders has been an

impediment that has kept them from development. Most informal traders enter informal trading business as a waiting station for a formal employment or as the way of life not beyond survivalist enterprise. Training may enable informal traders to realise that the informal sector is the best employment sector given their limited skills. Training may introduce them to various legalities, formalities and practicalities of running a business such as costing, selling skills, financial management, growth strategies and so on. Training may open the eyes of the traders and start taking their business seriously. The informal traders may then start identifying and exploiting sustainable opportunities in their immediate surroundings.

Local authorities on the other hand, just like planners have a duty of encouraging an enabling environment as an element of training not only through the provision of infrastructure but that skills development should be an integrated process linked to other departments (local and global). In this case the needs of the municipality may include change of behaviour by reducing the negative aspects of trading, encourage the participation with different stakeholders, increase the tax base for example as it is happening at the Metro Mall. Informal traders are paying for the amount of space they use for trading. The municipality may want to relocate informal traders to the designated areas where they could be visible and conduct their business without compromising the interest of the pedestrians. They may want to incorporate the informal business in the policies of the city so that informal business becomes a legal department that works together with other departments. Finally the municipality may want informal trading to join formal sector for example “the objective of the course is to develop traders to eventually move into formal sector”, Mayor Masondo said.

Because of these two unopposed needs, COJ reached a compromise that delivering training to the informal traders might be an ideal support mechanism. In assessing the impact, the report will investigate the kind of support that is available to informal traders and how this support benefited individual informal traders

Once reasons have been understood, there will be a need to examine the environment in which informal traders operate whether it is suitable for informal traders to apply what they have acquired from training. The purpose of this research is to investigate if the reduction of skills gap is achieved by the provision of training among the informal traders as postulated

by municipality. Another important reason for the provision of training is to improve the lives of the individual traders from survivalists to entrepreneur. This would be determined by increased productivity (improved profit margin and greater than before employment). The research will establish if the policy framework as a part of enabling environment is able to promote and advance informal business in the city. It will compare COJ policies to the best practice to ascertain if it is in line with international standards.

In Johannesburg there is an indication that economic activities are in line with international trends demonstrated by the (World Bank 2000) intervention in the informal trading. Chapter two will show how the 400 informal traders were trained and introduced to the World Summit. The restructuring of formal economy into a higher knowledge-led platform has made formal sector to be unable to employ low-skilled workers, as it was the case in the past. Therefore, the size and importance of the informal sector has grown significantly. Employment in the informal sector rose from 9.6% to 16% of total employment between 1996 and 1999. However, there is limited data available on Johannesburg's informal economy but it is well known that a greater percentage of informal traders are survivalists and participate in the informal sector by necessity rather than choice (Corporate Unit: 2002: 26).

In response, the COJ has embarked on different strategies in an attempt to improve skills within informal sector. The first strategy by Economic Development Unit was to develop a programme known as Informal Trading Development Programme (ITDP). Skills development for informal traders focused on business management skills for individual traders with special attention to business concepts such as stock in hand, cash flows, basic accounting, diversification and differentiation (EDU: 2002: 10).

Secondly, in 2002/3 several projects were introduced by EDU, to forge partnership and funding projects dedicated to train and uplift the city's workforce including informal traders. The aim was to promote economic growth in line with the Joburg 2030 strategy. To boost economic growth in the areas where such growth will benefit informal sector (www.joburg.org.co.za: cited June 22: 2002). The dissemination of skills development to the informal sector is a very complex activity. The COJ adopted a multi-dimensional approach to train a broad spectrum of target group who might benefit from such programme. Most introduced programmes were focused on the needs of the industry rather than of informal traders. This research report will focus on the three programmes in a list of six.

Although most of these programmes were later discontinued because there were unfocussed and had insignificant relevance to the needs of informal traders, some of the following had a bearing in the formation of the GYB.

- Centre for Entrepreneurship Education and Development (CEED) trained informal traders in order to learn how to run small business, which changed into training for the World Summit.
- Scholars as traders on the bourse: was about trading on the JSE.
- Producing business graduates with social conscience: partnership between CIDA and COJ where third year student graduates train informal traders.
- Giving toddlers a good foundation: adults of 2030 are toddlers of today.
- Forging links with institutions of higher learning: initiate bridging course for learners who want to get into tertiary institutions.
- Creating scientists of tomorrow: to encourage girl learners to enter this competitive stream.

In 2002, the third attempt by municipality to provide skills was the development programme targeted mainly at successful informal traders, referred in the ITDP as Grade A informal traders. These were group of informal traders who were thought to be ready to leave informal trading environment to enter the formal business. This programme was set out to improve the capacity of trading skills to turn them into shrewd entrepreneurs. The council established two section 21 companies, both called "Open for Business", to run training programmes for these informal traders. The first company operated in partnership with Technikon South Africa to teach elementary business skills. The second company worked in collaboration with Investec to impart intermediary business skills to small entrepreneurs (www.joburg.org.co.za: cited Jul
23: 2002).

In 2004, the EDU appointed a new acting director who then introduced four types of training programmes.

Grow Your Business (GYB)
Mentorship
Premier Food Catering
Periodic Markets (forthcoming)

Within GYB, the city is committed to train 500 informal traders per annum in basic business skills such as cash management, bookkeeping and stock management and customers' relations. During the 2003/04 financial years, 460 informal traders completed this training. In the two years (2005/06) the COJ trained 962 informal traders. (The Star: 2006: 21). The research would however, establish how this municipal skills training development has assisted the individual traders especially the vulnerable groups, most of whom are women, in becoming successful business traders.

CHAPTER ONE:

THE INFORMAL TRADERS TRAINING PROGRAMME

1. Introduction

1.1 Statement of Research Problem

Most people in the informal sector are unable or unlikely to make a transition from the survivalist business to entrepreneur since there are "constrained by a number of factors which constantly reinforce their position at the bottom of the pile". The most affected in this regard are women who are stuck into patriarchal society, burdened with responsibilities of child and family care, and disempowered by their lack of skills and training (Isandla Institute: 1999: 16). Attached to this is a negative perception towards informal traders where many local authorities associate street trading with crime, littering in parts of the central city. KAYA FM News confirmed this in 2004, when the Mayor Amos Masondo visited the CBD area and pointed out that traders will have to be removed from the streets to markets as these transactions affected pedestrian movement. "Anywhere you put a foot there is a tomato and anywhere you walk there is a banana, this is not good for the city".

Nkhensani Mokhobela, the spokesperson for the Executive Mayor, responded to recent serious allegations made against COJ, where the council was accused of folding its arms as Metro police trampled the rights of informal traders. Moreover the council is regarded as having failed to solve the problems of the informal traders (The Star: 2006: 13). In its response, the COJ reiterated that it regards informal trading as an important and integral part of City's broader economy and that the council is willing to dialogue with the informal traders (The Star: 2006: 21).

There exist contradictions between the South African National Traders Retail Alliance and the COJ concerning the value of the informal trading. The COJ have

realised the important contributions made by informal sector in providing jobs in the absence of formal employment hence they are providing training to the informal traders. The Alliance felt that informal trading is undermined and undervalued. The COJ have arrested more hawkers and informal traders than they care to train them as critical mass within the broader skills development framework. Informal traders are hunted down like criminals (The Star: 2006: 19). The Alliance main concern is about the remarks made by Mokhobela that, "It is the City's view that informal trading should be legally controlled and managed". Contrary to that what he believes market forces control informal trading in the mega economies of China and India not by the heavy-handed government authorities. Informal trading in the COJ is viewed as urban dirt and embarrassment and the city officials have lost appreciation of African identity and African cultural trading style. This can be proved by the COJ official who accuses "captains" of Joburg Fresh Produce Market of selling 60% of annual sales to the informal traders. Street trading is an undocumented economic powerhouse worth billions of rands. When the Alliance launched a new strategy "Breaking the chains of poverty", Wayne Minnaar, a spokesperson for the Johannesburg Metro Police Department (JMPD) together with Mokhobela was nowhere near the conference despite being invited (The Star: 2006: 19).

eThekwini Municipality has noted that their efforts to support the informal traders are to a large extent fragmented and uncoordinated in that there are insufficient programmes which focus specifically on street traders. In Johannesburg, relations between formal and informal business and their associations are still strained and hostile and there is a need for a platform on which good relations could be built. The issue of training informal traders to grow is only now beginning to progress and viewed as a priority. Various Councillors and Officials are still not willing to discuss and negotiate with organisations of street traders, and as a result informal traders often infringe on street by-laws and operate their business activities in unhygienic conditions.

Most municipalities are still learning about the significance of informal economy; consequently, they are considering innovative ways of supporting it. The COJ has much to learn from its recent efforts of supporting from international experience

about training that is effective, sustainable and able to reach a large number of informal traders. Judging from the above figures from the newspaper report the GYB has proved to be a successful innovation compared to other projects initiated in the past. “We are confident that the Grow Your Business programme will once again be success because a precedent has been set by peers to motivate others to learn how to improve business skills” Mayor Masondo said (COJ: 2006: 01).

Without discrediting projects such as the partnership between CIDA and COJ that alleged that more than 500 street traders and over 300 garment operators were trained around COJ. The main reason for the formation of GYB was the inadequate skills amongst the local labour force. The crux of the training in this regard is to ensure that the present informal business, which is rarely sustainable and has little growth potential, improves and informal traders begin to see the change. Informal traders are running micro enterprises and at worst survivalist informal business. The intention is therefore to provide ‘phased programmes’ that will empower traders to be capable of starting and running their own businesses (Wits Enterprise: 2006: 01)

The extent to which training has benefited individual traders is still unknown but based on the discussions between the researcher and Wits Enterprise, it became evident that there could be a modest but variable success in the GYB, this form of training may benefit most informal traders in the COJ. It was assumed that training might not be able to provide all the needs that informal traders anticipated such as funding to start or expand the existing business, but training may empower and open eyes of the informal traders such that informal traders become innovators.

This does not suggest that informal traders who receive training may share similar confidence about training; however there will always be a room for improvement. Informal traders who received training could be more empowered than those informal traders who did not obtain training. They would be filled with confidence in their future informal business undertakings and would be working on the constraints that prevent them from realising their potential. Training will inspire those traders who did not receive training to enroll in the next programme. This will be because they would have noticed the improvements brought by informal traders

who received training. For example they may have more customers because of displaying quality merchandise, they may be able to stock more of moving goods and they will have a steady growth in their business.

Training may develop a sense of hope for unemployed informal traders in that there will be more networking and linkages with associations and potential financial institutions that might approve their business plans. Overall training could make informal traders improve their way of doing business.

1.2 Rationale for the Research

There are several reasons for conducting this research project on the impact of municipal skills development in the informal sector at the Metro Mall, Johannesburg.

The first reason is based on the preliminary research project conducted for the Department of Civil Engineering on challenges facing the city in aligning the work of the informal traders with the long-term strategy Joburg 2030. In this research, it was discovered that most informal traders are budding entrepreneurs filled with the desire to prosper. This led to further research and potential solutions to improve the quality of life in the informal business such that trader's business impacted on the informal traders themselves, which was founded on the lack of skills in the informal business.

The second reason is the article titled "We are committed to dialogue with the informal traders" released by "The Star". This caught the researcher's attention as how the COJ was responding to serious allegations which purported that the city was not doing enough to address the needs of informal traders especially along the lines of training and skills development. The article inspired the researcher to find out how the Council was defending itself in relation to the claim of having trained 962 traders within two years.

The third reason came with "Joburg2030", it states that between 1996 and 1999, employment in the informal sector rose from 9.6% to 16% of total employment. Although there was limited data on Johannesburg's informal economy but it was well known that a greater percentage of informal entrepreneurs are survivalists and participate in the informal sector by necessity rather than by choice (Corporate Unit: 2002: 76).

The fourth reason was a number of projects initiatives introduced by EDU to improve the

lives of informal traders. Among many project initiatives of EDU, GYB remains the one that caught the researcher's attention as it indicated that a great progress by the COJ has been achieved in reducing the skills gap among the informal traders. GYB is the partnership between COJ and the Wits Enterprise where most informal traders have graduated from such a training programme and this research would like to establish the impact that training has had on the lives of the individual informal traders.

The fifth reason was prompted by (McGrath 2005) where he claimed that the local authorities need to understand that it would not benefit informal traders if returns from such a training venture will not improve productivity, growth and employment opportunities. It has been argued that initial capital is a strong predictor of enterprise success and that credit is not a panacea. The selling of goods by the poor to the poor is unlikely to result in anything more than survival income. The informal business being in the state of survivalist as it is in the COJ, it was interesting to investigate what strategies and policies were in place and what training could bring to ameliorate the current condition of informal traders.

Finally, Best Practice City Commission generated the idea in their quest for mobile unit that would deliver training next to informal traders' place of work. This Commission is taken from international consultant of the ILO. The strategy of the mobile unit seems to be critical about the provision of incentives and uniform training to entrepreneurs and regards this as piecemeal solutions with little impact on the development of the informal sector. The study does not give examples of where such provisions were made, however at the end the study seems to recommend the accessibility as the effective means of providing training. Line space The Director General of the ILO proposed strategy of "Decent Work" and Education and Training for the informal sector in which different models of conducting training were outlined and this further excited the researcher interest.

1.3 Primary Research Question

What impact has training has on the target group?

(a) Has informal traders business expanded as a result of training?

(b) Has training increased income and increased employment?

(c) Are informal traders changing their attitudes because of training?

(d) How effective has training been in reaching target group?

(e) What reservations do informal traders have about training?

(f) What priorities are accorded to female traders?

(g) Are informal traders committed in becoming entrepreneurs, that is to be business people?

1.4 Subsidiary Questions

(h) Has training encouraged participation among different stakeholders?

(I) How training can be linked to long-term strategy such as HDS?

(j) What mechanism can be used to assess if training is in line with long-term strategy and ultimately benefit informal traders?

(k) Is the COJ meeting its objective in reducing the skills gap among the informal traders?

1.5 Hypothesis

The hypothesis suggests that informal traders who received training have a greater potential for growth than informal traders who did not receive training, which means that increasing training intensity has a positive impact on the business productivity (Zwick: 2006: 30). It can be argued that municipal commitment that is not backed by appropriate training is unlikely to have a meaningful growth increase and sustainable informal business. There has been a fair amount of progress concerning training in the informal sector within the two years of positive municipal intervention and that there are indications of improvement in the informal sector. The report argues that there is still a lot more to be done to improve conditions caused by the lack of skills and the perceived low road that municipality has adopted in the past and in addressing training activities in the informal sector.

The perceived low road taken by COJ in its efforts to provide skills development could be attributed to the conditions of informal traders who remain survivalists in spite of training programmes in place. There is a need for a robust high road support of skills development that will be competitive, innovative and accompanied by real service delivery in which informal traders will strive for economic independence. It can be argued that the period of two years is inappropriate for the COJ to analyse the training impact on the individual informal traders.

However, the insufficient planning at the national level for skills development training provides an indication of how much work the planners need to pursue. This is the scope of the planners because from time to time planners are tasked with evaluation of government's programme. In the absence of a workable policy for skills development, planners have a duty to influence the policy-makers of new approaches involved in developing training skills. Policy-makers would need to acknowledge that informal trading is a highly diverse activity and is in the state of constant change (Rogerson: 1996: 29). Training must be part of an integrated package of measures, if it is to have any impact on workers in the informal economy. Training must be linked integrally to other aspects of a support programme for small business and the informal economy (Rogerson: 1996: 32).

A further argument is that training should be linked to other structures with special incentives given to vulnerable groups such as women. In Spitalfields Market in London, the Women's Enterprise Network gives women stalls for two weeks rent-free to gauge interest before they venture out on their own (EDU: 2006: 25). In the COJ, catering traders were offered additional training after completing GYB training. This type of training serves as incentive to female traders and probably bodes well with a previous training programme offered by Wits.

Training provision increases the scope of trader's performance in that they are able to identify and exploit opportunities within their surroundings. According to (McGrath 2005) the traditional belief that successful businessmen were not created through this form of training suggest that times have changed where constant training is essential to support the informal traders. It is important to adjust expectations and recognise that training development is a process and that training implementation need to be built up incrementally and systematically over a period.

An argument could be made that if natural talents were effective enough, there would not have been a need for the municipality to provide such training schemes. Informal traders who received training demonstrate growth through productivity; they are more dynamic and able to employ other individuals as assistants. Informal traders who did not receive training are characterised by stagnation, lack of innovation and deteriorating business practices.

Continuing health education concerning handling of food is important, an element that sometimes dogged informal traders without training.

Informal traders' management must take into account waste collection. Recycling programme should be introduced as a means of making the market sustainable and ensuring job creation. The Market Establishment Company has recommended that markets should be properly maintained and hygiene standards enforced. Health education will also need to be extended to catering companies who target various events and use whatever ablution facilities are available at event locations.

It is hoped that the introduction of forthcoming periodic markets focusing on sale of fresh produce may have a role to play in bringing cleanliness to Greater Johannesburg (EDU: 2006: 30).

1.6 Research Methodology

The aim of this research is to evaluate the impact of skills development training offered to black informal traders at Metro Mall, in the Johannesburg central business district. To achieve this evaluation the choice will be to utilise qualitative research method, using in-depth interviews as a research technique and to explore people's individual experiences. The main reason why this research method has been chosen is the complex nature of informal trading. The need to evaluate how skills development programme have benefited the selected respondents and the meaning they attach to it, could be best arrived at through the use of in-depth interviews.
This research method will be chosen for the collection of data from eight respondents. The first set of four interviewees will include two traders who had received training and the other two from traders who did not participate in the training. The second set of four interviewees will consist of two key informants from EDU (COJ) and the other two will be service providers from Wits Enterprise and School of Economics and Business Sciences (SEBS) Adriaan Estebeth and Rob Venter respectively.

The selection criteria will be to interview two informal traders who had received training and compare information obtained against that of non trained informal traders. The

objective will be to ascertain if the current provision of skills development training is improving the business operation of informal traders. All respondents will be taken from Grow Your Business programme only, because it is the only municipal training programme providing training to informal traders located in the formal market. The questions to the first respondents will be:

- How did you get to know about training?
- How appropriate was training to your needs?
- What was training about?
- Are there any improvements in your business because of training?
- Have there been any changes at all?
- Do you think training will help your realise your goals, how?

The questions to the key informants will include:

- How do institutions such as EDU and Wits Enterprise work together?
- What programmes are available for informal traders?
- What were the intended outcomes of these programmes?
- How effective has training been to the circumstances of the informal traders?
- Is the council meeting its objectives with informal traders?
- What has been the overall impact of training?
- What plans do they have, to meet increasing demands of skills in the informal sector?

With the above questions, the researcher will be able to address the research and to the informants. The researcher may discover that the training had a bearing in informal traders gaining more customers, which could be the effectiveness of the training and its relevance to the circumstances of the individual trader. The training may have improved participation among different stakeholders as well among institutions. Participation has been demonstrated in training activities for example between Wits and the COJ (EDU). Internal departments within the institutions have come together for example Wits Enterprise and SEBS. Within the EDU three companies, MTC, EDU and Joburg Property Company (JPC) are coming together in finding a common solution to the problem of informal traders.

The size of the sample consisted of ten respondents with eight interviews. The time that was allocated to each interview was one hour. The Department of Development Planning in the form of research materials and stipends provided the resources. The limitation however was the limited number of the sample and that the research was not representative enough to cover all the informal traders in the CBD. Attempts were made to make the sample gender friendly in that one female and one male from those who had receive training and from those who had not participated in the training.

Gaining access to the research site is always difficult, especially in the informal sector where some illegal activities take place and people tend to evade the law (Mosoetsa: 2001: 21). In this case, access to Metro Mall Market at the CBD was not a problem since the researcher had already established relations with EDU, the municipal department that is sponsoring skills development to the informal sector. This relationship assisted the researcher to obtain recognition and preference in accessing the premises. In addition, there was a good understanding between the researcher and the service provider, Wits Enterprise. The procedure of accessing the premises was to get permission from Metro Trading Company (MTC) communication officer Nhlanhla Makhoba who then linked the researcher with the programme manager in charge of informal operations at the market, Jack Phalane who introduced the researcher to the informal traders and explained the purpose of his visit to the market. The researcher then selected the sample both from informal traders who received training and those who did not participate in training programme based on the product they sold, for example, catering traders, refreshments and fruit and vegetables. The reason for this selection is that these products are commonly thought to be in demand in the informal business. The traders were asked if they could spare time with the researcher based on the subject matter of the visit. All informal trader interviewees were assured anonymity and information given was not linked to any real names but fictitious names.

The choice of this research method is based on the main aim of the research–to evaluate and to interpret how skills development has benefited the individual traders. The choice was also based on the assumption that both informal traders who received training and those who did not obtain training could supply as much information as possible about their experiences. Face-to-face interviews made it possible for the researcher to observe the surroundings of the respondents. The researcher used observation as a technique before the formal interviews were conducted to acquaint him with the surroundings and to understand the pattern of informal business operation at the Mall. In this observation the researcher realise

that the Metro Mall was like a container with fixed number of informal traders and customers circulating the Mall per day. The researcher noticed that there was a ceiling to the amount of profit each informal trader could generate since there were more informal traders trading with similar goods. The researcher concluded that limiting the occupation of the informal traders would be necessary in order to reduce competition of selling similar goods. Although face-to-face interviews are regarded as time consuming, it was difficult for a researcher to interview traders in a form of a group, as most traders were busy working. Through face-to-face interviews the researcher was "not constrained to what [researcher] can observe or experience directly but able to cover as many facets of people as resources allowed." Face-to-face interviews allowed one to observe the conditions under which informal traders operate, something that was not explained or asked by the informal traders. Through face-to-face interviews the researcher was able to build a rapport with respondents that is "seeing and feeling events from another's perspective" (Neuman 1997). In-depth interviews on the other hand were the best way to explore the meanings that the respondents attached to the concept of their business.

Eight in-depth semi-structured interviews were completed. Four standardised questionnaires were split between two males and two females at the Metro Mall market. These informal traders were interviewed in order to understand the impact skills of development have had on the individual traders. The other four sets of questionnaires were split between key informants, EDU and Wits Enterprise. A Project Consultant, Xolani Nxumalo and the Acting Director Linda Vilakazi-Tselane from EDU were interviewed. The objective was to establish if there had been any noticeable impact of skills delivery from the institutions point of view? Was there any data available concerning the improvement of the informal traders in their business operations? What were some of the challenges encountered by both government and service providers in delivering the skills development programme? Was there any mentorship that was being provided to ascertain if the informal traders were able to apply what they had achieved from the training? How have skills development training helped to improve their business? Biographical questions were also asked to further understand the impact of skills development in informal trader's lives for example the questions related to ownership of the business, the number of children that the interviewee had and the marital status? How many people working in the family? What does the trader do after work? Where does the informal trader live? All questions except biographical questions were open-ended. Open-ended questions were further extended to key informants, for the purpose of analysis. These interviews provided the researcher with insight of the

municipal skills training offered and the location of the respondents.

1.6.1 Interaction with Respondents

The interviews were conducted in vernacular and where possible clarifications were made, making communications more understandable and hence to receive more reliable information. The age, gender and perhaps race of the researcher had a considerable bearing on respondents' behaviour during interviews. The researcher was a male and an African, this made informal traders to be able to identify with the researcher, and hence most interviewees were positive in their response. Respondents were very relaxed and were willing to share their problems and frustrations to the researcher.

The respondents and researcher shared "a subordinate structural position by virtue of [our] gender and race" (Finch: 1984: 76). Most informal traders felt comfortable speaking to the researcher even the Cooking Mamas were very positive and most wanted to speak to him. This differed from (Finch 1984) and (Oakley 1981) who state that the idea that women researchers offers a sympathetic ear and encourages many respondents to talk to them. Another reason why they were may be interested in speaking to him is because the researcher came from Wits, the institution that offered a venue to their training and where head office of GYB training programme is located. (Finch 1984) does not reject the fact that male researchers can also interview women but "women are almost always enthusiastic about talking to anther woman researcher, even if they have some anxieties about the purpose of the research…" This gave an impression that if the researcher was a woman he would have received more information as opposed to different gender. Similarly, the researcher probably received more information than if he was of a different race.

1.6.2 Ethical Issues

A written consent for the use of the topic was obtained from the Department of Development and Planning and the copy was handed to the COJ. The purpose of the study was explained to all informants. Confidentiality and anonymity was assured in that there was no inclusion of informant's name on the questionnaire form. Time allowance and clarity were given during interviews. The interviews took an hour each and if the customer required the interviewee's attention, the researcher was not fussy as the disturbance lasted for few seconds. These are some of the basic professional ethical concerns, which (Punch

1986) is considering as important. The nature, goal, and aim of the research were explained to respondents and they were given a chance to ask questions relating to the research. The respondents replied well and they were happy that none of the informal trader's name was to be attached to the questionnaires.

1.6.3 Limitations

In addition, the limited sample that the researcher prepared was not representative. The research was specifically based on the low spectrum of the economic activities in our society. (Neuman 1997) states that the researchers are often criticised for being biased towards less powerful people. This may be because the researcher is expressing the views of the rarely heard perspective among powerful people Mosoetsa (2001). This may be true but in addition the researcher by virtue of being the researcher implies that they have access to information available to powerful people. In order to strike a balance in their research they had to go down to the grassroots (disadvantaged) to obtain their side of the story but this would depend on the topic of the research because some research topic does not need this bias. The often-heard perspective to less powerful people is that the data supplied could be censored and that it does not reflect the real issues occurring at the lower spectrum of our society. By visiting the lower class of the society the researcher is able to dig what could have not surfaced, for example this type of research may alert the researcher/COJ of problems as they bubble out the ground.

1.7 Overview of Structure

1.7.1 CHAPTER BY CHAPTER

Chapter two: provides literature review on municipal skills training support. It will provide a review of how the literature supports or objects to different support strategies (locally and internationally). This section will also provides a synopsis of informal trading best practice such as international Labour Standards, Declaration on Fundamental Principles and Rights at Work. "Decent Work" will also be reviewed. Training models for example Trinidad, Model F, will be used.

Chapter three: this chapter will provide an overview of the policy framework in the COJ. This will show how the COJ has developed its policies such that it is aligned to the skills development programme. In the absence of a specific policy that focuses on the informal traders, four policy documents will be discussed that is Human Development Agenda (HDA), Growth Development Strategy (GDS), Informal Trading Development Programme (ITDP) and Street Trading By-Laws. Municipal resurgence of skills training development in the informal sector will be discussed, this will show how municipal skills development has evolved from 2001 to 2006. Of the four COJ companies, at least three will be discussed to demonstrate how they are contributing to municipal skills and training support of the informal traders.

Chapter four: this will be a critical review of COJ approach in relation to international best practice. This would be a reflection on what the COJ has contributed to the informal sector and testing it using responses from the case study findings. The contradictions and the shift of the COJ training approach will be discussed. The question of designated markets and whether these are suitable for growth for the people with disposable income will be raised. How informal traders can grow beyond survivalist business?

Chapter five: this would be a section on the research findings, which will be based on the research questions. The purpose is to establish if the findings are answerable to some of the questions that were set out in chapter one. This will be followed by an explanation on what the municipal skills development training offered to informal traders? What does the finding say to the COJ and service providers?

Chapter six: this chapter will be divided into two sections that are the interpretation and analysis of research findings. The first part will try to answer the key questions of the research report. The second part will include the conclusions and recommendations of the researcher and where he will reflect on the important sections that need attention.

CHAPTER TWO:

CONCEPTUAL FRAMEWORK

2.1 Introduction

The conceptual framework is an overview of literature and articles on how they dealt with the issues of informal trading training programmes. The critical input in this report will be based on what has proved relevant for the study. Critical issues will include linkages between formal and informal business and the constraints of informal business and its limitations. Another section will answer the question of how the conceptual framework fits into the long-term policy (GDS) and short-term policy (IDP) of the COJ.

2.2 Literature Review

In reviewing training literature within which to place this research, the starting point will be on the contribution made by Human Science Research Council (HSRC), in which three different types of training programmes were outlined namely, Type A programme: aim to enable traders from informal to formal sector. Type B programme: aim to encourage informal traders to operate more effectively and profitably within informal sector and Type C programme: which is directed at disadvantaged groups to empower them to enter informal sector. All three types of programmes were regarded as important but informal traders in Type B and Type C needed to be placed on a special skills development-training programme (NTB/HSRC: 1991: 04).

In order for an informal trader to access credit from the wholesalers, the criteria are that they must have vat number and a good credit reference. This means that there is a need to train informal business owners to manage a cash flow, budget, to plan repayments and to manage money so that it would be easier to obtain credit from suppliers (Hirschowitz: 1991: 17). It would be under such reasons that the focus on type B and C would be given special attention. In Johannesburg just like in Durban, the majority of informal traders who fall under these two categories are women. The conceptual framework would like to establish what priorities or strategic actions that the municipality has taken to assist this vulnerable group of informal traders. It has been noted by COJ that poverty has pushed this group of survivalists out of the rural areas to the cities. They lack skills, have low education levels and no business experience and they are predominantly black and females. The scarcity of employment opportunities in

the city has forced them into informal trading. A variety of skills development training programme are therefore required to support this group such that the sector itself is elevated into recognisable international standards as promulgated by ILO such as "Decent Work." The ILO suggested a DaCum (Developing A curriculum) with a 'special coach' equipped with latest technology that will deliver training skills close to business operations. (Munbodh: 2003: 05).

The policy process in Durban for example, is a particular promising illustration of negotiated reforms involving all stakeholders, including street vendors themselves (Addressing Informality, Reducing Poverty: 2001: 14). The Durban City Health Department has introduced incentives in delivering quality training to traders. Informal traders are getting free training and access to a Makro Card Certificate together with a street trading equipment prize. The eThekwini Business Development Centre (TBDC) has been approached regarding training programme to support credit union development (Street Trading Review for Durban Metropolitan Area 1998). The City of Johannesburg is perceived to have engaged in the low road (incompetent, unprotected labour and low income) as opposed to high road (competency, high wage income and productivity) in addressing the intricate nature of informal traders. Therefore, efforts to develop skills development are seen to have suffered from a lack of commitment. Most studies in the informal sector reveal that in situation marked by low education, literacy levels, lack of formal business skills or training and little access to credit new businesses tends to be survivalist enterprises characterised by 'low barriers to entry'. In other words, a dynamic informal economy cannot be achieved in isolation; its fate depends on whether formal sector can be revived in a developmental manner (Isandla Institute: 1999: 16). Although, there is ample evidence that managed informal trading does co-exist with formal business without one negatively influencing on the other (The Star: 2006: 13).

The COJ did not do much to establish linkages and interactions between the two sectors. This is because the majority of the economic wealth remains in the hands of the white-owned corporations. The concept has been developed by the COJ to provide training to informal traders and it is believed that this support will open opportunities to informal traders. There are a number of problems to this belief; firstly, most research suggests that banks for example are still reluctant to enter informal business markets even if the banks are underwritten by credit guarantee schemes. Monopolistic control over certain markets is rampant (Isandla Institute: 1999: 15). This was inherited from the previous system of segregation, which recommended the protection of formal business over informal businesses. This is made clear by (De Soto 1989) who maintains that reforms in such cases will be difficult to effect because of large

corporations' tendency to absorb dynamic small independent business. Thus in formulating policies for informal sector, serious attention should be directed at the macro policy environment. A narrow focus on projects that target individuals or groups of enterprises will almost be inadequate.

The second problem is that survivalist activities cannot be idealised or romanticised as opportunities for employment promotion since they are essentially in a poverty trap. Analysts regard such assumptions as 'exaggerated' and 'misleading' as it would be shown by case study findings in this report. Hard evidence in Germany and United States shows that those small businesses as job generators were greatly exaggerated. The share of all jobs accounted for either small companies or individual enterprises has hardly changed since 1960. The increasing number of small firms has turned to do lean production for big companies (Isandla Institute: 1999: 14). In the COJ this will mean that an aggressive informal trader's policy should include an effective competition policy, which can counter market collusion and oligopolistic control especially in the areas of credit and linkages with formal sector.

"It has been argued by (Hirschowitz: 1993: 08) that any policy in the informal sector needs to be based on an understanding of both constraint and facilitatory factors affecting its functioning and the influence that other actors interacting within business have on it. These factors and influences can be found at various levels, from individual to global". In the absence of a specific policy document that focuses on the needs of the informal traders, other policy documents have not concentrated on the key constraints and the means to channel those limitations into workable solutions. For example, increased employment and productivity may remain a problem in the informal sector. Although it has been indicated in chapter one that training is a slow process that needs the involvement of all concerned. The integration of training programme still needs to be elevated by considering both local and global models for example Durban as a local best practice and Model F as international example.

Some of the limitations on the key constraints which have not been tackled by COJ training programme are for example that Metro Mall has a limited amount of activities and capacity of customers that can be accommodated at the complex. The constraint here is that there is a ceiling to the amount of profit each trader can make especially if they are selling similar goods. There are approximately 6000 customers circulating at the mall each day and half of them used the mall for transport exchange (embarkation and debarkation) and the other half are customers interested in buying something from the mall before leaving the mall. This means for example if 3 000 customers were to spend R10 evenly to 510 informal traders at the mall each informal

trader would make R59 each. This means that informal traders are making about R1 700 per month. For this reason, the report will argue that the profit margin is unlikely to break the profit ceiling. There is a need to diversify products and skills specialisation of the informal traders' occupation at the mall. The problem is that not all informal traders may conform to this division of labour as they see fruit and vegetables as quick and easy way of making money. The example of Camden Lock market, in London, the Urban Space Management (USM) which converted the derelict building into viable business operation introduced week ends planned events which included dances, concerts and performances which were mainly 'free' but was well publicised in local radio and press. This strategy increased the profit margin for local informal traders.

The solution to this problem is twofold; the COJ may provide each informal trader with a loan or credit to purchase more stock. This will result into two unintended consequences. Firstly more stock will force the informal traders to reduce the price of the goods since they are perishable products. This will eliminate the informal traders with limited stock, as more customers will purchase from a cheaper informal trader. Secondly the traders with more stock may consider operating as wholesalers and this
will close the existing wholesalers near the Mall. What will happen if all traders get access to such credit and decide to operate as wholesalers? This is a problem, that ITDP tried to avoid and it seems to be a vicious circle.

The second constraint is that of selling of similar goods. This report suggests that the grading system applied to markets may somehow need to be adjusted to different forms of training. Training should be arranged in such a way that informal traders can have a choice in what they would like to become in terms of products. Informal traders who want to specialise in vehicle repairs, watch repairs, refrigerator repairs and so on should be provided with directions and this will reduce the size of this massive fruit and vegetable market which is unproductive. Uniform training is good to as far as it addresses pros and cons of informal trading such as attitudinal change, customer care, life skills and so on. However, when it comes to productivity, informal traders would need to be put into different categories of training. This would eliminate the COJ low road approach to the informal trading. This idea will broaden the market of informal traders and there would be more demand for specialised informal traders as opposed to general informal traders.

Observations in Bloemfontein (Abram interviewed) informal traders have demonstrated that collective incentives after the training always reduce the level of commitment among the

informal traders as the profits are collectively shared. When incentives are given to the individual traders, they become more enthusiastic, responsible and strive for improvement of their businesses. This may be problem as the COJ is more inclined to provide collective incentives. If this system of providing incentives cannot be revised it would be unlikely for individual trader to become competent and this will make individual traders to revert to a previous survivalist business where they were guaranteed of minimum income.

The timeframe of two years for the COJ to assess the impact of skills development programme was a bit too ambitious, considering that there are 5 000 registered informal traders. Within the period of two years the COJ only trained 1 000 informal traders which meant that the process of training all 5 000 registered traders will be accomplished in ten years. A period of five years should be more appropriate for the COJ to come up with concrete evidence concerning the effectiveness of the programme. However, the COJ is doing its best to keep abreast of the skills development in the informal sector. For example, the article from (The Star: 2006: 21) which states that the COJ is prepared to be involved in a dialogue with the informal traders, demonstrates the commitment the council has with the informal business. In short by the time of writing there was insufficient information on the overall impact of the programme. However, the demand for training and the manner in which it has benefited individual informal traders points to the success of the programme. “Through appropriate training these traders are provided with the necessary knowledge to grow their operations into a sustainable and competitive business”, said Amos Masondo, the Mayor of Johannesburg (COJ: 2006: 02).

Wits Enterprise on the other hand has conducted an internal assessment of the programme and a record of successful traders who underwent training was sent to the COJ. While an internal assessment could provide indication of successes, the challenges of a programme should not be underestimated. The weaknesses of the programme may be more evident in the areas of job creation and increased employment. The successes gained in reducing skills gap may be determined by the fact that during the period 2005 and 2006, out of a thousand traders who attended training, 962 completed their training, which can be translated as 96% achievement or success rate in the effort to reduce skills gap. “We have not conducted an overall assessment of the programme but it would be helpful to find out how training benefited informal traders in improving their business”. Adriaan Etsebeth from Wits Enterprise said. In an effort to gather data that assess the overall training impact provided by the COJ, Wits Enterprise is providing a mentorship programme after and before the start of the training. “To ensure optimisation of what has been learned, the course has a built-in mentorship that allows facilitators to do remedial work with trainees once they have completed” Dr Johan Swanepoel of SEBS said.

One of the objectives of this research report is to explore the extent to which municipal support has benefited the individual traders. This could effectively be accomplished if the benefit could be traced from the start of support services provided by COJ in relation to what is happening now. Professor Enselin van Rooyen has alleged (from the University of Pretoria) that informal trading does not amount to real growth or establish entrepreneur businesses but can be seen instead as a state of survival. There is a need to move informal traders to the entrepreneur stage for the success of the business to be supported (EDU: 2006: 06).

The main argument explored in this section is that municipal support has not benefited the individual trader in the last few years and that new initiatives recently adopted are beginning to show the way COJ is conducting its business. In the absence of a basic policy document that focused specifically on informal traders, the COJ has decided to align city's strategies with those of national or provincial government. The manner in which the COJ have harmonised informal trader policy documents was first through policy framework, which identified the number of important policies that were to be incorporated in the development of training offered to informal traders. Secondly, the six-development paradigm cut across to inform the rest of the strategy and underpin the City vision. The twelve sector plans for example economic development, finance, spatial plan and so on, which were isolated in the past are now aligned to Mayoral Committee portfolios (Corporate Unit: 2006: 13).

While this alignment is still at an experimental phase as it was only introduced on the twelfth May 2006. From a workshop held on thirteenth June 2006 between the COJ and JPC, the Acting Director of the EDU indicated that the key priority areas would need to be taken into consideration when considering a solution to challenges emerging from the informal traders (EDU: 2006: 01). There were a number of developmental reasons why the COJ had to engage in the consolidation of GDS and IDP in relation to implementation of the city vision and the strategy. Among many reasons it was a response to a critique that IDP formulation took place in isolation from COJ financial planning, as a result IDP was rarely implemented in full (Corporate Unit: 2006: 09). This weakness affected EDU implementation of the Joburg 2030, a previous long-term vision, which was supposed to produce strategies on how informal traders should be trained in order to reduce skills gap and ultimately increase job creation.

2.3 The Informal Trading Best Practice

2.3.1 Introduction

One of the fundamental thrust of this report is that training does not take place in a vacuum, which means that the environment under which training is to be conducted needs to be supportive enough to enable informal traders to engage with banks or credit facilities, access to security schemes, receive business advise and obtain childcare facilities for women. For this an integrated approach, which combines a number of strategies, is necessary (McGrath: 1994: 117).

Training must be pursued within the context of training for existing or potential market opportunities. One of the strengths of Self Employed Women's Association (SEWA) in India, for example has been that it only establishes training programme once an in-depth analysis has been carried out to assess market opportunities in a particular sector. In addition, multi-dimensional approaches to informal trading often lack clarity. Objectives, priorities and strategies often appear to have common weaknesses, which combine income generation with poverty alleviation (McGrath: 1994: 116), as we have seen in the five discontinued projects.

The purpose of this research report is to investigate how informal best practice can assist for example in assessing impact of individual traders in terms of financial performance and job creation as this is one of the key question of this report and the one reason why the COJ decided to intervene in the informal sector. This is because financial sustainability of income generating projects in general is problematic, but benefit gained from such projects cannot be ignored, such as increased self-esteem, self-awareness and assertiveness which training offers. (Howarth 1992) points out that business support agencies also have something to learn from community based development agencies in that the latter have developed working practice that encourages mutual support mechanisms, which are also important to the business success of informal traders (McGrath: 1994: 118).

It can be argued that uniform type of training on basic skills is important but if such training is not followed by specialised training that will introduce informal traders to differentiation for example to be able to manufacture their own products, skills development will remain an ambitious intervention. In order for the training to have an impact to the lives of the informal traders it has to be measured in productivity, so long as uniform training does not include

competence in terms of specialisation it would be unlikely to improve the quality of lives. William Thompson once said when you can measure what you are speaking about, and express it in numbers you know something about it but when you cannot measure it, your knowledge is of a meagre and unsatisfactory kind (Corporate Unit: 2006: 116). The measurement of self-esteem, awareness and assertiveness is complicated and to put it in numbers is not possible.

The reason for this assertion is that Trinidad in the Caribbean introduced a programme known as Servol, which was set up as a vocational training organisation in response to a massive low level of youth literacy and unemployment in this island. It was soon discovered that the target group had far greater needs than simple manual skills. A uniform training in life-skills and attitudinal skills formed part training on basic skills. After this training learners were taken to vocational training where they learned specific skills (training-with-production), which was more dynamic and did not resemble initial uniform training (basic skills training). The basic skills training sessions took 12 weeks and technical training ranged between 6 to 8 weeks. Attempts to develop mentorship and compensation of apprenticeship were made and when trainees reached a stage where they could work with minimum supervision, they were linked to either formal or informal employers. The example of Servol, can be related to the training practice of COJ on the grounds that the COJ is providing training to learners who are less literate and the COJ have graduated from the fact the training for disadvantaged groups is often criticised for being of low efficiency. It can be argued that such a population is unemployable and that training should be given to those who are more likely to benefit from it. However, the example of Servol, suggests that in the case of such a group, much can be done to alienated youth (or informal traders). The Servol experience indicates that the first need of this particular target group is self-belief. Only when this has been facilitated can worthwhile training for productive self-employment can begin (McGrath: 1994: 135).

What the above statement tries to illustrate is that in order for the GYB training programme to be productive, there is a need for rigorous research into what type specialisation informal traders would like to be taught. This is crucial because this selling of similar goods by the poor to the poor is unlikely to result in anything more than survival incomes. However, this idea does not rule out that those who would like to remain in the survivalist type of business are allowed to do so. This concept will serve the dual purpose, firstly there would be increased employment and job creation if male informal traders specialise for example in car wash, watch repairs, stoves repairs, cell-phone repairs, panel beating, vehicle repairs and so on. The female informal traders can improve productivity if they can specialise in traditional attire, bakery, hairdressing, child-care facilities and so on. Secondly, it would enable informal traders

to join the formal sector, which is one objective of the Executive Mayor in providing training to informal sector.

The clearest measure of Servol's success is the level of demand for its courses, which far outstrips supply. A highly significant confirmation of this dual training was made by the World Bank's insistence that attitudinal training be included in large-scale programmes for unemployed youth, which it is funding in Trinidad (Mahabir 1993). The reason for success is not immediately known but Servol is strong enough to avoid co-option by the state. Servol has an ideology, which makes it successful and be respected by the state. The ministry itself is not threatened by the existence of Servol (McGrath: 1994: 135). The relevance of Servol experience to the COJ informal traders is that is has a section on women, who form a major vulnerable group in the informal sector of the COJ. It will be interesting to see if GYB programme improves its training facilities such that it is extended to occupational training of informal traders.

2.4 Government Intervention

In the past, various local authorities often asked questions why government should intervene in the informal sector. Many thought that there was no need to intervene because the informal sector was dying, which meant it was not going to last long and others thought that intervention was to lead to distortion of the of informal market. However, economic trends show that the informal economy is here to stay. As a result appropriate regulations, laws, and policies are required to promote it and redress the biases of the formal economy (WIEGO: 2001: 03).

More specifically, the government also needs to intervene to support small-scale entrepreneurial activities through training, credit and market support. International Labour Organisation (ILO) mandated the governments to intervene on behalf of all workers including those in the informal economy. The principles of equity, poverty reduction and efficiency, which are common among various governments, formed the basis for the local authorities to provide training support and improved informal business infrastructure. Many countries now have developed policies that are targeted specifically at the informal economy, for example Servol in Trinidad was based on "Social and General Education". The second policy of "Promotion of Business Awareness and the Creation of an Enterprise Culture" focused on

awareness and overcoming cultural inhibitions and has been tried in Britain and Ghana. Finally the "Creation of Entrepreneurs and Fostering of Entrepreneurial Attitude" in India. This policy came from 'Achievement Motivation Training' (AMT) introduced by McClelland who argued that entrepreneur behaviour is associated with measurable character traits such as "need to achieve", risk taking and initiatives. The overall purpose of the policy was based on a belief that an individual's entrepreneurial attitude can be identified and developed (McGrath: 2005: 139).

The government intervention in the form of training can promote productivity and growth in the informal sector. Informal traders' contribution to economic growth should be increased by the same incentives that are available in the formal sector. It costs much less to create jobs in the informal than in the formal sector, and the informal enterprises are the training grounds for entrepreneurs. Without addressing the employment needs, constraints and vulnerability of those who work in the informal economy, efforts to reduce poverty will not succeed (ILO: 2001: 04). This is the fundamental reason that education and training for the informal sector has re-emerged on the agendas of many governments. NGOs and agencies that operate in the developing world, suggest that in the absence of sufficient well-paid work in government, modern industries and commerce, the government is left with no choice as is confronted by a weakening capacity of the state to do very much about that which will improve the informal economy (McGrath: 1994: 153)

In line with the subject matter of this chapter, the ILO in its latest policy framework has incorporated the informal trader's economy known as Decent Work. Under the framework, the Director General of the ILO identified gaps or deficits within the informal trading business such as absence of sufficient employment opportunities, inadequate social protection, denial of workers'rights and benefits, exclusion from social dialogue. Increasing decent work means reducing the employment gap, improving the rights at work provides social protection and so on. The ILO recognised that the above deficits are more common in the informal economy than in the formal business. Therefore its concern for decent work also applies to those in the informal sector (WIEGO: 2001: 09). The Governing Body of the ILO agreed to reflect on this concern at the next meeting schedule for June 2002. The research was unable to find the outcome of the Governing Body findings instead it used a summary of an international consultant (Munbodh 2003) who reflected on international experience of training for informal traders and lessons from it.

2.5 International Labour Organization

2.5.1 The Mobile Unit for the Informal Sector

2.5.2 Introduction

A mobile unit is a training unit on wheels, equipped with the latest technology that will be put at the disposal of the centres to conduct training for the informal sector. There is limited information available where this programme has been implemented and what were the results of such implementation. However the programme seems to emphasise one area of importance relevant to this study as indicated by conceptual framework that uniform training at entrepreneurial level will not promote growth, but in this article uniform training is referred to as "more of the same" training. The article is promoting accessibility of training to the informal sector which may be a problem facing the informal traders in the COJ.

The purpose of this section is to investigate the effective means of providing training that can have an impact in the circumstances of the informal traders such that they become entrepreneurs. This was prompted by the findings of this research conducted to manufacturing informal traders for example herbal medicine, brick manufacturers, vehicle repair, watch repair and so on. These findings were considered as important in the study of informal trading as the basis of striving towards entrepreneurial development and of breaking the profit ceiling and to get traders into production activities of informal business. The objective was to establish what type of training and what should be included in the next phase of the training programmes that will enable informal traders to escape survivalist business and be able to enter entrepreneurial stage. The outcome of this research was such that mini and micro (survivalist) enterprises provided means of subsistence through goods and services on small scale with low quality and prices. The small medium (entrepreneurial) enterprise was associated with higher levels of education, higher levels of income and longer hours in the business. The latter findings seem to concur with the above statement, which discourage training to disadvantaged people as they turn to be low in efficiency. All of these may be of help as they point to the challenges of climbing the ladder towards entrepreneurial world.

This can be supported by the findings in an entrepreneur programme introduced in Bloemfontein where informal traders were trained in carpentry and poultry. The furniture was low in quality therefore lacked market potential. Informal traders in the poultry produced

chickens of poor quality (with thick layers of fat and less meat). Businesses were closed down, informal traders revert to survivalist business, and the investment in infrastructure made by municipality became useless. The example of SEWA has shown that training programmes should only be established once an in-depth analysis has been carried out to assess market opportunities in a particular sector. Clearly, these entrepreneur programmes lack a vision in the demands of the market.

This makes the researcher to wonder if it is appropriate to train informal traders to become entrepreneurs. A number of schemes have been put forward to address the problems of the informal sector, which include incentives, training in entrepreneurship and formal training programmes. These were seen as piecemeal solutions according to the study, have had very little impact on the development of the informal sector and that very few startups survive. These experiences clearly show that new approach in the sector is required. (Munbodh: 2003: 03). This new approach according to these findings is to be found in a mobile unit and a shift from uniform training (which the article termed it as "more of the same" training) to more targeted programmes. However the question remains how effective will this be to the circumstances of the informal traders?

Schemes have been set up with incentives for the learners to attend different programmes, however at the end of the programme very few participants managed to enter the informal sector. This can be associated with inappropriate equipment, curriculum that does not meet the needs of the learners and centres being too far away from those who need training. It has been noted by this study that employers are not happy with the output of the training system even for the formal sector. This is because training centres may not be able to keep up with changes and updated curriculum and equipment especially government owned facilities. "Hence providing "more of the same" type of training is not going to improve the situation as far as employment creation for informal traders is concerned. It is under such circumstances that a new approach in solving the problem is required and that those solutions should not suffer from a lack of purpose" (Munbodh: 2003: 03).

2.5.3 Strategies Proposed by International Labour Organization (ILO, 1991)

2.5.4 The DACUM/SCID

In an attempt to implement mobile unit programme, a modified DaCum (Developing A curriculum) facilitation workshop can be used to identify factors contributing to the development of the sector. Once a DaCum chart is prepared it can be verified and validated. The tasks are then identified and prioritised, the chart can be used to work out an action programme and enable the most appropriate action to be taken to have the greatest impact on the sector. The study acknowledges that training as such does not create jobs by itself but it can improve productivity if it is directed to the needs of the learners (Munbodh: 2003: 04). The strategy proposes that since informal businesses are typically family businesses where it is difficult to release anybody for long period of time for training, it could be much easier if conducted in a form of a 'unit' close to the place of work. The impact of training may not be that great since instructors cannot carry all support materials to conduct such an exercise. It is proposed that a "special coach", a training unit on wheels, equipped with the latest technology for learning and up-to-date multimedia be put at the disposal of a training centre to conduct the training to the informal traders. The 'mobile unit' will move from place to place and conduct training near business operation. The facilitators working on the coach will be provided with the skills to use all the support materials to convey to the learners the best practice. The print materials will have to contain as many illustrations as possible as the target group may not all be literate (Munbodh: 2003: 05).

The special coach will require an initial investment, which may not be within the means of municipality. However, if the approach is implemented, it will provide an opportunity to reach informal traders in the remote areas and improve the performance of the hundreds of small units. The provision of training next to the place of work will serve as an incentive to attract the entrepreneurs to learning. Most entrepreneurs have low levels of education and have acquired elementary skills on the job, quite often do not feel at ease to attend training centres. This may be because of that attending training will expose their incompetence. The result of the training is that the quality of product in this sector will improve, new markets will become available and businesses will grow. More jobs will be created and the quality of life of the people will improve. Already the informal sector is contributing more than 50% of employment in non-agricultural sector therefore minimising the unemployment problem. It is believed that this proposal to use 'special equipped coaches' to reach a maximum of these entrepreneurs will go a long way in improving productivity. The investment will make the

project worthwhile and sustainable (Munbodh: 2003: 06).

2.5.5 The limitation of Mobile Unit

The limitations for this form of training are many, complicated and sometimes contradictory. The findings of the study are such that informal traders in the entrepreneurial are associated with high level of education and on the other hand, it states that most entrepreneurs have a low education level. The study fails to make a distinction between the basic skills and entrepreneurial training but the article does acknowledge that uniform training may not improve the condition of the informal traders hence there is a need for new approaches and that solutions should not suffer 'lack of purpose'. However since the programme is about the development of the entrepreneurs a uniform training may not be appropriate since this should be an area of specialisation. Informal traders should be given occupational training based on the in-depth analysis to assess the market opportunities of a particular sector; the prioritisation phase of a DaCum chart was seen as the key in developing occupational training.

The research also failed to give results of the actual implementation and in the absence of such details, the researcher made use of Bloemfontein entrepreneurial skills development. The results from this example shared the same sentiments as those of mobile unit programme. What seemed to be a central problem in the entrepreneurial skills development is not a uniform training per se but the attitudinal skills. The informal traders with a low level of education may lack the capacity to understand that collective business development is more appropriate in entrepreneurial development than individual operations. While this may differ with assertion of (Isandla Institute 1999) portrayed in the conceptual framework that a narrow focus on projects that target individuals or group of enterprises will almost be inadequate. This is because informal traders have developed a selfish behaviour pattern of wanting all the profit for themselves, which was developed during the survivalist business operations. This area hounded the mobile unit programme where a different explanation could have been more appropriate to overcome such attitudinal behaviour. What makes this scenario even more complicated is the fact that attitudinal skills training should have been addressed in the basic skills development before entrepreneurial training was introduced. The accessibility that is promoted by the mobile unit can be of great benefit to informal traders who may not be able to travel long distance to get to the venue where training is offered. Training as a piecemeal (waste of time) was not supported by this research report instead attitudinal skills training was regarded as more appropriate in the circumstances where basic skills development was thought to have not benefited informal traders.

2.5.6 Entrepreneurial Model (Model F)

The entrepreneurial model serves as an illustration of how best municipality can inculcate a culture of entrepreneurial thinking towards the informal traders, (Rogerson 1996) pointed out that training must be part of an integrated package of measures, if it is to have any impact on workers in the informal economy. Training must be linked integrally to other aspects of a support programme for small and the informal economy.

Out of a list of models proposed by World Bank agencies (ODA 1994), Model F was preferred as it focused on a package of support for entrepreneurial development. This model was taken from a range of different models for example Model C that dealt with Subsistence Self-Employment, Model D focused on Enterprise Self-Employment. These models were based on the various pathways of self-employment and their link to education and training. The pathways were formed by ODA research known as Education and Training for Self-Employment where it was looking for information on the role of education and training in respect of poverty alleviation and economic growth within informal sector. The research position was that basic education can provide a second chance to those who did not obtain it and that it is a need rather than a right of the marginalised. Education promotes entrepreneurship and direct impacts on poverty reduction. To achieve this, informal traders need to engage in income-generated activities however the basic fact is that training should be linked to other developments such as availability of initial resources, literacy skills and other aspects of basic education (McGrath: 1994: 154).

Education and training plays a central role in the preparation of self-employment. What transpires from the best practice (McGrath 1994) is that in the tailoring of the needs and strengths of the existing training systems, cultural sensitivity and awareness of the technological dynamic within the informal sector are of a greater priority than technical fixes. Model F presents two important aspects of entrepreneurial development which are support services and a legal framework which often constraint and support it. The list of support services provided by the model is neither prescriptive nor proscriptive. These services are available selectively in what may be termed ‘economies of extreme scarcity’. Much of these services are widely known and discussed in development literature than applied in the developing countries. There is no possibility of introducing the application of even a minimal package of such interventions to informal sectors worldwide. This will depend on many aspects for example funding, the choice and suitability of the programme; quite often, the application will differ from country to country.

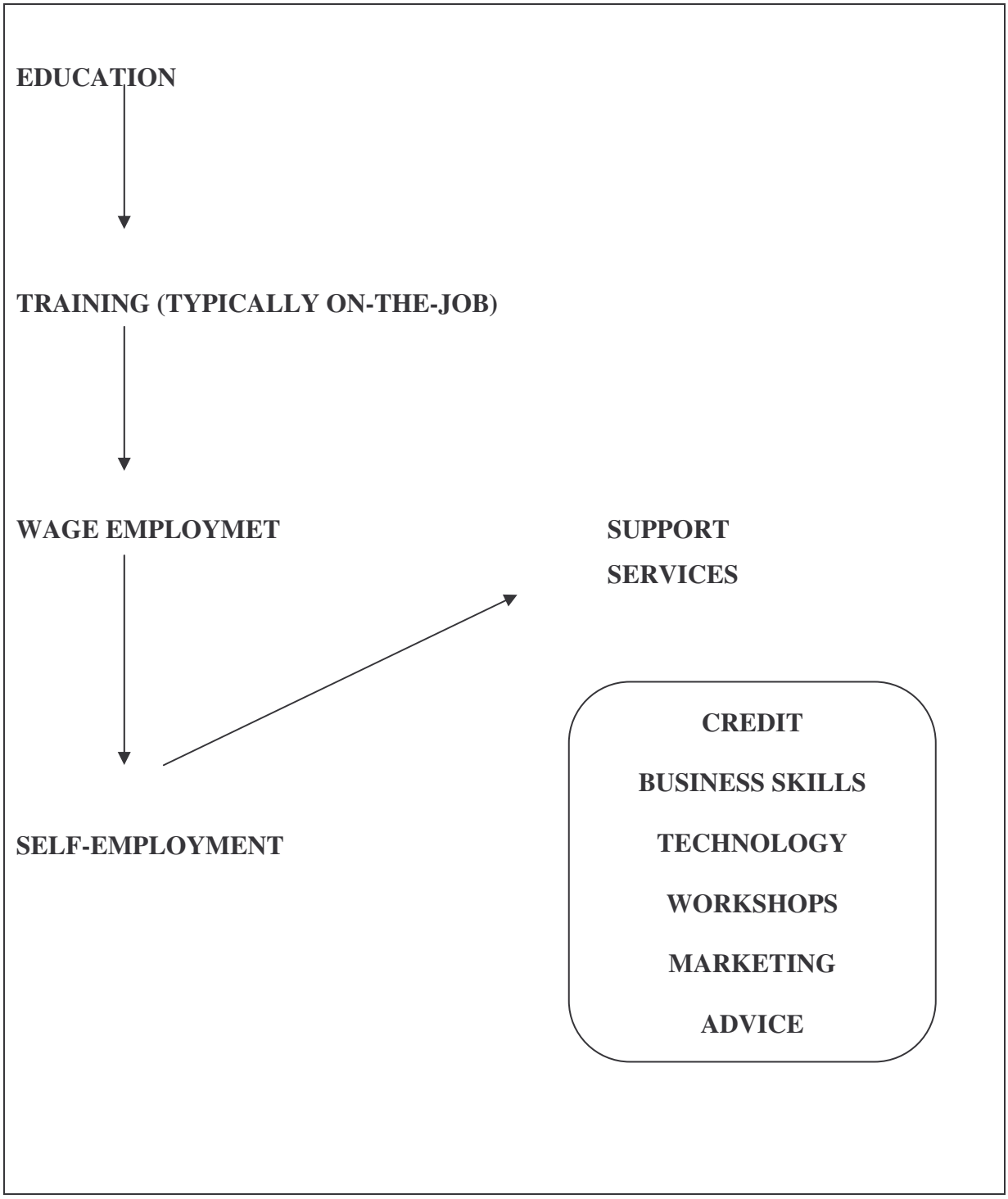
The continuum from education to self-employment in the Model F is the legal framework, which is concerned with legalities that often constraint and support training programmes. There was limited information on how each aspect of the legal framework relates to such constraint and support. However, according to (Harper 1984) the conditions under which informal traders find themselves was as a result of legacy which affected disadvantaged informal traders through a variety of legislative devices. Too often, such laws remained in force when it came to street traders, informal sector industrial estate and markets. This appeared to be a major contributor in the weakness of informal sector in Southern Africa particularly where policies are a legacy of apartheid regime. In Namibia, for example whites are still prevented from small-scale businesses, which might erode the demand for South African products. (Chew 1990), argue about preferential treatment always given to the formal sector. In Kenya for example a large volume of medium and large scale industries were allowed cheap imports, which could have been sourced by informal sector, which is supposed to be a major sub-contractor for formal economy. (Hailey 1991) reiterates on legal obstacles for example that health, safety regulations tend to be devised in a narrow fashion whereby informal sector cannot but infringe them. This creates a situation where police and municipal authorities become an occupational hazard to the informal sector. (De Soto 1989) is concerned about bureaucratic systems, which result in excessive delays before informal traders can receive licenses, which in theory permit them to trade without harassment. This means that there is a need for such barriers to be reduced. (Annis and Franks 1989) point out that the reduction of constraints, are important but provide only a partial response to the needs of informal traders. (De Soto 1989) argues that regulations in the Southern States have arisen out of the power structures and its alliance with big business and that reform will be difficult to effect.

In Durban, it was found that government regulations did not impede the business of the informal traders but instead regulations were seen to benefit their businesses from competition (eThekwini Municipality: 1998: 38). The Durban experience in South Africa is an excellent example of policy making between authorities and the informal economy in aligning the vision for the role of informal traders in the long-term economic plans of the city, turning the vision into policy and setting up an implementation strategy with institutional structures. They regard street traders as

workers who are an integral part of the city's life and economy, not survivalists or welfare cases. Research on the informal trade sector for example clothing and accessories, traditional medicines, fruit and vegetables supported the making of the policy. Durban City officials and informal traders have been working together to improve the image of the informal sector (WIEGO: 2001: 16).

Fig 4: A Package of Supports for Entrepreneurship

Legal and Macro-Economic Framework



Source: Model F: Education and Training for Informal Sector (McGrath, 1994)

It can be concluded that education and training form the basis of entrepreneurial success in the informal sector, as this has been demonstrated by the Trinidad example of dual training programmes where hopeless youth and disadvantaged community who suffered unemployment benefited from training. Attitudinal training skills and self-belief are regarded as the key to the training programmes. The strategies proposed by ILO in its mobile unit programme suggest that uniform training at the entrepreneurial level may discourage learners from being competent. A mobile unit provides accessibility of training to informal traders in the remote areas. Complications shown by the example of carpenters and poultry traders in Bloemfontein suggest those informal traders have deeply rooted differences emanating from either cultural differences or within the structure of municipal incentives. The partial solution to this problem is outlined in the entrepreneurial development – Model F, which points out that cultural sensitivity and awareness of the technological dynamic within the informal sector are crucial rather than technical fixes. It shows how education and training can be institutionalised from basic skills development to training-with-productivity and is linked to future employment and ultimately to self-employment (entrepreneur). This model illustrates that there is no problem in combining the provision of training to poverty alleviation and economic growth, provided the training is focused and within the continuum of the legal framework and support services outlined by the diagram. The onus is on the COJ to establish if it can incorporate some of the lessons given by international best practice.

CHAPTER THREE:

OVERVIEW OF POLICY FRAMEWORK

3.1 Introduction

The policy framework of the COJ is designed to align the five policy documents namely Joburg 2030, Human Development Agenda (HDA), Growth Development Strategy (GDS), Informal Trading Development Programme (ITDP) and Street By-Laws. The first reason for this alignment was based on a new consolidated city strategy -Integrated Development Plan (IDP) that is informed by GDS, a long-term strategy. The second reason was purported by the absence of a specific informal trader's policy document that focused on the informal traders. This was incommensurate with other policy development as all policies were being consolidated. This harmonisation process was therefore aimed at aligning informal policy documents to the IDP in the same way as the twelve sector plans were aligned to it. It may be viewed as having arrived at the opportune time when all other city policies were amalgamated into a single policy document.

3.1.2 Joburg 2030 Strategy

The Economic Development Unit is a COJ development agent, that was tasked with the implementation of Joburg2030 in 2001 and included skills development of the informal traders. The EDU developed a number of important strategic frameworks such as ITDP and other six preliminary projects for informal traders, to take Joburg2030 strategy forward. However, over time it became clear that the plans were not being carried out meaningfully into the IDP. It was not clear, how the effects of many parts of the municipality as reflected in the IDP, contributed to the unfolding of the Joburg 2030 strategy. The result was a gap between the long-term City strategy and the primary medium term strategic plan. In the late 2004, it was decided that attention had to be given to 'mainstreaming' the city strategy across the municipality. It was therefore seen as critical to formulate a new city strategy and IDP together that would ensure that IDP remains a primary plan for implementing the long term city strategy (Corporate Unit: 2006: 14). Most programmes introduced prior 2004 were discontinued because most lacked focus. In 2005, GYB was implemented to improve the skills of informal traders. Joburg2030 strategy envisages that a large number of the informal traders will be absorbed into a growing formal sector labour market. On the other hand the Joburg2030

strategy admits that informal sector will continue to exist but will be substantially be reduced in size. Survivalist informal traders' operators will either no longer be resident in the city or will have found secure formal sector employment and those who remain will operate through choice rather than necessity (EDU: 2006: 08). One of the instruments of stimulating growth was through SMMEs, that performed sub optimally, and even the renewed strategy Joburg 2030 strategy gave indication that it was not linked to large firms (Joburg 2030, 2002). This gave rise to the shortcomings of the Joburg 2030 because of its blurring nature of its strategic course, which lack clarity on whether informal traders were to be included or excluded in the unfolding policy developments.

3.1.3 Human Development Agenda (HDA)

This strategy was introduced in December 2004 due to the criticism of Joburg2030 strategy, which gave no attention to the needs of the poor and excluded informal traders from being residents of the city. The Human Development Strategy (HDS) elaborated on the separation between the first and the second economy. "The HDS envisages that the ladder between the two floors should be broken". This was to be done by facilitating access to skills training opportunities that will assist the informal economy to prosper. However, it raises the key question of whether Joburg2030 still provides a central strategic line that the city can follow. The COJ believes that there is a need to revise its core city strategy in order to convey one central and over-arching strategic message. It was decided that attention should be given to 'mainstreaming' the city strategy across the municipality, which was found in GDS (Corporate Unit: 2006: 06). The research report will establish if the COJ have included informal traders in development of policies and that the gap between the two economies has been reduced or expanded.

3.1.4 Growth Development Strategy (GDS)

The GDS is the most recent policy document approved and introduced in a Summit held on twelfth May 2006. It guides future investment and support of the COJ to various sectors and presents a new consolidated vision. The GDS will affect growth and development of the informal sector through its vision, development paradigm and economic goals (EDU: 2006: 07). The GDS vision is committed to ensuring that Johannesburg's city economy in future is sustainable and that shared growth benefits all. One aspect of the development paradigm is that

it does not want to just help poor people but to help people out of poverty. It was concluded that in seeking the GDS economic vision, some goals would affect informal sector such as local economy with strong links to national, regional and global economy (EDU: 2006: 07). In addition, accelerated urban settlement and the need to establish a wider City strategy beyond the long-term vision of Joburg2030 strategy and to guide the City's actions in the period after the local government elections, the GDS was formed. Consultations around GDS took place in May 2006. To allow for finalisation and alignment of the strategy it was concluded that in future, the approach to development opportunities and challenges should include six principles 'development paradigm.' These areas were taken into consideration when structuring a solution to challenges emerging from informal traders within COJ. This was confirmed in a follow-up meeting that was held between EDU and JPC in June 2006 that these principles needed to be the base for addressing informal traders' grievances. Because of time constraints between the up coming Summit and the meeting with JPC, the EDU provided some sketchy clues as to how the new approach will deal with informal trading:

Proactive absorption of the poor – focusing on the need to facilitate integration of the poor into broader society and to allow for transition of the poor into fully "fledged urban citizens".

Balance and shared growth – to allow for participation and shared benefits for all.

Facilitated social mobility – to aid people in moving out of poverty, and to facilitate movement out of the informal trading platform.

Settlement restructuring – to facilitate restructuring in spatial terms.

Sustainability and environment justice – to ensure the protection and cleanliness of the City and maintenance of assets.

Innovative government solutions (EDU: 2006: 01).

The above principles were quite skeletal and left much to be desired in relation to informal traders training. The EDU might have lacked sufficient time of adding flesh to the bones. The 12th May 2006 was the day of the Summit where these principles were presented as the only resolution instrument. Comparing this to 13th June 2006 in which the workshop with the JPC was held and where the above sketch was released. The time constraints made it impossible for

the EDU to complete its mandate of what should be included in each principle. In addition, mandates are obtained through consultation and participation with different stakeholders. The timeframe was not enough for the EDU to have decided on the way forward. However the outcome of the action plan and the recommendations of a workshop with JPC would enable the EDU to come up with proper plans that would reflect in future the relevance of informal traders and perhaps how GDS specific strategies are designed to assist and support informal traders.

3.1.5 The Informal Trading Development Programme (ITDP)

ITDP is the only programme that was introduced by EDU, which remains relevant to informal trading because of its three pillars, namely:

- The development of four different markets types A, B, C and D.
- Training and support in cash and stock management, banking, small business
- management and marketing.
- The enforcement of street by-laws to manage restricted and prohibited areas.

The ITDP contains two policy statements that govern the approach to informal trade management. First the informal traders will be removed from the streets and be placed in designated markets. Secondly, to develop informal trading into more dynamic and commercially viable activity for those who earn a living from such activities. The ITDP remains the most important document within the EDU for proposing a graduation ladder of markets, from grade D to grade A, ultimately only grade A and B will exist in fifteen years because grade C and D will eventually whittle away. ITDP also envisaged introducing licenses or a permit system that will cut across all markets including grade D (EDU: 2006: 11). In order for the size of the informal traders to be reduced and controlled, an administration system was to be applied. Some barriers were to be created, informal traders should register for permits and after the closing date, the new entrants into the informal sector were severely restricted in all grades. Fig 1 gives an illustration of different services and infrastructure offered into each market. Grade A informal traders were placed in a discrete (separate) location away from other illegal operators. Mostly they serviced the up-market customers with little competition were ensured and most services required by the market were provided.

Fig 1: Shows ITDP markets services and infrastructure.

	GRADE A	GRADE B	GRADE C	GRADE D
Discreet Location	**XXXXX**	**XXXXX**	**XXXXX**	
Permanent Structure	**XXXXX**	**XXXXX**		
Electricity	**XXXXX**			
Storage	**XXXXX**	**XXXXX**	**XXXXX**	
Security	**XXXXX**			
Refuse Removal	**XXXXX**	**XXXXX**	**XXXXX**	**XXXXX**
Cleaning Service	**XXXXX**			
Development programme	**XXXXX**	**XXXXX**	**XXXXX**	

Source: ITDP, (2002)

3.1.6 Street Trading By-Laws

Municipality introduced these regulations in May 2004 to control informal trading in the COJ. Joburg2030 strategy states that a first step in achieving its vision was to make the whole of Johannesburg a restricted area in terms of existing street by-laws. This was to be achieved through improved by-law enforcement and upgrading of the capacity of the Metropolitan Police Department (EDU: 2006: 08). The street by-laws covered a wide range of restrictions for example prohibited conduct, restricted

conduct, cleanliness, signs indicating restricted areas, removal and impoundment, offences and penalties and so on. The main restrictions however in term of daily operations were: -

- To trade within specific hours in certain places.
- To trade with specified goods or services in certain places.
- To trade in demarcated stands or areas in certain places.
- No trading in stands or areas which have been let except by the lessee.
- No trading near certain public buildings, places of worship and national monuments and
- No trading in prohibited areas.

The above strategies and polices are also applicable to forthcoming periodic markets which is another form of informal trading. Any practice of informal trading that is operating outside these policies will be seen as contravening the above policy documents. In the absence of a workable policy, that focused on the informal trading the city has instead decided to align informal trading to a long-term strategy. In tandem with the above restrictive measures the COJ has introduced booklets that explains to the informal traders where they are supposed to conduct their business and in what circumstances informal traders will be guilty of intervening street trading by-laws. In the COJ, restrictions are seen as the most controversial legislation that the city ever had produced for example the time restrictions may affect negatively on informal traders.

3.2 Critical Overview of Municipal Skills Development in the Informal Sector

3.2.1 Introduction

The objective of this section is to outline a critical overview of municipal skills development in the informal sector and the work conducted by Economic Development Unit in providing skills development to informal traders from the period 2001 to 2006. The section will consist of two parts. The first will be preliminary skills

development programmes that were introduced by COJ at the early stages of development. The second part will be the resurgence of municipal skills development, which will examine the partnership between COJ and Wits, which resulted in the formation of GYB.

3.2.2 Economic Development Unit

The EDU was set up in 2003 to promote economic growth in line with Joburg2030 strategy. Initially a multi-dimensional strategy was introduced which consisted of six programmes that were biased in favour of the industry as opposed to the interest of the informal traders. This was further exacerbated by COJ focus on attractive sectors of Johannesburg's economy such as financial and business services, transport and communication and retail and wholesale. This selection left out the informal trading, 'assumed as a shrinking market' or undesirable to attractiveness and competitiveness. This prioritisation undermined the crucial work of the informal traders to create employment opportunities for people that were unable to be absorbed in the formal sector. The EDU consist of four companies, the Metro Trading Company (MTC), the Johannesburg Fresh Produce Market (JFPM), Joburg Property Company (JPC) and The Johannesburg Tourism Company (JTC). All four companies have direct relevance to the development of the informal traders but this research report will focus on the first three companies. In addition, the EDU performs the following functions of Economic Analysis and Research, Business Development, Spatial Economic Development, Skills Development and Sector Support. All these functions were regarded as important but the report will concentrate on Skills Development. Fig 2, below shows the structure of the Economic Development Unit.

3.2.3 The Role of EDU Stakeholders

The role of the EDU concerning training can be attributed to the Skills Development function, where its focus from 2004 was the provision of skills to informal traders. For this provision of skills, the unit introduced four programmes namely:

Grow Your Business (GYB)

Mentorship

Premier Food Catering

Periodic markets (forthcoming)

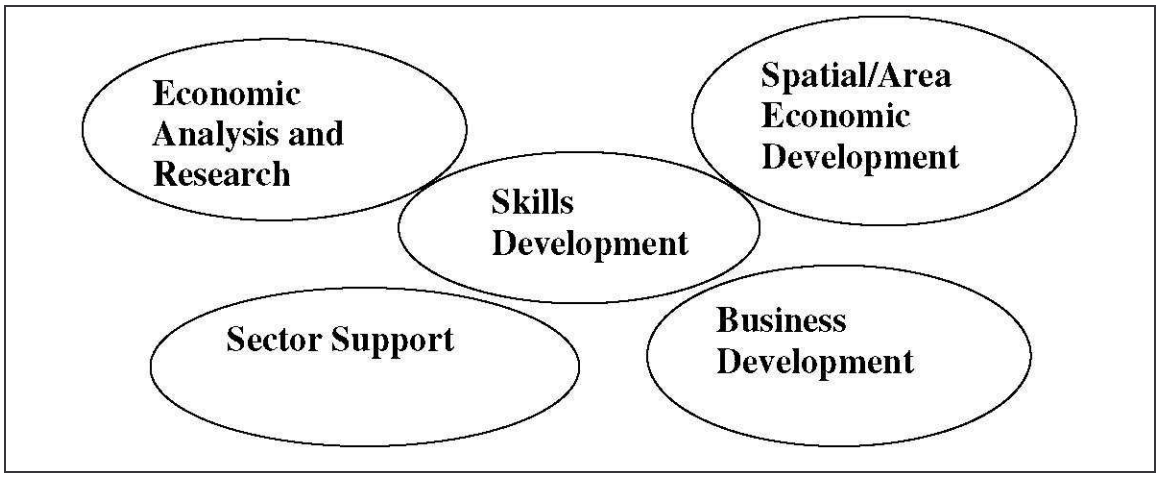
The formation of the GYB was a result of the concerted effort contributed by different companies within the EDU. The major stakeholders who participated in this discourse were assigned with various tasks for example the MTC was involved in the provision of the infrastructure and was required to recruit the informal traders eligible to attend training. The criterion was set by Wits that informal traders should have at least passed standard six. Later it was acknowledged that it was difficult to get informal traders who met this requirement and eventually the criteria was ignored and most informal traders who were interested in attending training were recruited without any formal education. The GYB came into existence as a result of Memorandum of Understanding (MOU) between COJ and Wits Enterprise. The Premier Food Catering was sponsored by JFPM to train twenty informal female traders on how to prepare the different foodstuffs. The training followed the basic skills training that was provided by Wits. The EDU and JPC are at the forefront developing working solutions for informal traders training. This has been demonstrated in a workshop between them that was held on 13th June 2006. It is this participation among the different stakeholders that rejuvenated the function of Skills Development Section of the EDU. The mentorship programme came into existence through MOU between the EDU and W&SETA where they undertook to provide mentorship on behalf of COJ to the informal traders who attended training programmes. The parties to this MOU were MTC and EDU. In a contract between the COJ and Wholesale & Retail Sector Education and Training Authority (W&RSETA). The following terms were concluded, namely that:-

The W&RSETA was mandated for SMME Skills Development, which is in line with the government's priority of SMME development. For this purpose, the W&RSETA will collaborate with COJ for focused and integrated SMME capacity building. The COJ was mandated to promote local economic development, especially in small businesses, as a means to promote economic growth. The MTC was mandated to actively facilitate the development support for informal traders. The MTC does not seem to be comfortable with some of the obligations in this MOU given their position as the provider of infrastructure for informal

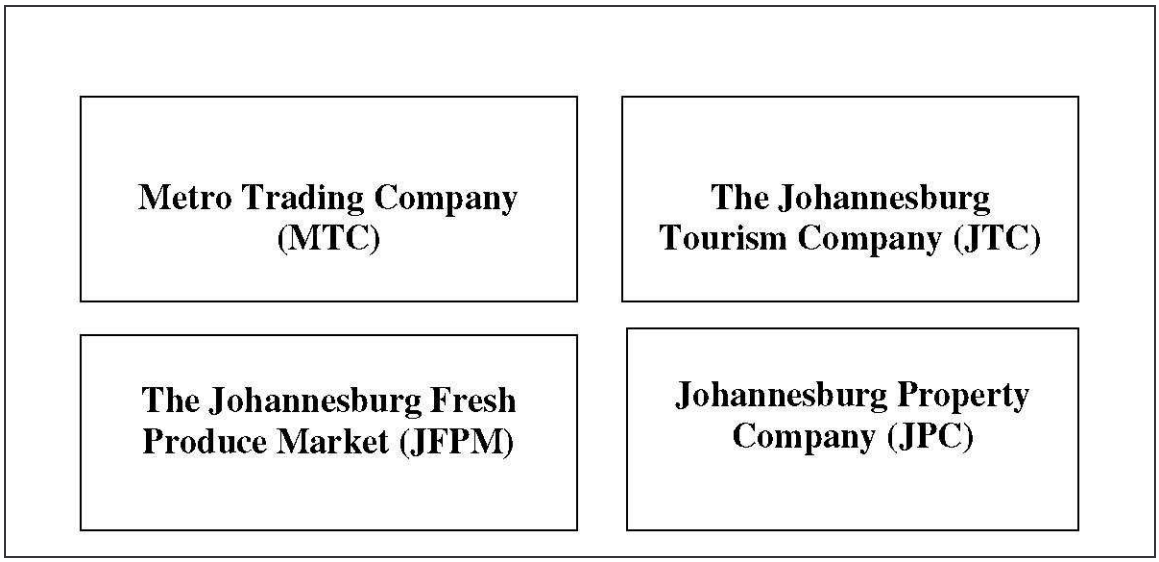
traders. The MTC is questioning its involvement in the recruitment of learners into a programme. It is asking what would be the role of EDU since the MOU is meant to be a general agreement applying to a range of possible projects and not targeted to any project such as GYB and in the next phase, mentorship project (EDU: 2006: 11). Fig 2 below shows that the structure of EDU in that skills development rests with EDU rather than MTC, however, by the time of writing it was not clear as to how many informal traders will undergo mentorship programme per annum.

Fig 2: The structure of Economic Development Unit

Economic Development Unit contains the following functions:



This Department has oversight and regulation responsibilities for following companies:



Source: New Economic Development Design (2006).

3.3 Preliminary Skills Development Programmes

These were initial programmes that were introduced during the period 2002/3 when the skills development was still in its infancy stage. There were six programmes in all but the focus will be on the three that had direct relevance to the formation of the GYB. The reason why these three were selected is that the report is aimed at investigating the impact of training provided by these programmes.

3.3.1 Centre for Entrepreneurship and Development (CEED)

This was a partnership between the COJ and Technikon South Africa and it dates back to 1998 when the two parties established Greater Johannesburg Business Advice and Information Centre (GJBAIC). This partnership was prompted by the findings of the World Bank in 2000, that there was very low skills base among the black small business owners. It was mentioned that 400 informal traders were trained from this programme but the arrival of the World Summit on Sustainable Development in 2002 shifted the attention to the requirements of the meeting. However, the programme had good outcome of producing at least one capacity building programme "focused on business support centre knowledge and skills" and at least three customised entrepreneur training programme. It is unclear why the programme was discontinued but obviously the idea of providing skills to informal traders in order to become entrepreneurs were taken from this programme. (Majola: 2002: 01).

3.3.2 Forging Ties with Institution of Higher Learning

In November 2003, the city signed a MOU with five institutions of higher learning, Wits University, University of Johannesburg (former RAU), University of South Africa (Unisa) and so on. This partnership was initially premised on establishing a foundation school that would offer a bridging course for learners who had completed matriculation and wanted to further their studies at tertiary institutions. It was this alliance that gave rise to Grow Your Business. When the new Acting Director Linda Vilakazi-Tselane was appointed in 2004, she saw the opportunity to re-direct the MOU by entering in an agreement with Wits Enterprise, to provide training to informal sector.

3.3.3 Creating Scientists of Tomorrow

Extra lessons offered by Protec Company (a private company), attracted attention of the COJ. They offered mathematics and science classes to black girls on Saturdays. The city financed this project to encourage girls to enter the competitive stream. The city further sponsored Sci-bino Centre in Newtown, the largest science exhibition centre on the continent, which provided mathematics, science and technology education in Gauteng. The relevance of these relationships for the informal traders was that it gave rise to partnership between the city and Sector Education and Training Authority (Setas) in the field of services (wholesale and retail). When the MOU was signed with W&RSETA, it was amended to exclude services and to concentrate on the mentorship programme. (Thale: 2004: June 29). Johannesburg Fresh Produce Market (JFPM) located in City Deep facilitated this partnership. JFPM is one of the EDU companies and its function is the provision of fresh fruit and vegetables to the informal traders.

Although these programmes provided much needed skills to the industry and people from disadvantaged community, they lacked focus concerning the training of the informal traders. This is a common problem in multi-dimensional approach projects, they lack clarity of objectives, and priorities and strategies appear weak (McGrath: 1994: 116). However, the EDU needs to be complemented for concluding two MOU, one with Wits to establish GYB and one with W&RSETA for mentorship programme. In the absence of such agreements, GYB might have been constrained in its development to get Wits on board. The MOU is the agreement reached between COJ and Wits to provide skills training to the informal traders.

One of the reasons, why EDU was seen as having adopted a low road in providing training to the informal traders, was that much attention was given to the planning and implementation of ITDP strategy, which inter alia maintains that informal traders will have to be removed from streets to markets. During this time, the EDU was busy establishing markets where the informal traders will be located after training. Among the many that were built during the period 1999 to 2002, Metro Mall in the Central Business District stands out as the most progressive market in the COJ. Other markets that were built are Mai-Mai, Faraday, Kliptown, Hillbrow and Yeoville.

3.4 Metro Mall

Most learners who attended the GYB programme at Wits came from this market. The sample of this research report was taken from Metro Mall. This market was built by EDU through its company, the MTC, whose task is the provision of infrastructure to informal traders. Metro Mall was the product of ITDP and officially opened in October 2002. It was built at a cost of R139.8 million with the Gauteng government Blue IQ contributing R106.7 million and the balance came from the COJ. Keith Atkins, the CEO, of the MTC, said the new complex boasted of fire protection equipment, storage facilities, security, electricity, water ablution facilities, preparation areas, manufacturing space for craftsman and artisans and lock up units (Thale: 2002: July 12).

Metro Mall is located near Park Station at the corner of Bree and Ntemi Piliso Street, and is used by buses, taxis, established retailers and informal traders. (See Annexure B, which shows the streets where Metro Mall is located in the CBD). The facility contains a total of 1,617 taxi bays, which service 3,000 taxis and has 510 stalls for informal traders. An area of 1,922 square metres has been allocated for retailers and another 910 square metres reserved for wholesalers (Thale: 2002: July 12).

This market is Grade A, which means that it can accommodate informal traders with prospering businesses in terms of the ITDP grading model. Grade A represents informal traders operating lucrative enterprises while traders in Grade D make just enough money to survive. An essential part of the ITDP programme was the grading of informal traders in a sliding scale of A, B, C and D. These categories were flexible, informal traders could go up any grade as their fortunes improve. Category A will be enterprising dealers who run thriving businesses from a well-equipped market such as Metro Mall. Category B will include informal traders whose business, whilst not exactly lucrative, are neither survivalists nor successful entrepreneurs, but viable enough to operate in covered markets that does not have brick structures for example the Hillbrow market. Category C will be linear markets, which has no structures but operate from designated business nodes, mostly along streets. The final grade covers informal traders who operate haphazardly as individuals from undesignated spaces (Thale: 2002: July 23).

3.5 Training Support

In the COJ, training is based on sound business principles and is taken seriously by policy-makers, planners and education specialists. The discarded programmes lacked focus, and it was unclear how they were established. There was no indication, which showed the involvement of different stakeholders and how the course content and subject matter was prepared. In the case of GYB such involvement is well illustrated in that School of Economic and Business Sciences (SEBS) prepares the subject matter and provides the course content, which shows that training after 2004 was finally being taken seriously. Out of six programmes initiated by EDU between 2002 and 2003 only ITDP became successful, the others were not generally successful. However, during the period between 2004 to 2006 the EDU introduced new four programmes, as discussed under the role of EDU stakeholders, which were more focused on the training needs of the informal traders. Out of these programmes, the focus will fall on the Grow Your Business programme (GYB). The reason for this is that the other three were still at a developmental stage.

3.6 The Resurgence of Municipal Training Programmes

3.6.1 Grow Your Business

The GYB was introduced in 2005 and in 2006 was running its second season and had trained about 1 000 informal traders. According to Linda Vilakazi-Tselane, the Acting Director of EDU, said this programme was developed as a result of signing a MOU with various higher education institutions (HEIs) such as University of Johannesburg (former Rand Afrikaans University), Technikon South Africa, and University of the Witwatersrand. When she took over EDU in 2004, she noticed the skills gap among the informal traders, which could be addressed through partnership with HEIs. She approached Wits University to enquire if they could facilitate a training programme aimed at empowering informal traders.

This MOU was signed in November 2003, through COJ Executive Mayor's office and HEIs. High levels of discussions have taken place between the partners, especially between the COJ and Wits University. This included meetings between the Executive Mayor and the Wits Vice Chancellor and his executive team. Officials from EDU and Wits explored several initiatives through the Deputy Vice Chancellor (COJ: 2005: 66.1). The following is the summary of the discussions, which gave rise to two projects that were approved by COJ.

The first initiative is training and mentorship of informal traders in basic business skills. This will provide critical skills and support to the City's informal traders, particularly those located in the formal markets. The successful implementation of this initiative will increase the city's impact in the provisioning of critical skills for economic growth and job creation. The intention was that training would be offered on a regular basis as to benefit a great deal of informal traders. The second initiative proposed that the COJ participated in the 'Critical Cities' symposium that was planned at Wits in September 2005. The COJ collaborated with Wits in hosting the symposium, which aimed to develop critical research paths that will focus on Johannesburg. This initiative had great potential through which some of the City's projects, programmes and challenges could benefit from expert advice, knowledge and comparative analysis (COJ: 2006: 66.2).

What seems to be problematic in the first initiative is the assumption that providing basic business skills will promote economic growth and job creation. The case study findings will provide a different perspective to this view. The report will argue that uniform training does not lead to economic growth or job creation. In order for training to be able to attain such achievement, a more specialised training will have to be introduced in addition to basic business skills. The second initiative was important as far as the COJ wanted to gauge and encourage local research in the field of skills development. This gave the COJ an advantage in making informed decisions about the correct path the skills development should take. The research would yield expert advice and comparative analysis. This explains why the COJ could approach the skills development in a constructive manner. This research report may unpack and guide the COJ to the next phase of training to bring about economic growth and job creation. The legal implications of the partnership between Wits and COJ is that Wits supplies the course material and training and that the COJ owns the training modules and that they can only be used by COJ permission. (COJ: 2006: 66.2).

3.6.2 The Role of EDU and JPC in the Informal Trading

The meeting between EDU and JPC in a recent workshop held in June 2006 was the first time that informal business training was taken to a high level of discussion. The EDU has been able to convince JPC to come on board, which will be of great benefit to EDU in their endeavour to

address the skills development in the informal sector. This is because the JPC are the owners (Geoff Mandelowitz interviewed) of most properties in the COJ. The proposal handed to EDU by JPC was threefold, firstly that the JPC was responding to critical issues raised by Linda Vilakazi-Tselane on how to balance the prosperity of both formal and informal business within the COJ. The second section included a presentation by Anne Steffany, who provided an overview of the JPC involvement in challenges in addressing informal traders training. Finally, the proposal focused on the finding made by Professor Enselin van Rooyen. The rest of the proposal dealt with formulating informal training solutions.

While the discussion were premised on the common vision of regeneration of the city, the underpinning motive was how to address the informal traders issues in line with six development paradigm proposed by GDS at the Summit in May 2006. As it was noted above that the development of these principles was sketchy rather than detailed. It was believed that the outcome of this workshop was to assist the EDU to add to its limited data. The JPC acknowledges that they endorsed this vision and that they have made large investments, which would lead to job opportunities and economic growth. Extensive work had been done to explore possible means of addressing challenges of the informal traders. The COJ has demonstrated through its recent planning and engagement in addressing the needs of property owners and informal traders that it is listening. COJ and the JPC will continue to support the vision. The JPC concluded the discussions that a clear action plan with timeframe was required. The role of the JPC was interpreted in financial support and improvement of informal traders.

The essential points raised by Professor van Rooyen were that informal trading does help in the generation of funds for low-income families (survivalists). While providing solutions in the absence of formal employment, it responds rapidly to the needs of the market. Challenges that need to be considered when addressing issues relating to informal traders are low-skills, limited differentiation, poor quality products, high level of migration and poor infrastructure. “South Africa has a low rate of entrepreneur activity with only 5% of adults between the ages 18 and 64 years in early-stage of entrepreneur activity” (EDU: 2006: 03).

3.6.3 Solutions Proposed

The proposed solutions formed a useful platform for discussions and planning. Regular training and mentorship were crucial in terms of development. Some of the solutions regarding mentorship developed from this workshop were that in order to move informal trading from survivalist state to entrepreneur level, the establishment of an incubator that would support the business of informal traders was essential. The incubator will be a nurturing ground for formulation of policies and planning related to informal traders. The incubator will provide a roadmap that will show in which direction the COJ is taking skills development. An incubator may include the provision of a clean, safe environment, formal infrastructure, central supply of informal traders, an accessible market environment and in-house training. The mentorship programme should be integrated into the incubator, allowing for development, engagement with possible source of aid, possibilities for public-private partnerships (e.g. SEDA and KHULA) and possible tertiary institution internship. Education and training, learners who are unable to cope with the training move to ABET and afterwards to FET programmes and secondly to ensure Setas involvement in learnerships progress is maintained. Red tape, resulting in time consuming processing of applications, would need to be reduced or eliminated for example licenses may be problematic where such bureaucratic practice may result in barriers for informal traders to enter into more formal markets (EDU: 2006: 04).

3.7 Premier Food Catering

In 2005, EDU introduced this specialised programme, which targeted the informal catering industry. The venue was Yeoville Recreational Centre and comprised of 20 female informal traders. The learners were trained in different catering types of modern foods-stuffs, table settings, hosting of big functions and how to increase food preparation to make more profit. In the same year, they attended another catering course at University of Johannesburg, which was sponsored by Snowflake Company. The women learned of health education, baking cakes, pizzas, buns and bread, as well as how to follow recipes.

In addition, the programme was concerned about Cooking Mamas who had organised themselves to sell at cultural and sporting events. Most of these caterers were ordinary informal traders who were interested in making extra income at the weekend. They were hired to cater at funerals, wedding Expo's, stokvels functions, women organisations and so on. The

caterers who could not get enough customers during the week would embark on marketing strategies of making themselves known. They would link up with soccer or rugby stadiums where they would serve VIPs stands with food and refreshments. Some caterers who could not obtain tenders would sell outside the stadiums to incoming spectators. They travel and follow the events between cities. Each will arrange their own transport and structures e.g. marquees in which to sell, would often arrive a day before the event started and leave a day after it closed. During that time, they may sleep out in the open, in their stalls or in their transport, using whatever ablution facilities are available at the event location (EDU: 2006: 34).

3.8 Periodic Markets

The Periodic Market is a market, which occurs in suitable yet varied locations within the urban boundary for some of the following purposes. To support and capitalise on specifically identified events, to promote Johannesburg's cosmopolitan local cultures, to provide easy, affordable entry points into the market place for SMEs and talented individuals. The market may sell fresh produce, arts and craft, curios or take the form of Flea Markets as the need or events demands (EDU: 2006: 14).

At the time of writing the programme had not yet started. However in Johannesburg there are identifiable periodic markets such as East Rand Traders Square, which has 500 stalls and has been in operation for seven years. Bruma Flea Market with over 700 stalls and operated for over fifteen years. African Craft Market in Rosebank, a permanent market that operated for six years (EDU: 2006: 32).

The reason why there is a drive towards periodic rather than permanent markets is that there is insufficient demand to warrant permanent markets. The market is linked to events which occur periodically, the space in which the market is held is occupied by other users when the market is open, the purpose of the market is to highlight specifically the promotion of specific goods or cultures (EDU: 2006: 18).

There are strengths, weaknesses, opportunities and challenges in the concept of periodic markets. A good example of all of these contradictions may be found in the international experience of Camden Lock Market in London where Urban Space Management (USM), which established this project, offered an interesting example of how entrepreneur approach and good marketing can regenerate a run-down area without a large scale financial investment (EDU: 2006: 22).

3.9 Critical Review of the Programmes

The GYB was introduced when there was a serious skills gap among the informal traders in the COJ. The GYB may do well in empowering informal traders about business operations and how to improve their present way of doing business. The basic training may expand their knowledge of running a business but this may be insufficient to improve the profit of the informal traders so that they become entrepreneur and eventually join the formal sector. This will need additional strategies other than basic business skills. While COJ remain adamant that basic skills will improve productivity and create job, this report remains sceptical about such assumptions.

The introduction of Premier Food Catering may serve as an illustration that there is need for additional training or occupation differentiation among informal traders.
While the support provided by JFPM serves as a precedent of what the COJ should pursue in future, it should encourage other field of businesses that can be performed by informal traders such as hair-dressing, dressmaking (e.g. specialising in making school uniforms) and so on. Caterers must be well versed in their field, they must be able to produce burgers and different types of fried chicken offered by franchise markets, all this will amount to extra training. If this cannot be attained, the limitations of breaking the profit ceiling will force them out of the informal business to experiment innovative ways of operating survivalist businesses, most of which are rarely sustainable.

The concept of periodic markets is very controversial, when associated with the activities of the Flea Markets that take place in the COJ. The periodic markets such as Bruma, EastRand and Rosebank have been in existence for more than six years, others over fifteen years but just like informal traders operating in the streets have not shown a significant growth. The only time where the periodic market may be productive is when it is permanent, with visible and formal structures similar to Metro Mall and some of its revenues generated through rentals should assist in the improvement of the conditions of informal traders. The idea of targeting derelict buildings and regenerate them into viable businesses is well seconded by this report but careful attention will have to be given to its location.

3.10 Overview of the Course Content

3.10.1 Introduction

The purpose of reviewing the course content is to ascertain if it makes unrealistic assumptions about the nature and variety of informal trading activities as this may require the researcher to test it out in the case study. According to (McGrath 1994) there are two types of structures, which the course content may assimilate. One is formal (more structured) and the other is informal (less structured) training. Debates are still raging as to which training is more effective. Up to now there appears to be no agreement which one brings the greatest benefit in terms of income generation. ACORD, (British informal Training Agency 1993) states that the formal structured training offered in a classroom situation risks being too rigid and too abstract for the type of participants enrolled. It may need well-trained teachers who are capable of using flexible and imaginative approaches. According to ACORD, it is more expensive and costs more than a less structured one. Less structured training, on the other hand, consists of dissemination business advice and information on a one-to-one basis and when requested by the client, it can be thus be more effective and less costly. The teacher can offer advice on start-up and expansion of the business and can pay occasional visits to the informal trader (McGrath: 1994: 124).

3.10.2 Formulation of GYB Course Content

In 2004, Wits Enterprise in conjunction with EDU formulated the course content in line with the objectives of the Joburg2030 vision, which seeks to transform Johannesburg into a world-class city. The idea was to make the City globally competitive by the year 2030. It was believed that such a course would serve to generate profits and improve incomes to the extent that the standard and quality of life of the City's informal traders became sustainable increased.

An important factor in the realisation of this vision was the inadequacy of skills amongst the local labour force. For this reason, the SEBS was sub-contracted by Wits Enterprises, together with final year students (facilitators) in the Department of Commerce, to provide business training to informal entrepreneurs. While it is widely acknowledged that training in the informal sector provides a vital and indeed vibrant contribution to the economic wellbeing, especially when they lacked fundamental knowledge and skills. Through appropriate training informal traders are provided with necessary capacity to expand their business into sustainable

and competitive operations.

The course presumes that the majority of the participants are running at best micro and at worst survivalist enterprises in the informal sector of the economy. These are rarely sustainable and have little growth potential. The intention is therefore to provide a 'phased programme', which targets approximately 500 participants per year who will ultimately become entrepreneurs capable of starting and running their business. From the onset, participants are referred to as entrepreneurs in order to create and entrench an identity (Wits Enterprise: 2006: 01).

3.10.3 Objectives

To provide a clear understanding of entrepreneur process, the course was to assist entrepreneurs to identify and exploit sustainable opportunities in their immediate environment. It was to guide entrepreneurs in developing viable business plans and introduce entrepreneurs to various legalities, formalities and practicalities of running their enterprise. The course was to enable entrepreneurs with necessary skills to cost their merchandise to determine their daily, monthly, annual profits. It was to equip entrepreneurs with selling skills and provide them with sound financial management and finally the course was design to guide entrepreneurs in the development of growth strategies. To instruct entrepreneurs in the potential source of finance and so on (Wits Enterprise: 2006: 01)

3.10.4 The Components of the Course

Through a wide consultation with informal traders' stakeholders, the course content was developed specifically for informal traders. Materials are geared towards adult learners who are presumed to have very low levels of literacy. The verbal component of the course is broken down in 12 modules spreading over 14 weeks of classroom-based learning (formal structured), the location of the venue is at Wits University, very accessible and convenient for the informal traders operating in COJ. Each module subscribes to the principles of outcome-based education (OBE), with the focus on learning as opposed to teaching. The emphasis is placed on understanding rather than memorising and rote learning (Wits Enterprise: 2006: 02). Fig 3 shows modules that are covered in the course.

Fig 3: Modules Covered in the Course

Module 1: The entrepreneur	Week 1	What is an entrepreneur? Characteristics of entrepreneur The role of entrepreneur in SA
Module 2: Recognising Opportunities	Week 2	Understanding the environment of entrepreneur in SA Sources of opportunities Identifying good opportunities
Module 3: The Business Plan	Week 3	Why draft a business plan? Components of a business plan Business plan as a foundation for remaining modules
Module 4: Requirement to run a Business	Week 4	Choosing a location Equipment/material/infrastructure needed Choosing suppliers City by-laws and regulations Seed money
Module 5: Fundamentals of costing `	Week 5 & 6	Concept of 'money in' and 'money out' Difference between cost and selling prices How to price effectively
Module 6: Basic of effective selling	Week7	What makes a good sales person? Tips on selling
Module 7: Fundamentals of financial management	Week 8 & 9	Income, expenses and the cost of goods sold – working out profit Income and cash flow statements
Module 8: Planning for growth	Week 10	Strategies for growth Impact of growth on the business Formalising the business Succession plans -who will take over of business

Module 9: Sources of finance	Week 11	Banks, micro lenders, NGO's etc Cost and benefit of each type Choosing the right source
Module 10: Merchandising and display	Week 12	How to effectively pack shelves & position products Using in-store promotions Doing stock take
Module11: Marketing	Week 13	Marketing and business Understanding the customer 4P's product, price, place, promotion
Module 12: The way forward	Week 14	Finalising business plan – pulling modules together Developing and action plan

Source: Wits Enterprise (2006)

3.10.5 How the Course was Disseminated

This was based on the course content as shown in Fig 3. To demonstrate how the course was facilitated the report will explain the rationale for example of Module 1 "The Entrepreneur" and Module 12 "Finalising the business plan and pulling the modules together". This will be done in order to have an in-depth understanding of how the course was delivered in a classroom situation.

The purpose of naming Module 1 "The entrepreneur" was to create a long-term identity for the informal traders. Given the real situation facing the informal traders such as survivalist businesses and its challenges, the naming of this module 1 as for example 'the survivalist enterprise' would have reduced the status of their business and perhaps perceived themselves as aliens in the broader economic activities of COJ. To empower the informal traders the word 'entrepreneur' was chosen in order to ingrain an identity that would engender a spirit that would make the informal traders strive towards that direction and to encourage the informal traders to become entrepreneurs. According to Rob Venter of SEBS, Module 1 "was to translate the conceptual world of

“entrepreneur” to what it meant to be an entrepreneur”. In this way, the characteristics and the role of entrepreneur in South Africa were outlined, which made traders see the importance of practising as an entrepreneur as opposed to survivalist.

Module 12 was facilitated in a form of open discussion and sharing of experiences in a classroom situation. Before finalising the course, the rationale was to pull the modules together to ascertain if learners understood the entrepreneur process. Materials were applied and practical examples were drawn from the experiences of the participants. This was also carried out as ‘homework’, the exercises that learners were given to reflect on the significance of various models such as a viable business plan, the process of practicalities or formalities involved in running their business. The informative assessment of each participant was combined with instructive exchange of ideas made in the following sessions. This pattern of open discussions was a recurring theme for example in areas of determining daily, monthly profits, selling skills, growth strategies and potential sources of finance.

In the areas where the learners were seen to be battling to grasp because of low levels of literacy, facilitators used training methods to the target group that relate to informal traders experiences and had a direct relevance to the problems perceived. Facilitators would communicate training in vernacular and participatory methods were used to promote group or self-learning. Role-play demonstrations and field visits were particularly seen as effective aids to learners as the full picture of the subject matter was displayed or performed.

CHAPTER FOUR:

A CRITICAL OVERVIEW OF THE COJ APPROACH IN RELATION TO THE INTERNATIONAL BEST PRACTICE

4.1 Introduction

The purpose of this chapter is to make a critical comparison between the COJ informal training developments against that of international best practice. The objective will be to ascertain if a common denominator can be drawn between the two approaches. The overview will also establish if the COJ approach has not assumed unrealistic expectations and varied informal trading activities that could have led to contradictions and shift its in approach. The overview would conclude with the main strategies that the COJ has considered most effective in addressing the informal training and how they have enabled informal traders to grow beyond the survivalist business.

4.2 Approach Overview

The COJ approach to informal training development has been constructive in that the development of basic business skills training is linked to reduction of skills gap, income generation and job creation. It is assumed according to this approach that the combination of these factors into basic business skills will serve as a yardstick to ascertain what should be incorporated in the next phase or future skills development programmes. The validity of assessing what is relevant to informal traders training will be informed by research findings, expert advice, and knowledge and comparative analysis. This practical approach to skills development in the COJ cannot be erratic. Most municipalities are still learning the significance of informal economy and are considering innovative ways of support including international experience about which forms of training are effective and sustainable.

The COJ approach is in line with international best practice for example World Bank agencies, (ODA 1994). In their quest for information that was to define the role of education and training to the informal sector, they combined poverty alleviation and

income-generation to basic business skills. This was done under the auspices that ‘a direct impact on poverty reduction can be achieved through enabling the poor to undertake income-generating activities’. Similarly, the COJ is legitimate in seeking information from expert advice, research, and knowledge and comparative analysis in addressing informal traders’ skills training development. The combination of skills gap development, income and job creation by the COJ was necessary especially if the motive is to move informal traders to entrepreneurs. This might serve as a common denominator between the two approaches. The World Bank search for information was based on the legal framework that defines the various stages, through which skills developmental programmes may be classified, an area that is missing in the COJ approach. Even the training of the catering traders to different food products was considered accidental, as there was no legal framework for such training. The findings of the ILO (mobile unit) associated entrepreneurial enterprise with higher levels of education, higher levels of income and longer hours in the business.

The COJ approach amounts to unrealistic assumptions about the training provided to informal traders. This would be proven by the case study itself where informal traders perceived themselves as survivalist rather than entrepreneur. The COJ erroneously assumed that by providing basic business skills it would create employment, this version differed from the ILO that uniform training on its own cannot create employment opportunities. Lessons from the entrepreneurial development programme Model F, demonstrates that in order for the training to have an impact there must be a legal framework that would lay down the foundations of the training. This should be followed by a prioritisation list, for example DaCum chart, alternatively the adoption of SEWA strategy of undertaking an in-depth research in the different informal traders occupation categories in line with potential market demands. Failure to pay attention to these stages, the outcome will be like that of carpenters and poultry informal traders in Bloemfontein.

The COJ has adopted an exclusionary approach within its broad constructive framework where informal traders are selected based on previous educational standards as criteria rather than on merit. There is a need for a more inclusive type of criteria that would serve dual purposes like that of Trinidad, Servol where

disadvantaged groups were taken into two different forms of training, the basic business skills and occupational training. The constructive approach of COJ may be criticised for ignoring the cultural differences and attitudinal training in its basic business skills, which are building blocks of entrepreneurial development. It can be argued that the lack of these two aspects of training may undercut the importance of basic business skills training especially where cultural differences are prevalent in the COJ and according to (McGrath 1994) this is the most sensitive part of training than technological fixes. This may benefit informal traders in the COJ where there is wide diversity of cultural groups, most with a desire to establish a business but are hindered by attitudinal and cultural differences.

4.3 Strategies to Informal Traders Training

The strategies to informal traders training will outline how the COJ have evolved its training programmes from 2001 to 2006. In unpacking this development of training the report will be guided by international best practice thought that 'there is no possibility of discussing the application of even a minimal package of training interventions to informal sector world-wide. The application depends on many facets such as funding, the choice and suitability of the programme' and that quite often the application is uneven.

The underpinning reason of providing training to informal traders was to restore the confidence of the formal businesses that were moving out of the city. The introduction of informal traders training was a subliminal message to the formal business that they were regarded as residents of the city.

The COJ first strategy in addressing the informal traders training was the creation of the formal market where the traders who received training would trade free from interference. The idea was to create building blocks in the form of appropriate infrastructure, special planning and entrepreneur development programme. The rationale behind the formation of infrastructure was to remove negative externalities such as dirt, litter, congestion and unfair competition with the formal business. First, the absence of appropriate infrastructure produced low levels of specialisation,

competition and low returns. This was to be linked to grades model of markets where the size of the existing trading community will be reduced through bureaucratic barriers such as issuing of licenses and administrative systems (EDU: 2002: 07).

Second, the spatial planning was seen as a roadmap that identified where markets of different categories will be located. In choosing proper planning variables, two problems emanated that is the spatial planning market in terms of their impact to formal business and the positioning of the market in order that informal traders maximise the flow of possible consumers. This was important as where potential customers are and how they move, drives informal trading.

The final building block of the entrepreneur development programme was characterised by the creation of resources that was to deal with increasing number of informal traders. It was also concerned about the area of sourcing goods for the traders, as it was still difficult for informal traders to locate suppliers. The other aspect of the programme focused on the development of individual trader and it was noted that personal skills were required. The entrepreneurial skills development then focused on differentiation, diversification, stock–on-hand and so on. Traders in Grade A markets were to receive greater resources as there were most likely to employ additional staff and stand a better chance of graduating out of informal business to formal Retail Trading Sector (EDU: 2002: 12).

The second strategy, is that ILO (mobile unit) intervention in the informal trading was linked to industry as informal traders were trained to become manufacturers for example in brick manufacturing, vehicle repairs, refrigerator repairs and so on. While the ILO report is silent on the outcome and in which countries this industrial informal training programme was applied; it however emphasised that the accessibility of this type of training can enhance the productivity of the informal trading business.

The COJ in its quest to link informal trading business to industry was influenced by the market demand and the desire of politicians and economists to ‘construct industry’ after 1994 elections. Analysts regard such assumptions as ‘exaggerated’ and ‘misleading’ While these efforts have created short-term employment, the negative

aspects were unsustainable rates, lack of competitiveness and less contribution to GGP, which implies that it may not be an integral part of City's future economic profile. Even with the community and social services that informal traders are providing, it is unlikely that they become major players. It can be argued if the timing of the COJ was appropriate when it intervened during the national crisis of joblessness and unemployment. It should only intercede in case of market failure, when the market was unable to respond to market signals and operated sub-optimally (Corporate Unit: 2002: 69).

The rationale behind the COJ intervention in the industry was based on the pressure of joblessness and unemployment. The idea was to select sectors, which were attractive in terms of growth and employment and make an intervention in such sectors to shift the responsibility of job creation to industry. Mapping out attractive sectors such as Financial and Business Sector, Transport and Communication and Retail and Wholesale that happens to be best areas of intervention. The problem of attractive sectors was that its economy was predominately services orientated rather than production. Having selected the essential sectors in the attractive sector (that is the preferred area), the COJ was faced with two problems. Firstly, to focus on the sectors already in the preferred area that must be supported in order to remain attractive. Secondly, to bring in sectors outside the preferred area, that can be developed through government assistance, into the preferred sector. The result was introduction of preliminary skills development programmes, which did not live up to its expectations. The selection of the former over the latter questions the belief of the Mayor to move informal traders to the formal sector. While the policy of COJ did not explicitly favour one sector over another, the general trend of initiatives at the time was implicitly supporting some sectors over others. For example, the Department of Trade and Industry (DTI) supported science and mathematics skills development and general research development support, thereby targeting some sectors in favour of others. General support was offered to all sectors depending on the improvements derived from interventions applied (Corporate Unit: 2002: 70). Lessons taken from the international best practice is such that this intervention by association pursued by COJ is new. The COJ strategy was premised on the ground that the informal sector exists because of the formal sector and therefore informal businesses should only be

supported in as far as its activities remain relevant to the formal sector.

It can be argued that this one-way stream of support would need to be changed and instead be more focused on linkages and credit, where mutual benefit between informal and formal sectors can be encouraged. The COJ strategies can be perceived as one of those governments who looked at informal sector as a shrinking or dying out type of enterprise. Its strategies were inconsistent with the call of the ILO, that governments need to intervene on behalf of all workers including those in the informal economy. Its intervention criteria should have been based on the principles of equity, poverty reduction and efficiency. Retail and Wholesale occupying the preferred area of the attractive sector should have alerted the COJ that informal sector could be the training grounds for entrepreneurial development. The loss of sight by COJ to this sensitive issue has developed a crack where the COJ is accused of having 'failed to resolve the problems of the street traders' (The Star: 2006: 21). The COJ is further accused of 'brutality and blatant racism', apartheid style (The Star: 2006: 07). These are the repercussions of its indecisiveness of opting for training through association rather than on merit, which has rendered the strategy unrealistic to the variety of informal trader's activities.

The third strategy is that of GYB, which was set a target of 500 informal traders who would become entrepreneurs and be able to start and run their businesses. The strategy was based on the constructive approach and estimated that there were 24 000 informal traders in the inner city of which 5 000 were registered informal traders. The informal traders were to be trained in the basic business skills that would combine reduction of skills gap, income-generation and job creation. The strategy initially set the criteria of recruiting informal traders with at least standard six as eligible candidates for the training programme. The failure of the COJ to meet this requirement ended up the service providers registering most informal traders irrespective of their educational skills and this was assumed be the main cause of the drop in attendance.

Throughout the course it became evident that the course on basic business skills in future would have to be split into two classes, ABET and business skills. This was to accommodate informal traders with a low level of literacy. The programme targeted informal traders operating in the formal markets as they were registered with MTC, but

did not rule out informal traders operating outside the mall. The target of 500 informal traders annually indicated that the programme would take a period of at least ten years to accomplish, considering that there were 5 000 registered informal traders in total. Fig 3 above shows the modules covered by the programme, informal traders who grappled with some modules such as Module 3 (Business plan) and Module 6 (Financing your business), were given extra support and overall the informal traders training was regarded a success. The programme can be criticised for failing to provide legal framework and not splitting training into basic business and occupational skills. This meant that informal traders are still operating as survivalists in spite of the training that was aimed at preparing them for entrepreneurship. This does not make the programme a failure as most informal traders benefited a great deal in terms of self-esteem, confidence, assertiveness and knowledge acquisition of what is involved in the entrepreneurial business. Although the programme made unrealistic assumptions about its achievements, overall the strategy was more favourable to the target group.

The strategy was very similar to the international best practice as illustrated for example by Trinidad, Servol. The programme may need to incorporate cultural and attitudinal training, then split the course into classes, basic and occupational skills. Finally, the GYB programme should be based in the legal framework. The strategies were found to be opportunity-oriented, they were like a moving target, hunting for an open market that could accommodate the people after the completion of the training. The first strategy was designed with the hope that the industries would employ most people including informal traders but this did not materialise. The second strategy focused on the attractive sector as the solution to joblessness that became unattainable. The third strategy was based on shifting the responsibility of COJ to create employment for informal traders to the institutions of the higher learning.

4.4 Programmes Contradictions

The contradictions in the application of various programmes have been avoided by international best practice because it differs between countries depending on the availability of funds, the choice of intervention and its suitability. This can be true if one was to consider a scenario where the international best practice was to produce a

uniform type of training that could be applied world-wide and what contradictions there would be in its application. In this way international best practice have neatly protected its initiatives such that if any contradictions arise, it may not be attributed to them, but to the method each country apply. The choice of intervention and suitability of the programmes is seen as the key element that can be associated with the perceived contradictions in the COJ approach. The current contradictions in the COJ approach are twofold, namely the indirect intervention, which is based on the low road (did not benefit the target group) in terms of programme application. The other contradiction is linked to street by-laws, which are seen as outdated, as they do not befit the current form of developments in the COJ.

4.4.1 The Low Road Contradictions

In chapter two, the low road was interpreted as incompetent, unprotected labour and low wages. In the case of COJ the low road can be seen as the 'soft approach' in its dealing with monopolistic control of the formal sector -industrial policy. In the sector targeting, one of the initiatives that the COJ had to grapple with was to bring in sectors outside the preferred area to benefit from government support and ultimately to join the formal sector. The choice of the COJ to support those already in the preferred area so that they may remain there, left much to be desired in the face of existing evidence that resources were required more among the informal traders. By extension, this may have a bearing on the fundamentals of HDS, which was based on bridging the gap between the first and second economy. This contradicted the statement by the COJ that it is committed to dialogue with the informal traders and those informal traders are seen as the integral part of the broader economy. How can they dialogue if resources are directed to the people who already have more? Mayor Masondo said the objective of the programme is to develop traders to eventually move into the formal sector'. This commitment is questionable because initially the motive to move informal sector to entrepreneur was interpreted as transition of informal traders towards Retail and Wholesale sector, which already existed in the preferred area by the time of sector targeting. The COJ however decided to ignore this target group. In addition, it was unfortunate in spite of a track record that the skills development was mostly needed among the informal traders. It can be argued that if the COJ decided to develop an

aggressive policy stance that was to bring sectors outside the preferred area such as informal traders and provide them with support necessary to advance them into Retail and Wholesale sector may be the condition would have improved.

The unstable nature of initial industrial intervention by the COJ elicited a number of contradictions resulting from the COJ indecisive strategies, to produce a formal programme for the informal traders. The World Bank noted in 2000 that there was a lack of necessary skills among majority of black labour in Johannesburg, engaged in small business. The findings concluded that whites dominated skilled occupation and that women were still underrepresented. (Isandla Institute 1994) in its discussion document has pointed out 'a majority of economic wealth and power still remains in the hands of the large white-owned corporations'. The COJ cannot entirely be blamed in its approach of targeting industries. The rationale was based on the high hopes of the politicians and economist to construct industries. Targeting the industries was seen as the only way in which the skills of the informal traders could be enhanced. Targeting industries was aimed at minimising incoherence and anomalies within the industrial policy. The COJ argued that this option to focus limited resources to areas where a critical mass of intervention may reap substantial results (Corporate Unit: 2002: 70). This became a failure and this was confirmed by (De Soto 1989) when he pointed out that regulations in the Southern States have arisen out of the power structures and its alliance with big business and that reforms will be difficult to effect.

Instead of the COJ incorporating informal traders' association, for example in their effort to provide skills, they ventured into sector selection that was not very different from industrial targeting. The inconsistency in this approach arises from the misunderstanding by COJ where lack of skills in the small business portrayed by the World Bank was interpreted as the lack of manufactured products and industries were seen as the best target. This was also backed by the COJ desire to construct industries. The main contradiction in this regard is that COJ intervention to industries assumes that the national government policy will remain unchanged instead it would complement and operate within the industrial framework of current national policy, which implied the non-interference of government to formal industrial business. This makes one to wonder how then they were going to minimise incoherence and

anomalies within industrial policy. The problem is that formal business is acutely aware that if they would establish business relations with informal traders, this may close down their businesses. Another reason for the distrust of the formal sector to engage with informal traders is a perceived lack of business ethics by the informal traders as seen in the example of informal traders operating an abattoir and when they run short of beef, they may consider selling horse-meat as beef which can cause a problem to people who are allergic to horse-meat. This would create confusion in the market as it happens in other African states where cow's milk is substituted with goat's milk. This would not happen if business ethics were included in the skills development programme.

Later, the signing of MOU between the COJ and W&RSETA, where W&RSETA undertook the allocation of resources in terms of programme design, quality assurance and to build network with different stakeholders, gave an impression that there is more into the training of informal traders to become Retail and Wholesalers than just working on the policies of the formal sector. In addition, the W&RSETA shall be the facilitator of SMMEs in the sector. Ironically, the soft approach by the COJ can be linked to the low road where the informal traders perceive government intervention as a piecemeal rather than serious high road (means to benefit informal traders) interventions. However the efforts of the GYB and W&RSETA are beginning make a mark where intervention is directly related to the needs of the informal sector.

4.4.2 Street By-laws Contradictions

The street by-laws contradictions can be traced from the lack of communication between the informal traders operating outside the mall and the COJ. The strategies involved in an attempt to mainstream informal trading into the broad COJ policy plans has not reached most illegal informal traders in the same manner as those operating in the formal market. Although most informal traders are aware of the street by-laws, which were distributed to them in a form of booklets, illegal traders are concerned that they do not see any other better area of selling their goods other than the restricted areas. Most recent informal traders are complaining about the heavy-handed of the municipality and the corruption of the JMPD who confiscate informal trader's stock,

beaten by police officers and arrested without trial. Informal traders regard such irregularities as human rights abuse and robbery of their stock in broad daylight. The spokesperson of Trader's Crisis Committee in Johannesburg is calling for an inclusive dialogue to resolve this plundering and looting by the police force before the 2010 World Cup competitions.

The street by-laws were approved by the COJ; in terms of section 6A of the Businesses Act, 1991 (Act No. 71 of 1991). The street by-laws consist of a list of restrictions applicable to informal traders. In chapter one, it was indicated that there still exists some hostility between informal traders and the COJ and between formal business and informal traders associations. Part of the underpinning reason for the introduction of skills development was to ensure that formal business remained in the city. This means that if informal trading was perceived by COJ as an activity that forces formal business out of the CBD area, it would follow that the COJ is not at ease with the business of the informal traders. This is contained in one of the policy documents for example Joburg 2030 where it states that informal sector will continue to exist but should be reduced in size. Survivalist informal traders operators will either no longer be residents in the city or will have found secure formal sector employment and those who remain will practice informal trading by choice rather than necessity. This blurring nature of the policy document shows that the COJ was undecided about the status of informal traders in the city.

The extent of the COJ indecisiveness can be seen in the rollout of skills development targeting where informal traders were identified as the people who mostly needed training but decided instead to train individuals who already had some skills. This meant that informal trading was not seen as a growing economic industry that had contributed to 16% of employment in 1999. It has been alleged that informal trading contributed to hundreds and thousands of jobs in Gauteng and constituted an undocumented powerhouse of economic trade worth billions of rands. Recently the COJ have launched Operation Hleka (clean up) with 1 300 metro police officers who will patrol the inner city to ensure that street by-laws are adhered to. The COJ is pressurising the JFPM, who account 60% of annual sales to informal traders, to consider other customers. Informal traders that are fuelling growth in the second

economy are hunted down like criminals (The Star: 2006: 19).

(De Soto 1989) is concerned about bureaucratic red tape, which results in excessive delays before informal traders can receive licenses, which in theory permit them to trade without harassment. Similarly, this should mean that if informal trading is restricted in the inner city then in theory informal traders should be permitted to trade without being prosecuted. Abdul Mohomed 54, an informal trader who has been trading for more than five years on Mint Street in Fordsburg was brutally thrown into the back of police van injuring his neck after being called a "terrorist", said "we are not being treated fairly. We got permission from the council to trade here but the metro police say no. The two contradicts each other". They went to Metro police headquarters to get their confiscated goods but returned empty-handed (The Star: 2006: 07). A widow 37, who is a mother of three children was beaten up by three police officers for 'illegal trading' after having been trading in Fordsburg for more than eleven years. In Braamfontein a trader was arrested and spent three nights in Hillbrow police custody without trial. Edmund Elias of Trader's Crisis Committee claimed that there is a perpetual denial over permanence of informal traders in the inner city (The Star: 2006: 13).

This is unfortunate in a world-class city like Johannesburg and may it is not, if one considers the argument that the COJ is cloning the city to be like Paris or New York where city officials have lost appreciation for identity and cultural trading ethics (The Star: 2006: 19). The argument is based on the diversity of the city and that the city without this variety may lack the ambience of its African roots. It can be argued that diversity is appreciated when there is order in the business operations for example, 'in a garden of roses where weeds have been allowed to grow to the same height as the level of the roses, it may not befit the appreciation of diversity'. The meaning attached to the concept of African cultural trading that the informal traders hold may differ with COJ definition, which is further rooted in the lack of communication.

While the COJ may be accused of criminality, irregularities, injustices, these are but part of a developmental process. What about all the markets that the COJ has established that informal traders are now enjoying, operating their business under brick structures against harsh weather, that traders are being offered formal training by higher institutions of learning. Depending where one is there could be moral reasons for the COJ to practice both 'harsh and soft measures'. It can further be argued that in Durban, the consensus between the different stakeholders was reached without these harsh and soft measures. It is about choice, the international best practice have admitted that it cannot unpack the application method of its practice even the minimal package, as it depends on the choice, funding and suitability of the programme in different countries.

Already the new strategies are beginning to have an impact on the informal traders, as the case study below will show. This means that although the implementation of skills development was somehow ad hoc at the start, lessons from the old strategies combined with new ones are producing the basis where informal traders can grow beyond the survivalist practice. One way of enhancing informal traders to grow beyond survivalist business is the separation of training in basic business and occupational skills based in a legal framework and an extensive research into the assessment of market opportunities in a particular sector. The training needs to be integrated to other structures such that it links for example to formal sector and mechanisms are devised to enable informal traders' access to credit facilities in order to diversify and attract more customers. Attitudinal training needs to be strengthened since most informal traders enter the business as the way of life not beyond survivalists.

Attitudinal training may change the behaviour of informal traders towards their business and the manner in which they handle their customers. This should be extended to cultural differences where informal traders would have to amend their attitudes towards different ethnic groups and foreign informal traders (xenophobia). The introduction of occupational skills can improve relationship in dealing with formal sector. This should cover different styles of approaching formal sector in a way that will be appreciated by them, for example business plans drawn for formal business must be designed in such a way that they begin to explain why the formal sector should

enter into relationship with the niche market of informal traders. This is important, as it has been indicated that most formal businesses are still reluctant to enter informal market. The motivation should be based on mutual benefits rather than focusing on a narrow empowerment of the people from previously disadvantaged community. The importance of the motivation may have a bearing in formal sector's decision on the fate of this proposal.

CHAPTER FIVE:

CASE STUDY FINDINGS

5.1 Introduction

The results of this report are divided into three sections: interviews with informal traders, government and service providers. The focus of this research is to examine the extent in which training has benefited individual traders in terms of financial performance and increased employment. The rationale is that Metro Mall is seen as a container where a fixed number of customers are circulating each day. While the mall is one of the busiest markets in the city, it has a profit ceiling constraint in terms of capacity and growth. In order to assess the training provided by municipality, the findings will be supported by primary and subsidiary questions outlined in chapter one. The assessment will ascertain the progress of training offered to informal traders. The researcher compared information from informal traders who participated against those who did not receive training.

Most informal traders operating at the mall were those who previously were trading individually in the undesignated space. When the mall opened, they were asked to operate within the built structure, where the fees were charged according to the amount of the space each informal trader choose to occupy. Their age group varied between 20 and 59 years, and most were residents in the inner city. They were single parents with one or two children either at school or pre-school with no other members of the family working. Although they were a few exceptions, all told, informal traders perceived themselves as survivalists not entrepreneurs. While they had different reasons of entering informal trading, the common reason was unemployment. The ownership of the business also varied. Some were operating as assistants to their family members while others were sole owners of the business.

5.2 Primary Questions

The primary questions were characterised by the relevance of the training to their daily operations. It was noted that informal traders had no problems in answering these questions compared to subsidiary questions where a certain amount of explanations had to be made.

5.2.1 What impact has training had on the target group?

Informal traders referred in this report, as the 'target group' who participated in the training was very impressed with the training stating that it expanded their knowledge about the informal business.

"The most important aspect of the training where I benefited the most was the drawing up of a business plan, the majority of us share the same sentiment and we are now more than ever committed to grow our business. It is unfortunate that there has not been improvement in terms of profit and that I am still operating with the very same assistants who helped me before I attended training. Overall the training was the best experience that I ever had in my life, it opened my eyes to many subjects such as cash flow, stock-taking and customer care", a trader said.

This supports the statement made in chapter one that training will empower informal traders who participated in the training so that they are more confident in their business dealings and furthermore start to exploit other avenues that will help them to realise their potential within their surroundings.

The informal traders, who did not participated in the training, were adamant that they would not like to lose out again, should the opportunity arises, they would grab it with both hands.

"If another opportunity does become available, I will attend training to expand my knowledge and I would not have to share knowledge with others like I do now", a trader said.

Again this is in line with the arguments made in chapter one that the knowledge received by those who attended training will inspire those who did not attend because they would have seen the improvements brought to those who participated in the training.

5.2.2 Has informal traders business expanded as a result of training?

Informal traders who participated in the training are optimistic that if they apply the knowledge obtained from the training properly, customers will come. The increase of customers now is just a sign that as time goes by, the pool of customers will increase.

“We are grateful of customers who appreciate our different meal selections for example salads variety, fried meat and sometimes stew, due to knowledge we received from training” a trader said.

There was an understanding among the informal traders that if the prices from the wholesalers increase, informal traders will also have to increase their prices for example if they buy a loaf of bread for R3 and sold at R4 but the next day the price from the wholesaler increases to R3,50. This meant that they have to increase the price of bread by 50c to make up for the increase in the wholesale price and to maintain the profit margin.

“This helped a lot in maintaining our profit margin, unlike in the past where we would be scared that customers will run away if we increase the price, hence our business was run at a loss”, a trader said.

This informal trader said if the customers ask why your bread is more expansive, I simple tell them that the price has gone up and most understand this. Others simply go to other traders who did not attend the course and charge the customers the very same price in spite of the increase in the wholesale price.

5.2.3 Has training increased income and increased employment?

This is the area where mixed responses were obtained. Some informal traders who attended the training were beginning to make a profit and employ new assistants while others were still battling with both the profit and employment increase. Most informal traders operating at the mall associated the slow growth of profit to illegal informal traders operating outside the mall. An informal trader who attended training claimed that he was doing well in his business.

"In the past my business could make about R1500 per month and now I am making between R2000 – R2500 per month but I am still unable to save", a trader said.

In contrast, an informal trader in the catering business claimed that nothing has changed; sometimes she was even performing better than informal traders who attended training.

"We all are cooking similar food but the difference is in style. Most of us learn cooking back home; the only difference is from our tradition. Pedi's cook differently to Sotho's. Therefore, if there are more Sotho's in the market then it will be a bonus for a Sotho cooker on the day. Most cookers here have two assistants and I have four who help me taking orders from the drivers upstairs" a trader said.

When informal traders were asked why an informal trader who did not attend training was in a better position compared to them that attended training. "It is all about networking, most cookers are preparing similar food but there is nothing we can do if one cooker is connected to most drivers upstairs simple because of a cousin or husband who is one of the drivers, when we do not have such a connection. It would be difficult as a women to approach taxi drivers, an industry that is male dominated to ask if they will place orders with me without being harassed", a trader said.

5.2.4 Are informal traders changing their attitudes as result of training?

The assumptions made in this report in chapter one, that training will shift the target

groups' perception about the way of conducting their business. It is no longer seen as a waiting station to formal business but informal traders will take their business activities more seriously and realise that informal trading is the best place where employment opportunities are available. Indeed training offered a different perspective to informal trader's way of doing business.

"The more I sell the more I can purchase different types of stock, because the demand is high for variety at the mall. The problem that I face is the lack of cash. Everything we sell we pay cash from the wholesalers" a trader said.

While this quote may relate to credit facilities, it serves as an indication that some informal traders have relinquished their attitudes of taking informal trading as a temporary employment (survivalists) but rather as budding entrepreneurs. Informal traders are beginning to show interest in their business for example

"If the customer buys a cabbage, the informal trader will ask if the customer does not need potatoes or carrots", a trader said. The informal trader explained, "it is about getting used to the buying pattern of different customers and as a women I know that if a customer buys a cabbage, it is either to prepare a stew or salad, something she never noticed before the training".

5.2.5 How effective has training been in reaching the target group?

Training has expanded the knowledge about methods of growing their businesses. Training has inspired both informal traders who participated in the programme and those who did not alike. Informal traders who participated are developing innovative way of exploiting resources within their immediate surroundings in expanding their business. This is done in different forms such as merchandising, stocktaking, costing, and keeping records of income statements, tips of selling as illustrated above. Informal traders who did not attend training are beginning to see the difference in the pattern of doing business from the few informal traders who attended training for example

"From time-to-time I have to ask others how to do things, when I have my skills I

would not need to enquire from others", a trader said.
Informal traders were very enthusiastic about the facilitators who presented the lessons.

"They were very good in explaining the subject matter such that even if one was unable to follow something they would make use of different illustrations until we understood. Lessons were written in English but everything was taught in vernacular. This made us to leave Wits (venue) with a sense of having achieved something. We enjoyed the many subjects that were covered, especially business planning and pricing. The venue was accessible and the classes were not long".

"Training enabled us to register our business, something that we had battled for a long time," a trader said.

"The course content was appropriate to our circumstances and it was made simple as most of us lacked secondary education. The course was structured in such a way that one could follow the flow of events and were linked from the beginning to the end", a trader said.

"Most informal traders attended all the modules, very few dropped out, some returned to classes, however some never did. The reasons for the dropout in attendance varied, the common cause were individual problems", a trader said.

"Some informal traders would not attend because they were busy, for example the assistant could not make it on the day. Others related absenteeism to family problems. All these traders later resumed their classes. The other group, who did not return, were mostly people who did not have existing informal businesses but were people who were ill informed about the purpose of the training. They thought that attendance had to do with the government offering informal traders finances to start businesses. As the training progressed, they realised that it was not going according to what they had been told and they dropped out", a trader said.

"The programme had mentors who were sent to check if we were able to apply what

we acquired from the classes. They were mostly interested in income and cash flow statements. They would then ask us questions to find out if we understand our recordings," a trader said.

5.2.6 What reservations do informal traders have about training?

Informal traders remain adamant that training had direct relevance to their immediate needs but they still want more.

"There is so much I achieved from training for example income and cash flow statement, costing, pricing and business plan but I still want to learn more about business skills. The problem I had before the training was how to cost my items. This has become something of the past", a trader said.

The 'more' part of the training was interpreted to mean many different things for example the linkages with the formal sector for credit facilities, and additional training that would focus on occupational skills, the informal traders had something to say about this.

"We need a broker that will recommend us to the wholesalers to sell items on credit terms. The purchase of stock in small batches destroys our business as well as our profit. Alternatively we need to organise ourselves into groups where we can buy in bulk but this route may be difficult because some of us are greedy", a trader said.

It was observed that informal traders were quick to notice that the method of trading similar goods was affecting their business, when training had taught them to diversify their stock. Informal traders were unable to see that the very same building, under which they were trading, was affecting their profit growth. Informal traders could not fathom that there was a profit ceiling constraint attached to their businesses operated at the mall. Instead informal traders saw illegal informal traders as the obstacle to their growth, this was the opinion of the majority of informal traders, but other traders had different opinions.

This trader says, “illegal informal traders operating outside the mall do not affect him”. Instead he says, “there is more business at the mall, the only problem is stock”.

5.2.7 What priorities are accorded to female traders?

Most women informal traders were happy that municipality was providing training that has benefited them especially the young informal traders, but considering their age, they felt that it came at the time when age was catching up with them. The GYB training prepared women informal traders for the next stage of catering business, where they learn to bake, prepare for big functions, how to expand food in order to make a profit and how to follow a recipe.

“Women appreciated this special training as it will help them to grow their businesses. Women however believed that it would be more effective if training can be linked to other structures for example finance, which will help them to obtain equipment to get into entrepreneur stage of business. Women felt that training came at a opportune time when there were considering innovative ways of creating dissimilar products because selling similar food-stuff is sinking their businesses,” a trader said.

This supports the argument made by (McGrath 2005) in chapter one that government need to understand that providing training to informal traders will not benefit informal traders if the result is not improving productivity and employment opportunities. The support programmes need to be integrated because the selling of goods by the poor to the poor is unlikely to result in anything more than survivalists. There are limitations to this belief, because the COJ has not yet developed a legal framework.

5.2.8 Are informal traders committed in becoming entrepreneurs?

The responses from the informal traders were mixed, while most informal traders who attended training, were inspired to become entrepreneurs. The circumstances at the mall were such that catering traders for example made an average income of R100 per day and the other informal trader’s average income varied considerable.

“While I may not know what plans each informal trader have for his business, it appears that most of us are more eager in becoming entrepreneurs but circumstances forces us to remain survivalists. This could be seen in the fact that when the training programme was announced, some were not willing to register” a trader said.

An informal trader who did not participate in the training programme claimed that

“When comparing his business to the informal traders who received training he did not see any difference, except of one trader in the refreshment business who is determined to grow and has aspirations that if he could have access to capital the sky will be the limit”.

Informal traders at the mall, who were prosperous, were those who had extra tables (businesses within the city) other than selling at the mall. These informal traders were able to purchase more quality stock and thereby attracting more customers for example a street traders who did not participate in the training had a bakkie which he used to travel to the farms out of the city to buy fresh fruit during the summer season. Because these fruits were many and perishable, he would employ other assistants to sell them in undesignated spaces within the city.

Informal traders perceived ‘entrepreneur’ as businesses that were able to meet their obligations for example to pay rentals (for a flat, trading space) to pay school fees for the children (feed and clothe them) and be able to save. Most informal traders at the mall were unable to achieve most of these needs and therefore consider themselves as survivalists. Both informal traders who attended training and those who did not expressed the same feelings regarding their businesses as ‘hand to mouth’. This confirms the statement made under conceptual framework that there were limited activities at the mall and therefore income is fixed. This begs the question of distinction between African malls and conventional malls. If the formal traders at the conventional malls are prosperous, why are informal traders at the African mall battling? (taking into consideration that a mall and a market are not synonyms).

These contradictions could be explored in further follow-up research, where a

comparative study between survivalists and entrepreneurs may need to be undertaken to understand the difference between the two business operations.

5.9 Subsidiary Questions

Unlike the primary questions, the second set of questions required informal traders to have an in-depth understanding of the COJ policies and plans, which most informal traders did not possess. In assisting them in answering the subsidiary questions, many explanations and examples were made.

5.9.1 Has training encouraged participation among different stakeholders?

Most informal traders were not aware of the participation at the government level but they were of the opinion that there was a training participation between the government and Wits University. Informal traders described participation among themselves as people who attended training or in relation to their wholesalers.

Informal traders said that “from time to time they communicate with each other if There is something common or strange happening in the business, to get the opinion from other informal traders who attended training. Sometimes this communication extends to informal traders operating in other formal markets. An informal trader operating at the Hillbrow market, received an offer from a wholesaler to open her own warehouse where she can operate as a wholesaler in selling different bags (schools bags, luggage bags, purses, wallets and hand bags). She was asking me because I am located at the CBD if I could find a suitable space were this kind of business would be appropriate”.

Participation has also been seen within the government officials they are more approachable in that if an informal traders is unable to pay in particular month for certain reason the government is able to listen and make arrangements whereby the informal traders can suitably pay the rentals. This happens if there has been a stroke of bad luck in the business or in the family. Participation has even developed between the

informal traders and customers themselves for example

“A customer wanted to buy some vegetables but it happened that I was serving another customer who was speaking IsiZulu and I was helping the customer in IsiZulu. I had them speaking in Sepedi saying let us go and buy from a Sepedi trader and I changed the language to Sepedi and ask them what did they want? They were very impressed to hear me speaking their language although I am not Sepedi. Since then they are my regular customers”, a trader said.

This confirms the statement made by catering traders that customers have a tendency of buying from the informal trader who speaks their language. The informal traders in this case view the customers as stakeholders.

5.9.2 How training can be linked to long-term strategy?

The long-term strategy was explained to informal traders in terms of HDA where the COJ is committed in closing the gap between the first and second economy. The COJ main concern was the level of low skills among the informal sector, which made them to be cut off from formal economy.

Informal traders were found to be in support of the idea that training will eventually close the gap, because traditionally the idea was when entering the informal business was to sell that which other informal traders were selling. With training this is beginning to change, informal traders are beginning to see that competition over similar goods is not profitable and are starting to focus on other business products that are more profitable but not yet available at the market.

“There is nobody selling flowers here and I have gone to Multi Flora at the City Deep to ask if I can be learn how to arrange flowers but the problem was capital. They charge R750 for a complete course”, a trader said.

This catering trader who notices that most people who come to eat on her tables were males and sometimes couples and it would be nice if she could sell flowers and

perhaps customers would buy them for their loved ones. This trader is even considering exiting the catering business and focus in becoming a florist since there is no one who will compete with her at the market.
"If many of us could follow some different paths of trading, the long-term strategy can be attained", a trader said.

This is in line with the argument made under conceptual framework that informal traders would need to be given an additional training after the basic business skills. This second training was suggested to purely focus on occupational skills. This was further supported by international best practice for example the case of Trinidad, Servol.

5.9.3 What mechanism can be used to assess if training is in line with long-term strategies and ultimately benefit informal traders?

Informal traders acknowledge that it would be a strenuous exercise to assess if training was in line with long-term strategies because people come and go in this business. The informal traders suggest that providing funding to all informal traders who were battling to improve their business was not going to solve the problem. Informal traders may get the money instead of starting or expanding the business they may consider going to build a shack elsewhere.

"A proper selection criteria will have to be developed that will focus on the people that have been operating in the business for a while. The selection should be along those lines and on what type of products that an informal trader wants to sell. Funding should be encouraged to informal traders who are coming up with new products. The reason for this is that majority of traders do not have ideas what else they can sell and they will remain in common products of fruit and vegetables," a trader said.

"What I propose is an incremental process where the government will give a potential trader a start-up incentive of say R1000 and after a period of three to six months he will be visited to check how much profit he has generated from that R1000. The lowest profit that a R1000 can make in this business is R400 per month. In three months, the

informal trader should have made R1200 profit. If he did not achieve this, his funding would need to be discontinued and be extended to those who show income generation improvement", a trader said.

While this may not entirely achieve the government's goal of informal traders becoming entrepreneurs, it would gradually close the gap between the first and the second economy. In a way the beneficiaries would benefit from the scheme and will help them to realise their goals and ambitions and become economically independent. This seems to support the argument made by (McGrath 2005) that "initial capital is a strong predictor of enterprise success but not that credit is a panacea". This was further supported by the argument of traditional businesses that they were not created out of such training but that implementation should be incremental and systematic over a period.

5.9.4 Is the COJ meeting its objective in reducing the skills gap among the informal traders?

Informal traders are confident that if training could be extended to all informal traders in the market it would be of great benefit to the COJ as well as to them. The COJ was concerned about the negative aspects of informal trading that are gradually being addressed by training. Training has taught informal traders that waste material need to be removed from the public eye. Traders in the catering business, who participated in the training programme, were made aware that when washing dishes that this needs to be done away from the customers' sight. Traders who did not participate in the training were still careless about the cleanliness of their business, in terms of proper clothing and how to serve their customers. Traders, who received training, would be quick in cleaning the table immediately after the customer finished eating while those who did not, would leave the tables unattended for a while.

Informal traders, who received training, visited their customers while they were eating to enquire if everything was okay. They would introduce the new menu to them of what would be available the next day, something that was lacking from the traders who did not receive training. Informal traders, who received training, would crack few jokes with their customers after they finished eating and asked if they enjoyed the meal

in exchange for a cordial smile as a sign of approval, which was not seen among traders who did not receive training. This negligence was also observed in their fruit and vegetables which were not as fresh as those of the traders who attended training for example their bananas were seen to have lost its colour, onions and potatoes were shrunk and tomatoes slightly off.

This gave the researcher an impression, that if skills development training was to be offered by COJ to all informal traders at the market, the overall business atmosphere would improve tremendously. This supports the statement made in chapter one that the lack of adequate skills has been an impediment that has kept the business of informal traders from growing. In this way, there is no doubt that the COJ is meeting its objective of reducing the skills gap among the informal traders.

5.10 Municipal View of Training Impact

The head of EDU management unit, LindaVilakazi-Tselane who is running it in conjunction with other departmental teams such as JFPM, JPC, JTC and MTC said there were in the process of reviewing the impact that training has had on the lives of individual informal traders. The assessment will take a holistic approach that will be fourfold.

Firstly, if the establishment of linkages that have been designed with for example Seta, Wits Enterprise and MTC are benefiting the target group, and are able to reduce the skills gap between the first and the second economy. The Setas are responsible for providing mentorship to all informal traders who have completed the basic business skills programme. This has resulted in signing a MOU between the COJ and W&RSETA, which will develop and guide informal traders who participate in the training to enter retail and wholesale sector. Wits Enterprise, a service provider in collaboration with the COJ has designed the trader's business skills programme so that they become entrepreneurs. The MTC, the provider of the markets where traders who received training mostly operates may provide a feedback on how informal traders are performing after the training.

Secondly, the EDU is considering a concrete development planning body that would serve as the powerhouse in providing all the necessary information on development and training of informal traders. This body will keep statistical data of the number of informal traders that have been trained, their location and what they are trading in. It would provide data on proposed strategies to develop informal traders.

The third strategy of assessing would be to determine if the training is producing law-abiding traders, this means informal traders who are conscious about contravening street by-laws, traders who are aspiring for entrepreneur development rather than survivalist business.

Finally, the assessment is to establish if the informal traders, who are committed, are moving up the economic ladder. This is important as it dovetails in with the COJ vision of developing informal traders to join the formal sector.

Lavelle Nondo, the Project Consultant in the Skills Programme within the EDU, is working closely with the service provider, Wits Enterprise. She is involved in SMEs programmes overseeing the implementation, recruitment and skills development planning in consultation with MTC. She explained that the impact of training in the informal trading had not been established and that she received an internal assessment from Wits Enterprise, which she was in the process of reviewing and so far, remains internal and not available for public consumption. The COJ believed that for an overall impact of informal traders to be established, it needed a mentorship, without a mentorship programme in place the outcome of it could not be measured if training has been able to convince informal traders to become to entrepreneurs.

However, the impact of training can be described broadly as having encouraged other stakeholders for example Setas to come up with innovative ideas such as providing mentorship to informal traders receiving training on basic business skills. This would be useful in terms of assessing knowledge skills acquisition and in the case of financial support. This means that mentorship will be divided into two programmes. First, it would be financial support and advice from ABSA, Standard Bank, Post Office, Umsobomvu Youth Fund and so on to the emerging entrepreneurs. Secondly, EDU

would split the skills acquisition between SMMEs into basic training and career paths for example the catering traders were seen as a yardstick of assessing if some informal traders needed specialisation that would focus more and relevant to their daily operations. Nondo thought that this was the reason for the drop in attendance in the fifth week, however a support unit within Wits Enterprise came with the solution to overcome this problem.

Xolani Nxumalo, a Project consultant in relation to informal traders issues, acknowledged that the impact of GYB training programme was still unknown and that the COJ was working hard to ensure that all the structures were in place before an impact assessment was conducted. This was found to be in line with the argument made in chapter one that the period of two years was insufficient for the COJ to assess the training programme.

Nxumalo presented a request from Kagiso Urban Management and the Central Johannesburg Partnership, which wanted a training programme for some informal traders to be involved in its cleaning activities, Nxumalo explained this initiative as a positive outcome of the impact of the GYB programme. During this interview, both Linda Vilakazi-Tselane and Lavelle Nondo referred the researcher to Thandi Msibi, an MTC consultant, who could assist him with information on the impact of training to the informal traders, because she worked closely with them at the Metro Mall. The MTC spokesperson said that there was no such information available and that their brief was to assist EDU in recruiting and to collect rentals and nothing else. This gave the researcher a full understanding that the information on the impact of GYB training programme was scarce.

5.11 Challenges of the Training Programme

The challenges as viewed by informal traders at the Metro Mall were that of illegal informal traders outside the mall and funding, but the main impediment was the lack of credit. Informal traders complained about competition they get from illegal informal traders who were operating outside the mall, selling the same food product at a cheaper price.

“All Cookers at the mall sell a plate of food for R18 but outside the mall the same plate was sold for R10, this was seen as killing our business taking into consideration that we had to pay rent at the end of the month, which was not less than R450,” a trader said.

Apart from the competition from outside the mall, informal traders experience a problem of credit and stock. The Cooking Mamas point to the internal problems of administration for example maintenance of stoves and leaking roofs, which caused unnecessary delays during peak hours and may sometimes lead to health hazards.

“In addition to training we received from Wits some of us continued with the catering course where we learned how to prepare for big functions, baking items such as cakes, bread, buns and pizzas,” a trader said.

This will help them to overcome the problem of selling similar foodstuff. The problem of stock and credit that was viewed as interconnected. Informal traders expressed their thoughts as to how the lack of these facilities ruins their businesses.

“The purchase of stock in small batches destroys our business as well as our profits. Alternatively we need to organise ourselves in groups where we can buy in bulks but this route may be difficult because some of us are greedy,” a trader said

The challenge that was raised constantly by the informal traders was that training must be linked to ABET. Traders were worried that while training had opened their eyes, their assistants are still ignorant about the methods informal traders were using in conducting their businesses.

“We still need more training that will include ABET for example I cannot rely on my new assistant, as he cannot follow what I write on my records. This is a problem because if anything can happen that would take me away for a few days, my business will collapse,” a trader said.

All these challenges voiced by informal traders were well founded for example the linkages, which according to this report implies that the COJ has not been rigorous

enough in addressing this with the formal sector. This setback was inherited from the preliminary projects, which were a failure and hence discouraged the COJ from focusing on building links with the formal sector. The implemented strategy at the time was ill formulated as it presumed that formal sector will deliver skills on how to manufacture their products without the formal sector understanding how that relationship was to assist them in doing business with informal sector. The report proposed that the method of approaching formal sector in establishing linkages have to be changed so that it concentrate more on mutual benefits rather than a narrow view of empowering people from previous disadvantaged communities.

5.12 Future Directions

This section focuses on the methods of ameliorating the challenges that were encountered in the training programmes offered to the informal traders. In examining these methods, attention will be given to what type of remedies that informal traders themselves feel appropriate to their circumstances. Second will be the government approach in addressing the ills that accompany training programmes. Finally, the service providers will make the input on what they believe is the way forward.

5.12.1 Views of Informal Traders

When informal traders were moved from the streets to the market in 2003, the business at the market was very lucrative. After a while, other illegal informal traders from different areas moved to this abandoned site that is when the business at the mall started to decline. The informal traders were of the opinion that if the COJ can devise means by which these illegal informal traders can be removed from the market, their business will grow again.

Cookers need a central kitchen fully equipped with modern technology that will help them for all eventualities. In addition, the kitchen will assist in the division of labour because their main problem is the product split.

“The market has a cluster of restaurants mostly selling similar food-stuff. It is

envisaged that the central kitchen will facilitate Cooking Mamas to perform different tasks for example baking, hosting big functions and preparing traditional food. If either Wits or COJ could organise an seminar where different financial institutions could come and listen to our concerns so that those who need credit should be assisted and those who need equipment and so on be given direction", a trader said.

The issue of ABET became very serious when it was evident that it was affecting their business operations. The informal traders proposed that if ABET can be part of the training it will be beneficial. Given the limited time they have at their disposal, it would be more appropriate if the council could arrange with some schools in town for them to attend evening classes, especially basic English and numerical skills.

"I benefited a lot from training and I would like to learn more. It would be good if training can be supported by ABET to improve literacy, numerical skills and basic English as most of us are not literate," a trader said.

5.12.2 Views of the Municipality

Linda Vilakazi-Tselane of EDU said there is a growing realisation that the COJ needs to develop a holistic approach when it comes to integrated solutions affecting informal traders. The process has started through various interventions to ensure that the business of informal traders will be incorporated in the new policies. This follows Joburg 2030, which was characterised by flaws in managing the complex nature of informal business but with the introduction of a new long-term policy GDS, the COJ is ensuring that the informal traders activities are fully aligned to this policy. For example in terms of policy, the COJ is developing measures that will 'remove trade on the side walk' and encourage trade within the designated areas such as linear markets.

This includes an action plan for example reconsidering council-created informal trading stalls, which are now seen as impeding pedestrian movements. The COJ has come to realise that while the development of stalls has helped traders to provide business in the inner city, it was not its best idea.

The researcher was referred to the Resolved document (2006) that expanded on the action plan to piloting linear markets, implementing linear market in Hoek Street, identifying legal versus illegal informal traders, establishing a joint working group to ensure that issues are addressed in an integrated manner. In terms of development, the COJ would have to ensure that regular training and monitoring is offered to the informal traders. The infrastructure will focus on designing new stalls with lockup sections. In establishing linear markets versus the City Markets, this process will require the consideration of road closure, accessibility and City's development programmes. The COJ is considering establishing a West End Informal Market in a derelict former Wits Technikon site, where all traders that are trading illegally in the undesignated space may be moved.

About law enforcement, the COJ is considering increasing the number of law enforcement officers within the JMPD. The city will create an integrated street by-law enforcement agency within JMPD and the planning for this is already underway. Some security guards will be assigned to enforce street by-laws in the City Improvement Districts (CIDs). There are developments to improve signage such as 'No Trading Zones' to allow for appropriate enforcing of street by-laws by the JMPD. There are moves to provide PikitUp with enforcement capacities to ensure the clean up of the City (EDU: 2006: 07).

Linda Vilakazi-Tselane concluded that the government is considering opening a credit guarantee scheme, where informal traders will be provided with debit cards similar to those issued by Edgars, Woolworths and Truworths. This will assist in linking up informal traders to wholesalers such as Makro, Jumbo in purchasing goods for credit. The issue of ABET was indicated under mentorship and the COJ is in the process of including it in the GYB programme. The problem of informal traders operating outside the mall is being addressed with Pro-Net, a private entity that controls that area as it does not fall under the jurisdiction of the Council. Pro-Net will need to put a fence around this area so that illegal traders activities are terminated. As Pro-Net does not have the capacity to fence the area, the duty was shifted to JMPD to enforce street by-laws while the COJ is developing plan to address the issue.

Informal traders welcome the proposed remedies by the COJ especially the linkages and credit facilities saying that it will bring relief to the acute problems facing informal traders at the mall. The issue of removing illegal informal traders to West End informal market was also appreciated in a sense that the COJ is sympathising with the plight of all informal traders whether legal or illegal.

"As informal traders at the mall, we were going to be very angry if the COJ were to remove us from the street and send us home but instead the COJ provided us space at the Mall. The same thing is happening for the illegal informal traders, whose operations are affecting our business, that they will be provided a home at the West End market", a trader said.

"The use of security guards to enforce street by-laws seems a way to shift the blame away from the COJ to the security companies, however it would helpful as they will always be watching the movement of all informal traders in the inner city. This will stop the necessity by the JMPD to harass informal traders operating illegally in the City," a trader said.

5.12.3 Views of the Service Providers

The service providers consist of Wits Enterprise and the School of Economic and Business Sciences (SEBS). Wits Enterprise is the facilitator of the programme and the SEBS is sub-contracted by Wits Enterprise to design the course content. In its first internal meeting, held on 21st November 2005, after the first roll out of the of informal traders who received training in basic business skills as part of their quality assurance and on which this report is based. It was agreed that the course material would need to be revised substantially in order to maximise accessibility for the learners. In addition to the internal workshop, a follow-up meeting was held on 22nd September 2006 with EDU where the same revision of material was identified.

When the informal traders were asked about any faults in the course content as well as in the presentation, they could not remember any identifiable problems including the course material. Instead the informal traders were very enthusiastic about the facilitators who were explaining everything in vernacular, which made it easier for them to follow. The problem that might have made the service providers and EDU to be upbeat about the revision of the course material was a drop in attendance in the fifth week of the training. The cause of this drop was not known

during the workshop but informal traders have explained that it was mere absenteeism based on individual problems rather that the presentation of the course or course content.
SEBS is considering the abandonment of their exclusionary approach, a criteria that required the informal traders to meet a certain standard of education in order to be allowed to attend the training. It should be replaced by a more inclusive criterion that would be trainee friendly and encourage all informal traders to participate in the training programmes. The shift towards this new approach is alleged to have started showing by the time the first group who attended the first training programme completed the course.

"We were all the same and equal in the face of the facilitators, we were not told that some of us did not meet the criteria therefore they needed special attention. While this was good for the training it was noted that among some learners, that they had no real motive to attend, it was a matter of attending the course without a real objective," a trader said.

"The training benefited those informal traders who wanted to acquire knowledge and those who were visiting would have come out without having learned anything," a trader said.

Rob Venter of SEBS complained that when twenty mentors were sent to observe if informal traders were able to apply what they had acquired from training, some had their business closed down and others were difficult to trace, as their address was no longer valid. The researcher is assuming that the report compiled by these mentors, most of whom were facilitators of the course, could have been what prompted the revision of the course material

Informal traders have made it clear that "some of the learners who attended the course were not really committed to the training, they were just visiting. In addition, some learners who attended the course did not have existing informal businesses of their own. It was possible that when they gave business address they gave ghost addresses",

"Overall the informal traders found training to be a good experience and if adjustments were to made, this may be for the betterment of the course, not with what went wrong in the training" a trader said.

5.13 Criticisms of the Training Programme

According to Dr. Johan Swanepoel of Wits Enterprise, the programme was set out at least to assist informal traders to be able to write-up a business plan but the COJ objectives were regulatory, social and economic. While the programme has received excellent endorsements from Wits management and academics, criticisms abounded:

The naming of Module 1 as "the entrepreneur" may be argued as misplacing the concept of entrepreneur, given that many informal traders were running survivalist businesses.

Although the opinions of the informal traders were mixed, the majority of the informal traders regard themselves as survivalists.

The exclusionary form of criteria would need to be abandoned as most informal traders were found to be comfortable without facilitators knowledge of their educational background and felt that this criteria will create divisions among informal traders and eventually discourage them to attend the training programmes.

The programme has been criticised for not including attitudinal skills in its basic business training. Although the objective of the training according to Swanepoel was to assist informal traders in drawing business plans, the omission of attitudinal skills led to a lack of motivation and ultimately dropout of the course.

The training programme should incorporate the means where informal traders can have access to funding, which is still missing in the programme as a trader for example pointed out,

"The more I sell the more I purchase stock, because the demand is high for variety of stock. The problem that I am facing is the lack of cash. Everything that we purchase we have to pay cash to wholesalers".

Linkages with the formal sector was still seen as a major area that needed attention, in spite of the COJ having failed to attract formal sector to support informal traders businesses, innovative approach based on diplomatic systems and mutual benefit were still lacking. The need for a broker indicated by an informal trader, to act as a catalyst between the informal traders and the formal businesses was indirectly related to this view.

The presentation of the subject matter using modern technology such as video materials and diagrams could be more inspiring to informal traders and encourage them to keep a practical 'business' journal. Informal traders could not elaborate on technical aspect of the training but international best practice (mobile unit) saw it as an effective means of conveying messages to the learners.

While the COJ may question the experience and expertise of using students as facilitators, most informal traders were very enthusiastic about student's services and could not see any problems concerning the manner they conducted training.

The lack of increase in productivity was associated with the lack of additional activities at the mall together with the absence of cultural training that may teach informal traders about tolerance of different cultural groups. Some aspects that were missing from the programme, were how to increase productivity such as self-financing and HIV/AIDS pandemic.

The training programme has been criticised for its unrealistic assumptions about informal traders activities and the outcome that claimed that training will improve productivity, create jobs and lead to sustainable business of informal traders. The response from informal traders varied however the majority of them were still operating as survivalists in that profit margins have not yet increased.

5.14 The Summary of Key Findings

Unlike the findings of the international best practice for example mobile unit where the provision of the training and incentives was seen as a piecemeal, the key findings of this report has demonstrated that the provision of training to informal traders have increased their knowledge base in term of skills acquisition and that they are able to apply what they attained from training. Within few years to come the GYB would have far more reaching impact on the lives of the individual traders given the adjustments outlined above. Most informal traders were found to be interested to become entrepreneurs but were disadvantaged by circumstances beyond their means. While informal traders were concerned about the establishing links with formal sector such as wholesalers, credit facilities and removal of illegal informal traders next to the market, the constraints posed by the very same mall was not seen as the impediment where profit ceiling was concern.

Training benefited informal traders in the areas of business expansion, attitudinal change, business ethics, customer care and so on. In this way training was found to be relevant to the needs of the informal traders. However, training would need to expand its scope in that informal traders who lack motivation should not resort to dropping the course. The findings have shown that there are few informal traders who are not keen to become entrepreneurs and that the Metro mall is not as prosperous as conventional mall. This has led to the researcher suggesting a further research into difference between survivalist and entrepreneur enterprises. While this may not necessarily lead to training being split into survivalist and entrepreneur training but it would provide a broad understanding between the two dichotomies. Just like the naming of the Model 1 as 'entrepreneur' was misleading the naming of the 'Metro market as the Metro mall' may deceive the customers into believing that services are similar to conventional malls.

CHAPTER SIX:

INTERPRETATION AND ANALYSIS OF RESEARCH FINDINGS

6.1 Introduction

In determining the outcome of the municipal skills development, the analysis will focus on how training impact has benefited the target group. Has training encouraged participation with different stakeholders? Can training be integrated to other long-term strategies such as HDS that are supposed linking training to long-term strategies? Have training led to a more positive response such as financial performance and increased employment? Assessment suggests that there has been a modest but variable success with municipal skills development, this form of training is beginning to progress the way municipalities are doing their business. The interpretation and analysis of the research findings will be formed by the essential questions of this report and the following questions will serve as a guide in analysing the impact of the municipal skills development offered to informal traders.

6.2 The key questions to be asked

How successful has training been in expanding the business of the informal traders?
How effective has training been in reaching the target group?
How successful has training been in responding to financial performance and increased employment?

6.2.1 How successful has training been in expanding the business of the informal traders?

The expansion of the informal traders business has not grown because of training. Informal traders who participated in the training programme are still operating as survivalists. What training has brought about is an increase in the number of customers from a variety of innovations obtained from training. This however has not enabled their business to expand to a level of entrepreneur.

The informal traders are still confident that the expansion will come as the customers increase. It can be argued that this belief may not carry enough water since it has been proven by the informal traders themselves that there is an increase in customers who appreciate their meals but that this has not resulted in expansion. This increase was based on the application of skills they have acquired from the training for example differentiation and diversity in terms of menu, cleanliness and customer care. This argument may well support the fact that, the COJ made unrealistic assumptions about the activities of the informal business. The cause of the non-expansion is to be found in the argument made under conceptual framework that there is a profit ceiling at the mall.

The circumstances under which the informal traders carry their business are constrained by a limited number of commuters using the complex. This was said to be unfortunate compared to conventional malls where the demand from customers is unlimited. While it can be argued that, there are more than enough customers circulating at the Metro Mall but is just that customers are not motivated to buy from such a business operation. This brings the question of the type of customers using the mall and the stereotype attached to informal business. Customers who have developed the habit of buying from conventional malls are unlikely to buy from informal traders. There need to be strategies that will help the customers from overcoming the stereotype traits where some customers view the business of informal traders as 'dirty business'.

Marketing strategies of advertising the mall on the local radio, local press, television accompanied by special events such as cultural activities, concerts, dances and so on where the public can come and watch for 'free' may entice the customers who frequent the mall. This form of promotion may do much in expanding the business of the informal traders but it may not motivate the customers to buy if the choice of goods available is ranging from traditional foods to fresh fruit and vegetables. The COJ has a duty to assist informal traders who are committed to grow and expand their business through introduction of incentives.

6.2.2 How successful has training been in responding to financial performance and increased employment?

This is the significant area where training provision would need to be strengthened and where the hindrance of the informal trader's growth was identified. This part of training was based on mixed responses from informal traders. While the issue of profit ceiling and unrealistic presumptions about informal business may be a recurring theme considering the first initiative made by the COJ. Based on the argument made in the conceptual framework that training has

not benefited informal traders in line with the findings made by Professor van Rooyen that informal business does not amount to real growth or entrepreneur. The findings of this report have shown that most informal traders are still stuck in the survivalist business.

It was also found that competition and productivity elements of the training were not covered in modules offered to informal traders. Informal traders were still trading on similar goods rather than on variety. Most informal traders were inspired because of training to grow their businesses but financial constraints reduce their efforts to survivalist business. There was a very limited diversity at the mall for example informal traders trading on clothing, communication lines such as sit-inn and dial telephones were very few. In addition, these are types of business ventures that have a number of customers. Telephones lines operated on ad hoc basis in less visible sites. Differentiation of items could have increased the demand of goods at the market in increasing incomes and create job. While the desire to increase profit and employment opportunities, which came with training may be interpreted as unrealistic, one may need to be cautious considering that international best practice recommends it in its basic business skills. In addition the COJ presentation of such a programme could have been deliberate so that is serves as a yardstick to determine which direction the COJ need to take in training future interventions.

The absence of sufficient employment opportunities in the informal economy may not be attributed to the COJ alone, the Director General of the ILO when he was formulating the vision of 'Decent Work', noted that reducing decent work will mean reducing employment gaps in the informal economy.

May be the solution to this problem is to be found in Howarth (1992) where he states that "there is no doubt that financial sustainability of income generating projects in general is problematic. But benefit gained from such projects such as increased self-esteem, self-awareness and assertiveness which, training offers cannot be ignored" (McGrath: 1994: 118). What Howarth seems to suggest is that we must accept that the problem of financial performance does not have formula and that there is a need to waive attention from tangible resolutions (of finance and employment) and focus on other empirical evidence (like awareness, self-esteem) which are non-economic activities but this may not solve the problem as it stands instead the measure of training in this way will be of meagre and unsatisfactory kind.

The ILO (mobile unit) acknowledges that training by itself does not create jobs but it can improve productivity if it is directed to the needs of the learners. While the GYB programme happens to be directly relevant to the needs of the learners but due to the lack competition and productivity in its modules informal traders are unable to grow and be productive in selling goods that are in demand to the consumers. The example of informal traders at the mall having some business tables outside the mall may be an example of competition, which needs to be monitored such that it is applicable within the mall.

It can be argued that the lack of competition and productivity is associated to the lack of occupational skills development, which can bring more focus to the business of the informal traders. The ILO (mobile unit) proposed that this type of training can be achieved through accessibility referred to as a 'special coach', where the informal traders will be trained next to their operations. The ILO claims that this form of training will improve the quality of product create more jobs and the quality of life of the people will be improved. This could be of relevance considering that there is a move by the COJ to incorporate security guards to JMPD. Training next to the place of employment may help informal traders in training that involves marching, drilling and physical exercises. This may need to be performed in the open rather than in a classroom situation. Kagiso Urban Management may also recruit informal traders who are unable to grow their business to cleaning activities, which will also be appropriate if offered to where informal traders operates.

6.2.3 How effective has training been in reaching the target group?

The effectiveness of the training will focus on those aspects of the training that have produced desired results. While it has been argued that training has made unrealistic assumptions about increased profit and employment opportunities, there were many positive benefits that training offered to informal traders. The benefits are interpreted in terms of non-economic activities such as acquisition of knowledge, increased self-esteem, self-awareness and assertiveness. The informal traders unequivocally agree that before the training was introduced they had insignificant hope that their business will grow. After the training they became aware of the activities that kept their business from growth hence, they were committed in acquiring more business skills that would elevate them to entrepreneur.

"Training opened our eyes in many things such as customer care, pricing, stock taking and so on," a trader said.

Informal traders were able to identify that training would need to be extended to their assistants who were still ignorant when it comes to the recordings attached to the management of their businesses and confirm that training would need to be backed by ABET for informal traders who were less literate.

The second aspect where training was of benefit to informal traders is the increase in communication from both informal traders who attended the course and those who did not. The idea of omniscience was gradually disappearing and being replaced by cooperation and participation. Informal traders are beginning to discuss among themselves innovative ways in which they can grow their business for example an informal trader who wanted to become a 'florist' and the informal trader who was offered an opportunity to open a wholesale of her own within the inner city, indicates the level at which training had inspired the informal traders. This is contrary to arguments made by the conceptual framework that informal traders are committed to unfair competition. In imitating what other informal traders are selling that could have led to a vicious circle of informal businesses, training has brought about a shift in this mindset. In short, participation at the grassroots level is encouraging growth in the informal business undertakings.

The third aspect where training has shown desired effects is the bridging of skills gap between the first economy and the second economy. This is crucial, as it is a factor of the long-term strategy -HDS. Most informal traders have agreed that if basic training were given to most informal traders at the market it would be of great benefit to both informal traders as well as to the COJ. The main concern of the COJ was to reduce the negative aspects of the informal business, which was caused by the low levels of skills among informal traders. The concept of reducing the skills gap was borne and according to informal traders the reduction of the skills gap will eventually be achieved. For example, the sprawl of identical informal business practices is beginning to change. New entrants in the informal business are taking off from where the experienced traders have left, meaning that new entrants are no longer keen in following old patterns of selling similar goods but are looking at those products that are of demand to customers which are not yet available at the market.

A big improvement was observed between the informal traders who participated in the training compared to those who did not. Informal traders who attended the course are taking their business seriously while those who did not attend were found to be still lacking the minimal business etiquettes. This progress was confirmed by (The Star: 2006: 21) when it claimed the 962 informal traders were trained between 2005/6 financial year, where the COJ was set out to

train 500 informal traders per year. This makes the COJ to claim at 96% success rate in reducing the skills gap among the informal traders. The rationale is that if there are 5 000 registered informal traders and 962 has been trained within two years out of a 1 000 informal traders, then progress has been realised. It can be argued that by any measure of criteria the municipal skills development is indeed successful in reducing skills gap. The COJ is setting up a precedent in reducing skills gap, in addition training is not only calculated in numbers but in the manner in which informal traders themselves translate these benefits into workable solutions for example

"There is so much I achieved from training for example income and cash-flow statement, costing, pricing and business plan and I still want to learn more about business skills. The problem I had before training was how to cost my items. This has become something of the past".

Acknowledging contradictions of informal trading in regulating the sector, with regard to discussions made above, the training programme can have a great impact in improving the lives of individual traders. However, skills development remains a blunt instrument in addressing regulation of the informal traders, taking into consideration the different agendas of protecting rather than interest supporting development. Regulating informal sector is difficult and contradictory where informal sector is unregulated. The means to regulate informal sector may not produce optimal impact where different objective are at the heart of the programme. There is a need for a more dynamic and flexible approach that would be incremental, sensitive to the direct needs of the informal traders. A quick fix approach such as 'one size fit all' where all informal traders are regarded as 'entrepreneurs' given that most informal traders are practising as survivalist may undercut the desired outcome of the skills development programme. Training programme should be designed in such a way that it caters the needs of both survivalist and entrepreneur enterprise.

6.3 Conclusion

It can be concluded that despite some noticeable achievements by the Economic Development Unit, Wits Enterprise and School of Economic Business Sciences to reduce skills gap in the informal sector, issues like credit, linkages, competition and productivity still remain a challenge. The positive side of training provision is that training has enabled COJ in gaining a better understanding of the complex nature of the informal economy and what needs to be included in future policy formulation. The training provision has enabled the COJ to come to term of developing training for the informal business.

This has manifested itself in the change of attitude attached to informal trading, where informal traders have relinquished their behaviour of regarding informal business as temporary employment. Informal traders who received training are showing progress in terms of customer care, cleanliness, pricing and commitment in growing their businesses. When comparing informal traders who did not receive training with those who did receive training, the skills gap widened where their business operations were characterised by lack of minimal business etiquette. Although they were exception but overall informal traders were inspired to move out of the survivalists into entrepreneur however the obstacles of credit and linkages were keeping informal business from growth.

The unrealistic assumptions by the COJ that the basic business skills will increase income and create jobs had both positive and negative aspects for the business of the informal traders. The merit of the assumption was supported by international best practice where its basic business skills for example Model F combines both income generation activities with poverty alleviation programme. The World Bank noted that, education and training played important role in developing informal traders to entrepreneurship. The combination of increase income and job creation by COJ was based on one of its initiatives, where the intention was to find the best possible way in which training can deliver maximum impact to the informal traders. The demerit of the COJ's initiative is that informal traders were not aware of the underlining aspect of 'training objective'. Informal traders were told that training will help them move from survivalists to entrepreneur, failure to achieve this may lead to informal traders interpreting training as having mixed but varied success. The difference between international best practice intervention and COJ initiative is that Model F includes the legal framework whilst the COJ lacked such a framework.

In expanding the business of the informal traders, the COJ has to grapple with how incentives can be allocated to informal traders. This was seen as a serious problem as a majority of the informal traders were pointing at credit and infrastructure as the main impediment in their quest for growth. Although the EDU's view of impact has indicated that a credit guarantee scheme will be in place to assist traders to access goods in a form of a credit from the wholesalers, there still a need for a selection criteria. One informal trader recommended an incremental process of credit facilitation. The COJ also have to indicate if such credit allocation will be given collectively or to individuals, taking into consideration that a narrow focus of projects targeting individuals or groups of enterprise would certainly be inadequate. This report has reviewed five essential issues that need to be addressed as part of sustained efforts to monitor and strengthen training in the informal traders at the Metro Mall. These include:

- Selection criteria for incentives allocation
- Competition and productivity be included in the modules
- Legal framework of basic business skills
- Incorporation of occupational training skills in the programme
- Expanding linkages with formal sector for sub-contracts and internships.

Any intervention selected by municipality in addressing training in relation to informal traders would have to ensure that not only skills gaps are addressed but that poverty within the sector will not exacerbate. The duty of the planners in this regard is to ensure that they influence policy makers in a particular intervention or in a course of action that is not likely to worsen the plight of informal traders.

The playing field has been levelled for most interested committed individual traders to rediscover their business through training, to stand up and seize opportunities available to them.

The only way forward is sustainable informal business through quality of training.

6.4 Recommendations

From preliminary skills development to today's basic business skills training is a big improvement. The experience gained during developing informal traders training programme and efforts to align them with some of the COJ policy documents has greatly benefited informal traders directly in growing their businesses. While the conclusions indicated some of the features in assessing impact of the basic skills development, recommendations will focus more in answering the research questions.

6.4.1 Recommendation for the COJ

The impact could have had far more reaching implications if it was based on a policy document that specifically focused on the informal traders, which is non-existent. The delivery of informal training based on different policy objectives was confusing, for example HDS calls for reduction the skills gap between the first and second economy. On the other hand the Joburg 2030 envisages that informal sector will be reduced in size and that informal traders will no longer be residents of the city, but the reality is that informal trading still exists.

The COJ still has to create selection criteria that would not be biased to informal traders that have been longer in the business than new entrants. The example of a selection criterion that was envisaged by informal traders was incremental in favour of those informal traders who are innovative and have shown the desire to differentiate. There would be a need to strike a balance between the time factor and innovation.

The issue of street by-laws should be revised in conjunction with informal traders' stakeholders. The street by-laws did not directly affect legal informal traders operating at the mall. It did however indirectly affect some informal traders at the mall who had business tables in illegal spaces within the inner city. If the revision of the street by-laws can follow a similar pattern as that of Durban International best practice where government regulations does not impede on the business of the informal traders.

Most informal traders' stakeholders are involved in the development of policies and informal traders were seen as workers who form an integral part of Durban's economy. The informal trader's skills development programmes are aligned to a vision and long-term strategy. However, there is a very limited dialogue between the informal traders and the COJ in the revising the street by-laws as it was indicated in chapter four. The naming of the Metro Market

as the Metro Mall is deceptive as there is huge discrepancy between the mall and market.

6.4.2 Recommendation for Informal Traders

The impact of the training programme has been described by informal traders as having produced more than what they hoped for, meaning that training provided knowledge acquisition, which cannot be taken away from them. This knowledge led to most informal traders committing themselves in expanding their businesses.

The impact of training as viewed by informal traders showed that it had relevance to their needs. However, informal traders had reservations about the future prospects of their businesses, as it was not linked to incentives. Informal traders wished to have a mentor that would assist them in credit facilities with the wholesalers. This has been covered by the EDU response in relation to future interventions that would be introduced.

Due to the training, the attitude of informal traders is beginning to take a positive turn. This is because informal traders have overcome the notion that informal trading is temporary or waiting station for formal employment. Motivation to attend training among the informal traders is still growing although some informal traders have no desire at all. Some informal traders who did not participate in the course were reluctant to attend as they saw insignificant improvement in terms of business expansion from informal traders who attended the course. The inclusion of life skills modules, for example attitudinal and cultural skills, HIV/AIDS training might enhance the interest of informal traders to the training programme. The strategy of breaking the profit ceiling, increased productivity and competition at the mall may further attract informal traders to training.

6.4.3 Recommendation for Service Providers

The outcome of the training impact is of a non-economic nature such as self-esteem, self-awareness and assertiveness. This has led to mixed feelings among informal traders commitment in becoming entrepreneurs. Few informal traders regard their business as having reached entrepreneur level; on the other hand the majority of informal traders still believe that ‘entrepreneur’ was a mountain to climb as their business has not moved out of survivalist enterprise.

Although the skills gap is being reduced, an introduction of occupational skills as the second training step may start to achieve the desired effects. The researcher has recommended that informal traders need to be exposed to other fields of training that would enable them to become watch-repairers, fridge-repairers, clothing designers and so on. The EDU has become more focused on the occupation skills in that their prioritisation is based on an urgent need to train informal traders to join the formal markets. The security guards are to be trained in the enforcement of street by-laws and will be incorporated in the JMPD force. Kagiso Urban Management would re-train informal traders to become cleaners.

Training has facilitated the participation of different stakeholders for example the EDU and Wits University, however some participation needs to be strengthened between EDU and MTC on the one hand and between student facilitators and the COJ on the other hand. The MTC was in a strategic position to assess if the training development was producing desired effects as they dealt with informal traders on a daily basis but saw this task as a an extra burden that need to be conducted by EDU itself.

The effectiveness of student facilitators was questionable in the eyes of the COJ. The findings of this report are such that student facilitators were doing well in delivering the subject matter. Informal traders were very enthusiastic about the manner in which they explained different business concepts, which made it easier for them to follow. It is recommended that student facilitators should not be changed, as they are flexible and able to share the same subordinate structural position by virtue of gender, race and language, an adjustment that might not prove to be easy were the course facilitated by somebody else.

Training is linked coherently to the long-term strategies (HDS) in reducing the skills gap. According to informal traders, if the training could continue following the same methods it would eventually achieve its goals. The researcher recommends that training should have a legal framework similar to international best practice for example Model F.

BIBLIOGRAPHY

(CDE) Centre for Development and Enterprise (2006) Accelerating Shared Growth Making Markets work for the poor in South Africa. Johannesburg: ComMark Trust.

(DPLG) Department of Provincial and Local Government (2002a) Refocusing Development on the Poor. Pretoria: DPLG.

(SEBS) School of Economic & Business Science and Wits Enterprise (2005) Course Material: Grow Your Business Programme. Johannesburg: Witwatersrand University.

Ackroyd S and Hughes J (1981). Data Collection in Context. New York, Longman. Castells M (1996) The information Age: Economy, Society and Culture. Massachusetts, Blackwell.

City of Johannesburg (2005) Skills Development Programme Recommendations for_the Transfer of Funds to the University of Witwatersrand to Support Skills Development Projects. Johannesburg: City of Johannesburg.

City of Johannesburg Department of Communication. (2006) Media Release: Joburg Invest in Informal Traders. Johannesburg: City of Johannesburg.

City of Johannesburg Metropolitan Municipality (1991) Street Trading By-Laws. Business Act, Act No. 71 of 1991. City of Johannesburg.

Collier W, Green F and Peirson J (2005) Training and Establishment Survival. Scottish Journal of Political Economy, 1: 1-12.

Corporate Planning Unit. (2002a) Full Report: Joburg 2030. Johannesburg: City of Johannesburg.

Corporate Unit (2006b) Growth Development Strategy. Johannesburg: City of Johannesburg.

Corporate Unit (2006c) Integrated Development Plan. Johannesburg: City of Johannesburg.

DPLG. (2005b). Robust and Inclusive Municipal Economies. Policy Guidelines for Implementing Local Economic Development in South Africa. Pretoria: DPLG

EDU (2002e) Informal Trading Development Programme. Johannesburg: City of Johannesburg.

EDU (2003b). Memorandum of Understanding between the Johannesburg City Council and the Higher Education Institutions within the city. Johannesburg: City of Johannesburg.

EDU (2006c) Resolve: Johannesburg: City of Johannesburg.

EDU (2006d) Memorandum of Understanding between Wholesale and Retail Sector Education and Training and City of Johannesburg Metropolitan Municipality and Metro Trading Company. Johannesburg: City of Johannesburg.

EDU (2006f) Informal Sector Development. Research into the need for Periodic Markets in Greater Johannesburg. Johannesburg: City of Johannesburg.

EDU (Economic Development Unit) (2005a) Agenda: Informal Traders Training Workshop. Johannesburg: City of Johannesburg.

eThekwini Economic Development Department (1998) Street Trading Review for the Durban Metropolitan Area. Durban: eThekwini Municipality.

eThekwini Municipality (1997a) An Approach to Informal Trading in the Central Areas of Durban. Durban: Marketwicz English & Associates.

eThekwini Unicity Municipality. (2001b). Durban's Informal Trading Economy Policy. Durban: eThekwini Municipality.

Finch J (1984) It's Great to Have Someone to Talk to: The Ethics and Politics of Interviewing Women, in C Bell and H Roberts (eds), Social Researching: Politics, Problems and Practice. London: Routledge and Kegan Paul.

Haan H (2001) Occasional Papers: Training for Work in the Informal Sector. New Evidence

from Eastern and Southern Africa. Turin: Italy.

Hirschowitz R (1991) The NTB/HSRC: Investigation into Training for the Informal Sector. Pretoria: HSRC Publishers.

Hirschowitz R (1993) Training for the Development of the Informal Sector. Community Agency for Social Enquiry. Johannesburg: Friedrich-Ebert-Stiftung.

Isandla Institute (1999) Informalisation, Local Economic Development and Public Policy. Pretoria: Isandla Institute.

Jacques C (2001) Addressing Informality Reducing Poverty. A Policy Response to the Informal Economy. Women in Informal Employment: Globalising and Organizing (WIEGO). US Department of Labour Bureau of Labour Statistics: USA.

Lund F (1998) Women Street Traders in Urban South Africa: A synthesis of Selected Research Findings. CSDS Research Report No 15. School of Development Studies: University of KwaZulu-Natal.

Lund F and Skinner (2003) The Investment Climate for the Informal Economy: A Case of Durban, South Africa. Durban: University of KwaZulu-Natal.

Majola B (2002). Learning to Run a Small Business. Available at <http://www.joburg.org.za>.

McGrath S (2005) Skills Development in very Small and Micro Enterprises. Cape Town: HSRC Press.

McGrath S King K Leach F and Carr-Hill R (1994) Education and Training for the Informal Sector – Education Research Paper no. 11, 1994, 332. Cape Town: HSRC Press.

Molosankwe B (2006) Metro Police Accused of Brutality and Blatant Racism. Accessed on 07 September 2006.

Mosoetsa S (2001) The Manchester Road: The Case of Black Women Workers in the

Footwear Industry's Informal Sector. Johannesburg: University of Witwatersrand.

Munbodh S (2003) Best Practice Commission. Report on the Best Practice, City Commission: ILO.

Nicholson J (1997) Understanding the Economy. Self Employed Women's (SEWA). Durban: Kohler.

Preston-Whyte E (1991) South African Informal Economy. Cape Town: Oxford University Press.

Punch M (1986) The Politics and Ethics of Fieldwork. London: Sage.

Radebe N (1997a) Even Street Traders Have Dreams … Daily News. Accessed on 02 October 1997.

Radebe N (1998b) Bleak Future for Street Traders: Poor sales over festive season may mean no schooling for many children. Daily News. Accessed on 02 January 1998.

Rogerson C (1989a) Hawkers in South Africa's Small Urban Centres. Planning and Policy Development. Development Southern Africa, 6: 259-310.

Rogerson C (1996b) Rethinking the Informal Economy of South Africa. Development Bank of Southern Africa, 84: 1-96.

Rogerson C (2004c) The Impact of the South African Government's SMME Programme: A Ten year Review (1994 – 2003) Development Southern Africa 21: 49
69.

Rogerson C and Hart D (1989) The Struggle for Street Deregulation and Hawking in South Africa's Major Urban Areas. Social Dynamics 15 (5): 29-45.

School of Architecture and Planning 2006 Urban and Regional Planning at Wits. Available at <http/www. wits.ca.za/depts./wcs/archschool.html>.

Skinner C (2000) Getting Institution Right? Local Government and Street Traders in Four South African Cities. Urban Reform 11(1) 49-71.

Thale T (2002a) City Rolls out New Deal for Hawkers. Available at <http/www.joburg.co.za>. Accessed on 23 July 2002.

Thale T (2002b) Metro Mall Poised to Open for Business. Available at <http/www.joburg.co.za>. Accessed on 12 July 2002.

Thale T (2004c) City Gets to Work on the Shortage of Skills. Available at <http/www.joburg.co.za>. Accessed on 29 June 2004.

The Star (2006a) Work together, not against Informal Traders. Available at <hptt/www.thestar.co.za>. Accessed on 19 September 2006.

The Star (2006b) City Folds its Arms as Metro Police Trample the Rights of City Hawkers. The Star. Accessed on 13 September 2006.

The Star (2006c) We' re Committed to Dialogue with Informal Traders. Accessed on 15 September 2006.

The UK's Department for International Development (DFID) and the Private Sector, (undated). Working with the Private Sector to Eliminate, Poverty. Available at <http/www.dfid.gov.uk/pubs/files/dfif-private-sector.pdf>.

Valodia I (2001) Economic Policy and Women & Status Quo. Informal Work in South Africa: Development and Change, 32 (5): 871-892.

Wits Enterprise, (2006). Grow Your Business Proposal of 2006. Proposal to provide Training to a Group of 500 Informal Traders on Behalf of the City of Johanneburg. Johannesburg: University of the Witwatersand.

Zwick T (2006) The Impact of Training Intensity on Establishment Productivity. Industrial Relations, 45 (1): 26 –31.

APPENDICES

Annexure A

Annexure B

Annexure C

Interviews

Abram M, an informal trader from Qwaqwa (Bloemfontein), 10 August 2006.

Mandelowitz JPC, Director in the Johannesburg Property Company, 12 July 2005.

Vilakazi-Tselane L, Acting Director of the Economic Development Unit, 25September 2006.

Nondo L, Project Consultant in Skills Programmes within the Economic DevelopmentUnit, 22 August 2006.

Nxumalo X, Project Consultant in relation to Informal Traders within the EconomicDevelopment Unit, 10 September 2006.

Venter R, A Senior Lecturer in the School of Economics and Business Sciences, 05Septermber 2006.Estebeth A, Project Manager for Wits Enterprise, 15 September 2006.