

**THE INTEGRATED DEVELOPMENT PLAN AS A STRATEGY TO EMPOWER
INFORMAL TRADERS: THE CASE OF THOHOYANDOU**

By

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DECLARATION

I, Selepe Modupi, hereby declare that this dissertation submitted for the degree for Master of Administration at the University of Venda submitted by myself has not been previously submitted at this University or any other University and that this is my own work in design and execution and that all reference material contained herein has been duly acknowledged.

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DEDICATION

This dissertation is dedicated to God Almighty who has given me the strength to complete this study and my Mother Mrs. Mosibudi Francinah Selepe, who has been and will always be my source of inspiration.

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ABSTRACT

This study focused on The Integrated Development Plan as a strategy to empower informal traders using Thohoyandou as the case study. The study was conducted at Thulamela Municipality and at the informal markets of Thohoyandou. The researcher used two population groups; the municipal officials and the informal traders. The researcher made use of both qualitative and quantitative methods as the study was explorative in nature; 50 informal traders were sampled and took part in the study and on the other hand, 20 municipal officials were sampled and participated in the study. The researcher made use a pilot survey to two groups of population to test the efficacy of the interviews schedule as well the questionnaires as data collection instruments. SPSS and Microsoft excel were used as tools for data analysis.

The results show that Thulamela Municipality's IDP strategy is not doing enough for the informal markets in Thohoyandou. However, respondents indicated that shortcomings such as Limited Budget affect the success of IDP on informal trading. Initiatives such as the provision of loans, workshops, training and promotion of LED programmes were indicated as having been put in place in an effort to empower informal traders, although a number of informal traders in the Thohoyandou area are forever increasing, through urbanisation and migration which pose serious control challenges to the municipality.

To manage informal trading in Thohoyandou, the researcher recommended that there could be: preferences on trading fee/levies; provision of services and infrastructures to informal traders; enhancing public participation; limiting overtrading, integrated management planning, policy formulations and that future researchers can be more specific on aspects such as: situation of foreign traders; constitutionality of by-laws and trading at intersections.

Key terms: Integrated Development Plan; Informal trading, Governance, Empowerment, Local Economic Development.

ABBREVIATIONS

IDP	INTERGRATED DEVELOPMENT PLAN
NDP	NATIONAL DEVELOPMENT PLAN
LED	LOCAL ECONOMIC DEVELOPMENT
MFMA	MUNICIPAL FINANCE MANAGEMENT ACT
KPAS	KEY PERFORMANCE AREAS
CJMM	CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
CBD	CENTRAL BUSINESS DISTRICT
SADC	SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
PR	PARTICIPATORY RESEARCH
PAR	PARTICIPATORY ACTION RESEARCH
PLA	PARTICIPATORY LEARNING AND ACTION
SPSS	STATISTICAL PACKAGE FOR SOCIAL SCIENCES
DEPT	DEPARTMENT
IBF	INFORMAL BUSINESS FORUM
DTI	DEPARTMENT OF TRADE AND INDUSTRY
SDF	SPATIAL DEVELOPMENT FORUM
GDP	GROSS DOMESTIC PRODUCT
SALGA	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SEDA	SMALL ENTERPRISE DEVELOPMENT AGENCY

APPENDICES

DESCRIPTION(S)	PAGE(S)
1. Figures	
1.1. Figure A: Thohoyandou Map	51
1.2. Figure B: Fruit and vegetable market	79
1.3. Figure C: Mopani worms market	80
1.4. Figure D: Traditional herbs and medicines market	80
2. Tables	
4.1. Population groups and sample typology	61
4.2. Gender	62
4.3. Race	62
4.4. Age	63
4.5. Years of service	63
4.6. Educational Qualifications	64
4.7. Business Empowerment	65
4.8. Informal trading's contributions to economic development	66
4.9. Economic consideration of informal traders	68
4.10. Gender	69
4.11. Race	69
4.12. Age	69
4.13. Educational qualifications	70

4.14. Marital status	70
4.15. Citizenship	71
4.16. Business empowerment	71
4.17. Years of business involvement	73
4.18. Challenges faced by informal traders	73
4.19. Thulamela's role in business development	74
4.20. Trading fees	76

TABLE OF CONTENTS

Content(s)	Page(s)
DEDICATION	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
ABBREVIATIONS	v
CHAPTER ONE.....	1
1.1. INTRODUCTION AND BACKGROUND	1
1.2. STATEMENT OF THE PROBLEM	3
1.3. AIM AND OBJECTIVES OF THE STUDY	5
1.3.1. Aim of the study	5
1.3.2. Objectives of the study.....	5
1.4. RESEARCH QUESTIONS	5
1.5. DEFINITION OF CONCEPTS.....	6
1.6. SIGNIFICANCE OF THE STUDY	7
1.7. LIMITATIONS OF THE STUDY.....	8
1.8. CHAPTER DIVISION	9
Chapter 1: Introduction	9
Chapter 2: Literature study: Informal Trading and Integrated Development Plan.....	9
Chapter 3: Research Methodology	9
Chapter 4: Data Presentation, interpretation and discussion of findings	9
Chapter 5: Conclusions and recommendations	9
1.9. CONCLUSION	10
CHAPTER TWO:	11
INTERGRATED DEVELOPMENT PLANNING AND INFORMAL TRADING IN SOUTH AFRICA.....	11
2.1. INTRODUCTION	11
2.3. THE IMPORTANCE OF INTERGRATED DEVELOPMENT PLANNING.....	12
2.4. THE LEGISLATIVE FRAMEWORK FOR IDP IN SOUTH AFRICA	14
2.4.1. The Constitution of the Republic of South Africa 1996, (Act 108 of 1996).....	14
2.4.2. The Development Facilitation Act 1995, (67 of 1995).....	15

2.4.3. The Municipal Structures Act 1998, (117 of 1998).....	15
2.4.4. White Paper on Local Government, 1998.....	15
2.4.5. The Local Government Transition Act 1993, (209 of 1993), as amended	16
2.4.6. The Local Government Municipal Systems Act 2000, (32 of 2000).....	16
2.5. KEY PERFORMANCE AREAS (KPAs) OF THE IDP	17
2.5.1. Local Economic Development	17
2.6. SOUTH AFRICAN MUNICIPALITIES IN THE EMPOWERMENT OF INFORMAL TRADERS.....	18
2.7. CHALLENGES FACED BY LOCAL MUNICIPALITIES IN EXECUTING INFORMAL TRADING.....	19
2.8. MUNICIPAL INFORMAL TRADING BY-LAWS IN SOUTH AFRICA	20
2.8.1. Forms of informal trading	20
2.8.2. Designated areas	21
2.8.3. Lease and allocation of stands	21
2.8.4. Environmental Health and Safety	22
2.8.5. Prohibited conduct	23
2.8.6. Removal and Impoundment.....	24
2.9. INFORMAL TRADING IN SOUTH AFRICA.....	25
2.10. INFORMAL TRADING DEFINED	27
2.11. SOUTH AFRICAN INFORMAL TRADER LEGISLATIVE FRAMEWORK.....	30
2.11.1. Constitution of the Republic of South Africa 1996 (Act 108 of 1996).....	30
2.11.2. Businesses Act 1991 (72 of 1991).....	31
Municipal Systems Act 2000 (Act 32 of 2000)	32
2.12. SIGNIFICANCE OF INFORMAL TRADING IN SOUTH AFRICA	33
2.13. CHALLENGES FACED BY THE INFORMAL SECTOR IN SOUTH AFRICA.....	34
2.13.1. Infrastructural challenges.....	35
2.13.2. Institutional challenges.....	35
2.13.3. Economic challenges	35
2.13.4. Socio-economic challenges	35
2.13.5. Licensing issue	36
2.13.7. Legal and organizational challenges.....	37
2.14. CHARACTERISTICS OF THE PEOPLE ENGAGED IN THE INFORMAL SECTOR IN SOUTH AFRICA	38
2.15. CHARACTERISTICS OF THE ACTIVITIES IN THE INFORMAL SECTOR.....	39
2.16. DYNAMICS BETWEEN MUNICIPALITIES AND INFORMAL TRADERS	39
2.17. INFORMAL TRADING, MIGRATION AND URBANISATION IN SOUTH AFRICA.....	40
2.18. THE STATE OF URBANISATION AND INFORMAL TRADING IN SOUTH AFRICA...41	
2.19. THE OF DIVERSE-MIGRAION AND INFORMAL TRADING IN SOUTH AFRICA.....43	

2.19.1. Migration Patterns and Trends in the South African Informal Economy	43
2.19.2. Rural–Urban Migration	43
2.20. THE CASE OF THOHOYANDOU INFORMAL MARKETS	44
2.21. CONCLUSION	455
CHAPTER THREE	47
RESEARCH DESIGN AND METHODOLOGY	47
3.1. INTRODUCTION	47
3.2. RESEARCH DESIGN	47
3.3. RESEARCH METHODOLOGY	47
3.3.1. Study Area	49
3.3.2. Population of the study	50
3.3.3. Sample methods and Sample groups	51
3.3.3.1. <i>Sample groups and sample size</i>	51
3.3.4. Pilot Test	52
3.3.5. Data Collection	52
3.3.5.1 <i>Questionnaires</i>	53
3.3.5.2. <i>interviews</i>	54
3.3.5.3. <i>Observations</i>	54
3.3.6. Data Analysis	55
3.3.7. Ethical Considerations	56
3.3.7.1. <i>Informed consent</i>	56
3.3.7.2. <i>Protection from harm</i>	57
3.3.7.3. <i>Confidence, anonymity and the right to privacy</i>	57
3.3.7.4. <i>Honesty in profession</i>	57
3.3.8. Seeking Permission	57
3.3.9. Reliability And Validity	59
3.3.9.1. Reliability	58
3.3.9.2. Validity	58
3.3.10. CONCLUSION	59
CHAPTER FOUR	60
DATA PRESENTATION, INTERPRETATION, ANALYSIS AND DISCUSSION	60
4.1. INTRODUCTION	60
4.2. BIOGRAPHICAL DETAILS OF MUNICIPAL OFFICIALS	61
4.4. QUESTIONNAIRE RESPONSES FROM THE INFORMAL TRADERS	67
4.5. FINDINGS FROM PERSONAL FOCUS-GROUP INTERVIEWS	76

4.6. FINDINGS FROM OBSERVATIONS	78
4.7. DISCUSSION OF FINDINGS AND RESULTS	80
4.8. CONCLUSION	83
CHAPTER FIVE.....	85
CONCLUSION AND RECOMMENDATIONS	85
5.1. INTRODUCTION	85
5.2. RECOMMENDATIONS.....	85
5.2.1 FUTURE RESEARCH	87
5.2.2 POLICY FORMULATIONS TO:	87
5.2.3. MANAGING INFORMAL TRADING BY THE MUNICIPALITY.....	88
5.2.3.1. <i>Management Structure</i>	88
5.2.3.2. <i>Representation on the Management Structure</i>	88
5.2.3.3. <i>Integrated Management and Planning</i>	89
5.2.3.4. <i>Limiting Overtrading</i>	89
5.2.3.5. <i>Enhancing Public Participation</i>	89
5.2.3.6. <i>Spatial Planning</i>	90
5.2.3.7. <i>Provision of Services and Infrastructure for Informal Traders</i>	90
5.2.4. Preferences on Trading Fee/ Levies	91
5.3. CONCLUSION.....	91
 BIBLIOGRAPHY	 93
APPENDICES.....	103
Annexure A: Questionnaire to Informal Traders	103
Annexure B: Questionnaire to Municipal Personnel	107
CONSENT FORM.....	110
LETTER TO RESPONDENTS.....	111

CHAPTER ONE

BACKGROUND OF THE STUDY

1.1. INTRODUCTION AND BACKGROUND

This study focused on the Integrated Development Plan as a strategy to empower Informal Trading in Thohoyandou with specific reference to Thulamela Municipality. The introduction and background of the study comprises of the problem statement, aim of the study, as well as specific objectives of the study. It also highlights the critical research questions, significance of the study, and limitations of the study as well as operational concepts. Furthermore, it discusses the relevant literature and research methodology. It ends with an outline of the way the study will be organised.

Through the IDP, municipalities have assumed a central role in contributing to employment, poverty eradication and boosting local economies (Koma, 2012). A synergized and integrated approach on the part of the sphere of government is therefore a *sine qua non* for the achievement of growth and development. This means that local municipalities are essential elements for the empowerment of local street traders. Lund *et al*, (2000) state that, retrenchments, unemployment, urbanization, migration and lack of skills are fundamental reasons for entering the informal economy.

Thohoyandou is a small town relative to the other small towns in South Africa or the rest of the world. It is a nucleus of activities including various agricultural trading practices. Trading in Vhembe, the region where Thohoyandou is sited in, is said to 'go back a long way' since a world heritage site situated not far from Mapungubwe, provides the earliest proof of a trading society known to humankind.

The Apartheid political release provided for the establishment of a so-called '*independent homeland*' for the far north-eastern part of South Africa, known as the Venda homeland. Since the introduction of the new political dispensation in 1994, Venda has been contained within the Vhembe District of the Limpopo Province and it is the home of the University of Venda.

Similar to other informal markets in the developing world, Vermaak (2014) states that Thohoyandou market is a shelter to traders from several cultural, ethnic, religious and regional groups. These groups are migrants from Zimbabwe to the north, Mozambique to the east and other provinces of South Africa to the south. The market spaces are at greatest times obstructed with human traffic. Informal stands exist alongside formal shops. Notwithstanding the litter and untidy appearance, there is some organisation, even though informal, the market is an open-air market administered by informal rules. Vermaak further remarks that one's senses are constantly tempted by Indian incense and spices, and the smell of traditional food sold by Venda people. Loudspeakers can be heard playing African music and broadcasting soccer games from close and afar.

In assisting the above, Lyons & Snoxell (2005) therefore, see Informal trading as... "trade in legal goods and services taking place outside the law". However, Tshuma & Jari (2013) and Schmognerova (2004) states that job creation and poverty alleviation are the positive impacts of informal trading in South Africa. According to Tengeh & Lapah (2013), an informal trader can be defined as ... "a person who offers/offer... goods or services for sale to the public without having a permanent built-up structure and without being captured by the tax system of the geographical area in which he or she trades".

The following problem statement is triggered by the background of the study. The problem statement will address the major contributing factors and events happening within an informal economy, with a closer look at constitutional mandates on municipalities as well as the IDP strategy.

1.2. STATEMENT OF THE PROBLEM

Section 153 of the Constitution (1996) Act 108 of 1996 sets out the developmental duties of municipalities, amongst others, the section outlines that: The municipality must structure and manage its administration, budgeting and planning process

- To give priority to the basic needs of the community.
- To promote social and economic development of the communities

In addition, Section 23 (1, a & b) of the Municipal Systems Act (2000) Act 32 of 2000 states that a municipality must:

- (a) Strive to achieve objectives of local government set out in Section 152 of the Constitution;
- (b) Give effect to its developmental duties as required by section 153 of the Constitution.

These Sections, therefore, also protect the rights of informal traders for their economic development. With the support of the Constitution 1996, Municipal Systems Act 2000 and state-owned enterprises such as Small Enterprise Development Agency (SEDA). They promote trading and play a relevant role in the support of informal markets. Informal traders occur on a large scale in the cities of South Africa and the Thohoyandou market shows that informal traders mostly trade under difficult conditions.

The Constitution of South Africa has given local government the responsibility of local economic development in which most municipalities have been developing regulations of street trading through by-laws, based on the Business Act 71 of 1991. Most by-laws related to informal trading are proportional to the following regulations and are being effected by municipalities.

- Traders must not get in the way of traffic or pedestrians;
- Traders must not get in the way of delivery vehicles;

- Traders must not use gas, electricity or other equipment in a way that is dangerous for the public;
- Traders must not get in the way of fire hydrants and road signs; and
- Traders must keep their sites clean.

It is therefore argued that the government is neglecting informal traders, whilst it is clearly pledging its support to this sector in the National Development Plan (NDP). This proposed research, therefore, questions whether local government indeed fulfils its mandate with regard to the IDP and the empowerment of informal traders in particular. In addition, Informal traders are expanding due to migration and urbanisation and this is a problem that is likely to increase as the world's population is becoming more and more urbanised. Different case studies in South Africa prove that informal trading is one of the sectors that receives humility and negligence. According to Mail & Guardian (2015), a relevant and applicable case of impoundment of goods from informal traders by municipality officials was articulated:

“...the court held that the eThekweni municipality’s power to impound and confiscate the goods belonging to these traders under the 2014 Informal Trading Bylaw is unconstitutional, invalid and unlawful. The court also ruled that metro officers, who could not account for goods confiscated from street trader John Makwicana, were liable to pay him compensation. The court further held that the city’s exemption from liability for the loss of goods in terms of the bylaw was also unconstitutional, unlawful and invalid...”

This gives relevant evidence to the subject that informal traders are poorly protected by municipalities and therefore they receive harshness and hostility. Using Thulamela Local Municipality as a point of reference given the IDP strategy, the problem of this study is formulated as thus: what are the successes and the shortcomings of the Thulamela IDP strategy on the empowerment of informal traders in Thohoyandou. The problem of the study triggered the following research objectives.

1.3. AIM AND OBJECTIVES OF THE STUDY

This section contains the main aim, main objective and specific objectives of the study.

1.3.1. Aim of the study

- To find out whether Thulamela IDP empowers informal trading in Thohoyandou.

1.3.2. Objectives of the study

Main objective

- To find out relevant IDP initiatives supporting informal trading in Thohoyandou

Specific objectives

- To determine the socio-economic challenges of informal trading for communities in Thohoyandou
- To find out if there are other support structures for informal markets in Thohoyandou
- To find out the contribution of informal trading to the livelihood of Thohoyandou informal traders
- To determine the challenges of IDP in transforming informal markets in Thohoyandou

1.4. RESEARCH QUESTIONS

This section contains main research questions and specific research questions.

Main research questions

- Does Thulamela IDP empowers informal trading in Thohoyandou?
- Which IDP initiatives are relevant to informal trading in Thohoyandou?

Specific research questions

- What are the socio-economic challenges of informal trading for communities in Thohoyandou?
- What are other support structures for informal markets in Thohoyandou?

- What are contributions of informal trading to the livelihood of Thohoyandou informal traders?
- What are the challenges of IDP in transforming informal markets in Thohoyandou?

1.5. DEFINITION OF CONCEPTS

This section defines few operational concepts.

1.5.1. Integrated Development Plan

Coetzee (2002: 69) defines the IDP as...”a process through which municipalities prepare a strategic development plan for a five–year period, a principal strategic planning instrument that guides and informs all planning, management, investment, development and implementation actions in a local area”.

The Department of Provincial and Local Government (DPLG) however, for instance, defines the IDP in terms of its legislative requirements, describing it as a five-year strategic development plan for a municipality which serves as the principal strategic management instrument, legislated by the Municipal Systems Act (Act 32 of 2000) and which overtakes all other plans that guide development at local level (DPLG, 2002).

Others emphasise the integrative features, such as the South African Local Government Association (SALGA), which describes the IDP...”as a participatory planning process envisioned at integrating sectoral strategies, in order to support the optimal allocation of scarce resources between sectors and geographic areas and across the population in a manner that encourages sustainable growth, equity and the empowerment of the poor and the marginalized” (SALGA, 2002: 45).

1.5.2. Empowerment

Narayan-Parker (2002: 18) defines empowerment as ...“the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives”. Narayan-Parker (2002) adds that, although

there is no single institutional model for empowerment, certain elements are almost always present when empowerment efforts are successful. The four key elements of empowerment that must underlie are: Access to information; Inclusion and participation; Accountability and Local organizational capacity. Abiche (2012: 71) on the other hand, views three major aspects of empowerment, namely; empowerment as enhancing capabilities, empowerment as political and economic power, empowerment as conscientisation or awareness creation, gender and empowerment. Based on that, this study took a conscious direction on empowerment as political and economic power.

1.5.3. Informal traders

According to Tengeh & Lapah (2013: 8) an informal trader can be defined as ...*“a person who offers goods or services for sale to the public without having a permanent built-up structure and without being captured by the tax system of the geographical area in which he or she trades”*. Street traders may have semi-permanent or mobile trading structures. Tengeh & Lapah (2013:8) further states that they range from people who sell manufactured goods through providers of services like hairdressing and shoe repairs to those acting as agents of shops and well-established firms (in the formal sector).

In supporting the latter, Lund (2000: 17) asserts that informal traders are those people who belong to the informal economy and who trade in the streets and in mostly in the informal sites. Willemse (2011: 23) further asserts that, informal traders are those who do not have a written contract of employment - are not registered for income tax or value-added tax and do not receive basic benefits such as pensions or medical aid contributions from their employers.

1.6. SIGNIFICANCE OF THE STUDY

The study revealed the intervention of Thulamela Local Municipality in the development of informal trading in Thohoyandou based on the mandates of the IDP strategy. The study may

also help future researchers by enlightening and providing them with relevant information and ways to use when conducting researches on the related field.

Street trading was chosen because it is one of the biggest sectors of the informal economy in South Africa. Many street traders, women and men, have special problems in organising and taking good care of their trading. For many poor families, street trading is an important source of subsistence.

This study was worth investigating because it will clarify the weaknesses that South African municipalities in general and Thulamela Municipality in particular are having and facing with regard to the empowerment of informal trading, and thus will suggest corrective measures to the obstacles hindering effective service delivery to the traders. This study will also improve policy and address policy challenges in municipalities, by showing that closer relationships and effective communication between municipal officials and the people (traders in particular) on the ground are a central feature of human understanding and cooperation. Further, this study will add value to the scholarly literature on informal markets.

1.7. LIMITATIONS OF THE STUDY

The study was limited on several grounds. Since the study is venturing on informal traders and thus the collection of data will alternatively be administered through questionnaires, chances are that some questionnaires may be incomplete based on the time given to respondents and how well the respondents understand the questions.

The acquisition of honest answers may also limit the study in a sense that respondents may not give relevant answers based on how they understand the questions, which may impact the validity and reliability of the study. The study focuses on Thohoyandou informal traders, it may not be generalized to localities such as Polokwane, Musina, Tzaneen etc. This is because of different demographical situations and experiences of informal traders. Culture and language differences affected the researcher's knowledge of approach when collecting data. The

researcher could not pronounce all the words in Venda since some of the informal traders could barely speak English, fortunately municipal officials could speak.

1.8. CHAPTER DIVISION

This section provides a strategic framework for the whole research project. It explains and describes the sequence in which different chapters of the research project will follow one another.

Chapter 1: Introduction

This chapter introduces the general background of the study. The chapter also comprises of the problem statement, research objectives, hypothesis, research questions and significance of the study. Key words frequently used in the study are defined. The chapter ends with demarcating the area under which the study was conducted and the limitations of the study.

Chapter 2: Literature study: Informal Trading and Integrated Development Plan

This chapter focuses on the empirical and theoretical review of the IDP strategy and Informal Trading.

Chapter 3: Research Methodology

This chapter provides the research design, procedures and the data collection methods used by the researcher. The chapter ends with the validity and reliability of the study results.

Chapter 4: Data Presentation, interpretation and discussion of findings

Chapter 4 provided a detailed account of data presentation and analysis from field survey.

Chapter 5: Conclusions and recommendations

This chapter provides the summary, conclusion and recommendations for further studies into the nature of sustainable informal trading. Literature sources consulted and relevant appendices are scheduled in the last section of the research.

1.9. CONCLUSION

The focus of this research was on the IDP as a strategy to empower informal traders with specific reference to the Thohoyandou town. This chapter therefore, aimed to introduce and present the aim of the study, which is to investigate and find out the successes and shortcomings of the Thulamela Municipality's IDP in empowering Thohoyandou informal markets. In the same light, to present the actual of the study in this chapter, other necessary research elements were spot on and discussed in order to develop a strong argument for the study. Those elements are: the research questions, significance of the study, research objectives, problem statement, definitions of concepts as well as the sequence of the study or chapter division.

The following chapter is chapter two, in which the researcher aimed at reviewing the literature on IDP and Informal trading. The aim of the chapter is to coin the two concepts, looking at how municipalities play a role in the empowerment of street traders through the use and mandates of the IDP. The chapter is narrowed to the South African perspective.

CHAPTER TWO:

INTERGRATED DEVELOPMENT PLANNING AND INFORMAL TRADING IN SOUTH AFRICA

2.1. INTRODUCTION

This chapter seeks to assess the relationship of the IDP with informal trading in South Africa. The main objective is to show the link between the two variables and how one affects and contributes to the other. As a South African new developmental strategy, IDP is viewed as local government's tool for socio-economic development within the jurisdiction of a given municipality. In this light, however, this section is more based on the question of the role of IDP in the empowerment of local informal traders. Since it is not possible to speak about South Africa's local government without making reference to the IDP. The IDP is seen as an instrument of change, without it the goals of transformation cannot or can be barely achieved within local government.

Local government in South Africa has been delegated a critical role in redressing the economic and social injustices produced by Apartheid. The role of local government is essential to development planning and to answering to the needs of local communities (Malefane & Mashakoe; 2008) through the provision of goods and services. Sikrweqe (2013) states that IDPs are seen as apparatuses that help to integrate the activities of different municipal departments, to ensure that the developments are seen and consolidated. For municipalities to deliver goods and services, they need to plan appropriately, therefore, their effectiveness depends to a large extent on their ability to plan and provide resources in a developmental and sustainable manner (Valeta & Walton; 2008).

2.2. INTERGRATED DEVELOPMENT PLANNING IN SOUTH AFRICA

South Africa's integrated development planning strategy was launched post-1994 as a mechanism for previously disadvantaged and marginalised municipalities to openly and directly take part in service delivery planning and to identify and prioritise strategic development interventions with both short and long-term impact (Gueli, *et al.* 2007). The IDP is prepared and presented by municipalities with the purpose of planning and implementing projects through a consultative and participatory process (Manthata, 2004). Coetzee (2002) therefore, defines the IDP... "as a process through which municipalities prepare strategic development plan for a five-year period, a principal strategic planning instrument that guides and informs all planning, management, investment, development and implementation actions in a local area".

Sikrweqe (2013) asserts that the IDP is considered as one of the major tools used by the South African local government to embark upon its developmental role. The planning strategy emphasizes that municipal planning is a holistic function instead of a management function as it informs all municipal planning (Harrison, 2000 & Davis *et al.*, 2005). It is seen as a system to affect the developmental local government which requires municipal planning as a joint function of the community, local officials, local councillors and civil society (business and community based organisations (CBOs) (Sikrweqe 2013). IDP emboldens all local role players to assist municipalities to fulfil their core responsibilities in a way that has lasting and profound positive impact (Coetzee, 2000). This developmental role of the IDP entails a special relation with the national development agenda and will certainly have some implications for informal traders.

2.3. THE IMPORTANCE OF INTERGRATED DEVELOPMENT PLANNING

The need to implement the IDP did not surface in a vacuum, but as a result of the need to resolve the many and various challenges that are experienced and trending in local

communities in South Africa. The IDP as a tool for people-centred development is critical and important in the new system of development and governance in South Africa where municipalities are expected to be strategic, inclusive, responsive and performance-driven (DPLG, 2002 & Patel, 2001). As a municipal plan, the IDP sets out all the municipal projects and plans of that particular municipality (Sikrweqe, 2013). The IDP is seen as representing a major change from the traditional apartheid design to a powerful policy instrument that brings about local government transformation (Parnell & Pieterse, 1999).

The main idea of the IDP establishment is that local government must drive away from a fragmented, uncoordinated and segregated planning to integrated, holistic and coordinated development planning (Parnell & Pieterse, 1999). As argued by Maphunye & Mafunisa (2008), the IDP in South Africa is embedded in the history and legacy of the spatial and development planning process of the Apartheid that has left the country with cities and towns that have racially divided businesses and residential areas and that are poorly planned to accommodate the poor. The primary mechanism for reducing poverty and inequality, and for the restructuring of urban and rural areas could be through development and establishments of successful IDPs. .

The IDP, according to Coetzee (2002) and sikrweqe (2013), is important for a number of reasons:

IDP as a service delivery tool is important in providing the framework for economic and social development within the municipality. In doing so it donates towards addressing the legacy of apartheid by ensuring that a shared understanding of spatial and development opportunities are in existence. The IDP becomes also an instrument to promote social equality through a participatory process of democratization, empowerment and social transformation and serves as an instrument to ensure sustainability in its three crucial facets (ecological, economic and social).

IDP there-again puts the notion of developmental local government into operation as it ensures that local government transformation takes place. Transformation in local

government is obtained through the IDP processes of providing formulation, integration and sustainability of projects and programmes. Through the implementation of the IDP, the foundation for community building is placed, a strategic framework that enables and facilitates improved municipal governance is put in place, and a mechanism for attracting investment is established. Furthermore, clear and agreed upon medium-term financial and capital investments are established. Effective and efficient resource allocation and utilization takes place, and political accountability and municipal performance can be monitored and evaluated against documented decisions.

IDP fosters and builds a culture of coordinative and cooperative governance. The IDP serves aids as a basis for communication and interaction between the three spheres of government and sectors of development. It ensures and safeguards accountability and partnership by debating, deciding and discussing concrete issues such as planning and resource allocation. The diverse, different and various municipal departments use public resources co-operatively, and focus these resources towards achieving a common goal.

2.4. THE LEGISLATIVE FRAMEWORK FOR IDP IN SOUTH AFRICA

The drafting and implementation of IDPs by municipalities in South Africa is a lawful requirement. It is a mandate bestowed upon them by various pieces of legislation (Gibbens, 2008 & Sikrweqe, 2013). These pieces of legislation are listed and briefly explained below.

2.4.1. The Constitution of the Republic of South Africa 1996, (Act 108 of 1996)

The Constitution of the Republic of South Africa (1996), provides that municipalities can draft and implement the IDPs to promote the nation, manage their administration, budgeting and planning process to priorities the basic needs of local communities. In terms of the Constitution, local government as a distinct sphere of government is required to provide democratic and accountable government, ensure the provision of services to all communities

in a sustainable way, promote social and economic development and encourage the involvement of local communities in local governance, thus not marginalising but also including informal traders amongst others.

2.4.2. The Development Facilitation Act 1995, (67 of 1995)

The Development Facilitation Act (DFA) (1995) provides superiority to the local sphere of government as the means for change and development. IDP, in terms of this Act, is seen as a key point and the main pillar for development and the provision of basic services to local communities. This Act encourages the efficient integration of social, economic, institutional and physical aspects of development. The IDP process, according to DFA, is regarded as the main organising device for encouraging municipalities to identify key delivery targets, and informal traders are therefore, subsequently part of the community which needs to be protected by, and as well as to enjoy the fruits and provisions of this Act.

2.4.3. The Municipal Structures Act 1998, (117 of 1998)

The Municipal Structures Act (1998) makes provision for the formation of wards and wards committees in the South African local sphere of government. The objective of ward committees, in terms of this Act, the aim is to enhance participatory democracy in local government. This Act also gives municipalities the responsibility to apply the IDP framework whilst delivering basic services to communities and outlines a framework on how IDPs can be developed. Whilst amongst other objectives of the Act is to enhance participation and democracy, informal traders are also included in the participative communities in their local governments. This Act should also enhance and uphold its promise for democratic participation to the surrounding communities variably including street vendors.

2.4.4. White Paper on Local Government, 1998

The White Paper on Local Government, 1998 is regarded as a stepping-stone between the Constitution of the Republic of South Africa, Municipal Structures Act and Municipal Systems Acts (Sikrweqe, 2013). The central idea of the White Paper on local government is developmental local government (Sikrweqe, 2013). As in the case of the Municipal Structures

Act, the Local Government White Paper requires that local government works hand in hand with the members of local communities and groups in the planning and implementation of developmental plans. In this case, local municipalities can cooperate with informal traders in the planning of local economic development's programmes and projects which shall be incorporated within the municipality's IDP.

2.4.5. The Local Government Transition Act 1993, (209 of 1993), as amended

The Local Government Transition Act of 1993 and its second amendment, 1996, also laid the basis for municipalities to implement IDPs. The Act asserts that local government should put into practice the IDPs and must focus on key development challenges facing their municipalities. The overgrowing number of informal traders in the cities and towns is a fly on the municipality's eye which needs to be addressed by the municipality in charge with specific tolerance to the provisions and mandates of this Act.

2.4.6. The Local Government Municipal Systems Act 2000, (32 of 2000)

Lastly, the Local Government Municipal Systems Act (2000) mandates municipalities to draft and implement the IDPs in their areas of jurisdiction. The Act requires that the local communities be consulted about decisions on matters that concern them, e.g. their needs and priorities. In terms of the Act, municipal councils must develop a culture of participatory governance as well as conditions conducive for the community and local stakeholders to participate freely in local government matters. In the light of consultation and decision making, informal traders are must be consulted to give out the voices to the municipality about their needs and priorities. Local municipalities must, therefore, not marginalize the informal sector and its say in the decision making.

Section 25 (1) of the Municipal Systems Act requires municipalities to develop a single and inclusive plan that links, integrates and coordinates plans of municipal departments, and one that aligns resources and capacity with implementation. This plan must be seen as a foundation on which annual budgets must be based, and aligned with plans of national and provincial spheres of government. The budgets made, in terms of this section, must also

include to a large extent the informal traders and how their lives will be improved within the budget.

2.5. KEY PERFORMANCE AREAS (KPAs) OF THE IDP

The IDP identifies key performance areas on which the performance of a municipality can be improved. These key performance areas, according to Mashamba (2008), are: spatial planning, service delivery, financial management and compliance with Municipal Finance Management Act 2003 (MFMA, 56 of 2003); performance monitoring and evaluation, good governance, local economic development (LED), and intergovernmental relations. These KPAs can be identified as critical areas upon which municipal performance and financial auditing efforts have to focus. In this regard, Local Economic Development as one of the KPAs will be extracted and discussed amongst others as it bonds and link strongly and directly with the informal trading.

2.5.1. Local Economic Development

LED is an important key performance area of IDP. In the quest to achieve development, the South African government recognizes the importance of Local Economic Development. This is enshrined in the White Paper on Local Government (1998). This legislation acknowledges the role of local government to facilitate local economic growth. Municipalities in South Africa are required to establish LED departments which are targeted at strengthening capacity of their IDPs (Gunter, 2006). It is argued by Gunter (2006) that the LED should be incorporated into the IDP to enable municipalities to achieve socio economic development in areas of their jurisdiction. This means that such an inclusion will also help to develop and empower informal traders.

Orange *et al*, (2000) state that the LED policy of a municipality should be aimed at achieving municipal developmental priorities outlined in the IDP. In terms of developmental local government planning processes, municipalities must give priority to poverty alleviation.

Municipalities can achieve the poverty alleviation efforts through LED policy implementation in the context of IDP (Gunter, 2006). The main consideration of any LED policy should focus on local economic growth and improving the standards of living among the people within a particular municipality. In this sense, local municipalities have a duty to protect, empower and shape informal traders as mandated by the local economic development policy.

2.6. SOUTH AFRICAN MUNICIPALITIES IN THE EMPOWERMENT OF INFORMAL TRADERS

Local governments have the authority to decide on how to govern the areas under their control. This is done in terms of national and provincial laws (Nenzhelele, 2013). The primary regulatory tools for governing at the local level are the by-laws (Motala, 2002). Therefore, the responsibility for promoting and controlling informal trading lies within the local government.

Levenson & Maloney, (1998) maintain that informal markets operate efficiently but that government interventions lead to inefficiencies and distortions and the informal economy is forced to decline with economic growth. The informal economy is therefore regarded as something beyond the reach of the government, in part because those who operate in it want to avoid regulation and taxation (Nenzhelele, 2013). The informal economy as a survivalist strategy, might as well exist for long, therefore it will require appropriate regulations, laws and policies.

Given the economic offerings of the informal economy, it is widely believed that the government should develop policies that recognize the importance of the informal economy, restrict and regulate it when necessary, but mostly seek to increase productivity and improve the working conditions of those who work on it (Levenson *et al*, 1998). Informal traders will greatly benefit from such a belief because their informal working conditions is expected to affect their productivity.

According to SEDA (2008) some of the roles of the local municipalities are establishment of the institutional structures to manage informal trading, engaging informal traders to become

partners, creating forums for communication and managing stakeholders and lastly the creating of an enabling environment for both sectors thereby enhancing and inclusive management of formal and informal traders. Nenzhelele (2013) states that the Informal trading by-laws highlights the following as the role played by the municipality.

- Ensuring that the units on which the informal traders trade are cleaned and sanitized on a regular basis,
- Provision receptacles in the area near the units in order to facilitate the disposal of litter by informal traders, and
- Ensuring that the receptacles are emptied on a regular basis in order to facilitate the cleaning of trading units.

2.7. CHALLENGES FACED BY LOCAL MUNICIPALITIES IN EXECUTING INFORMAL TRADING

Nenzhelele (2013) contends that municipalities also face challenges when they deal with informal traders. Below are some of those challenges:

- There is instability and vulnerability of informal traders' representation and associations,
- Multiple structures within municipalities, (which do not plan and operate jointly) are mandated to facilitate, manage, implement and monitor informal trading;
- No common denominator, between hawkers on their constitutional rights to trade and the municipal by-laws prohibiting them from trading on specific sites;
- Increasing number of street traders which results in overcrowding; and
- Low literacy levels are also a challenge to the local government because informal traders are unable to exercise their constitutional rights and duties and this continuously frustrates municipal officials.

2.8. MUNICIPAL INFORMAL TRADING BY-LAWS IN SOUTH AFRICA

According to the City of Johannesburg Metropolitan Municipality (CJMM, 2012) informal trading becomes one of the sectors to be regulated by the municipalities within the parameters of the IDP. Municipality by-laws and regulations shape the working environment (Skinner & Lund, 2005; Nenzhelele, 2013). The street trading by-laws of different cities and towns are similar because they all use the Businesses Act 72 of 1991 as a guide. The purpose of by-laws is to ensure that the needs of informal traders are met without compromising the needs of other users of public infrastructure and open spaces (Ligthelm & Van Wyk, 2004).

This section, however discusses the general municipal by-laws governing street trading in South Africa. Therefore, the Business Act 72 of 1991 as tool and a guide for business administrations in South Africa. These by-laws have enshrined few amongst others, the following sections and discussed under each heading what is ought to be done and known by any person(s) who want to venture into informal trading in South Africa.

2.8.1. Forms of informal trading

The CJMM (2012) states that Informal trading may include any of the following forms of trading:

- Street trading, which comprises the selling of goods or supply of services for reward in a public road;
- Selling of Goods in Linear Market;
- Sale of Goods or services in a Public Place;
- Mobile trading such as from caravans, and light Motor Vehicles;
- Selling of Goods in stalls or kiosks; and
- Selling of Goods at Special Events.

In this regard, not every form of informal trading will be carried out anywhere, according to the same CJMM informal trader by-law of (2012) states that there are designated areas where informal trading can be undertaken.

2.8.2. Designated areas

- The municipality may, by resolution set apart and demarcate stands or areas for the purposes of Informal Trading on any Public Road.
- Any such stands or areas demarcated for informal trading may be extended, reduced or disestablished by resolution of the responsible municipality under perceived reasonable circumstances.
- The municipality may, by resolution lease any portion thereof to the owner or occupier of the contiguous land on condition that such owner or occupier shall admit a specified number of informal traders in stands or places on such verge designated by such owner or occupier (CJMM, 2012).

In case of designating areas for informal traders, a municipality through its relevant offices, may issue a lease contract with the occupier in the process of allocating the stands or business areas. Such lease contracts will contain stipulations provided for, by the municipality in order to regulate the designated areas.

2.8.3. Lease and allocation of stands

The CJMM (2012) further states that:

(1) Any person who intends to carry on a business as informal trader in terms of the provisions of the by-law may apply to the municipality in the prescribed manner for a lease or allocation of a stand. The municipality may grant the stand subject to conditions if met by the applicant, or refuse if not met by the applicant.

(2) If such application is successful-

- An Informal Trader must enter into a lease agreement with the municipality in respect of such stand, which lease agreement must be produced at the request of an Authorised Official;

- In respect of the allocation, as well as the lease of a stand a token shall be issued to an Informal trader as proof of an Informal Trader's rights to occupy the stand for the purpose of conducting Informal Trading; and
- An informal trader must, at all times while carrying on business on the stand or public space, retain such token on his/her person ready for display to an authorised official, if requested

(3) Any person who carries on Informal Trading on a stand or Public Place and who, without a reasonable explanation, is unable to produce a valid lease agreement or token as envisaged in subsection (2) above, shall be guilty of an offence (CJMM, 2012)

In this vein, informal traders are strongly believed to be trading on the public areas, and therefore there may be allegations against them that they contaminate the public environment, therefore in the by-law informal traders are urged to ensure environmental health and safety.

2.8.4. Environmental Health and Safety

The CJMM (2012) also supports that informal traders must take a responsibility of look after the environmental health and safety through a variety of provisions. The provisions are that an informal trader must:

- Keep the area or site occupied by him or her for the purposes of conducting informal trading in a clean and sanitary condition;
- Keep his or her property in a clean, sanitary and well maintained condition;
- Dispose of litter generated by his or her business in whatever refuse receptacle is provided by the municipality for the public or at a dumping site of the municipality.
- Not dispose of Litter in a manhole, storm water drain or other place not intended for the disposal of Litter;
- Ensure that on completion of business for the day, the area or site occupied by him or her for the purposes of conducting informal trading is free of Litter;

- Take such precautions in the course of conducting his or her business as may be necessary to prevent the spilling onto a public road, or public place or into a storm water drain, of any fat, oil or grease; ensure that no smoke, fumes, or other substance, odours, or noise, emanating from his or her activities associated with informal trading, causes pollution of any kind; and
- On request by an authorised official, move his or her property so as to permit the cleansing of the space or the area or site where he or she is conducting informal trading, or the effecting of municipal services.

However, informal traders are urged by the municipal by-laws, (i.e. CJMM by-law) to conduct themselves in manner that upholds public respect and responsibility for the environment. Therefore, there are variety of provisions stipulated in municipal by-laws that govern the conducts of informal traders.

2.8.5. Prohibited conduct

According to the CJMM (2012), No person shall carry on the business of an informal trader:

- (a) At a place or in an area declared by the municipality as a place or area in which informal trading is prohibited;
- (b) In a garden to which the public has a right of access;
- (c) Directly alongside
 - A building belonging to the South African Police and or a Police Station;
 - A church, mosque, synagogue or other place of worship;
 - A building declared to be a public monument; and
 - An auto teller bank machine
- (d) At a place where it causes an obstruction in respect of-
 - a fire hydrant; or
 - any entrance to or exit from a building;
- (e) At a place where it is likely to obstruct vehicular traffic;

(f) On that half of a public road, contiguous to a building used for residential purposes, if the owner or person in control or any occupier of that building objects thereto and such objection is made known to the informal trader by an authorised official;

(g) On a sidewalk contiguous to a building in which business is being carried on by any person who sells goods of the same or of a similar nature to the goods being sold on such sidewalk by the trader, if the goods are sold by the informal trader without the prior consent of such person and an authorised official has informed the Informal trader that such consent does not exist.

2.8.6. Removal and Impoundment

The CJMM (2012) by-law under this facet states that, an authorised official may remove and impound any property of an informal trader which -

- He or she reasonably suspects is being used or which is intended to be used or has been used for or in connection with informal trading; and
- Is found at a place where informal trading is restricted or prohibited.

The removal and impoundment of property may be effected irrespective of whether or not such property is in the possession or under the control of any third party at the time. Any authorised official acting in terms of subsection (1) must except where goods have been left or abandoned, issue to the person carrying on informal trading, a receipt for any property so removed and impounded, which receipt must -

- Itemise in detail the property' to be removed and impounded;
- provide the address where the impounded property will be kept and the period of such impoundment;
- State the terms and conditions for the release of the impounded property;
- state the impoundment costs to be paid by the informal trader concerned;

- state the terms and conditions relating to the sale of unclaimed property by public auction; and
- Provide the name and address of a municipal official to whom any representations regarding the impoundment may be made and the date and time by which this must be done.

If any property is to be impounded is attached to any immovable property or a structure and such property or structure is under the apparent control of a person present thereat, then any authorised official may order such person to remove the property and if such person refuses or fails to comply then he or she shall be guilty of an offence. When any person fails to comply with an order to remove the property, any Authorised official may take such steps as may be necessary to remove such property (CJMM, 2012).

The rationale behind the discussed by-law lays a foundation to the municipal governance in relation with informal trading. The by-law is part of the municipal legislations, in which informal trader by-law seeks to govern informal trading within the jurisdiction of a given municipality. When municipalities upholds their informal trader by laws that helps to strengthen the objectives and the mandates of their IDP's.

2.9. INFORMAL TRADING IN SOUTH AFRICA

According to Devey *et al* (2006), the scholar said to be Keith Hart (1973) coined the term 'informal sector' in the early 1970s, and there has been much debate about what exactly this term refers to. Most definitions, however, agree that it refers to economic activities that are relatively small scale and elude certain government requirements, such as registration, tax and social security obligations. A defining feature for statisticians is non-re-registration for tax purposes. Most street traders would thus be considered to be part of the informal sector (Devey *et al*. 2006).

In many developing and developed countries, the informal sector is increasingly becoming a major contributor to GDP (Pillay, 2004). South Africa is no exception; the informal sector is an important one, given the high levels of unemployment and poverty in the country. However, the informal sector is not a homogenous entity; enterprises differ in respect of size, scope, nature of activities and income-earning potential. Many people operate in the informal sector as hawkers, vendors and subsistence farmers, and tend to generate income way below the poverty line.

In recent years the informal sector in both less developed countries and in developing countries, including South Africa, has undergone rapid growth. In South Africa, high levels of unemployment and poverty have pushed many of the unemployed into self-employment activities in the informal sector (Pillay, 2004). There has been an apparent renewed interest in informal markets and it is increasingly being recognised that informal markets are important indicators of the political and economic health of a society (Vermaak, 2014).

In South Africa during the 1990s the law had required that informal/street traders could only trade if they had obtained a license (as part of government's relaxation on the laws on street trading (SEDA, 2008). In 1991, the National Government passed the new Business Act, which recognized that street vendors would be treated as businesses as well. The need for obtaining a business licence for certain types of business therefore fell away.

According to pillay (2004) informal sector is a highly diversified segment, and street trading is one type of survivalist activity. In South Africa, street trading is conducted mainly by African women and men, who sell mostly fruits, vegetables and cooked foods. The typical feature of informal sector work is its hazardous nature, especially as it evades the realm of social security and labour legislation.

Tshuma & Jari (2013) further posit that, informal sector usually emerges due to the inability of the formal sector to create job opportunities for the urban as well as the rural labour force in the third world countries. Abedian & De Smidt, (1990) in Tshuma & Jari, (2013) support this

thought but further assert that due to the dismantling of apartheid and some general deregulation of the South African economy, the informal sector's activity in South Africa has rapidly expanded in two arenas. The first of these is in the major cities where the granting of civil and economic rights to blacks has propelled the burgeoning of street and mall hawkers and an ample supply of unrecorded domestic and household maintenance services.

Rogerson (2000) maintains that there are two factors that have led to the emergence of the informal trading in South Africa which are firstly the economic climate with high unemployment and lack of formal sector job creation forcing thousands of people to seek a living in the informal economy. Secondly, the granting of economic rights to the previously excluded non-white majority as well as changes in legislation that came with the end of apartheid. During apartheid era urban environments were divided along racial lines and economic activity for non-whites was largely restricted, especially in the Central Business Districts (CBD).

Skinner (2007) indicates that the difficulties of obtaining the license to trade during the Apartheid era. This was because during that era informal trade was regulated through the Licensing Act. Black people were only allowed to be found in South African Cities if they had a Section 10 permit or if they had a formal employment contract. This simply meant that if somebody was found conducting any economic activity without a license they were treated as illegal entrepreneurs in South Africa (Nenzhelele, 2013).

2.10. INFORMAL TRADING DEFINED

In South Africa, according to SEDA (2008), the concept of "Informal Trading" should be understood within the context of its historical / political background and how this has influenced economic, legal and social development initiatives to date. During the Apartheid era, the terms informal, black and illegal were often treated almost synonymously with unwanted economic activity and, as such, most informal selling, especially in urban centres was defined as illegal; where most black businesses were treated as completely illegal. Over the years, mainly since

the early 1990s, two of these terms have been dropped and only the term informal has remained to denote a positive approach to trading.

Against this background, a broader definition of the Informal trading would include all “unregulated nature of activities such as subsistence agricultural workers, domestic workers, home-based workers and commercial sex workers” (SEDA, 2008). Informal Trading tends to concentrate on doing business in public places. It further states that Informal Trading is the “economic activity undertaken by entrepreneurs who sell legal goods and services within a space deemed to be public property, within the informal sector” (SEDA, 2008)

Street traders are those who belong to the informal economy and who trade in the streets (Motala, 2002). Witt (2000), use the term “street trading”, when referring to a specific activity within the ‘informal’ economy is correct only in that it describes the physical presence of traders operating from a street. What it does not do is elaborate on the intricate and diverse economic interests and ‘employment relationships’ within any particular sub-sector on the street.” Motala (2002) further maintains that, term “Informal Trading” captures the distinctive patterns of the wide range of actors operating in the sector, as there is a “world of difference between women and men in up-market flea markets trading in niche antique or luxury goods and women and men in the survivalist sector trading in fruit and vegetables produced by someone else.”

Informal trading refers to economic activity by individuals and/or groups involving the sale of legal goods and services, within public and private spaces, which spaces are generally unconventional for the exercise of such activity. It is generally unorganized and not always registered as a formal business activity. In its most basic, informal trading takes place on streets and pavements, on private property (used primarily as the entrepreneur’s place of residence) and tends to require little more than the actual goods and services to set up (SEDA, 2008).

The informal sector includes all those who work in small, unregistered enterprises, both employers and employees, as well as self-employed persons who work in their own family

businesses (Chen & Carr, 2001). Despite such a clear definition, the generation of statistical information on this sector has proved arduous, given its diversity and wide ranging activities. According to Charmes (2000) the salient features of the informal sector include: ease of entry; small scale activity; little capital and equipment; labour-intensive technology; low skills; low level of organisation; and limited or no access to formal credit, organised markets, education and training; services and amenities.

The 1995 White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (Lund, 1998) identifies four categories of informal sector activities, namely: survivalist; micro enterprises; small enterprises; and medium enterprises. The survivalist sector comprises of street traders and home-based workers.

The view that the informal sector is an avenue for the development of emerging entrepreneurs has been challenged. Many researchers have argued that the informal sector does not comprise of entrepreneurs, but, rather workers (Horn, 1995). Thus the informal sector according to Pillay (2004), is not necessarily a hive for entrepreneurial activities but may contain many contradictions, namely:

- Participation in the informal sector is not temporary, and people do not traverse between the formal and informal sectors. Rather, those in the informal sector have nowhere else to ply their skills.
- Its activities are highly survivalist in nature.
- It involves long work hours, low levels of income, no social security and inadequate safety measures, all of which economically marginalise its participants.
- Whilst it does generate income, it cannot obviate poverty and low standards of living (PCR, 1996).

Ligthem & Van Wyk (2004) concur that Informal traders are generally defined as retailers that are not registered for VAT. This includes, *inter alia*, spazas, tuck shops, hawkers/street

vendors, shebeens, kiosks, take-aways and fast foods. Products traded include food and non-food products. These businesses are primarily located in the following areas:

- Where high volumes of people and activity are present such as pedestrian malls, learning institutions, CBDs, train stations. These businesses are largely established in public spaces
- Where large numbers of less affluent households are resident in township areas (e.g. spazas and tuck shops). These businesses are primarily established on private property.

However, informal trading in South Africa does not operate in isolation, it is recently regulated and supported by a number of legal documents.

2.11. SOUTH AFRICAN INFORMAL TRADER LEGISLATIVE FRAMEWORK

In South Africa, street trading is fundamentally governed and regulated by municipal by-laws and policies at the local government level. The Businesses Act 72 of 1991, together with the Businesses Amendment Act 186 of 1993, gives municipalities the mandate to draw up and implement such by-laws. Municipal by-laws must finally be in line with the Constitution of the Republic of South Africa Act 108 of 1996 and legislation which gives effect to constitution e.g. the Local Government: Municipal Systems Act 32 of 2000 (Municipal Systems Act). Below is a summary of relevant legislation and policies that gives a say in the informal trading in South Africa.

2.11.1. Constitution of the Republic of South Africa 1996 (Act 108 of 1996)

Chapter 2 the 'Bill of Rights' in the Constitution sets out a quantity of rights and protections which apply to all those living in South Africa, and these are relevant to the lived-reality and treatment of street traders. Two over-arching and general principles include the right to equality

and dignity. According to Section 9, everyone in South Africa is equal before the law and has the right to equal protection and benefit of the law. Section 10 further relates to human dignity and states that everyone has inherent dignity and the right to have their dignity respected and protected.

Section 22 of the Constitution relates to freedom of trade and states that “*every citizen has the right to choose their trade, occupation or profession freely*”, however this is qualified by the clause that states “*the practice of a trade, occupation or profession may be regulated by law.*” Therefore, while the freedom of trade is extended to informal trading, it can be regulated by law.

Section 6A of the Businesses Act 71 of 1991 provides for the making of by-laws regarding the restriction of the carrying on of informal trade. However, Ligthelm & Van Wyk (2004) state that this is seen in some quarters as unconstitutional, infringing informal traders’ freedom to trade. Although, some are also of the view that the Businesses Act further violates informal traders’ freedom since certain parts of towns are out of bounds for informal trading.

2.11.2. Businesses Act 1991 (72 of 1991)

The Businesses Act (1991) transformed the legal framework for street trading and acknowledged it as an important sector which contributes to the economy and individual incomes and should be sustained. Under apartheid, people were driven into the informal economy because they were streaked from participation in the formal economy. However, most informal activities were illegal and subjected to repression, persecution and prosecution. The national change of attitude to informal activities ended in the 1991 Businesses Act, enacted in a climate of deregulation in South Africa. Simply put, deregulation is intended “to reduce or to eliminate specific government rules and regulations that apply to private businesses” (Mwasinga, 2013).

According to Skinner (2008), this legislation was a key mechanism for deregulating business activities, removing barriers to the operation of informal activities and making it an offence to enforce the move-on laws (RSA, 1996). The national legislation restricting street trading was relaxed in the early 1990s and there was intense increase in these activities in all South African cities and towns. According to Skinner (1999) in Mwasinga, (2013), “it sought to reduce the powers of local authorities to develop and implement laws that would restrict informal trading.

The Businesses Act (1991) mentions the issues of licensing, particularly with regard to the selling of meals and perishable foodstuffs; the right to have written notice of why a license request was denied or repealed and the reasons for this; the provision for appeal regarding licensing; penal provisions; regulations and the power of local authorities regarding street traders, especially in their mandate to develop local by-laws (Constitution of the Republic of South Africa, 1996).

Section 6A (2) of the Business Act states that “a local authority may by resolution affirm any place in its area of jurisdiction to be an area in which the carrying on of the business of street vendors, pedlar or hawker may be restricted or prohibited.” However, Section 6A (2) goes on to add that before such a motion is adopted, the local authority shall have regard to the effect of the presence of a large number of street traders in that area and shall consider whether more effective supervision or control in that area, including negotiations with any person carrying on in that area the business of street trading or their representatives, will make a declaration unnecessary. The local authority must also consider whether the intended restriction or prohibition will drive a substantial number of street traders out of business. If either of these effects is found to be the case then there is an official procedure that needs to be undertaken as postulated in section 6A(2) of the Act.

Municipal Systems Act 2000 (Act 32 of 2000)

The Constitution enshrines the objectives, developmental duties and powers and functions of local government, as well as providing the authority for local government to develop by-laws

in order to administer street trading. Section 152 of the Constitution sets out the objectives of local government, which includes providing democratic and accountable government for local communities, promoting social and economic development and encouraging the involvement of communities and community organisations in the matters of local government. Section 156 present the powers and functions of municipalities and states that a municipality has executive authority in respect of, and the right to administer, certain local government matters including street trading (RSA, 1996).

Municipalities thus have the obligation to draw up street trading by-laws, which may be enforced only after being published in the official gazette of the relevant province, and which must be accessible to the public, as per Section 162 of the Constitution. These sections are given effect by the Municipal Systems Act, which expands on, amongst other issues: municipal duties, powers and functions; the municipal drafting of by-laws; and the importance of community participation (RSA, 1996).

2.12. SIGNIFICANCE OF INFORMAL TRADING IN SOUTH AFRICA

The informal sector, due to its role in most developing countries such as South Africa, is explained by Schmögnerová (2004) as one of the major driving forces in economic development. It has a myriads of “roles” other than just the contribution of income for the less educated and unskilled people. The trading within this sector is flexible and can adapt quickly to changing market demand and supply situations, it generates employment, helps diversify economic activity, makes a vital contribution to exports and trade, provides raw materials to local producers and also helps in alleviating amounts of poverty.

The informal sector may be observed as a sector which creates employment for the needy and people who live without formal employment. This is supported by Biggs & Srivastava (1996) in Tshuma & Jari, (2013) whose findings affirm that informal businesses with less than

50 employees are an important foundation of employment growth. Therefore, Tshuma & Jari (2013) further contest that comparative studies of large and small businesses carried out at all stages of development further recommend that small firms employ more labour per unit of capital than large firms do. Due to their labour intensive nature, informal businesses thus have a high labour absorption rate which makes them capable of generating many new jobs at low cost.

This is also supported by Kromberg (2005) who revealed that informal businesses absorb between 50 and 60% of the labour force in South Africa. Apart from just creating jobs, Aswani (2007) further points out that this sector spends at least two thirds of its income on the formal economy thereby contributing towards overall economic growth in the country. Having an economy running matching to the main economy also creates competition which in turn increases productivity (Aswani, 2007).

Dhemba (1999) in Tshuma & Jari, (2013) states that with the informal sector evidencing to create jobs at such a favourable rapid pace it should follow that poverty should be alleviated as well, as the previously unemployed can engage in this sector and earn some income that can afford them at least some of the basic needs, if not all. Thus, informal sector development is an important strategy for reducing poverty as it promotes and empowers even the poor, women and the differently abled so that they can escape malnutrition, hunger, and diseases by working in this industry.

2.13. CHALLENGES FACED BY THE INFORMAL SECTOR IN SOUTH AFRICA

There are challenges and obstacles that are faced by street vendors. Some of the obstacles are also experienced by the formal enterprises. However, informal enterprises (traders) are much more vulnerable in relation to some problems (Becker: 2004). Tambunan, (2009) identified three common groups of constraints faced by informal traders which are infrastructural, institutional and economical:

2.13.1. Infrastructural challenges

- Poor infrastructure such as transport, storage facilities, water, electricity;
- Lack of working premises;
- Poorly developed physical markets;
- Toilets; and
- Storage facilities.

2.13.2. Institutional challenges

- No access to formal training and as a result, lack of skills in particular as regards basic economic skills and managerial expertise;
- Lack of formal schooling, sometimes even resulting in illiteracy;
- Limited access to land and property right;
- Excessive government regulations;
- Limited access to formal finance and banking institutions; and
- Too restrictive or cumbersome taxation systems and labour law.

2.13.3. Economic challenges

- Excessive registration and transaction costs of starting or operating business;
- Low income or lack of regular income as household consumption competes for the use of business earnings; and
- Limited access to technology.

2.13.4. Socio-economic challenges

Kamara (2012) further states that the majority of informal traders have very daunting working conditions. *Inter alia*, Kamara states that; most of the informal traders have wooden tables and plastic offcuts which serve as mats to expose their merchandise. They are generally exposed to the sun. This not so rosy situation strengthens the conviction of inform

al traders whose most vital worry is their "survival" and is at the same time a means of urging the state and local authorities to address their situation.

Similarly, Ngcaweni (2000) adds that, earnings are only one aspect of employment. Job security is also of equal importance from the point of view of security of employment and security of earnings. There is more job security in the informal sector, than the formal one because one cannot be fired from self-employment. One might also expect informal earnings to be subject to more fluctuation than occur in the formal sector.

Ngcaweni (2000) further explains that South Africa has experienced a mixture of foreign nationals e.g. Senegalese, Somalis, Nigerian, Zimbabweans and Ghanaian people who have joined the street trade in South Africa. Some of these immigrants have become active agents of forged or fake goods, and thereby offer unfair competition to the local street traders.

2.13.5. Licensing issue

Lund & Skinner (2005) state that the procedures to secure a license of trading with the local authority are regarded as complex and costly in South African cities. A street trader has to go to different local government departments to register. A person who wishes to trade in food stuffs for example has to apply to the Licensing Department for a license to trade and the Informal Trade and Small Business Branch for a site permit. The new Health Act 61 of 2003 of South Africa requires that the City Health Department issue a certificate of acceptability to a person trading in foodstuffs, (Skinner, 2005).

Lack of technical, business and entrepreneurial skills also deter informal street vendors from effectively conveying the opportunities of their informal businesses to financiers (Cichello, 2005).

2.13.6. Financial challenges

The principal and perhaps the most central constraint faced by the informal business sector is lack of finance which is needed to bear possible losses and to counterbalance the risks informal traders face on a daily basis. It is difficult to obtain credit from the formal financial sector such as banks due to the lack of enough warranty (Adisu, 2006). Adisu (2006), claims that informal traders are forced to resort to informal sources of credit such as money lenders who charge them overpriced interest rates that they cannot easily refund or cannot afford to repay at all. Kirsten, *et al.* (2006) hold the view that some informal traders are dispirited from borrowing by the fact that their future earnings are usually less than the value of their assets or warranty.

Tshuma & Jari (2013) contend that another reason for these small informal businesses not to get financial support is that they are not registered and this makes it very difficult for the willing financial organizations to reach out to them as they do not know where to find them. There is also lack of tools and equipment as well as technical skills for improving productivity due to lack of adequate finance with which to source these resources (Tshuma & Jari, 2013). Limited finance has made it problematic for the small businesses to advance technologically, higher expert labour, buy inputs in wholesale to enjoy scale economies and even grow in size.

2.13.7. Legal and organizational challenges

Tshuma & Jari (2013) note that some of the small trades grow and try to join the formal sector. However, this transition into the formal sector brings with it many restrictions such as the complex and lavish legal requirements for registration. In most countries, South Africa included, the legal processes involve very long procedures and paper work and there are also licenses that cannot be obtained easily or cheaply. At times applications for licenses take too long to be processed since small business owners lack the influence or bargaining power enjoyed by bigger firms. Such factors trigger some entrepreneurs to resort to what McGee

(1996) in Tshuma & Jari (2013) termed “*rent-seeking*” (bribes) as they try to make the government officials to speed up the processing of their applications.

In South Africa, Rogerson explains that small business which operate mainly in the informal sector include survivalist business activities that are carried out mainly by unemployed people who are unable to find regular employment (Soni, 2005). However, Informal business in South Africa continuously experiences stagnant obstacles persistently.

Firstly, the major obstacles to business expansion faced by informal markets in South Africa are the competitive environment, regulations/red tape, and the availability of a skilled workforce (Soni, 2005). Secondly, other major impediments faced by informal markets are the cost of finance and regulations/red tape. Thirdly, regarding international expansion, the main hurdles reported are bureaucracy, red tape and regulations, lack of knowledge about markets, and political and social instability (Soni, 2005).

2.14. CHARACTERISTICS OF THE PEOPLE ENGAGED IN THE INFORMAL SECTOR IN SOUTH AFRICA

There are certain characteristics which could be used to identify if one is an informal trader; amongst others, Chen (2012) states the following:

- Absence of official protection and recognition;
- Non coverage by minimum wage legislation and social security system;
- Predominance of own-account and self-employment work;
- Absence of trade union organization;
- Low income and wages;
- Little job security; and
- No fringe benefits from institutional sources

2.15. CHARACTERISTICS OF THE ACTIVITIES IN THE INFORMAL SECTOR

There are also various characteristics of the activities in the informal sector. Chen (2012) further highlighted the following:

- Unregulated and competitive markets;
- Small scale operation with individual or family ownership;
- Reliance on locally available resources;
- Family ownership of enterprises;
- Labour intensive and adapted technology; and
- Absence of access to institutional credit or other supports and protections

2.16. DYNAMICS BETWEEN MUNICIPALITIES AND INFORMAL TRADERS

According to SEDA (2008), the dynamics of informal trading between municipalities and informal traders are similar to challenges but in this context they deal with inter- and intra-relationships between and among people and the organizations they represent. Some of the common ones are:

- Relationships with police are always strained, especially law enforcement agents who are viewed as antagonistic to informal trading per se;
- Insight by informal traders that foreigners are taking over their business and mainly their trading space;
- Tense and frustrating relationships with local municipalities, especially where informal traders' goods are constantly being confiscated and impounded (whether correctly or otherwise);
- Unequal suspicions and frustrations by informal traders due to site allocations and the function of processing permits by municipalities; hence unhealthy cooperation between authorities and informal traders;

- Increased inter-organizational rivalries and intra-organizational conflicts between and among informal traders' associations;
- Most of these organizations are institutionally and financially weak and therefore are not able to represent and manage their members properly;
- The notion of "cross-titling" is very common among members – where informal traders are able to move from one association to another without following proper procedures; and
- Lack of common ethics, values and policy guidelines from Local Government authorities creates a breeding environment for tensions and frustrations for informal traders.

It is the responsibility of municipalities through their IDP to enforce laws, rules and regulation in order to overcome the dynamics or frustration between traders themselves with the responsible municipality. The municipal systems Act (2000) enshrines that the municipality must uphold and integrate the plans as well as linking the stakeholders together, municipality can do that through the strict implementation of IDP so as to enforce laws created to justify the frustrations between traders and municipality concerned. However, informal trading in cities and town does not merely exist, but phenomena such as migration and urbanisation plays a role, and certainly contributes to the existence of informal markets.

2.17. INFORMAL TRADING, MIGRATION AND URBANISATION IN SOUTH AFRICA

The fall of Apartheid in South Africa led to the re-insertion of South African cities in the informal trade networks (Crush & McDonald, 2000). Many of the African immigrants have therefore seized the opportunity to become small entrepreneurs due to a number of factors. These factors include the Country's Immigration policy which is aimed at making the stay of these particular immigrants temporary, thereby hindering their formal employment and the shrinking of major employing sectors such as mining and agricultural sectors (Crush & McDonald, 2000) and consequently the scarcity of jobs and informal trading becomes an answer.

Migration into South African cities took a different dimension especially after the fall of the Apartheid Regime (Peberdy & Rogerson, 2000). The collapse of the Apartheid Regime in the early nineties meant the renovation of cooperation between South Africa and its neighbours as well as the rest of the African continent. This gave rise to what Peberdy & Rogerson refer to as the “*New Immigration Regime*” which refers to the new trend of immigrants coming into the country mostly from the Southern African Development Community (SADC) region and the rest of Africa as opposed to earlier immigrations which were mostly from Europe and Asia (Peberdy & Rogerson, 2000). Despite the country’s restrictive policy on African immigrants, their numbers have been on the increase.

Street trading presents one of the most visible and popular occupations in the global south (Donovan, 2008). It is a phenomenon that most countries seem to battle with in trying to handle and accept it with countries tackling informal street trading differently. In her book, *The Death and Life of American Cities*, Jacobs argues that modernist urban planning rejects the city because it rejects human beings living in a community characterised by layered complexity and seeming chaos, therefore using deductive reasoning to plan cities and in the process not upholding severance and vibrancy in cities (Jacobs, 1992 in Bantubonse, 2008).

2.18. THE STATE OF URBANISATION AND INFORMAL TRADING IN SOUTH AFRICA

The previous section dealt with the introductory part on the urbanisation and migration. This section discusses the concept of urbanisation as one of the major contributing factors on informal trading. According to Tacoli (2012) urbanisation is defined as... “*the quantity of the total population living in areas classed as urban, reflects changes in national economies*”, with growing numbers of people moving away from employment in agriculture and into industry and service sectors, and in the process increasing their output. Cogta (2013) defines urbanisation...”as the physical development of urban areas as a consequence of movement of people from rural areas to urban spaces; it is also known as rural migration”.

For the first time in the South African history, more people now live in cities than in the rural areas (Mahanga, 2009). While the urban population is also growing by 58 per cent per annum, a huge number of urban poor households live in insecure, impoverished conditions and cities are unable to respond adequately to the growing demands of urban growth (DoH, 2009). Mahanga (2002) adds that basic infrastructure services such as water supply and accessibility to urban centres are in a dismal state. Likewise, overcrowded housing, unemployment and urban poverty have also been growing.

Most informal settlements inhabitants migrate from the countryside to flee from rural poverty, to seek relative progress amidst the seeming optimism of cosmopolitan opportunities (Kramer, 2006). Migrants are attracted mainly to the cities by socio-economic conditions such as the considerable rural-urban gap of living standards instead of the collectivization in rural areas (Lai, 1995 in Tshikotshi, 2009). The pull-factor of better access to socio-economic opportunities contributed to the establishment, if not the permanence, of informal settlements in South Africa. Like in Tanzania, 'deficiency in housing supply remains a critical problem to cater for this rapid urban expansion' (Magigi & Majani, 2006).

Migrants often become victims of the city's wrath and they pose a daunting problem to policymakers in the developing world' (Atuahene, 2004). The reality is that migrants frequently live in 'economically, socially, and politically marginalized urban communities called' informal settlements (Atuahene, 2004). This lack of skills also affects their ability to sustain their livelihoods.

As attested by Cogta (2013) urbanisation often results in sub-urban concentration into cities, particularly the big ones like Johannesburg, Durban or Cape Town. There are many reasons why people move from rural areas to urban areas. It has been prominent that urbanisation is closely linked to modernization, industrialization, unemployment, social factors, political issues and other reasons of rationalization. Cogta (2013) further attests that the irregular population

densities in different spatial spaces have an effect on local government administration and its ability to deliver adequate services to the people that needs them.

2.19. THE STATE OF DIVERSE-MIGRATION AND INFORMAL TRADING IN SOUTH AFRICA

This section, discusses the influence of migration trajectories into the urban cities and how this movement ultimately contributes to informal trading.

2.19.1. Migration Patterns and Trends in the South African Informal Economy

Skinner (2008) asserts that a further dimension of urbanization processes that swells the number of street traders is international migration. As Landau points out “international migration is a prolonging and unstoppable response to regional economic inequalities” (Landau, 2007). Not only are there significant inequalities between African countries, but the continent have long been the locale for political crises and civil wars. Crises in Somalia, Liberia, Sierra Leone, the Democratic Republic of Congo, Rwanda, Burundi, Ethiopia and Eritrea have all generated high levels of forced migration. As people migrate from their places because of crisis, wars and economic situations they venture into informal trading in the foreign countries for survival.

2.19.2. Rural–Urban Migration

According to Tacoli (2012)...“*migration directions are largely determined by the level of urbanization within a specific country*”. Hence in highly urbanised nations such as most of those in Latin America, movement is predominantly between urban centres. In contrast, much migration in countries with low levels of urbanization and where agriculture remains the main economic activity, for example in Sub-Saharan Africa, is between rural settlements. Tacoli (2012) further states that, greater employment opportunities in urban areas are a key driver of migration, in many cases migration is equally the result of discrimination against women in

access to rural land and inheritance, which is particularly problematic for women heading their households.

2.20. THE CASE OF THOHoyANDOU INFORMAL MARKETS

Thohoyandou is a small town in the Thulamela Local Municipality. It is located in the Vhembe District of the Limpopo Province in South Africa (Nkondo, 2014) (see location map in the next chapter (3). Nenzhelele (2013) states that Thohoyandou commercial site constitutes the chief retail shopping centre for Thulamela Municipality. Since the existence of the new political dispensation in 1994, Thohoyandou was stripped of its Bantustans administrative status which has reduced levels of employment in the area (with the movement of the civil servants to Polokwane) and also created a legacy of underutilizing government buildings and infrastructure (Nenzhelele, 2013). The area has remained a densely populated centre where retailing environments and other informal enterprises are common (Cardno Agrisystem, 2008 in Nenzhelele, 2013).

Similar to other informal markets in the developing world, Vermaak (2014) states that Thohoyandou market is home to traders from several cultural, ethnic, religious and regional groups. These groups are migrants from Zimbabwe to the north, Mozambique to the east and other provinces of South Africa to the south. The market spaces are at peak times choked with human traffic. Informal stands exist alongside formal shops. Despite the litter and untidy appearance, there is some organisation, even though informal. The market is an open-air market and informal rules administer the market Vermaak (2014).

Nenzhelele (2013) notes that street traders in Thohoyandou have taken a great volume of pedestrians attracted by the shopping malls and transport hubs within town. Informal traders are based at the Mvusuludzo taxi rank, most of them occupying 1 – 2 square metres of space to exhibit their products. There are no clear demarcations for trading space although traders themselves have a clear notion of where their businesses operate from.

Various products and services are sold and traded at the Thohoyandou market. According to Vermaak (2014) the observation came to light that Thohoyandou informal sector is composed of candle makers, tailors, bakers, photographers, food sellers, brick makers, hairdressers, artists, mobile phone operators, money lenders, debt collectors, mobile phone technicians, domestic workers, carpenters, gardeners, car washers, painters, and fruit and vegetable dealers. Most goods are basic, locally produced commodities and raw materials and value-added products such as processed foods and sun-dried worms. If business is good, traders will trade after sunset and reside temporarily near the market.

Most of the informal traders, however, seem not to comply with the annual levies payment to Thulamela Municipality – attributed by traders to maladministration by municipality officials. An attempt on a Thohoyandou clean-up campaign by the Thulamela Municipality meant demolishing most non-conforming informal trader kiosks some years ago (the Mirror Newspaper, 23 August 1994 in Nenzhelele, 2013).

Therefore, the local government has a major role to play in the government system in South Africa. It is responsible for the wide range of services i.e. the provision of infrastructure for economic development and the promotion of local democracy (Constitution, 1996). With regard to Thulamela Municipality, Nenzhelele (2013) maintains that there are no infrastructures that are in place especially where informal traders are situated in Thohoyandou. He further states that, the infrastructure that is in is not meant for the informal traders apparently for the formal markets.

2.21. CONCLUSION

Street trading, therefore has become an argumentative issue whereby there are perceptions about women leading informal markets, foreign traders conquering the space as well as few or less profit being made from the informal economy. However, there is a general consensus that street trading has both positive and negative aspects. On the positive side, Vermaak, (2014) & Nenzhelele, (2013) contend that street trading contributes to the economic viability

and dynamism of the city, creates employment, alleviates the hardships of unemployment and poverty and develops entrepreneurial skills. On the negative side the Informal Trading Development Programme (2002) reports that street trading often results in the obstruction of pavements, large volumes of litter and often unsanitary waste products, traffic congestion, unfair competition for formal sector businesses, crime and hygienic environment and general deterioration and dilapidation of the urban landscape.

This chapter focused on the theoretical review of the two variables and/or concepts which are; the IDP and informal trading in South Africa. From the above literature and discussion one can advance an argument that, although informal trading is somehow seen as an economic sector of the deprived majority of the society, women and men whose hopes to participate in the formal and nation economy are lost.

Within the discussion of the literature it was made clear that informal traders pay the trading fee which is equivalent to the profit they make in a week. Therefore, this may mean that the responsible municipality only cares about its administrations forgetting about people and their needs and also disregarding public participation principles as a tool for IDP.

Based on the above, informal markets do not only emerge as indications of poverty, inequality, and poor economic situations, but also play an important role in a number sectors, for instance, in releasing the majority of people from the poverty traps, creating employment, linking societies along with different ethnicities, and enabling entrepreneurial skills amongst traders. Therefore, municipalities must ensure that informal traders are equipped with necessary needs for their basic and grassroots empowerment. The following chapter three introduces the research methodology which was employed during the fieldwork and how the chosen methodologies and designs have contributed to the findings of the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. INTRODUCTION

The discussion in this chapter follows the literature review of the IDP and Informal Trading that was conducted in chapter two whereby the researcher integrated the two concepts. From chapter two the researcher argues that as much as informal trading exists and promises to exist for a long time, responsible municipalities must strive to deliver economic services to empower informal traders as part of employment and survival. This chapter however, lays a theoretical foundation for the research design and methodology.

This chapter therefore, focused on explaining and justifying the research process which was suitable for this study. The research design is a plan to be followed to realise the objectives of the study. It reflects on the plan that specifies the methods and procedures applied for collecting and analysing the required information. This chapter therefore unpacks the methodology that has been applied to collect and analyse data, to describe the study area, the population, sample and sampling methods, ethical considerations, data collection methods and data analysis methods.

3.2. RESEARCH DESIGN

Since this study is explorative in nature, the researcher attempted to explore the role of Thulamela Municipality's IDP strategy in the empowerment of informal traders in Thohoyandou.

3.3. RESEARCH METHODOLOGY

The study mainly follows a qualitative approach but will also make use of quantitative methods such as statistics and averages. The main reason for combining these two approaches is because the primary objective is to gather practical information on the lives of informal traders in Thohoyandou. A qualitative methodology has been chosen to gather opinions, views and

facts from selected municipal personnel and informal traders with the use of interviews and observations (annexure C). As explained by Babbie & Mouton (2007), a qualitative study attempts to study human action from the social perspective. The primary goal of using qualitative approach is describing and understanding rather than explaining human behaviour.

On the other hand, however, quantitative methodology has also been chosen to involve statistical information obtained from archival studies, official reports and the questionnaires (annexure A & B). Leedy & Ormrod (2001) contend that quantitative research is specific in its surveying and experimentation, as it builds upon existing theories. Creswell, (2003) states that, quantitative research can be used in response to relational questions of variables within the research. Quantitative researchers seek explanations and predictions that will generate to other persons and places. Creswell (2003) further states, quantitative research “employs strategies of inquiry such as experimental and surveys, and collect data on predetermined instruments that yield statistical data”.

The researcher also made use of participatory research methods because Thohoyandou and Thulamela Municipality are the area of residence for the researcher, through that, the researcher, informal traders and municipal officials work together as colleagues with different skills to offer, in a process of mutual learning whereby the three entities have control over the process.

Centre for Social Justice and Community Action (2012) PR is an approach to research that is based on a commitment to sharing power and resources and working towards beneficial outcomes for all participants, especially ‘communities.’ by ‘communities’ groups of people who share something in common.

Bless *et al*, (2006) and Babbie & Mouton (2001) explain participatory research as, community-centred approach is associated with action research, Participatory Action Research (PAR) or Participatory Learning and Action (PLA). Additionally, Theron (2008); Theron & Wetmore (2007) and Parker (2000) further state that participatory research has two differentiating characteristics, namely; the relationship between the people involved in the social research (the community) and the researcher; and the use of research as a tool for social change and the for increasing human knowledge. In this participatory research, the researcher as a student had an ample advantage to communicate, establish good relationship and convene with the local informal traders as well as the municipal personnel. The researcher was the driving agent of the whole research project whilst the Thohoyandou informal traders and the municipal officials were participative communities. Different research methodologies were then followed to carry out the study and are mentioned and discussed below.

3.3.1. Study Area

The study was be undertaken at Thulamela Municipality and amongst the informal traders in the town of Thohoyandou. Thohoyandou is a town in the Limpopo Province of South Africa which is the administrative centre of Vhembe District Municipality and Thulamela Local Municipality. It is also known for being the former capital of the Bantustan of Venda (<https://en.wikipedia.org/wiki/Thohoyandou>). [Accessed 28/09/2016].

Thohoyandou is situated in the south of Vhembe District, on the main road between Louis Trichardt and the Kruger National Park. Thohoyandou is an agricultural centre of Vhembe, with banana plantations, subtropical fruit, tobacco and maize lands. Thohoyandou is surrounded by small rural townships such as Ngovhela, Vondwe, Phiphidi, Muledane, Shayandima, Makwarela, and Maniini. Its name means "head of the elephant" in the Venda language (<https://en.wikipedia.org/wiki/Thohoyandou>). [Accessed 28/09/2016].

Thohoyandou is a town found in the traditional land of Ha-Mphaphuli. It was named after the great king of VhaVenda, King Thohoyandou, who ruled the VhaVenda kingdom from the 1690s

to the early 1720s. Today, Thohoyandou is the second largest town in Venda after Makhado (Louis Trichardt), situated 79 km from Makhado and 53 km from Dzanani. Thohoyandou was established and built at a large portion of the village of Mbaleni in the late 1970s. It was established by Thovhele Patrick Ramaano Mphephu who was the Prime Minister of the Venda Bantustan (<https://en.wikipedia.org/wiki/Thohoyandou>). [Accessed 28/09/2016].

Thohoyandou became the capital of Venda when Venda was declared a republic in 1979, and Thovhele Mphephu became the President of the Republic of Venda. Thohoyandou also became the economic centre of the Republic of Venda. A stadium was built in Thohoyandou to celebrate the independence of Venda, and was known as the Venda Independence Stadium. The name was changed to Thohoyandou Stadium in 1994. Today, Thohoyandou is one of the fastest growing towns in Limpopo. Thohoyandou is also the home to the University of Venda (<https://en.wikipedia.org/wiki/Thohoyandou>). [Accessed 28/09/2016]. The map of Thohoyandou is depicted below to indicate the designated areas and the situation of Thulamela municipality.

Figure A: Thohoyandou Map



Source: https://www.Aw&gws_rd=ssl#q=thohoyandou+map. [Accessed. 20/09/2013].

3.3.2. Population of the study

For the purposes of this study, the selected population includes only Thulamela municipal officials, as well the Thohoyandou informal traders. According to Babbie (2005) a population

of the study refers to that group of people whom one wants to draw conclusions from. De Vos, (1998) describes a population as individuals in the universe who possess specific characteristics.

3.3.3. Sample methods and Sample groups

For the purposes of this study, purposive or judgemental sampling was used. Purposive sampling was used because the respondents have been judged to be the ones who are in positions to give additional information than may be expected. According to Frey *et al.* (2000), purposive sampling is a method of sampling used when the researcher chooses a sample that is most representative of the issues involved in the research.

Since it is impossible to study all members of the defined population, generalization is a necessary scientific procedure. The researcher took a portion of the population, make observations on this smaller group and then generalize the findings to the populations. Frey *et al.* (2000) further state that, non-probability sampling is when the chance of selecting members of a population under consideration in the sample is known.

3.3.3.1. Sample groups and sample size

The following two main groups were identified as sample groups for this study:

- Municipal personnel – In the Thulamela Municipality the total staff composition is 635 from different departments (Vhonani, 2010). From that staff composition the researcher decided to study 20 members of the population in accordance with relevant departments such as the office of the local economic development and the Traffic department, which is responsible for reception of trading fees. The researcher chose 20 respondents because it was mentioned by one of the respondents that there is a limit to number of staff members to assist in the research.
- Thohoyandou informal traders –the number of informal traders in Thohoyandou is not exactly known, but according to Vermaak (2017) the number of informal traders can

range from 1,000 to more than 2,500. However, from this number, the researcher took a sample of 50 members. The data of these 50 respondents could be managed and the researcher could therefore exercise strict control over the validity of the results.

3.3.4. Pilot test

About 10 (ten) questionnaires were distributed to the informal traders who were not part of the actual sample and 5 (five) were given to municipal officials who were also part of the actual sample. This enabled the researcher to restructure the questionnaire, collect relevant and accurate data, and to remove improper and unacceptable terms. Although the pilot survey increased validity of the research instrument, it was also used to determine the time that must be taken to complete the questionnaire. For this study, the researcher interviewed three respondents who possess the same characteristics as the respondents but are not part of the study. This was done to assess the efficacy of the procedures and methods of the questionnaires. Burton (2000) regard a pilot study as a method that is done or undertaken by the researcher to remove major biases, check wording in questions or to test whether the questionnaire solicits the required data from respondents. Polit, *et al.* (2001) see pilot study as a mini-version of a full-scale study or a trial run done in preparation of the complete study.

3.3.5. Data collection

The data collection used in this research included primary data which was done through questionnaires, interviews and physical observations. This was used by the researcher as it was originally written from respondents' own experiences and observations and that produced the relevant information gathered. Secondary data were obtained from literature sources, books, journals, internet and government gazettes and other previous documents of research on informal trading and IDPs of municipalities. The accuracy of the information provided in questionnaires was verified through cross-checking with verbal interviews transcripts and observations notes made during field trips.

3.3.5.1 Questionnaires

Close-ended questionnaires were used to obtain the biographical data and the perceptions, experiences and opinions about the informal trading in Thohoyandou and the role that the municipality could play in the empowerment of these informal traders. The researcher developed two different questionnaires; one questionnaire was for the Municipal personnel or officials, and the other was for the informal traders. The researcher explained the content of each question to avoid misunderstandings by the respondents. Though the questionnaires were written and developed in English, the researcher made use of translators to translate each question in the local language, which is TshiVenda, to make it easier respondents to understand. Some of the respondents, particularly within the informal sector were not able to read and write and in such instances, the researcher, translators and research assistants assisted them to capture the participants' responses.

The questionnaires were distributed with the assistance of one research assistant to get opinions and perceptions from the informal traders and municipal officials about the IDP as a tool to empower informal traders. The questionnaire consisted of section A & B for both sample groups. The researcher developed categories of selection for the questionnaire that were aimed at informal traders (see annexure B). No questionnaire which was misused, spoilt or returned.

3.3.5.2. Interviews

The researcher employed the use of personal interviews as another data collection technique for this research. The open selection of the specific interviews was done to get some insight of the actual municipal intervention into the promotion and development of the informal sector in Thohoyandou, through the municipal's IDP strategy. These interviews were in-depth and targeted different knowledgeable and key players/informants who have been directly involved in the informal trading and officials who are responsible for the economic development e.g. Department of Local Economic Development and Traffic Department.

Semi-structured questionnaires were also used to serve as a guide with the municipal officials and informal traders. The advantage of this data collection method was that the researcher was able to speak to his respondents face-to-face as a way of extracting information and was able to follow up and ask for more answers (probing) without limiting himself with the prepared questions. Under such circumstances, the researcher was able to obtain more information which also reduced chances of biasness during data analysis. Semi-structured interviews also allowed for openness and freedom of expression to reveal any related information without reservations. Both municipal officials and informal traders were given similar interview schedule (Annexure C) with similar questions for a better comparison and good for weighing the thoughts, perceptions and opinions of both groups. Bless & Higson (2000) state that an interview can be defined as a direct contact with a participant who is then asked to answer questions relating to the research problem. Brink (2006) further contends that an interview is a method of data collection in which an interviewer obtains responses from a subject and is used in exploratory and descriptive research.

3.3.5.3. Observations

During the fieldwork the researcher made his own purposeful field-observations and documented the interactions between the informal traders as it is the environment at which clear observations can be made. However, observations were not made for the officials. The researcher could record all the incidents and activities within the Thohoyandou informal markets, and the information as shown, discussed and interpreted in next chapter (see chapter 4) through pictures. Personal visits were done to the Thohoyandou informal traders and the researcher could then engage in one-on-one conversations with the traders and find out their views about their businesses. In this case, however the researcher did not use 'participant observation' method (since it is a tool for ethnographic data collection), otherwise time could have cut short the efforts and purpose of the research because the researcher would have to engage and share the daily life and routine of the participants.

3.3.6. DATA ANALYSIS

Different analysis techniques were employed to different research approaches. Data collected through questionnaires were analysed and presented in a graphical and tabular form through the use of computer programme called Statistical Package for Social Sciences (SPSS). Frequencies and percentages were used to present the data. Data collected through interviews were analysed using thematic approach; in a narrative form. Microsoft Excel software was employed to systematically calculate the frequencies of the respondents into percentages. Data from observation methods were analysed in the form of notes by revealing pictures of the site. However, there are various steps which can be used to analyse data (Zhang & wildermath, 2009). The researcher used the said-steps to analyse data which are:

- **Preparing the data**

As data was collected, notes were written, then the data were transformed into written text before it could be analysed.

- **Defining unit of analysis**

The unit of analyses refers to the basic unit to be classified during context analysis. For the purpose of this study, themes were used as the unit if analysis. For instance, a theme might be expressed in a single word, a phrase, a sentence, a paragraph or an entire document.

- **Developing categories and coding schemes**

The categories were developed inductively from a raw data using constant comparative method by: the coding manual evolved throughout the process of data analysis and was augmented with interpretive memos.

- **Test coding schemes on a sample text**

Coding sample text, checking coding consistency and revising coding rules was done in an interactive manner and continued until sufficient coding was achieved.

- **Code all the text**

When sufficient consistency had been achieved, the coding rules applied to the entire corpus of the text. During coding process, the coding was checked repeatedly, to prevent drifting into Indio by noratic sense of what the code means.

- **Assessing consistency**

After encoding the entire data set, the consistency of the coding was rechecked.

- **Drawing of conclusions from the coded data**

This may entail exploring the properties and dimensions of categories. Also identifying relationship between categories, uncovering patterns and testing categories against the full range of data.

- **Reporting methods and findings**

The analytical procedure and processes will be reported as completely truthfully as possible. Presentation of research findings will be done using typical quotations to justify conclusions and other options for data display will be incorporated, such as graphs or charts.

3.3.7. ETHICAL CONSIDERATIONS

This section discusses the ethical considerations which were applied and followed when the study was conducted. Ethics is a set of moral principles that concerns human conduct (Albertse, 2007). Based on that, Burns & Grove (2003) maintain that ethics means that researchers must have ethical responsibility to protect participants' human rights when conducting the study.

3.3.7.1. Informed consent

The researcher ensured that full informed consent is given and consent forms are signed by the participants before the study commences. Informing is the transmission of essential information regarding the research from the researcher to the subjects (Burns & Grove, 2003).

3.3.7.2. Protection from harm

The researcher ensured that no participant experienced any psychological, physical and/or emotional harm in the study.

3.3.7.3. Confidence, anonymity and the right to privacy

In this study participants or respondents' names, or personal details in particular were not revealed to the public. There was a mutual agreement between the researcher and the participants that their details should not be known by anyone, except the researcher. Confidentiality in a research means that no information given by the participant will be traced back to the same participant (Polit & Hungler, 1999).

3.3.7.4. Honesty in profession

The researcher ensured that he is honest to the participants particularly by ensuring the right to privacy and anonymity of respondents. The researcher was also loyal to the participants through conducive elements such as time-management, collaborating with respondents and finally establishing good relationships with them.

3.3.8. SEEKING PERMISSION

Written requests were made to explain the purpose of the study, seek permission to conduct the interviews and administer questionnaires across the Thohoyandou informal markets and within the municipal premises. That was done to build good relationships, unlike the positivists researchers who keep distance from their respondents and also to give guarantee to the trustworthiness of the study.

Following a request, the University of Venda issued an ethics standard letter which permits the researcher to collect information. The letter from the municipality which allowed the researcher to conduct the study amongst municipal officials was requested and both letters were shown to the participants before they could begin with the interviews or responding to the questionnaire.

3.3.9. RELIABILITY AND VALIDITY

Reliability and qualitative survey refers to the extent to which the results e.g. findings from the face to face interview in this study, are consistent with the results overtime should the study be reproduced under the similar methodology (i.e. through face-to-face interviews, distribution of questionnaires and with similar sample group and size). Validity determines whether the research has truly assessed that which it was intended to assess – it looks at the truthfulness of the research results (Joppe, 2000; Golafshani, 2003; Mosala, 2012). In this study, the validity and reliability were enhanced because different instruments were employed and used to collect data.

3.3.9.1. Reliability

Reliability was ensured in this study, through the proper and reliable administration of questionnaires and interviews during the fieldwork and also with the representation of the sample groups. The face-to-face interviews and the questionnaire administration-interviews presented themselves as an equal and fair discussion platform wherein the identified sample (i.e. Informal Traders) from the whole population deliberated on their opinions and views as per the questions asked during the interview. This type of data collection method provided the researcher with reliable and pure information which if applied again will be consistent with the findings.

3.3.9.2. Validity

In this study, the researcher ensured validity of the results from the face-to-face interviews and questionnaires by comparing them with findings from other researchers and the literature. The answers or results of a given topic (e.g. characteristics of informal traders, types of informal businesses etc.) discussed during data collection were matched with those on the literature in the chapter 2 of the study to see if they give the researcher a true reflection of what has been found by others.

The researcher took cognisance of the recent status on and of informal trading vis-à-vis the primary information gathered during interviews and the questionnaire administration, to determine whether the gathered information has relevance to current situation and the debate on informal trading. The researcher compared the findings (i.e. answers from the interview) of informal markets against the findings of other researchers discussed in chapter 2 of this study to validate the findings.

In this study, the participants did not have to provide any information that could link with their identities. The notes on the questionnaire indicated that participants were not supposed to provide their names to ensure their anonymity. Confidentiality of the data provided does not necessarily come into the picture because of the anonymity of the respondents. Most importantly, the validity of the conclusions was escalated with practical participation of the respondents and observations.

3.3.10. CONCLUSION

This chapter suggests that Thohoyandou town appears to be a suitable area in which to conduct research on informal trading, based on that it is generally a popular destination for surrounding Venda locals or indigenous people including foreign migrants. Thulamela Municipality was chosen as it is the municipality which has direct consultation with the informal traders. In-depth face-to face interviews were conducted with the sample population following the guidelines of interview protocols. This chapter further explained how the data were collected and analysed in order to achieve reliability and validity. The discussion in the subsequent chapter focuses on the findings of the research and follows the sequence of both the questionnaire and interview schedule that were discussed in the research methodology.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION, ANALYSIS AND DISCUSSION

4.1. INTRODUCTION

The main aim of this study is to unfold information on how the IDP strategy of Thulamela Municipality empowers Thohoyandou informal traders. Following the aim stated above (see chapter one, sec. 1.3.1.) the researcher managed to conduct the study successfully based on the aim of the study. Chapter two above has also paved a way to the findings on the theoretical review of two variables of this study, which is the IDP and informal trading. Research methodology (see chapter three) explained channels which were followed to come up with the information to be presented in this chapter.

This chapter, therefore, aims to present the data collected through frequency tables with various variables from the research questionnaires and interviews. Questionnaires were distributed amongst a sampled number of municipal officials and the informal traders. Both the municipal officials and informal traders were expected to answer the different questionnaires. The data will be presented in the form questions presented to the target population of the study in their different specific questionnaires.

Questionnaires were returned without any of them being destroyed or missing. This chapter comprises of sections A & B. Section A explains merely the biographical details of the municipal officials. Section B analyses other questions from the questionnaire, besides the biographical details of municipal officials. Findings related to the main aim and objectives of this study are analyzed and discussed in the last section of this chapter.

4.1.1. SAMPLE GROUPS OF THE STUDY

Table 4.1. *Population sample typology*

SAMPLE GROUP	SAMPLE SIZE	PERCENTAGE %
Municipal officials	20	29%

Informal traders	50	71%
TOTAL	70	100%

Table 4.1 above, shows that the population of the informal traders is 71%, whereas that of the municipal officials is 29%, which indicates that informal traders are greater than municipal officials.

SECTION A

4.2. BIOGRAPHICAL DETAILS OF MUNICIPAL OFFICIALS

This section aims to present the biographical details of the municipal officials then followed by interpretation in the recorded data. A 20 municipal official sample will be used to analyse the data in this regard. This is the sample size of the two municipal departments (Dept. of LED & Traffic Dept.) which participated actively in the study.

4.2. Gender

Category	Count	Percentage %
Male	8	40%
Female	12	60%
TOTAL	20	100%

Table 4.2 above indicates that there is 40% male participants whereas 60% is that of female participants. This means that women at the municipality were much more compared to men.

4.3. Race

Category	Counts	Percentage %
African	20	100%
Coloured	0	0%
Indian	0	0%

White	0	0%
TOTAL	20	100%

Table 4.3 above indicates that 100% race was Africans. Therefore there were not any other race that has participated in the study. This may mean that in the departments approached women are greater in number than men in the Thulamela Municipality.

4.4. Age

Category	Counts	Percentage %
-18 to 25	1	0%
25 to 35	8	42%
35 to 45	9	47%
45 to 55 +	2	11%
TOTAL	20	100%

Table 4.4 indicates that Age category -18 to 25 is 0%, 20 to 35 is 42%, 35 to 45 is 47% and finally that of 45 to 55+ is 11%. This shows that most municipal officials who contributed in the study are those at the age of 20 to 35 because they have the highest percentage. This may however, imply that most of young adults are common in the municipality.

4.5. Years of Service

Category	Counts	Percentage %
0 to 5 years	2	10%
5 to 10	2	10%
10 to 15	6	30%
15 to 20	4	20%
20+	6	30%
TOTAL	20	100%

Table 4.5 shows that service of years category of 0 to 5 and 5 to 10 both had the same percentage which is 10%, followed by 10 to 15 which was 30% and 15 to 20 had 20% and finally 20+ years had 30%. This clearly shows that two years of service are greater than any other participants' years of service.

4.6. Educational Qualifications

Category	Counts	Percentage%
Below grade 12	0	0%
Grade 12	9	45%
Degree/Diploma	8	40%
Honours/B Tech	2	10%
Masters +	1	5%
TOTAL	20	100%

Table 4.6 indicates educational qualifications of municipal officials whereby the educational category of Below Grade 12 is 0%, Grade 12 is 45%, Degree/ Diploma is 40%, honours/B Tech is 10% and finally Masters+ is 5%. This shows that most of the municipal workers who participated in this study have the Grade 12 qualifications, because they have a higher percentage and that might affected the reliability of the responses and the validity of the study due to the validity of their opinions in accordance with the experience and knowledge.

SECTION B:

4.3. Municipal Support

This section analyses data given by the respondents based on the questions in the questionnaire, whereby municipal officials were supposed to contribute into the study by merely giving their knowledge, perceptions and opinions based on the given question. The main aim of this section was to try and find out how much of the empowerment the Thulamela

municipality is giving to the Thohoyandou informal traders. The researcher asked the following questions that could lead to the objectives of the study.

Table 4.7. Empowerment of businesses

<i>Item.1. Do you think Thulamela municipality's IDP strategy empowers informal traders/trading in Thohoyandou?</i>		
Response	Count	Percentage
Yes	5	0%
No	15	100%
Total	20	100%

Table 4.7 indicates that most of the municipal officials disagree that the IDP strategy empowers informal trading in Thohoyandou. A 100% count of the respondents said that IDP does not empower informal traders, whereas 0% does agree that IDP does. The overall count rated to 100%.

Item. 2. Are there any IDP initiatives that support informal trading in Thohoyandou?

The municipal officials have admitted that there are IDP initiatives that supports informal trading and therefore amongst others listed the following in the questionnaires:

Funding reserved for small businesses

Training for small businesses

Local Economic Development

Motivation programmes

Useful equipments

Loans

Table 4.8. Informal trading contributions on economic development

Item.3. Do you think informal traders contribute to the economic development in Thohoyandou? If yes, How?		
Response	Count	Percentage
Yes	14	100%
No	6	0%
Total	20	100%

Many of the municipal officials agree that informal trading does contribute to the economic development in Thohoyandou, 100% of the respondents agreed whereas 0% did not. Nevertheless, respondents listed different reasons on how informal traders contribute to the economic development. Most of the reasons stated were:

They curb unemployment

Supporting farmers

Alleviation of poverty

Livelihood and survival strategies

Item 4. What are the socio-economic impacts of migration and urbanisation on informal trading in Thohoyandou?

Officials of Thulamela during the field survey indicated various impacts brought by city-ward migration and in-migration, which poses a serious burden to the municipality and at the same time becomes the municipal responsibility, such as

Insufficient basic infrastructure

Insecurity and crime

Migrants becomes continuously attracted

Creation of new markets

Destruction of space

Most foreign nationals are operating shops which results in local traders going out of businesses and most businesses licences are in South African names.

Reduction of poverty

Item.5. What are the successes and the shortcomings of the IDP on the empowerment of the informal traders?

Municipal officials mentioned various commitments by the municipality in order to get the IDP strategy a success, however, others indicated few fundamental impacts affecting the success of the IDP.

Successes:

Training through WRSETA, purchasing of equipments

Promoting LED

Taking traders to workshops and advance them

Provision of informal trader regulation

Shortcomings:

The empowerment is minimal due to budget constraints

Failure to formalise informal traders

Giving traders equipments

Item.6. What are the challenges of the IDP in transforming the informal markets in Thohoyandou?

The municipal officials indicated that change could not be there unless the following aspect are addressed, if left unattended, IDP will consistently suffer to empower informal markets, citing these factors:

The space is very limited

The area of Thohoyandou town is not a well-planned town, is too small

Limited budget or budget constraints

No enough money allocated in the IDP projects

There are people who damage the market, theft and robbery

Most informal traders are using these initiatives as temporal measures and they do not anticipate self-growth, they only expecting to be employed somewhere

Table 4.9. Economic consideration of Informal Traders

Item.7. Do you think Thohoyandou informal traders consider themselves an economically disadvantaged group?		
Response	Count	Percentage
Yes	10	50
No	10	50
Total	20	100%

It is an equal share of debate on whether the informal traders regard themselves as an economically disadvantaged group, in the same light, municipal officials, both men and women, had an equal view on the posed question. 50% of the respondents agreed that informal traders regard themselves as economically disadvantaged group, whereas the other 50% of the group said 'no', informal traders does not regard themselves as a disadvantaged group.

4.4. QUESTIONNAIRE RESPONSES FROM THE INFORMAL TRADERS

SECTION A

This section consists of only and analyses the biographical details of the Thohoyandou informal traders.

4.4.1. Biographical Details of the Informal Traders

This section aims to present the biographical details of the Thohoyandou informal traders, this will then be followed by interpretation of the recorded data. A total of 50 informal traders were

used as the sample size of the study, and such a sample size was used to analyse data in this regard.

4.10. GENDER

Category	Count	Percentage %
Male	19	38%
Female	31	62%
TOTAL	50	100%

Table 4.10 above indicates that female informal traders are greater than the male informal traders, this can be seen where female count ranges to 62% whereas that of male informal traders ranges to 38%. This means that most of the contribution in the study was made by women.

4.11. RACE

Category	Counts	Percentage %
African	50	100%
Coloured	0	0%
Indian	0	0%
White	0	0%
TOTAL	50	100%

Similar to table 4.3 above, table 4.11. Indicates all of the respondents in race were Africans, this can be where other races are all 0% and the 100% for Africans. Which means all the respondents in this study were blacks particularly.

4.12. AGE

Category	Counts	Percentage %
-18 to 25	5	0%

25 to 35	10	22%
35 to 45	15	33%
45 to 55 +	20	45%
TOTAL	50	100%

Table 4.12 indicates that informal traders of age -18 to 25 is 0% which means they were less, age 25 to 35 ranges to 22%, age 35 to 45 ranges to 33%, whereas age 45 to 55+ is 45%, which means the latter age group were more than other age groups.

4.13. EDUCATIONAL QUALIFICATIONS

Category	Counts	Percentage%
Below grade 12	35	70%
Grade 12	10	20%
Degree/Diploma	5	10%
Honours/B Tech	0	0%
Masters +	0	0%
TOTAL	50	100%

Table 4.13 indicates the educational qualifications of the informal traders whereby traders who are below grade 12 are 70%, grade 12 is 20%, and degree/diploma is 10% whereas both Honours/B Tech and Masters+ are 0%. This shows that most of the informal traders are low in education.

4.14. MARITAL STATUS

Category	Count	Percentage%
Single	9	18%
Married	25	50%
Widow	5	10%

Widower	11	22%
Divorced	0	0%
TOTAL	50	100%

Table 4.14 indicates the marital status of informal traders, the table shows that 18% of the respondents were single, 50% married, 10% widows, 22% widowers and 0% divorced. This means that most of the respondents in this study are married than other groups.

4.15. CITIZENSHIP

Category	Count	Percentage%
South African	42	84%
Non-South African	8	16%
TOTAL	50	100%

Table 4.15 illustrates the citizenship of informal traders, which indicates that South African citizens were much more than the Non-south African citizens. South African respondents ranged to 84% whereas Non-south Africans ranged to 16% in the study.

SECTION B

4.4.2. Service of the Municipality to the Informal Traders

This section continues analysing data collected through questionnaires from the municipal officials. Tabular and thematic analyses are used in this instance. The aim of this section was to give the respondents an allowance to impart the perceptions.

Table 4.16. Business Empowerment

***Item.1. Do you think Thulamela municipality supports or empowers your business?
YES/ NO if yes, state how, if not, state the problem.***

Response	Count	Percentage%
Yes	7	17%
No	33	83%
Total	50	100%

Table 4.16 indicates that 83% of informal traders objected that the municipality is empowering informal traders in Thohoyandou, whereas 17% of the informal traders agrees that the municipality is empowering informal trading in the town. However, most of the respondents indicated that Thulamela Municipality does not support their businesses, whereas few mentioned that the municipality does support the business. However, most informal traders mentioned various reasons why they think municipality does not support their businesses, amongst other reasons they mentioned the following:

Reasons for Non-support

No financial support or donations

No rewards

No meeting between the hawkers and their municipality

Non South African traders are selling for free

Traders like cooks, hair doers, do not pay and others pay

No markets built

No subsidy

Reasons for support

Allowing traders to trading on the municipal space and premises

Provision of roof buildings

Table 4.17. Years of business involvement

Item.2. How long have you been involved in this business (years, months, weeks, days)?		
Category	Count	Percentage
Weeks	12	24%
Months	15	30%
Years	23	46%
Total	50	100%

Table 4.17 above indicates that most of the informal traders have been involved in the trading business for a while, the years count ranges to 46%, months 30% and weeks 24%. This shows that informal trading has been taking place for a while. This can be seen with the highest percentage in the table which 46% of people who have been involved in this business for a long time. The overall percentage rated to 100%,

Table 4.18. Challenges faced by Informal Traders

Item.3. Do you face challenges in this business? YES/NO if yes, please state the challenges.		
Response	Count	Percentage
Yes	45	100%
No	5	0%
Total	50	100%

From table 4.18 above, most respondents agree that they face challenges in the business. This can be seen where the count of agreement ranges to 100%. However, those who do not agree are very few, and they range to 0%. The overall percentage rated to 100%.

Informal traders who agreed that they face challenges in their business have mentioned challenges such as:

Stock gets rotten if not sold on time, and subject to disposal

No sufficient income

Stock is expensive

Lack of security and safety for goods

Theft

Lack communication with municipality

No full support from the community to the traders

Competition amongst traders

Table 4.19. Thulamela's role in business development

Item.4. Do you expect Thulamela Municipality to play a role in your business development? YES/NO if yes, please explain how?		
Response	Count	Percentage
Yes	40	100%
No	10	0%
Total	50	100%

Table 4.19 above shows that many informal traders expect Thulamela Municipality to play a role in their business development. This is shown where the greatest count of the people agreeing ranges to 100% whereas other traders disagree and they are less in count, and which scores to 0%. The overall percentage rated to 100%.

Informal traders have also indicated how they would like the municipality to play a role in the business, amongst others ways, they stated that:

By not paying trading fee/ License

To extend trading space

Provision of donations and funding of the businesses

Providing trading buildings and equipments

Provision of security and electricity

Holding of small regular business meetings

Inducing public-private partnerships with full support for traders

Item.5. What was your occupation before trading at this site? Please state if any.

Respondents in their numbers stated different workplaces and occupations before taking the informal business as part of their daily survival strategy. In the plight of this question, respondents stated and then gave a reason why they are not working there anymore.

Amongst others, respondents stated different workplaces and their jobs descriptions such as;

doing internships, research assistant, saloon manager, cook, farmland jobs, cleaner, nanny and babysitter, domestic worker, cater, delivery company and selling shoes,

Other respondents indicated that they were not working before getting involved in the informal trading.

Item.6. Please describe how this business has changed your life.

Respondents mentioned different changes brought by the informal trading into their lives. Amongst other related changes, respondents said informal markets changed their lives in different ways like:

Self-independence, income generation, got married, asset investment, feed the family, engage with other entrepreneurs, provide education for children, gained insight and knowledge about business, bought properties e.g. cars and a house, socialisation.

However, other respondents indicated that they haven't seen any change in their lives since they began with informal trading.

Item.7. What are the injustices that you have experienced from the government officials since you started with this business?

Most respondents have guaranteed that they experience injustices from the municipal officials.

The injustices they have mentioned included:

Confiscation of belongings, evictions, the municipality is not interested in business development, other traders pay for license while other do not, trading fee gets increased if not paid on time, no cooperation between municipality and traders, non-south African traders do not pay the fee, taxi drivers are using trading site as their bathrooms, municipality officials are not friendly to the traders.

However, other traders have indicated that they have not experienced any injustice from the government.

Table 4.20. Trading fee

Item.9. Do you pay your trading fee? What does the local municipality do in return for your yearly fee?		
Response	Count	Percentage
Yes	40	100%
No	10	0%
Total	50	100%

From table 4.22 above it is indicated that most of the informal traders agree that they do pay the trading fee, 100% count agrees that they pay trading fee whereas 0% does not agree that they pay the trading fee. The overall percentage rated to 100%. However, respondents have indicated that they pay the trading fee and expressed their innermost concerns about whether the municipality does anything in return. Most respondents have indicated that the municipality does not do anything in return.

Item.9. What improvements would you like to see at the market?

The responses to this question included the following:

Provision of: Security burglars, steel fence, water and electricity, formal buildings, security, security, multiple partnerships, suitable working environment, bathrooms, tents.

However, others informal traders indicated that they don't need anything.

Item.10. Why do you continue to trade on the market despite poor conditions?

The question elicited responses citing these issues:

For survival, building families, unemployment, income generation, family upkeep, for experience and training skills, for business growth, pursue entrepreneurship,

4.5. FINDINGS FROM PERSONAL FOCUS-GROUP INTERVIEWS

This section deals with the responses of the informal traders based on the face-to-face focus group interviews which were conducted during data collection. In this case, quotes and verbal quotes from the respondents were used to analyse under each question that they were asked. Within a sample of fifty (50) informal traders the researcher sampled ten (10) members of the group to give answers in the focus group interview. In the case of municipal respondents, the researcher took five (5) members out of twenty (20) to participate in the focused group interviews, although not everyone responded in the interview.

Item. 1. Do you think Thulamela IDP empower informal trading in Thohoyandou?

Various responses were obtained from both municipal officials and the informal traders with regard to whether the Thulamela's IDP strategy is supporting the informal trading in Thohoyandou. Amongst others, two municipal officials in the interview said:

Respondent no.1

“Yes, the municipality is providing trading to those traders whose businesses are legal and licensed with the municipality, again Thohoyandou has a space which is reserved for the informal traders”

Respondent no 2

“Yes, IDP empowers informal traders through the provision of Local Economic Development (Led) programmes, by building market stalls for the informal traders and also by providing them with operating licences”

However, a few members of the informal traders who participated in the interview were contradicting the responses from the municipal officials, few of them agreed with one another by saying:

“No, the municipality does not empower us with anything, despite talking the trading fee and turning their back on us”

Item. 2. Are there any socio-economic challenges of informal trading in Thohoyandou?

Both Informal traders and Municipal officials reacted to the question by briefly saying:

“Yes, there's insufficient basic infrastructure, crime and theft take place often, traders, do not gain enough money to satisfy their basic needs, uncontrollable migration and urbanisation, untidy environment”

Item. 3. What are the contributions of informal trading to the livelihood of Thohoyandou informal traders?

Both groups reacted to this question with more or similar answers. They both mentioned aspects such as:

For family upkeep, income generation, self-employment, independence.

Item. 4. What other support structures are in place for informal traders?

Municipal officials who participated in the interview concurred that indeed the support structures are in place for informal traders. They said:

Response

Yes, very few is known, but the municipality through the LED programmes, some of the informal traders get training and attend workshops on how to develop their businesses” but further contradicted the statement by saying, “the IDP always considers businesses that already exist not those which are new”

However, informal traders did not mention a word on these supposed initiatives and further concurred that they have not experienced any support in their informal businesses.

4.6. FINDINGS FROM OBSERVATIONS

This section analyses and interprets the findings from observations. When the researcher took fieldwork, few observations of the site were also made. In that sense, the researcher used the pictures of the site to describe the typology of informal markets in Thohoyandou.



Figure B. Fruit and vegetable market in Thohoyandou

Figure B above shows a picture of the vegetable informal market that was taken in Thohoyandou, it is shown in the picture that traders of the same product appear to be close to each other, and therefore that opens room for competition.



Figure C. Mopani worms traded at the market

Figure C above depicts an informal trader who is selling Mopani worms and other animal-flies. According to the personal conversation of the researcher with the trader; it was explained that people buying the worms are much less and therefore traders are expected to throw away the stock because the products might have just got expired or unhealthy, therefore the majority of people do not consider buying them.



Figure D. Traditional herbs or medicines sold at the market

Not only at home where traditional herbs and medicines are found, figure D above shows a picture of herbs being sold in the market in Thohoyandou. This indicates that people could sell any products for survival. However, in addition to these, according to the observations Thohoyandou remains with many other different informal trading activities such as, hairdresser, CD trading, mobile phones, airtime, accessories, carwashes to mention few.

4.7. DISCUSSION OF FINDINGS AND RESULTS

This section discusses the findings of the study based on the 'aim' and 'objectives' of the study (see chapter one, section 1.3.). Findings are therefore being discussed with specific reference to each objective.

4.7.1. Aim of the study

According to table 4.7 and 4.16 both the municipal officials and the informal traders agreed that the Thulamela Municipality does not empower informal trading in Thohoyandou. 100% of the municipal officials said NO as well as 83% of the informal traders reacted similar with the municipal officials.

4.7.2. Objectives of the study

Objective 1: IDP initiatives supporting informal trading

According to item 2 above under municipal support (Section 4.3.), most of the municipal officials indicated that although the strategy is not doing enough, but there are initiatives that the IDP has provided for informal traders, through the provision of: *Funding reserved for small*

businesses, Training for small businesses, Local economic development, Motivation programmes, Useful equipments and loans.

Objective 2: Socio-economic challenges of informal trading

Findings are supported by (item 4) under municipal support above, whereby municipal officials mentioned few challenges faced by informal traders in Thohoyandou; below are the challenges

Insufficient basic infrastructure, Insecurity and crime, Migrants become continuously attracted, Creation of new markets, Destruction of space, Most foreign nationals are operating shops which results in local traders going out of businesses and most businesses licences are in South African names, Reduction of poverty.

As supported by table 4.18 and item 1 of the interviews responses above it is clear that informal traders face challenges in their businesses. Informal traders also mentioned their challenges slightly different and similar to those of the municipal officials; below are the challenges:

Stock gets rotten if not sold on time, and subject to disposal, No sufficient income, Stock is expensive, Lack of security and safety for goods, Theft, Lack communication with municipality, No getting full support from the community to the traders, Competition amongst traders

Objective 3: Other support structures of informal trading in Thohoyandou

Item 4 of Section 4.5 indicated that the municipality is the only supporting structure through the provision of LED programs, training and workshops.

Objective 4: contributions of informal trading to the livelihood of traders

The question on item 6 of 4.4.2 above was used to find out answers to whether there are contributions of informal trading to their livelihood; it was mentioned by the informal traders that they see contribution in terms of:

Self-independence, income generation, got married, asset investment, feed the family, engage with other entrepreneurs, provide education for children, gained insight and knowledge about business, bought properties e.g. cars and a house, socialisation.

This clearly shows that from the side of informal traders there are contributions that informal trading breeding to the lives of the traders. Furthermore, even municipal officials support that informal trading contributes to the livelihood of the traders. As discussed under table 4.8 above amongst other aspects, they mentioned that,

“They curb unemployment, Supporting farmers, Alleviation of poverty, Livelihood and survival strategies”.

Objective 5: challenges of IDP in transforming informal markets

Municipal officials indicated that there are a number of IDP challenges in transforming informal markets. Challenges amongst others include:

The space is very limited, The area of Thohoyandou town is not a well-planned town, the town is too small, Limited budget or budget constraints, No enough money allocated in the IDP projects, There are people who damage the market, theft and robbery, Most informal traders are using these initiatives as temporal measures and they don't anticipate self-growth, they only expecting to be employed somewhere

The findings on the biographical information of respondents that were discussed in this chapter appear to be consistent with the national norm, in which there are more females than males in informal trading communities. As extracted from these findings, which similarly is a national norm, the majority of them are unable to actively take part in the economic activities. As a result of the majority of females and males who served as respondents in this study being Africans, the findings may well be used as confirmation that though the engagement in the informal sector tends to be higher amongst blacks (Africans) when compared to whites, Africans tend to be the worst affected. In the same light, the data obtained during fieldwork

indicated that different ranges of age participate in the Thohoyandou informal markets with more of the informal traders being illiterate. That becomes a different case with the municipal personnel/officials, in a sense that most of them are semi-literate and literate.

4.8. CONCLUSION

In conclusion, this chapter presented the findings from the data collected using the questionnaires and the focus group interviews. As explained in chapter 3 and in the introductory remarks earlier in this chapter, the questionnaires were administered to both the municipal officials and informal traders selected from the population. As noted, both groups of respondents played important roles in the development and implementation of the IDP. The information gathered through the questionnaires serves as a yardstick against which progress has been made by the IDP strategy in the empowerment of informal trading in Thohoyandou and also the challenges to which attention needs to be directed.

Through responding to the items contained in the questionnaire and in the interview schedule, the respondents have given essential input upon which the concluding remarks and recommendations can be founded. The intention with the discussions of the concluding remarks and recommendations are based on the findings that have been discussed in this chapter. However, the study found out that the municipality of Thulamela is not doing enough to support informal markets in Thohoyandou, both groups (informal traders and municipal officials) agreed to this and have given their views supporting their responses.

This chapter aimed at unfolding various possibilities of indication whether the IDP strategy of Thulamela Municipality is of assistance in improving and empowering the lives of the informal traders in Thohoyandou. However, much still needs to be done as it has been discovered that there are challenges that the IDP strategy is facing, in the literature review (see chapter two) it was also discussed that municipalities in general have stumbling blocks when approaching the matter of informal trading. Therefore as such, this lays a foundation for recommendations

and conclusions which are discussed in the next chapter and give effect to the problems found in chapter four.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1. INTRODUCTION

As explained in chapter 1, the main research questions from which the need to conduct this study were centred on investigating whether Thulamela municipality's IDP strategy empowers informal trading or not. The discussions in this chapter are therefore consistent with the research objective and aim stated in chapter 1, 'to recommend ways through which the Thulamela Municipality can enhance its contribution in informal sector development'.

As a way towards concluding and making recommendations regarding how the Thulamela Municipality could improve informal markets, this study recognised the roles that informal traders and municipal officials play in the development and implementation of the successful IDP. Though the roles are different, they are helpful in achieving a common outcome of improving the livelihood of communities and informal trading in particular. The recommendations that are put forward in this chapter are based on Thulamela Municipality being a local government entity that through its mandate of implementing the IDP is strategically positioned to produce the required impact on informal traders and community of Thohoyandou in general. The concluding remarks and recommendations that are discussed in this chapter are based on the findings that were presented in chapter 4.

5.2. RECOMMENDATIONS

Starting with the Constitution, a number of statutes are relevant to the issue of informal trading. Relevant legislation covers health, planning, environmental issues, business, transport, administrative decision-making, etc. For a successful informal trading structure to be established, each of these statutes must be noted.

Perhaps the most important legislative enactments with regard to informal trading are the by-laws of the municipality. The by-laws currently in existence may be outdated and ineffective. A properly drawn up set of by-laws, in pursuance of municipal policy must be implemented to properly regulate informal trading.

From the analysis and observation, it was found that Thulamela Municipality is not really doing a great deal of work to include the informal sector or street vending in particular in their city management framework through regulation. However, basic recommendations can be made in order to improve the sector in terms of management as well as increase information on the sector. This would greatly boost the sector as a strategic tool to fight unemployment and poverty in South Africa. The following recommendations are therefore put forward:

In view of the increasing number of persons (both nationals and non-nationals) engaging in street vending in Thohoyandou town, Thulamela Municipality and other stakeholders involved in the urban management should make provision for more trading space to accommodate this increasing population in the town.

In order to make street trade more viable, Thulamela Municipality together with other stakeholders involved in its regulation should facilitate financing of activities through the creation of microfinance institutions that can provide loans on favourable conditions for the street vendors (both nationals and immigrants).

Nationals should also be encouraged to learn from immigrants by becoming self-employed in the informal sector to reduce dependence on the government and the formal sector for employment. This could be done through open days, competition and awards to outstanding street vendors. This would go a long way to reduce dependence on the government and reduce xenophobic attacks that have often been directed towards foreign vendors.

Not only those are the only recommendations, the researcher further supplements the above recommendations by adding the following:

5.2.1 FUTURE RESEARCH

Future researchers may undertake any research of this nature based on issues of uncertainty, for example:

Trading at intersections

Situation of foreign traders

Constitutionality of by-laws

The role of informal trading in the Regional Spatial Development Framework

5.2.2 POLICY FORMULATIONS TO:

Categories of informal trading

Methods of participation by informal traders

The allocation of trading areas

Registration of informal traders

Proper management structures

Training of both informal traders and officials

Capacity building, particularly in negotiations and conflict resolution skills, for traders, the leaders and officials of organisations, as well as for municipal officials

Training and education opportunities and programmes for both officials and traders

Possibilities for traders to appeal against law enforcement

Procedures for monitoring and evaluation

5.2.3. MANAGING INFORMAL TRADING BY THE MUNICIPALITY

This section further discusses some of the management mechanisms that Thulamela Municipality could use as remedies for poor informal trading control and that could help in the empowerment of informal markets and informal traders.

5.2.3.1. Management Structure

An administrative structure to manage informal trading is necessary. It is important to have representation of stakeholders on the management. The principle is area-based management. In terms of this principle, management zones are determined to promote orderly planning and development. Within management zones, trading in certain places can be prohibited, for example, around historic buildings. Within the area management zone, a local/area team is responsible for management. For example, an Informal Trading Task Team could be injected and must manage informal trading.

The principle on which the management of trading areas is based is that 'different situations require different models and different relationships, depending on the characteristics of the market or informal trading areas'. Management of the formal market sites is granted on a tender basis and outsourced by the municipality. Permits are granted for fixed trading sites, mobile trading and intersection trading, with a fixed number of traders per intersection.

5.2.3.2. Representation on the Management Structure

The participation of informal traders in the management of informal trade in a city or town is accepted as being desirable. The form of the participation must be determined in consultation with all concerned. Representative bodies, coordinating committees, et cetera may be formed. There should not be too many representative bodies. For example, consolidation of various bodies into the Informal Business Forum (IBF) was welcomed.

5.2.3.3. Integrated Management and Planning

Informal trading is not merely the responsibility of one department of the municipality. Many departments are involved, for example Local Economic Development, Metro Police, Safety and Security, Environmental Health, Health, Legal Services, Land-use Planning and Sanitation. An Interdepartmental technical task teams should be involved in issues relating to informal trade.

The establishment of an integrated service delivery consisting of three portfolios, namely utilities, services and cleansing; economic development and planning; and community services could be useful in this case. In addition to managing informal trade, a large number of external institutions may also be involved as service providers. These include the Department of Trade and Industry (DTI), welfare departments and NGOs. These institutions should also be involved in the Informal Sector Coordinating Committee to ensure a comprehensive support programme.

5.2.3.4. Limiting Overtrading

A problem that is endemic of informal trading is often the numbers of informal traders. Very few can be accommodated in markets and the informal sector cannot accommodate all the subsistence traders. In that case, in revamping the sector in the long-term, the subsistence traders will disappear from the sector and be absorbed into the burgeoning economy as employees in the formal sector. It is probably futile to hope that the informal sector (even in its current format) would be fully absorbed in future. Therefore, there must be a limit to the number of traders the streets can accommodate.

5.2.3.5. Enhancing Public Participation

An informal trading policy must advance community involvement. Public participation is part and parcel of any land-use planning system and the public must be involved in all stages of the planning process. The Promotion of Administrative Justice Act 3 of 2000 also stresses public participation by providing for procedures whereby the public and individuals are given ample opportunity to make inputs in decision-making

Chapter 4 of the Local Government: Municipal Systems Act 32 of 2000 is devoted to the issue of community participation in municipal government. One of the major proposals is that municipal councils must establish appropriate mechanisms, processes and procedures for residents, communities and community organisations to participate in municipal affairs. Every municipality is entrusted with developing a culture of municipal governance (section 16) and municipalities must create appropriate structures, mechanisms, processes and procedures for public participation (section 17). Against that background the municipality must provide the necessary atmosphere for communities to participate in establishing and developing an informal trading policy and also the suitable environment for informal traders to participate in local level affairs.

5.2.3.6. Spatial Planning

Spatial planning is part of the integrated development of a municipality. An IDP contains a Spatial Development Framework (SDF). Both the IDP and the SDF must accommodate informal trading. The land-use management scheme within the SDF must indicate those areas demarcated for informal trading.

5.2.3.7. Provision of Services and Infrastructure for Informal Traders

The provision of infrastructure for informal traders is related to the establishment of markets. The view is that it is necessary to improve the infrastructure available to the sellers, especially those selling food. Preparing foods can pose serious health hazards. As far as infrastructure is concerned, the issue is what extent of infrastructure should be provided. Infrastructure can include the provision of:

Some type of structure

Water

Waste disposal

Cleaning services

Sewage services

Electricity

Security services

Storage facilities, both bulk and cold storage

5.2.4. Preferences on Trading Fee/ Levies

The issue of the payment of rental or levies must be carefully addressed. Once again the type of market/trader will determine the amount of the levy/rental. Preferences on trading fees could be made in the same way as a value is placed on built property depending on where it is located, a value is placed on a trading site, such as a pavement trading site. A system of differentiated rentals is applied, to cover street vendors, itinerant vendors and people trading in built markets. Rentals are based on location and level of services provided

For instance, Ligthelm & Van Wyk (2004) indicated that in Johannesburg, informal traders pay various levies at the Metro Mall open stalls with a roof covering the rentals vary from R75, 00 to R210, 00 per month; semi-closed stalls with steel gates from R350, 00 to R650, 00 per month; and shop/kitchen stalls from R 400, 00 to R 800, 00 per month, depending on services and facilities available. This money could be used for the maintenance and upkeep of the markets.

5.3 CONCLUSION

From the start of any project or programme there must be some sort of public involvement. Programmes and projects can only work if considered in the context of public participation. In this light, informal traders must be involved in policy formulation, they must have an input in the drafting of policies and by-laws, they must be involved in the determination of whether and where to establish markets, and whether or not a fee is payable.

Informal traders are generally not well organised – hence the name ‘informal’. No ready-made recipe is available for the involvement of informal traders in formulating informal trading policy.

Existing structures or the establishment of new structures in each of the markets would ultimately guide the public participation process.

This communication process should be interpreted as an iterative and on-going communication process between all relevant stakeholders, both on the service delivery and service recipient side. Recipients are the informal traders while those who offer services includes Thulamela Municipality.

Informal trading is one of the biggest sectors of the informal economy in South Africa in terms of the provision of the basic needs for the workers and contributing to the Gross Domestic Product (GDP) of the country. The stakeholders involved should be engaged from the planning stage through the implementation stage of any decision to be taken. As the research has shown if all the stakeholders or Thulamela Municipality can apply the recommendations and have unity then Thohoyandou informal markets will be empowered and improved.

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APPENDICES

Annexure A: Questionnaire to Informal Traders

Dear Respondent

I am Mr. Selepe Modupi, a second-year Masters student from the University of Venda, pursuing a Master's Degree in Public and Development Administration. As a partial fulfilment for award of this degree, I am required to conduct a research work titled "*The Integrated Development Plan as a strategy to empower Informal Traders: The case of Thohoyandou*". I would be so grateful if you spend a few minutes of your time to complete this questionnaire. I assure you that any information collected will be used strictly for academic purposes and will be confidential. Thank you for your assistance.

Contact number: 076 8541 214 / 073 1029 142

Email address: kingkgase@gmail.com.

Please make a cross (x) in the appropriate box on the far end or below each question. For the questions where dotted lines are provided, please give an answer through writing on the line(s). NB: This questionnaire consists of three (2) sections.

Section A

1. Demographical Details

1.1. Gender.

Male	Female

1.2. Race

African	
Indian	

White	
Coloured	

1.3. Age

-20	
20-30	
30-40	
40-50	
50+	

1.4. Educational Qualifications

Below matric	
Matric	
Cert /N. Diploma	
Degree	
Honours	
Masters+	

1.5. Marital Status

Single	
Married	

Widow	
Widower	
Divorced	

1.6. Citizenship

South African	
Non-South African	

Section B

2. Service

2.1. Do you think Thulamela Municipality supports your business?

YES	NO
-----	----

If YES, please state how and if No, indicate the problem,

.....

2.2. How long have you been involved in this business? (E.g.10 years).....

2.3. Do you face challenges in this business? If

YES	NO
-----	----

 yes, please state the challenges here,

.....

2.4. Do you expect Thulamela Municipality to play a role in your business development?

Yes	No
-----	----

If yes, explain how?

.....

2.5. What was your occupation before trading at this site? Please state if any.

.....

2.6. Please describe how this business has changed your life.

.....

2.7. What are the injustices that you have experienced from government officials since you started with this business?

.....

2.8. Do you pay your trading fee? What does the local municipality do in return for your yearly fee?

.....

2.9. What improvements would you like to see at the market?

.....

2.10. Why do you continue to trade in market despite poor conditions?

THANK YOU FOR PARTICIPATING

Annexure B: Questionnaire to Municipal Personnel

Dear Respondent

I am Mr. Selepe Modupi, a second year Masters student from the University of Venda, pursuing a Master's Degree in Public and Development Administration. As a partial fulfilment for award of this degree, I am required to conduct a research work titled "*The Integrated Development Plan as a strategy to empower Informal Traders: The case of Thohoyandou*". I would be so grateful if you spend a few minutes of your time to complete this questionnaire. I assure you that any information collected will be used strictly for academic purposes and will be confidential. Thank you for your assistance.

Contact number: 076 8541 214 / 073 1029 142

Email address: kingkgase@gmail.com.

For biographical details, please write your answer opposite the question, and for questions that have a box on the far end or below please make a cross (x) in the appropriate box, for questions provided with dotted lines, please give your answer in writing.

NB: This questionnaire is comprised of section A & B,

Section A

1. Demographical details

1.1. Gender :

1.2. Race :

1.3. Age :

1.4. Rank/Position :

1.5. Years of service :

1.6. Educational qualifications :

Section B

2. Municipal Support

2.1. Do you think Thulamela Municipality's IDP strategy empowers informal traders/trading in Thohoyandou? If yes, please state how. If no, please state why.

.....

2.2. Are there any IDP initiatives that support informal trading in Thohoyandou?

.....

2.3. Do you think informal traders contribute to the economic development in Thohoyandou? If yes, how?

.....

2.4. What are the socio-economic impacts of migration and urbanisation on informal trading in Thohoyandou?

.....

2.5. What are the successes and shortcomings of IDP on the empowerment of informal trading? Please state if any.

.....

2.6. What are the challenges of IDP in transforming the informal markets in Thohoyandou?

.....

2.7. Do you think Thohoyandou informal traders consider themselves an economically disadvantaged group? Yes or NO. Please explain your answer briefly.

.....

THANK YOU FOR PARTICIPATING

CONSENT FORM

I, hereby agree to participate in the research study, titled **“Integrated Development Plan as a strategy for empowering informal traders: The case of Thohoyandou”**.

By signing this consent form you indicate that you understand the information provided to you by the researcher regarding the study, your questions about the research have been answered to your satisfaction and you voluntarily agree to participate in this study. A copy of this signed consent form can be provided upon request.

- The study aims to investigate whether the IDP strategy indeed empowers informal traders in Thohoyandou.
- The information that the respondents will provide will be solely used for the purpose of the study.
- Participation is voluntary and a participant can withdraw at any time without any penalty if they feel like doing so.
- All questionnaire and interview data will be handled with confidentiality.
- Participants can refuse to answer certain questions if they feel uncomfortable during the process of collecting data.

I understand that the information I give may not be used for any other purpose except to help the researcher to meet the scholastic expectations.

For more information, respondents can contact Prof. NJ. Vermaak, at Vermaak@univen.ac.za / 082 292 6235 and also Mr MM. Nekhavhambe my Co-Supervisor at Nekhavh@univen.ac.za +27 15 962 8711

.....

SIGNATURE

.....

DATE

A LETTER TO RESPONDENTS

P.O. Box 494

Raditshaba

0718

03/03/2016

Dear Respondent

I, Selepe Modupi, of student number 11618321 am a registered student at the University of Venda doing a Master of Public Administration (MADMIN) and I am conducting a research on **“ The Intergraded Development Plan as a strategy for empowering informal traders: The case of Thohoyandou”**

I am therefore kindly requesting you to be a part of the study. This is an opportunity for you as a participant to be part of the study.

Thanking you in anticipation

Yours faithfully

.....

Mr Selepe Modupi

Student Number: 11618321

Cell Number: 0768541214/0731029142