The role of Endowments and Behaviours in Street Trader Upliftment within the City of Johannesburg

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ABSTRACT

The purpose of the study was to investigate the importance of endowments versus behaviours in relation to street traders within the inner city of Johannesburg, Gauteng. Street traders form an integral part of urban economics and as such are one of the most visible occupations, yet few cities successfully balance the need to support livelihoods with the need to manage public space. Street traders can be viewed as a highly vulnerable group. The knowledge problem addressed in this research is the lack of knowledge of the contribution of endowment and behaviour attributes to the performance of street traders. Such knowledge is considered particularly important in the wake of events, such as Operation Clean Sweep, that may have had a lasting influence on the experience of street traders, and their ability to earn their livelihoods. Whereas behavioural theory such as the entrepreneurship orientation theoretical framework predicts that certain behavioural characteristics of an individual, namely risk taking, proactiveness, innovativeness, competitive aggressive and autonomy can contribute in different ways to performance across different contexts. Sustainable livelihood theory highlights the importance of endowments, taken here to be representative of Bourdieu's forms of capital, in achieving a sustainable livelihood. While the interactive contributions of these theoretical contributions on performance seem to exist across many entrepreneurial contexts, it is not clear according to these bodies of theory which of these approaches is most effective in the context of inner-city street trading. More specifically, it is not clear whether behavioural theory predicts the behaviour of the lowest-earning street traders in the sector, or whether their life chances are, instead, dictated by their lack of endowments of financial or social capital. Drawing from the entrepreneurship orientation and sustainable livelihood theoretical frameworks, a qualitative study of 20 low earning inner-city Johannesburg street traders was undertaken to investigate certain tensions between the predictions of these bodies of theory. The data was analysed using thematic analysis. Such knowledge is important to gain an understanding of the types of interventions needed to uplift street traders. If endowments, such as access to resources, either in the form of financial capital or social capital, are a necessary condition for street trader upliftment then certain assumptions in the street trader literature may need to be revisited. Findings question assumptions about the ability of low-earning inner-city street traders to transcend endowment constraints in this context. If behavioural attributes are not sufficient to transcend a threshold limitation associated with endowments, then certain predictions of entrepreneurial theory might not be valid for certain individuals in this context. The research concludes that certain inner-city street traders have limited agency. The implication of this is that their ability to improve their livelihoods through behavioural change is limited. Although both behaviours and endowments are important for street traders to achieve full functionality as entrepreneurs, the results of this study suggest that a lack of endowments presents a binding constraint to their functionality, and that urgent intervention is necessary to improve their quality of life, and to ensure their earnings are sufficient to maintain their minimum levels of nutrition and health.

DECLARATION

I hereby declare that this dissertation is my own, unaided work. It is being submitted in fulfilment of the requirements for the degree of Master of Commerce in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

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Ms. Cordelia Ann Volker

Signed on this the ___________ day of ________________, 2018

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LIST OF ABBREVIATIONS

CoJ	City of Johannesburg
EO	Entrepreneurial orientation
GDP	Gross domestic product
GEM	Global entrepreneurship monitoring
ILO	International labour organisation
OCS	Operation Clean Sweep
SME	Small to medium enterprises
SLF	Sustainable livelihood framework
TEA	Total early-stage activity

CHAPTER 1
INTRODUCTION

1.1. BACKGROUND TO THE STUDY

There are two dominant approaches when analysing an entrepreneur's performance, these either focus on endowments or on behavioural aspects (Shane, Locke and Collins, 2003). However, the literature on the interactions between these two facets is limited when investigating street trader's entrepreneurship performance. This study focuses on the street traders operating in the City of Johannesburg's, to be referred to as (CoJ), inner city. These street traders operate within the informal economy of South Africa.

Street traders can be viewed as a highly vulnerable group and are subjected to shocks such as 'Operation Clean Sweep'. Operation Clean Sweep (OCS) was a program introduced through local government of the CoJ in 2013, to deal with street traders that the municipality deemed to be trading illegally (Wiego, 2014). The street traders were forcefully removed from the inner city and therefore lost their livelihood income (Pieterse, 2017). Events such as these can have a negative impact on the street trader's livelihood and well-being, as street traders form part of the lower tier of the informal sector (Pieterse, 2017). The informal sector represents an important part of the South African economy. To this extent there is a lack of knowledge as to the type of assistance needed to uplift street traders and enhance their livelihood and well-being.

The concept of an informal economy was first conceptualised in the early 1970's when Hart (1973) highlighted uncertainty activities in terms of employment and income as a distinctive feature of informality (Chen, 2012). The informal economy has traditionally been viewed as a catch basin for individuals who are unable to find jobs within the formal economy (Consultancy Africa, 2011a, Consultancy Africa, 2011b, Ligthelm, 2013). These individuals are therefore forced to take on any work or create employment through small or marginal economic activities (Ndiweni and Verhoeven, 2013, Williams and Nadin, 2010, Williams, Nadin and Rodgers, 2012, Williams, 2011).

Individuals operating in the informal sector are often not recognised and as such may be outside the reach of social protection, labour legislation and protective measures (Babbitt, Brown and Mazaheri, 2015, Chen, 2012, Horn 2012). Limited access to productive resources such as finance, land, technology, and markets may be compounded by low levels of skills, information and literacy, confining many in the informal sector to marginalise and survivalist activities (Chirau, 2012, DFID, 2000).

Entrepreneurial behaviour is best understood from an individual psychological perspective meaning the differences in entrepreneurial performance are due to an individual's ability (Shane *et al.* 2012). Entrepreneurial orientation (EO) has received substantial conceptual and empirical attention in recent times. EO consists of process structures and behaviours that can be described as autonomy seeking, innovativeness, risk-taking, proactiveness and being competitively aggressive (Callaghan and Venter, 2011, Kraus, 2012, Lumpkin and Dess, 1996, Lumpkin and Dess, 2001, Venter, 2014). EO is also based on the individual's capacity to increase business performance.

Endowments are commonly understood as the amount of capital that a country possesses in terms of land, capital and entrepreneurship which can be exploited. This relates not only at a country level but also an individual level. The Sustainable Livelihood Framework (SLF) has been the subject of extensive research and has been broadly defined in literature (Chirau, 2012, DFID, 2000, Morse and McNamera, 2013). SLF is a tool used to improve one's understanding of livelihoods, particularly the livelihoods of the poor in relation to endowments (Chirau, 2012, DFID, 2000, Morse and McNamera, 2013). SLF presents the main factors which affect an individual's livelihood and the relationships between them (DFID, 2000, Makhetha, 2010). The main purpose of the framework is to provide stakeholders with different perspectives to enable them to engage in structured and coherent debate about the many factors impacting livelihoods (Makhetha, 2010).

1.2 SIGNIFICANCE OF THE STUDY

Street traders form an integral part of urban economics and are as such one of the most visible occupations, yet few cities successfully balance the need to support livelihoods with the need to manage public space (Mahadea, 2002, Motala, 2002, Roever and Skinner, 2016). This is very true of the CoJ.

The majority of street traders are the main breadwinners within the household and is unfortunately survivalist in nature (Masonganye, 2010, Roever and Skinner, 2016). Street traders provide easy access to a wide range of goods and services in the public spaces of cities around the world (Makhetha, 2002, Meyer, 2015, Roever, 2014). Street traders are engaged in several livelihood strategies to survive within the informal sector (Makhetha, 2010).

One of the major development challenges facing the CoJ is the high unemployment rate (Pieterse, 2017). Approximately 27% of all working age adults and 31% of employable youth in the CoJ are unemployed (Stats SA, 2018). Inner city residents' often resort to informal self-employment such as street trading. However, the CoJ does not have any training programs aimed at this sector. Currently, the CoJ is working the National Youth Development Agency in developing these training programs (CoJ, 2017). This means there is minimal casual evidence of how street traders are being uplifted beyond survivalist livelihood strategies.

Consequently, a lack of knowledge exists of whether behavioural influences (which can be learned through training programs) or endowments dominate approach will impact street trader performance, and/or upliftment wellbeing. Endowments, in the context of this research, are the capitals needed to uplift street traders. It is important therefore to gain an understanding of the influence of behaviours and endowments and their interactions over time in relation to street trader upliftment. This is important because if it is endowments that contribute the greatest, then assistance would need to take the form of financial assistance. If it is behaviours, then training can provide effective assistance.

Understanding the livelihood strategies employed by street traders will be useful in informing government officials on how to respond to the needs of street traders. The study also seeks to in the overall understanding of street trading in terms of endowment and behavioural aspects.

1.3. RESEARCH PROBLEM

There has been an increase in the number of informal activities taking place in the CoJ due to a number of reasons, some of which are the high level of unemployment and the current economic climate (Makhetha, 2010). The CoJ has a progressive policy towards street trading and recognises the legitimacy of street trading in the inner city (Benit-Gbaflou, 2015). However, Operation Clean Sweep (2013) left many street traders in a vulnerable position, which had a negative impact on their livelihoods. The informal street trading industry is playing an increasing role in the creation of a livelihood for many South Africans (Makhetha, 2010, SADC, 2012, Masonganye, 2010, Scoones, 2012, Terblanche, 2001).

Street traders earn approximately between R45 and R150 per day after deducting costs such as supplies, transport, and storage fees (Lalthapersad-Pillay, 2004). This means that street traders remain one of the lowest earning groups in South Africa.

The first problem to be addressed in this research is the lack of knowledge around the understanding of the relationship between endowments and behaviour attributes, to street traders' performance. The second problem to be addressed is what the consequences of events, such as Operation Clean Sweep (2013), have had on the street trader's livelihood. Lastly, to gain an understanding of the types of intervention needed to uplift street traders, namely training programs or increased assess to endowments.

Callaghan (2010) conducted a study on street traders, the study found that training programs can uplift and increase the earnings of street traders. However, Callaghan (2010) did not investigate the impact of endowments. Another study conducted on street traders by Willemse (2011) focused on the opportunities and containments faced by them. The study was conducted in four major CBD's within South Africa. The study found that the majority of street traders were caught in a poverty trap and were unable to better their livelihoods. The study failed to address the behaviour aspects of the street traders. Nkrumah-Abebrese and Schachtebeck (2017) also found that street traders have a number of survival challenges such as low income and poor working conditions. However, this study did not investigate if there is a link between behaviours and endowments. Another study conducted by Berry (1999) concluded that the lack of finance and capital to expand their business, coupled with harassment from metro police impacted negatively on their livelihoods.

From literature it can be seen that there are few studies that address both behaviours and endowments and the impact it has on the street trader's livelihood.

1.4. RESEARCH QUESTIONS

Research questions are a guide for explaining the purpose of the study (Collis and Hussey, 2003). There are three main research questions that will guide this research:

1. How would different types of interventions, such as training programs or finance aid, support the upliftment of street traders?
2. How do the different influences of behaviours and endowments impact street traders in the inner city of Johannesburg?
3. How have events, such as OCS impacted the street traders over time? To what extent have these events impacted street trader's upliftment?

1.5 RESEARCH OBJECTIVES

Research objectives are linked to the purpose of the study (Collis and Hussey, 2003). The overall objective states how the researcher intends to address the research problem.

The primary research objective of this research is to develop knowledge that provides insight into the understanding of the relationship between endowments and behaviour in the upliftment of street traders.

In achieving the primary objective, the following secondary objectives are set out:

- To understand livelihood strategies (endowments) that promote or hinder street trader's well-being
- To gain an understanding of the entrepreneurial orientation (behaviour) factors that promote or hinder a street trader's well-being
- To describe street trader's experiences overtime and how events or shocks impact street trader's well-being

1.6. THEORETICAL OVERVIEW

The following section will outline the main literature used to answer the research questions and objectives. The literature covered pertains to entrepreneurship, the informal sector and street trading.

1.6.1 Introduction

The following sections will outline the literature pertaining to this research. The majority of workers in the developing world earn their livelihoods in the informal economy (Munro, 2011, Terblanche, 2001).

1.6.2. Understanding entrepreneurship

In a country, as socio-economically, culturally and politically heterogeneous as South Africa, entrepreneurs and their involvement have a great economic significance (Khaola, 2010, Mitchell, 2003, Urban, 2012, Williams, Nadin and Rodgers, 2012). Within developing countries, entrepreneurship is an important engine for economic growth as it plays a leading role in generating productive work, achieving gender equality and supports in reducing poverty (de Vita *et al*, 2014, Lim, Oh and de Clercq, 2015, Urban, 2012). Fostering entrepreneurship is widely perceived to be the critical policy agenda to expand employment and earning opportunities and help reduce poverty (Chari and Dixit, 2015, Cho and Honorati, 2014, Frank, 2012).

Entrepreneurship is defined as a process of creating something new of value by devoting the necessary time and effort, the accompanying financial, psychological, and social risk, and receiving monetary rewards as well as personal satisfaction and independence (Baran and Velockaite, 2008, Makhoba, 2010). An entrepreneur is someone that takes risks and initiative to turn resources into products and services needed by the market (Baum and Locke, 2004). Some entrepreneurs are opportunity entrepreneurs, while others are necessity or survivalist entrepreneurs. Street traders can be defined as survivalist entrepreneurs.

Street traders are viewed as necessity or survivalist entrepreneurs. For the purpose of this research this term survivalist entrepreneur will be used. Survivalist entrepreneurs are described in the National Small Business Act 102 of 1996 as operating in the informal sector of the economy and generating an income below the poverty line. Berner et al. (2008) further defines survivalist entrepreneurs as entrepreneurs who start their businesses due to lack of formal employment and not by choice (Ranyane, 2014). Serviere (2010) states survivalist entrepreneurs are entrepreneurs that are ‘pushed’ into entrepreneurship by factors that include unemployment, low income jobs, low educational levels and social marginalisation. Survivalist entrepreneurs have a limited amount of capital to invest, coupled with inadequate training programs this means that there limited opportunities for grow (Callaghan, 2012a, Callaghan, 2012b, Ranyane, 2014). Survivalist entrepreneurs depend on their income for the basic survival of their families (Ranyane, 2014). Circumstances force survivalist entrepreneurs to go the entrepreneurship route due to lack of alternatives (Ranyane, 2014). These survivalist entrepreneurs are the focus of this research.

The table below (Table 1.1) outlines several different definitions used when defining entrepreneurship. There are several common themes, outlined in these definitions. These are: an entrepreneur can seek and spot business opportunities, exploit available resources and be innovative.

Table 1.1: Selected definitions of entrepreneurship

Author (s)	Definitions
Kirnzer (1973)	Entrepreneurship is the ability to spot new business opportunities through recognition and to seize opportunities thus tends to undo market equilibrium.
Stevenson, Roberts and Grousbeck (1985)	Entrepreneurship is in pursuit of business opportunities with less resources and capabilities.
Low and MacMillan (1988)	Entrepreneurship involves the creation of new enterprises
Venkataramen (1997)	Research in entrepreneurship probes into the understanding of opportunities to try and introduce future goods and services into the market, exploit and create such opportunities

Morris (1998)	Entrepreneurship involves processes by individual to create potential value through specialised packages and resources inputs for exploiting opportunities within the environment. Outcomes maybe through venture creation, products, service markets and technologies.
Busenitz (2003)	The study of entrepreneurship is focused on various constructs such as opportunity, individuals and teams, the mode of organising within the context of a wider business environment including opportunities and threats to entrepreneurs.

Source: Author (2017)

The type of livelihood strategy employed by survivalist entrepreneurs will therefore differ greatly from those employed by entrepreneurs who run small enterprises like SME's (Makhetha, 2010). This is since survivalist street traders only earn enough money to survive and may result in these individuals not having access to other forms of capital assets, such as physical capital in the form of a place to live or money for transport (Masonganye, 2010).

1.6.3 Informal economy

Ligthelm (2005) describes the informal economy as having unrecorded income from the production of goods and services with either legal or illegal monetary transactions. Within the South African economy context, the informal economy is defined as the combination of the unrecorded parts of the first economy and the second economy (Mistry, 2006).

While there are disagreements on the definition of the informal economy, most definitions nevertheless emphasise the following characteristics namely: small scale, low level of organisation and low productivity, happens outside of the state licensing and regulation framework (LED network, 2012). Chen (2012) also describes the informal economy existing for several reasons and that its development varies greatly between contexts. Chen (2012) further mentions noticeable factors namely: in developing economies many people choose to work in the informal economy as entrepreneurs, volunteers, or informal wage workers, indicating that entry to the formal economy is either too difficult or is actively avoided (Kasseeah and Tandrayen-Rgoobur, 2014, Mendelsohn, 2015).

At the same time, the informal economy is known to grow during economic recessions, indicating that it also functions as a survivalist mechanism (Ligthelm, 2013, Mendelsohn, 2015). In addition to this, it has been recognised that both the informal and formal economy are often interlinked thus causes interdependence (Mendelsohn, 2015, Mistry, 2006).

The size of the informal economy varies greatly in developing nations but overall, it accounts for more than half of all non-agricultural employment (Mendelsohn, 2015, Williams, 2011). In South-East Asia, it represents the largest portion of employment (82%), followed by sub-Saharan Africa, 66% (Mendelsohn, 2015). However, intra-regional variations can be significant, for example, within the sub- Saharan region, figures range from 82% in Mali to as low as 33% in South Africa (Mendelsohn, 2015). It is relevant to note that in all cases these figures exclude agriculture. The informal economy is similarly large in other developing regions across the globe except for Eastern Europe and Central Asia where it was heavily repressed under previous regimes (Williams and Nadin, 2010).

By its very nature, informal economic activity goes unrecorded and is therefore difficult to measure, but it's estimated value is approximately 28% of South African GDP (LED network, 2012). Therefore, the size of the informal economy can be estimated at around R160 billion which would make its value 2.5 times as large as the contribution of the entire agricultural sector, or 70% of the contribution of the mining sector to GDP (LED network, 2012).

1.6.4 Informal sector

Hart (1973) first coined the term "informal sector", in his study of the economic activities of the urban economy of Accra, Ghana in 1973 (LED network, 2012). Hart (1973) refers to the informal sector as the low-income activities of the urban poor who could find wage employment (LED network, 2012). Globally the informal sector plays an important role, not only decreasing unemployment but also increasing the entrepreneurship culture (Babbitt *et al*, 2015). The informal sector plays an even more important role in developing countries as a source of much needed income (Babbitt *et al*, 2015). Unfortunately, many entrepreneurs operating within the informal sector are as a result of structural disadvantages based on gender, income level, education, ethnicity or religion (Babbitt *et al*, 2015).

Morris and Pitt (1995) further describes the informal sector as those economic activities that are not recorded in public financial records and are not subjected to formal contracts, license, labour inspection and reporting on taxation. Although scholars characterise the informal sector as a barrier to development, it plays an important role in poverty alleviation and is a logical alternative to the formal sector where barriers of entry maybe be high (Babbitt *et al*, 2015).

1.6.5. Street Trading Industry

The term street trading represents an act of selling goods or providing services on a street pavement, in the middle of the road or other public spaces undertaken by some street traders (Consultancy Africa, 2014a, Consultancy Africa, 2014b, Makhetha, 2010, Tissington, 2009). Street trading is the most common of informal activities, constituting approximately 80% of all informal trade in all countries where data is available (Mendelsohn, 2015). Street trading as a livelihood strategy chosen as a survivalist tactic in a climate of growing unemployment and poverty (Consultancy Africa, 2014a, Consultancy Africa, 2014b, Makhetha, 2010).

Street trading is one of the largest and most significant sub-categories of informal trade in South Africa (Horn, 2012, Mahadea, 2002, Sassen, 2013). Within South Africa, street trading constitutes approximately 41.5% of the informal economy (Sassen, 2013). For the purpose of this study the informal economy terms and informal sector terms will be used interchangeably. Street trading is recognised as a significant means for survival, with the potential to sustain the livelihoods of the most vulnerable and marginalised individuals in society (Sassen, 2013). In African cities, street trading has been a substantial contributor to informal economic activity, serving to minimise the impact of social exclusion, fostering entrepreneurship, making a significant economic contribution and sustaining the livelihoods of traders and their families (Callaghan, 2014a, Horn, 2012, Motala, 2002, Sassen, 2013).

Street trade literature exposes how socio-historical, political, and economic factors have negatively influenced street trading in South Africa (Callaghan, 2014b, Sassen, 2013). Economic systems such as globalisation and trade liberalisation have resulted in high job losses. Urbanisation migration has contributed to the growing number of street traders in South Africa cities as well (Consultancy Africa, 2014a, Consultancy Africa, 2014b, Sassen, 2013). The governance of street trade has become less oppressive over the past couple of decades, through supportive policies, such as Business Act of 1991 and the White paper on the National Strategy for Development and Promotion of Small Businesses in South Africa (Sassen, 2013).

Street trading is carried out on a wide range of platforms (Mendelsohn, 2015). These include permanent home-based stores, semi-regularised markets, food carts or even goods vendors walking between cars to sell their goods. There are also significant variations in the types of goods being sold and the manner of selling amongst street traders (Mendelsohn, 2015, Sassen, 2013, Tissington, 2009). The study focused on street traders operating in semi-regularised markets in the inner city of Johannesburg.

Areas with concentrations of street vendors are often associated with crime (Mendelsohn, 2015). The health, safety and quality of street vendor goods is also often cause for concern (Mendelsohn, 2015). In most cases, street traders do not have access to infrastructure or hygienic conditions to store and sell their goods (Consultancy Africa, 2014a, Consultancy Africa, 2014b, Mendelsohn, 2015). Governments often respond to these perceived negative outcomes by attempting to prevent informal trade from taking place (Mendelsohn, 2015). This can be seen in OCS, where thousands of street vendors were forcefully removed from the inner streets of Johannesburg.

Street traders in the inner city of Johannesburg are often aged between 20-45 years old, with approximately 60% in the 16-24 years age category being young men from neighbouring African countries (Callaghan and Venter, 2011, Lund *et al,* 2000, Makhetha, 2010). Those that are foreign nationals generally come from countries such as Zimbabwe and Mozambique (Makhetha, 2010). Elderly, female traders tend to be South African and most of them come from rural areas such as North West, Limpopo and KwaZulu-Natal (Makhetha, 2010). More male street traders are found to hire assistants or helpers than women. The profits made by informal traders are often difficult to assess due to erratic income and lack of record keeping (Makhetha, 2010).

Street trading is seen to have low barriers to entry for income generation and self-employment, additionally opportunities for development through street trading, remain untapped (Sassen, 2013, Terblanche, 2001). However, competition in the informal economy is extremely high (Mistry, 2006). Low barriers to entry have resulted in many informal competitors, coupled with large formal retailers which are becoming an increasing presence in street trader's localities (Motala, 2002). Enhancing opportunities for social and economic development through informal trade requires micro-enterprise paradigm shift addressing the entangled nature of household and livelihood activities, the survival strategies of livelihood activities and the need for non-market interventions to have real impact on people's livelihoods (Chirau, 2012).

Street trader's livelihoods depend on access to public space, an area where there is frequent conflict and competition; this can be seen during OCS where over 6000 street traders were forced to move (Mendelsohn, 2015, Motala, 2002). Street traders are often explicitly marginalised or persecuted by not only government but also by fellow street traders (Masonganye, 2010, Mendelsohn, 2015). It is imperative to understand the nature of street trading, where profit margins are low, work is difficult, and livelihoods are unstable. Research conducted by Skinner (2011) concluded that other constraints include lack of infrastructure resulting in vulnerability to weather, pollution, fire, or other dangers such as traffic (Bromley, 2000, Mendelsohn, 2015).

According to Sassen (2013) there are several difficulties that street traders face daily. These include disenfranchisement, lack of capital, crime, poor infrastructure/service, high competition, location costs, inadequate skills, limited financial support and poor access to markets (Sassen, 2013). Other barriers include restrictive political and economic paradigms faced by informal traders (Motala, 2002, Sassen, 2013). In effect, the ongoing consequences of urbanisation, privatisation and various economic adjustment programs are continuous factors acting on the individuals' participation in street trade (Motala, 2002, Sassen, 2013). This is evident, as urban street traders experience increased competition with declining customer numbers, resulting from low disposable income levels (Sassen, 2013). High competition levels are also attributed to increased availability of similar goods.

1.6.6. Government involvement in street trading industry

It is important to examine how government policies impact the nature of informality and how different types of informality result. In many countries, such as India, the government pursues a strategy of economic development by taking certain economic activities and defining them as informal and therefore illegal or illegitimate (Babbitt *et al*, 2015, Terblanche, 2001).

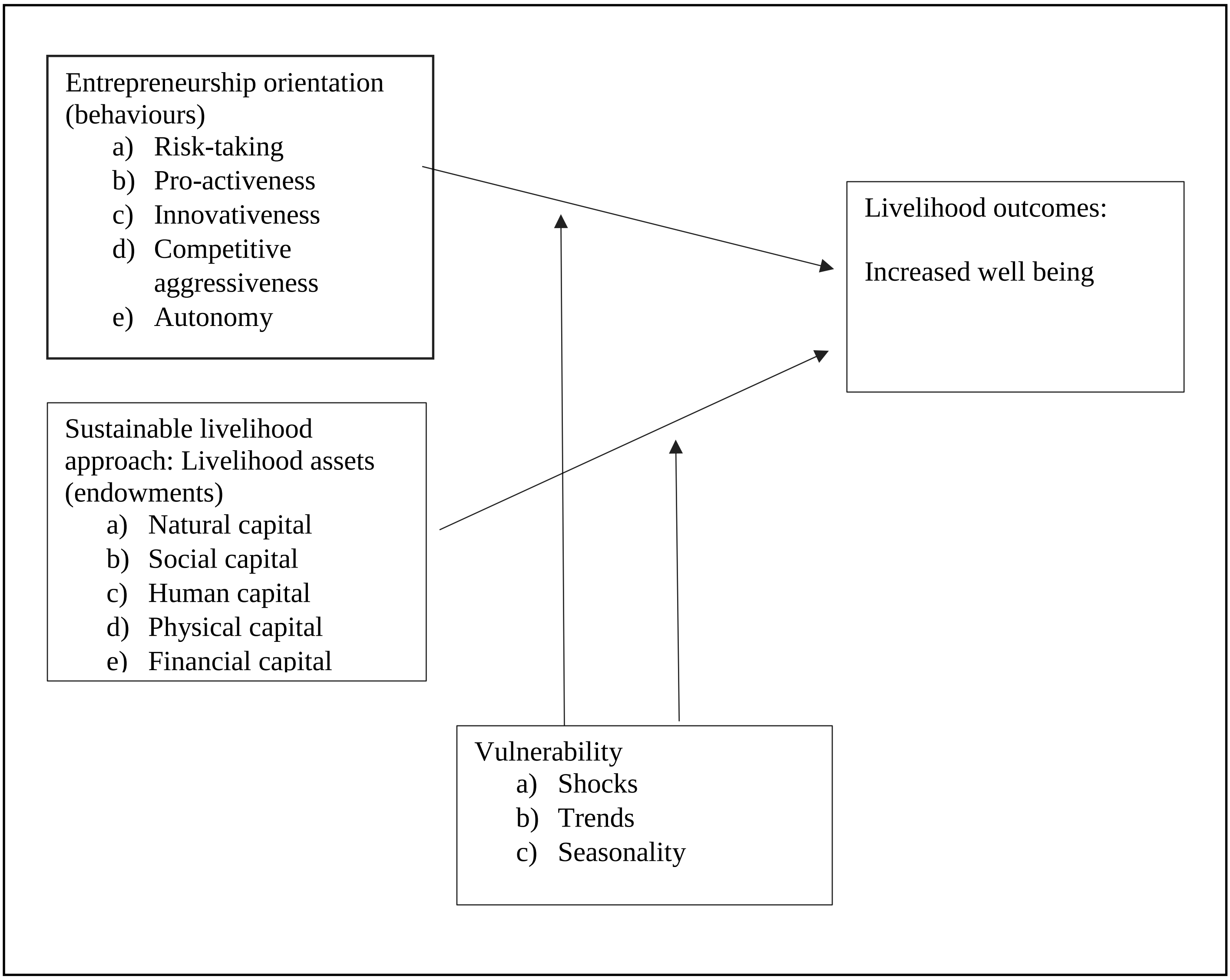
In this sense, the informal sector emerges not as an organic alternative to the formal sector, but it is instead, a direct outcome of the government’s strategies for planning and development (Babbitt *et al*, 2015).

1.7. CONCEPTUAL FRAMEWORK

The following conceptual framework will outline the researcher’s understanding of EO and SLF in relation to street trading and how these factors impact on overall performance. Originally, Miller (1983) and Covin and Slevin (1989) described EO by only considering innovation, risk taking and proactiveness. Later Lumpkin and Dess (1996) incorporated two other dimensions referred to as autonomy and competitive aggressiveness.

SLF will be used in this research as a framework to help identify livelihood activities or strategies, identify livelihood aspirations as well as to identify barriers. The SLF is an important analytical tool in the approach that is used to illustrate how external factors generally impact on ‘the poor’ (Chirau, 2012, DFID, 2000, Morse and McNamera, 2013, Scoones, 2002). These external factors make up the vulnerability context in SLF (Chirau, 2012, Morse and McNamera, 2013). The vulnerability context: described as something that cannot be changed and rather coped with, can be comprised of climatic changes, macro-economic factors, history, and politics.

Figure 1: Conceptual framework.



Author (2017)

1.8.Theoretical framework

A theoretical framework is a group of related ideas that provide guidance to a research project. The following sections will outline the two main theoretical frameworks namely: entrepreneurial orientation (EO) and the sustainable livelihood framework (SLF).

1.8.1. Entrepreneurial Orientation

The following section will unpack entrepreneurial orientation (EO) by the analyses of literature. Miller (1983) introduced the EO contract and thereafter it was further developed by Covin and Slevin (1989) into the commonly accepted conceptualisation of what it means for an organisation or individual to be ‘entrepreneurial’ (Bleeker, 2011, Venter, 2014). According to Miller (1983), an organisation has EO when it is simultaneously takes risks, being innovative and proactive (Lumpkin and Dess, 2005, Bleeker, 2011).. Lumpkin and Dess (1996) go on further to state that an EO refers to the processes, practices, and decision-making activities that may lead to new entry or increased performance. Lumpkin and Dess (1996) explains that EO consists of processes, structures and behaviours that can be described as aggressive in a competitive manner, being innovative, being proactive, taking risks and seeking autonomy. EO dimensions may vary independently depending on the environmental and organisational/ individual context therefore shows high levels of correlation to performance (Bleeker, 2011, Engelen, Kube, Schmidt and Flatten, 2014). Rauch *et al* (2009) also found that dimensions innovativeness, risk taking, and pro-activeness are of equal importance in determining business success.

1.8.2. Entrepreneurial orientation dimensions

The five dimensions of EO are independent variables influencing business success as the dependent variable (Venter, 2014). The five dimensions are known as innovativeness, risk-taking, pro-activeness, autonomy, and competitive aggressiveness (Venter, 2014). The following section will outline the five dimensions of EO.

1.8.2.1.Risk taking

Miller and Friesen (1978) first described risk taking as part of the strategy making process of an organisation (Bleeker, 2011, Lumpkin and Dess, 1996). Risk taking refers to instantaneous explicit actions taken in moments of uncertainty (Kraus, 2012, Venter, 2014). Without the willingness to take a risk there can be no innovation and opportunities (Venter, 2014). Sharma and Dave (2011) mentions risk taking as the dimensions of EO that have the highest impact on the success of a business compared to innovativeness and pro-activeness.

Risk taking refers to a tendency to take bold action, such as entering unknown markets, committing a large portion of resources to ventures with uncertain outcomes or borrowing heavily (Bleeker, 2011, Lumpkin and Dess, 1996, Lumpkin and Dess, 2011).

1.8.2.2. Pro-activeness

Pro-activeness is an opportunity seeking, forward-looking perspective which involves the introduction of new products or services ahead of the competition and thus acting in anticipation of future demand to create change, and shape the environment (Engelen, Kube, Schmidt and Flatten, 2014, Bleeker, 2011). Pro-activeness also refers to a posture of anticipating and acting on the future requirements of the market (Venter, 2014). First movers tend to take control of the market. Pro-activeness aids an entrepreneur in opportunity recognition to prepare accordingly as to reap the maximum benefit from future events (Venter, 2014). To capitalise a market opportunity, it is important to be the first mover (Bleeker, 2011). Dess and Lumpkin (2005) describe the importance of structural capital which is associated with pro-activeness. Structural capital, such as structures and processes, enables organisations to create resources more quickly and at cheaper rates than competitors (Bleeker, 2011, Orb, Eisenhaur and Wynaden, 2001).

1.8.2.3.Innovation

According to Lumpkin and Dess (1996) innovativeness is an important dimension of EO, as it describes an important means by which organisations pursue new opportunities. According to Baker (2009) innovativeness describes creativity and experimentation in new product development, technology adaption, internal processes, and procedures (Bleeker, 2011). Lumpkin and Dess (1996) further state that innovativeness reflects a tendency for a business to engage in and support creative processes, new ideas, novelty, and experimentation that may result in new products, services, or technological processes. Innovativeness implies the willingness to depart from existing practices in an organisation (Bleeker, 2011, Pratono and Mahmood, 2016).

Innovativeness focuses on the application and development of creative solutions to common challenges arising in the business environment (Venter, 2014). Innovation is the central value of entrepreneurial behaviour, as it can provide solutions to problems and needs (Petrola and Vesala, 2013).

1.8.2.4 Competitive aggressiveness

Competitive aggressiveness refers to how a business relates to competitors and how it responds to the existing demand in the market (Venter, 2014). Competitive aggressiveness also reflects the willingness to be unconventional rather than to rely on traditional methods of competing. This dimension is of importance to guide the entrepreneurial business to get a hold of and to retain the competitive advantage in the market (Venter, 2014). The dimensions should be utilised to create and constantly improve company strategies to achieve organisational goals (Schillo, 2011, Venter, 2014).

Competitive aggressiveness and pro-activeness are two variables that should not be separated (Bleeker, 2011, Venter, 2014). However, Lumpkin and Dess (2001) have shown that both dimensions are independent and make unique contributions to performance. To endorse the importance of competitive aggressiveness as an EO dimension, Dean (1993) shows a high correlation of competitive aggressiveness with entrepreneurship on all levels of risk, in a study that compares companies in low- and high-risk environments.

Competitive aggressiveness requires intense action that is aimed at outperforming industry rivals (Bleeker, 2011). This can either be done by improving current products as well as doing things differently (Basardien, Parker, Bayat, Friendrich and Appoles, 2014, Bleeker, 2011). Organisations can therefore find a new niche for themselves or target at the competitor’s weaknesses by developing superior products or services (Bleeker, 2011). Furthermore, organisations can respond aggressively and quickly with innovation when, facing creative and disruptive actions of rivals (Bleeker, 2011).

1.8.2.5. Autonomy

Lumpkin and Dess (1996) define autonomy as the willingness and the ability to work independently when acting on an opportunity or when accepting an organisational challenge. In an individual context, autonomy can be described as taking independent action or the ability to be self-directed, in the pursuit of opportunities (Bleeker, 2011). There are two levels of autonomy namely: structural and strategic (Bleeker, 2011).

Depending on the business structure and management style, the principle of autonomy is mostly applied by the decision maker (Venter, 2014). This will, in most cases, be the entrepreneur or the manager (Liu and Lee, 2015, Venter, 2014). Mangers and entrepreneurs hold the rights to making decisions and they therefore only trust themselves to ensure survival (Kraus, 2012, Venter, 2014). The term autonomy further refers to an action of an individual or a term creating ideas and vision, then carrying it through to completion (Venter, 2014). Pursing an opportunity with a great deal determination is another way to define the term autonomy (Venter, 2014).

1.9. SUSTAINABLE LIVELIHOOD FRAMEWORK

The notion of sustainable livelihoods can be traced back to the Brundt and Commission on Environment and Development of 1987 as an integrating concept dealing with the issues of population, resources, environment, and development, while corresponding with the need and priorities of the poor (Chirau, 2012, DFID, 2000, Kamaruddin and Samsudin, 2014). The sustainable livelihood approach (SLA) was initially applied to rural areas but has been more recently applied to urban working people (Chirau, 2012). The concept of livelihood has proven to be analytically useful since its paints a picture of the ways people construct a living, with sensitivity to both structure and agency (Chirau, 2012). It is deployed to pin point, describe, and understand resources, assets, and capitals, as well as actions and challenges, which affect the sustainability of livelihood in the face of economic and severe household shocks (Chirau, 2012, Destombes, 2010, DFID, 1997).

The term livelihood is a concept that tends to be applied to urban poverty, and it is defined as comprising the capabilities, assets and activities required for a means of living (Makhetha, 2010).

A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities (Makhetha, 2010). Livelihoods are a mix of individual and household survival strategies, developed over a given period, which seeks to mobilise available resources and opportunities (Chirau, 2012, Mistry, 2006, Morse and McNamara, 2013). A livelihood also comprises of the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from shocks and stresses while maintaining and enhancing its capabilities and assets both now and in the future, whilst not undermining the natural base (Chambers and Conway, 1992, Kamaruddin and Samsudin, 2014, Mistry, 2006). Resources can be physical assets such as property, human assets such as time and skills, social assets, and collective assets (Chirau, 2012, DFID, 1999a). SLF is built around the importance of assets as vital to the achievement of sustainable livelihood (Chirau, 2012, Morse and McNamara, 2013). Assets refers to the resources which individuals use to carry out livelihood strategies, however, assets are not simply resources that individuals use to build livelihoods but individuals capability to be and act (Chirau, 2012, DFID, 1999b).

The SLF allows for an understanding of livelihood change as livelihood portfolios shift in response to the capacity of households to generate new strategies, and how these are influenced by the changing vulnerability context , transforming structures and processes (Chirau, 2012, DFID, 2000a, Morse and McNamara, 2013). The SLF gradually become internationally renowned and trans-disciplinary as it could be made relevant to theory, research, policy making and practice (Chirau, 2012). SLF becomes an analytical structure for coming to grips with the complexity of livelihoods, understanding influences on poverty and identifying where interventions can best be made (Chirau, 2012).

The SLA is an analytical tool to understand livelihoods and influences on poverty, while it does point out where interventions can be best made (Chirau, 2012). Therefore, the asset status of the poor gives a fundamental understanding of the choices open to them, including their likely survival strategies and their vulnerability (Chirau, 2012, DFID, 2000c).

At the core of SLF is the assessment of the different capitals that are deemed to underpin livelihood at the level of the individual, household, or group (Morse and McNamara, 2013). These capitals are classified as human, social, physical, natural, and financial (Morse and McNamara, 2013).

The capitals are then assessed in terms of their vulnerability to shocks and the institutional context within which individuals exist (DFID, 2000, Morse and McNamara, 2013). Once this is understood, interventions can then be put into place to enhance livelihood and their sustainability, perhaps, by increasing the capital available or by reducing vulnerability (Morse and McNamara, 2013). Thus, the process is about understanding the current situation and developing strategies for improvement based upon that understanding (Chirau, 2012, Morse and McNamara, 2013). A livelihood comprises of the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and receiver from stress and shocks, maintain and enhanced its capabilities and assets and provide sustainable livelihood opportunities for the next generation (DFID, 2000). An asset may not necessarily be owned by a household for it be an important contributor to livelihood (Morse and McNamara, 2013).

1.9.1 **Conceptualising the framework**

The framework provides a checklist of important issues and sketches the way these link to each other (DFID, 1999). It draws attention to core influences and processes and emphasises the multiple interactions between various factors which affect livelihoods (DFID, 1999, Morse and McNamera, 2013). The framework is people centered, it does not work in a linear manner and does not try to present a model of reality (DFID, 1999). It seeks to gain an accurate and realistic understanding of people's strengths and how they endeavour to convert these onto positive livelihood outcomes (DFID, 1999, DFID, 2000). The approach is founded on the belief that people require a range of assets to achieve positive livelihood outcomes. No single category of assets on its own is enough to yield all the many and varied livelihood outcomes that individuals seek (DFID, 1999). This is particularly true for poor people whose access to any given category of assets trends to be very limited (DFID, 1999).

SLF is an example of the multiple capital approach where sustainability is considered in terms of available capital and an examination of the vulnerability context (Morse and McNamara, 2013). Five principle capitals (endowments) are suggested as important to livelihood and these are presented in Table 1.2. All are important, although clearly the balance will change from household to household and over time.

Table 1.2. The five capitals of SLF

Natural capital	Natural resource stocks (soil, water air) and environmental services.
Human capital	Skills, knowledge, labour (includes good health and physical capability
Economic or financial capital	Capital base (cash/debt, savings, and other economic assets
Physical capital	Infrastructure (buildings, roads), production equipment
Social capital	Social resources (networks, social claims, social relations, affiliations, associations)

Source: Morse and McNamara (2013).

All the different capitals are important, but the extent of the importance will change from household to household as well as overtime (DFID, 2000, Morse and McNamara, 2013). Individuals may sacrifice some capitals for others if the individual deems it more appropriate for their livelihood (Morse and McNamara, 2013). Studies have been done to link poverty and these livelihood capitals (Morse and McNamara, 2013). In the classical model, capital underlying such production comprises 'things' such as land or natural resources, labour and human made capital (DFID, 2000).

1.9.2. Natural Capital

Natural capital is described as being made up of natural resources stocks from which resources flow. Natural capital is important to livelihoods, and it is stated that direct access to and the utilisation of natural capital is less significant to the urban poor (DFID, 1999, DFID, 2000, Makhetha, 2010). This capital can be divided into two broad types namely: renewable (replenish themselves over times), non-renewable (exist in limited supply and cannot be replaced once it has been used or extracted (Chirau, 2012).

1.9.3. Physical Capital

Physical capital comprises of the basic infrastructure and producer goods needed to support livelihoods (Makhetha, Morse and McNamera, 2013, DFID, 1999, DFID, 2000). Infrastructure consists of changes to the physical environment that helps individuals meet their basic needs and become more productive in society (DFID, 1999, Morse and McNamera, 2013).

The following components of infrastructure are usually essential for sustainable livelihoods under physical capital (DFID, 1999):

- Affordable transport
- Secure shelter and buildings
- Adequate water supply and sanitation
- Clean, affordable energy
- Access to information or combinations

In urban centers, there is a strong reliance on physical capital to support livelihoods (Chirau, 2012). Urban and rural people do not have the same natural assets, with urban people more fully dependent on physical capital such as housing, roads, and other infrastructure (Chirau, 2012). Another physical asset that is of importance in urban areas is public infrastructure, which sometimes becomes a pull factor for rural people migrating to urban centers (Chirau, 2012).

1.9.4 Human Capital

Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives (DFID, 1999, Makhetha, 2010, Morse and McNamera, 2013). Human capital is a building block or means of achieving livelihood outcomes (DFID, 1999). It is therefore necessary to have sufficient human capital in order to achievement a positive livelihood outcome (DFID, 1999). Support for the accumulation of human capital can be direct or indirect (DFID, 1999). In either case it will only achieve its aims if individuals themselves are willing and able to invest in their own capital (DFID, 1999). Knowledge generation (human capital) should be based upon a broad understanding of the current livelihood strategies of the poor and the internal and external factors that may cause these to change (DFID, 1999).

Human capital refers to skills, knowledge, and ability to work (Chirau, 2012). There is therefore, a discernible link between human and financial capital (Chirau, 2012). For instance, access to employment and earnings is firmly dependent on adequate human capital (Chirau, 2012). Human capital is highly dependent on adequate nutrition, health care, safe environment conditions and education (Chirau, 2012). Education is another key determinant of human capital (Chirau, 2012). Though education is accessible in urban areas, the issue of affordability is very crucial as poor households cannot afford better schools (Chirau, 2012).

1.9.5. Financial Capital

Financial capital denotes the financial recourses that people use to achieve their livelihoods objectives (DFID, 1999). Financial capital is probably the most versatile of the five categories of assets (DFID, 1999). However, it is also the asset that tends to be the least available to the poor (DFID, 1999, DFID, 2007). There are two main sources of financial capital a) available stocks, savings are the preferred types of financial capital because they do not have liabilities attached and usually do not entail dependence on other and b) regular inflows of money, in the form of income (DFID, 1999).

Financial capital is chiefly derived by income for the sale of good and services. This is often one of the most important assets for urban poor (Chirau, 2012, DFID, 2000). Inadequate of financial capital for a household is problematic and reveals the extent of household poverty (Chirau, 2012). Income is vital in the daily lives of urban households because of the commoditised character of urban spaces. Urban people are heavily dependent on cash income compared to rural people (Chirau, 2012). The urban poor are also more heavily dependent on cash income than rural poor because of their easy access to employment opportunities and market opportunities (Chirau, 2012).

1.9.6. Social Capital

Social capital relates to the social resources upon which people draw in pursuit of their livelihood objectives (DFID, 1999).

These are developed through the following (DFID, 1999):

- Networks and connectedness, either vertical or horizontal increase peoples trust and ability to work together and expand their access to wider institutions
- Membership of more formalised groups which often entails adherence to mutually agreed or commonly accepted rules, norms, and sanctions
- Relationship of trust, reciprocity and exchanges that facilitate co-operation, reduce transactions costs, and may provide the basis for informal safety nets amongst the poor.

Social capital has a direct impact upon other types of capital such as a) by improving the efficiency of economic relations, social capital can help increase people's incomes and rates of saving, b) social networks facilitate innovation, the development of knowledge and sharing of that knowledge. Therefore, there is a close relationship between human and social capital (DFID, 1999). Social networks have been found to engender twist and flexibility, reduce transaction costs, and facilitate integration into the global economy (Chirau, 2012). Social capital is an important asset to the urban poor especially in times of crisis (Chirau, 2012).

1.10. OVERVIEW OF CHAPTERS

This study is divided into five chapters that begin by looking at street trading from a broad perspective and gradually narrows it focus.

Chapter 1 outlines the significance of the study, research problem, objectives and questions, that the current research attempts to answer. The chapter also looks at the literature pertaining to the research. This includes the informal economy, informal sector and street traders. The chapter also covers the conceptual framework, which includes EO and SLF. The literature goes into more depth in chapter 3.

Chapter 2 presents the literature review for this study on street trading that has been developed. It then looks at the key trends and characteristics of EO and the SLF. Chapter two looks at the informal economy and sector as well literature pertaining to street traders.

The chapter further develops the theoretical framework based on EO and SLF. The chapter draws on different studies that have been conducted on street traders not only in Africa but worldwide.

Chapter 3 presents the research methods that were used in the study. It begins by discussing the paradigm and primary methods of research that was used to explore the street trading in the COJ. The research focused on a qualitative approach by conducting semi structured interviews over the course of a couple of days.

Chapter 4 presents the findings from the research in order to answer the main research questions and objectives. It begins with a short description of the street traders sampled. It goes on to describe the different aspects of EO and SLF. The chapter also outlines the main themes that were identified during the course of data analysis.

Chapter 5 provides a summary on the findings of this study, concludes the study and provides some recommendations. The chapter also makes recommendations for future studies.

1.11 CONCLUSION

In this chapter, the introduction and background to the study was given. The purpose and context of the study was then discussed. This was followed by a discussion of the main purpose of the study. In this chapter, different concepts were briefly defined namely the informal economy and sector, street traders and government involvement. The chapter also outlined that main aspects of the theoretical framework that included EO and SLF. The chapter aimed to illustrate the relationship between behaviours and endowments and the impact it may have on street traders.

Chapter 2 will outline the main literature pertaining to this research, which includes EO and SLF.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

Schumpeter (1934) stated that entrepreneurship is a dynamic process that involves the disturbing of the economic status quo, hence attributing to the entrepreneurs the responsibility for disturbing that equilibrium. Entrepreneurship is an economic phenomenon involving the presence of enterprising individuals, this includes street traders (Chari and Dixit, 2015). Street traders are the most visible group of individuals operating in the informal sector. The following sections will outline the main literature pertaining to the research.

2.2 ENTREPRENEURSHIP

The following section outlines the main literature pertaining to entrepreneurship both international and South African.

2.2.1 Conceptualising entrepreneurship

In a country as socio-economically, culturally, and politically heterogeneous as South Africa, the influence of entrepreneurs and their involvement in the economic process is matter of great significance (Chari and Dixit, 2015, Cho and Honorati, 2014, Ligthlem, 2013, Mitchell, 2003). Entrepreneurship is considered to be a relevant vehicle for economic development (de Vita, Mari and Poggesi, 2014). In developing countries, entrepreneurship is an important engine for economic growth as it plays a leading role in generating productive work, achieves gender equality and aids in reducing poverty (de Vita *et al*, 2014).

The word entrepreneur is derived from the French word *entreprendre* which means to “undertake” (Urban and Venter, 2016). Entrepreneurs use innovation to exploit or create change and opportunity for the purpose of making a profit (Chari and Dixit, 2015). Knight (1921) first suggested that entrepreneurs are concerned with efficiency in economic factors by continually reducing waste, increasing savings and thereby creating value, implicitly understanding the opportunity risk award relationship. On the other hand, Kirnzer (1999) further suggested that entrepreneurs are attributed with a sense of alertness to identify opportunities and exploit them.

The first economist believed to have recognised the role of the entrepreneur in economic development was Richard Cantillon, who saw no distinction between an entrepreneur and a capitalist, however, viewing the entrepreneur as a risk taker (Deakins and Freel, 2006). An entrepreneur will be someone that takes risks and initiative to turn resources into products and services needed by the market (Urban and Venter, 2016). Some entrepreneurs are opportunity entrepreneurs, while others are necessity or survivalist entrepreneurs (GEM, 2017). For the purpose of the current research, survivalist entrepreneurs are taken to represent street traders. Necessity entrepreneurs (survivalist) are forced by circumstances to go the entrepreneurship route due to lack of alternatives (Makhoba, 2010, Preisendoerfer and Bezuidenhout, 2014). These necessity entrepreneurs are the main focus of this research.

Informal entrepreneurs are seen to operate in the informal sector and normally are survivalist entrepreneurs. Rogerson (2000) categorised the informal entrepreneurs into different groupings and attempted to describe them (Table 2.1). Rogerson (2000) further argues that all informal traders are entrepreneurs but only a few are successful. Table 2.1 outlines informal entrepreneurs according to Rogerson (2000). Street traders fall under the survivalist informal entrepreneur and as such earn a low income and have low barriers to entry. This can leave street traders in a vulnerable position and can have a negative impact on their livelihood position. The main focus of this research is to ascertain the impact of this vulnerability and how to improve their agency. This can be done either through training programs or increasing access to endowments. Entrepreneurs have a very specific function within the South African economy in the form of creating employment, increasing productively growth and aid in producing high quality innovations (Luiz and Mariotti, 2011). This is also true for survivalist entrepreneurs operating in the informal sector.

Table 2.1. Definitions of informal entrepreneurs.

Category of informal entrepreneur	Description/ Explanation
Survivalist	Very low income Low barriers to entry Unlikely to burgeon into viable and sustainable business
Micro-enterprise	Owner run Generally, employ family or kin One to four employees Limited capital required Low levels of education and training required
Small enterprise	Large range of activities Can engage in any aspect of business Generally viable Required moderate levels of expertise and training to establish Requires capital and good cash flow to survive
Medium enterprise	Employment of over hundred individuals Generally, very viable Often engaged in outsourced work for other large formal companies Requires relatively high levels of training and competence in order to manage and grow Requires large amounts of capital and good cash-flow to survive

Source: Rogerson (2000)

Entrepreneurship can be further defined in three broad categories namely: behavioural, process and outcomes (Venter *et al*, 2016). Behavioural is concerned with the role that individuals play with reference to specific behaviours, which set them apart from others. Process, on the other hand, focuses on how the entrepreneurial process is navigated (Nassif, Ghobril and de Silva, 2010). The last category, outcomes, focuses on the results of entrepreneurship. Table 2.2 outlines several definitions related to entrepreneurship over the last couple of decades. There are a number of additional definitions added from chapter one. It is necessary to add these in as it as depth and relevance to what entrepreneurship is.

Table 2.2: Selected definitions of entrepreneurship

Author (s)	Definitions
Schumpeter (1934)	Entrepreneurship is seen as new combinations of various things that are in existence but need to be done differently, for instance, introduction of new markets and establishing new ventures.
Kirnzer (1973)	Entrepreneurship is the ability to spot new business opportunities through recognition and to seize opportunities thus tending to undo market equilibrium.
Stevenson, Roberts and Grousbeck (1985)	Entrepreneurship is in pursuance of business opportunities with less resources and capabilities.
Low and MacMillan (1988)	Entrepreneurship involves the creation of new enterprises
Venkataramen (1997)	Research in entrepreneurship probes into understanding opportunities to try and introduce future goods and services into the market, exploits and creates such opportunities
Morris (1998)	Entrepreneurship involves processes by individuals and terms to create potential values through specialised packages and resources inputs for exploiting opportunities within the environment. Outcomes may be through venture creation, products, service markets and technologies.

Sharma and Christman (1999)	Entrepreneurship involves organisational creation, innovation or renewals that take place inside or outside of an on-going concern
Busenitz (2003)	The study of entrepreneurship is focused on various constructs such as opportunity, individuals and teams, the mode of organising within the context of a wider business environment including opportunities and threats to the entrepreneurs.
Sharma (2004)	Entrepreneurs are individuals or groups of individuals, acting independently or as part of a corporate system that creates new organisations or instigates renewal or innovation within an existing organisation

Source: Author (2017)

Entrepreneurship is an important process by which new knowledge is converted into products and services (Babalola, 2009, Shone *et al*, 2003). Entrepreneurship can be viewed as a creative process. However, the degree of creativity involved in entrepreneurship varies across the different types of resources that occur (Agbenyegah, 2013, Baran and Velickaite, 2008, Shone *et al*, 2003). The entrepreneurship process occurs because individuals act to pursue opportunities. Individuals do differ in their willingness and abilities to act on these opportunities (Baum and Locke, 2004, Shone *et al*, 2003). Variation among individuals in their willingness and ability to act has important effects on the entrepreneurship process. There are both controllable and uncontrollable variables within the business environment. Shone *et al (*2003) states that the external environment can be viewed as a control variable. The authors then divide these variables into different groups namely: a) political (such as legal restrictions), b) market forces (such as market size, structure and barriers to entry and c) resources available (Shone *et al*, 2003).

At start-up, the entrepreneurship process is a course of action that involves all functions, activities and actions associated with identifying and evaluating perceived opportunities (Kunene, 2009). Once set- up the process becomes effectively a cyclical progression of opportunities targeting and making strategic decisions (Kunene, 2009).

Bygrave and Hofer (1991) further describe the entrepreneurial process to include the following aspects namely: entrepreneurial alertness, opportunity recognition, opportunity exploitation, opportunity maintenance and growth. The entrepreneurial process involves all functions, activities and actions associated with the perceiving of opportunity and the pursuit of them.

2.2.2 Entrepreneurship in South Africa

South Africa is an efficiency driven economy (GEM, 2017). According to the Global Entrepreneurship Monitoring (GEM) 2017/2018 report, the total early-stage (TEA) activity is at 11%, this is 4.1% higher compared to 2016's score of 6.9% (Table 2.4). There has also been an increase in entrepreneurial intentions from 10.1% in 2016 to 11.7% in 2017. However, according to the 2017/2018 GEM report South Africa has low levels of entrepreneurial activity compared to other African countries. Nevertheless, South African's continuing to have a positive attitude towards entrepreneurship (GEM, 2017). Luiz and Mariottie (2011) similarly state that South Africa lacks an entrepreneurial spirit. The South African government needs to implement various strategies to encourage entrepreneurs and small business. There are several challenges in South Africa which include: socio-economic problems, lack of entrepreneurial education, lack of finance, physical infrastructure, and government programs (GEM, 2017, Luiz and Mariottie, 2011).

There has been a decrease in entrepreneurial intentions from 15.4% in 2013 to 10.1% in 2016 (GEM, 2017). Entrepreneurial intentions are also significantly lower in South African when compared to Africa as a whole (Table 2.3). This has also led to a decrease in the TEA rate, which has dropped by 25%. Innovation levels have also declined since 2015, however South Africans remain more innovative when compared to other African countries. In 2016, most entrepreneurs in South Africa (57%) experienced high to moderate levels of competition. It must also be noted that business planning assistance and skills training is the most important priority the entrepreneurs sampled.

Table 2.3. Entrepreneurial intentions in South Africa (percentage of the population aged 18-64 years), 2010-2016.

	2010	2012	2013	2014	2015	2016	African Region 2016 (average)
Entrepreneurial intentions	19.2	14.0	15.4	11.8	10.9	10.1	41.6

Source: GEM (2017)

From the above table (table 2.3) it can be viewed that there has been a decrease in entrepreneurial intentions over the past decade (GEM, 2017). However, entrepreneurial activity in the informal sector has increased over the years. This is due to several factors such as high levels of unemployment and individuals not been able to find employment in the formal sector.

Table 2.4. South Africa's relative ranking, GEM 2010-2016

Year	SA TEA ranking	SA TEA rate
2010	27th out of 59 countries	8.9
2011	29th out of 54 countries	9.1
2012	22nd out of 69 countries	7.3
2013	35th out of 67 countries	10.6
2014	53rd out of 70 countries	7.0
2015	38th out of 60 countries	9.2
2016	46th out of 65 countries	6.9

Source: GEM (2017)

According to the GEM report (2017) the early-stage entrepreneurial activity tends to be relatively low in the 18-24 years cohort, with the highest prevalence among the 25-34 years cohort. Participation in entrepreneurial activities tend to decrease as age increases, with the sharpest decrease after the age of 54 (Table 2.5).

Table 2.5. TEA by age group in South Africa, 2013 - 2016

	2013	2014	2015	2016	Africa region 2016
18-24 years	7.8	4.8	6.3	6.7	16.3
25-34 years	14.1	9.0	10.9	6.3	20.8
35-44 years	11.5	7.5	12.3	8.4	18.9
45-54 years	10.9	7.4	12.3	8.4	18.9
55-64 years	6.0	4.9	44.4	3.1	11.4

Source: GEM (2017)

Table 2.6 shows the pattern for gender in South Africa, with men more likely than women to be involved in early stage entrepreneurial activities. South Africa demonstrates a good level in terms of gender. In 2016, more the seven women were engaged in early stage entrepreneurial activities for every ten male entrepreneurs (GEM, 2017). South Africa is ranked 22nd out of 65 countries for the ratio of female to males TEA activities.

Table 2.6. TEA rates by gender in South Africa, 2013-2016

	2013	2014	2015	2016	Africa region (2016)
Male TEA rate	12.3	7.7	11.6	8.0	20.4
Female TEA rate	9.0	6.3	7.0	5.9	14.9
Ratio female to male	0.73	0.8	0.6	0.74	0.73

Source: GEM (2017)

Table 2.7 shows the education levels of early stage entrepreneurs. From table 2.7 just less than half early stage entrepreneurs in South Africa have at least a secondary qualification. Given that three-quarters of South African entrepreneurs depend on their basic education for their entrepreneurial and business competencies, it is critical to address the deficiencies in the education system.

Table 2.7. Education levels of TEA in South Africa, 2010-2016

	2013	2014	2015	2016
None/ primary	5.1	5.8	4.4	4.5
Some secondary	33.4	34.2	28.2	25.8
Secondary	48.2	43.4	47.6	47.8
Post-secondary	13.3	16.6	19.8	21.9

Source: GEM (2017)

2.3 INFORMAL ECONOMY

The informal economy has grown over the past decade according to Chen (2012). Ligthelm (2005) describes the informal economy as embracing unreported income from the production of goods and services, legal and illegal from monetary transactions, hence all economic activities that would have been taxable if reported to tax authorities. Sassen (2013) further states that South Africa has both formal and informal components this is due to high unemployment levels. The informal economy has become increasingly more attractive for many individuals and more specifically street traders. According to the Labour Force Survey (2014) there are approximately 2.1 million South Africans active in the informal economy, this does however, exclude the agriculture sector. This means the informal economy is estimated to be around R160 million of the national GDP. The current research is hoping to add to the body of knowledge with regards to the informal micro-enterprises and the impact it has on street trader’s livelihood.

2.3.1 Conceptualising the informal economy

The idea of the informal economy is intimately linked to early 20th century developmental economics (Mendelsohn, 2015). During the 1960's the growth of emergent economies coincided with a mushrooming availability of labour (Horn, 2012, Mendelsohn, 2015). The informal economy is the diversified set of economic activities, enterprises, jobs and workers that are not regulated or protected. Chen (2012) further describes the common recognition that the informal economy exists for several reasons and that its development varies greatly between contexts (Mendelsohn, 2015). Medina, Jonelis and Cangul (2017) state that the informal economy comprises economic activities that avoid costs and are excluded from the benefits and rights incorporated in law. Similarly, ILO (2002) state that the informal economy encompasses all economic activities by workers or economic units that are not covered or sufficiently covered by formal arrangements. In developing economies, many individuals may choose to work in the informal economy as entrepreneurs, volunteers, or informal wage workers. For these individuals entry to the formal economy is either too difficult or is actively avoided (Kasseeah and Tandrayen-Ragoobur, 2014, Mendelsohn, 2015). At the same time the informal economy is known to grow during economic recessions, indicating that it also functions as a survivalist mechanism (Mendelsohn, 2015). In addition to this, there has been recognition that the informal and formal economy are often linked (Kay, 2011, Mendelsohn, 2015). The informal and formal economies are linked in various degrees. Goods may be sourced from formal enterprises or sold on to them and there may be partial recognition of informal businesses (Jimenez, Palmero-Camera, Gonzalez-Santos, Gonzalez-Bernal and Jimenez-Eguizabal, 2015, Mendelsohn, 2015). Table 2.8 shows the difference between earlier and current rational of the informal economy. From table 2.8 it can be seen that several changes have been made namely: that the informal economy is now viewed as a source of employment and not just productive aspects and that the informal economy is made up of several different stakeholders.

Table 2.8: Key differences between earlier and current thinking on the informal economy.

The old view	The new view
The informal economy is the traditional economy that will wither away or die with modern, industrial growth	The informal economy is here to stay and is expanding with modern, industrial growth
It is only marginally productive	It is a major provider of employment, goods and services for lower-income groups. It contributes a significant share of the GDP
It exits separately from the formal economy	It is linked to the formal economy, it produces for, trades with, distributes for and provides services to the formal economy
It represents a reserve pool of surplus labour	Much of the recent rise in informal employment is due to the decline in formal employment or to the in-formalisation of previously formal employment relationships
It is comprised mostly of street traders and very small-scale producers	It is made up of a wide range of informal occupations
Most of those in the sector are entrepreneurs who run illegal and unregistered in order to avoid regulation and taxation	It is made of non-standard wage workers, as well as entrepreneurs and self-employed persons, producing legal goods and services. Most entrepreneurs would welcome efforts to reduce barriers to registration and related transaction costs and to increase benefits from regulation
Work in the informal economy is comprised mostly of survival activities and thus is not a subject for economic policy	Informal enterprises include not only survival activities but also stable enterprises and dynamic growing businesses. All forms of informal employment are affected by most economic policies

Source: (Chen, 2007, van der Heijden and Skinner, 2012).

2.3.2 Size of the informal economy

According to van der Heijden and Skinner (2012) the size and composition of the informal economy is difficult to determine accurately. Individuals in the informal economy are often not recognised, registered or counted in national statistics (ILO, 2002). The size of the informal economy also varies greatly in developing nations, but overall, it accounts for more than half of all non-agricultural employment in developing regions (Mendelsohn, 2015). According to the ILO (2018) 61% of all workers worldwide are informally employed. This accounts of approximately two billion individuals worldwide. Individuals enter the informal economy not by choice but as a consequence of the lack of opportunities in the formal economy and in the absence of other means of livelihoods (ILO, 2018). In South-East Asia it represents the largest portion of employment (82%), followed by sub-Saharan Africa, 66% (Mendelsohn, 2015). However, intra-regional variations can be significant, for example, within the sub- Saharan region, figures range from 82% in Mali to as low as 33% in South Africa (Mendelsohn, 2015). It is relevant to note that in all cases, these figures exclude agriculture (Mendelsohn, 2015). The informal economy is similarly large in other developing regions across the globe except for Eastern Europe and Central Asia, where it was heavily repressed under previous regimes (Mendelsohn, 2015). In South Africa approximately 2.6 million individuals work in the informal sector, this represents 16.7% of total GDP (Skinner, 2016)

Table 2.9. The informal economy in African countries related to GDP

<20% of GDP	20-40% of GDP	>40% of GDP
South Africa **Botswana** **Maurius** **Lesotho** **Swaziland**	Namibia Kenya Zimbabwe Malawi	Nigeria Zambia Ghana Ethiopia Madagascar Mozambique

Source: Medina, Janelis and Cangul (2017)

2.4 INFORMAL SECTOR

The following section will attempt to outline literature pertaining to the informal sector. It must be noted that the informal sector and informal economy are similar, and the terms may be used inter changeably.

2.4.1 Introduction

Globally, the informal sector plays an important role as a site for employment and entrepreneurship (Babbitt, Brown and Mazaheri, 2015). Many South Africans have turned to the informal sector, more specifically to street trading, to create a means of income (Callaghan, 2012a Horn, 2011). Participation in the informal sector is becoming an increasingly more important livelihood choice (Hartnack and Liedman, 2016). Informal enterprises are firmly established in the township or inner-city environment, however, the scope and scale of these enterprises is poorly understood (SLF, 2012). Research has also indicated the high importance of informal micro-enterprises in creating jobs, alleviating poverty, and supporting livelihoods (SLF, 2016)

There has been growing recognition that entrepreneurs operate partly or wholly in the informal sector, especially when starting-up business ventures (Williams, 2014). The outcome has resulted in studies focusing on issues such as the characteristics of the informal entrepreneurs, motives for operating informally and what might be done to facilitate formalisation (Williams, 2014). Callaghan (2012) also argued that the informal sector can act as an entrepreneurial training group, as individuals develop entrepreneurial skills and accumulate capital.

2.4.2 Conceptualising the informal sector

The term informal sector was first coined by Keith Hart, an economic anthropologist, in his study of the economic activities of the urban economy of Accra, Ghana in 1973 (ILO, 2002). Hart used the term to refer to the low-income activities of the urban poor who could find formal employment. The term was subsequently adopted and popularised by the ILO in the form of the informal economy.

The term informal economy according to ILO (2002) refers to:

> *[…] all economic activities by workers and economic units that are- in law or in practice- not covered or insufficiently covered by formal arrangements. Their activities are not included in the law, which means that they are operating outside the formal reach of the law, or they are not covered in practice, which means- although that are operating within the formal reach of the law,*
>
> *the law is not applied or not enforced, or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs.*

The informal sector can be defined as monetary transactions not declared to the state as taxes, benefits and/or labour laws purposes, when these should be declared but which are still legal in all other respects (Williams, 2014). Morris and Pitt (1995) further describes the informal sector as those economic activities that are not recorded in public financial records and are not subjected to formal contracts. Rogerson (2000) goes on to describe the informal sector as mostly home-based enterprises, that is not formally registered. The informal sector plays an important role in developing countries as a source of income and employment (Babbitt, Brown and Mazaheri, 2015, Callaghan, 2012a, Chen, 2012). Many entrepreneurs select the informal sector simply as the result of structural disadvantage according to their gender, income level, education, class, ethnicity or religion (Babbitt *et al*, 2015). The dominant view has been that informal entrepreneurs are driven out of necessity into this realm as a survival strategy and last resort. Informal entrepreneurship is thus depicted as involuntary (Consultancy Africa, 2014a, Williams, 2011).

Informal activity often consists of activities which are primarily those of petty traders, street hawkers and other groups under-employed on the streets of the big town (Ligthelm, 2013, Lund and Skinner, 2004, Mendelsohn, 2015). In South Africa informal trading involves between two to four million people, however, it is difficult to measure the whole of the economy (Motala, 2002). Labour force surveys show an upsurge in street traders, this can be due to several factors, the main reason being unemployment (Motala, 2001). Budlender (2000) suggests the increase is likely to be a result of a change in economic and policy aspects.

Informal traders can be a same group which are well-structured and function effectively for a common good (Informal trade in Africa, 2010). These groups tend to bring together members from the same ethnic group who are working outside of their country of origin (Informal trade in Africa, 2010). Table 2.10 outlines some of the characteristics of the informal and formal sectors.

Table 2.10: Characteristics of the informal and formal sectors

Informal sector	Formal sector
Ease of entry	Restricted entry
High degree of resourcefulness	Corporate ownership
Small scale of production	Large-scale production
Unregulated	Regulated
Competitive markets	Protected markets
Labour intensive	Capital intensive

Source: Terblanche (2001)

The informal sector is often characterised as a barrier to development however, it plays an important role in poverty alleviation (Babbitt *et al*, 2015). There are a number of factors encouraging informality, namely high fixed costs to market entry, numerous regulatory procedures, high costs of registration and/ or barriers to access funding (Babbitt *et al,* 2015, Consultancy Africa, 2014b, Horn, 2012).

Some individuals prefer the informal sector as it offers greater independence and flexibility, not to mention the principle advantage of evading regulation and taxation (Babbitt *et al*, 2015). In countries such as South Africa, that experience frequent economic shocks, the informal sector is better insulated from crisis and can function as a safety net for households.

Low levels of education or unequal access to information about credit can also encourage informality (Babbitt *et al*, 2015, Lund and Skinner, 2004, Meyer, 2015). Informal organisations may be unable to access key public services that enhance productivity, such as electrical supply. A study conducted by Babbitt *et al* (2015) found that informal organisations are substantially less productive than formal organisations, even the small ones (Babbitt *et al*, 2015). Babbitt *et al* (2015) further outlines this is likely explained by differences in human and physical capital. Furthermore, formal organisations tend to have a better educated owner, better access to markets, services and credit than informal organisations (Adhikari, 2011, Babbitt *et al*, 2015).

2.4.3 Theoretical position of the informal sector

There are a number of competing theories/schools of thought that have been proposed to explain the informal sector. These will be explained in the following sections. There are four dominant schools of thought when dealing with the informal sector, namely structuralist, dualist, legalist and voluntarist perspectives.

2.4.3.1. Structuralist perspective

One such explanation for the persistence and growth of informal entrepreneurship is a political economy perspective, which explains such endeavour to be a direct product of the subcontracting and outsourcing practices being used in the emerging de-regulated, open world economy (Chen, 2012, Williams, 2014). Such subcontracting and outsourcing are asserted to have integrated informal entrepreneurship into the supply chains of contemporary capitalist production, resulting in downward pressure on wages in the context of the hollowing out of social protection (Katalin, 2015, Williams, 2014). Informal entrepreneurship is thus seen to be an unregulated, insecure and low paid survival driven endeavour, conducted out of necessity and as a last resort by populations excluded from the formal labour market (Chen, 2012, Williams, 2014, Williams, 2018). Viewed through this lens, informal sector entrepreneurship is thus a result of the under-regulation of work and lack of social protection and social transfers, and thus the direct product of poverty (Williams, 2014). Consequently, this practice is deemed to be more prevalent in countries with inadequate state intervention to protect workers from poverty (Williams, 2014).

The structuralist school argues that the informal economy falls into a hierarchical system along with the informal economy (Mendelsohn, 2015). It posits that the informal economy is co-opted into producing for the formal economy as a means of providing cheap sources of labour and materials and increasing competitiveness of formal business (Mendelsohn, 2015). Chen (2012) describes how the structuralist relationship between the informal and formal economies derives from the nature of capitalism, thus, competition and regulation raises the production costs of goods and outsourcing business to the informal sector provides a competitive advantage (Mendelsohn, 2015).

2.4.3.2. Dualist perspective

The dualist school describes the informal economy as distinct from the formal economy, consisting of survivalist and marginalised economic activities undertaken by small scale entrepreneurs (Chen, 2012, Mendelsohn, 2015). Dualists argue that the informal economy is caused by the lack of access to the formal sector, as a result of a lack of education and institutional capacity or capital (Katalin, 2015, Mendelsohn, 2015). Dualists believe that the informal economy is a survivalist mechanism, and as such, the activities which are undertaken by those in it often occupy a separate sphere, distinct from the formal economy (Mendelsohn, 2015).

2.4.3.3. Legalist perspective

The legalist perspective attributes the existence of the informal economy to the active avoidance of state regulations by micro entrepreneurs, in order to evade costs and liabilities associated with being part of the formal economy (Chen, 2012, Mendelsohn, 2015). Legalists further believe that the right to property is a key prerequisite for the generation of real value by the informal (Mendelsohn, 2015).

2.4.3.4. Voluntarist perceptive

Voluntarist theory is a variant of the legalist school (Mendelsohn, 2015). It is argued that those working in the informal economy choose to do so to avoid the costs associated with running formal business (Chen, 2012, Katalin, 2015, Mendelsohn, 2015).

Table 2.11 outline a summary of the main aspects for each of the dominant schools of thought that were outlined in the above sections.

Table 2.11. A summary of the main aspects for each of the dominant schools of thought.

	Dualist	Structuralist	Legalist	Voluntarist
Main authors	ILO World employment mission Kenya, 1972	Manuel Castells and Alejandro Portes, 1989	Hernando De Soto, 1989	William Maloney, 2004
Causal theory	Exclusion from modern economic opportunities	Informality due to the nature of capitalism/capitalist growth	Hostile reception, especially from the legal system	Micro-entrepreneurs choose to operate informally
Nature and composition of the informal sector	Focuses on marginal activities that provide income for the poor and a safety net in times of crisis	Subordinated economic units and workers that serve to reduce input and labour costs, thereby increasing the competitiveness of large capitalist firms	Comprised of plucky micro-entrepreneurs who choose to operate informally in order to avoid costs	Informal entrepreneurs who deliberately seek to avoid regulations and taxation
What gives rise to the informal sector	Imbalances between the growth rates of the population and of modern industrial employment	Nature of capitalism/capitalist growth	Hostile legal system	Weighting the costs-benefits of informality relative to formality
Formal vs informal sector	Have few, if any, linkages	Intrinsically linked	Informal enterprises and the formal regulatory environment to the relative neglect of informal wage	Informal enterprises create unfair competition for formal enterprises because they avoid formal regulations.

Source: (Chen, 2012, ILO, 2002, WIEGO, 2018)

2.4.4 Size of the informal sector in South Africa

Growth in the informal sectors tend to be influenced by a number of factors, including a) increased urbanisation of the black population, b) slow pace of economic growth, c) incidence of jobless growth, d) decreased incidence of found employment, e) promotion of SMME's, f) in formalisation of formal business, g) cost and regulatory barriers of entry into formal economy, h) limited education and training, i) increasing demand for low cost goods and services and j) migration motivated by economic hardship and poverty (Ndabeni and Maharajh, 2013, William, 2018). Callaghan (2012) added that the increase in the informal sector is due to an influx of migrants to urban areas.

According to the Quarterly Labour Force Survey (2018) the informal sector (non- agriculture is comprised of approximately twenty-eight thousand individuals. Table 2.12 outlines the number of individuals within the informal sector, it is further divided by sex. The table focuses on the 2017 period. From the table it can be seen that there has been an increase in the number of individuals entering the informal sector. There are more men than women operating and trading in the informal sector.

Table 2.12. Labour force characteristics by sex- all population groups between 15-64 years

	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017
	Thousand's	Thousand's	Thousand's	Thousand's
Both sexes	2681	2761	2689	2808
Women	1021	1026	1057	1084
Men	1660	1734	1632	1724

Source: Quarterly labour force survey (2018)

Table 2.13 outlines the number of individuals operating in the Gauteng region over the 2017 period. The CoJ has the highest number within a non-metro region. It is nearly double of that of Ekurhuleni and City of Tshwane. It must also be noted there is a large number of individuals operating outside the major metro areas (723 thousand).

Table 2.13: Number of individuals in the informal sector in Gauteng

	Jan-Mar 2017	Apr-Jun 2017	Jul-Sep 2017	Oct-Dec 2017
	Thousand	Thousand	Thousand	Thousand
Gauteng: non-metro	720	732	632	723
Gauteng: Ekurhuleni	189	187	161	164
Gauteng: CoJ	308	300	276	306
Gauteng: City of Tshwane	121	141	122	148

Source: Quarterly labour force survey (2018)

2.4.5 Heterogeneity of the informal sector

The informal sector is generally understood to be a heterogeneous group of activities and employment relationship that share one common characteristic which is a lack of legal recognition, regulation, and protection (Babbitt *et al*, 2015). Valodia, Lebani and Skinner (2005) state that the informal sector is made up of a range of informal activities that include: trading, providing services and manufacturing (Callaghan and Venter, 2011, Makhetha, 2010). It is stated that different employment relations exist within informal work such as street trading, and these include traders who are self-employed, those working for family members and are either paid or unpaid and others who work for a wage (Makhetha, 2010).

There are also activities in the informal sector that have different economic potentials, and these vary from survivalist activities to successful small enterprises (Chen, 2012, Makhetha, 2010, Williams, 2018). It is therefore important to note that although poor individuals are the ones who tend to engage in informal activities such as street trading, not all street traders are survivalist due to the fact that their businesses differ in size and economic potential (Kasseeah and Tandrayen-Ragoobur, 2014, Makhetha, 2010). The type of livelihood strategies that will be employed by survivalist street traders will therefore differ greatly from those employed by street traders who run small enterprises (Makhetha, 2010). This is due to the fact that survivalist street traders only earn enough money to survive and this may result in them not having access to other forms of capital assets, such as physical capital in the form of a place to live or money for transport (Makhetha, 2010, Meyer, 2015).

2.4.6. Motives of entering the informal sector

When examining informal entrepreneur's motives, it has become increasingly common to differentiate between 'necessity' entrepreneurs (pushed into entrepreneurship because other choices are absent or unsatisfactory) and 'opportunity' entrepreneurs (doing so out of choice) (Meyer, 2015, Williams, 2014, Williams, 2018). Early studies assumed that informal entrepreneurs are necessity-driven, however, a second wave of studies asserted that inverse, namely that many choose to work informally (Williams, 2014). A third wave of thought then transcended this depiction of informal entrepreneurs as universally necessity or opportunity-driven and evaluated the ratio of necessity-to-opportunity entrepreneurs (Williams, 2014). This was then followed by a fourth wave that mirrored pioneering studies on formal entrepreneurs' motives by questioning the separateness of opportunity and necessity drivers, arguing that both can be co-present and that shifts in the balance of these motives take place over time, often from more necessity to opportunity driven (Williams, 2014).

2.4.7 Linkages between formal and informal sectors

The formal and informal sectors are inextricably linked, and policy decisions and business strategies in the formal or informal sector must consider the impacts on the other (Jimenez, *et al*, 2015, Kay, 2011, Mistry, 2006). Recognition and quantification of the linkages between the formal and informal economy allows:

- Recognition that the informal sector is not independent of the formal sector and that there is a significant degree of inter-relatedness. Quantification of the linkages shows that the perception that the informal sector is negligible is untrue, and that it is a significant contributor to production, employment, and income (Mistry, 2006).
- Identification of areas where resources should be invested to strengthen the linkages between the formal and informal sectors. This requires the identification of backward and forward linkages, not just between the formal and informal sectors, but also between formal sectors themselves (Mistry, 2006).
- Understanding the trends in the linkages between formal and informal sectors, especially in relation to the business cycle on an industry specific basis (Mistry, 2006).
- Understanding the nature of the linkages and whether they are beneficial or exploitive (Mistry, 2006).

2.5 STREET TRADING

The informal sector provides an income to street traders which is one of the largest and most significant sub categories of informal trade in South Africa (Callaghan, 2012, Sassen, 2013). According to the Labour Force Survey (2014), there are approximately half a million-street trader, with these individuals selling mainly (70%) food items. Street trading is recognised as a significant means for survival with the potential to sustain the livelihoods and often act as a buffer to prevent deeper states of poverty. Street traders are predominantly black women, in Africa, that have been driven into the informal sector (Consultancy Africa, 2014a). There are significantly low numbers of street traders that move from survivalist business to small scale enterprises (Sassen, 2013). One of the aims of this study is to assess how to uplift these street traders and make their businesses more profitable.

Over the past couple of years there has been an increase in the number of informal activities taking place in Johannesburg, which can be attributed to the lack of employment opportunities in the formal sector and the poor being absorbed into the informal sector (Basardien *et* al, 2014, Makhetha, 2010). It is important to recognise that informal trading goes beyond the perceived chaos that it brings to the city's sidewalks, and that it instead represents a group of individuals who must make a number of informed decisions in order to engage in this activity (Bromley, 2000, Makhetha, 2010). Street traders tend to operate in central locations in cities, near public transport links as these ensure constant human traffic in the form of commuters and other pedestrians (Makhetha, 2010).

The following section will outline the literature pertaining to street traders. The current research uses street vendors and street traders interchangeably as these terms are defined in the same manner.

2.5.1 Conceptualising street trading

The term "street trading" represents an act of selling goods or providing services on street pavements, in the middle of the road or other public spaces undertaken by a street trader (Callaghan, 2014a, Callaghan, 2014b, Mahadea, 2002, Motala, 2002, Tissington, 2009).

Street traders operate within the informal sector. Informal trading can be defined, as an umbrella term encapsulating all individual who sell good and provides services informally regardless of their location (Makhetha, 2010, Sassen, 2013). Street trading is prevalent in many cities around the world and Johannesburg is no exception (Gamieldien and van Niekerk, 2017, Makhetha, 2010, Mkhize, Dude and Skinner, 2013). Street trading involves the trade of numerous goods and services, across various spaces, while displaying their products on tables or stalls (Benit-Gbaffou, 2015, Sassen, 2013). Street trading is by no means a homogenous activity nor are street traders a homogenous group (Tissington, 2009). Johannesburg inner city traders provide residents and workers with everything from loose cigarettes to live chickens (Callaghan, 2014, Tissington, 2009).

Street trading is carried out on a range of platforms (Mendelsohn, 2015, Roever and Skinner, 2016). These include permanent home-based stores, semi-regularised markets, food carts or even goods vendors, andwalking between cars to sell their goods. This study focused on the street traders selling goods and services within the inner city of Johannesburg. There is a significant variation in the types of goods being sold and the manner of selling amongst street traders (Mendelsohn, 2015). Street trading is the most common of informal activities, constituting between 73% and 99% of all informal trade, in most developing countries (Mendelsohn, 2015, Roever and Skinner, 2016).

Areas with concentrations of street traders are often associated with crime (Benit-Gbaffou, 2015, Mendelsohn, 2015). The areas where street traders congregate may harbor large numbers of pickpockets, lured there by the crowds of individuals (Mendelsohn, 2015). The health, safety and quality of street trader’s goods are often called into question (Benit-Gbaffou, 2015, Gamieldien and van Niekerk, 2017, Mendelsohn, 2015). In these cases, street traders often do not have access to adequate infrastructure which include hygienic conditions to store and sell their goods (Mendelsohn, 2015). Governments often respond to these perceived negative outcomes by attempting to prevent informal trade from taking place (Benit-Gbaffou, 2015, Mendelsohn, 2015, Roever and Skinner, 2016). This can be seen with OCS, where the local government forcefully evicted over 6000 street traders in 2013. Given the extent of the nature, and benefits that accrue through informal trade, this is hardly common good (Benit-Gbaffou and Oldfield, 2014, Mendelsohn, 2015).

Street trading is a livelihood strategy chosen as a survivalist tactic in a climate of growing unemployment and poverty (Makhetha, 2010). Not all individuals that take part in street trading do so voluntarily, but some of the street traders engage in it in order to maintain a livelihood and limit poverty (Makhetha, 2010). An ILO research project (2003) focused on empowering street traders, it is stated that there has been an increase in the number of informal activities taking place since the end of apartheid and this has been attributed to the following factors:

- The new democratic government is less repressive and addresses street trading in a manner that is different from the one used by the apartheid government.
- The lack of other jobs opportunities has focused many individuals to resort to making money through street trading (ILO, 2003).

2.5.2 Profile of street traders in South Africa

Informal street traders sell goods such as vegetables/fruit, clothes, and cooked food. According to Ligthlem and van Wyk (2004) street traders have flexible working hours, creation of employment, alleviation of hardship, development of entrepreneurial skills and diversity and convenience. The inner city is a strategic location for street trading, therefore the CoJ has such a high number of street traders.

Both women and men engage in street trading in South Africa and Africa (Callaghan, 2010, Callaghan and Venter, 2011, Makhetha, 2010). However, women constitute the majority of the street traders in Africa, except in countries where their activities are restricted (Consultancy Africa, 2014a, Frank, 2012, Mendelsohn, 2015). Street traders can be described as a low-income generating activity where women in many countries earn less than half as much as men (Mendelsohn, 2015). In addition to low and highly variable incomes, the nature of informal trade causes street trading vulnerability (Mendelsohn, 2015). This can have a negative impact on the street trader’s livelihood. This vulnerability was highlighted during OSC in 2013, where the goods of the street traders were taken away (Benit-Gbaffou and Oldfield, 2014).

Street traders in Johannesburg range between the ages of 20-45 years old (Callaghan, 2010, Makhetha, 2010). Many, (60%) are in between 16-24 years in age and originated not only from South Africa but Africa too (Lund *et al*, 2000, Makhetha, 2010).

Those that are foreign nationals generally come from countries such as Zimbabwe, Mozambique and Malawi (Makhetha, 2010). Elderly, female street traders tend to be South African and most of them come from rural areas such as North West, Limpopo, and KwaZulu-Natal (Consultancy Africa, 2014a, Makhetha, 2010). More male street traders are found to hire assistants or helpers than women (Makhetha, 2010). The profits made by informal traders are often difficult to assess due to erratic income and lack of record keeping (CoJ, 2017, Makhetha, 2010).

A study conducted by Babbitt *et al* (2015) maintains that women prefer the informal sector (Babbitt *et al*, 2015). Researchers have also emphasized that a preference for informality may result from the types of sectors to which women gravitate, as well as the smaller then average size of most female owned organisations (Babbitt *et al*, 2015). In developing countries women are usually found in labour intensive service and trade sectors which are less regulated than capital intensive sectors such as manufacturing (Babbitt *et al*, 2015). Smaller organisations with fewer employees and based at home are harder to regulate then the large publicly visible organisations (Babbitt *et al*, 2015). A study conducted in the Dominican Republic found that female owned organisations were significantly smaller than male owned organisations, more likely to operate out of the home and more likely to be own account enterprises (Babbitt *et al*, 2015).

2.5.3 Prospects and challenges of street traders

Street trader’s livelihoods depend on access to public space, however there is frequent conflict and competition (Gamieldien and van Niekerk, 2017, Callaghan, 2011, Mendelsohn, 2015). Street traders are often explicitly marginalised or persecuted by local government because of the perception that they are at odds with concepts of modernisation (Mendelsohn, 2015). This can be seen with OCS in 2013 (Benit-Gbaffou and Oldfield, 2014). It is imperative to understand the nature of street trading, that it is a survivalist activity where profit margins are low, work is difficult, and livelihoods are without exception fragile (Mendelsohn, 2015). By no means is it a preferred activity which is undertaken, instead it is one borne out of necessity (Mendelsohn, 2015). It is important to understand how to uplift these individuals, so to better their livelihood and nutritional standing.

Street traders struggle not only because of low income, but also through vilification by authorities (Mendelsohn, 2015). Police often deal with street traders as if they are criminals (Benit-Gbaffou, 2015, Mkhize *et* al, 2013, Mendelsohn, 2015). It is common for police to persecute street traders by chasing them, beating them and confiscating their goods, like during OCS (Benit-Gbaffou and Oldfield, 2014, Mendelsohn, 2015). Other constraints raised by Skinner (2011) are that, street traders are often exposed to a lack of infrastructure resulting in vulnerability to weather, pollution, fire or other dangers such as traffic (Mendelsohn, 2015, Ligthlem and van Wyk, 2004, Roever and Skinner, 2016). Ligthlem and van Wyk (2004) also highlighted lack of storage, unorganised trading areas and law enforcement as being problems. Sassen (2013) further explains that the lack of capital, crime, high competition and inadequate skills are some of the challenges faced by street traders. This means that most street traders are lacking in endowments which could ultimately uplift them. Bromley (2000) mentions several practical arguments for allowing street traders. These include reasons such as direct contribution to the economy, provision of business competition, and the ability to generate tax revenues from them (Mendelsohn, 2015).

In addition to these macro benefits, informal trading provides entrepreneurial opportunities by linking vendors and buyers, and by providing economic opportunities for those without the capital to enter the formal market (Consultancy Africa, 2014b, Mendelsohn, 2015). Street trading creates living streets on which individuals are active, providing the perfect form of commerce (Gamieldien and van Niekerk, 2017, Mendelsohn, 2015). It also provides flexible working hours for those engaged in it. Street traders may attract business from formal business locations as a negative outcome (Mendelsohn, 2015). However, within the context of many developing countries, the ability of traders to do this brings the goods closer to customers and at potentially better prices (Horn, 2012, Mendelsohn, 2015). This is in part because their costs are so much lower, as they generally do not pay taxes or have the same costs as stores (Lallthapersad-Pillay, 2004, Mendelsohn, 2015). Street traders provide an important service in terms of easing access to goods for vulnerable individuals in cities, which otherwise would have to travel further, spending time and money for more expensive goods.

2.5.4 Barriers for street traders

There are almost no entry barriers to street trading (Mendelsohn, 2015, Sassen, 2013). However, competition in the informal economy is extremely fierce (Mistry, 2006). Low barriers to entry result in a large portion of other informal competitors, and large formal retailers are becoming an increasing presence in township localities (Mistry, 2006). The major constraints experienced by informal traders are shortage of trading stock due to lack of finance, high crime rates, severe competition, lack of customer income, high transport costs and bad debt (Mistry, 2006, Mkhize, Dube and Skinner, 2013).

2.5.5 Government involvement in street trading

It is important to examine how government policymakers affect the nature of informality and how different types of informality result. In many countries, such as India, the government pursues a strategy of economic development by taking certain economic activities and defining them as informal and therefore illegal or illegitimate (Babbitt *et al*, 2015). In this sense, the informal sector emerges not as an organic alternative to the formal sector, but it is instead a direct outcome of the government's strategies for planning and development (Babbitt *et al*, 2015).

An issue that street traders often face is not enough legal trading spaces are created, meaning that some traders do not have access to legal trading spaces, and resort to trading in areas that have not been designated for this activity (Makhetha, 2010). Street traders that work in illegal spaces do so at the risk of being chased away and some of them include foreigners (Makhetha, 2010). Many foreign traders are found not to have permits to trade in the inner city of Johannesburg and this often renders them powerless and prone to poor treatment from the Metro police (Benit-Gbaffou and Oldfield, 2014, Makhetha, 2010). Law enforcement, in respect of the removal and impoundment of goods, is carried out by the Metro police (Makhetha, 2010). City officials instruct the Metro police to punish traders that infringe street-traders by-laws by operating without permits, or in areas that are not designated for trading (Benit-Gbaffou and Oldfield, 2014, Makhetha, 2010). This can be seen with OCS and the impact it had on the street traders.

<u>2.5.5.1. Local government involvement</u>

Local government is a key player in providing basic and work-related infrastructure, zoning and other regulations (Skinner, 2016). Local government has the authority to decide on how to govern the area under their control. The primary regulatory tools for governing at the local level are the by-laws (Motala, 2002).

Street trading by-laws across South Africa are similar in many respects as they all derive from the Business Act. Thus, most street trading by-laws have the following clauses in common:

- Traders must not obstruct the movement of traffic,
- Safety and service vehicles must be free to move,
- Public must be protected from equipment that could be dangerous,
- Street trading equipment must not obstruct fire hydrants, road signs or other structures,
- Traders must keep sites clean,
- Local authority indicates of areas in which trade is restricted

The by-laws can often restrict rather than facilitate street trading. Historically, local government has tended to deal with informal economy participants largely on the basis of by-laws, particularly in respect to street traders (van der Heijden and Skinner, 2012). This approach is based on an inherently restrictive view of the "problem" of the informal economy.

The CoJ has adapted what is it terms "a developmental approach". Its by-law is intended to enable access to job and entrepreneurial opportunities within the informal trading sector, to harmonise the relationship between the informal trading and the formal trading sector and to facilitate the migration into the formal sector (WIEGO, 2014).

The by-law broadly state:

- Entrenches the right to engage in the informal trading
- Provides for the creation and closing down areas where informal trading may occur and the granting of trading permits
- Regulates the conduct of street vendors and health and safety measures, and

- Stipulates the penalties for violation of the by-laws (WIEGO, 2014)

In the CoJ, any member of the community is permitted to engage in informal trading subject to compliance with the by-laws. It was these provisions of the by-law that the CoJ used when embarking on OCS, where over 6000 street traders were removed from the inner city (Benit-Gbaffou, 2015, Skinner, 2016, WIEGO, 2014).

The CoJ economic charter (2012) states:

> *"In a context of very high unemployment, and limited formal business opportunities for new market entrants the city of Johannesburg recognises the role of micro-retailing and servicing the street traders of the inner city in providing a livelihood to thousands of people"*

The CoJ economic charter acknowledges street trading as a livelihood to thousands of people.

2.6. ENTREPRENEURIAL ORIENTATION

Originally, Miller (1983) and Covin and Slevin (1989) described entrepreneurial orientation (EO) by only considering innovation, risk-taking and pro-activeness. Covin and Slevin (1988) further refined Miller's definition by stating that the EO of a firm is demonstrated by the extent to which top managers are inclined to take business related risks, to favour change and innovation in order to obtain a competitive advantage for an organisation, and to compete aggressively with other organisations (Bleeker, 2011). Lumpkin and Des (1996) incorporated two other dimensions referred to as autonomy and competitive aggressiveness (Venter, 2014). The five dimensions of EO are the independent variables influencing business success as the dependent variable (Venter, 2014). The five dimensions are known as innovativeness, risk-taking, pro-activeness, autonomy and competitive aggressiveness (Engelen, Kube, Schmidt and Flatten, 2014, Venter, 2014). Empirical studies prove that there is in fact a positive relationship between the dimensions of EO and business performance success (Venter, 2014). EO contributes to performance with an outlook on an organisations growth, as well as financial performance (Venter, 2014).

EO is an important determining factor in the successful development and sustainability management of a business and is suggested as a key for success for high performance (Callaghan, 2010, Venter, 2014). The successful implementation of EO also enhances the financial, social, and economic factors of a business (Venter, 2014). The term EO and its existing dimensions is considered the building blocks for entrepreneurs, it explains methods for creating new ventures successfully and running existing ventures in a way to achieve great success (Bleeker, 2011, Venter, 2014). Entrepreneurship creates opportunities for better use of existing resources and it is an important adjustment mechanism in the market (Venter, 2014). Many entrepreneurs consider the current demand factors in the market along with good marketing principles, as good enough to achieve success, while in fact the term success is determined by the sustainability of the business, the financial position of the businesses and the possibility to grow (Kraus, 2012, Venter, 2014).

In the competitive environment of the business economy, innovation and pro-activeness can be the driving force of business success and survival along with elements such as risk-taking, autonomy and competitiveness (Venter, 2014). George and Marino (2011) also describe the domain of EO as containing fewer or more dimensions therefore one should further embrace Lumpkin and Dess (1996) concept of EO. EO consists of processes, structures and behaviours that can be explained as being aggressive in a competitive manner, being innovative, being proactive, taking risks and seeking autonomy. McGuinness (2008) further explains the difference between EO and entrepreneurship as the distinction between content and process about strategic management, entrepreneurship being the content and EO explaining the process of how to be entrepreneurial (Venter, 2014).

EO orientation originally involves the strategy-making process and represents the policies and practices that establish the foundation for entrepreneurial actions and decisions (Linton and Kask, 2016, Venter, 2014). The level of applied EO in a business is often demonstrated by the extent to which entrepreneurs and managers are willing to take risks, in order to favour change and innovation to ultimately obtain a competitive advantage. Baran and Velickaite (2008) suggested that EO provides equipment for business development and growth that leads to a sustainable competitive advantage. Further, Lumpkin and Dess (1996) have extended the domain by suggesting that an EO refers to the processes, practices and decision-making activities that lead to new entry.

After adding the dimensions of competitive aggressiveness and autonomy, Lumpkin and Dess (1996) have proposed that EO is a multidimensional construct. This means that the EO dimensions may vary independently, depending on the environmental and organisational context (Bleeker, 2011). The EO dimensions show high levels of correlations and each having their own influence on performance. Lumpkin and Dess (1996) have therefore shown that the EO construct is in fact multidimensional (Bleeker, 2011). Lumpkin and Dess (1996) further state, based on the independence of the EO dimensions and the dependence of the context, introduced a contingency model on the EO performance relationship. Lumpkin and Dess (1996) have introduced internal and external environmental factors of the organisation, as contingency variables to describe the context in which the organisation operates. This will help to get a better understanding of the influence of the organisational context on the EO performance relationship (Bleeker, 2011, Lumpkin and Dess, 2001). Organisations with an EO can continuously identify and exploit opportunities that arise from asymmetries of market and technological knowledge (Bleeker, 2011).

2.6.1. Risk taking

Risk taking refers to a tendency to take bold action, such as entering unknown new markets, committing a large portion of resources to ventures with uncertain outcomes, or borrowing of capital (Bleeker, 2011, Lumpkin and Dess, 1996, 2011). Miller and Friesen (1978) first described risk taking as part of the strategy making process of an organisation (Bleeker, 2011). EO is a strategic attitude and therefore risk taking should be part of an organisations strategy (Bleeker, 2011, Mwangi and Ngugi, 2014). However, scholars are not able to find consistent patterns when investigating risk taking in relationship with entrepreneurship (Bleeker, 2011). The context in which the organisation operates influences the amount of risks it takes (Bleeker, 2011). Organisations engaging in radical innovations must be willing to take financial and business risks to be successful (Bleeker, 2011). This however, is very limited in terms of street traders. When organisations face uncertainty, risk taking may give the organisations bias to take actions (Bleeker, 2011, Lumpkin and Dess, 2005). The amount of risk that an organisation takes is therefore, depending on the organisation context, important when it comes to innovation success (Bleeker, 2011, Mwaura, Gathenya and Kihoro, 2015).

Sharma and Dave (2011) that mentions risk taking as the dimensions of EO that has the highest impact on the success of a business compared to innovativeness and pro-activeness. Risk taking refers to instantaneous, explicit actions taken in moments of uncertainty (Venter, 2014). Without the willingness to take a risk there can be no innovation and opportunities promising a bright future will not be captured easily (Venter, 2014).

Calculating and assessing the risks involved is a very appropriate approach but the rewards should be kept in mind (Pratono and Mahmood, 2016, Venter, 2014). Risk is inherent in the operations of a business and decisions taken by managers and owners always involve risk. The most suitable definition in terms of EO would be to acknowledge that risk taking is the degree to which managers and entrepreneurs are willing to make large and risky resource commitments. This can be difficult for street traders as they have limited amount of resources available (Schillo, 2011).

2.6.2. Pro-activeness

Pro-activeness refers to a posture of anticipating and acting on the future requirements of the market (Sharma and Dave, 2011, Venter, 2014). First movers can control the market by dominating the distribution (Venter, 2014). Pro-active businesses should be considered a leader rather than a follower (Basardien *et al*, 2014, Venter, 2014). Pro-active businesses are usually the more sustainable businesses with innovative individuals and entrepreneurs who are willing to take risks (Venter, 2014). Rauch *et al* (2009) found that the dimensions innovativeness, risk-taking and pro-activeness are of equal importance in determining business success. By being proactive a business can identify and predict the future expectations (Bleeker, 2011, Venter, 2014). This gives entrepreneurs the opportunity to prepare themselves accordingly, in order to reap the maximum benefit from future events (Venter, 2014).

To capitalise on a market opportunity it is important to be the first mover (Bleeker, 2011). This usually results in a high profile with first movers obtaining against the competition (Bleeker, 2011). Therefore, taking the initiative and taking advantage of new markets and opportunities, is associated with entrepreneurship (Bleeker, 2011, Brownhilder, 2016). However, street traders are often unable to take advantage as they do not have enough endowments.

Proactiveness is often referred to as an opportunity-seeking, forward-looking perspective which involves the introduction of new products or services ahead of the competition, and acting in anticipation of future demand, to create change and shape the environment (Bleeker, 2011, Brownhilder, 2016). Dess and Lumpkin (2005) describe the importance of structural capital that is associated with proactiveness. Structural capital, such as structures and processes, enables organisations to create resources more quickly and at cheaper rates than competitors (Bleeker, 2011). Therefore, proactiveness enhances both the reputation and operations that make organisations stay ahead of competitors (Bleeker, 2011).

A proactive attitude facilitates an organisation with the introduction of new products or services ahead of competition, because it is more receptive for trends in customer demands and it enhances processes and operations that make operations stay ahead of competitors (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011).

2.6.3. Innovation

Innovativeness refers to a willingness to support creativity and experimentation of the introduction of new products and services, technological leadership, research and development in developing new processes (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011). Schumpter (1942) was the first who linked innovation to entrepreneurship, Schumpter described an economic process of creative deduction, which refers to the creation of wealth by the introduction of new goods and services to the market which shifted the resources away from existing organisations and caused other organisations to grow (Bleeker, 2011, Ejidenber, 2016). According Lumpkin and Dess (1996) innovativeness is an important dimension of EO because it describes an important means by which organisations pursue new opportunities (Bleeker, 2011).

Innovativeness stimulates creativity and experimentation within an organisation (Bleeker, 2011). Such an attitude is necessary for organisations who want to explore opportunities that may result in organisational development (Bleeker, 2011). According to Baker (2009), innovativeness describes creativity and experimentation in new product development, technology adaption and internal processes and procedures (Bleeker, 2011). Innovativeness implies a willingness to depart from existing practices in an organisation (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011, Ejidenber, 2016).

Innovativeness focuses on the application and development of creative solutions to common challenges arising in the business environment (Engelen *et al,* 2014, Venter, 2014). Having EO means to be committed to innovation, among other dimensions in the strategic process (Venter, 2014). Lumpkin and Dess (1996) stated that innovativeness reflects a tendency for a business to engage in and support creative processes, new ideas, novelty and experimentation that may lead to new products, services or technological processes. The first mover business (developing a new product or service not yet in existence) therefore, immediately dominates the market in that scope if there is a need in the market for that product or service (Venter, 2014). Innovation is seen as the central value of entrepreneurial behaviour and that it provides solutions to problems and needs (Venter, 2014). Most of the explanations and definitions of innovation represents a starting point from practices or conditions already in existence as service is created or delivered and, in most instances, this innovative process will be invisible to the user, except for physical changes (Callaghan, 2010, Callaghan and Venter 2011, Venter, 2014).

2.6.4 Competitive aggressiveness

Competitive aggressiveness is very similar to pro-activeness, so it is therefore necessary to clarify the difference between these two dimensions (Callaghan, 2010, Callaghan and Venter 2011, Venter, 2014). Competitive aggressiveness refers to how a business relates to competitors and how it responds to the existing demand in the market (Venter, 2014). Competitive aggressiveness also reflects the willingness to be unconventional rather than to reply on traditional methods of competing (Engelen *et al,* 2014, Venter, 2014). This dimension is of importance to guide the entrepreneurial business to obtain and to retain the competitive advantage in the market (Venter, 2014). The dimensions should be utilised to create and constantly improve company strategies to achieve organisational goals (Ejidenber, 2016, Venter, 2014).

Competitive aggressiveness and proactiveness are two variables that cannot be separated (Bleeker, 2011). However, Lumpkin and Dess (2001) have shown that both dimensions are independent and make unique contributions to performance. This distinction can be described from the perspective of the resource-based view. Which describe how organisations create, acquire and leverage recourses to achieve a sustainable advantage (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011). According to Lumpkin and Dess (2001) the creation of resources refers to proactiveness, but when these resources are created, organisations are more likely to defend them by a competitive aggressive attitude. Therefore, Lumpkin and Dess (2001) define competitive aggressiveness as the intensity of an organisation's effort to outperform industry rivals, characterised by a combative attitude and a forceful response to competitor's actions.

To endorse the importance of competitive aggressiveness as an EO dimension, Dean (1993) shows a significant correlation of competitive aggressiveness with entrepreneurship on all levels of risk in a study that compares companies in low- and high-risk environments. Furthermore, competitive aggressiveness explained more variance in corporate entrepreneurship than did any other strategy or structural variable analysed (Bleeker, 2011). Competitive aggressiveness requires intense action that is aimed at outperforming industry rivals (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011). This can either be done by improving current products or doing things differently (Bleeker, 2011). Organisations can therefore find a new niche for themselves or target at the competitor's weakness by developing superior products or services (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011). Furthermore, organisations can respond aggressively and quickly with innovation when it faces the creative and disruptive actions of rivals (Bleeker, 2011). Competitive aggressiveness mobilises continuous competitor assessment of the value packages thus the deconstruction of the value packages of rivals to generate superior offerings (Bleeker, 2011, Kraus, 2012). The input about the strength and weaknesses of the competitors serve for both the adjustment of existing offering and for radical new products and services (Bleeker, 2011).

2.6.5. Autonomy

Lumpkin and Dess (1996) defines autonomy as the willingness and the ability to work independently when acting on an opportunity or when accepting an organisational challenge (Venter, 2014). Autonomy refers to an independent spirit which is important for new new-entry activity (Bleeker, 2011). In an organisational context it refers to action taken free from any organisational constraints (Bleeker, 2011). In an individual or team context it can be described as taking independent action or the ability and will to be self-directed in the pursuit of opportunities (Bleeker, 2011, Kraus, 2012).

Autonomy can be defined as independent action by an individual or team aimed at bringing forth a business concept or vision and carrying it through completion (Bleeker, 2011).

There are different levels of autonomy, depending on the types of actions or decisions a group can control (Bleeker, 2011, Linton and Kask, 2016). One of the two levels of autonomy are structural and strategic (Bleeker, 2011). Structural autonomy enables a team to solve a problem with self-determined means (Bleeker, 2011). Strategic autonomy refers to the extent to which a team has control over ends (Bleeker, 2011). Strategic autonomy enables a team to operate outside normal organisational constraints in addressing what it will accomplish and how it will achieve its objective (Bleeker, 2011, Callaghan, 2010, Callaghan and Venter 2011). Autonomy from an EO perspective, refers to strategic autonomy (Bleeker, 2011). This level of autonomy enables teams not only to solve problems, but to define the problem and goals that will be met in order to solve the problem (Bleeker, 2011).

Depending on the business structure and management style the principle of autonomy is mostly applied by the decision maker (Lumpkin and Dess, 1996, Venter, 2014). This will in most cases be the entrepreneur or the manager (Venter, 2014). Mangers and entrepreneurs hold the rights to making decisions and they therefore only trust themselves to ensure survival (Venter, 2014). The term autonomy further refers to an action of an individual or a team creating ideas and vision and carrying it through to completion (Lumpkin and Dess, 2005, Venter, 2014). Pursing an opportunity with a great deal determination is another way to define the term autonomy (Venter, 2014). Enterprise related factors with negative results such as lack of access to resources may change the course of ventures but autonomy will not be distinguished by these factors (Callaghan, 2010, Callaghan and Venter 2011, Venter, 2014).

2.7.SUSTAINABLE LIVELIHOOD APPROACH

This framework was developed to help understand and analyse the livelihoods of poor communities, like street traders (DFID, 2007, DFID, 2000). The framework does not attempt to provide an exact representation of reality. It does however help to gain a better understanding of the underprivileged. The sustainable livelihood approach (SLA) is broad and encompassing. This is the framework used in this research. The framework is a tool to help improve the understanding of an individual’s livelihood (DIFD, 2007).

2.7.1. Conceptualising Sustainable Livelihood Approach

A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural base (DFID, 1999, DFID, 2007). The term livelihood is a concept that tends to be applied to urban poverty, and it is defined as comprising the capabilities, assets and activities required for a means of living (Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004, Makhetha, 2010). Livelihood is affected by diversity of assets and the amount of assets a household has.

The SLF presents the main factors that affect an individual and the relationship between the different capitals (DFID, 2007). The idea of capitals (assets) is central, as it considers the capitals needed in order to sustain an adequate income to live. The more assets a household has access to, the less vulnerable they will be to negative effects of trends and shocks. The arrows within the framework are used to denote the different types of relationships, all of which are dynamic (DFID, 1999, DFID, 2000, DFID, 2007). None of the arrows imply direct causality, however the arrows do show a certain level of influence. The five capitals, shown above, are thought of as livelihood building blocks. The vulnerability context refers to the external environment in which individuals live. This includes trends such as economic factors, shocks and seasonality. These three factors have a direct impact on one's livelihood.

The sustainable livelihood approach integrates by providing a framework to understand the factors that lie behind people's choice of livelihood strategies and to reinforce the positive aspects that provide choice and flexibility in meeting their needs (Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004, Mistry, 2006). The expansion of choice and value is important because it provided individuals with opportunities for self-determination and the flexibility to adapt over time (Makhetha, 2010, Mistry, 2006). It is most likely to be achieved by working to improve poor individuals' access to assets, the building blocks for livelihood strategies, and to make the structures and processes that transform these into livelihood outcomes more responsive to their needs (Mistry, 2006, Morse and McNamera, 2013). The SLA is necessarily flexible in its application however, there are several key core principles. These will be outlined in the next section.

a. People-centered

The SLA approach puts individuals at the center of development (DFID, 1999). The approach starts with an analysis of people's livelihoods and how these have changed over time. At the same time the SLA focuses on the impact the different policy and institutional arrangements have upon people/households. There is stress on the importance of support for individuals with regards to achieving their own livelihood goals (DFID, 1999).

b. Holistic

The SLA attempts to identify the most pressing constraints faced by individuals, no matter the geographical or sector (DFID, 1999). It helps to gain a realistic and holistic understanding. The livelihood framework helps organise the various factors which constrain or provide opportunities and to show how these relate to each other (DFID, 1999). It is not intended to be an exact model of the way the world is, rather it aspired to provide a way of thinking about livelihoods that is manageable and that helps improve development effectiveness.

c. Dynamic

The approach seeks to understand and learn from change so that it can support positive patterns of change and help mitigate negative patterns (DFID, 1999). It explicitly recognises the effects on livelihoods of external shocks. The framework calls for ongoing investigation and an effort to uncover the nature of complex, two-way cause and effect relationships (DFID, 1999).

d. Macro-micro links

The SLA attempts to bridge the gap between the macro and micro levels, by emphasising the importance of macro level policy to livelihood options of communities and individuals (DFID, 1999). It also stresses the need for higher level policy development and planning to be informed by lessons learnt and insights gained at the local level.

e. Sustainability

Sustainability has many dimensions all of which are important to the SLA (DFID, 1999). Livelihoods are sustainable when they:

- Are resilient in the face of external shocks and stresses
- Are not dependent upon external support
- Maintain the long-term productivity of natural resources
- Do not undermine the livelihoods or compromise the livelihood open to other

Another way of conceptualising the many dimensions of sustainability is to distinguish between environmental, social and institutional aspects of a sustainable system (DFID, 1999). Environmental sustainability is achieved when the productivity of life supporting natural resources is conserved or enhanced for the use by future generations. Economic sustainability is achieved when a given level of expenditure can be maintained over time. Social sustainability is achieved when social exclusion is minimised and social equality is maximised. Lastly, institutional sustainability is achieved when prevailing structures and processes have the capacity to continue to perform their functions over the long-term (DFID, 1999).

2.7.2. Asset pentagon

The asset pentagon is an important component of SLF, as it a visual representation of information regarding individual's livelihood assets. It examines important inter-relationships between the various capitals. The shape of the pentagon can be used to show schematically the variation of individuals access to capitals (DFID, 1999). Each corner of the pentagon represents the maximum level of capital possible. Asset endowments are constantly changing, this means that the pentagon is always shifting.

The section will outline the five capitals, namely natural, physical, financial, social and human capitals.

2.7.3. Natural Capital

Natural capital is explained as been made up of natural resources stocks from which resources flows useful to livelihood are derived, and it is stated that direct access to and the utilisation of natural capital is less significant to the urban poor (Makhetha, 2010, Scoones, 2012). The latter could be a result of the fact that an increasing number of urban households have become less dependent on activities such as subsistence farming and rely more on stores to purchase what they need (Makhetha, 2010). More examples of natural capital include land and produce, water and aquatic resources and trees or forest products (Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004, Makhetha, 2010).

2.7.4. Physical Capital

Physical capital comprises the basic infrastructure that is needed to support an individual's livelihood (DFID, 2007). Infrastructure consists of changes to the physical environment that aids individuals to meet their basic needs and become more productive. The main components of infrastructure are: affordable transport, secure shelter and buildings, access to information and adequate water and sanitation (DFIA, 2007, Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004). Physical capital can be expensive to obtain and maintain, this why the poor often have less physical capital.

2.7.5. Human Capital

Human capital represents the skills, knowledge, ability to work that together enables people to pursue different livelihood strategies and achieve their livelihood objectives (DFID, 1999). At a household level, human capital is a factor of the amount and quality of labour available, and this varies due to household size, skill levels and health status (Scoones, 2012). Human capital appears in the generic framework as a livelihood asset, as a building block or a means of achieving livelihood outcomes. As well as having intrinsic value, human capital is required in order to make use of any of the other four assets (Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004).

2.7.5. Financial Capital

Financial capital is the amount of financial resources some individual need in order to achieve their livelihood objectives (DFID, 1999, Morse and McNamera, 2013). This capital is not only economic as it includes flows as well as shocks. It can also contribute to consumption and production. Financial capital is an important livelihood building block that enables individuals to adopt different livelihood strategies.

There are two main sources of financial capital:

a) Available stocks: this includes actual cash and savings. This can be achieved through bank deposits or liquid cash. Financial resources can also be obtained through credit giving institutions (DFID, 1999).
b) Regular inflows of money: in order to make a positive contribution to financial capital these inflows must be reliable (DIFD, 1999).

2.7.6. Social Capital

In the context of the SLF, social capital is the social resources needed to pursuit their livelihood objectives (DFID, 1999, Kabir *et al*, 2012, Kamaruddin and Samsurdin, 2004). These are developed through:

a) Networks: networks can be either vertical (customer) or horizontal (between individuals with shared interests), that increase an individual's trust and ability to work together and expand.
b) Membership of formalised groups
c) Relationship of trust, reciprocity and exchanges that facilitate co-operation, reduce transaction costs, and may provide the basis for informal safety nets among the poor (DFID, 1999).

Social capital has a direct impact upon other types of capitals. There are several ways this occurs. These are as follows:

a) By improving the efficiency of economic relations, social capital can aid in increasing an individual's income.
b) Social networks can facilitate innovation, the development of knowledge and sharing of knowledge. Therefore, there is close relationship between human and social capital.

2.8.CONCLUSION

The informal sector has come to be recognised as a possible solution to the problem of unemployment in South Africa, as it is seen as an avenue of earning an income. Street trading in South Africa has a long history, and the number of people engaged in this activity has grown in recent years. Literature depicts major challenges that street traders face such as lack of shelter, inadequate training, low income, harassment by the police and the absence of sanitation and access to water.

This chapter discussed the two main typologies used in this research namely EO and SLF. Street traders are an important aspect of the inner of Johannesburg and operate in the informal sector. Many of the street traders are forced into this occupation due to high levels of unemployment. This often means that street traders do not earn enough money to survive and better their livelihoods. This is where EO and SLF can uplift street traders. Studies have shown that there is a positive relationship between levels of EO and business performance. This means the higher the EO the better the business is expected to perform. On the same notion the more capitals that a street trader has the better their livelihood standing. As per the literature it is important to have both behaviours and endowments in order to have a successful business.

In the next chapter, the research methodology relevant to this research will be discussed in detail.

CHAPTER 3
RESEARCH METHODOLOGY

3.1. INTRODUCTION

The purpose of this chapter is to explain the research methodology relevant to this research. This chapter will provide answers to the issues pertaining to this research. Collis and Hussey (2003) define research methodology as the overall approach that the research process will take. The overall approach covers the theoretical foundation through the collection and analysis of the data. Collis and Hussey (2003) are of the opinion that research methodology is therefore concerned with the following main issues:

- Why certain data was collected.
- From where the data was collected.
- How the data was collected.
- When the data was collected.
- What data was collected and
- How the data was analysed.

Chapter 3 begins by reviewing the research paradigm relevant to this research, the population, followed by the sampling method. Finally, the ethical considerations that needed to be considered when conducting this research will be highlighted.

These include conformability, credibility, transferability, and trustworthiness. The researcher obtained and ensured respondent validity for the analysis of qualitative data in order to increase the validity of the conclusion drawn (Collis and Hussey, 2003: 279). The research aims to strengthen the reliability of the research through the use of triangulation in the data collection methods (Guion, 2002).

Research methodology is the overall approach to the research process, from theoretical foundation to the collection and analysis of data (Collis and Hussey, 2003). Research is a process of enquiry and investigation, it is systematic and methodical and research increases knowledge (Amaratunga, Baldry, Sarshar and Newton, 2002: 17).

3.2. STUDY SITE

The Inner City of Johannesburg, Gauteng Province, South Africa has several districts including Braamfontein, Braampark, Central Business District, Doornfontein, Hillbrow, Jeppestown, Joubert Park, Marshalltown, Newtown, and Yeoville. The current research focused on the central business district and Braamfontein.

The CoJ inner city is one of the main business centers in South Africa and is considered to be an economic hub (CoJ, 2013). . It is often the first choice for job seekers in South Africa. The CoJ is also the most populated city in South Africa. Employment in the informal sector has grown drastically over the past couple of years (CoJ, 2013). The inner city has the highest and fastest growing informal sector. This is one of the main reasons the current research is based within the inner city. The second reason is because local government needs to introduce relevant programs to help aid the informal sector.

Table 3.1 Sampling areas within the inner city.

Street name/ area	Number of participants
Johannesburg Park station	5
Rissik Street	6
Plein Street	5
De Villiers Street	4

Source: Author (2018)

3.3. RESEARCH DEFINITION

Science refers to a systematic and organised body of knowledge in any area of inquiry that is acquired using the scientific method (Babbie and Mouton, 2001, Bhattacherjee, 2012). Science can be grouped into two broad categories namely: social and natural science. Natural science is the science of naturally occurring objects or phenomena that is very precise, accurate and independent of the person (Collis and Hussey, 2003). On the other hand, social science is the science of people or collections of people that is often viewed as less accurate and unambiguous (Bhattacherjee, 2012, Bryman, 2016).

Inductive research is the goal of the researcher to infer theoretical concepts and patterns from data (Bhattacherjee, 2012). In deductive research, the goal of the researcher is to test concepts and patterns known from theory. Hence, inductive research is also called theory building and deductive research is theory-testing (Bhattacherjee, 2012, Creswell, 2014). Deductive theory represents the most common view of the nature of the relationship between theory and research (Bryman, Bell, Hirschsohn, dos Santos, Du Toit, Mesenge, Van Aardt and Wagner, 2014). Theory building and theory testing are particularly difficult in social science.

3.3.1. Types of Scientific research

Exploratory research is often conducted in new areas of inquiry, where the goals of the research are a) to scope out the magnitude or extent of a phenomenon, b) to generate some initial ideas about a phenomenon or c) to test the feasibility of undertaking a more extensive study regarding a phenomenon (Bhattacherjee, 2012, Walter, 2005).

Descriptive research is directed at making careful observations and detailed documentation of a phenomenon of interest (Bhattacherjee, 2012, Walter, 2005). These observations must be based on the scientific method and therefore, are more reliable than casual observation (Bhattacherjee, 2012).

Explanatory research seeks explanations of observed phenomena, problems, or bahviours (Walter, 2005). While descriptive research examines that what, where and when of a phenomenon, explanatory research seeks answers to why and how types of questions (Bhattacherjee, 2012).

3.3.2. Social Science Research

Social science research is a systematic method of explaining, analysing and conceptualizing human life, in order to certify knowledge of human behaviour and social setting (Walter, n.d). Social science is concerned with complex issues regarding human behaviour. It involves the application of scientific methods for understanding and analysing of social phenomena. The main purpose of social research is to discover new facts regarding social setting and human behaviour. Social science encompasses disciplines such as anthropology, business science, economics, sociology, and psychology to name a few (Elman, Gerring and Mahoney, 2012).

3.4. RESEARCH PARADIGM

The word “paradigm” was popularised by Thomas Kuhn (1962) in his book “The structure of Scientific Revolutions” where Kuhn examined the history of natural science to identify patterns of activities that shape the progress of science (Bhattacherjee, 2012). The term paradigm means a framework consisting of an accepted set of theories, methods and ways in which data can be defined. According to Walter (2005), a paradigm is a shared framework of viewing and approaching the investigation and research of social phenomena. Research refers to the development of scientific procedure that is based on an individual’s assumptions about the world and the nature of knowledge, in which this context regards how the research should be conducted (Collis and Hussy, 2003). Collis and Hussy (2003) further state that a paradigm is an informal, but strict set of rules that have evolved in order to ensure that the research is conducted has integrity as well as being reliable and reproducible.

A paradigm therefore encompasses both theory and methods (Cresswell, 2014). In the next section the different types of paradigm will be discussed.

3.4.1. Positivistic

According the Cresswell (2014), positivist research is an inquiry into a social or human problem, which is founded on testing a theory by using an empirical means. Positivist research employs random sampling, where cases are chosen randomly from a population, andfor purposes of generalisability (Bhattacherjee, 2012, Collis and Hussey, 2003). Positivism entails elements of both a deductive approach and an inductive approach (Bryman *et al*, 2014). According to Collis and Hussey (2003) positivism is based on the assumptions that social reality is independent of individuals and exists regardless of whether people are aware of it.

3.4.2. Post-positivism

Frustrations with the strictly empirical nature of positivist philosophy led to the development of post-positivism during the late 20th century (Bhattacherjee, 2012). Post- positivism argues that one can make reasonable inferences about a phenomenon by combining empirical observations with logical reasoning (Bhattacherjee, 2012).

If researchers view the world as consisting mostly of social order (ontology) and hence seeks to study patterns of ordered events and believe the best way to study such a world is using objective approach (epistemology) that is independent of the person conducting the observation or interpretation, such as by using standardized data collection methods, then they are adopting a functionalism paradigm (Bhattacherjee, 2012). Ontology is concerned with two major aspects namely: objectivism and constructionism (Bryman *et al*, 2014). Objectivism is the ontological position that asserts which social phenomena and their meanings have an existence that is independent of social actors (Bryman *et al*, 2014). According to Bryman *et al* (2014) constructionism asserts that social actors are continually producing social phenomena and their meanings. On the other hand, researchers believe that the world consists of radical change and seek to understand or enact change using an objectivist approach then it is radical structuralism paradigm. If researchers wish to understand social change using subjective perspectives of the participants involved, then they are following a radical humanism paradigm (Bhattacherjee, 2012).
However, if researchers believe that the best way to study social order is through the subjective interpretation of participants involved then they are employing the interpretivism paradigm.

3.5. SOCIAL PARADIGM

Burrell and Morgan (1979) define epistemology as the researcher seeking to explain and predict what happened in the social world by searching for causal relationships between elements. Burrell and Morgan (1979) developed a 2x2 matrix scheme to help classify and understand sociological theories based on four paradigms. Burrell and Morgan (1979) further stated two fundamental issues that form the axes namely a) social theories emphasizing regulations and stability versus those emphasizing radical change, b) subjective (individuals) theories vs objective (structural) theories. According to Callaghan (2017) however, there are two additional paradigms proposed. These are radical emergence and radical verifications. The new paradigms have emerged due to the increase in technology such as crowd sourcing (Callaghan, 2016).

Functionalist paradigm is the primary paradigm used when studying social phenomena (Burrell and Morgan, 1979). Functionalist paradigm is concerned with providing explanations of the status quo. It does assume that rational human actions can be understood through hypothesis testing. This means that it seeks to explain how elements of the social system interact with each other to form an integrated whole (Burrell and Morgan, 1979).

Interpretive paradigm seeks to explain the stability of behaviour from the individual's viewpoint (Burrell and Morgan, 1979). Researchers observe to gain a better understanding of the on-going process of an individual's behaviour. This paradigm will be further discussed in the next section.

Radical structuralist paradigm has a view of society and organisation which emphasise the need to transcend the limitations placed on existing social and organisational arrangements (Burrell and Morgan, 1979). Theorists perceive structural conflict within society that generates constant conflict through crises. Radical structuralist is also primarily focused on the analysis of economic power relationships.

Radical humanist paradigm seeks radical change and stresses the role that different social forces play in understanding change (Burrell and Morgan, 1979). Researchers are concerned with social constraints that limit human potential.

Table 3.2: Summary of the four social paradigms outlined by Burrell and Morgan (1979).

Paradigm	Definition	
Functionalist	Based on problem solving which leads to rational explanation	Objective-regulation
Interpretative	Questions where organisation exist in any real sense beyond the conception of social actors	Subjective-regulation
Radical humanist	Sees an organisation as a social arrangement from which individuals need to emancipate	Subjective-radical change
Radical structuralist	Views an organisation as a product of structural power relationships	Objective-radical change

Source: Bryman *et al*, 2014

3.6. INTERPRETIVE PARADIGM

Interpretive research has its origins in anthropology, sociology and psychology and has been used since the early 19th century (Bhattacherjee, 2012). Interpretive research paradigm was initially developed from the work of German sociologist Max Weber (1864-1920) (Bryman, 2016, Walter, 2005). Interpretive research is a research paradigm that assumes that social reality is not objective but rather shaped by human experiences and social contexts (ontology) and is therefore best studied within socio-historic context by reconciling the subjective interpretations of its various participants (epistemology) (Bhattacherjee, 2012, de Vos *et al*, 2011). According to Walter (2005) the interpretivist perspective emphasizes the meaning of individuals, to understand people's motives and interpretations of the world.

Interpretive research employs a theoretical sampling strategy, where study sites, respondents or cases are selected based on theoretical considerations. Convenience samples and small samples are considered acceptable in interpretive research if the participants fit the nature and purpose of the study (Bhattacherjee, 2012).

Interpretive research has several unique advantages. Firstly, it is well suited for exploring reasons behind complex, interrelated or multifaceted social processes (Bhattacherjee, 2012, Collis and Hussey, 2003). Secondly, it is helpful for theory building. Thirdly, it is appropriate for studying context-specific events or processes. Lastly, it can help uncover interesting and relevant research questions and issues. All interpretive research must adhere to a common set of principles namely: naturalistic inquiry, research as instrument, interpretive analysis, use of expressive language, temporal nature and hermeneutic circle (Bhattacherjee, 2012).

In order to determine whether it is endowments or behaviours that impact street traders in the CoJ, an interpretivist paradigm methodology was followed. The qualitative nature of the data that was captured using semi-structured interviews is also consistent with the interpretivist paradigm. Interpretive research relies heavily on qualitative data but there are times that quantitative data is included (Bhattacherjee, 2012, Editors AMJ, 2004, Editors AMJ, 2011, Editors AMJ, 2012).

3.7. RESEARCH DESIGN

The following section will outline the two main research design methods namely: quantitative and qualitative. Quantitative and qualitative methods refer to the type of data being collected and analysed. Research designs refers to the overall strategy used to ensure the research problem is been addressed.

3.7.1. Qualitative research

Qualitative research is intended to generate knowledge grounded in human experiences (Nowell, Norris, White and Moules, 2017). Qualitative research is becoming increasingly recognised and valued. Qualitative research relies mostly on non-numeric data such as interviews and observations, in contrast to quantitative research which employs numeric data (Bhattacherjee, 2012, Editors AMJ, 2004, Editors AMJ, 2011, Editors AMJ, 2012).

Coded qualitative data is tabulated qualitatively as frequencies, but this data is not statistically analysed.

Different qualitative research designs:

- Ethnography: the study and appreciation of human interaction and communities through immersion, direct participation, and observation within the community.
- Phenomenological: researching through the eyes of those with direct lived experiences to discover how they interpret their experiences and make sense of their world
- Grounded theory: developing theory based on data and information collected
- Case study: is an in-depth study of one or more individuals or phenomena in its existing context (Bryman *et al*, 2014).

For the purpose of the current research an ethnography qualitative research design was chosen. This type of design allows the researcher to gain in depth understanding of the street traders and the impact of endowments vs behaviour. Within the qualitative research space ethnography as it focuses on individuals within a social context.

3.7.3. Qualitative vs Quantitative research

Qualitative research is characterised by an understanding of some aspect of social like. On the other hand, quantitative research is aimed to measure an aspect. Table 3.3 and table 3.4 outline the main differences between the two research methods.

Table 3.3: Fundamental differences between quantitative and qualitative research approaches

Area	Quantitative	Qualitative
Principle orientation to the role of theory in relation to research	Deductive, empirical testing of theory	Inductive, generation of theory from data
Epistemological orientation	Natural science model	Interpretivist
Ontological orientation	Objectivism	Constructionist

Source (Bryman *et al*, 2014).

Table 3.4: Common differences between quantitative and qualitative research

Quantitative	Qualitative
Number and measurements	Words and description
Researchers viewpoint	Participants viewpoint
Research detached from subjects	Researcher involved with participants
Testing theory and concepts	Theory and concepts emergent from data
Static image of social reality	Interconnected process between actors
Generalisation to the population	Understanding of the context
Structured data collection	Flexible investigation
Hard, reliable data	Rich, deep, thick data
Marco-large scale patterns	Micro- small scale
Behaviour of people	Meaning of action
Artificial settings	Natural settings

Source (Bryman *et al*, 2014).

3.8. RESEARCH METHODS

Research methods are the tools and techniques used when conducting research (Collis and Hussey, 2003. It is a range of tools that can be used for different types of enquires. Various data collection techniques can be used namely: open-ended narratives, check lists, field guides and interviewing. The following section will outline the main research methods used within the current research.

3.8.1. Observation

Observation is the gathering of data using actual observations and taking field notes (De Vos *et al*, 2010). For the purpose of this research field guides were identified as the most effective way to gather observation data, this also aligned with the research objectives. Field notes help the researcher make accurate and systematic notes of the study site (De Vos *et al*, 2010). The field notes should contain a comprehensive account of the respondents, the events taking place, perceptions, and feelings. By making comprehensive field notes the researcher can maximise control over the situation.

The researcher made observations, using field notes, of the street traders. This was conducted both before and during the interview process. Rememyi (1996) stated that only by viewing the situation can a complete viewpoint be obtained, this means that there is great value in observations. The total time devoted to observations of the street traders was approximately 40 hours.

3.8.2. Surveys

Survey research is a research method which involves the use of standardised questionnaires or interviews to collect data about people and their preferences, thoughts and behaviours in a systematic manner (Bhattacherjee, 2012). Survey research can be used for descriptive, exploratory, or explanatory research. This method is best suited for studies that have individual people as the unit of analysis.

There are several strengths to survey research. Firstly, surveys are an excellent vehicle for measuring a wide variety of unobservable data. Secondly, it is also ideally suited for remotely collecting data about a population that is too large to observe directly (Bhattacherjee, 2012).

A questionnaire is a research instrument consisting of a set of questions (items) intended to capture responses from respondents in a standardised (Bhattacherjee, 2012, Collis and Hussey, 2003). Questions may be structured or unstructured. Structured questions ask respondents to select an answer from a given set of choices. On the other hand, unstructured questions ask respondents to provide a response in their own words. Most questionnaires are self- administered (Bhattacherjee, 2012).

For the purpose of the current research a questionnaire was used in order to gain some general data of the street traders. The questionnaire consisted of eight closed ended questions relating to demographic, human capital, and financial aspects of the street traders. The questionnaire was not the main the method of data collection but used to enhance and enrich the data.

3.8.3. Interviews

Interviews are the most common method of data collection in qualitative research (Gill, Stewart, Treasure and Chadwick, 2008). Interviews can be used to explore the views and experiences of participants. This allows for a deeper understanding of a particular social context. Interviews give a deeper understanding of the behaviours and endowments of the street traders. Interviews are a more personalised form of data collection than questionnaires (Bhattacherjee, 2012). The interviewer has the opportunity to clarify any issues raised by the respondent or ask probing or follow-up questions. However, interviews are time-consuming and recourse-intensive (Bhattacherjee, 2012).

Table 3.5. Types of interview methods

Face-to face interviews	The interviewer works directly with the respondent to ask questions and record responses
Focus group	A small group of respondents are interviewed together in a common location
Telephone interviews	Interviewer contact potential respondents over the phone, typically based on a random selection of people

Source (Bhattacherjee, 2012).

There are three fundamental types of interviews namely: structured, semi-structured and unstructured (Gill *et al*, 2008). Structured interviews are verbally administered which has a list of predetermined questions. There is little to no variation, with no scope for follow up questions. This means that there is little depth obtained due to the limited participant response. Unstructured interviews generally start with an opening question however, it can be very time-consuming and difficult to manage. Semi-structured consist of several key questions that help to define areas to be explored but also allows the researcher to diverge in order to pursue an idea in more detail (Gill *et al*, 2008). The flexibility of this approach allows the researcher to discover information that is important to the study.

For the purpose of this research face to face semi-structured interviews was used to gain a greater understanding from the street traders. The interview guide was adapted from Lumpkin and Dess (1996) original questionnaire. The original questionnaire was adapted to make it into interview questions. The endowments section was adapted from the SLF. The semi-structured interviews included open-ended questions pertaining the research objectives.

3.9. SAMPLE DESIGN

Sampling is the statistical process of selecting a subset, called a sample of a population of interest, for the purpose of making observations and statistical inferences about that population (Bhattacherjee, 2012). It is very important to choose a sample that is truly representative of the population.

3.10. POPULATION

Population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study (Bhattacherjee, 2012). The unit of analysis may be a person, group, organisation or object that is being studied. The population was all the street traders in the inner city. Due to the nature of street traders it is hard to determine the actual number, however it is estimated that there are a couple of thousand. The finding of this study cannot generalised to the total population of street traders.

3.11. SAMPLE

The unit of analysis refers to the person, collective, or objects that is the target of the investigation. Typical units of analysis include individuals, groups, organisations or objects (Bhattacherjee, 2012, Walter, 2005). A sample is a subset and representation of the population that is selected for the research (Sekaran, 2000). The sample aims at representing the main interests of the research. It is further added that a sample is compiled from the population complied from the population, and it is the elements or people that are included in the research. For the purpose of the is research the sample consisted of twenty street traders operating in the CoJ. Convenience sampling was used to identify the sample. Participants who were selected were done so through maximum variation sampling. Variation was sought in terms of age, gender, ethnic group, nationality, culture, nature of business products, target market and place of trade.

3.11.1. Types of sampling techniques

Sampling techniques can be grouped into two broad categories namely probability (ransom) sampling and non-probability sampling (Bhattacherjee, 2012). Probability sampling is ideal if generalisability of results of your study.

Probability sampling is a technique in which every unit has a chance of being selected in the sample thus produced are unbiased estimates of population parameters (Table 3.6) (Bhattacherjee, 2012, Collis and Hussey, 2003, de Vos *el at*, 2011). All probability sampling has two attributes in common a) every unit in the population has a known non-zero probability of being sampled and b) the sampling procedure involves random selection at some point (Bhattacherjee, 2012).

Table 3.6. Types of probability sampling

Simple random sampling	**Involves randomly selecting respondents from a sampling frame, but with a large sampling frame**
Systematic sampling	The sample frame is ordered according to some criteria and elements are selected at regular intervals through an ordered list
Stratified sampling	The sampling frame is divided into homogeneous and non- overlapping subgroups
Cluster sampling	The sampling frame is over a geographic region and therefore placed in clusters

Source (Bhattacherjee, 2012).

Sampling frame is the listing of all units in the population from which the sample will be selected (Bryman *et al*, 2014). Nonprobability sampling is a sampling technique in which some units of the population have zero chance of selection or where the probability of selection cannot be accurately determined (Table 3.7).

Table 3.7. Types of nonprobability sampling

Convenience sampling	This is a technique in which a sample is drawn from that part of the population that is close to hand, readily available or convenient
Quota sampling	The population is segmented into mutually exclusive subgroups and then a non-random set of observations is chosen from each sub group to meet the redefined quota
Expert sampling	This is a technique where respondents are chosen in a non-random manner based on their expertise.
Snowball sampling	Start by identifying a few respondents that match the criteria for inclusion and then ask for recommendations based on the selection criteria

Source (Bhattacherjee, 2012).

For the purpose of the current research convenience sampling was used. This is because it was the most appropriate sampling methods in this situation. This type of sampling method allowed for maximum variance.

3.12. DATA COLLECTION METHODS

Data collection is the systematic approach of gathering and measuring information from a variety of sources. Data is collected in interpretive research using a variety of techniques. The two most frequently used techniques are interviews and observation (Bhattacherjee, 2012).

Convenience sampling technique was used when identifying the street traders. However, for maximum heterogeneous to be achieved different research sites where identified and a variety of street traders were sampled. Once the street trader was identified the researcher approached the participant seeking permission to start the interview. The in-depth interviews took approximately 20 minutes.

The interviews varied in time depending on the participant's responses during the interview. All interviews were conducted at the convenience of the participant. All the interviews were conducted at the selling place of the street traders. Confidentiality of the participants was monitored throughout the process. In order to ensure that the most detailed and rich data was gathered, the researcher became familiar with interview techniques. The great advantage of interviews is that they provide more detailed information than the other data collection methods (de Vos *et al,* 2010).

The researcher asked a series of questions pertaining to the research objectives. The interview consisted of 14 questions broken into two sections namely: EO (behaviour) and capitals (endowments). The researcher conducted 20 interviews with street traders operating in the CoJ inner city. The researcher used semi-structured interviews. The researcher made every effort to ensure that the participant was comfortable. In this regard the researcher explained the objectives of the research to all the participants and allowed them to ask questions. A tape recorder was used after permission had been obtained upon signing the relevant consent forms (Appendix A).

The research interviewing techniques are motivated by the desire to learn everything the participant can share on the research topic. The interviews comprised of 8 males and 12 females. All participants have been street traders for at least six months.

Following the data collection from street traders, the data analysis used in this research is described in the following section.

Data saturation is used in qualitative research as criteria for discontinuing the data collection process (Sounders, Sim, Kingstone, Baker, Waterfield and Bartlam, 2017). Failure to reach data saturation can have an impact on the quality of the research. Therefore, the researcher paid careful attention to data saturation. Data saturation means that no additional data can be found (Sounders *et al*, 2017). In interviews when the researcher heard the same comments over and over, data saturation has been reached (Fusch and Ness, 2015, Sounds *et al*, 2017). In other words, a full understanding of the data has been reached. In the context of this research data saturation was reached after 20 interviews were conducted.

Figure 3.3. Data Collection Process

1. The researcher approached 20 street traders. Due to the heterogeneity of street traders the participants the sample will be made up of traders from different demographic groups

2. The researcher met with the participants to be interviewed over a period of a couple of days at the participant’s location of trade

3. Interviews were conducted with the participants and was recorded during the research period. The surveys will also be administered. The surveys will be received back from the respondents.

Data collection

4. The recorded interviews were transcribed in Micro Word Documents manually by the researcher and a thematic analysis were conducted. The surveys will be analysed and used for descriptive statistics.

Data analysis

Source: Author (2017, 2018)

3.13. DATA ANALYSIS

Data analysis is a systematic approach to the data that was collected and how it is to be analysed (Nowell *et* al, 2017). Each qualitative research approach has specific techniques for conducting and evaluating data, but it is the responsibility of the researcher to ensure rigor and trustworthiness. Firstly, the data analysis surrounding the main data collection methods of the semi-structured interviews is discussed. Secondly, data analysis surrounding the questionnaire will follow.

3.13.1. Transcription process

Transcription is an integral process in qualitative data analysis. Every interview was transcribed from the voice recordings into a Micro soft word document. There was a total of approximately 5 hours of voice recordings. Following the transcription process, thematic analysis was conducted.

3.13.2. Thematic analysis

Thematic analysis according to Cresswell (2014) is the systematic process for coding data in which specific statements are analysed and categorized into themes that represent the phenomenon of interest. Thematic analysis is one of the most common and widely used approaches to qualitative data undertaking are search for themes (Bryman *et al*, 2014, Nowell *et* al, 2017). It is a method for identifying, analyzing, organising, describing and reporting themes within a data set (Braun and Clarke, 1996, Nowell *et* al, 2017). A researcher might use tables, templates or code manuals when conducting a thematic analysis. For the purpose of the current research tables and codes manuals were used. A rigorous thematic analysis can produce trustworthy and insightful findings. This type of data analysis provides a highly flexible approach that can be modified for the needs of the study (Braun and Clarke, 1996, Nowell *et* al, 2017). For the purpose of the current research the researcher made use of thematic analysis. It allows the researcher to understand social reality in a subjective but scientific manner.

In order to achieve trustworthiness during thematic analysis there are six phases namely: familarising with the data, generating initial codes, searching for themes, reviewing themes, defining and naming themes and producing the report (Nowell *et al*, 2017). Braun and Clarke (2006) recommended that researchers work systematically through the data set, giving full and equal attention to each data item and identify interesting aspects in the data items that may form basis of themes across the data set.

A theme can be defined as an abstract entity that brings meaning and identity to the data set (Nowell *et al*, 2017). A theme can be generated inductively from the raw data or generated deductively from theory and prior research. With an inductive approach the themes are strongly related to the data (Nowell *et al*, 2017). Inductive analysis is a process of coding the data without trying to fit the data into a pre-existing coding frame, in this sense it is data driven (Braun and Clarke, 2006). On the other hand, deductive analysis is driven by the researcher's theoretical interest and may provide a more detailed analysis but tends to produce a less rich description of the overall data. For the purpose of the current research an inductive approach was adapted.

3.13.3. Questionnaire analysis

The questionnaire was administered to the street traders. In this regard, the researcher received 20 completed questionnaires. The data was captured on a Microsoft Excel spreadsheet. The data from the questionnaires was used for descriptive statistics only.

3.14. QUALITATIVE QUALITY CRITERIA

Lincoln and Guba (1985) and Lincoln and Guba (1994) proposed two primary criteria for assessing a qualitative study: trustworthiness and authenticity. Trustworthiness is made up of four criteria, each of which has an equivalent criterion in quantitative research:

- Credibility: which parallels internal validity
- Transferability: which parallels external validity
- Dependability: which parallels reliability
- Confirmability: which parallels objectivity

According to Guba and Lincoln (1989) the credibility of a study is determined when readers are confronted with the experience and it can be recognized. Credibility addresses the fit between respondents view and the researcher's representation (Nowell *et al*, 2017). Lincoln and Guba (1985) suggested several techniques to address credibility, these include activities such as prolonged engagement, observation, data collection triangulation and researcher triangulation.

Transferability is the ability to generalise the research (Nowell *et al*, 2017). In qualitative research, it is concerned only to a case-to-case transfer. According to Lincoln and Guba (1985) the researcher is responsible for providing thick descriptions, so that there can be a transfer of findings.

To achieve dependability, researchers can ensure that the research process is logical, traceable and clearly documented (Nowell *et al*, 2017).

Confirmability is concerned with establishing that the researcher's interpretation and findings are clearly derived from the data, this requires the researcher to demonstrate how conclusions and interpretations have been reached (Nowell *et al*, 2017). According to Guba and Lincoln (1989), confirmability is established when credibility, transferability and dependability are all achieved.

Table 3.8. Qualitative quality criteria related to the research

Dependability	Interpretive research can be viewed as dependable or authentic if two researchers assessing the same phenomenon using the same set of evidence, arrive at the same conclusions
Credibility	Interpretive research can be considered credible if readers finds its inferences to be believable
Confirmability	Refers to the extent to which the findings reported can be independently confirmed by others.

Transferability	Refers to the extent to which the findings can be generalised to other settings.

Source (Bhattacherjee, 2012).

Table 3.9 outlines the four criteria used in qualitative research. The researcher ensured that all the criteria were met during the research phase.

Table 3.9. Outline of the four criteria used in qualitative research.

Criteria	Positivist point of view	Definition	Achieved by
Credibility	In preference to internal validity	Refers to how concisely one conveys the intrinsic reliability acerbities of a study	Vigorous note taking Exact transcription
Transferability	Preference to external validity	The possibility that certain knowledge of a single study can be applied to other studies	
Dependability	In preference to reliability	All aspects of the interviewing process	Research procedures
Confirmability	In preference to objectivity	Refers to the dedication taken to apply objectively in the study	

Source: Author (2018)

To achieve dependability, researchers can ensure the research process is logical and clearly documented (Nowell *et* al, 2017). In order to enhance the credibility of the current research, the researcher ensured that the utmost integrity in the design, collection, preparation and analysis of the data was adhered to. With regards to the current research the researcher visited different sites within the inner city in order to familiarize the researcher with the context of the research and to collect the data. Both validity and reliability of research were strengthened using the methodological methods.

3.15. ETHICAL CONSIDERATIONS

Ethics is the establishment of a set of mora standards that govern behaviour in a particular setting or for a particular group (Walter, 2005). According to Diener and Crandall (1978) there are four main areas of ethical principles a) there no harm to participants, b) there is informed consent, c) there is no invasion of privacy, d) there is no deception involved.

Remenyi (1998) states that the findings of research should be used for ethical purposes only. As a result, the researcher used the findings for academic purposes only. With regard to the collection of the data the researcher explained to the respondents involved the expectations and importance of the research. In addition, there was voluntary participation and respondents were assured that all responses would be kept confidential. Their identities also remained anonymous in the final report by allocating every participant an acronym.

All ethical considerations according to Wits University ethical committee were adhered to. This means that no actual names were used, and the utmost respect was given to all the participants.

Table 3.10: Ethical principles

Voluntary participation	Subjects in a research project must be aware that their participation in the study is voluntary, and that they have the freedom to withdraw at anytime
Anonymity and confidentiality	The participants can not be identified in the final report

Source: Bhattacherjee, 2012

3.16. CONCLUSION

This chapter has discussed the use of research methodology within the interpretive paradigm, as the current research focused on 20 street traders operating in the CoJ inner city. For the purpose of this research convenience sampling was implemented, as this was the best suited method.

The researcher collected data by means of semi-structured interviews and questionnaires, covering a number of different streets within the inner city. The interviews on average lasted approximately 20 minutes. The researcher did ensure that maximum heterogeneity was achieved. Data saturation was achieved after 20 street traders were interviewed. The interviews were analysed by means of qualitative thematic analysis. Descriptive and analytical coding techniques were used with regard to analysis. The researcher made every effort to ensure that high levels of ethical and qualitative criteria were met.

CHAPTER 4
FINDINGS AND DISCUSSION

4.1. INTRODUCTION

The purpose of this chapter is present the findings of the research and discuss the main findings in relation to the theoretical perspectives outlined in chapter two. This chapter aims to analysis the data collected to answer the main and subsidiary research questions.

All the respondents were interviewed using interview guides in accordance with the research design and methodology outlined in chapter three. English was not the respondent's first language however all the interviews were conducted in English. This is consistent with several studies conducted on street traders and the informal sector (Agbenyegah, 2013, Chirau, 2012, Makhetha, 2010, Masonganye, 2010, Mendelsohn, 2015). Consequently, their term of phase is often unusual, sometimes ungrammatical, but always rich, engaging and informative.

The main questions of the research center's around endowments versus behavioural aspects. If it is demonstrated that endowments have a stronger worth, then interventions are harder to achieve. This implies that endowments have the potential to positively change a street trader's livelihood. When these endowments are not met a loss of agency can occur. If on the other hand it is behaviours then training programs can be put into place. This research draws on critical theory to help understand the relationship between endowments and behavioural aspects. Critical theory is understood as a critique of society and the changes within it (Fuchs, 2015, Kellner, n.d). There is need to better society and the individuals that live within its boundaries. Critical theory is rooted in critical activity which is oppositional, and which is rooted in social change (Tyson, 2006). The economy is the crucial determining factor for all social life and individual activity (Kellner, n.d). The state of the economy directly impacts the street trader's livelihood status. Social problems, like the informal economy, are rooted in the irrationality and contradictions of the capitalist mode of production. According to critical theory social problems are rooted in the contradictions of capitalist. This means that certain role players fall through the gaps of the market system when state interventions fail. This can be seen with Operation Clean Sweep (OCS), where thousands of street traders were forcefully removed in 2013 (Benit-Gbaffou, 2015).

In late 2013, the metro police of the CoJ forcefully evicted over 6000 street traders from the city central business district (Benit-Gbaffou, 2014a, Benit-Gbaffou, 2016, Wiego, 2014). Coupled with the evictions was the confiscation of goods, depriving the street traders of the means to make a living. During OCS street traders were removed regardless of their nationality (Benit-Gbaffou and Oldfield, 2014, Peberdy, 2016). According to CoJ leaders, one of the main objectives of OCS was to rid the city of unsightly and disorderly trading spaces. A second objective was to clamp down on illegal informal trade, which was seen to be getting out of control (Pieterse, 2017). Many of the evicted street traders were registers and had been trading in the same location of many years, some up to 20 years (Wiego, 2014). OCS had a lastly socio-economic impact on the street traders (Benit-Gbaffou and Oldfield, 2014, Pieterse, 2017). Throughout the discussion OSC will be referenced and shown to have negatively impacted on the street traders.

4.2. CHARACTERISTICS OF STREET TRADERS

The following section will outline the general characteristics of the street traders sampled. The data came from semi structured interviews. A total of 20 street traders were interviewed. The inner city is a major hub for informal trading activities (Nxumalo, 2016). It must be recognised that all the street traders interviewed were black Africans from various African countries. As this demographic group makes up the majority of street traders in the CoJ (CoJ, 2017, Skinner, 2008).

The majority of the street traders interviewed rely on the income generated from trading to meet their daily livelihood needs. The income generated from street trading activity significantly contributes to the livelihood improvement of street traders. Finding revealed that the average daily income among the street traders was approximately R278 per day. This means that the monthly income per street traders excluding expenses is approximately R5560 which is above the national minimum wage rate of R3500 (Stats SA, 2018). Street traders do not receive statutory protection like workers in the formal sector would receive. Expenses include storage, travel costs and the purchase of goods. These findings are in line with a study conducted by Callaghan (2010), where are average gross earnings per day were between R161 and R352 over a three-year period (Callaghan, 2011). With the unsubstantiated estimate per day being R115 over the 2008-2010 period (Callaghan, 2015a). According to Callaghan (2015b) there is earning differ between genders, with females earning less than males.

This could be due to a number of reasons namely an influx of male foreign traders. The current study did also conclude that there is a difference between female and male earnings females. The average gross earnings of females were R220 per day whereas for the male street traders it as on average R290 per day.

Findings also suggest that street traders are mainly selling convenience products. This category accounted for 90% of the street traders sampled. Another 40% of traders traded in fresh produce while about 50% of the traders traded in consumable products such as biscuits and beans. The findings suggest that almost all the street traders purchased their commodities from wholesalers such as the Johannesburg market or the factory. This reveals that the street traders do not reply on social networks to gain their commodities. Further, it does mean that the street traders are unable to negotiate prices when purchasing stock. This could lead to a disadvantage in earnings. From the study foreign street traders use ethnic entrepreneurship networks to help source products. This can be seen in the Malawian street traders who use their social capital support structures. An ethnic group represents a segment of society where members have a common origin and culture (Volery, 1997). Volery (1997) further defines ethnic entrepreneurship is a set of connections and regular patterns of interactions among individuals sharing a common national background or migration experiences. Markets occupied by ethnic entrepreneurship are typically characterised by low barriers of entry in terms of capital and educational levels (Volery, 1997).

With regard to the types of street trading style, all but two traders where mobile. Two of the street traders operated from a semi-permanent structure, which was purchased from the CoJ municipality for R750. CoJ has set apart areas and stands for the purpose of informal trading (CoJ, 2012). Street traders are able to lease a stand for trading (CoJ, 2012). This study showed that 95% of the street traders carry out their activities along street pavements, while only one operated in a public space such as the bus terminal. The findings also showed that the street trading interviewed saw street trading as a temporary occupation, as more the half of the street vendors has been in the sector of less than five years.

With regard to the education levels of the street vendors, that the majority (75%) of street traders had a lower then matric education. This result is consist with literature which states that street traders are mainly school ‘drop out’ who could not access a formal job due to their poor educational qualifications (Ranyane, 2014).

The current study found that females (55%) made up the majority of the street traders sampled, with males making up 45%. The dominant age group of the street traders ranged between 25-40, with the average being 36 years old. Callaghan (2015a) also found the average age to be 34 years old over the 2008-2010 periods. This characteristic indicated that these individuals are driven to street trading by factors such as unemployment. The findings of the current study also revealed that the average household size of the street traders was four people. This means that the main breadwinner in the household is the street trader.

Often street traders are 'locked out' of formal employment and such protection from the state. This means that street traders are faced with challenging working conditions and are denied recognition that formal workers are privilege to. This could lead to street trader's having a lack of power. This lack of power was witnessed during OCS, where street traders were forcefully evicted. This lack of power had a negative impact on the street traders' livelihood. Bourdieu (1998) defines power as the social space that consists of multiple fields such as economic, political, bureaucratic and cultural. In these fields different stakeholders operate and interact with each other to obtain a position in which they are able to obtain capitals (Cakmak, Lie and McCabe, 2018). A lack of power can lead to the actor been unable to attain the necessary capitals and thus decreasing their agency.

Callaghan (2014) proposed there to be three primary groups trading in the inner city, these are: foreign traders, traders of Johannesburg origin and traders who are South Africans but do not originate from Johannesburg. Regarding nationality 65% (13) of the street traders sampled were South African. However, the majority of the South African did not originate from Gauteng. There has been an increase in the inward migration into the CoJ, there has been an approximately a 53% increase (Nxumalo, 2016). This is the same finding of the current study. The foreign (35%) street traders originated from Malawi and Zimbabwe. Based on the findings it has become apparent that the street traders are a heterogenous group (see table 4.1). Migrants traders mostly get involved in informal businesses within the inner city of Johannesburg due to barriers that limit them from entering the formal sector (Rogerson, 1999, Sello, 2012). This outlook underpins the survivalist mentality identified in research on the South African informal sector. These traders are driven into survivalist micro-enterprises as a means of obtaining capitals such as financial capital (Sello, 2012). These capitals are obtained to sustain their livelihoods however, this is not always achieved. This is where local government can intervene and better the livelihood status of the street traders.

This will also lead to the street traders having better nutritional levels and thus increasing their productivity. Table 4.1 outlines a summary of the characteristics of the street traders sampled. From the table it can be seen that street traders are a heterogeneous group. This in turn can made managing street traders problematic. However, it is important for street traders to be managed and uplifted.

Table 4.1. Summary of the characteristics of the street traders sampled.

Participant	Gender	Age	Nationality	Goods/Service sold
ST 1	Female	32	Foreign	Beans
ST 2	Female	27	Foreign	Beans
ST 3	Male	56	South African	Sweets
ST 4	Male	60	Foreign	Fruit/Vegetables
ST 5	Female	45	South African	Fruit/Vegetables
ST 6	Female	33	South African	Biscuits
ST 7	Female	26	South African	Books
ST 8	Male	40	Foreign	Herbs/medicine
ST 9	Male	33	South African	Sewer
ST 10	Female	26	South African	Sweets
ST 11	Female	50	South African	Fruit/Vegetables
ST 12	Male	27	South African	Sweets
ST 13	Female	41	South African	Fruit/Vegetables
ST 14	Female	34	South African	Sweets
ST 15	Female	32	South African	Fruit/Vegetables
ST 16	Male	30	Foreign	Fruit/Vegetables
ST 17	Female	36	Foreign	Herbs/medicine
ST 18	Male	38	South African	Fruit/Vegetables
ST 19	Male	25	Foreign	Beans
ST 20	Male	44	South African	Sweets

Source: Author (2018).

4.3. ENTREPRENEURIAL ORIENTATION FINDINGS

Lumpkin and Dess (1996) noted that EO represents specific key entrepreneurial processes in terms of how new ventures are created. These include four aspects noted by Miller (1983) namely: innovation, risk taking, proactiveness and competitive aggressiveness. EO is considered a multidimensional construct (Callaghan and Venter, 2011, Linton, 2016). Street traders could benefit from adapting EO and increase their livelihood. This can be done via the street trader been more innovative and proactive. By being more proactive, innovative and risk taking could increase the amount of earning and thus increase their livelihood (Kraus, 2012). According to Linton (2016) there is a positive relationship between EO and performance. However, it does require a significant amount of resources or capitals. This can have a negative impact on street traders due to financial capital impoverishment and been unable to move up the capital ladder.

More recently, studies involving EO have been used to examine entrepreneurial decision making at the individual level and its impact on business performance (Callaghan and Venter, 2011). In Callaghan's (2010) study EO was used to examine the business performance of street vendors in Johannesburg inner city. The findings from the study suggest that the context of entrepreneurship has a significant influence on EO in the informal street trading context. The study further showed that the level of education and the influence of training programs were positively associated with EO, this shows that with a learning environment it is possible for street traders to more to more formal and lucrative opportunities (Callaghan and Venter, 2011). In the following section the main findings relating to EO will be discussed.

4.3.1. Innovation

The question regarding the street trader's understanding of innovation (Section A question one in the interview guide) attempted to ascertain if street traders are being innovative or not. In the context of this research innovation implies that innovativeness reflects, a tendency for a business, in this case the street traders, to engage in and support creative process and new ideas that may result in new products or services (Lumpkin and Dess, 1996). Innovation is central to business performance (Callaghan and Venter, 2011, Kraus, 2012).

The current research focused on product-market innovation in other words do these street traders add new products or services or not.

This aspect is highlighted in the following quotes:

- *ST 3 stated: "No I do, I do not have the capital to boost my business. I would like to increase but I do not have the money."*
- *ST 5 stated: "yes I do depending on customers. New products come in and have you have buy those products."*
- *ST 9 stated: No I do not. I provide a service to people. So I only changes depending of what people want me to do."*
- *In addition, ST 18 stated: "Depends on the season"*
- *Lastly, ST 19 indicated: "I have never changed"*

The current research demonstration there is little to no innovation shown by the street traders interviewed. None of the street traders interviewed added new or different product. There was one street trader who stated they would change according to the customers but to date has not changed what she is selling. The only change that may occur is what the street traders are able to purchase from the market, as this depends on seasonality. The lack of innovation is due to a number of constrains such as lack of financial capital, human capital and social capital. Innovation and capital accumulation go hand and hand (Zeng, 2003). Capital is an essential input in innovation activities (Liu and Lee, 2015). Therefore, it is important to integrate innovation and capital accumulation (Zeng, 2003). This is where local government plays a vital role in increasing innovation. A study conducted by Basardien *et al* (2014) on spaza shop owners found that foreign owners showed higher levels of innovation then South African, however this qualitative research did not find any differences between the two groups. The lack of innovation can result in less earnings impacting negatively on the street trader's livelihood. There is a large amount of competition among the street traders. An increase in innovation would greatly benefit the street trader's operating in the inner city of Johannesburg. Innovation has a positive effect on the growth of a business (Basardien *et al,* 2014). This can be seen in a study conducted by Mwangi and Ngugi (2014). This implies that for street traders to be profitable they should be more innovative.

Perfect competition can be linked to innovation by promoting innovation levels (Turgay and Emeagwali, 2012). The street trader's interviewed face perfect competition. Perfect competition exits under several situations namely: large number of buyers and sellers, there is insignificant market share, no collusive behaviour, the products sold are homogenous and there is no restriction in relation to entry and exit (Colonder, 2001). Increases in competition serves as an incentive to be innovative as to escape market rivalry (Avengo, 2016). However, this is not the case of the street trader's sampled.

Furthermore, it can be established from these findings that street traders show minimum levels of innovation this could be due to a number of reasons namely: lack of capital, seasonality and the type of business. However, this is different to the findings of Eijdenberg (2016) who found that there were high levels of innovation shown in the Tanzania informal sector. The study also found that EO has a significant effect on the development of personal wealth. Similarly, a study was conducted on spaza shops owners found high levels of innovation (Basardien, Parker, Boyat, Friedrich and Appoles, 2014).

4.3.2. Proactiveness

The question regarding the street trader's understanding on proactiveness (section A question 2 of the interview guide) attempted to assess proactiveness. Proactiveness refers to how a business responds to market opportunities (Lumpkin and Dess, 1996, Lumpkin and Dess, 2001). According to Schillo (2011) proactiveness describes the characteristic of entrepreneurial actions to anticipate future opportunities, both in terms of product, markets and customer demands.

The importance of proactiveness in relation to change to street trader's is substantiated in the following quotes:

- *ST 4 stated: "Yes I have. There are more people selling goods. There are more people selling fruit and sweets"*
- *ST 9 indicated that: "There have been some changes. There is more police and more street traders".*
- *ST 11 stated that: "Yes I have seen changes. There are more street traders and more foreign traders"*

- *ST 13 stated: "There have been many changes"*
- *ST 17 further stated: "Yes I have. There are lost more people selling the some things"*

There have been many changes experienced by the street traders over the years. Some of the changes expressed during the interviews include an increase in police presence and an increase in the number of traders. The CoJ has introduced new policy documents such as the street trading by-laws which includes the informal trading policy (CoJ, 2012). The policy aims to promote social and economic development, promote a safe and healthy environment and the licensing and control of street traders (CoJ, 2012). This policy is also aimed at aiding street traders to be more proactive and in doing so to have a positive effect on their livelihood status.

There might be an increase in police presence due to the number of illegal traders. The researcher observed a consistent police presence either on foot or in vehicles. The majority of the street traders sampled had only been operating for less than two years. This does also indicate that these street traders were not impacted by OSC in 2013. This does mean that the street trader's interviewed did not have their goods taken away and forcefully removed. OSC occurred in 2013 when officers of the CoJ forcibly evicted over 6000 street traders from a 24-block area (Social Law Project, 2014). The officers also confiscated the street traders' goods this impacted negatively on their livelihoods.

The most notable change has been the increase in both foreign and local traders this has led to an increase in competition. There were several street traders that stated they were not happy with this increase. This increase is due to declining economic conditions and the high level of unemployment both locally and in Africa. The unemployment rate is South Africa is 26.6% according to Stats SA (2018). The high levels of unemployment push individuals into the informal sector, as no jobs can be found in the formal sector.

Callaghan and Venter (2011) found that there is a positive association between proactiveness and informal sector contextual factors. This is contradicting to what the current research found which indicating that the street trader's sampled were not very proactive. However, this could be due to the amount of street traders sampled. The current research focused only on 20 interviews unlike Callaghan and Venter that sampled over 300 street traders.

Furthermore, a study conducted by Mwaura, Gathenya and Kihoro (2015) showed there to be a positive relationship between proactiveness and business performance. Interventions from local government could help promote and increase the levels of proactiveness.

The street traders sampled might not have the means to be proactive due to financial constraints. This also means that due to the lack of proactiveness the street traders are unable to improve their livelihoods and better their current situation. Financial capital can be viewed as a threshold capital for street traders. The finding would suggest that capital-based interventions are needed before behavioural attributes can be effective.

4.3.3. Risk-taking

The question regarding the street traders understanding on risk-taking (Section A question 3 of the interview guide) attempted to assess the level of risk taken by the street traders sampled. Risk taking refers to instantaneous explicit actions taken in moments of uncertainty (Lumpkin and Dess, 1996, Pratono and Vesala, 2013). Similarly, Kitrgin (2017) detailed that risk taking involves the willingness to commit significant resources to an opportunity with a reasonable chance of success. Street traders do incur costs and have a degree of risk, these costs occur in indirect taxes, purchasing goods and renting their stands (Wiego, 2018). Risk-taking is the dimension of EO that has the highest impact on the success of a business. This is also the case for street trader's. Research suggests that entrepreneurs exhibiting moderate levels of risk taking perform better in the market compared to entrepreneurs exhibiting high or low levels of risk taking (Kitigin, 2017).

The aspects of risk taking were highlighted in the following responses:

- *ST 5 stated: "Yes, I do. It also depends what the market has"*
- *ST 10 indicated that: "No I have never changed from selling sweets"*
- *ST 11 said: "Yes it depends what I can get from the market"*
- *ST 12 further indicated: "No, it depends what the factory has and the costs of the sweets"*
- *ST 19 stated: "I get what the factory has. Have no choice*"

There is a positive correlation between risk taking and business performance (Brownhilder, 2016, Kitigin, 2017). However, the street traders show very little risk taking. This will have a negative impact on the street trader’s performance and their livelihoods. The researcher sensed that this could be due to a lack of capital and training. The researcher also gathered that mot many of the street traders wanted to take a risk. The street traders only change their products due to external factors such as the market or factory. Only three street traders interviewed indicated that they would change due to customer’s needs.

Risk taking is a major component of entrepreneurial activity. The current study showed that there to be little risk-taking activity. However, the CoJ is slow in aiding street traders bear risk. A study conducted by Oluwatoyin (2010) recommended that local government should aid in the risk-sharing and provide support. Risking taking is a bahviours however, the street trader’s interviewed might be risk adverse due to the lack of capital available to them. If the local government could financially aid the street traders then they might be happier to take risks and take advantage of behavioural attributes.

4.3.4. Competitive aggressiveness

The question regarding the street trader’s understanding on competitive aggressiveness (section A question 4 of the interview guide) attempted to assess the level of competitive aggressiveness of street traders. According to Lumpkin and Dess (1996) competitive aggressiveness refers to how a business relates to competitors and how it responds to the existing demand in the market. Competitive aggressiveness is said to be the most significant dimension that positively influences a business performance. Competition is a rivalry between participants in a particular market space (Kubiczek, 2014). There are high levels of competition in the informal sector according to Kubiczek (2014). The current research findings echo this statement.

The following responses best outlines these aspects:

- *ST 1 stated that: "There is a lot of competition as there are number of traders selling the same product"*
- *ST 3 indicated that: "No not from where I am selling, there is only me"*
- *ST 6 further indicated: "No there is no competition. No one else is selling biscuits here"*
- *ST 7 stated: "There has been an increase in number of street traders"*
- *ST 13 stated: "Too many foreign traders"*

There are high levels of competition faced by the street traders. The level of competition has increased greatly, according to the street traders interviewed. There has been an increase in the number of street vendors. As unemployment keeps rising there has been an increase in street traders (Inolia, 2016). Street traders enter street trading in an effort to escape poverty and unemployment. However, the majority of street traders will remain survivalist with limited business growth. Government needs to provide more support. However, government policy is lacking in terms of street traders. A clear problem is the access to financial capital which will improve their businesses. Inolia (2016) found that most street traders started their business without enough capital, hence having a decrease success rate. The current research found that there was perfect competition experienced by the street traders interviewed. Perfect competition exits if there is a large number of buyer and sellers as well as low barriers of entry (Hayek, 2016, Kubiczek, 2014). Having an increase in capitals, such as financial, can protect street traders from perfect competition. Also increasing the entrepreneurial skills and knowledge can positively impact the success of the business.

4.3.5. Autonomy

The question regarding the street trader's understanding on autonomy (section A question 5 of the interview guide) attempted to assess the level of autonomy. Lumpkin and Dess define autonomy as the willingness and the ability to work independently when acting on an opportunity. Lumpkin and Dess (2005) stated that autonomy is key to allowing the other dimensions of EO to have an impact on the performance of a business. Motivations for starting a business may vary but a basic distinction is made between so called necessity and opportunity factors.

Necessity or push factor are a product of unsatisfactory or even desperate conditions, in other words, entry into entrepreneurship activities is the only option (SBP, 2013). Opportunity or pull factors are associated with perceptions of entrepreneurship as an avenue for a better and more fulfilling life.

The aspects of autonomy were highlighted in the following responses:

- *ST 1 stated: "Yes I do but it is hard at times. There are days were I do not make enough money"*
- *ST 3 stated that: "I do, but I would like more capital to boost my business. My capital is low".*
- *ST 13 indicated that: "I am just working here for money. One day when things get better I will go back home".*
- *ST 19 said that: "I am the only street vendor in my family. We are struggling in my family with money".*

The current research showed that the majority of street traders sampled had a moderate level of autonomy. This however, does not indicate if the street trader has been pushed into trading due to unemployment or if they are pulled. The street traders unfortunately are trapped due to the lack of capital. The street traders are pushed due to money and are trapped because the lack of capital. Some of these push factors are limitations of financial reward from a conventional job. Pull factors on the other hand can be the freedom to work for oneself and freedom to pursue personal innovation (Makhoba, 2010, Orhan and Scott, 2001). The majority of the street traders did however state that they are struggling to meet their livelihood needs.

Research has indicated that some traders prefer the independence and opportunities for initiative of informal trade to low waged formal sector employment and subordination to employees (Makhetha, 2010, Sassen, 2013). A study conducted by Gamieldien and van Niekerk (2017) showed that autonomy promotes self-esteem within the individual and encourages a sense of well-being. The street traders sampled showed that they are not truly autonomous due to been trapped by the lack of capitals. This lack of capitals can lead to the business not been able to grow.

4.3.6. Overall findings relating to EO.

A study conducted by Matchaba-Have, Farrignton and Sharp (2015) on small business in the Eastern Cape, South Africa found that the levels of competitive aggressiveness, risk taking and autonomy were low but the respondents had high levels of proactiveness and innovation. This finding does not correspond with the current research, where innovation and risk taking are low and proactiveness, competitive aggressiveness and autonomy are high. Similarly, Callaghan and Venter (2011) found that higher levels of proactiveness and competitive aggressiveness were positively associated with satisfaction. Brownhilder (2016) found that innovation and proactiveness did not have a significant effect on performance with the informal sector. However, risk taking, competitive aggressiveness and, autonomy does have a significant effect on performance.

Table 4.2 indicates a summary of the overall findings relating to entrepreneurial orientation. The researcher divided the responses in relation to low, medium and high. Generally, "high" represented a positive response while "low" represented a negative response. There were three times that the respondent did not want to answer, this was recorded in table 4.2.

Table 4.2 Overall finding from EO

Participant	Innovativeness	Proactiveness	Risk taking	Aggressiveness	Autonomy
ST 1	Low	Low	Low	High	High
ST 2	Medium	Would not say	Medium	High	High
ST 3	Low	Low	Low	Low	High
ST 4	Medium	High	Medium	High	High
ST 5	Medium	High	Medium	High	High
ST 6	Low	High	Low	Low	High
ST 7	Low	Would not say	Low	High	Employee
ST 8	Low	High	Low	Low	High
ST 9	Low	High	Low	Low	High
ST 10	Low	Low	Low	Low	Low
ST 11	Medium	High	Medium	High	High
ST 12	Low	High	Low	High	High
ST 13	Medium	High	Medium	High	Medium

ST 14	Low	Would not say	Low	High	Medium
ST 15	Low	Low	Low	High	Low
ST 16	Low	High	Low	High	High
ST 17	Medium	High	Low	High	Medium
ST 18	Medium	High	Low	High	Low
ST 19	Low	Low	Low	Low	Medium
ST 20	High	High	Low	High	High

Source: Author (2018)

4.4. LIVELIHOOD STRATEGIES FINDINGS

The second objective of this research aimed to describe and assess the current livelihood strategies implemented by street traders with the CoJ. Street traders draw on capital assets in order to generate a livelihood. According to Bourdieu (1986) capital takes time to accumulate and has the capacity to increase an individual social standing. The access that street traders have to these assets determines the livelihood strategies that they are engage in. This is evident from the current research. The current research did not only look at the outcome but also examined the field in which interactions, transaction and events occurred. This is what Bourdieu (2005) outlined in his paper. The SLA framework is based on five assets namely: financial, physical, human, social and natural capital that impact livelihoods (DIFD, 2009). According to Skinner (2008) livelihood is defined as comprising the capabilities, asset and activities required for a means of living. The capitals will be discussed below in order to understand street traders and their livelihoods.

The nutrition-based efficiency wage theory has been an important model used to explain unemployment in poorer countries and will be used to explain a number of the findings. The basic idea originated in Liebenstein (1957) and other seminal contributions include Stiglitz (1976), Mirrlees (1976) and Bliss and Stern (1978 a, b) the basic theory works as follows: sweatshop workers will be paid a certain amount by the sweatshop owner to ensure they are productive at a certain level. This is because they will eat enough to productive. Unfortunately, street traders do not have such mechanisms, and this impacts their livelihood. Self- employed are outside the efficiency wage sector, which can be viewed as a negative factor (Bose, 1996). This can be seen in the informal sector. A worker's productivity depends on the amount of income they receive (Bose, 1996, Swamy, 1997). As such the amount of nutrition an individual has will affect the level of productivity. Poorer work, like street traders, often has limited sources of income that impacts their productivity and nutrition levels (Dalgaard and Strulik, 2011, Swamy, 1997). The standard nutritional efficiency wage theory assumes that higher wage rates allow poor workers to consume more calories which make them more productive (Powell and Murply, 2014). This means that the more a street trader can earn the more likely they are to be productive and better their livelihood standing. Success depends on the nutritional status of the worker and thus the level of income (Bose, 1996).

4.4.1. Social capital

Social capital refers to the networks and relationships which an individual draws on in pursuit of livelihoods which generates productive results (Bourdieu, 1986, Kabir, Hou, Akther, Wong and Wong, 2012). Social capital is an important variable in the livelihoods of street traders (Njaya, 2015). This means that marginalised people, such as street traders, suffer the most from a decline in social capital, since it directly influences their livelihoods (Destombes, 2010). The research explored the manner in which street traders relate and depend on each other.

The questions regarding the street traders understanding of social capital (Section B in the interview guide (appendix A)) attempted to ascertain to what extent social capital plays in the livelihood of street traders does. Street traders utilise social capital extensively. Networks play an important role in sustaining a livelihood (DIFD, 2009).

4.4.1.1. Purchase of goods

Street traders sell convenient products. These are goods that are less expensive and are readily available for purchase (Amaah-Mensah, 2016). All the street traders sampled purchased their goods from the local fruit and vegetable market, a wholesaler or their home country. It was asked if the street traders purchase the goods on credit or cash. However, from studies it can be deduced that the street traders do not have access to credit and more than likely purchase via cash.

This can be a disadvantage for the street traders, as if they do not make enough money on a daily basis they are unable to purchase goods to sell. This can have a negative impact on their livelihood. The street trader's interviewed need more financial capital in order to purchase their stock. If the street trader's are able to purchase more stock and thus sell more, this could aid the street trader in moving out of poverty and possibly expanding their business. It must be noted that training from local government could aid in increasing their behavioural attributes and once again aid in bettering their livelihoods.

This aspect is highlighted in the following quotes:

- *ST 1 stated that: "From my home country of Malawi"*
- *ST 3 stated: "From the market"*
- *ST 8 further indicated: "I get the herbs and medicine either from my home country or Malawi"*
- *ST 13 said: "At the market. After doing my shopping at the market I am coming here to my stand"*
- *ST 15 stated: "I go to the market to buy fruits and vegetables, but the money I spend will not come back"*

4.4.1.2. Social networks

Bourdieu's concept of social capital puts emphasis on conflicts and power (Siisiainen, 2000). Social networks increase the ability of an individual to advance (Bonanno, 2018). The volume of social capital will depend on the size of the network connections (Bourdieu, 1986). Thus, the size of the social network is important. Studies have shown that social networks are a very valuable resource. Urban areas are more social and culturally diverse then in rural areas (Kebede, 2018). According to Kebede (2018) social networks might be weaker in an urban setting due to social and economic heterogeneity. This can lead to social fragmentation and community breakdown. Rohman and Junayed (2017) found that street traders showed a strong possession of social assets, such as social networks. One in every two street traders mentioned they received help from family and friends (Rohman and Junayed, 2017). A study conducted by Amoah-Mensah (2016) revealed that street a trader engaging in networking activities was normally in the form of information sharing

This aspect is highlighted in the following quotes:

- *ST 4 stated: "Yes I am able to ask for help"*
- *ST 8 indicated that: "No I am unable to. Everyone else is from South Africa and does not sell the same products"*
- *ST 12 said: "Yes I am. When I am unable to be here, other people look after my space*
- *ST 13 stated that: "Yes I am. I belong to the association"*

As can be learned from the findings above it is evident that street trader's value social networks however, they might not be fully utilised. Social networks can provide social support such as accommodation and emotional support. The need to reply on others can help achieve livelihood goals. In addition, the above quotes indicate that street traders do not operate in isolation Furthermore it can be established from these findings that street traders understand that in order to be successful, they can operate on their own.

Table 4.4 outlines a summary of what the street traders answered when interviewed. From the table it can be seen that the social capital plays a vital role in the lives of the street traders.

Table 4.4: Summary of social capital results

Participate	Goods bought from	Transport of goods
ST 1	Malawi	Public
ST 2	Malawi	None
ST 3	Market	Private
ST 4	Market	Public
ST 5	Market	Private
ST 6	Factory	Public
ST 7	Students	Not needed
ST 8	Zimbabwe	Private
ST 9	Does not buy goods	Not needed
ST 10	Factory	Personal
ST 11	Market	Private
ST 12	Factory	Not needed
ST 13	Market	Private
ST 14	Market	Private
ST 15	Market	Private
ST 16	Market	Private
ST 17	Market	Private

ST 18	Other traders	Private
ST 19	Factory	Private
ST 20	Market	Private

Source: Author (2018)

4.4.2. Physical capital

Physical capital refers to the basic infrastructure such as shelter that an individual makes use in order to pursue their livelihoods (Chirau, 2012, DIFD, 1999). This means that access to physical capital is very important to street traders. The research found that the street traders had limited access to formal structures leaving them at a disadvantage. It can be said that physical capital can be viewed as a threshold capital. However, this still will not protect the street trader's against perfect competition.

The question regarding the street traders understanding of physical capital (Section B question one in the interview guide) attempted to ascertain if street traders are having adequate access to physical capital and the impact on their livelihood.

4.4.2.1. Transport

It was apparent that most of the street traders do not live in close proximity to their trading spaces and rely on public transport. This therefore, highlighted the importance of having access transportation. According to Fundie, Chisaro and Karodia (2015) most traders find it difficult to transport their goods. A number of street traders indicated that it cost approximately R20 per day for transport. A study conducted on street traders in various African countries discovered that most street traders tended to live close to their place of work and that they were able to walk to work (Mittulah, 2003). This is challenged by a finding made by Lund (1998) which is that a third of street traders operating in the inner city live in the CBD, while the others live else were and needed to commute on a daily basis. This illustrates the role and importance of physical capital, in form of transport, plays in the lives of street traders.

This aspect is highlighted in the following quotes:

- *ST 3 stated that: "I need to hire transport to get my good here"*
- *ST 8 further indicated that: "I need to hire transport, that cost about R30"*
- *ST 11 stated that: "I use paid transport to get my goods here"*
- *ST 13 stated: "I share a bakkie with other traders, this helps with costs"*
- *ST 14 said: "I take a taxi from home to market. After doing my shopping I am coming to my stand"*

4.4.2.2. Storage facilities

All the respondents had access to some form of storage facility however it was stated as a challenge to the street traders. All the respondents stated that their goods were storage in nearby buildings. Skinner (2000) stated that infrastructure such as storage facilities are important to street traders. The average cost was between R20 and R50 per week to have access to storage. This cost could negatively impact their livelihood goals. Ranyane (2014) found the biggest obstacle for street traders was the lack of adequate storage facilities. This also makes it difficult for the street traders to purchase in bulk, thus disadvantaging them in terms of economy of scale.

This aspect is highlighted in the following quotes:

- *ST 1 stated: "Yes there is. I store my goods at the Intercape area in park station. It costs R20 per week".*
- *ST 5 stated that: "Yes I do have access. It costs me R30 per week"*
- *ST 13 said: "During the night I store my goods by the nearby car wash"*
- *ST 16 further stated that: "I leave my goods in the container close by during the night"*
- *ST 17 indicated that: "I keep my goods by the car park next to my stand, we have a container there. I can lock it, so it is safe"*

4.4.2.3. Trading space

Street traders often trade under condition that lack basic services and infrastructure (Fundie *et al,* 2015, Ruwana, 2010). Major conflicts arise when street trader's are required to move. This brings the traders into direct confrontation with authorities. This can be seen when operation clean sweep occurred in 2013. The researcher observed this as only five (25%) of the street traders interviewed had some form of formal infrastructure. As indicated by the street traders this infrastructure was supplied, at a cost, by the municipality. The other 15 (75%) of the interviewed street traders used either tables or the pavement to sell their goods. There are a number of illegal traders that do not pay a license fee, which means they have not invested in their trading space. A study conducted by Berry (2009) found that the street traders had a lack of basic infrastructure and legitimate spaces to trade. It has however indicated that there are a number of street traders were allocated their trading spaces.

Where the street traders trade is of great importance for a number of reasons namely: consumer base, the number of competitors and the location of the trading space. There can be a large amount of conflict experienced between the street traders. Trading space can be seen as a key capital to the whole street trading business. There is also a growing demand for trading spaces, which the CoJ is unable to provide legally. Trading spaces can be rented for approximately R200 per month. However there are a number of survivalist traders that are unable to afford this. These rented trading spaces are designed to give the street traders an advantage in term of where they are able to trade, thus increases their income and livelihood.

This aspect is highlighted in the following quotes:

- *ST 1 stated that: "By chance we are all from Malawi here"*
- *ST 6 said: "I applied to the municipality. I did have to buy my structure. I paid R850 for the metal stand. The municipality did not help in paying for this"*
- *ST 11 also stated: "By chance. I need to get here early in the morning to get this space"*
- *ST 14 indicated that: "I have a stand that I bought from the municipality"*
- *ST 15 stated that: "To be allowed to trade here I have a permit from the municipality"*

4.4.2.4. Transport to work

The street traders interviewed used different means when getting to their trading spaces. The majority of the street traders interviewed needed to use paid transport every day either to get to their trading space or to transport goods purchased. These payments would come out of the money made during the previous day. The local government could help in providing transport at a reduced rate, thus aiding in their livelihood improvements.

This aspect is highlighted in the following quotes:

- *ST 3 stated: "I walk here every day, public transport is too expensive"*
- *ST 4 said: "I use public transport to here every day. I need to take two taxis"*
- *ST 9 indicated that: "I live close here so I just walk"*
- *ST 10 stated that: "I use taxis everyday"*
- *ST 14 said: "I am normally at the market by 6am then I take the taxi to my stand"*

Table 4.5 outlines a summary of the important aspect of physical capital from the participants. From the table it can be seen that local government can aid in the bettering of the street traders either through transport, storage space or a more permanent trading space. Local government should invest more in capitals such as physical and financial. This will aid in the street trader's livelihood and better their business. There is a relationship between capitals and vulnerability, by increasing the access to capitals the street trader's vulnerability will decrease.

Table 4.5. Summary of the main physical capital aspects.

Participate	Storage facilities	Trading space	Transport to work
ST 1	Yes	By chance	Walk
ST 2	Yes	By chance	Public
ST 3	Yes	Friends	Public
ST 4	Yes	By chance	Public
ST 5	Yes	Municipality	Public
ST 6	Yes	Municipality	Public
ST 7	Yes	Municipality	Public

ST 8	Yes	Bride	Public
ST 9	Not needed	Municipality	Walk
ST 10	Yes	By chance	Public
ST 11	No	By chance	Public
ST 12	Yes	Municipality	Public
ST 13	Yes	By chance	Walk
ST 14	Home	Municipality	Public
ST 15	Yes	Municipality	Public
ST 16	Yes	By chance	Public
ST 17	Yes	Municipality	Public
ST 18	Yes	Municipality	Walk
ST 19	Yes	Municipality	Public
ST 20	No	Municipality	Public

Source: Author (2018)

4.4.4. Financial capital

Financial capital refers to the financial resources that an individual has access to, these include savings and the ability to lend money (DIFD, 1999, Scoones, n.d). The main aspect that are related to financial capital will be discussed include the street trader's income status and the ability to lend money. In terms of financial capital, the research explored the different strategies that street traders employ in order to gain access to financial capital. It is therefore clear that traders make use of different methods. According to Njaya (2015) street traders generate limited revenue. This has a negative impact on their livelihoods and been able to generate more money. Informal traders, such as street traders, reply on informal financial resources which include friends, family and moneylenders (Njaya, 2015). Generally street traders use informal financial sources and mechanisms. Njaya (2015) found that the majority of street traders did not have a bank accounts and used cash for financial transactions.

The question regarding the street traders use of financial (Section B question one in the interview guide) attempted to ascertain if street traders have access to financial capital. The question regarding the importance of financial capital attempted to further understand the importance of capitals to street traders.

4.4.4.1. Income status

Income level has been found to be a key factor in determining the livelihood status of an individual (Gamieldien and van Niekerk, 2017). The nature of street trading is such that daily, weekly and monthly incomes levels tend to be unpredictable, thus leaving the street trader negatively disadvantaged. Berry (2009) highlighted that most street traders ran survivalist businesses and most of their income was spent on food, products and transport, this in turn can impeded the ability of business growth. There is a positive relationship between income and investment, which implies the higher level of investment leads to higher level of income (Adhikari, 2011). However, street traders tend to only be able to invest a small amount of money, thus decreasing their income. Local government could invest more financial capital. Street traders, on average, have good methods of keeping track of all income and expenditure. However, training programs to aid in this will help the street traders move forward and grow their businesses. A study conducted by Oosthizen (2008) found that street traders believe that financial skills training would make the biggest difference to the bottom-line of the business.

This aspect is highlighted in the following quotes:

- ST 1 stated that: "*Yes, there are and I unable to send money back home*"
- ST 3 further stated that: *"Sometimes I only make R140 per day"*
- ST 9 said: *"There are many times that this happened. I sometimes only have one person per day"*
- ST 14 stated: *"The money is just too little. I am just standing here all day but it is not enough money. We try and sell but it is not really well"*
- ST 17 stated that: *"I make between R350 and R150 daily. I manage to take care of my family but it is not always easy"*

4.4.4.2 Vendor financing

According to the Southern African Research Foundation for Economic Development (2017) 95% of street traders are willing to grow but do not have access to funding. Rogerson (2000) stated that improved access to finance and credit is a major concern, with the majority of street traders not having access to credit. The current research confirmed this finding.

A study conducted by Inolia (2016) on street traders in Polokwane found that 90% of the respondents did not have access to funding in order to improve their business. This is a similar finding from the current study.

This aspect is highlighted in the following quotes:

- ST 4 stated: *"I am able to lend money from family and friends"*
- ST 6 said: *"Not it is not. I have to send money back home. I am the only person that supports my family"*
- ST 12 further stated that: *"No I must send money home"*
- ST 14 stated: *"No I am only one working"*
- ST 16 stated that: "*My family does not have any money*"

Table 4.6 indicates a summary of the finding from financial capital. From the street traders interviewed, 80% (n=16) stated they did not make enough money per day. This has a negative impact on the respondent's livelihood, this could also indicate that these street traders are unable to grow their businesses or moving into the formal sector. The current research also found that 75% (n= 15) the street traders were unable to lend money either formally or from family and friends.

Table 4.6. Summary of financial capitals

Participate	Make enough money per day	Able to lend money
ST 1	No	Would not answer
ST 2	No	No
ST 3	No	No
ST 4	No	Yes
ST 5	No	Yes
ST 6	No	No
ST 7	Yes	No
ST 8	No	No
ST 9	No	Yes
ST 10	Yes	No
ST 11	No	No
ST 12	No	No
ST 13	No	No
ST 14	No	No

ST 15	No	No
ST 16	No	No
ST 17	Yes	Yes
ST 18	No	No
ST 19	No	No
ST 20	Yes	No

Source: Author (2018)

4.4.5. Human capital

Human capital refers to the quality and quantity of labour resources available, these include skills and level of education. The research investigated the how the street trader leant the trade.

The question asked under this heading related to how they learned to be street traders. The main reason for asking this question is because it is important to understand why and how individuals entered into the business. None of the street traders interviewed had formal training, all the street traders learned the business either from social networks or over time. This once again highlights the importance of social networks.

This aspect is highlighted in the following quotes:

- *ST 8 said: "My grandfather taught me the business"*
- *ST 11 stated that: "I have learnt it over time. I have been selling fruit and vegetables for a long time".*
- *ST 13 further stated that: "A friend of me introduced to this job"*
- *ST 16 said: "My husband showed me the work"*
- *ST 17 stated: "When I left school I did not have a job so I started to sell fruit and vegetables"*

4.5. OVERALL THEMES

Table 4.6. shows the overall themes that emerged from the transcribed interviews. From table 4.6 to can be seen that there are nine main themes namely: lack of control, negative change, competitive power, degree of autonomy, power of the seller, political power, physical capital financial capital and social capital. Seven out of the nine main themes are external factors that impact the street traders. This can have a negative impact on the street traders' livelihoods and better their lives. This also leads to street traders having a decrease in agency. It can also

be stated that from the theme's street traders have little to no chance in bettering their livelihoods standings. This is where local government can aid in either training or endowments.

Bourdieu (2005) stated that in order to understand a social phenomenon or to explain the interactions between people you need not only to examine the outcomes but also examine the field in which interactions and events occur. This is what the current research attempted to achieve. The notion of power was an important aggregate dimension that emerged from the current research. Bourdieu (1998) defines the power as the social space that consists of multiple fields such as economic, social and political. In these fields different actors and stakeholder operate with each to obtain a position in which they possess a sufficient amount of different forms of capitals to dominate the social space (Cakmak, Lie and McCebe, 2018). In the context of this research street traders are trying to obtain enough capitals to sustain and grow their businesses and thus climbing the capital ladder. However, there most of the time the powers identified are out of the control of street traders. Political power derived by governments can be viewed as the most powerful actor (Grenfell, 2008). This can be seen as to if local government should invest in capitals or training programs. Both of these interventions will greatly benefit street traders. Capitals are the main medium through which the street traders operate and vie for position (Bomanno, 2018). What happens in the field also depends upon the conditions and boundaries. This can be seen by the amount of competition that street traders face, which can limit the amount of capitals that can be obtained.

Table 4.6. Overall themes from the street traders interviewed.

First-order concepts	Second-order themes	Aggregate dimensions
• Change depends on customers • Customer needs	Customer power	Lack of control
• Change due to season • Depends on the season • Depends on what the market has	Seasonality	
• Increase number of traders • Increase number of foreign traders • More police	Change	Negative change (degenerating)
• Seen no change over time • Things have never changed	Unchanged	
• More traders • Too many street traders selling the same product • Perfect competition	Perfect competition	Competitive power
• Do not face competition • Little to no competition	No competition	
• High degree of satisfaction • Enjoy being own boss • Do not want to work for anyone	Satisfaction	Degree of autonomy
• Difficult work • Struggling • Formal employment	Satisfaction	
• Get what the market has	Seller capital	Power of the seller

• **Depends on the factory**		
• **Provided by the municipality** • **Use of public transport** • **Bought from the municipality**	State capital	Political capital
• **Access** • **Store in a container** • **Use local areas**	Storage capital	Physical capital
• **Do not have enough money** • **Struggle with income** • **Do not make enough money** • **Never enough money**	Lack of financial stability	Financial capital
• **Goods come from home country** • **Family and friends play an important role** • **Able to ask for help** • **Able to lend money**	Social networks	Social capital

Source: Author (2018)

4.5. CONCLUSION

The informal economy is a complex phenomenon and requires an interdisciplinary approach. This is what the current study attempted to achieve. There has been much research on the informal sector activities in the context of entrepreneurship. The results and findings of this research were clearly presented and discussed in this chapter. There are a number of important findings that have come out of this research. Firstly, that most of the street traders sampled were not being proactive and taking risks however, this is mainly due to the lack of capital. Secondly, there is a large amount of competition that negatively impacts the street traders. Thirdly, the lack of financial capital is having a negative impact on the street traders and their livelihoods. Lastly, the street traders interviewed did not have adequate infrastructure. Overall there is a lack entrepreneurial skills and knowledge, this makes it difficult for street traders to succeed and better their livelihoods. From the findings it can be concluded that local government can do more for the street traders and help them be uplifted and have more power.

Chapter 5 concludes the research and identifies any recommendations and limitations relevant to the research.

CHAPTER 5
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter aims to provide an overall summary of the literature, as well as a summary of the findings of the street traders interviewed. This chapter will also outline the limitations with regards to the research. Recommendations will be provided with reference to steps that can be taken further to improve the conditions of street traders.

Street trading has become a feature of urban environments, such as the inner city of CoJ, and as such plays a major role. This research sort to investigate the levels of behaviours and endowments these street traders have. Factors leading to growth in informal activities are historical in nature, where it can be noted that apartheid has left the South African labour market with extreme racial imbalances.

Street trading, as defined in the Informal Trading Policy, is an activity that involves the selling of goods and services in a public space. The majority of these enterprises are owned by previously disadvantaged individuals. The focus of the study was to understand how to improve the conditions and aspirations of street traders within the CoJ.

5.2. BRIEF SYNOPSIS OF THE RESEARCH

Chapter 1 served as an introduction and orientation of the research in terms of purpose, objectives, research questions and methodology driving the research. Chapter 1 also contained a summary of the main literature related to the research, which were obtained from both local and international sources. The plan of the thesis was also dealt with in chapter 1

Chapter 2 outlined and critically discussed the literature and theoretical framework that informed this research, specifically focusing on EO and SLF. . In particular the chapter identified how livelihood assets (or endowments) and EO (or behaviours) impact livelihood outcomes and shape the street traders operating in the CoJ. Chapter 2 also demonstrated how the involvement and consultation of the street traders could promote local economic development in the CoJ.

The focus of chapter 3 was on the research design and methodology applied in this research. The research paradigm, research population and sample, as well as, the research method were explained. The measuring instruments utilised in this research were discussed. Chapter 3 also examined the date collection, data analysis. Lastly, the ethical considerations pertaining to this research were also mentioned.

Chapter 4 dealt with the findings and results of this research and it discussed those results with reference to the literature. These challenges highlight the multi-faceted constraints and pressures which impinge on the daily lives of the street traders. Some of the challenges faced are beyond the control of the street traders.

5.3. SUMMARY AND CONCLUSIONS OF THE MAIN FINDINGS

A qualitative approach for the study was deemed as appropriate as qualitative research is used to gain an insight into the attitudes, concerns, behaviours and motivations of individuals. The findings from this study correlate with literature that indicates that street traders do indeed suffer and face challenges in their trade environments. Interviews were conducted amongst twenty street traders operating in the inner city of Johannesburg, this was to obtain a general feeling towards economic, development and factors that hamper their business success. From the interviews, the following factors were regarded by the participants as the main challenges that impact them:

- Inadequate financial support. There is a great challenge in terms of financing street trading activity.
- Lack of government support. This makes it difficult for street traders to positively contribute to economic development within the CoJ
- Lack of entrepreneurial skills and knowledge make it difficult of street traders to succeed and have an impact on the economic development of the CoJ.
- Unfavorable government policies contribute towards poor success rate of street traders within the CoJ.
- There is a lack of training session for empowerment by local government to contribute to the lack of entrepreneurial skills.

- Their trading environment also has a lack of shelter, a lack of adequate sanitation and is exposed to harsh conditions.

Overall it was found that both behaviours and endowments are lacking. Financial capital is most lacking, which is where local government can aid in and help the street traders.

5.4. RECOMMENDATIONS

e. On the basis of the findings of the research, the following recommendations can be made:

- Government and local government should be encouraged to give support to the street traders so that economic growth and development can be achieved.
- Street traders need better access to infrastructure, this includes shelter, water and sanitation.
- Local government should set up training programs pertaining to business skills. This in turn will support and develop street traders. In doing so this could lead to an increase in their livelihood.
- Street traders could be assisted financially by introducing street traders to Khula Financial Schemes for example. There are a number of other schemes as well.
- There has been a number of conflicts, like OCS, between local government and street traders. The recommendation is to maintain a good relationship between street traders and local government. This will aid in decision making by both parties.

5.5. LIMITATIONS OF THE RESEARCH STUDY

According to Bryman (2012), limitations of a study are those that influences, conditions or shortcomings that were out of the control of the researcher and placed restrictions on the study. The study cannot claim to have revealed all the challenges experienced by street traders in the inner city of CoJ, as these factors are dynamic and situational as only twenty interviews were conducted. Further research would be needed to expand to street traders operating in other markets. In addition, there is a limitation in the use of the target population, as the whole population was not a representative sample of all the street traders in the inner city of CoJ. The respondents that took part in the study were only street traders from four areas due to financial and time constraints. However, the findings laid a foundation for further intensive research in the area of the study.

Due to time and resource restrictions, participants were only selected if they could converse in English. It is likely that the depth and richness of data obtained through interviews would have been enhanced if participants were able to respond in their first language, allowing for fuller expression of their experiences.

5.6 . LIMITATION OF THE RESEARCH METHODOLOGY

During the research process the following limitations were discovered:

- Although all the respondents expressed their willingness for the interview to be conducted in English, this was not their mother language and thus could have been an obstacle. In this regard the researcher made every effort to simplify questions without departing from the main theme of question
- This research only gives a snapshot of the conditions that street traders face on a daily basis.

5.7. FURTHER RESEARCH

Deeper investigation into the social, economic and political components of the street traders is needed. This will aim in the formulating of strategies related to the street traders. Further research into the livelihood strategies is also needed, this will enable policy makers to make informed decisions around street traders. Future studies could also focus on the differences between gender and nationality.

5.7. CONCLUSION

The literature highlights the importance of informal economy in developing countries. The informal sector is growing and is increasingly a key source of income for the working poor. The most visible form of the informal economy is the street traders. The research findings suggest that local government should aid in street traders’ development. This research set out to understand the importance of endowments and behaviours for street traders operating in the inner city of Johannesburg.

On the basis of the research findings, the following conclusion can be made. The high level of unemployment rate in the CoJ can be decreased if the local government be involved in the activities of the street traders. The local government should support the street vendors financially and by capacitating them in entrepreneurial areas such as budgeting and financial planning.

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APPENDIX 1:

Interview schedule

Entrepreneurial orientation

1. Do you regularly add new products? If so how?
2. Have you seen changes in your surrounding? Please explain
3. Do you change what you are selling depending on your customers? If so how?
4. What type of competition do you face?
5. Do you enjoy managing your own business?

Sustainable Livelihood Approach

1. Where do you buy your goods from?
2. How do you get your goods here?
3. Do you have access to any storage facilities?
    a. Do you pay to use it?
    b. If you do not have access, where do you store the goods that are not sold?
4. How did you get this space that you work in?
5. Are there times when you do not make enough money from the business
    a. Does this happen often?
6. Is it possible for you to borrow money?
    a. If yes, where do you borrow it from?
7. How do you get to work everyday?
8. Are you able to ask for help from other street traders?
9. How did you learn to do this work?

Other question

1. How has street trading changed over time?

APPENDIX 2

Date: 23rd July

The following will be conveyed verbally to the participants prior to conducting the research

Good morning/afternoon, my name is Cordelia Volker. I am a master's student at Wits, and I am currently working on research project that is based on exploring entrepreneurial orientation and livelihood strategies employed by informal traders. Will it be possible for me to ask you a few questions about the work that you do here and the way you live? It will not take more then 45 minutes.

The aim of the research is to gain a better understanding of your life. The information collected will be based purely for academic purpose and the final document will be a public document. There is no guarantee that the information/research will be used to improve/change policy and there will be no remuneration for the interview.

Participation in this research is voluntary and you will not be punished in any way if you do not wish to participate in it. If you do agree to participate in this research and change your mind at a later stage, let me know and I will stop the interview immediately. You also have the right to withhold information that you feel is too personal to you

If you are willing to participate in this research can you please sign this form

____

Signature

APPENDIX 3

Interview participation number:

Interviewer observation guide
To be filled in by the interviewer prior to the interview

Location of interview	
Date	
Time	
Description of location	
What other goods/services are been sold within the area sampled	
Good/service location: permanent table or temporary table	
Other	

APPENDIX 4

SECTION A: PERSONAL INFORMATION

The following information is needed to help with statistical analysis. All responses will be treated confidentially. We appreciate your help in providing this important information
Mark the applicable block with a cross (X). Complete the applicable information

A1	**How old are you?**	
		(01)

A2	**What is your gender**	Male	Female	Other
		(01)	(02)	(03)

A3	**What is your nationality**	
		(01)

A4	**What is your marital status**	Single	Married	Divorced	Widowed
		(01)	(02)	(03)	(04)

A3	**Indicate your highest academic qualification**		
	Lower than matric		(01)
	Matric		(02)
	Certificate		(03)
	University Degree		(04)
	Postgraduate degree		(05)

A4	**Indicate the number of children that you have**		
	None		(01)
	One (1) child		(02)
	Two (2) children		(03)
	Three (3) children		(04)
	Four (4) children		(05)
	Five (5) children		(06)
	More the five (5) children		(07)

A5	**Indicate your past experience before self-employed (occupational background)**		
	Unemployed		(01)

	Self-employed (owned a business)		(02)
	Worker		(03)
	Supervisor (first line management)		(04)
	Middle management		(05)
	Top management		(06)

A6	**Indicate the number of years that you are self-employed**		
	Less than one (1) year		(01)
	1-3 years		(02)
	4-5 years		(03)
	6-10 years		(04)
	More than 10 years. Please specify		(05)

A7	**What goods or services do you sell?**		

A8	**How much money do you make per day**		

APPENDIX 6: INTERVIEW TRANSCRIPTS

	Interview question	**Answer**	**Theme**
Innovativeness	Do you regularly add new products? If so how?	ST 1: No I do not. I have been selling the same product since I started ST 2: I will change if my customers want to change. I want loyal customers ST 3: No I do not. I do have the capital to boost my business. I would like to increase but do not have the money ST 4: Yes I do. It depends in the season. For example I will add apples ST 5: Yes I do depending on customers. New products come in and you have to buy those products to accommodate all the customers ST 6: No I do not. I have only ever sold biscuits ST 7: No. I have always sold books ST 8: No ST 9: No I do not. I provide a service to people. So it only changes depending of what people as me to do ST 10: No. I only might change what types of sweets ST 11: Yes I do but it does depend on the season	

		ST 12: Only sometimes but I always sell sweets ST 13: Only when the season changes ST 14: No, I do not ST 15: I have not changed what I sell since I started 6 months ago ST 16: No ST 17: It depends what the market is selling ST 18: Depends on the season ST 19: I have never changed ST 20: Yes I do	
Proactiveness	Have you seen changes in your surroundings? Please explain	ST 1: No I have not. I have only been selling here for four months. ST 2: I would rather not say ST 3: No I have not ST 4: Yes I have. There are more people selling goods. There are more people selling fruit and sweets ST 5: Yes I have. There are more street traders ST 6: Yes I have. There are more foreign street traders ST 7: *Did not want to answer this question* ST 8: Yes the cleanliness. It is always clean. ST 9: There have been some	

		changes. There are more police and more street traders ST 10: Over the last year I have not seen any changes ST 11: Yes I have seen changes. There are more street traders and more foreign traders ST 12: Yes I have. There are more informal street traders. I now have a metal structure to sell my sweets ST 13: There have been many changes. More foreign traders and police ST 14: *did not want to answer the question* ST 15: No I have not. I have only been here for three months. ST 16: There are more people selling things. I do not like it ST 17: Yes I have. There are lots of people selling the same things ST 18: There is more police everyday ST 19: No I have not ST 20: Yes. There is too much people.	
Risk taking	Do you change what you selling depending on your customers? If so how?	ST 1: No, I do not ST 2: Yes, I do, it is based on my customers ST 3: No as what I am selling is what the customers want. The most popular is the cigarettes	

		ST 4: Yes, I do. I only change due to change in season ST 5: Yes, I do. It also depends what the market has. ST 6: No, I do not ST 7: No, I do not ST 8: No ST 9: No as I offer a service, so it depends on my customers ST 10: No I have never changed from selling sweets ST 11: Yes, it depends what I can get from the market ST 12: No, it depends what the factory has and the cost of the sweets ST 13: What I enjoy the most, I think is taking to customers ST 14: No, I never ST15: No. I buy what the market has ST 16: I always sell the same things ST 17: No, I do not have money ST 18: I am more or less selling the same things every day ST 19: I get what the factory has. Have no choice ST 20: Have no choice on what to sell.	
Aggressiveness	What type of competition do you face?	ST 1: There is a lot of competition as there are a number if traders selling the	

		products. ST 2: From other street traders in the area, we are all selling the same product ST 3: No not from where I am selling, there is only me. The porters are very helpful ST 4: More street vendors selling the same thing ST 5: There are number of other street traders selling the same product ST 6: No there is no competition. No one else is selling biscuits here. ST 7: There has been an increase in number of street traders ST 8: No competition. The only problem is the metro police ST 9: I do not face any competition. I am the only trader here doing sewing ST 10: The only competition is the other street traders up the road from me. ST 11: Yes, there are lots of other people selling fruit and vegetables ST 12: There is another person selling sweets but everyone else is selling fruit and vegetables ST 13: There is too much competition ST 14: Too many people on the street. Just look around	

		ST 15: Too many foreign people ST 16: There is too many people. It has increase over the last year ST 17: I pay for my space and others do not ST 18: too much ST 19: No I am the only selling food here ST 20: Yes there is lots. Many street vendors makes less money. It is a lot of people here now and I think that is a reason why it is difficult now.	
Autonomy	Do you enjoy managing your own business?	ST 1: Yes I do but it hard at times. There are days were I do not make enough money ST 2: Yes, I do. I do want to work for anyone. ST 3: I do, but I would like more capital to boost my business. My capital is very low. ST 4: Yes, I do ST 5: Yes, I do because I enjoy selling fruit ST 6: Yes, I do ST 7: I do not owe the business, but I work for someone ST 8: Yes, I do ST 9: I enjoy being my own boss ST 10: No, I would want to have a proper job	Satisfaction

		ST 11: Yes, I do but I would like to make more money ST 12: Yes I do ST 13: I am just working here for money. One day when things get better I will go back home ST 14: It is difficult work but I like it ST 15: No I do not ST 16: Yes. ST 17: I am just standing here all days but it is not enough money ST 18: It is very difficult ST 19: I am the only street vendor in the family. We are struggling in my family with money ST 20: Yes I do, I earn money	
Social/ physical capital	Where do you buy your goods from?	ST 1: From my home country of Malawi ST 2: I get my goods from Malawi ST 3: From the Johannesburg market ST 4: I get my goods from the market ST 5: I get my fruit from the Johannesburg market ST 6: I get my goods from a factory ST 7: From the students in the	

		area. There are two schools close to where I sell the books. Most of the books come from them ST 8: I get the herbs and medicine either from my home country or Malawi ST 9: I get work from people that bring me cloths to fix or make. I do not buy any goods ST 10: I get the sweets from a factory in city deep ST 11: I but my goods from the market ST 12: I buy the sweets from a factory ST 13: At the market. After doing my shopping at the market I am coming here to my stand ST 14: Going to the market to buy goods to sell in the street. ST 15: I go to the market to buy fruits and vegetables, but the money I spend will not come back ST 16: I buy fresh food everyday from the market ST 17: I am going early to my stand from the market ST 18: I buy from other traders ST 19: I buy my things from the factory ST 20: I go everyday to the market to buy my things.	
Physical	How do you get your	ST 1: I use the bus	

capital	goods here?	ST 2: I walk every day to this spot ST 3: I need to hire transport to get my goods here. ST 4: Transport is provided at the market to get the fruit and vegetables here ST 5: I hire a bakkie to help. It costs al lot ST 6: I use public transport ST 7: Either the books are delivered or I get them directly from the students ST 8: I need to hire transport, that cost about R30. ST 9: There is no need. The customers come to me with cloths. ST 10: I carry the sweets here every day ST 11: I use paid transport to get my goods here ST 12: I do not need to use transport to get the sweets here. I walk everyday. ST 13: I share a bakkie with other traders, this helps with costs ST 14: I take a taxi from home to market. After doing my shopping I am coming to my stand ST 15: I take a taxi ST 16: I live close so it does not take long to get here	

		ST 17: I buy my goods and then hire a bakkie ST 18: I normally at my stand early. I take a taxi from home. It is quite close. ST 19: I pay someone to help move the goods to my stand ST 20: I use the bus to get here everyday	
Physical capital	Do you have access to any storage facilities	ST 1: Yes there is. I store my goods at the Intercape area in park station. It cost R20 per week. ST 2: I use the storage at Intercape, just like the other sellers here. ST 3: Yes I do, but I do not have to pay for it. ST 4: Yes, at R50 per week ST 5: Yes I do have access. It costs me R30 per week ST 6: Yes I do. I pay R50 per week ST 7: Yes I do. I pay R50 per week. ST 8: Yes I do, but it costs me R20 per day ST 9: There is no need for storage, I take my sewing machine home every day. ST 10: *She would not say* ST 11: Yes I do. I need to pay R40 per week ST 12: I do not use a storage	

		place. ST 13: During the night I store my goods by the nearby car wash ST 14: I stay close to town so I store my goods at home ST 15: I keep my goods with other street vendors ST 16: I leave my goods in the container close by during the night ST 17: I keep my goods by the car park next to my stand, we have a container there. I can lock it, so it is safe ST 18: I rent a storage rooms to keep my goods safe ST 19: I do use any form of storage ST 20: No I do not. I pay people to look after my goods at night	
Physical capital	How did you get this space?	ST 1: By chance, we are all from Malawi here ST 2: We are all from the same place. ST 3: The porters helped me to get this space ST 4: I get this space by chance, it is not always the same ST 5: The municipality gave it to me ST 6: I applied to the municipality. I did have to buy my structure. I paid R850 for the metal stand. The	

		municipality did not help in paying for this. ST 7: From the municipality ST 8: I need to bride the police. I need to always change where I sell my herbs. ST 9: I have been at the some spot for the last 6 months ST 10: I change everyday ST 11: By chance. I need to get here early in the morning to get this space. ST 12: The municipality gave me this space ST 13: By chance ST 14: I have a stand that I bought from the municipality ST 15: To be allowed to trade here I have a permit from the municipality ST 16: I do not have a shelter so where ever I find a space ST 17: The local government does nothing for me. I am very angry ST 18: I have always been here ST 19: Everyone has their space ST 20: I got this space from the municipality	
Financial capital	Are there times when you do not make enough money?	ST 1: Yes, there are and I am unable to send money back home ST 2: *She would not say*.	

		ST 3: Sometimes I only make R140 per day ST 4: There many times that I do not make enough money. I only make between R50- 100 per day. ST 5: Yes, there is ST 6: Yes, there are times. There are a number of times ST 7: Yes, there is. There are some days that I only sell one book ST 8: No ST 9: There are many times that this happens. I sometimes only have one person per day. ST 10: Yes there many times. I need to sell a lot of sweets to make money ST 11: All the time ST 12: It happens too often. People only buy one or two sweets at time ST 13: I have to pay cash from my goods, I can not lend any money ST 14: The money is just too little. I ma just standing here all days but it is not enough money. We try and sell but it is not really well. ST 15: I never make more then R500 per day, which is not enough ST 16: I am the only street vendor in the family. We are struggling in my family with	

		income. ST 17: I make between R350 and R150 daily. I manage to take care of my family but it is not always easy ST 18: We struggle with income, it is difficult to have enough ST 19: I am struggling, there is no business ST 20:	
Financial capital	Is it possible for you to lend money?	ST 1: *She would not answer the question. I am not if it is because she did not understand the question* ST 2: No, I am not ST 3: No, I need to support my family ST 4: I am able to lend money from family and friends ST 5: I do lend money from my son ST 6: No it is not. I have to send money back home. I am the only person that supports my family. ST 7: No there is not ST 8: No I can not ST 9: I do lend money from anyone ST 10: I have never ST 11: No, I am unable to ST 12: No, I must send money home	Social capital

		ST 13: No ST 14: No, I am the only one working ST 15: I need to have cash to but my goods so no ST 16: My family does not have any money ST 17: ST 18: ST 19: ST 20:	
Physical capital	How do you get to work everyday?	ST 1: I walk here everyday ST 2: ST 3: I walk here everyday, public transport is too expensive ST 4: I use public transport to here everyday. I need to take two taxis ST 5: I use public transport to get to work ST 6: I use public transport ST 7: I use public transport to get to work ST 8: I use public transport ST 9: I live close here so I just walk ST 10: I use taxis everyday ST 11: ST 12:	

		ST 13: I live close so I walk here ST 14: I am normally at the market by 6am then I take the taxi to my stand ST 15: it takes me 30 minutes from home to the market ST 16: ST 17: ST 18: ST 19: ST 20:	
Social capital	Are you able to ask for help from other street traders?	ST 1: Family and friends play an important part in my life ST 2: ST 3: No I am not ST 4: Yes, I am able to ask for help ST 5: No I am unable to ST 6: *Did not want to answer this question* ST 7: *Did not want to answer this question* ST 8: No, I am unable to. Everyone else is from South Africa and does not sell the same products ST 9: No, I do not ask for help ST 10: No, it is only me selling at this space ST 11: Yes I am	

		ST 12: Yes I am, when I am unable to be here, other people look after my space. ST 13: Yes I am. I belong to the association ST 14: No I am not able to ST 15: ST 16: ST 17: ST 18: ST 19: ST 20:	
Human capital	How did you learn to do this work?	ST 1: From my family ST 2: ST 3: I taught my self ST 4: ST 5: My uncles daughter told me about it. ST 6: My mother taught me. ST 7: A friend taught me this business ST 8: My grandfather taught me the business ST 9: I learnt how to sew from my mom ST 10: No one taught me ST 11: I have learnt it over time. I have been selling fruit and vegetables for a long time ST 12: No one.	Social capital

		ST 13: A friend of me introduced me to this job ST 14: I just watched people doing it and then I did it also ST 15: I wanted to make a living, you see ST 16: My husband showed me the work ST 17: When I left school I did not have a job so I started to sell fruit and vegetables ST 18: ST 19: ST 20:	