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Critical Assessment of the linear market model in the Johannesburg inner city

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Dissertation presented in partial fulfilment for the degree of Master of Management (in the field of Public and Development Management) to the Faculty of Commerce, Law and Management, University of the Witwatersrand

September 2017

ABSTRACT

The linear market model is the City of Johannesburg's most recent street trading developmental intervention intended to manage and locate street traders in highly pedestrianised streets. The inner city of the City of Johannesburg is known for receiving a high influx of migrants from inside South Africa and outside the country seeking economic opportunities. Some of these migrants find themselves in the streets of the City of Johannesburg engaging in illegal street trading. The City of Johannesburg municipality has come up with various strategies to regulate and manage street trading including the introduction of By-laws.

In 2008 the City of Johannesburg municipality introduced the linear market model as a means to provided proper structures for street traders, and models that are intended to organise them and assist in unlocking their entrepreneurial skills. The implementation of the linear market model had its own challenges, including some stakeholders believing that it is not beneficial and some traders believing that the entire process of moving them around undermined their rights. However, this research had not examined the conflicts that the municipality has with the street traders but focused on assessing the situation relating to the market, street traders' challenges and the support they receive from the municipality.

This research was conducted in the form of a case study to critically assess the linear markets located in the inner city of one of the busiest cities of the continent. The research assessed the functionality of the model focusing on the benefits that this market model brought to the street traders. The methodology applied to carry out this research does not generalise the findings for broader scope and consideration. However, the significance of the outputs through this research could be of use to provide insights within the City of Johannesburg where such infrastructure is

developed. The research found that the linear market model is structurally functional but with some administration challenges. Maintenance and inadequate support by the municipality was the main challenge in these markets. This research study made recommendations to assist the municipality as it implements the linear market model in other regions of the municipality.

DECLARATION

I declare that this dissertation titled ‘Critical assessment of the linear market model in the Johannesburg inner city’ is my own and unaided work. I have acknowledged and referenced all sources used and quoted in this dissertation. I hereby submit it in partial fulfilment of the requirements of the degree of Master of Management (Public and Development Management) in the University of the Witwatersrand, Johannesburg. I have not submitted this report before for any other degree or examination at any other institution.

Livhalani Nemaungani
Johannesburg, September 2017

ACKNOWLEDGEMENTS

Firstly, I would like to give thanks to God Almighty for giving me much needed strength to register and complete this research study leading to obtain my degree.

Secondly, I would like to acknowledge my supervisor Dr K. Wotela, for his research support during the time I was conducting this research. His comments, advice and profound inputs have assisted me during the time where I needed encouragement. For his tireless efforts and dedication I thank him sincerely.

I would also like to acknowledge my husband Mpho for his tolerance and continuous efforts to give me support even at times when I would be involved with my studies and unable to take care of the family.

My two children, Andi and Unarine, thank you for the hugs and unconditional love when I needed them most.

Thank you to my helper, Vho Eunice, for holding the fort when I was spending most of my time in my studies for the past two years.

I would also like to give thanks to my classmates Buyiswa, Xoli and Sydwell for always being there to encourage each other when it was tough. May the good Lord reward your good hearts.

I would also like to give thanks to my siblings for always encouraging and challenging each other to ensure that we all progress in life. The spirit keeps us on our toes.

Lastly and a very important person is my mother Tshamano Tshisikhawe, for always praying for her children. I found comfort in knowing that she is interceding for me during my studies.

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CHAPTER ONE
INTRODUCTION TO THE RESEARCH

1.1 BACKGROUND

The purpose of chapter one is to outline the research problem statement which will explain the importance of conducting this research. Secondly, it outlines the purpose of the research by explaining the process and research techniques used while conducting this research, and thirdly, it provides the research questions that were answered by this research. The sections of this chapter are: section 1.1 is the background that has subsection 1.1.1 (The role of informal trading on Local Economic Development), subsection 1.1.2 (History of Johannesburg inner city) and subsection 1.1.3 (Informal trading in the inner city of Johannesburg). Section 1.2 provides the problem statement. Section 1.3 provides the research purpose while section 1.4 outlines the research question, followed by section 1.5 that defines the research. Section 1.6 gives a justification of the research and lastly the structure of the research is explained in section1.7.

1.1.1 The role of informal trading on Local Economic Development

The inception of the informal sector in South Africa dates back to the apartheid era (Lund, 1998) where “restrictive legislation on mobility and property rights for blacks resulted in a skewed urban development” (Motala, 2002, p.9). Ingle (2014) concurs that informal trading was an activity that was officially not allowed in either black or white residential areas during the apartheid era. Though the formal economy provides the majority of regulated economic activities and jobs, the informal sector because of its diversity (Van Rooyen & Antonites, 2007) accommodates most of the unskilled population, where “about one third of the economically active South Africans relies on the informal sector” (Steyn, 2008, p6). Williams (2013) explains that in 39.5 per cent of the countries that the study surveyed, the majority of the population were employed in the informal sector; this gives weight to the argument regarding the importance and significance of the informal sector in overall economic growth.

Vermark (2014) argues that local government needs to take advantage of the benefits provided by informal trading to local communities, and that despite its challenges, informal trading offers opportunities for integration in the planning of cities. Vermark (2014) indicates that informal trading has the potential for offering business opportunity to entrepreneurs and if municipal projects for the local economic development should expand entrepreneurship skills and provide training to the semi-skilled and unskilled informal traders, an equal opportunity would be made available to all for this type of business venture. The informal sector has a significant role in addressing the triple challenge of poverty, inequality and unemployment. These challenges are the main issues that the introduction of the LED intended to address through various initiatives that are facilitated mainly by municipalities.

In South Africa, section 153 of the national constitution stipulates that a local government must structure and manage its administration, account for budgeting and planning processes to prioritise and meet the needs of its community, and promote the social and economic development of its community (Republic of South Africa, 1996). In support of the constitution that advocates for the involvement of local authorities in ensuring economic development, the Department of Trade and Industry (2008) shows in its informal/street trading policy framework for municipalities that the City of Johannesburg municipality (CoJ), one of the metropolitan municipalities in South Africa, started drafting the local economic development programme as early as 2001 and established a unit to deal with local economic development with a mandate on informal trading. Other municipalities have also integrated local economic development in their planning processes. For example, eThekwini municipality also recognises the important role that informal trading plays in the local economic development of the municipality and acknowledges that uncontrolled and unplanned growth of the informal sector can have a negative impact in the City (Kitchin & Oven, 2008).

1.1.2 History of Johannesburg inner city

Johannesburg is the provincial capital of the Gauteng Province, which is one of the nine provinces of South Africa. The inner city of Johannesburg covers the area of Region F of the seven (7) regions of the Johannesburg Metropolitan Municipality. For a very long time Johannesburg was known as the City of Gold. Due to the evolution of the city that happened over some years, it now accommodates various economic sectors. Beavon (1997) explains that the Johannesburg inner city was occupied by various secondary industries after World War ll. The inner city experienced a decline between the 1980s and 1990s.Van Eaden (2013) indicates that the Johannesburg inner city experienced an economic meltdown between 1980 and 1990, accompanied by many large businesses moving out of the inner city to surrounding suburban areas. Thereafter, the City of Johannesburg municipality (COJ) developed strategies, such as inner city regeneration, as a way to revitalise the inner city. The City acknowledged the important role that informal traders play and prioritised them in the developmental plans of the inner city. Bremner (2002) attributes the rapid growth of the informal sector to changes in policy from repression to policies that are developmental in nature. The move to more proactive policies became more radical during the first democratic era in the mid-1990s. For a long time informal trading had been prohibited in the inner city of Johannesburg until the mid-1990s during South Africa's political transition (Pieterse, 2017).

The general perception about Johannesburg is that it is an African continent power hub, and experiences an influx of legal and illegal immigrants who turn to street trading. The perceptions of the informal sector in the country have cascaded down to Johannesburg where Callaghan and Venter (2011) refers to the informal sector of Johannesburg as vibrant and dynamic, as a reflection of the residents of Johannesburg. There are various precincts such as the Maboneng precinct, which are assisting in promoting entrepreneurial talents from the youth and unemployed youth of Johannesburg. The inner city of Johannesburg is currently considered as both a working environment and a residential area. The City has directed more

resources to projects that elevate the inner city including the inner city property scheme, the smart city project, and the linear markets for street traders.

1.1.3 Informal trading in the inner city of Johannesburg

The government has realised the important contribution that the informal sector makes in the overall economy. Various authors concur with this notion and argue that informal trading forms a vibrant and important part of the South African economy and it should be viewed as the entry, foundation and “basic component of the total economy” (Chen, 2007, p2). The much-needed strategic alignment by the municipality could be done by providing support to both the informal traders and their customers (Vermark, 2014).

In Johannesburg, Rogerson (2004) indicates that the informal sector encompasses a range of activities including street trading, backyard manufacturing and informal services. Even though the informal sector has a range of informal activities, informal trading is the most visible segment (Motala, 2002). The informal trading that is most visible includes the street trading component. Street trading is the selling or offering for sale of any articles or supplying or offering to supply any services in the street for gain (Comfort et al, 2004, p249).

In its quest to develop a strategic alignment of informal trading in its inner city plans, the CoJ municipality developed an inner city regeneration charter in 2007 as a way of coming up with a well-structured solution for the challenges faced in the inner city. The Johannesburg Inner City Regeneration Charter acknowledged that the informal sector has an important role to play in providing a platform for an emerging business to grow into a formal business (City of Johannesburg, 2007). The charter further emphasises the commitment of the CoJ to provide necessary interventions that will organise the informal traders, and the linear market model for street traders was one of the interventions that the CoJ committed to provide.

The linear markets are constructed in a highly densified pedestrian area, are weather resilient and with necessary utilities such as water and electricity. The introduction of linear markets was an effort by the municipality in partnership with

the private sector such as City Property Company, Affordable Housing Company and Apex Hi Properties. The implementation of the model was managed by the Metro Trading Company (Van Rooyen & Antonites, 2007), one of the CoJ entities established in 1999 with the mandate of, amongst other things, management of street traders and taxi ranks. The entity encouraged traders to register in their system for better management of the market. Registered traders were provided with demarcated stalls that complied with the municipal by-laws. The 2011 political term of office witnessed the disbandment of the MTC by the municipality. Upon the disbandment, the street trading function was moved to the Department of Economic Development (DED) and at present this department is responsible for expanding the linear market programme to other regions of the City.

1.2 THE RESEARCH PROBLEM STATEMENT

The City of Johannesburg inner city receives an influx of immigrants from both inside and outside South Africa, the majority of whom engage in street trading activities for survival. The onus is on the local authority to ensure that street trading activities are formalised, properly managed and regulated for the purpose of growth and also compliance with local by-laws. Rogerson and Rogerson (1996) argue that the influx of black enterprise in the Johannesburg CBD was first triggered by violence and later influenced by economic factors. Street traders are often associated with operating on pavements, obstructing pedestrian movement, and being unhygienic and chaotic. Bantubonse (2008) indicates that the City of Johannesburg attempted to remove random traders from the street and at the same time aimed to provide appropriate locations where street traders could continue to operate and earn an income. Linear markets were therefore introduced as an appropriate infrastructure and positioned in an appropriate location where street traders would be able to sell their products to a high volume of customers that move around highly pedestrianised streets.

According to Callaghan and Gwatidzo (2013), the promotive stance initiatives by local government in the provision of rental stands may bring upliftment in street traders. This research was conducted to assess the contribution of the linear market model, a promotive initiative by the CoJ for street traders. It is almost a

decade since the linear market model was introduced but literature assessing the contribution of the linear markets to its intended beneficiaries is not readily available. This research therefore aims to address a knowledge gap regarding the benefits of the linear markets to street traders, the challenges encountered while operating in the linear markets and the support that is received from the municipality.

The other reason is related to the concerns from different quarters regarding the effectiveness of the linear market model to its intended beneficiaries. The concerns also come from some street traders who believe the model has not reached its full potential. It was thus important to undertake this kind of research in order to document the benefits, challenges and support that is provided to street traders. The findings would assist the municipality to understand the extent of the issues and address them before the model is fully implemented in other parts of Johannesburg.

1.3 THE RESEARCH PURPOSE STATEMENT

This research applies the theory of change and informal trading related theories to interpret the results indicating the contribution made by the linear market model to street traders, as well as the challenges encountered and the support that street traders operating within the linear markets receive.

First, the literature was reviewed to identify knowledge gaps, to understand the concepts and to develop the theoretical and conceptual frameworks that were used to interpret the research findings. Secondly, the research discussed and committed to a research strategy and design. The strategy and design were used to navigate the direction that the research needs to follow. The methodology was also used to answer the how, why and what data to be used to answer the research questions. Thirdly, after data was collected, themes were developed to present the findings, derived from research questions, literature and fragmentation of data collected. Fourthly, data was interpreted in order to answer the research question while using the theoretical and conceptual frameworks developed in the

earlier stage of the research. Lastly, the findings were used to draw conclusions on the assessment of the linear markets and guided the recommendations made.

1.4 THE RESEARCH QUESTIONS

The research questions that informed the research are:

1. What is the contribution of the linear market to the street traders?
2. What are the challenges and constraints that street traders in linear markets encounter?
3. To what extent do street traders receive support from the City of Johannesburg municipality?

1.5 DELIMITATIONS OF THE RESEARCH

This research is located within the economic development field; as a result the focus was more on the economic aspect of the programme than the social aspect. Informal trading is comprised of small, micro and medium enterprises. Pillay (2004) indicates that the informal sector encompasses people who operate as vendors, hawkers, subsistence farmers and spaza shops that tend to generate income that is below the poverty line. This research focused only on street trading also known as the hawker component of informal trading. The study has not examined other components of the informal sector.

In the inner city of Johannesburg, street trading is comprised of legal and illegal traders. However, this research concentrated on those street traders operating legally within demarcated stalls inside the markets.

This research is qualitative research; quantitative research was not utilised in the study.

1.6 JUSTIFICATION OF THE RESEARCH

This research will contribute to the knowledge that other authors have already provided in relation to street trading. Callaghan and Gwatidzo (2013) conducted a study in the inner city of Johannesburg that focused on investigating the influence

of access to City Government-provided rental stands on informal trader's gross earnings, working hours and range of further dimensions of inequality such as differences by gender, education and capital accumulation. However, unlike this research their focus was on government all rental stands regardless of their location. Literature reviewed showed no study was done on the street traders operating within the linear market or on the review of this newly developed model.

The other issue is the concerns that street traders have raised with regard to the effectiveness of the linear market. It was important that these are researched, documented and possible solutions recommended because recurrences of these concerns could lead to rendering the market model dysfunctional. Therefore, the findings of this study will assist the CoJ municipality to understand the issues and develop specific approaches for linear market street trading.

The researcher's interest in street traders is because it is believed that street trading can unlock entrepreneurial potential and create employment for the unskilled unemployed. Nezhelele (2013) argues that there is a general view that street traders have potential to create employment and grow the economy. The nurturing of this bottom structure in the informal economy is important and government intervention should be of promotive in nature. Therefore, by addressing the research questions in this study, the researcher was able to recommend essential interventions that can positively contribute towards the building of this sector.

1.7 PREFACE TO THE RESEARCH REPORT

The purpose of this research is to assess the linear market model for street traders that was introduced in the inner city of Johannesburg.

Chapter 1 introduces the research context under which this study is undertaken. The chapter introduces the key concepts the research focuses on and outlines the objectives of the research and research questions with justification for why this research is important.

Chapter 2 discusses the research context that provides an overview of the inner city of Johannesburg. It also evaluates previous and current studies with the aim of identifying gaps and using the information to describe the problem statement as outlined in chapter one. The chapter further presents the field of economics as the academic home for this research and discusses the components of the field, specifically the economic development component and its main debates. The theoretical and conceptual frameworks used in interpreting the findings are described and discussed in this chapter.

Chapter 3 discusses the research strategy, design, procedures, reliability and validity measures as well as limitations, providing a road map on how this research was conducted and the research tools utilised to source the relevant data.

Chapter 4 presents and discusses the findings made when data was collected. The findings are presented in line with the research questions. Variables such as the market infrastructure and location used to assess the contribution of the linear market are presented.

Chapter 5 interprets the findings presented in chapter 4. The interpretation of the findings is linked to the theoretical and conceptual framework in chapter 2. Chapter 6 contains the overall conclusion, summary and recommendations.

CHAPTER TWO
LITERATURE REVIEW

2 INTRODUCTION

This chapter is divided into three broad sections as per their objectives. The first section details the research problem (Sections 2.1 and 2.2), then identifies the research gap (Section 2.3). The next section provides a theoretical framework for interpretation of the findings (Sections 2.4, 2.5 and 2.6) and lastly there is the conceptualisation of the research approach (Section 2.7). In Section 2.1 the study describes the research context in preparation for Section 1.2 in which the research problem is explained. Section 2.2 provides an overview of informal trading in the South African context and specifically in Johannesburg. In Section 2.3 the research reviews literature on studies that have attempted to evaluate street trading. With this knowledge, the research is located within the Economic Development studies. Section 2.4 discusses Economic Development and its related concepts. Section 2.5 explains the factors in evaluating the linear market for street traders. Section 2.6 discusses the theoretical framework used to interpret the empirical results. Section 2.7 provides a road map of how this research intends to assess the effect of linear markets on street traders.

2.1 CITY OF JOHANNESBURG INNER CITY HISTORY AND DESCRIPTION

South Africa is a constitutional democracy with nine provinces; one of the nine provinces is Gauteng Province. According to the Statistics South Africa 2016 mid-year report, the population of South Africa is 55.91 million with Gauteng Province having the largest population of approximately 13.5 million. The Gauteng Province is diverse and contributes 34.5 per cent to the country's Gross Domestic Product (GDP). The province comprises twelve municipalities made up of three metropolitan, two district and seven local municipalities. The City of Johannesburg municipality (COJ) is one of the three metropolitan municipalities of Gauteng Province and governs Johannesburg, the capital city of the province.

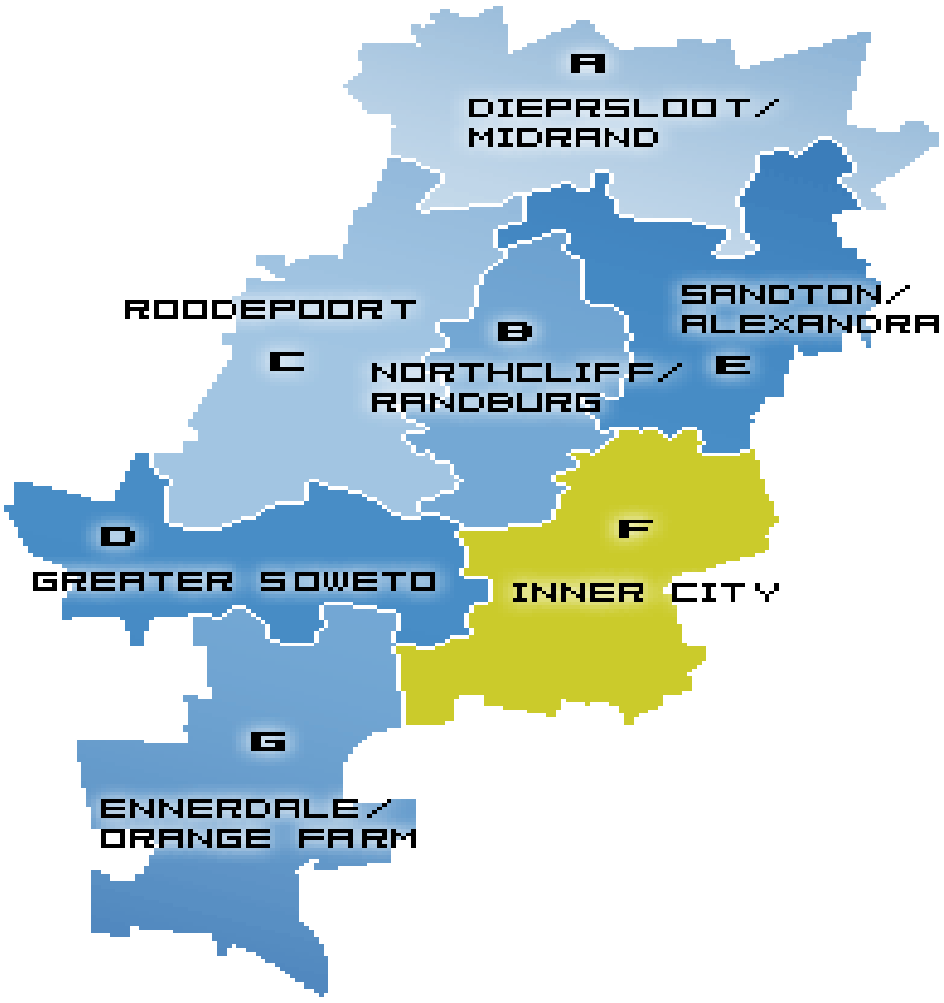


Figure 2.1: City of Johannesburg Map (Source: Internet)

Johannesburg is the largest city in South Africa, covering land area of 1 645 square kilometres, with a population density of 2,364 inhabitants per square metre. As depicted in Figure 2.1, Johannesburg is divided into seven regions classified as regions A to G. The Inner city of Johannesburg is located within Region F, the area highlighted in green in Figure 2.1 above. It is estimated that approximately 800 000 commuters pass through the inner city every day.

For a long period Johannesburg was known as the City of Gold; however, due to transformation over time it now has various industries including secondary and tertiary industry (Beavon, 1997). Over the years, the inner city experienced challenges that left most of its areas dilapidated. Various factors contributed to this dilapidation. Tomlinson, Beauregard, Bremner and Mangcu (2003) attributes the

change in the state of inner city to the fact that post-1994 many white residents and businesses left for the surrounding suburbs and a large number of black people from rural South Africa and other African countries arrived in large numbers and occupied the streets of the city for trading as well as illegal activities such as prostitution and drug dealing. The collapse of the inner city was not created at a certain period but was incremental over time. Van Eaden (2003) indicates that the Johannesburg inner city experienced an economic meltdown between 1980 and 1990 accompanied by large businesses moving out into surrounding areas. Bremner (2002) concurs that eight of the top ten retail companies in the country that previously had their headquarters in the inner city moved out after 1994.

The City of Johannesburg municipality, as the local authority for the constituency of Johannesburg, thereafter faced enormous challenges in revitalising the inner city in order to attract business prospects to the central business district (CBD). The growth of informal trading and catering assisted in transforming the inner city in the mid-1990s. Bremner (2002) attributes the rapid growth of the informal sector to changes in policies of repression to policies that are promotional in nature. The City of Johannesburg municipality developed and implemented an urban regeneration model focused on the investment and upgrade of buildings as a way to rejuvenate the inner city. The City of Johannesburg has directed more resources to projects that directly or indirectly contribute to the advancement of the inner city and this includes the inner city property scheme, smart city project and others. Through all these various interventions, the inner city underwent some facelifts and improvements and has become more appealing as a place to work and live. The younger generation is utilising the refurbished and newly constructed accommodation in the heart of the inner city and this is bringing about urban regeneration.

The inner city regeneration charter also provided well-structured solutions for the challenges facing the inner city and proposed innovative ways to support informal traders and any other users of the streets of Johannesburg such as pedestrians and motorists. Through the charter, the City commits to providing necessary interventions in organising informal traders and the linear market model was one of the numerous interventions that the City undertook to provide. Two linear

markets, developed in partnership with the private sector, were proposed for the inner city, later to be extended to other areas over time. The City of Johannesburg (2008a) linear market "Master Business Plan" explains that the linear market model was designed to meet the City's vision of creating an environment that promotes sustainable economic growth for all street traders operating in the City.

The linear market model was first implemented through the Economic Development Department (DED) and its entity, the Metro Trading Company, which was subsequently dismantled with part of its functions reintegrated into the DED with another component transferred to the Johannesburg Property Company (JPC) a an entity of the DED. Street trading programmes including the linear market model fall under a division of the DED called sustainable employment facilitation.

This research was conducted in a way that where the results reflected opinions on whether the informal traders are content with this market model and whether the intended objectives of the model were achieved.

2.2 THE SOUTH AFRICAN INFORMAL SECTOR WITH A SPECIFIC FOCUS ON THE CITY OF JOHANNESBURG

2.2.1 Informal sector in the South African context

The existence of informal trading in South Africa is attributed to two functions: firstly the economic climate with high unemployment that forces many people to look for employment in the informal trading sector, and secondly, there is the granting of economic rights to non-white citizens who were previously excluded after the apartheid era (Van Rooyen & Malan, 2007). After 1994 many laws and regulations were rescinded, such as the Group Areas Act, harsh licensing requirements, strict zoning regulations and the formation of special police squads to ensure the prosecution of informal traders which had been introduced to suppress informal activities during the apartheid era (Ntema & Marais, 2014). After 1993 the government compelled local government to implement a more liberal and tolerant approach towards informal trade. The first legislation to recognise informal

trading was the Business Act introduced in 1991 and amended in 1993. It diluted the clauses that give local government powers to develop by-laws that will ensure that street trading does not obstruct traffic and pedestrian movement.

Patterson (2008) argues that the South African economy is comprised of a highly sophisticated formal sector with some companies that are competitive globally, and parallel to that is an informal sector comprising a large percentage of unemployed people who rely on informal activities to survive. Statistics South Africa (2013) reflects that 70 percent of those who resort to informal trading are unemployed and have no alternative source of income. Unemployment in some cases is caused by the inaccessibility of entry into the formal sector which then pushers people into informal trading. Mayhofer and Hendricks (2003) suggests that unemployment forces people to resort to informal trading, with 98 percent of the sampled survey in South Africa stating unemployment as a reason for them to start their own micro enterprises. Former President Mbeki indicated, when addressing the National Assembly in 2003, that the informal sector is characterised by underdevelopment, does not contribute much to the GDP, is comprised of the poorest of the rural and urban poor, and is disconnected from the formal economy (Devey, 2006, p1).

The informal sector exists in almost all economies and is a major contributor in emerging and developing economies (Jere, Jere & Aspeling, 2014, p12). It is considered critical to the development of the economies of developing countries such as South Africa (Ligthelm, 2013). The informal sector is estimated to have contributed approximately 60 percent of urban employment in South Africa (Ntema & Marais, 2014). For sustainable urban socio-economic growth a country needs to introduce a business approach towards development through integrated development plans (Willemse, 2013). After the sanctions against informal trading were lifted in South Africa, the government started to encourage for integrated planning that is inclusive of every citizen (Rooyen & Antonites, 2007). In the cities, there are traders on the side of the road, at the bus stops and on a few occasions in demarcated areas. Most are informal, and run by unemployed people who may benefit from informal training and apprenticeship (Willemse, 2011). Ntema and Marais (2014) suggests that government needs to support informal businesses

with, amongst others, training, credit facilities and most importantly by creating a conducive regulatory environment. South Africa has through the Department of Trade and Industry and its entities introduced programmes that aim to support the sector (Jere et al, 2014). The Department of Trade and Industry has put in place, amongst others, the National Informal Business Upliftment Strategy (NIBUS) to provide informal businesses with business support that could only be accessed by registered businesses before. The purpose of NIBUS is to identify and train informal traders like street vendors, spaza shops, township and rural general dealer shops, and permanent and temporary markets. The programme provides managerial skills to informal trading associations. Other than the NIBUS introduced at a national level, South Africa has various other programmes implemented through other spheres of government and state agencies aiming to support informal trading.

The International Labour Organization contributed significantly on the informal sector including providing guidelines for informal sector definition. The 78th Session of the International Labour Organisation discussed the challenges of the informal sector and whether the ILO should support the informal sector as the provider of income and employment or seek to extend regulatory and social protection to it and thereby possibly reduce its capacity to provide jobs and incomes for an expanding labour force (ILO, 2002). Contrary to the dualistic perspective that sees the informal sector contrasting and eventually fading away, the informal economy is growing in most of the economies including the industrialised countries. The International Labour Organization (2002) suggests that most new employment in the developing and transitioning countries is created through the informal sector. In South Africa after the apartheid era and with a high unemployment rate, the informal sector employs 6 million of the potential workforce in contrast to the formal sector that absorbs 12.7 million (Callaghan & Gwantidzo, 2013).

Although the informal sector is proven to make a significant contribution to the development of the economy, there is a lack of a standard definition in the scholarly fraternity. In the absence of a standard definition, most definitions that authors utilise are derived from the widely agreed definition developed by the

International Labour Organization's International Conference of labour statisticians (Williams, 2013; Ligthelm, 2004). The definition encompasses issues of unregulated activities, unregistered business and of a certain size (Callaghan & Venter, 2011). Williams (2013) further indicates that the resolution of the conference on the definition of the informal sector was that it may be broadly characterised as consisting of a unit that is involved in the production of goods or services with the aim of taking the product to the market and generating income and employment. Ligthelm (2004) adds the component of absence of corporate status, enterprises that do not maintain a complete set of accounting books, enterprises that are non-registered in terms of regulatory framework and with some of their products sold in the market. In the context of South Africa, Statistics South Africa (2013) defines the informal sector in terms of registration and size of the business and number of employees.

The literature reviewed suggests that the type of sector referred to as informal is important to job creation, income generation and poverty alleviation. It is important that government programmes, especially those run by local authorities, should be of a promotional nature and always integrate economic activities of the informal sector into their plans.

2.2.2 Informal trading in Johannesburg

The City of Johannesburg municipality as a local government sphere of government has the responsibility to recognise, manage and regulate the informal trading within its jurisdiction. There are responsibilities as provided by the Constitution of South Africa that the local government is expected to comply with and which should contribute to the advancement of the economy at a local level. Section 153 of the Constitution stipulates that local government must structure and manage its administration, budgeting and planning processes to give priority to the needs of the community and promote social and economic development (Republic of South Africa, 1996).

The City of Johannesburg municipality strives to be proactive in addressing issues and take a lead in implementing government programmes that have the potential

to promote the City as a cosmopolitan city. Rogerson (2004) indicates that Johannesburg was the first locality to implement the local economic development programme in pursuit of, amongst others, gaining its world-class status. The Department of Trade and Industry (2008) notes that the CoJ started drafting local economic development programmes as early as 2001, and established a unit that deals with local economic development that was mandated with the responsibility of informal trading. Informal trading is considered by local government as being significant in local economic development. Kitchin and Ovens (2008) suggests that informal trading is critical in the economy as it absorbs the unemployed and has become a central factor in the urban environment.

The City of Johannesburg, like other local authorities across South Africa, has made concerted efforts to appreciate the presence of the informal traders in their planning. Bethlehem (2013) explains that after the inner city of Johannesburg experienced a significant decline, it took the authority to implement four factors that contributed to the improvement of the inner city, namely public investment in urban renewal and infrastructure; city improvement districts; institutional and corporate investment; and private entrepreneurial investment, particularly in the residential sector. Stern (2008) after looking at various planning in the inner cities indicated that most inner city regeneration strategies acknowledge the presence of informal traders and find alternative ways of accommodating them. To ensure that informal trading within the City is harmonised and modernised, the City of Johannesburg commissioned several studies into policy and operations frameworks of informal trading (City of Johannesburg, 2008b). For the purposes of the CoJ informal trading policy, it defined informal trading as being the sale of legal goods or services by an individual or groups in locations designated for informal trading and which requires little more than the actual goods or services to commence (City of Johannesburg, 2008b; City of Johannesburg, 2009).

In its informal trading policy, City of Johannesburg (2009) reports that it has as its mission to support informal traders by ensuring that there are opportunities for the creation of jobs and an enabling environment. It further intends to ensure that the informal traders work closely with the formal sector and through its developmental strategy facilitates the migration of the informal traders to the formal sector. From

the policy perspective, Dawer (2005) indicates that informal traders should be viewed as a starting point for the small, medium and micro sector. The CoJ therefore prioritises informal traders in its inner city regeneration plans, since the City of Johannesburg (2009) clearly indicates that informal trading is part of the past, present and future of the city, as are other activities; and that it assists in providing jobs to those who would otherwise have remained idle. In the CoJ, informal trading also plays a role in eliminating acts of crime and criminality.

In the early 2000s, the International Labour Organization (2003) was critical of the CoJ for not doing enough to support informal traders and for overly accommodating the formal sector rather than the informal sector. Willemse (2013) in a study conducted in the City of Tshwane and the City of Johannesburg found that in both cities, the implementation of policies that envisage preventing street traders from operating in an unspecified area was largely ineffective. The study further found that in Johannesburg, 99 percent of the respondents indicated that they operate from one place daily. Regulation of street trading thus remained a challenge in Johannesburg. The Johannesburg Metro Police department developed a handbook in 2005 in pursuit of making the street trading by-laws more accessible. It explained the meterage of the space that the street trader must utilise, prohibitions on street traders, and that authorised officials had the power to confiscate suspicious goods. While other institutions strive to develop by-laws that regulate the street traders, Rogerson (2008) suggests that there is a division between officials who believe that streets within the cities should be clean and those who believe that the promotion and provision of space for informal traders is an appropriate developmental path.

The general view among scholars is that while the informal sector is important, there is a view that the informal sector is insignificant, with low productivity and employment or is seen merely as a survivalist strategy for poor households (Davies & Thurlow, 2010). It is also sometimes seen as a symptom of developmental regression (Dawer, 2005). Those who believe that informal sector is a way of taking the economy backwards want to see this problem resolved. Traditionally the informal sector or economy is perceived as the last resort for people who cannot find employment in the formal economy.

2.2.3 The linear market model and its intended effects on street traders in the Johannesburg inner city

While acknowledging the important role played by the informal sector in unemployment, inequality and poverty alleviation, Pillay (2004) warns that many people in the informal sector are hawkers, vendors and subsistence farmers who generate income that is below the poverty line. Due to the survivalist nature of their businesses these people utilise any available space to produce or sell their products and this presents challenges to municipalities. Informal trading poses challenges to local government who have the mandate to create a sustainable urban environment that is conducive to the economic growth and sustainability of all activities while observing the fundamental rights of traders (Pieterse, 2017.p5).

The City of Johannesburg municipality has for the past two decades made efforts to regenerate the inner city with the aim of, amongst others, restoring order, ensuring that the inner city infrastructure is not strained, and managing and regulating informal trading. In pursuit of this, the demarcation of designated areas for informal trading and street trading has always been at the centre of the guiding policies of the municipality (City of Johannesburg, 2009). Tissington (2009) indicates the types of markets the City had, grading them from A to G, with Grade A being the ideal type of market the city envisages with the plan being to phase out grades B to G by 2009. The City of Johannesburg during inner city stakeholder consultations indicated that it sought to achieve the following through a combination of regulation, enforcement and support for street traders:

- Allocation of trading spaces in certain areas and prohibition in others;
- Provision of infrastructure such as stalls, linear markets, smart cards;
- Providing for informal trading in land use policies;
- Management of environmental health issues;
- Setting out procedures for impoundment, penalties and similar in respect of illegal trading;
- Payment for trading spaces in public spaces or public amenities;
- Permission for periodic markets; and

- Training in entrepreneurship.

The linear market model concept was introduced in the City of Johannesburg as a promotional initiative that aims to bring about a smooth management and regulation model while providing street traders with an opportunity to grow. Comfort et al. (2004) indicates that factors that inform local authority policies on street trading include order, safety concerns and the avoidance of nuisance. The linear market concept document of the City of Johannesburg municipality highlights the benefits that the model would bring with respect to the management of the market, structural advantage and trading advantage. It was envisaged that the location and the type of stalls would minimise the risk of vandalism and that traders would be organised to ensure that the ownership of the markets remains at their hands (City of Johannesburg, 2008a). While the management of the markets was not solely left to the street traders, the model intended to bring in a structure based on principles and joint efforts led by the Metro Trading Company to manage the linear markets. For the effectiveness of the management structure, the model recommended the establishment of the informal trading chamber (City of Johannesburg, 2008a). The informal trading chamber is explained in the informal trading policy of the CoJ municipality as being a “forum for consultation and resolution of issues that may arise relating to informal trading throughout the City of Johannesburg” (City of Johannesburg, 2009, p20).

Architecturally, the model was intended to provide street traders with the proper infrastructure designed to meet the requirements of traders, and comply with the legislation requirements and standards of the city (City of Johannesburg 2008). The City of Johannesburg (2008a) furthers reflects that the structure would provide safe features, allow traders to work long hours, be resilient to the unpredictable weather of Johannesburg, accessible by both traders and customers, and have storage facilities. Linear markets form an integral part of the spatial developing planning framework of the municipality and as a result the model ensured that the markets would bring traders closer to service utilities such as water, electricity and ablutions.

Dawer (2005) shows the importance of the market infrastructure as being that, amongst other benefits, even the small informal traders gain access to the central and most viable locations within the cities, and this should result in traders selling their products at a more competitive price because delivery of the products to the trader will be done in bulk and this saves on costs. The location of the street trading therefore becomes critical as it can either develop or destroy the business since it determines the selling potential of a business (Willemse, 2013). Demarcated areas for business should be easily accessible by customers and the environment should allow for healthy competition amongst traders. Callaghan and Gwatidzo (2013) found that the provision of well managed rental stalls to street traders is more beneficial in that it can contribute to traders working longer hours, unlocking entrepreneurial potential and yielding higher levels of gross earnings.

In conclusion, the literature shows that having demarcated areas for trading has its own disadvantages and advantages for traders. However, the benefits portrayed by different authors appear to outweigh the challenges. The experiences of traders in the linear markets constructed in the inner city of Johannesburg will be discussed in more detail below.

2.3 METHODS, DATA, FINDINGS, AND CONCLUSIONS OF STUDIES ON EVALUATIONS OF STREET TRADING

This section reviews previous studies conducted for similar research activities. The focus was on research methods, data, findings and conclusions drawn from studies that are pertinent to this research. This section assists the research in interpreting the findings and drawing conclusions.

Ligthelm (2003) conducted an explanatory study to determine the extent, role and characteristics of spaza shops in South Africa. While somewhat outdated, the study nonetheless provides a perspective of a spaza shop as one of the informal trading components. It was important to look at studies that would not only focus on street trading but on components of informal trading in order to have an idea of how other components function. The study used the survey method for individual spaza shops that participated in the loan scheme of Quarto Trading. A

questionnaire was used to collect data and a list of “spaza” shops that actively participated in the loan scheme was obtained from Quarto Trading. A random sampling was done from the list. The limitation of the study is that the sample was conducted only with spaza shops that have access to Quarto Trading and non-participants were not represented. Though the quantitative method allows for generalisation of results, it can only be generalised for those spaza shops that participated in Quarto Trading.

The study found, *inter alia*, that most of the spaza owners used their savings or loans from family members to start their businesses. On average, the start-up investment for a spaza shop is around R4 058 (Ligthelm, 2003). Spazas in Quarto Trading employ between one and two employees with average salary for employees being R533, which is less than the minimum wage prescribed for domestic workers in the metropolitan area. Respondents indicated that each “spaza” shop serves an average of 44 household per week and extended credit to 81.7 percent of their regular customers (Ligthelm, 2003). Spaza shops have specific challenges including limited trading stock, high levels of competition, unavailability of water and electricity, high rate of crime, lack of transport for their products and having to extend credit that at times can lead to bad debts. In conclusion, Ligthelm (2003) argues that the spaza shop is not only becoming a permanent phenomenon in South Africa but is also becoming more sophisticated and more strongly linked to the overall economy.

Willemse (2011) undertook a study investigating the opportunities and constraints facing informal street traders in the central business districts (CBDs) of four main metropolitan areas of South Africa, namely Cape Town, eThekwini, Johannesburg and Tshwane. The study conducted an empirical survey and field visits to administrate a questionnaire. Descriptive statistics and cross-tabulations were used as tools to analyse data collected. The challenge with the survey is that it does not provide an in-depth understanding of the circumstances. The study refers to opportunities to favourable circumstances with uncertain income and the constraints that restrict street traders from achieving their potential (Willemse, 2011). The opportunities for street traders include partial access to additional income, limited use of start-up capital, lack of suitable banking systems and the

limited income received from informal trading. Some of the street traders receive government grants with most of the respondents obtaining their start-up capital from savings rather than relying on loans or credit. The study found that the income generated was based on the number of customers and their spending per visit per day and it varies from R500 to R600 per day. Overall, the street traders in Cape Town and eThekwini earn less than those in Tshwane and Johannesburg (Willemse, 2011). The study also found that the respondents create jobs for one or two people. However, although the respondents receive money from informal trading, not all the expenses including wages are paid from the gross turnover.

With regard to the challenges, Willemse (2011) notes that respondents suffer the same constraints revealed in the literature, which is economic, political, governmental and operational conditions. The majority of respondents in all four cities indicated lack of formal jobs and the need to obtain an additional household income as a reason for them to join street trading, and that street trading is the only source of income for the majority of respondents in all four cities. The study also found that respondents see the unavailability of transportation as a governmental challenge. Some do not use any form of transport to transport their products, and push them on trolleys whereas others use public transport such as trains, buses and taxis. The study also found that a political challenge faced by street traders is that they do not have collective bargaining power to challenge the government administration and discriminatory policies and regulations (Willemse, 2011). A large number of informal traders do not belong to any association. Their main operational challenge was the lack of proper business structures and shelters to operate in and it was indicated that proper shelter is the second most important factor that can contribute to improving informal trading (Willemse, 2011).

In conclusion, Willemse (2011) argues that the opportunities and constraints revealed by the study are aligned with the literature. The study further argues that the single most important opportunity is the ability of street traders to generate income. The respondents mainly experience challenges with low profit margins which mean that their income is very low. This is a concern especially if that is their only way of earning an income. This is a quantitative study and recommends

that a thorough examination of the opportunities and challenges of the street traders needs to be conducted (Willemse, 2011).

Callaghan and Venter (2011) examines the entrepreneurial orientation of inner city traders in the City of Johannesburg. The study was quantitative and utilised a sampling of 308 respondents using convenience sampling. A structured questionnaire was administered to collect data from the sampled respondents. This approach did not allow for the adjustment of questions when the researchers conduct the interviews. Additional information from participants that is not part of the questionnaire could thus not be added to the collected data.

The study found that there is a gender imbalance and males dominated the sector. Over 60 percent of the sampled traders were foreign nationals and over 86 percent had originated outside of Johannesburg (Callaghan & Venter, 2011). When hypotheses were tested, Callaghan and Venter (2011) found that entrepreneurial training, numbers of years in Johannesburg, initial investment and being of South African origin have the positive potential to shape innovation. The findings did not support the notion that a higher level of human capital has potential to increase the level of innovation. Continuance satisfaction was found to negatively affect innovation, in that those traders who were less satisfied were more innovative than those who were more satisfied. Competitive aggressiveness positively affects the experience and continuance in satisfaction, and negatively influences the number of years a trader had been living in Johannesburg.

Callaghan and Venter's study of 2011 further found that operating a rental stand was a negative and significant predictor of risk taking propensity. Operating a rental stand was revealed to have a negative relationship with the overall entrepreneurial orientation. It argues that this may be because traders would prefer to operate on pavements and have the freedom to move around selling their products rather than occupying one fixed space.

Looking at the relationship between total entrepreneurial orientation, entrepreneurial orientation dimensions and gross earnings, Callaghan and Venter (2011) observes that continued satisfaction has a positive influence on gross

earnings. It argues that the more satisfied street traders tend to continue with street trading and this results in increasing their earnings. Aggressive competitiveness and proactiveness were positively associated with continued satisfaction; however, innovation was negatively associated with continuance satisfaction. It argues that street traders might have been getting non-monetary benefits due to being proactive and competing aggressively. The study indicates that where street traders seek out new customers and work to meet the existing demand they are less easily affected by the frustrations that exist and may be more resistant to dissatisfaction (Callaghan & Venter, 2011). On the other hand, innovation has a negative relationship with continuance satisfaction. The study argues that this may be because street traders who are innovative find the sector does not directly reward innovation and this is frustrating. Proactiveness, aggressive competitiveness and innovation are the only dimensions associated with entrepreneurial performance (Callaghan & Venter, 2011).

The proposed policy implication is that government officials in local, national and other government posts that have interest in the growth of street trading might be able to increase the entrepreneurial orientation of street traders by offering them targeted training and education. The study also proposed further research that will investigate the effects of entrepreneurial orientation within the broader South African or Southern African entrepreneurial environment (Callaghan & Venter, 2011).

Callaghan and Gwatidzo (2013) undertook an investigative study on the influence of access to City Government-provided rental stands on informal traders' gross earnings, working hours and range of further dimensions of inequality such as differences by gender, education and capital accumulation. The study used the survey data from 2008 to 2010 from the street traders operating in the inner city of Johannesburg. An explanatory parametric research design was applied using the t-tests, partial correlation analysis, chi-squared tests and multiple linear regressions.

The study found that street traders in the rental stands work more hours than those without stands and that the operation of a rental stand gives the traders a

competitive advantage over those without. The traders with an educational background were found to be more likely to operate a rental stand only in the year 2008 (Callaghan & Gwatidzo, 2013). The interesting finding was that in the years 2008 and 2010, traders without rental stands earned less if they have less education and earned more if they have more education, whichwas not the case with traders in rental stands.

In 2009, South African nationals were associated with significantly high earnings for traders without rental stands. This finding is associated with the xenophobic attacks of 2008 and shows that foreign nationals earn less if not operating in a rental stand. The study argues that the operation of rental stands protects foreigners from certain contextual effects that can affect their income earnings. The results also suggest that operating a rental stand may protect traders from the effects of gender unequal gross earning (Callaghan & Gwatidzo, 2013). According to the 2009 data, the study found that traders without rental stands operated for a shorter period and suggests that traders in rental stands are not affected by changes that resulted in others moving out of the sector. The study also found that sample splits between traders in rental stands and those without, the multiple regressions found that continuance satisfaction was a significant predictor of earnings for traders without stands but not for those with rental stands (Callaghan & Gwatidzo, 2013). The study also found that age is associated with rental stands in the 2009 data but was not found to be significant in the 2008 and 2010 data. It was suggested that the xenophobic events of 2008 might have influenced older traders to move out of the sector if not operating a rental stand. The study further found that using the 2008 data, and according to the bootstrapped Pearson chi-squared results; there is a significant correlation between the capital-intensive products and rental stand operation where 80 percent of traders selling low capital-intensive products would not operate rental stands (Callaghan & Gwatidzo, 2013). The same pattern was found using the 2009 data; however, the 2010 data found the association was not significant.

Callaghan and Gwatidzo (2013) in their conclusion indicates that the provision of more legitimate rental stands is a promoting intervention that is a logical intensive of the development of legislation and the constitution itself, which places

advancement above control in the economic life of people. The study also recommends that if the development of informal traders is a priority for policy makers, more of the rental stands must be erected along the street sides of the city and in the townships. It was further indicated that rental stands might allow capital accumulation since traders would be shielded against by-law infringement. Due to the limitations of the quantitative study, researchers highlighted further potential research on the influence of the 2008 xenophobic attacks on the street traders' enterprise behaviour as a necessary recommendation, as well as further studies to investigate whether there are people in formal sectors owning rental stands. Lastly, the study recommends a qualitative study to establish the nature of potential positive externalities that may accumulate to traders who gain access to rental stands (Callaghan & Gwatidzo, 2013). Researchers are of the view that, if the experience is substantively different, then there may be qualitative benefits for traders that empirical testing could not capture.

Vermark (2014) conducted a case study to establish whether the informal traders in the central business district of Thohoyandou experience some level of life satisfaction while trading. The study used a case study of the Thohoyandou market. Data was collected though open-ended questionnaires, face-to-face interviews and by way of observation. Government officials, non-governmental organisations, local businesses, police officers and union members were also part of the interviews. The methodology utilised allows for an in-depth investigation of the situation. Even though open-ended questionnaires have the potential to collect much more and possible irrelevant data, the researcher can extract most useful information during data analysis. The limitation identified in this survey is the sample used to gather data. A sample of only 50 informal traders out of a total of informal traders varying from 1 000 to 2 500 traders depending on the time of the month was drawn. One would expect a sampling of close to fifty percent of the total population in order to gain fair representation.

The study found that most of the street traders engaged in street trading because they were unemployed. Thirty-four of the fifty respondents indicated that the income generated from the market is the only income that they receive (Vermark, 2014). The study also found that people of all ages operate in the Thohoyandou

market and that more women would run the markets than men did. However, in terms of educational qualifications, men were found to be more qualified than women operating in street trading. The survey also found that the street traders have social connections and this creates some sense of community that can be referred to as a market community. Informal traders become familiar with each other, having common needs and interests. When interviews were conducted with the government officials, the study found that on rare occasions, violence erupted between traders and police. Traders also tend to deal with petty criminals amongst themselves by severely beating them (Vermark, 2014).

The study argues that local government needs to take advantage of the benefits that the informal trade provides to local communities and that despite its challenges, informal trading offers opportunities for integration into planning. The study also reveals that informal trading has the potential for building up entrepreneurs, but this is achievable if municipal projects for local economic development can target the development of entrepreneurship and provide training to the semi-skilled and unskilled informal traders. The study also argues that the social community created by informal traders provides an alternative means of understanding the social development of informal trading (Vermark, 2014). It indicates that informal traders have a sense of belonging when participating in these social communities. The study further argues that since there is a rural-urban migration amongst the youth, there is a need for the authorities to take advantage of these young energetic entrepreneurs and develop urban development policies that are protective, and provide training and access to credit to young entrepreneurs who may have the appetite for risk. Vermark (2014) concludes the study by indicating the importance of informal trading in local development and encouraging the relevant authority to take advantage of the benefits that informal trading can provide. The study also indicates that the necessary strategic alignment by municipality could be done by providing support to both the informal traders and their customers. The study supports policies that are promotive in nature for the informal traders to be sustainable. The study also supports the integration of informal traders in the developmental plans of local government. Vermark (2014) recommends further research into social capital in the informal sector and arguess that this kind of research will provide a better

understanding of how municipalities can accommodate informal trading in the rural-urban migration context.

The reviewed studies have showed the importance of informal trading in the development of communities. Targeted training and education for street traders has been identified as critical support needed by street traders. Proper shelter for street trading has also been identified as a significant factor in the upliftment of this sector.

2.4 ECONOMIC DEVELOPMENT AND ITS RELATED CONCEPTS

The field of study for this research, its components, key issues and the link to the research are presented. This research assessed the linear market model which is a developmental initiative of the City of Johannesburg municipality intending to manage and support the potential development of street trading. The topic is located under economic development which is one of the components of the broader field of economics.

2.4.1 Description of economic development

Literature shows that the beginning of the study of economic development goes back to Adam Smith and his book on the "Wealth of Nations" in 1776, and provides a systematic study of the problems and processes of economic development. Studies of development processes further confirm the status of economic development as a separate field of the economics discipline (Todaro, 1989. p7). Economic development under traditional economics was about the capacity of the nation that had static economic growth and was unable to create and sustain its gross national product through growth. However, the new economics that emerged in the 1970s redefined economic development to consider eliminating poverty, unemployment and inequality in the context of economic growth (Todaro, 1994). This redefining of economic development came about after the underdeveloped economies realised that their economies are generating gross national product while the majority of the population remains challenged by poverty.

Economic development is mainly focused on the economic, social and institutional mechanisms needed to bring about rapid and large-scale change in the living standards of the poor people of developing nations (Todaro, 1994, p19). Various other development economists emerged including Sir Arthur Lewis and Theodore Schultz, who were awarded the 1979 Nobel prize in economics for their unique and ground-breaking economic development theory.

Pietak (2014) indicates that contrary to the classic approach to economics, Joseph Schumpeter in proposing his theory of economic growth was of the opinion that economic development is the result of innovation and creativity of entrepreneurial endeavour. He believed that economic development can positively lead the country or economy into economic growth. Others describe it as the study of how economies are transformed from stagnation to growth and from low-income status to high-income status in order to overcome the challenges of absolute poverty. Todaro (1989) describes economic development as a study that should be concerned about the economic, social, political and institutional mechanisms, both private and public, that are necessary to bring about rapid improvement in the living standards of the poor citizens of a country (Todaro,1989). Todaro further suggests that the involvement of government and to some extent co-ordinated economic decision-making directed towards transforming the economy are perceived as important components of economic development. Generally, the study of economic development is about ways of improving the living conditions of the poor and those that are marginalised. Provision of services and infrastructure plays an important role in creating an enabling environment where entrepreneurial potential and innovation can be used to improve the level of living.

Todaro (1994) provides three objectives of development in the context of economic development as being to increase the availability and distribution of basic sustaining goods and services such as food and shelter to as many people possible in the nation; to increase the living standard of the poorest people in order to create individual and national self-esteem; and to widen the economic and social choices range available to the masses.

2.4.2 The purpose of economic development

Economic development is concerned with the study of the transformation of economies from stagnation to a point of economic growth. Economic development is characterised by the transformation of the uneconomical society to a society that is more innovative and capable of utilising available economic opportunities (Ayal, 1965). The purpose of economic development is to address economic growth issues of the less developed countries in Asia, Africa and Latin America. After

World War II and subsequent decolonisation, countries had to find solutions on how to grow their economies independently and different development economic theories were explored. Less developed countries explored theories that advocate for an economic strategy that may work for all countries to theories that considered indigenous factors such as savings to external factors such as environment and politics in identifying developmental solutions.

In its broadest sense, economic development encompasses policies that governments undertake to meet broad economic objectives such as price stability, high employment, expanded tax base, and sustainable growth. Secondly, it includes policies that provide infrastructure and services such as highways, parks, affordable housing, crime prevention, and educational programmes and projects. Thirdly, there are policies and programmes explicitly directed at job creation and retention through specific efforts in business finance, marketing, neighbourhood development, small business start-up and development, business retention and expansion, technology transfer, workforce training and real estate development.

2.4.3 Local Economic Development component of economic development

Local economic development (LED) is an approach to economic development mainly in the developing world that places importance on activities in and by towns, cities, districts and regions. When defining LED, most authors put emphasis that it is an ongoing process towards development. Patterson (2008) defines local economic development as a process where stakeholders from the private sector, the public sector and the society collaborate to create economic development and “ultimately improve quality of life of all citizens in the area” (Meyer, 2014, p3). The focus of LED is concentrated on promotion of industrial clusters, small enterprise and particularly the informal sector (Moyo, 2005). LED policies promote development of small and micro enterprises that in turn create employment and assist workers in the informal sector to organise themselves in order to access training, finances, business services and ultimately improve the living standard (International Labour Organization, 2006).

In South Africa, the concept of LED was introduced after the apartheid era and government and policy makers became more interested and saw the importance of the concept. In terms of the Constitution, local government needs to, amongst other things, promote a safe and healthy environment, and promote social and economic development (Republic of South Africa, 1996). Informal trading has been seen to have potential in contributing towards local economic development in South Africa and provision of good planning and conducive working environments could stimulate its potential (Khumalo, 2015).

The City of Johannesburg municipality (2008b) has a mandate to promote local economic development which is carried out through the Department of Economic Development. As a result, the DED has a strategic objective that focuses on co-ordination of the local SMME sector in order to ensure equitable access, to simplify and reduce the cost of access to development and to support services and improve their impact on the City.

The introduction of linear market infrastructure for street traders was intended to place street traders in a more organised and manageable position that complies with the by-laws of the municipality and can lead to growth of this sector. This was a way for local government to make the environment more conducive to this component of informal trading. There is extensive literature that reveals that infrastructure and business training support can improve the performance of informal traders and lead to an increase in its contribution to the Gross Domestic Product (GDP) of the country.

2.4.4 Key issues and debate in economic development

Economic development deals with different theories on how under-developed economies can eradicate poverty, address inequality and promote sustainable development. The focus of economic development is on the economic, cultural and political requirements to accelerate institutional reform in order for the economic benefits to be enjoyed by the broader population and to ensure that poverty is eradicated (Meyer, 2014). Adam Smith argued in his theory of economics that in relation to government, policies should be founded on the

general rule of expedience or public utility. This principle suggests that government ought to recommend legislation that promotes public welfare (Kim, 2007, p50). Bagchi (as cited in Kroukamp, 2006) agrees that for local government to be developmental there is a need to have economic development as a priority and put mechanisms in place that promote such objectives.

There are four dominating theories such as the linear stage of growth, the structural change, the international dependence revolution, and the neo-classical that explain economic development. The linear stage growth has an underlying principle that development is measured in successive economic stages that each and every country would undergo to achieve the needed economic growth (Todaro, 1994). The assumption is that the right quantity and mixture of savings, investment and foreign aid is all that the underdeveloped nations need to grow. This theory lost traction in the 1970s when other theories were developed and introduced.

The structural change theory took a different stance and focuses on the mechanisms in which nations moved away from subsistence agricultural activities for growth to a more modern industrialised manufacturing and service economy (Todaro, 1994). Todaro (1994) shows that economists such as Arthur Lewis were the first to come up with structural transformation theory. In his theory, Lewis suggests that the underdeveloped countries consist of two sectors which are the traditional, overpopulated sector with zero marginal labour productivity and the highly productive urban industrial sector.

The international dependence revolution theory views developing economies as being hindered by political, economic and institutional rigidity (Todaro, 1994). The theory has three major schools of thought: the neo-colonial dependence that attributes underdevelopment of the history of nations as a result of an unequal international capitalist system; the false paradigm model that attributes underdevelopment to false advice that the developing world receives from international experts and organisations; and the dualistic development that focuses on the concept of dualism.

The fourth theory of economic development is the neo-classical theory that attributes underdevelopment to misallocation of resources as a result of poor pricing policies and heavy intervention by the state in the markets (Todaro, 1994).

Neo-classical and classical economists such as Robert Solow and Arthur Lewis were of the view that countries would grow and eventually converge. The main assumption in their paradigm was that savings rate and fertility rate are equal across countries (Mookherjee, 2001). With that assumption in place the view was that per capita income in poor countries will grow faster and finally the standard of living in all countries would converge.

Other schools of thoughts are of the view that population growth significantly contributes to underdevelopment. Less developed countries have higher rate of population growth that undermine growth in the country. Leibenstein (1980) disputes the population view and indicates that it is not always the case that high population rate negatively affects development. He further indicates that experience shows that there are developing countries with national income growth that is far higher than population growth. It was, however, acknowledged that those countries with less population growth can more easily find the path to higher per capita income than those with a high population rate (Leibenstein, 1980, p206).

Economic development considers ethical values when decision-makers agree on underlying assumptions to address a specific issue. Todaro (1989) indicates that it is important to take note that ethical and normative value premises about what is and what is not desirable are critical in economic development discipline. Most economic concepts such as eradication of poverty and inequality are derived from subjective value judgement about what is good and desirable and what is not (Todaro, 1989).

2.4.5 The established facts in economic development

The study of Economic Development concentrates on the requirements needed to accelerate rapid structural and institutional change to the society in a manner that

will be economically beneficial to the whole country (Mears, 1997). The role of government is to support the change and ensure that policies that are developed are in support of transformation. The challenge for development is to uplift the living standard of the whole country, especially the rural areas. The concept of development has evolved over time from focusing solely on the economic growth of the country to a broader spectrum that encompasses questions of redressing poverty, inequality and unemployment (Mears, 1997). The World Bank agrees that economic development is about improving the quality of the lives of the poor.

Various authors including Rowe (2009) argue that the landscape of economic development is seen as reaching a state of no change as conceptualised by Bateson (1973). Rowe (2009) indicates that the concept was refined by Deleuze and Guattari who provides a distinction between arborescent and rhizomatic thinking. The revolution of economic development has encouraged economic development practitioners to be more proactive and creative in addressing issues of economic development. Pietak (2014) indicates that contrary to the classics, Joseph Schumpeter in proposing his theory of economic growth was of the opinion that economic development is the result of innovation and creativity of the entrepreneurial. He believes that economic development can positively lead the country or economy into economic growth. The actions of economic development agencies should be judged on their ability to deal with chaos (Rowe, 2009, p110).

2.5 KEY ATTRIBUTES FOR ASSESSING THE LINEAR MARKET MODEL FOR STREET TRADERS

This section focuses on key attributes where data that answered the research questions were sourced from. It is important to indicate that research data was sourced from street traders operating within the linear market and that are trading legally. The research data was collected on the following attributes that Wong (2002) views as important factors in the development of informal trading. Considered attributes are discussed below as being location, infrastructure, business culture, institutional capacity, and management system.

2.5.1 Location factor

Location refers to accessibility advantage gained from a spatial point of view. The data collected was mainly on the advantages that the market location might have on accessibility of customers, traders and suppliers. Jaravaza and Chitando (2013) highlights business location as one of the most influential considerations of customers' choice of market and it can give a business a competitive advantage. The linear market model strategically positioned the street traders closer to bus and taxi stations and where there is a high volume of pedestrians who are the main customers for street trading.

2.5.2 Infrastructure factor

The focus on infrastructure was mainly on the immobile structure that the municipality constructed to accommodate street traders under one roof. Wong (2002) views infrastructure as those public goods that facilitate development of other economic development activities. The type of infrastructure that the model intended to provide considered a range of issues that could lead to the development and growth of trading. The model proposed market infrastructure that allows traders to trade throughout the sessions since it is weather-resilient, allows traders to work long hours, is safe and provides storage for traders goods. Data collected took into consideration the benefits that the linear market infrastructure intended to provide to the beneficiaries.

2.5.3 Business culture

Data collected on business culture focused on whether the model has potential to instil entrepreneurship in street traders to a level where they can grow. Wong (2014) describes business culture as entrepreneurship and the dynamics of business activities such as the ability to start up and the capacity to be innovative and adaptive. It was necessary to assess the level of entrepreneurial attitude of street traders through, amongst others, assessing the marketing strategy and business principles used that were brought about by the new linear market model.

2.5.4 Institutional capacity

The research focused on institutional arrangements in the markets and the kind of co-operation by role-players in providing support and assistance to economic development activities (Wong, 2014) as conducted by street traders. The model was introduced in a collaboration form between the municipality and private sector. The model identified the continued support needed for street traders in order for them to run their business so that it can grow. The support ranged from formal business training and provision of necessary utilities such as water and electricity to traders. Data collected under institutional capacity assisted the research in answering the research question on the support that street traders receive from the municipality.

2.5.5 Management system

The City of Johannesburg (2008a) indicates that the linear market model allows for the joint management of the markets with MTC being the lead entity. The model recognises the importance of a management plan that takes into consideration by-law adherence and the involvement of traders in the system. It was further envisaged that street traders would need to be well organised and trained in order to take responsibility and ownership of the market. The municipality also introduced smart cards to street traders intended to assist in managing the legality of those trading in the inner city and specifically within the demarcated areas. Data was collected to assist in determining the actual management style in the market and assess if there is any collaboration done by the municipality with either the private sector or another state agency in assisting street traders in the linear market.

2.6 ESTABLISHED FRAMEWORKS THAT CAN EXPLAIN EMPIRICAL RESULTS OF ASSESSING THE LINEAR MARKET MODEL OF STREET TRADERS

This research critically assessed the developmental initiative (linear market model) introduced by the local municipality to, *inter alia*, ensure that street traders have

proper infrastructure, comply with the by-laws and are in a more organised environment that contributes to unlocking their entrepreneurial potential and eventually increasing their contribution to economic growth. Street trading is a component of informal trading which is found within the informal sector of the South African economy. Pertinent theories were explored in order to provide this research with a theoretical framework. The theoretical framework assisted in the interpretation of the empirical findings presented and interpreted under chapters 4 and 5 respectively.

2.6.1 Theory of change

The theory of change, according to Vogel (2012), is simply described as a dialogue-based process that is intended to describe the sequence of events that can lead to expected results. Various authors agree that theory of change involves identification of the problem that the intervention intends to address, the long-term objectives of the intervention and anticipated sequence of events that may lead to the intended long-term objectives of the initiative. Van Der Westhuizen and Abrahams (2002) indicates that theory of change answers the how and why of the initiative and that it is used mainly on social interventions that have different strands such as the economic, social and political. Connell and Kubisch (1998) builds up their definition of theory of change on the how and why of the initiative and defined theory of change for comprehensive community initiatives as a cumulative and systematic study of the link between activities, outcomes and context of the initiative. This definition implies that the theory of change is intended to understand the outcomes of an initiative, the activities implemented in order to achieve the outcomes, the output of the initiative and the short- to medium-term outcomes. In terms of this study, the problem that the initiative was intended to address is the influx of street traders in the inner city of Johannesburg that results in street traders being dispersed and unregulated. Although the informal sector is perceived to be comprised of an array of unorganised and unregulated activities, street trading has also become an essential part of the urban informal sector (Pillay, 2004).

Van Der Westhuizen and Abrahams (2002) proposes a series of questions that makes theory of change plausible, doable and testable. The questions that need to be addressed include the desired outcomes of the initiatives, time-frame, the interim or short-term outcomes, the activities that need to be initiated, the contextual support needed to achieve the short and intermediary outcomes, and resources required to implement the activities that lead to the required outcomes.

It is evident that most of those engaged in street trading have an ultimate goal of alleviating poverty because most micro business owners are poor (Nkondo, 2014). Authors such as Willemse (2011) are of the opinion that a limited income and the inability by government and the formal sector to enable increased employment are two of the main reasons why people turn to informal street trading in order to generate income. The introduction of linear markets is expected to organise street traders in streets that have high volumes of pedestrians, provide appropriate infrastructure in the form of a market, bring in proper management systems, introduce business culture into street trading and provide adequate support from the municipality. The benefits that come with the linear market model are expected to positively contribute to the growth of traders' businesses and to more traders graduating to formal businesses. The informal sector is a heterogeneous entity with enterprises that differ in size, form, nature and income generated. Pillay (2004) indicates that the informal sector encompasses people who operate as vendors, hawkers, subsistence farmers, and spaza shops that generate income that is below the poverty line.

2.6.2 Theories of economic development

For the past four decades, the economic development literature has been dominated by four major theories: the linear stages of growth, the structural change, the international dependence revolution, and the neo-classical theory.

2.6.2.1 The linear stages of growth

The linear stages of theory was the first generation of economic development theories formulated after the Second World War ended in 1945 (Todaro, 1989). This theory was made popular by theorists such as Walter Rostow with the view

that the process of development is a sequence of stages that every country has to undergo (Dang & Sui Pheng, 2015). Rostow set out economic stages that he believed every country has to undergo as being traditional, pre-condition for take-off, the take-off, drive to maturity, and stage of high mass consumption (Nafziger, 2012). Rostow argues that the developed countries have already passed the take-off stages into self-sustaining growth and the underdeveloped countries that are still at pre-condition or traditional stages need to follow a set of rules that will take them to self-sustaining growth (Todaro, 1989). Like Rostow, Harrod Domar's growth model emphasized that the main mover of the economy is investment (Dang & Sui Pheng, 2015). Nafziger (2012) indicates that in the stages theory, Rostow's view is that the pre-condition stage includes a radical change through increased investment, radical agriculture that will feed the growing urban population and increased imports financed by exporting raw materials. He viewss take-off stage as a central stage that is decisive expansion that happens over years. It is through the take-off stage where developing countries are expected to transit to a developed stage (Dang & Sui Pheng, 2015).

In the drive to maturity stage, at least one of the sectors must be growing rapidly. Nafziger (2012) provides examples of the United States, Germany, Canada and Russia where they experienced the growth of railroads through widening the market with the result that the growth stimulated the iron, coal and engineering industries that fuelled take-off. Of importance is that at this stage where the state lacks initiatives, the culture must be prepared to support entrepreneurs who are willing to risk innovation. The drive to maturity stage is characterised by a labour force that is predominantly urban, skilled, less individualistic and dependent on the state to provide economic security. The drive to maturity period is regular, expected and self-sustained. Rostow's last stage is the age of high mass consumption which, according to Nafziger (2012), has reached the United States and Western Europe in the 1920s and 1950s respectively where there were automobiles, suburbanization and innumerable consumer goods and gadgets.

The linear stage theory of Rostow's theory was criticised due to the fact that if the stages are to explain how development is caused, the relationship cannot be circular. Dang and Sui Pheng (2015) argues that the key weakness of the theory

lies in the simplification of assumptions. It is also not correct that the stages are defined in economic development terms since it is the variable that the theory is trying to explain. The other criticism was that all past economies, whether primitive or not, are all classified under traditional society.

2.6.2.2 The structural change theory

The structural change theory has two well known representatives which are the two-sector surplus labour theoretical mode of W. Arthur Lewis and the pattern of development by Hollis Chenery. Lewis formulated one of these well-known theoretical models in the mid-1950s that focused on the structural transformation of a primary subsistence economy which was later modified and extended by John Fei and Gustav Ranis (Todaro, 1989). The Lewis model has the underdeveloped countries consisting of the traditional, over-populated rural sector and a highly productivity modern industrialised sector. Lewis's model increasingly moves labour from the traditional agriculture sector to the modern industrial sector and since it is in excess the transferred labour continues to earn a subsistence wage (Dang & Sui Pheng, 2015). The modern sector continues to make a profit because of cheap excess labour and investment expansion based on Lewis's assumption that all profit is reinvested (Todaro, 1989). Like Harrod Domar, the Lewis model also considers savings and investments as important variables to drive economic development in the context of less developed countries. Chenery, in the analysis of the pattern of development, identifies the accumulation of physical and human capital associated with the industrial output in the Gross Domestic Product (GDP) (Todaro,1989).

Dang and Sui Pheng (2015) indicates that the structural change theory may mislead policy makers because of focusing on patterns of development rather than theory. Because of its emphasis on the reallocation of labour from the traditional agriculture sector to the modern sector to support growth, many developing countries formulated policies that ultimately neglected agriculture and promoted industry. Dang and Sui Pheng (2015) further indicates that the criticism of this theory was exacerbated by the fact that in most developing countries poverty was rampant.

2.6.2.3 The Neo-classical counter-revolution theory

The neo-classical counter-revolution theory emerged in the 1980s and its economists used three approaches, namely the free market, the new political economy, and the market-friendly approach. The underlying argument of the counter-revolutionary economists was that under-developed economies are caused by poor allocation of resources due to incorrect pricing policies and excessive less developed countries intervention (Nafziger, 2012). The neo-classical theory has three approaches: free market, public choice and market-friendly approach. Those neo-classical theorists that advocate for a free market are of the opinion that markets alone are efficient. They argue that producers know exactly what to produce and how to produce it effectively, and the market provides the best signal for investment in new activities (Todaro & Smith, 2009). They concentrate on "eliminating government imposed distortion associated with protectionism, subsidy and public ownership" (Dang & Sui Pheng, 2015, p19).

The other approach advocates for public choice theory which views government as an institution that does wrong things. This theory assumes that politicians, officials and states act in their own self-interest and they use their powers and authorities for their own self-interest.

The third approach is the market-friendly approach which is associated with the 1990s World Bank discourse where most of its economists were with the free market and the public choice approach in the 1980s (Todaro & Smith, 2009). This approach acknowledges that government has a role to play in facilitating market operation through introducing interventions such as investing in social and physical infrastructure, health care facilities and education.

The neo-classical counter-revolution was criticised for its greater emphasis on rampant privatisation. The other issue is that given the institutional culture and history of many less developed countries, competitive markets do not exist and would not be desirable from a long term social and economic perspective (Todaro & Smith, 2009). Nafziger (2012) indicates that even though privatisation is desirable, government may not want to do it hastily to avoid a situation where

highly concentrated business elites are created from privatisation that is in a few hands.

2.6.3 Theories related to informal trading

2.6.3.1 Structuralism Theory

The structuralism theory was the first theory to acknowledge that the informal sector is expanding and that it is interlinked with the formal sector (Moyo, 2005). This is the school that does not view the formal and informal sector as autonomous in nature but that economies interact to some extent. Structuralism views the informal sector as subordinated economic units and workers that serve to reduce input and labour costs (Chen, 2012, p5). The nature of industrial progress relies on persistent development of the informal production interaction (Ntlhola, 2010). Capitalist firms in the formal sector reduce their production costs, including labour costs by promoting the informal employment and production relationship with subordinated units. People who join the informal sector are seen as victims of the global capitalist economic system (Callaghan & Gwatidzo, 2013).

Williams and Round as cited in Callaghan and Gwatidzo (2013) indicates that the structuralism theory argues that people who join the informal sector are the victims of the capitalist economic system, and the sector has also been seen as composed of reserve labour. This school views the informal and formal sectors as intrinsically linked and sees both enterprises and wages in the informal sector as subordinated to the interests of capitalist development where they provide cheap goods and services (Chen, 2012). The role of the informal sector as a subordinated unit where workers shrink input and labour costs in the formal sector increases the capitalist firm's competitiveness.

According to Yusuff as cited in Ranyane (2014) the structuralist school made two main contributions to the informal sector discourse. The first one was that the informal sector's role is to support the capitalist firms in order to maintain competitiveness as firms strive to reduce their production costs such as wages. The second contribution was that the informal sector is growing without development because it retains a higher number of workers than the formal sector.

Looking at Yusuff's contribution to this school of thought it is clear that both sectors are important and interlinked. The informal sector supplies the formal sector with low cost human capital and goods and in return the informal sector benefits through the increased employment relationship. Growth in the formal sector is partly dependent on growth in the informal sector (Malahlela, 2010, p94).

The structuralism theory argues that the government has a role to regulate both the big businesses and subordinated enterprises and workers in order to address the unequal relationship that exists. With the right economic policies and resources mix, traditional economies can be transformed into a dynamic modern sector (Ranyane, 2014, p44).

2.6.3.2 Dualistic theory (survivalist)

The dualistic theory views the informal sector as being composed of the marginalised activities and that its role is to provide income to the poor and a safety net in times of difficulties (Chen, 2012). One of the dualist economists is WA Lewis who published an article in 1959 explaining the economic development of economies that have a small capitalist sector and a large subsistence sector. Lewis's argument is that the growth of the capitalist sector absorbs labour surplus in the subsistence sector through keeping the wage rate low (Hindson & Vicente, 2005). This school views the two sectors as being separate and with no link to each other (Malahlela, 2010).This theory views informal activities as a residue of the pre-modern mode of production, consumption and as such is a sign of underdevelopment, traditionalism and backwardness (Williams, 2010, p2). On the other hand, the formal work is viewed as progressive and separate from the informal sector. There is also an element of classifying the two sectors heretically in this theory where the formal is classified as superior to the informal sector. A typical example of hierarchical binary was provided by Derrada as cited in Williams (2010) in that firstly it considered the two sectors as separate entities constituted through negation, and secondly, it placed them in a hierarchical manner in which the formal sector is endowed with positive attributes and the informal is endowed with negative attributes and impact (Williams, 2010). At a micro spatial level, informal trading is consigned with household whereas formal trading occupies a separate space at more organised buildings.

This view suggests that the informal sector would reach a point where it disappears as the formal sector continues to grow. Thus, goods and services would only be channelled through the formal sector (Williams, 2010). This theory views activities happening in the informal sector as being dominated by survivalist enterprises in nature. Moyo (2005) defines the survivalist enterprises as a set of activities undertaken mainly by unemployed people who are unable to penetrate and be employed in the formal economy. The income of survivalist enterprises is usually below the poverty line with less capital invested, a lack of training and skills, and with lower prosperity to grow into a viable business (Moyo, 2005, p31).

The dualist school advocates that government should create more jobs and provide credit and business development to the informal sector operators (Chen, 2012, p5). Business development for informal activities encompasses training, provision of a conducive environment and any other factors that can accelerate growth.

2.6.3.3 The neo-liberal theory

The neo-liberal theory acknowledges that the informal sector and informal trading are permanent in the economy and will always be found in both the developed and less developed economies. The neo-liberal theory was first introduced by Adam Smith and it presents itself as the doctrine about the truth of modern economy (Clarke, 2005). Neo-liberalists are of the view that people resort to informal enterprises as a way of avoiding higher taxes, regulations, corrupt state systems and too much interference in the free market (Williams, 2013). Smith wrote his book on the wealth of nations, critiquing the corrupt and self-aggrandising mercantilist state which generates its revenue from taxing trade and licensing monopolies (Clarke, 2005). His critique was based on the view that the wealth of the nation is not derived at the expense of its citizens and foreign powers but through development of division of labour. The division of labour develops as a result of the initiative and enterprise of private individuals through allowing them to freely apply their enterprise and initiatives and allowed them to accrue the benefits (Clarke, 2005, p1) The foundation that Smith laid on neo-liberalism argued, amongst others, that people must have freedom to trade and that any restriction

will reduce their well-being by denying individuals an opportunity to improve their situation (Clarke, 2005). The neo-liberal theory advocates for no or limited regulations of trade in the economy. The neo-liberal view argues that some participants joined the informal sector voluntarily seeking autonomy and flexibility (Callaghan & Gwatidzo, 2013)

The neo-liberal theory is amongst theories that promote the entrepreneur and are promotive in nature because a promotive stance also acknowledges the permanent status of the informal trading in the economies. It is argued that the growth of the informal sector is asserted by the deregulated open world economy that promotes the "race to the bottom" in terms of labour standards (Williams, 2010).

2.6.4 Two main perspectives on informal trading

After considering the different theories on the informal sector, it is necessary to focus on the role of government. The International Labour Organisation (2002) reveals that the role of the state has always been to develop policies and regulatory frameworks that are either restrictive, those meant to eradicate the sector, or promotive policies, those that aim at developing the sector. The following two perspectives that explain the restrictive and promotive stance were interrogated. Various theories including those above have contributed to giving different predictions.

2.6.4.1 Marginalism perspective

There are theories that view the informal sector as something that makes less contribution to the economy. The dualist theory sees the informal sector as being dominated by marginalised activities and serves to provide a safety net in times of crisis (Ched, 2012). The structuralist theory views the rewarded informal work as a by-product of the employer reducing costs by adopting the informal work arrangement (Williams, 2010, p2). Others do not see a developmental role in the informal sector. The persistence of the sector is perceived as signalling a state of backwardness and underdevelopment in the economy. Socialists also forecast an inability of the informal enterprises to increase economic growth due to the

restrictive nature of capitalism (Vickerie, nd, p9). Informalisation is seen as a significant shift in the nature of urban life and that bulk changes are a burden since they always encroach on what is seen as normal (Brown, 2007). Popke and Ballard's findings as cited in Brown (2007) argues that within the discourse of urban change, the arrival of street trading has been articulated as the common cause of the cities' decline. The various views of the informal sector as articulated can be taken as representing the marginal view of the sector (Callaghan & Gwatidzo, 2013) and the state policies and legal framework in this perspective are more restrictive in nature.

Vickerie (n.d.) indicates that although government regulation for business development in the less developed countries is intended to protect businesses, most of them tend to be very restrictive and overbearing to an extent that entrepreneurs find it difficult to start or maintain their businesses, leading entrepreneurs to start unregistered businesses in the informal sector. Ntema and Marais (2014) outlines three reasons that make government in developing countries hostile and put punitive measures on the informal sector: firstly, these countries perceive the informal sector as not viable and with no potential to bring economic growth and employment. Secondly, it is to uphold their inherent colonial principles and social construct of modern cities. Thirdly, they view the informal as being dirty and this can negatively affect both local and international tourism. South Africa has also not been immune to giving punitive responses to the informal sector. During the apartheid era, the apartheid government of South Africa put harsh measures in place to discourage informal trade (Ntema & Marais, 2014).

2.6.4.2 Entrepreneurial perspective

The ILO (2002) holds a view that informal sector businesses act as an incubator for businesses that have potential to grow and graduate into the formal sector. This view is also embraced by the seminar theorists who believe that the informal sector is the training ground of entrepreneurs (Callaghan & Gwatidzo, 2013). Theories that are pro the informal sector are perceived as representing the entrepreneurialist view of the sector. Unlike the marginalist theory, theories of entrepreneurs suggest that promotive policies and legal frameworks for the

informal sector are more appropriate. A promotive stance acknowledges that the informal sector is permanent. The promotive theory also takes a view which argues that the government has a responsibility to ensure that the environment is conducive for informal trading to grow (Callghan & Gwatidzo, 2013).

The ILO (2002) indicates that some municipalities have recognised the importance of the informal sector and have improved the enabling environment through provision of services and physical infrastructure. Callaghan and Gwatidzo (2013) argues that the promotive stance by local government through providing necessary support to street traders may significantly create upliftment and higher gross earnings could be possible. Rooyen and Antonites (2007) proposes a framework for informal trading that encompasses variables with the aim of enhancing the business conditions coupled with potential formation that is proven to be the appropriate mechanism for sustainable job creation and growth.

The framework proposed by Rooyen and Antonites (2007) takes the promotive stance and focuses on the support needed for informal traders. Their view is that incubators in a shared infrastructure facility can assist informal traders with entrepreneurial guidance, provide them with management support and resources, assist with direct links with suppliers and customers, establish growth potential, introduce an incentive scheme that will work as a catalyst for formalisation, establish a management system that governs the existing and new entries, and facilitate promotion of their products. Rooyen and Antonites (2007) acknowledges the complexity and the efforts that are required for the framework to yield the expected results. However, their view is that in cases where the framework is implemented, the results would be more organised informal trading with potential to create jobs and increase growth. Moyo (2005) supports the promotive role of government by arguing that the provision of formal markets, infrastructure and appropriate policies for land use can have a significant impact on survival of informal enterprises and enable them to contribute towards poverty eradication.

In conclusion, this research has revived various theories as indicated under section 2.6. These theories relate to economic development, theory of change and theories on the formation of informal trading. The theories were important to give

the research theoretical context and some of them were used to interpret the results under chapter 5. The main theories used to interpret results are the theory of change, structuralism theory, marginalism perception and the entrepreneurial perception. This research is of the view that for street trading to grow, government intervention should encompass co-ordination of business training, financial support and continued awareness of important business and developmental issues. The government interventions, policies and legislative framework should follow the promotive stance.

2.7 PROPOSED FRAMEWORK TO EVALUATE LINEAR MARKET MODEL FOR STREET TRADERS IN JOHANNESBURG

This section presents a conceptual framework of the research. The structure of this section first presents the intended objectives, output and outcomes of the linear market model covered under sub-section 2.7.1 (An overview of implementation of the linear market model). Secondly, the section reflects on previous research that attempted to evaluate similar interventions (sub-section 2.7.2) and based on the information gathered. The last section outlines the conceptual framework for the research under sub-section 2.7.3.

2.7.1 An overview of implementation of the linear market model

This research has detailed the circumstances that led to the linear market model as a municipal intervention for proper infrastructure for street traders, with the aim of street trading development. As alluded to in chapter one, the City of Johannesburg municipality through its inner city regeneration charter commits to providing the necessary interventions to manage, organise and grow informal trading (City of Johannesburg, 2007). Out of the stated commitment, the linear market model became one of the many interventions employed by the City of Johannesburg municipality to address informal trading challenges. The linear market model aims at providing co-ordinated support, proper management and proper linear market infrastructure in a demarcated area. Though this research focused on the inner city, the model is being rolled out throughout the city. The model aims to place street traders in organised and in demarcated areas, provide

market structures that are weather-resilient, safe for both traders and goods, accessible and which allows for long hours of operation and bringing in the appropriate management strategy. Occupation of stalls in the linear market is open to all legal traders who have registered and complied with the City of Johannesburg by-laws and policies.

The intended output of the model is the provision of more appropriate infrastructure that is safe, weather-resilient and has all necessary amenities within its proximity. The model intended to place street trader markets where there is a high volume of pedestrians, resulting in traders being closer to their target market and introducing proper management systems for street trading.

The intended outcome is to reduce the risk of vandalism, and promote proper management of the market that would consider joint efforts, an improved business model of street trading with the aim of sustainable growth and improved well-being of the street traders that operate within the linear market structures. Effective implementation of the linear market model should in the long run have positive impacts such as creation of employment, increased income generated, graduation of street traders to formal businesses and ultimately to alleviate poverty and increased economic growth of the city.

2.7.2 Past evaluation research on street trader interventions

Literature revealed various studies that concentrated on informal trading and the needed interventions for the purpose of development and growth. The majority of the studies acknowledged the importance of informal trading in the economy and the role of local government through provision of infrastructure.

Callaghan and Gwatidzo (2013) conducted a study on the potential financial upliftment of inner city street traders through the provision of rental stands. The different between their study and this research is that their study focused on all rental stalls that are provided by the municipality whereas this research is specifically looking at street traders in the linear markets, the latest municipal infrastructure intervention by the City of Johannesburg municipality. Even though

the concepts of the studies are relatively the same, this research aims to understand whether the linear market model is adding any value to street traders, challenges that those street traders encounter while trading in the market and whether there is any additional support from the municipality or not. Callaghan and Gwatidzo's (2013) study is quantitative and focused on a quantitative methodology whereas this research is qualitative in nature and aims to provide a description of the situation in the linear markets in the form of a case study.

Nenzhelele (2013) conducted a study reflecting on the role of the municipality in creating a conducive environment for informal trading in Thohoyandou. The research found that informal traders encounter challenges ranging from lack of proper infrastructure, lack of proper business training, multiple structures in the municipality that intend to support informal trading that work in silos and are dysfunctional, and inadequate income to sustain their businesses. In terms of the municipality's role, the study argues that it is the responsibility of municipality as local government to control and promote street trading through provision of appropriate infrastructure and service utilities such as ablutions, water, and electricity. The mixed research method was employed in Nenzhelele's study with the aim of strengthening the research methodology. A structured questionnaire was used to collect data that was analysed using both qualitative and quantitative methods.

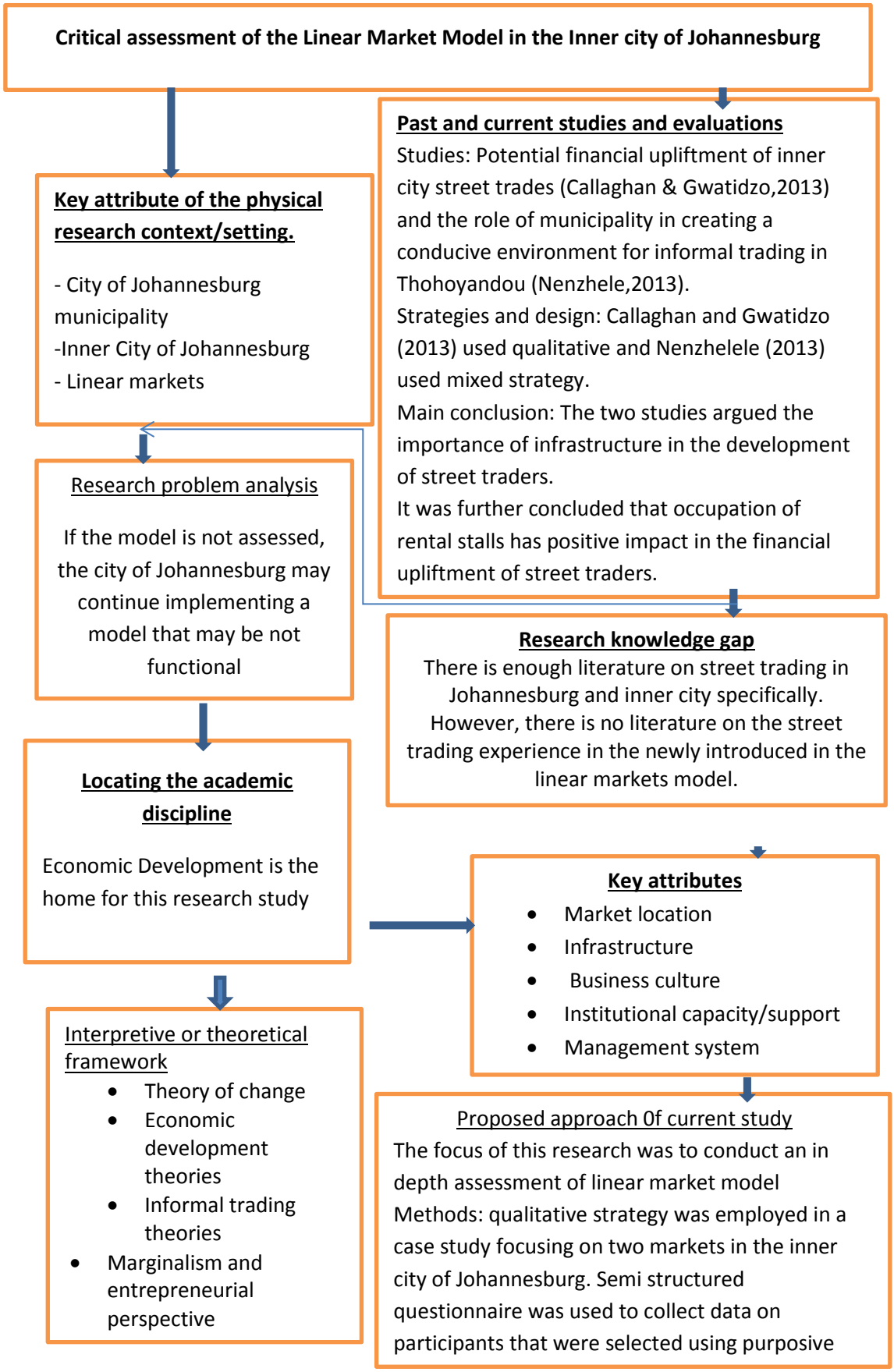
Notwithstanding the extent of literature available on informal/street trading, this research is still relevant and worth conducting since it is mainly reviewing an intervention that has not previously been reviewed since its inception in 2008. This study will thus provide a source of information for future evaluation studies on street trading in Johannesburg.

2.7.3 Conceptual framework

The conceptual framework is defined as an articulation and presentation of categories and their inter-relationship that are used to explain the phenomenon that is being studied (De Beer, Schurink & Barnard, 2008, p46). For a researcher to present a meaningful conceptual framework the indicators have to be clear and

data sources have to be clearly identified (Independent Evaluation Group, 2012). Figure 2.2 below provides a clear understanding of the conceptual framework of the research.

Figure 2.2: Conceptual framework (own concept based on literature)



The introduction of the linear market model aims to provide safe stalls that are easily accessible, that provide safety to both traders and their goods, stalls that have all necessary facilities to allow traders to operate in all weather conditions and that can allow traders to work longer hours (City of Johannesburg, 2008a). Various studies show that when the working conditions of small businesses are conducive, their businesses grow and some even graduate from being micro to medium business. Van Eaden (2013) indicates that like any businesses, small businesses are also attracted by economic returns and largely economic reasons of operating in the area. Looking at the business model of the linear market it is evident that if the actual implementation is in line with the plan and objectives of the model, the benefits to the street traders should be positive and could lead to growth.

The conceptual framework as depicted above provides a map of how the research was conducted. The research is on the linear market model for street traders that was implemented in the inner city of Johannesburg. The research was undertaken to add new knowledge on the experience of street traders that operate within those linear markets. The other issue was the complaints that arose in the inner city about the ineffectiveness of the markets for the street traders. Past and present studies were evaluated with the aim of identifying the knowledge gap. It was revealed that currently there is no study conducted on the linear market since its inception. Review of past studies also provided information on strategies and designs that were used in similar studies.

As depicted in the diagram above, the research is located within the field of economics development. The linear market model is more of a LED initiative which is a component of economic development. Various attributes that assisted the research to answer the main research question were identified and utilised when data was collected and presented. The attributes as highlighted in Figure 2.2 above include market infrastructure, business attitude, location, institutional support and management system. The research has collected data through interviews while using a semi-structured interview guide. Only street traders at the Hoek and Joubert linear markets were sampled through a purposive sampling

method to participate in this research. The research focused on the two markets because it is a case study for the linear markets in the inner city.

The research then discussed various theoretical frameworks that were used to interpret the findings of this research. The frameworks used were theories of economic development, theories on informal trading, marginalism perspective on the informal trading, entrepreneurial perspective and the theory of change.

2.8 CONCLUSION

In conclusion, literature reviewed in this chapter revealed various findings and conclusions from previous research studies that were conducted under similar topics. Regardless of contradicting theories on the importance of informal trading in the economy, the literature suggests that informal trading including street trading has a significant role in the growth of the South African economy. As a result, local authorities are mandated with the function of developing promotive policies and long-term plans for street traders. The literature also shows that there is a need to assess the linear market model that was introduced by the City of Johannesburg municipality to provide proper structures that comply with the municipal by-laws in relation to street traders.

CHAPTER THREE
RESEARCH STRATEGY, DESIGN, PROCEDURE AND METHOD

3. INTRODUCTION

This chapter identifies and describes the research approach comprised of strategy and research design, procedures and methods employed in this research to collect and analyse data. It covers the following sections: identity and description of research strategy (section 3.1), research design (section 3.2), and procedures and methods (section 3.3). There are six sub-sections under the procedures and methods section comprehensively describing instruments, process and methods employed when collecting empirical data. This research is qualitative in nature and is a case study of the inner city linear markets with research investigation to address the study's research questions as presented in point 1.2.3. The case study research approach was opted in accordance with the project-type to investigate the problem in depth.

The chapter further describes reliability and validity measures (3.4) that this research applied for the veracity of the findings within the scope of the research. Limitations in Section 3.5 are that technical and administration issues made it difficult to gather all relevant and anticipated information.

3.1 RESEARCH STRATEGY

Research strategies assist researchers to execute their research investigation in a way that addresses the objectives and research questions (MacNabb, 2013). Brayman (2012) describes research strategy as a general orientation to the social research. Schurink (2009) suggests that research strategy is a researcher's plan on executing a study from identifying the topic to interpretation of results. The research strategy navigates the research from the beginning to the last chapter where the findings are interpreted.

There are three main research strategies known as the qualitative, the quantitative, and the mixed research strategies. Qualitative research strategy is more non-interventionist whereas quantitative research strategy will vary from extreme interventionist to non-interventionist (Punch, 2014). Qualitative strategy is associated with narratives rather than numbers whereas the quantitative strategy is more about numbers and statistics. In the case where mixed methods are utilised, a quantitative method serves to understand the general conditions whereas a qualitative method serves to more fully understand specific cases (Gatrell, Jensen & Bierly, 2012). MacNabb (2013) in describing the three research strategies, indicates that appropriate strategy will address the research problem and research objective.

This research applied the qualitative research strategy. Qualitative strategy explores and details the views of participants through most suitable answers to "how" and "why" questions related to the topic insights. Qualitative strategy is usually emphasising words rather than quantification in collection and analysis of data (Bryman, 2012). Authors such as Neuman (2011) and McNabb (2013) concur that research that requires soft data such as words, sentences, symbols and photos require a qualitative strategy and data collection techniques that differ from hard data and that is non-statistical. The flexibility of the qualitative method allows the researcher to amend and adjust the questions to be more meaningful as data collection is ongoing.

This research aims to acquire an in-depth understanding of identified challenges, specific desires, current and potential benefits, and the support that street traders operating in the linear markets obtain from the local government. With this precedent, qualitative research strategy was estimated as being the most suitable to this research and it further associated the collection of data as being more descriptive and narrative than numerical. Weaknesses of the qualitative strategy such as biasness and misinterpretation of data as cautioned by Johnson (2010) were noted. The researcher used all relevant supporting techniques to ensure that the research is as objective as possible.

Qualitative strategy was successfully used in Van Eaden's (2013) study that focused on small business perceptions in the central business district fringes of four metropolitan areas in South Africa. Akuoko, Ofori-Dua and Forkuo (2013) conducts a qualitative study on women street hawkers' challenges and constraints in Kumasi and Nkondo (2014) utilising the same qualitative strategy in the study to analyse local economic development and social responsibility of micro business in the Thulamela local municipality in Limpopo Province, South Africa. All the abovementioned studies employed a qualitative strategy that adequately achieved their research objectives. Descriptive and narrative data were collected in those qualitative studies and the authors successfully collected meaningful data to utilise for their qualitative studies. Similarly, the studies in the literature consulted focused on informal trading, the same research topic this research study is investigating. The similarity of the topic and identity of research approach adopted by previous studies reaffirmed the correct choice of research instruments adopted in this research. Different instruments such as a questionnaire with both open-ended and close-ended questions as well as semi-structured qualitative interviews were used to collect primary data.

3.2 RESEARCH DESIGN

The research design is a plan or a blueprint for how the research will be undertaken (Mouton, 2011). Bryman (2012) describes research design as a framework that informs how data is collected and analysed. Johnson (2010) compares it to architecture, indicating that it gives the researcher direction on how to deal with a particular situation with so many resources. This is a process that transforms an idea, interest or question into a meaningful and purposeful investigation of social or physical processes (Gatrell et al., 2012). There are five generic research designs available for collection of data such as the cross-sectional, longitudinal, case study, comparative and experimental design.

This research was conducted in the form of a single case study on the Johannesburg street traders who occupy the linear market spaces in the inner city. Punch (2014) explains that a case study aims to understand the case in depth while recognising its complexity and its context. Johnson (2010) argues that case

study is significant for a researcher who wants to have an in-depth understanding of a situation or learn more about people's experiences. Case studies answer a descriptive and normative question that focuses on individuals, groups, organisations, processes or countries (Johnson, 2010). In pursuit of understanding a case study, different types of case studies such as cross- or multi-case study were studied in order to gain a clear understanding of how case studies work and to select the one suitable for this study.

The City of Johannesburg set up linear markets first in Region A which is the inner city and then extended them to all other regions. However, this study chose to understand the situation at the inner city linear market where the first markets were constructed. The findings would inform the municipality about the challenges, benefits and kind of support needed in these markets and to some extent assist the municipality when supporting other regions. Case study as a research consideration assisted the researcher to be more focused, have an in-depth understanding of challenges and potential benefits, and attempt to provide possible solutions for this specific case. The other benefit of a case study is that it has more articulated and clarified boundaries of where the research focuses; in this research the focus was on the two markets located at Hoek and Joubert streets in the inner city.

A new research case study application can benefit from old research applications if the new research displays similar conditions favouring a comparative study, presents similar contexts as the previous projects, and sometimes appears to be facing similar challenges. Van Rooyen and Antonites (2007) undertook a study on formalising the informal sector, with a case study on the City of Johannesburg. Further studies include Vermark (2014) on informal markets and integrated development in Thohoyandou which was designed as a case study of a pilot study done with 31 agricultural street traders in Thohoyandou. Murisa and Chikweche (2013) conducted a case study in Zimbabwe on entrepreneurship and micro finance focusing on the nature of challenges that they face and the potential solutions to address their challenges.

3.3 RESEARCH PROCEDURE AND METHODS

In this section, the focus is on data collection instruments, population and sampling, data processing and analysis, ethical considerations, validity and reliability measures, and identified research limitations.

3.3.1 Data collection instrument

In qualitative research, data collection is achieved through three basic techniques: observations, interviews and document analysis (Wagner, Kawulich & Garner, 2012). Creswell (2014) in describing the data collection procedures, indicates that data collection instruments assist the researcher in setting the study boundaries and selecting procedures that the researcher will use to record collected information. Data collection is perceived as the key element in research (Bryman, 2012). This study used observation and interviews as data collection instruments. Data is gathered from the street traders operating within linear markets and officials in the City of Johannesburg municipality.

Unlike in quantitative research, unstructured and semi-structured interviews, also known as qualitative interviews, are the two main structures used to collect qualitative data (Bryman, 2012). These structures are more flexible than the structured interview because participants are allowed to give additional or complementary information (Bryman, 2012). For a critical assessment study, it is important that participants are allowed to provide as much meaningful information as possible and are not confined to a list of strict questions.

Questions included in the interview guide were informed by literature review and research questions. Literature review is the main source of questions because it has as the basis the relevant theories for research. The questions are packaged in sections such as demographic, or infrastructure/structure-related questions. The interview guide is packaged in such a way that information gathered was significant and enabled responses to research questions and objectives.

Since the study assessed the linear markets, involving a structure and features, it was deemed significant to incorporate observation as part of the data collection instruments. Observation is a data collection method used to collect data about people, culture and process (Kawulich, 2012). In this study, observation was mainly of the structure of the linear markets and the activities within the market. Therefore direct observation was deemed more suitable. Kawulich (2012) describes direct observation as a way of collecting data without interacting with the participants.

A similar study was conducted by Motala (2002) where semi-structured interview was used to collect data on a street trading case study. Even though a focus group was formed, the instrument used was the same and the results were achieved. Nkondo (2014) combines individual interviews and observations in a qualitative study that focuses on understanding local economic development and social responsibilities of micro business. Skinner (2012) used interviews to collect data for informal trading and practices of women. Various reviewed studies that looked into street trading have used similar instruments to collect data, and interview was the main instrument used. The researcher is confident that a combination of semi-structured interviews and observations are the best instruments to address the research questions in this study.

3.3.2 Targeted population and sampling

In this research, the targeted population was the population where the researcher collected data. Wagner et al. (2012) describes a population as a group of individuals where data were collected, or a unit of analysis. In this case study, the targeted population was all street traders operating within linear markets in the inner city of Johannesburg which has various types of street traders, those trading legally or illegally, those in a demarcated area such as linear markets, and those who sell their products anywhere in the streets. This study has, however, concentrated on legal street traders operating inside the linear markets. Sampling of participants was done on those street traders inside the linear market structures.

Relating to sampling, this is generally described as a method of selecting the participants of the research from the targeted population. Bryman (2012) indicates that sampling is the one inevitable and significant feature of almost all social research. Most social research authors including Bryman (2012) agree that sampling methods for qualitative research include purposive sampling, snowball sampling, critical case sampling and theoretical sampling. For this case study, the purposive sampling method was employed to select street traders that are in the linear market and municipal officials to be interviewed. Purposive, also known as judgemental sampling, is considered the most useful sampling method of all non-probability sampling methods (Wagner et al, 2012). When using the purposive method, participants are selected based on the researcher's experience, ingenuity and previous research that informs the decision to select participants that will represent the population. This sampling was done in a way that the sampled participants were relevant to the research questions posed (Bryman, 2012). The researcher is experienced enough to identify street traders in the linear market and also to identify the relevant officials that work with informal traders in the City of Johannesburg. Interviews were conducted in their place of business and the approach assisted the researcher to identify participants. Engagement with the identified street traders provided the researcher with an indication of whether the person is the right participant or not.

Literature review revealed that research conducted as case study was successful in achieving the research objectives and addressing research questions. A study by Mzini and Maoba (2012) that focused on the Economic Empowerment Zone Programme in Soweto was conducted as a case study. Another case study by Van Rooyen and Antonites (2007) examined the formalisation of informal trading in Johannesburg. Both these case studies focused on one area amongst many that have similar characteristics, and this research also focuses on the inner city amongst other areas that have linear markets.

3.3.3 Ethical considerations when collecting data

Ethics in research relates to information that can harm participants, lack of consent, invasion of privacy and deception (Bryman, 2012). The research

fraternity encourages researchers to conduct research without any harm being caused to participants. In this research participants were informed of the purpose of the research and that the information provided will be treated as confidential and used for the purpose of this research only.

Forms that introduce the researcher, the topic and provide a confidentiality agreement were provided to the participants prior to the interview. The researcher's student card was always presented to participants when the interview commenced to validate the process as part of a study. Participants were informed that they should inform the researcher at any given time when they are not comfortable with the questions and are allowed to stop at any time if they feel that the questions are no longer in line with the research objective. Participants were treated with respect and were seen as the most integral part of this research. Since most of them were older and have no formal qualification, the researcher found ways of establishing the language that they were comfortable with during the introduction. This was important in order to not undermine them in front of their colleagues who were working a few metres apart.

The researcher selected the topic due to the significant role that this sector plays in addressing unemployment, inequality and poverty in the economy, the researcher's interest in examining the situation of street traders developed. However, the researcher is not working with traders in her career or has any financial interest in street trading.

3.3.4 Data collection and storage

Data collection is a process of gathering information from the research participants. There are various methods used to collect data depending on the type of research and questions answered. Qualitative research uses unstructured and semi-structured interviews as these are more open ended (Bryman, 2012). Patton (2014) concurs with other authors in that qualitative research collects data through in-depth interviews, focus groups, posting in social media, open ended questions on surveys, direct observation and analysis of documents. Bryman (2012) further suggests that participant observation and semi-structured interviews

can be used to ensure objective data collection. For this research a semi-structured interview method was employed to collect data.

Semi-structured interview uses an interview guide to allow the researcher to stay focused while the instrument allows for further probingand to corroborate data from other data sources (Wagner et al, 2012). The interview guide assisted the researcher to stay focused and obtain relevant information to answer the research questions. The researcher met with street traders at their place of trade and interviews were voluntary.

All interviews were recorded manually in a note book by the researcher. An electronic recording device was not used to record the interviews as planned. It was difficult to use a recorder because it was noisy and so detailed notes of the interviews were written. At the end of the interview day, the researcher revisited the notes and compiled proper transcripts of the interviews to avoid losing information. An example of the interview transcripts is attached to this report as Appendix 1.1.

As part of the observation of the market and its activities, photos were taken using a digital camera. Some of the pictures taken at the markets are used in chapter 4 of this research report.

3.3.5 Data processing and analysis

Data processing and analysis is a step that follows the data collection process. Bryman (2012) describes data analysis as a fundamental stage which is about reduction of large raw data into small interpreted data. Data analysis is more associated with quantitative research where data is put in tables and graphs and interpreted as meaningful results. However, data can also be processed and analysed utilising methods that are more suitable for qualitative research. Data analysis includes different ways that the researcher can use to make sense of data and this could be both primary and secondary data (Wagner et al, 2012). This research is a qualitative case study that focuses mainly on collecting and analysing primary data rather than secondary data.

The researcher prepared semi-structured questionnaires that were used to guide the interviews with the participants. The nature of the data collecting instrument that the researcher used provided the researcher with a large amount of raw data that needed to be cleaned. In order to obtainaccurate information the research took detailed notes, although the recording of the interviews as planned was impossible. Copies of the note books were made and the original notes were kept in a safe place. The transcript of one of the interviewees is attached to this report. Data collected was presented under chapter four of the report. The presentation of the findings includes information sourced through interviews and observations. Thematic analysis was done for the purpose of data presentation and analysis. Research questions and data fragmentation were used to develop themes for structured presentation and analysis of findings. The data collection process provided important information that could not be omitted because it was not part of the research question and that is how data fragmentation came about.

This research did not use any electronic data analysis package available in the research fraternity. Literature, policies, theories and reality were considered when findings were analysed under Chapter Five of the report.

3.3.6 Description of the respondents

The study assesses an intervention programme on street traders. Therefore, the respondents in this research are the street traders trading in the Hoek and Joubert linear markets and officials from the City of Johannesburg responsible for providing street traders with support. A complement of sixteen street traders participated in this study. Of the sixteen, seven were interviewed at Hoek market and nine at Joubert market. Male and female street traders were interviewed in order to have an overview of how the linear markets played a role in both genders. Therefore, eleven of the participants were female and five were male traders. All interviewees are trading legally in the market. Those interviewees who had their smart card showed the researcher their trading smart cards that they were provided with when stalls were allocated to them. Eleven of the respondents are above the age of 40 years with four below 40 years and one who is below 35. Only

six live in and around town in areas such as Berea and Yeoville, three live in Alexandra and seven live in different parts of Soweto such as Orlando, Pimville and Lawley. Respondents originate from inside and outside South Africa. Two of the participants are migrants from Nigeria and Congo, and fourteen are South Africans who originate from different provinces of the country. All respondents to this research have been street traders for more than 10 years and were allocated stalls in the markets at the inception of the linear market concept.

In terms of educational qualification, the majority of interviewees do not have any post-matric qualification; however, education level did not contribute in deciding whether a trader was entitled to an interview or not. The majority joined street trading because they were unemployed. Vermark (2014) also found that most of the traders were unemployed prior to engaging in street trading. Due to the level of education, most traders were interviewed using either Sepedi or Venda depending on the language they understood. Street traders sell products that vary from fruits and vegetables, clothing and bags, cosmetics for women, traditional attire and books. The majority sell clothing items such as shoes, clothes, hats and scarves. A few traders sell books in the market. It was indicated that the market for books is gradually growing since customers are more interested in buying books than previously.

A male official that works with street traders at the City of Johannesburg municipality was engaged to establish the interventions and support that the municipality provides to street traders in the linear markets. This official is an Operational Manager in the informal trading development programme section and is based at the City of Johannesburg Department of Economic Development (DED). After the Metro Trading Company that used to manage street traders was closed, the street trading function was moved to the DED and partly to the Johannesburg Property Company. His responsibilities include providing business training and support to street traders and facilitation of the maintenance of the market. The interview with an official was done at the place of work. Only a DED official was interviewed because the DED as a lead department plays an overall oversight role for street traders.

3.4 RESEARCH RELIABILITY AND VALIDITY

Reliability and validity may seem similar, but Bryman (2012) illustrates that they have significant different meaning in evaluation of measure and concepts. Wagner et al (2012) further explains that in social science research, researchers rely on the assessment of reliability and validity to evaluate the quality of their measurement method. The reliability and validity process is important for measuring the quality of the entire research process, methods and the final product. This qualitative study provides an in-depth understanding of a concept. Reliability and validity makes the information more credible and the results more reliable. Even though some authors argue that reliability and validity is not important in qualitative research since the findings cannot be generalised, the majority still believe that the process is equally important in both quantitative and qualitative research.

Wagner et al (2012) describes reliability as an instrument used to estimate the consistency of the measurement method. Reliability measures consistency in the use of a measurement method every time it is used under the same conditions with the same respondents. Various authors including Wagner et al (2012) and Bryman (2012) have outlined types of reliability that are similar. For the purposes of this research, the focus will be on the three prominent factors that Bryman (2012) suggests when considering reliability of the measurement method.

The results of the study will be useful to the street trading sector and to the municipality. The results will provide the municipality with an indication of whether the intervention programme that they introduced is worth expanding in its current form or not and to identify any shortcomings the municipality should improve on. At the same time, the findings will assist street traders to understand whether the programme is beneficial and whether it has a positive impact on their trading or not. This research has also used triangulation as a way of strengthening the reliability and validity of the research. Golafshani (2003) indicates that there are different methods of data collection to test validity and reliability. Multiple methods of data collection used in this research include street trader interviews, municipal

official interviews, and the observation and review of relevant documents. The data collection methods used are deemed adequate for the research to be trustworthy.

The research enhanced transferability of the findings by providing clear descriptions of the context and the participants that the data emanated from. Clear notes of the interviews were kept safe and this can assist other researchers to use and draw their own conclusions on whether the findings are transferable.

3.5 RESEARCH LIMITATIONS

This research was conducted for the partial completion of a Master's degree programme. The main limitation identified is limited resources such as finances, adequate time, and research assistance. As a result, the researcher will focus on a single case study of the inner city amongst seven regions of the City of Johannesburg that have linear markets. Conducting a single case study is less expensive and the researcher managed to collect data alone. Inability to generalise the findings of the study since it is qualitative is also a limitation. Unlike quantitative studies, this study cannot generalise its findings to the entire population. Its findings are only applicable to the inner city linear market. However, the same methodology can be applied in a similar case to collect data.

There were language barriers to overcome when data was collected from street traders. Two traders could not understand the languages that the researcher understands fully; however other traders assisted in translating the few terms that the interviewees did not understand. The intention was to record the interviews both manually and electronically; unfortunately the environment was noisy and electronic recording was not possible. Lack of recording resulted in the researcher spending much time with each trader in order to capture as much information as possible.

Interviews with the municipal official were not highly effective because the primary opinion was that the street traders in the inner city had unresolved issues that they are trying to address without divulging information. This resulted in the researcher

being unable to verify some of the issues such as the validity of the interviewees' licences with the officials. The official at the Department of Economic Development referred the researcher to another official at the Johannesburg Property Company (JPC) to obtain additional information on rental paid and issuing of licences. Attempts to convene a meeting were unsuccessful. The JPC 2015/16 business plan has one item under facility management that reflects the entity having a target to manage the linear markets and their annual report reflects the appointed service provider for cleaning service at various markets only. Except for information outlined in the City of Johannesburg Linear Market Master Business Plan, there was lack of municipal documents that are operational and give detail or breakdown on how to achieve what is in the plan. The researcher had to rely on related policies, by-laws, reports and interviews. Nonetheless, the researchergathered as much information to ensure that the assessment is critical without claiming that everything was fully compliant.

CHAPTER FOUR
PRESENTATION OF RESULTS

4. INTRODUCTION

This chapter presents the findings of the research based on data collection. The chapter is composed of section 4 which is introduction, section 4.1 on contribution of the linear market initiative, section 4.2 on the extent of support that street traders receive from the City of Johannesburg municipality, section 4.3 on challenges and constraints experienced by street traders participating in linear market intervention, and section 4.4, which is the conclusion. Data was collected from the two linear markets in the inner city called Hoek and Joubert linear markets. Sixteen (16) street traders were interviewed. An official that works with street traders from the Department of Economic Development in the City of Johannesburg municipality was also interviewed.

4.1 CONTRIBUTION OF THE LINEAR MARKET TO THE STREET TRADING

The picture depicts the structure of the market at Hoek Street. The structure is made of steel only and with a roof. There are also steel tables that are meant for display of products; however, most of them are broken. The market is properly marked on the side with everyone having their own demarcated stall. It has 42 stalls.



Figure 4.1 Linear Market on Hoek Street (Source: Own picture, 2016)

The above picture depicts the Joubert Linear Market. The structure is not properly marked. It has 44 demarcated stalls in the market.



Figure 4.2 Linear Market on Joubert Street. (Source: Own picture, 2016)

The findings in relation to the contribution of the linear market model to street traders was presented using variables such as market infrastructure, business culture, location and management system.

4.1.1 Market infrastructure

According to the City of Johannesburg (2008a), linear markets are demarcated areas for street trading in a pedestrianised area. The two markets are constructed near taxi ranks where there is a high volume of pedestrians. People pass through the markets to the taxi rank or from the taxi rank to their place of work. The structures are made of steel and roofed by zinc sheets as per the plans of the CoJ. The business model of the linear market requires that the structure will be weather resilient, closer to pedestrians and utilities, be safe and with storage (Johannesburg, 2008). As depicted in Figures 4.1 and 4.2, the structure is not covered on the side which leave traders, especially those at the edge, exposed to poor weather and this makes it difficult to work especially during the raining season. The markets are constructed in a way that allows for free flow of pedestrian traffic. Even though the linear markets, especially the one at Hoek Street, are constructed between blocks of shops, they are constructed in a way that they do not obstruct the business of the formal shops.

There are demarcated stalls inside the market. Every trader has a space or stall, which is marked in yellow to reflect its boundaries. In cases where a trader has displayed his/her products beyond the boundaries of the stall, that trader has contravened the City of Johannesburg by-laws and if identified the law is enforced. The demarcation of stalls, if adhered to, allows for free movement of pedestrians around the market which is good for the business. Traders indicated that previously they used to bring their own umbrellas and tables to use daily, but since they moved into the linear market this is no longer necessary. Three participants indicated that they took advantage of the introduction of the linear markets to ensure they are legalised. Prior to the market they were operating illegally and always in fear of the JMPD officials.

The two markets have storage facilities within their vicinity. Storage facility for Hoek Street traders is in the building behind the market and traders pay monthly fees inclusive of storage fee. The storage is safe and properly managed with every trader owning a locker that they lock their products in. Storage facility at Joubert market is a big container that traders put their products into without clear knowledge of the management of the container. The container is at the far end of the market and traders indicated that it has a tendency to catch fire. There are traders that indicated that they once or twice lost their products due to a fire and unfortunately there is no one accountable for the fire.

Both structures were installed with lights that are currently not working due to electricity cables being vandalised. Interviewees indicated that the lights worked for not more than a year, and that is a reflection that proper monitoring and maintenance of the market is inadequate. One trader said, “lack of lights does not stop us from working hard and I would not use it to override the good infrastructure that the municipality have provided us”. The roof at the Joubert market is vandalised to a point where there are holes in the roof that leak when it rains. Traders indicated that vagrants from a nearby park sleep on the roof of the market at night and cause damage. Traders on their own are afraid to confront those vagrants due to fear of being victimised. Some of the steel tables that were constructed with the market are no longer in good condition and as a result those with damaged tables are forced to bring their own tables where they can display their products.

Despite some broken tables, lights and damaged roofing in the markets, traders are satisfied with the condition of the market in general. Some indicated that:

> “the market has its challenges, some of which can be addressed by traders working collectively. The municipality has ensured that the trading environment is conducive for traders who expressed their appreciation. The construction of these markets significantly contributed to compliance with the municipality by-laws and traders no longer have to run from the JMPD. They now work in a proper infrastructure that is attractive. Customers know where to go when they need goods. There is no need for traders to seek

out customers. There is a high volume of pedestrians here and it is also close to transport."

Participants indicated that the linear market infrastructure has given them a competitive advantage over those other traders operating outside the linear markets in that customers prefer to buy from an organised place where there is enough variety and choice.

The market infrastructure has no safety features and no dedicated security personnel. Traders rely on JMPD officials that walk around the street for protection in the market. None of the interviewees carries any protective weapon to the market because they find the market safe. For example, some traders observed that:

> "The markets are located in a place of high volume of pedestrians' traffic. We are aware that there are criminals that roam around these streets and some of them are known. However, traders work freely in these markets without fear of being mugged or harassed. Some of us have witnessed few incidents where pedestrians would be mugged of their belongings but that has never happened to us. What we have noticed though is that some traders' goods would be stolen but this is rare and when it happens, is in small quantity".

According to City of Johannesburg (2008a) the model was intended to minimise the safety risks at the market through its location and form of stalls. It further indicated that the long term management plan includes the proper safeguarding of stalls themselves. The researcher's observation revealed that there are no identifiable safety and security features at the two markets.

4.1.2 Business culture

The findings assisted to assess the contribution of the linear market model in stimulating entrepreneurship in street traders. It was important to assess variables that signal the potential of growth in a business. This included looking at the ability

of street traders operating in the linear market in creating employment, customer attraction, increased income and working long hours.

4.1.2.1 Customers attraction

The City of Johannesburg document indicates that the City is constructing a linear market that will contribute to, amongst others, grooming street traders into entrepreneurs, increased trading hours, and that will be in pedestrian-dominated areas in order to increase their customer attraction. Of the sixteen interviewees, only one street trader that sells books indicated that moving into a linear market made him realise the importance of a marketing strategy for his books:

> "…due to an increase in number of us in the market since the inception of the linear market, I realised that competition is now high and decided to get myself pamphlets in order to market my business. I give out the pamphlets to customers that will come and seem to be interested on my books with the hope that they will come or contact me when they have money to buy".

Other traders do not have any strategy in place to attract customers and they indicated that they still operate just like before, hoping those pedestrians that walk pass the market will see the displayed products and buy. Some of them said, "the very same strategy that they used prior to the construction of linear market of displaying their products on tables for customers to see is still the same".

When asked if there is an increase of customers in the linear markets as compared to operating on streets without the markets, nine interviewees indicated that customers are not as many as before they were moved to the market:

> "Prior to the construction of the market, we used to move around the street and target places where we believe there are customers. Since we moved here customers are not as many because we are stagnant and unable to chase them, but rely on customers coming to the market".

Two of the nine street traders that claim a reduction in customers attributed the decrease to various reasons such as customers' preference, lack of marketing strategies and economic slowdown. They are of the opinion that there is no

correlation between the customer base pattern and the construction of the linear market:

> "Customers are not dropping because of the linear market. The economic meltdown is the main reason why customers are no longer buying like before. This is not the problem that is experienced by us street traders only but formal businesses are also not getting as much profit like before".

The last seven traders indicated that there is no change in customer pattern. They are of the opinion that the market has resulted in high competition levels due to more traders moving in one place whereas they were previously scattered. The one trader who sells books used to be alone in that street; however, since the establishment of the market there are two more traders that are selling books. The high volume of traders in one market has resulted incustomers having many options:

> "Customers have not dropped, maybe slightly increased. We just do not realise it because as you can see we are a huge group of traders under one roof and as a result competition has grown. Customers enter the market and check the goods that they want from more traders before they decide on whom to buy from whereas before the market they did not have that much choice. We now have to market our products and make sure that we sell the best products that attract customers".

Observation of customers revealed that the markets have pedestrians walking in numbers. Others walk past whereas some view displayed products, and engage the street traders. The majority of traders do not seem to have a marketing strategy in place other than display. More than seven street traders were selling fruit and vegetables in one market. Customers would compare products from more than two stalls before they made a selection. Jaravaza and Chitando (2013) indicates that store visibility and store location are some of the factors that highly affect the customer store choice.

4.1.2.2 Income generation

Various studies including Callaghan and Gwatidzo (2013) show that those operating in rented stalls work long hours and increase their capital accumulation

more than those operating outside rented stalls. Eighty percent percentof interviewees indicated that their average income per week varies between the peak and off-peak periods. On average, a trader can make up to R2 400 per week during off-peak period and an average of R3 300 per week during peak period. They further indicated that, though not significantly, there is an upward trend in income generated over years:

> “Street trading is not an easy business to run. It has its own challenges that affect almost all aspects including pricing of goods at times. The municipality has assisted in trying to reduce some of the challenges such as reliable trading stalls and storage facility. The assistance has reduced some of the cost burden that street traders were faced with before the introduction of the markets. Currently one is able to make sales of between R350 and R450 per day during off-peak and an average of R500-R600 during festive season and Good Friday period. Even though the products we sell are not seasonal, our sales tend to decline at some point in a year. It would have been much better if sales were always at peak or even better”.

These street traders indicated that prior to the construction of the market they would on some days earn only R50 and though they admit that the increase in their sales is influence by various factors they know the linear market has also significantly contributed.

According to traders, peak period is during Easter holidays, September period and the year end festive season. There were 20percent of interviewees who did not want to give the amount but indicated that they make enough money to survive due to the availability of reliable stalls within the market; however, they are also keen to earn more than that. Callaghan and Gwatidzo (2013) found that on average traders that operate in rental stands make R366 in sales per day. Willems (2011) reveals that street traders in Johannesburg and Tshwane make between R500 and R1 600 per day.

When asked whether the market has any effect on their sales, the majority of traders indicated that their sales areinfluenced by a combination of factors such as the time of the month, pricing, weather, the location and the market:

> “The market has brought its own benefits such as safe and protected place, storage facility and it helps us to comply with the municipal by-laws. However, one cannot necessarily attribute the increase in sales solely on the development of the market. The market is just part of a combination of factors that bring the kind of money made. Our prices are slightly lower than those in the shops, we make more money beginning of the month, weather also plays a role and yes, the location of the market presents an opportunity for us to get a high volume of pedestrians that walk past.”

Despite other contributing factors in income generation the majority of participants indicated that prior to the construction of the market, the lack of a reliable structure affected their income negatively in that they could not work at all during rainy days, they would work fewer hours and would not stock in bulk due to lack of reliable storage.

Street traders are also expected to pay a monthly rental from their earnings. According to the City’s policies and by-laws on street trading, traders operating in designated stalls are supposed to pay monthly rental determined by the municipality. Traders at the Hoek street market pay a monthly rental of R337 to the City Property Company whereas traders at Joubert street market pay rental that varies between R50 and R100 to people that manage the storage. Traders indicated that they are comfortable with the amount they are currently paying. Some indicated that:

> “Despite the challenges I shared with you, the market is comfortable and we have almost everything that traders require. We have been paying monthly rental while in stalls that have no roof. Therefore, when one weighs the cost against benefits here, the rental weighs far less. The market has not come with any rental burden at all”.

The municipal official indicated that the rental is one of the conflicting issues that they are trying to address with street traders sothere was no stipulated amount that he could confirm with the researcher. Data and observations revealed that rental paid is not standard and in fact, the practices in the two markets are not the same.

All interviewees indicated that they invest a portion of their sales back into the business through purchase of stock. One trader explained that, "I now purchase my products once per month in bulk and store them in storage. Before the linear market it was impossible and I was forced to buy in small quantity and at times on credit because you will find that you are out of stock and have no money, but now I put stock money aside every end of the month and buy stock that will last the whole month".

Only one trader out of the 16 participants indicated that he saves a portion of his profit because he hopes for expansion of his book business in future and the savings would form part of his capital.

4.1.2.3 Operating hours

The City of Johannesburg municipality's linear market model was designed in such a way that traders can work long hours while building their business skills. Seven of the sixteen interviewees indicated that they are able to work between 6am and 6pm.

"The municipality has made it easy for traders to work long hours. Even though the markets have no lights, we are able to work from 5am until 7pm. There are some of us who unfortunately are not able to come to the market as early as 5am due to other family responsibilities such as ensuring that school children are ready for school and those that goes to crèche are dropped and fetched on time. As a result, the earliest that one could be in the market is 6am and knock off at 6pm."

Nine traders are able to start working at 5am and finish at 7pm and most of these traders reside in the surrounding areas of the inner city such as Yeoville and Hillbrow.

Traders indicated that the market has contributed significantly towards their long working hours because it has storage facilities that they used. The comparison study conducted by Callaghan and Gwatidzo (2013) found similar outcomes, in that operating in a rental stand could lead to traders working longer hours. Before the construction of the market, traders used to store their products at the nearby

businesses such as salons and their trading time was dependent on the trading times of those businesses. It was indicated that even though the lights in the market are not working, they are able to operate under streetlights. The market has contributed to traders obtaining new customers that they were unable to service previously due to shorter working hours.

Two traders confirmed that being in the market has made them realise that there are customers who walk past the market in the early hours of the morning and who have buying potential that they were not aware of:

> "Prior to the market, we used to trade on the same street. It was difficult because we depended on nearby shops and salons to store the products. As a result, our operating time was controlled by the operations of those stores. We were forced to start work around 8am when they open and close around 6pm when they close. We really missed out on potential customers that commute in town before 8am and those that knock off late."

They indicated that they are able to make an average of R150 within the extra two hours of the morning and afternoon, something that they could not do previously when they started operating later.

4.1.2.4 Employment

Research shows that most street trading stalls are run by the owners, family members or not more than two employees. Generally, street trading is a very small business in size, and does not necessarily require many employees; this is also the case for street trading in the inner city of Johannesburg. Of the 16 street traders interviewed, one has a family member that assists when she is available and two traders have employed one person each to assist. The other 13 traders stated that the stalls are small enough to be managed by one person and they do not feel it necessary to employ people since they are full time in trading. Ligthelm (2004) notes a significantly low employment average of 1.6 in this component of the informal sector. Those who have employees are not always in the market. One interviewee indicated that, "I sometimes get piece jobs in the suburbs and when I am not available my daughter who is unemployed comes to the market. It is better because she uses the money I give her on her two children."

The two traders who have employees indicated that their employees are not registered and attributed that to the fact that their business does not generate high income and their salaries varies depending on the money made. The researcher also found that the traders employed people that they know and who are willing to work for relatively low wage as they are poor. One of the two traders with a full time employee explained:

> ”I have employed my fellow from the same country. I am currently giving him more than 20percent of the monthly income of the market. This person had no other means of generating income until he approached me for assistance, it was not out of perhaps high demand that I could not handle. Today he is able to buy food and he has a proper place to stay”.

The remaining 13 participants indicated that practice and the demand in the market is still the same as before the introduction of the market, hence they do not need employees.

4.1.3 Market location

Jaravaza and Chitando (2013) argues that the store location plays a critical role in influencing customer choice of where to buy and that a good location choice leads to business success even in cases where the business strategy is poor. Willemse (2013) believes that the location of the street trader determines the selling potential. Good location is where targeted customers have easy access to the business. Dewar and Watson (as cited in Bantubonse, 2008) indicates that location, structure and administration of the market significantly affect the potential of the market. As mentioned, the linear markets were designed and constructed in highly pedestrianised areas of the inner city of Johannesburg. Most of the markets constructed under this model were built in streets that are next to taxi ranks, train stations and areas that attract a high volume of pedestrians. The two markets are very close to Noord taxi rank which is the biggest taxi rank in Johannesburg, Park Station and various office buildings. The market easily captures the traffic flow of people to and from the station and offices. The structures are open to enable customers to enter from all sides without being confined to an exit and entrance.

Notwithstanding its disadvantages during rainy days, the openness of the structures provide customers with the advantage of going in and out quickly, especially those that enter the market on their way to work or to their transport.

All interviewees appreciated the openness of the structure in providing easy access for customers. They are of the opinion that the market gives all traders equal opportunity in attracting customers. None of traders have issues with regard to their stalls being positioned in a disadvantaged position in terms of attracting customers. Some traders observed that, ”The stalls are equally exposed to customers and customers have equal access. Regardless of that those at the outer part of the market are exposed to weather conditions; every trader is exposed enough to customers.”

4.1.4 Management of the market

The linear market concept documents revealed that the model envisaged the introduction of a management system that would be in the form of a collaboration with the intention of allowing street traders to eventually take ownership. Street traders were to be organised and trained in order to understand management principles (City of Johannesburg, 2008). All the interviewees stated that they were never informed of the intention of the municipality to involve them in the management of the markets. Four participants indicated that the proposed system would have allowed them to look at different options to manage this kind of activity and assist the municipality to make it a success. The municipal official explained that the proposed management system was never tested, and was one of the matters that the municipality would consider when reviewing the model.

The researcher’s observations revealed that the municipality has no management system implementation that makes the linear market distinct from any street trading happening outside the market. The smart cards that street traders were issued with for strengthening the management of street traders are not used. One trader explained, “I have a smart card but I do not use it anywhere. All I use is the number that I give to City Property when I pay rental. When they first issued this card, we use to swipe them in a machine for verification of our legality”. Interaction

with traders revealed that the management system used in the linear markets is still the same as the one used in other types of rental stalls that are in the City and is solely in the hands of the municipality.

4.2 EXTENT OF SUPPORT THAT STREET TRADERS RECEIVE FROM THE CITY OF JOHANNESBURG MUNICIPALITY

All interviewees at Hoek market commenced with the establishment of the market. Other participants noted that, “most of the street traders that qualified for stalls in the linear markets were trading in Hoek street prior to the construction of the market. We were then moved out of the street when the market was built and moved back to the stalls in the market upon its completion”. They indicated that the last meaningful contact they had with the municipal officials was when moved from that street when the municipality was constructing the market and they then moved in upon completion. There is no assigned official from the municipality to assist traders in that market. The only people that traders at Hoek market know are employees of City Property Company where they pay a rental of R337 per month. Participants at the Hoek market indicated that:

> “The only officer of the municipality that we know is the JMPD police when they enforce the by-laws. Despite the JMPD, there are no officials of the municipality that come here. The other officials that we know are of City Property Company that manages the storage facilities and assist us with queries that are in relation to rental”.

It is not clear whether the rental amount is for the use of the storage facility or is for stalls since it is not paid at the municipality. They indicated that City property officials are the ones who control the storage for their products. In a case where a trader is unable to pay the monthly rental, City property officials block that trader’s access to the storage until such time that the person pays.

Lack of knowledge and training on business related issues is a significant problem that affects the potential for growth of street trading in South Africa (Moyo, 2005). When interviewees were asked about training and marketing support, traders indicated that they have never received any training or marketing support.

However, at the start of 2016, information was brought to their attention through City Property Company representatives regarding the municipal subsidy for stock. Traders applied for the subsidy and to date they are aware of one person who was informed that he would be given a voucher amounting to R9 000 to obtain stock from a specific shop. These traders are unfortunately not sure whether the voucher was eventually given to that trader or not. Traders explained that, “The information brought to traders was that the municipality is assisting street traders with R9 000 stock subsidy. We applied but we are only aware of one trader that was contacted and informed of the voucher that he will be given to redeem it at a specific shop but whether he finally received it or not we are not sure”.

Traders are of the view that the type of support they should be getting includes proper maintenance of the market. Most traders indicated the frustration they have regarding lack of co-operation from the municipality, explaining that, “we report all maintenance issues to these people. However, where response comes forth it is always at a very slow pace”.

When asked whether they are willing to attend formal training should it be provided, 80 percent of the interviewees showed little interest in training support, suggesting that they do not appear to see any correlation between training and growth of their businesses, and that they believe they are too old for formal training. Mayrhofer and Hendriks (2003), amongst other, has suggested that for survivalists to benefit from training there are challenges such as understanding the importance of entrepreneurship and cultural limitations that need to be overcome first. Those who did not see the importance of training and education may be influenced by external factors such as cultural issues and the perception that education is less significant when a person is older.

Traders at Joubert linear market are aware of officials of the municipality who seldom visit the market. Their visits are mainly focused on checking the state of the structure, stalls and the cleanliness of the market. Problems encountered at the market such as damaged roofing, storage facilities and lights not working were reported to the municipal official. However, there is no assistance provided.

Traders have not received any training or any support from the municipality except for demarcated stalls and the linear market structure itself.

It is common for traders in these markets to operate in different circumstances; the traders at Joubert market do not pay the monthly R337 rental fee that the traders at Hoek market pay and they are not managed by City Property, explaining that, “the only rental we pay is for City Property Company even the account details are of this company. Maybe there is a relationship between them and the municipality but we do not know”. Traders at Hoek market have a proper storage facility whereas traders at Joubert market have a storage facility that is not in good condition. With all these challenges, traders do not have dedicated officials to address their concerns and to ensure that the facilities are well maintained, and explain that, “there are municipal officials that visit us here at Joubert, but we do not know their names because it is not one dedicated official”.

The other issue raised by more than 70 percent of the interviewees was that it might be prudent for the municipality to develop policies that are informed by the views of street traders. They are of the opinion that lack of regular communication with traders will result in the municipality developing poorly informed policies that will be difficult to implement effectively:

> “Traders feel left out when the municipality develops policies that directly affect them. It will be important for the municipality to intensify its public participation process prior to finalising any policy, plan or programme that speaks to street traders. Now the municipality has a tendency of consulting organised groups such as associations and most of the traders do not belong to those associations”.

Willemse (2011) concurs that most traders are not members of any traders’ association. The danger with a lack of proper consultation is that the municipality will experience resistance during implementation of such policies. City officials revealed that the City of Johannesburg through the Department of Economic Development has a Memorandum of Understanding with the City Property Company. Traders may not be aware that the, “…City Property Company was one of the private companies that went into partnership with the City of Johannesburg

municipality to raise the first R3 million that was used to construct the first market at Hoek as a pilot for the linear market approach. The Company assisted the municipality with management of the market and provision of other facilities such as storage and ablution facilities on behalf of the municipality at Hoek market". The relationship started in 2010 with two private companies. The collaboration gave rise to the pilot markets and because the model is functional, the municipality was able to implement the model in other regions of Johannesburg.

The municipality has various packages for street traders that were developed to support their trading and ensure that their businesses are sustainable. The municipality strives to support traders with a learning environment through business training programmes for street traders. An official indicated that, "some traders attended a grow-your-business training that was conducted in conjunction with Wits University". The challenge that the official acknowledged was that training support was unfolding at a very slow pace. This could be the reason why none of the street traders that participated in this research indicated that they have received training. Some of the contributing factors to the slowness of the programme are the disputes that the City is currently resolving with street traders' associations in the inner city. The officials indicated that they are aware of some of the challenges raised by the traders and once all issues are resolved, the reported challenges at the markets will be addressed. The official indicated that the storage facility was located at the Joubert market as a means to provide traders with storage in the market. He further indicated that the fire problem at the storage is being investigated and traders will be informed once the investigations are completed. The municipality is currently in the process of acquiring another storage facility for the traders at Joubert market to prevent future loss of stock.

Officials also indicated that the full open access structure of linear markets was intended to allow customers access through all sides. It was indicated further that concerns regarding the rainy seasons have been raised, but that it will take some time before any adjustments are made to the market because that is how it intended to function. In his view, "The department is looking into finding a short-term solution to address the rain challenge and it may include allowing traders to cover the opening with rain-resilient plastic. In a situation where the department

takes that responsibility, more budget would be sought because the challenge is experienced in all linear markets that are constructed thus far". Currently law enforcement officer allow traders to use any temporary measure to protect against rain since the municipality has not yet provided different measures.

4.2.1 Service utilities

The markets were constructed without provision for ablution facilities or any other facilities inside the market but within the market vicinity. Traders at Joubert market were allocated ablution facilities that are in the nearby park. The park has an ablution block and water supply that traders use to wash their products, mainly fruit and vegetables. Both the ablution block and the tap are in a state of despair due to being vandalised. Some interviewees observed that, "The ablution facilities and water tap were vandalised by vagrants that stay in the park. It will be unwise of us to solely blame the municipality because we are aware of the vagrants challenge within the inner city. Perhaps we as business people should assist the municipality with ideas of how they can deal with vagrants since some of them are willing to get off the streets should they get something meaningful to do.".

Traders at Joubert market are currently forced to utilise the facilities at Park Station and buy bottled water to clean their stock and drink. The traders take care of their colleagues' stock as and when they go to Park Station. Traders at Hoek market were allocated a tap next to the market and an ablution facility in a nearby building. Traders were expected to pay a fee towards water use. However, they later requested the authority to close the tap because people who are not traders were using the water.

The current situation in the two markets is that there is a lack of clean water and ablution facilities that are designated for those street traders. This finding is similar to that of Nkondo (2014) at Thulamela municipality where traders did not have access to services such as clean water and ablution facilities. Traders use water that they bring from their home or buy to conduct their daily business and for hygiene purposes. Those who sell cooked food put water in a basin for customers

to wash their hands before they eat. Every customer washes from the same basin which is unhygienic, while other customer do not wash their hands.

The municipality had ensured that both markets are installed with lights in order to improve visibility in the early morning and evening. However, lack of maintenance of the installed lights has rendered this ineffective since they are currently not working.

The municipality provides cleaning services to the markets through appointed service providers. When observing both the markets, the floor was clean and littering was minimal. Traders registered their satisfaction with the level of cleanliness in the markets, noting that, “Traders sell various products ranging from fruits, vegetables to clothing. Therefore, hygiene is very important and the availability of cleaning services is very important because most of us are always in a rush and are unable to clean our spots after work. We are glad that we come in the morning to find the market clean and we try not to litter”.

4.3 CHALLENGES AND CONSTRAINTS EXPERIENCED BY STREET TRADERS PARTICIPATING IN LINEAR MARKET INTERVENTION

Street trading has its own specific challenges since it is not formalised. The municipality constructed the market in order to minimise some of the challenges that come with informal trading, such as contravening municipal by-laws, and lack of proper market structure. Although traders are provided with infrastructure in the form of a market structure, they still encounter weather challenges since the structure is not completely weatherproof. The market structure only has a roof and the sides are open. Due to the manner in which the structure was built, some traders find it very difficult to work during rainy days. The roof at Joubert market has a large hole that traders believe was cut by vagrants who stay in the park and use the market roof to sleep on at night. During rainy days, rain comes in through the hole, and as one trader commented, “some of the challenges are exacerbated due to lack of proper maintenance on the structure”.

The other challenge is lack of ablution facilities. Even though traders at Hoek market are allocated a toilet facility inside a nearby building, access to it is not easy. They are expected to take the stairs to the fourth floorand this imposes challenges especially for the older traders: “At first traders were given access to the ablution facility through the front door of the building that leads to the lifts. After some time we were told to use the entrance that leads to stairs and as you can see most of us are old people and we find it very difficult to climb the stairs”. To avoid taking the stairs, traders are forced to go around asking to utilise toilet facilities at nearby businesses where at times they are requested to pay a fee: “… there are stores that request us to pay R2 per visit to their ablution”. Traders at Joubert market were assigned an ablution facility in the park that is adjacent to the market. However, it has since been vandalised and is in poor condition so these traders use the ablution facilities at Park Station or ask the surrounding businesses.

Storage at Joubert market is also a challenge. Traders do not know the owner or company that manages the container storage that has been placed at the back of the market for them to use. Though traders are utilising the storage facility, they were unfortunately not in a position to confirm whether the storage facility belongs to the municipality or not. Since it was placed, the facility has caught fire four times with traders’ stock inside. This is a setback to traders that lose their stock and are not reimbursed for the loss. The other challenge that traders in both markets raised regarding storage facility was that they do not have a refrigeration facility. As a result, traders in fruit and vegetables are not provided for: “I only store my equipment in my cubicle and take my stock back at home where I put them in cold water overnight. Otherwise my products will be rotten the following morning because of the heat in the storage.”

Municipality support for street traders is not adequate. None of the interviewees at Hoek market seem to know officials of the municipality that are supposedly intended to assist in the market: “We are not aware of any municipal official except for JMPD”. Those traders at Joubert market seldom receive visits from municipal officials.

There is a lack of marketing and business support to street traders from the municipality. Even though in the minority, some traders are of the opinion that should they be offered necessary business support, they see potential to grow and become formal businesses. The traders have little information regarding the R9 000 stock subsidy that they were requested to apply for in 2016.

There is no proper management system in the market and as a result traders find themselves experiencing challenges and are not clear as to where they should report these: "…unavailability of proper management of this market would lead it to operating like any other street traders in the city. The difference would only be that we are under one large roof".

4.4 CONCLUSION

The interviewees welcomed the researcher and answered all the questions asked. Valuable information in response to the research questions were obtained from the interviews with both traders and officials. In total 16 traders were interviewed at the two markets at Hoek and Joubert Streets. All traders interviewed have been in the street trading business prior to the introduction of the linear market model and they are the legal owners of the stalls. Interviewees reside in the surrounding areas of the inner city and as far as the city's townships such as Alexandra and Soweto. The main aim of the interviews was to determine the contribution of the linear market model in trading and have an in-depth understanding of linear market trading in general, safety features, hours of trade, storage facilities, and municipal support.

Most street traders interviewed, though they appreciate the structure provided, do not believe that the structure alone can make a significant contribution towards their trading progress. They are of the opinion that their progress is attributed to a range of factors including economic dynamics, level of marketing, and extent of support. Traders would appreciate it if the municipality can intensify the level of support and communication with regard to issues that affect street traders, as they believe regular engagement would inform the municipality on the kind of support needed. The other issue that traders raised and was confirmed through researcher

observation is the structure that is not completely weatherproof. The structures were built with strong steel and a zinc roof; however not being covered on the sides exposes some traders to the elements and to rain in particular.

Interviews with the official of the City of Johannesburg municipality responsible for street trading revealed that support is not as intensive as it should be as there are unresolved issues with the street traders in the inner city. ongoing consultation with relevant stakeholders is taking place to find amicable solutions.

CHAPTER FIVE
ANALYSIS OF THE RESEARCH FINDINGS

5.1 INTRODUCTION

This chapter provides a discussion of the research findings that were presented under chapter 4. The chapter is composed of section 5.1 which is the introduction of the issues, section 5.2. which is the contribution of the linear market to street trading, section 5.3 on the support that street traders receive from the municipality, and section 5.4 which describes the challenges and constraints experienced by street traders participating in linear market interventions. This research did not utilise any software package for data analysis mainly because is a qualitative study and the available tools that analyse qualitative data are expensive.

Street trading is an inherent part of the informal sector. There is a view that the informal sector will reduce as economies developed. Pillay (2004) notes that the informal sector has grown rapidly in both less developed and developing countries. The informal sector that includes street trading is seen as an important part of the South African economy and the creator of most semi-skilled and unskilled employment. In South Africa, the municipalities responsible for the area that street traders operate in mainly manage them. The municipality governs street traders in the City of Johannesburg municipality jurisdiction through by-laws and related policies. Literature reviewed revealed that most people engage in street trading as a way of escaping unemployment and poverty. Vermark (2014) concurs that most traders were unemployed prior to engaging in street trading. This is the same in the linear markets in the inner city, because the majority of participants indicated that they began street trading because they were unemployed. The following section discusses the contribution of linear markets to street trading, the support provided by the municipality, and the challenges that street traders in linear markets encounter.

5.2. CONTRIBUTION OF THE LINEAR MARKET TO THE STREET TRADING

Various theories that relate to informal trading were reviewed to determine those used to interpret the findings of this research. In terms of formation of street trading, the structuralism theory is the first to acknowledge the existence of informal trading and viewed the two sectors interlinked with the formal sector (Moyo, 2005). Callaghan and Gwatidzo (2013) shows that the view of structuralism is that people that join the informal sector are victims of the capitalist system and as such are seen as by-products of capitalism. The formation of street trading in the City of Johannesburg conforms to the structuralism theory view because they are not completely separated from the formal sector. Some of the street traders obtain their products from the formal traders with some formal traders getting products such as vegetables from street traders.

5.2.1 Market infrastructure

The Linear market model is one of the many promotive initiatives that government has in place to ensure the informal trading environment is more conducive. Callaghan and Gwatidzo (2013) notes that promotive theory argues that provision of necessary support such as infrastructure to informal traders can make informal trading contribute significantly to the economy. Rooyen and Antonites (2007) in emphasising the promotive stance argues that incubators in the form of shared infrastructure for informal traders can assist with, amongst others, establishment of growth potential, management support and direct links to suppliers and customers. The market infrastructure has increased the satisfaction level of street traders and has positively contributed to longer hours of operation, safety of both traders and goods and higher volume of target market. Based on the interviews, provision of the linear market infrastructure has to some extent made a positive contribution in street trading operations. The linear markets are strategically positioned to allow traders to operate in a safe structure, work long hours and are close to their target customers. The long-term effects of provision of appropriate infrastructure to street traders should be the upliftment of the business and significant contribution to the City's growth. The findings show a need for further improvements in the linear

market to reach its optimal contribution to the growth of the sector and the City. The model needs to introduce mechanisms that will make it distinct and integrate it with programmes that are intended to support micro enterprises provided by other departments such as the Department of Trade and Industry.

5.2.2 Market location

The linear markets are located in highly pedestrianised areas with the aim of attracting those who work and commute in the city and subsequently place street traders in a good position to generate income. Jaravaza and Chitando (2013) argues that some people would prefer to shop in stores located next to their transport or work places. The majority of customers of street traders that are in linear markets are commuters who buy on their way to or from the taxis, bus or train station. Positioning the linear markets in highly pedestrianised areas has given its traders a competitive advantage and contributed to an increase in custom. The two linear markets are strategically positioned in places that have the potential to support the growth of street traders because they are closer to the transport system, and customers and suppliers may find it easy to interact with the markets.

5.2.3 Business culture

There is no evidence that the linear market model has improved the business acumen of street traders. The majority of street traders have not changed their practices from the time they operated outside the markets. Lack of knowledge and training on business related issues contributes to street trading operations of the majority of traders that have not changed.

In the current form, the linear market's contribution to instilling an entrepreneurial attitude in street traders is inadequate. The model should have introduced training such as marketing strategies, bookkeeping and business management, amongst others, for the model to be effective in ensuring that street traders start to view street trading as a business. The model has not managed to attract young

entrepreneurs eager to take risks to start small with the aim of growing sustainable businesses into the linear markets.

Callaghan and Gwatidzo (2013) indicates that operation in rental stands has the potential to empower traders to work longer hours, promotes equality between male and female traders, and reduces the dissatisfaction of continuance in the sector. The introduction of the linear markets has given street traders an opportunity to operate to a maximum of 14 hours a day. Longer working hours offer traders more income potential, unlock entrepreneurial skills and increase the level of one's competitiveness. Moreover, it has resulted in street traders forming market communities where they turn support each other's interests and are able to engage in social activity.

There is a general view that street trading has the potential to create employment. Nenzhelele (2013) concursthat street traders can positively contribute to, amongst others, employment creation. The findings of this research, however, shows that the majority of street traders are working on their own. Only three of the sixteen traders interviewed have an extra person to assist them and one of them is not permanently in the market. The reasons for bringing in assistance vary from employing a person out of sympathy and needing assistance as and when the owner is not available. Their reasons are not related to high demand due to business growth. This finding contradicts the entrepreneurial theory where the view is that promotive initiatives such as infrastructure provision must have a positive contribution on growth and employment creation. The linear market is approaching its tenth year and tangible evidence on its contribution to the growth of street trading should at least be visible.

With regard to income generated at the market, while there are other factors that contribute to the amount of income generated, the market also contributed to an increase in income as compared to before the market was established. Traders did not provide evidence but the majority admitted that they currently make more money than prior to the construction of the linear markets. The linear market model contributed to some extent in the generation of income. Provision of business related training through collaboration with other entities such a small

enterprise development agency, academic institutions, banks, the Department of Trade and Industry and the m,unicipality may positively assist street traders in linear markets to start seeing their businesses having potential to grow and may also positively affect the income generated. Lack of business training is contributing to street traders not making any business-related efforts in order to market their products and increase their income.

The municipality may want to consider attracting young vibrant people who show interest in entrepreneurial opportunity in this model. The onus is in the municipality to implement awareness programmes that will reflect street trading within the linear markets as a new model that offers traders the opportunity to gain experience, training and business education that can unlock their entrepreneurial skills. More research is needed to gain insight on how to turn the linear market precincts into a place that can quickly give tangible business benefits to its participants.

5.2.4 Management system

The linear markets are still managed as other types of trading stalls in the city. The current management model will not give the municipality the results that the linear market envisaged. It requires more than one entity to turn street trading into a sustainable business model. It takes concerted efforts from different stakeholders such as traders themselves, the municipality, training institutions and financial institutions for a survivalist business to graduate to the next stage. Without proper management systems the street trading will become what the marginalism theory perceives as a chaotic stage, taking the city back to a situation of disorganised traders.

In conclusion on the linear market contribution to street traders, the overall findings are that just like the view of the promotive theory, the provision of the linear market infrastructure has potential to contribute to the growth and graduation of street traders to formal business. The model needs to be modified and integrate the elements of training, business training, proper maintenance and joint management systems in order to fully contribute to street trading and achieve its intended

objectives. Vogel (2012) described the theory of change as a dialogue process that is intended to describe the sequence of events that can lead to expected results. The linear market model has at its current stage managed to organise street traders that were scattered in the two streets within stalls that conform with the municipality by-laws and in highly pedestrianised areas. The market infrastructure has been provided as per the model plan. However, services such as water, electricity and ablutions are not available. The model intended to reduce the risk of vandalism that it has currently not been able to address specifically at the Joubert market where part of the infrastructure has been vandalised. The sequence of events that lead to the expected long-term results of the model present challenges that the municipality as custodian of the model needs to identify solutions for.

5.3 THE SUPPORT THAT STREET TRADERS RECEIVE SUPPORT FROM THE MUNICIPALITY

The structuralism view is that government has a role to regulate both the formal and informal sectors in order to address unequal relationships that exist and that with the correct economic policies and correct resources mix, a traditionalist economy can be transformed into a modern economy (Ranyane, 2014). Moyo (2005) indicates the importance of support to the survivalist enterprises such as street traders as important for the sector to operate at a level where they can begin to alleviate poverty. The underlying neo-liberal argument is that under-developed economies are caused by poor allocation of resources due to incorrect pricing policies and interventions in less developed countries i (Nafziger, 2012). Theories that support the entrepreneurial perspective suggest that government has a significant role in the provision of support and in ensuring that the environment is conducive to informal traders (Callaghan & Gwatidzo, 2013). The introduction of a developmental intervention for street traders shows concerted efforts towards ensuring that resources are allocated in a manner that will contribute towards the development of the municipality.

The findings presented in relation to support imply that, although the markets have to some extent contributed positively to street traders, there is lack of co-ordinated

support. Street traders have different information with regard to what the municipality can provide or not. The municipality does not seem to do needs analysis to understand the requirements of the street traders in order to provide appropriate support. The lack of appropriate support necessary to bring growth to these businesses could lead to the model being dysfunctional and not achieving its objectives.

The entrepreneurial theory advocates that government continues support for entrepreneurs to reach their maximum potential. The municipality's lack of provision of utilities such as water, electricity and ablutions in a manner where the services cannot be abused and vandalised negatively affects the businesses.

A number of participants raised a concern regarding lack of training and business support from the municipality. This finding shows the lack of an integrated approach to support street trading in linear markets with training and business education. Though the municipality has facilitated training for street traders with Wits University, the municipality could further facilitate training and finance support that other government departments, government training entities such as the Small Enterprise Development Agency (SEDA) and the private sector provide in order for the model to be functional and achieve its objectives. Without an integrated approach, the linear market model has the potential to become the same as any other street trading activities happening in the city. Public private partnerships are another way the municipality could support street traders and reduce the burden on the municipality.

On a positive note, the linear market model proved to be effective in providing street traders with the level of compliance required when engaging in street trading. The stalls are in compliance with the City by-laws. However, the City's system that is meant to document all legal street traders through the use of smart cards is not effective. There is a need for the municipality to have proper systems that are updated frequently in order to account for all legal street traders in the City. Without an effective system, the City is exposed to a situation where illegal street traders can forge smart cards that are not registered and use them to avoid the JMPD officers when they enforce the by-laws.

Overall, the street traders operating within the linear market are not enjoying the full support that the municipality as the custodian of the model should be facilitating. This is because there are no proper structures in place to ensure the effectiveness of the model, whether from the municipality, its entities and/or through public private partnerships. For the model to avoid regressing to a state that is portrayed by the marginalism view, a range of co-ordinated support interventions are needed that seek to ensure that the street trading model within the linear markets contribute towards entrepreneurial attitudes that will eventually result in the economic development of the City that is required.

5.4 CHALLENGES AND CONSTRAINTS EXPERIENCED BY STREET TRADERS PARTICIPATING IN LINEAR MARKET INTERVENTION

Informal trading by its nature is a sector confronted by numerous challenges when compared to formal trading. Tambunan (as cited in Nenzhelele, 2013) has identified some common challenges that are faced by informal traders such as poor infrastructure, poorly developed market structure, lack of ablution facilities and lack of storage facilities. The street traders in the City of Johannesburg are not immune to these challenges regardless of the location. Theories such as structuralism is against informal trading and is of the view that it retards the economy and will never graduate to enter the formal sector (Chen, 2012). The current challenges of street traders in the linear market model as outlined in chapter 4 portrays the marginalism view because the positive benefits of the model are impeded by the challenges encountered and if not addressed and the situation improved, the chances of traders to graduate to a formal business become less.

Lack of proper maintenance of the market structure has a negative impact on the image of the market. One of the aims of the model is to construct a market structure that is attractive (Johannesburg, 2008). Broken tables that are not repaired force traders to provide alternatives for propduct display, including old boxes. The market equipment is no longer standard and defeats the initial purpose of making the market attractive. Lack of proper maintenance has the potential to

undermine the standard of the linear market to a state where it will no longer be attractive.

Data analysis revealed poor relationships between the municipality and the street traders in the linear market. The linear market intervention was introduced to strengthen management of street traders and these include strengthening the communication channels that are in place. Lack of proper communication is seen through, amongst others, the fact that all participants in this research are not aware of the municipality's programmes that are intended for street traders. The municipality has some programmes that aim to support street trading but these are not well communicated to the intended recipients. The majority of interviewed street traders are not affiliated to street traders' associations due to is the relatively high cost. Therefore, if information from the municipality is communicated through associations, there is a strong possibility that most of the traders may not benefit from the information.

Lack of water and ablution facilities exposes street traders to an unhygienic environment. Goods handling of businesses that are involved in food selling require water for sustainability and growth. Water becomes a key business input and without it the resources mix of that business will be challenged.

Generally, the findings revealed that the model was implemented with weak systems to address challenges that arise from within the linear markets. Failure to put proper systems in place may result in the same challenges being encountered in other linear markets that were constructed throughout the jurisdiction of Johannesburg and eventually render the model dysfunctional.

CHAPTER SIX
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 SUMMARY

This research critically assessed the linear market model for street traders in the inner city of Johannesburg. The linear market model is a promotive intervention that was implemented by the City of Johannesburg municipality in order to accommodate street traders in an organised manner and in highly pedestrianised areas. Lack of research regarding the challenges, benefits and support that street traders receive while operating within the linear market was one of the reasons for this research being conducted. The fact that there were different views regarding the success of the linear market model and its benefits to street traders indicated a need for such research to be undertaken. It was deemed important to critically assess the model in order to have an in-depth understanding of the situation at the linear markets and assess the benefits that the model intended to bring to street traders.

The purpose of this research investigation was to critically assess the extent to which challenges affect street traders selling in the linear markets in the inner city of Johannesburg.The main attributes for assessing the linear market success were analysed. These attributes are market infrastructure, location, business attitude, institutional capacity and management systems.

Therelevant literature was reviewed and largely supported the existence of informal trading and its importance in growing the economy. This research also acknowledged the limited literature that opposes informal trading and that views this sector as taking the economy backwards. Past and current studies that were investigating similar concepts were evaluated with the aim of identifying the knowledge gap, methodology used and findings revealed by similar studies. Engaging past studies assisted in uncovering the potential that other authors believe street trading have as well as the challenges of street trading. Potential benefits include job creation and income generation that can alleviate poverty. The

economic development discipline was also critically discussed showing how this research fits into the broader economic development discipline. The research introduced the theoretical and conceptual frameworks used to interpret empirical results as presented in chapter 5 of this report.

The research described, discussed and proposed a suitable research strategy and design. The research is qualitative in nature and was conducted in a case study. The research design assisted in-depth analysis of the situation at the linear markets and allowed the research to focus within the boundaries of the two markets only. Data was collected using a semi-structured questionnaire. The flexibility of the data collection instrument allowed the researcher to adjust questions while interviewing. Analysis of collected data was done through grouping important issues into themes. Themes were derived from research questions, literature and through fragmentation of actual data collected. The process of putting data into themes made it convenient for the researcher to present only relevant information under chapter 4 where the findings are presented. Interpretation of the findings was linked to answering the research questions while using the theoretical and conceptual frameworks. The research further discussed the reliability and validity as well as the limitations of this research.

The entire research process aimed to address the three research questions. The research questions guided the research objective which was to critically assess the linear markets model in the inner city of Johannesburg. The research questions are:

1. What is the contribution of the linear markets to the street traders?
2. What are the challenges and constraints that street traders in linear markets encounter?
3. To what extent do street traders receive support from the municipality?

The research questions were answered through data collected from street traders, COJ official documents and interviews with municipality officials working with street trading.

6.2 CONCLUSION

This research critically assessed the developmental intervention that was introduced in 2008 by the City of Johannesburg municipality to regulate and manage street traders. After employing the most approriate methodology to answer the three research questions the research reached the overall conclusions in terms of challenges encountered, benefits derived and support received.

The findings show that the main challenge in the market is lack of proper maintenance of the structure, lack of co-ordinated support and administration of the market by the municipality, as well as a lack of essential utilities such as water, ablutions and electricity. The municipality has constructed a structure that is supposed to be weatherproof but street traders are affected significantly during rainy periods and some are forced to close when it rains.

Administration is a challenge in that in some instances traders do not know where to direct their market related problems, where officials are available, and where their complaints are not addressed. Traders are not provided with business training that could assist them to learn business principles in order to grow their businesses and even graduate to formal businesses.

Service utilities that were provided when the markets were launched are either vandalised by people outside the markets or closed when they do not function properly. Traders and then compelled to walk some distance in order to access these services and in some instances have to access them at a cost.

With regard to market accessibility, the findings suggest that the markets are strategically positioned in an accessible location for both targeted customers and street traders. The markets serve mainly the commuters using public transport between the Johannesburg inner city and the Johannesburg townships, those residing in apartments in the inner city and local businesses that provide catering services who purchase their fruit and vegetable within close proximity at a reasonable cost.

The findings suggest that the linear market model provides street trader with a conducive environment in which to work long hours. Even though there are no lights and security personnel in the markets, markets are safe for both traders and customers. Traders are able to work an average of eleven hours in the market and there are secure storage facilities. There were some concerns about fires in the Joubert market storage facility. This could be addressed through improved administration of the market.

A positive finding is that street traders are able to generate income that can finance their household. On average street traders can make up to R2 400 per week during off-peak and R3 300 per week during peak periods. Even though the income generation could be attributed to many factors, the linear market model also contributed through affording traders a structure in which to operate long hours, that adheres to the municipal by-laws and where traders can therefore operate without fear of goods being confiscated. Furthermore, the safety of the market results in minimal loss and the location of the market provides an opportunity for customers to easily enter the market.

Overall, the linear market is to some extent functional. However, there is a need for an integrated approach that will include other relevant organisations and institutions such as the DTI, SEDA and academic institutions to provided required support and also assist in resolving the challenges identified to prevent the linear markets model from deteriorating.

Another important finding is that the conceptual documents on the linear market are unclear and it is necessary for the CoJ to have clear policy that explains how the concept should function and the benefits related thereto. Current policy and information is not explicit enough to identify expected long-term impact of the linear market.

The limitations of the research include lack of resources such as research assistants and funding. The limitations have resulted in the research being narrowed to focus on two markets and assessment of the effect of the model on

street trading operations within the linear market. The research revealed further areas of possible research that could focus on the impact of the linear markets model in the inner city precinct that seeks to understand how surrounding businesses, households and offices are impacted by the implementation of this model.

6.3 RECOMMENDATIONS

This research presents its findings in chapter four and analysis of the findings and lesson learned are provided in chapter five. Having considered the empirical data presented and analysed, the following recommendations were deemed appropriate:

- Firstly, this research recommends improvement in the administration of the markets. Some of the identified challenges could be addressed with effective administration of these markets. The municipality needs to prioritise linear market support in order to maintain the intended order that was envisaged when the model was first introduced and to provide street traders with a conducive environment. Support systems need to be put in place to monitor the markets and respond to all challenges that require the attention of the municipality within a reasonable time.
- Secondly, the research recommends sustainable programmes that provide street traders with formal business training. The municipality may consider drawing on academic institutions to provide formalised and ongoing training rather than ad hoc training interventions, so as to empower traders to move upwards. There are potential entrepreneurs amongst the street traders, and this type of training could unlock hidden potential. Johannesburg could be a city that provides a platform for growth at all levels of the economy.
- Thirdly, this research recommends a review of the model specifically on the aspect of a weatherproof market. The current state of the markets provides street traders with, amongst others, an opportunity to work long hours. It would be prudent to offer street traders structures that are able to close on the sides during poor weather to allow traders to operate throughout the year.

- Fourthly, this research recommends an integrated approach in providing support to the street traders in linear markets. For the model to be distinct, the municipality needs to facilitate a joint support approach with institutions that have the responsibility of supporting informal trade such as the Department of Trade and Industry, the Small Enterprise Development Agency, tertiary institutions and banks.
- Fifth, the municipality as the custodian of the linear markets model should consider introducing a programme that will identify and develop street traders with the potential to be entrepreneurs with the aim of assisting them to move out of the markets into more formal enterprises.
- Sixth, this research recommends standardisation of practices in these linear markets. Lack of standard practice could lead to ineffectiveness of the model since individuals would interpret the situation the way that it suits their circumstances. For example, if traders are expected to pay a certain amount for rental it has to be standardised, documented and communicated and where there are differences, the reasons for the difference should be clearly defined and communicated.

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APPENDICES

APPENDIX 1.1: INTERVIEW GUIDE

Dear Participants

My name is Livhalani Salome Nemaungani, a master's student at WITS university. I am currently conducting research that has focused on understanding the benefits, challenges and the support that street traders experience in the linear markets. Participants are assured that the information will be treated as confidential, with anonymity and will be used for the purpose of the research only.

Participants should know that, they are allowed to ask clarity seeking questions and provide any additional information other than the information in the guide. They should also know that they are allowed to withdraw from participating or stop at any given time if they are not comfortable with the questions

The Researcher

Nemaungani S Livhalani

INTERVIEW QUESTIONS FOR TRADERS

PROFILE (tick relevant box)

Sex

Female	
Male	

Age

Under 20	
21 – 25	
26 – 30	
31 – 35	
36 – 40	
Above 41	

STRUCTURE RELATED QUESTIONS

Question: where do you live Answer:
Question: How long have you been operating in the linear market structure Answer:
Question: what was the reasons for you to become street trader Answer:
Question: How do you find operating in the linear market, in terms of getting customers and generating income Answer:
Question: In your opinion, what are the benefits of operating in the linear market Answer:
Question: What are the Challenges of operating in the linear market Answer:
Question: How is the safety of products in the market? Answer:
Question: Does the market influence the working hours? Answer:
Question: Do u get support from the local government? What kinds of

support do you get and the frequency of support? Answer:
Question: Are you satisfied with the utilities provided by the municipality? Please Explain? Answer:
Question: Is there an official assigned to assist traders with issues at the market? If yes, Do you have direct contacts? Answer:
Question: Which area requires improvements? Answer:
Question: how do you find the experience in the market as compared to previously when you did not have the market infrastructure Answer:
Question: do you find occupying a stall in the linear market helping you with making more money or not? Please explain Answer:
Question: Do you think the linear market has contributed in any way to instilling a business mindset to you as an individual? Are there any business decisions that you are approaching differently as compared to the time before the linear markets Answer:
Question: How do you find the management of the market? And how is it different from how you were managed the time when you were operating on the street Answer:

THANK YOU

INTERVIEW QUESTIONS FOR OFFICIALS

Question: Name of the official

Answer:
Question: Department Answer:
Question: Position held Answer:
Question: what are your responsibilities in relation to street traders? Answer:
Question: how often do you visit the markets Answer;
Question: what are the challenges identified in the market? Answer:
Question: how often do the department do maintenance in the market? Answer:
Question: Who manages the storage at Joubert Market? Answer:
Question: Are you aware of the storage challenges at Joubert Market? Answer:
Question: If aware of the storage challenge, is there something that the department plans to do? Answer:
Question: What do you know about the involvement of City property in Hoek street? Answer:
Question: Is there any relationship/agreement between city property and the municipality? Answer:
Question: what kind of support does the department provide Answer:
Question: if any, how is it communicated to traders Answers:
Question: are you aware of the stock subsidy amounting to R9000 that traders were requested to apply for? Answer?

Question: if yes, which department is responsible? How does it work? How many traders benefited this far and what is the target? Answer:

THANK YOU

APPENDIX 2.1: TRANSCRIPT

02 November 2016

Interview between the researcher and one of the street traders at the Hoek linear market. The interviewer is Livhalani Nemaungani and the interviewee is Lydia (not her real name. The interview started by Livha introducing herself as a student at WITS, show Lydia the student card and explain the content on the consent letter. Emphasis was made that the information is only for the study and information will be treated as confidential and anonymous.
Important to note that this interview was conducted in Sepedi

Livha: Now that I have introduced myself and the reasons for my interview, I would like you to indicate whether you agree that we continue with this interview or not

Lydia: I agree, I would like you to pass my child.

Livha: Thank you. Give me your name

Lydia: Lydia

Livha: Tell me are you below or above 41?

Lydia: Am old my child, am actually 52

Livha: Where do you live?

Lydia: I live in Soweto Orlando

Livha: do you go home every day?

Lydia: Yes, I travel every day, I use bus or train to go home and come to work

Livha: Okay, how long have you been working on the street?

Lydia: I started selling immediately after my husband has passed away in 1998. My husband left me with six (6) kids that I had to support and was left with no option after I have looked for work with no success. I decided to join others on the street and started by selling fruits and vegetables.

Livha: So, are you saying unemployment is the reason why you ended up here?

Lydia: Yes, how was I going to support my children without job and money? I had to look at other options.

Livha: do you have any formal qualifications that you were using to look for a job?

Lydia: I do not have qualifications, I left school while doing form one (now known as grade 8)

Livha: How do you find operating in the market? In terms of getting customers and generation of income

Lydia: I started here before this market, things where better then because it was just few of us. Now we are 43 in this market and customers are scarce. The other thing is that there are more street traders now than before. My child we are competing with those that are operating illegally out there so you can imagine. Some days I go home with only R50.

Livha: But I see many people walking pass the market as I speak to you , don't they buy?

Lydia: Yes hundreds of people walk pass here but that does not mean they are customers. Others just look and pass others do not even bother to look. Perhaps they pass here because is their way to work. Few of them stand and go through

our products and then decide on from whom to buy. The best times are now during the festive.

Livha: okay I hear you when you say sometimes you go home with R50, but I believe it is not every day. Tell me on average, how much do you make per week?

Lydia: Let me say, R2 200 to R2 500. My child you must know that I have to pay for the train and rental fee of R337 per month.

Livha: what do you see as the benefits of working in the market?

Lydia: to be honest with you, the only benefit I see is that at least we are no longer harassed by metro police like before. They use to take our goods when we were selling on the street. We use to carry our stock and run as soon as we see them.

Livha: okay, what do you see as challenges?

Lydia: My main problem is the structure that is only a roof because I can not work during raining season. Well we have to buy plastics and cover the surrounding and that does not help much. The other thing is ablution facilities, we are given toilet in this building next to us and they are on the higher floor. At first we use to use the entrance that has lifts in order to go to the toilet. Later on the entrance was closed and we were told to use the stairs and my child is difficult for someone old like me to get there using stairs.

Livha: Water?

Lydia: we use to have a tap but later on asked them to close it because people were abusing it. Sometimes washing cars whereas we are paying for water.

Livha: Are your products safe here in the market?

Lydia: Yes the products are more safer now because we have storage place inside the building next to the market. Everyone has a padlock for his/her locker and since the inception no one has ever reported theft of stock. Back then we use to ask for storage at the nearby salons and if you do not come to work the following day, the owners use to take our stock outside and leave it there. Here in the market thieves do take their chances every now and then but is not as worse.

Livha: how did you manage to get the stall in the market

Lydia: Some years back, I think 2009 we were requested to write down our names and we were told we are going to get the stalls in here. We were encouraged to write our details and told is because priority will be given to those already operating in this street. Later on we were given stalls and told we should pay rent every month.

Livha: Do you see working from the market influencing your working hours?

Lydia: well I come here at 6:00am and leave at 18:00pm. I have always been working like that because I have kids that I should take care of after work.

Livha: what are the operating times?

Lydia: People are here as early as 5:00am and they leave at 19:00pm.

Livha: Is there any support you get from the municipality since you were here?

Lydia: We have never received anything from municipality since, the only time we here of the people from the municipality were beginning of this year where we were requested to complete forms for a subsidy to buy stock. We only know of one person who was contacted and was told that they will inform him of the shop where he will go and get stock for R9 000 since they do not give cash. I am not even sure whether he has already received that call or not. Other than that, there is nothing we get from the municipality.

Livha: is there an official of the municipality assigned to assist you here?

Lydia: No, we do not know of any official. The only people we know are from City Property Company and that is where we deposit our rental money.

Livha: You mean Joburg Property Company.

Lydia: No, City Property. The one that owns flats

Livha: Do you belong to an association?

Lydia: No, I do not. Most of us do not because is another money to join

Livha: what areas do you think need improvement?

Lydia: The structure must be closed so that we can survive during raining days. I would like to see the municipality assisting us with training, information and funding. Ablution facilities that are easily accessible and maintenance of the place, like fixing broken counters and lights.

Livha: Thank you for your time mama and I wish you the best in your trading

Lydia: Thank you much child, go to school and pass so that you can be a better person tomorrow.