MARABASTAD’S INFORMAL TRADERS: A STRUGGLE FOR SURVIVAL

With 4 figures and 2 tables
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1 Introduction

With approximately 2.7 million people engaged in the informal sector by 1999, it has a growing impact on the rural and urban areas of South Africa (SAIRR 2001). Most visible in the city centre, the former townships, and in squatter settlements, informal street-trade as part of the informal economy has a long history in urban South Africa (ROGERSON 1988). Moreover, the street-trading and commerce sector is regarded as the second biggest or even dominant contributor to informal employment (MANNING 1993; ROGERSON 1996a). Dating back to the early days of Marabastad, an inner-city area of Pretoria, oppression and tight control of the African population by the city authorities led to informal survival responses based on hawking and beer brewing (FRIEDMAN 1994). Currently, Marabastad hosts an increasing number of informal traders who form an important part of that place’s trading activity (MEYER et al. 1996). The mainly Indian businesspeople in Marabastad, however, complain about unfair competition from the informal traders and fear a further deterioration of the area into an inner-city slum (MEYER et al. 1996).

Studies concerned with the informal-formal sector competition in Third World urban environments have appeared in the literature dating back to the 1970s (TOKMAN 1978). The current theoretical discussion about whether the informal sector is a path to development or a mere survival strategy, and the bias towards studies about petty-manufacturing instead of informal trade, shows the need for additional empirical studies about the informal traders in urban areas (TELTSCHER 1994). The link between formal and informal trade in Marabastad represents one aspect of the research presented here. The main focus is placed on the informal sector.

1) This paper is an edited version of the author’s Honours project at the Department of Geography and Geoinformatics of the University of Pretoria. I gratefully acknowledge the support and supervision of Professor K. S. O. BEAVON who enhanced my work with his experience and guidance throughout the whole process.

2) Unstructured interviews with Indian businesspeople during the field visits.
street traders, however, with the wholesalers and middlemen serving only as an additional explanatory variable. The main enquiry within the above context is to establish the nature of the link between formal and informal traders in Marabastad. In addition, the analysis of the interviews, which were conducted in that area of Pretoria, sheds light on the question of whether the informal trade in Marabastad portrays a wider economic response to crisis or if it represents a dynamic, efficient, and democratic alternative for the development process (Meagher 1995).

2 The Informal-Sector Theory Development

Definitions of the informal sector differ widely due to theoretical and methodological ideas that reflect the paradigm of the period when the definitions were formulated. In this paper, an enterprise is considered to belong to the informal sector when it fulfills two of the three most widely-cited characteristics of the informal sector: officially unrecognised and unregulated, labour-intensive and small scale (Nattrass 1987). Over time not only the definition of the informal sector and its composition has changed but importantly different schools of thought have emerged.

2.1 The Early Years of Informal Sector studies: Dualism versus Petty-Commodity Production

Most authors in the literature reviewed here ascribe the ‘invention’ of the informal sector to Keith Hart as set out in his article about informal income opportunities and urban employment in Ghana which was presented at a conference in 1971 and published in 1973 (Rogerson 1985; Hart as cited in Bromley 1990; Escher 1999). Thereafter, the International Labour Office (ILO) Report on Kenya in 1972 marked the start of a wealth of informal sector studies (Rogerson 1985; ILO as cited in Bromley 1990). In the ILO report the economy was strictly divided into a formal and an informal-sector (Bromley, 1990). The dichotomous informal/formal framework employed in these two early papers became the main characteristic of the dualism school of thought but was not a new concept (Rogerson 1985; de Montille 1987; Bromley 1990; Teltschier 1994). As early as 1954, a dualist model was used to describe the interaction between modern and traditional sectors in underdeveloped countries (Lewis as cited in Bromley 1990). At this time researchers did not use the term informal sector but traditional or pre-capitalist sector to describe the same phenomenon (Buchholtz 1999). In most of the early papers on the informal economy, the informal sector was viewed as a traditional sector, or a residual category, that was destined to disappear as development progressed (de Montille 1987). Whereas the early informal-sector researchers were strongly influenced by Rostow’s diffusionist paradigm of development, the ILO approach was positivist and focused on small-enterprise promotion (de Montille 1987; Bromley 1990). The dualist approach to the informal sector, however, had major shortcomings. It lacked a satisfactory terminology and had only a limited theoretical and practical utility for the definition of the informal sector (Rogerson 1985; de Montille 1987).

Nevertheless, dualism ideas were further developed in the theories of radical dualism. In that school the economy was perceived of being divided into two sectors but the linkages of the upper- and lower-circuits of the economy were now clearly recognised (Santos 1979). Furthermore, the radical dualism concept, that is also referred to as the Marginalidad concept, emphasized the dialectical unity of the formal and informal sector in which the informal sector was perceived to service the formal sector in many, mainly exploitative, ways (Rogerson 1985). The Marginalidad concept, however, was criticized because of its simplistic, ahistorical, and over-aggregated method of analysis, one that did not recognize the differentiation within the marginal groups and the link between the two parts of the economy (Rogerson 1985; Simon 1998).

The major challenge to the dualism school was the Marxist concept of petty-commodity production (inter alia Rogerson 1985; Simon 1998). The petty-commodity-production concept had an advantage in that it emphasized the structural analysis of the processes rather than focussing on the characteristics of production (Rogerson 1985). The heterogeneity of the informal sector was analysed in terms of a continuum of wage relationships, subcontracting, franchising and other forms of functional interdependencies (Rogerson 1985; de Montille 1987; Bromley 1990). Petty-commodity-production analysis was, however, biased towards small-scale manufacturing in which wage relationships are the most common relations between formal and informal sectors (Teltcher 1994).

2.2 The New Discussion: Informal Growth Enterprises or Survival Strategies?

Neither the dualism nor the petty-commodity-production camp saw in the informal sector any potential for independent growth (Meagher 1995). Moreover, as state-led development failed to provide sufficient jobs in the modern sector there was an increase of informal
activities in many African countries (Meagher 1995). Such developments led to the emergence of the reformist school within the World Bank and the ILO and the legalist perspective of de Soto in the late 1980s (Manning 1993; Waters 1997). Opposed to the Marxist structural perspective, the optimistic school of the World Bank, the ILO, and the neo-liberal ideas of de Soto saw a vast potential for employment creation and growth in the informal sector (inter alia Nattrass 1987; Simon 1998). De Soto’s view of informality and the World Bank view of the informal sector as a model for unregulated development are conceptually close to the ideas of the flexible specialization concept which also emerged in the late 1980s (Meagher 1995). Research on flexible specialization has found that ‘small scale, decentralised forms of production provide creative and flexible solutions to economic crisis and underdevelopment’ (Meagher 1995, 259).

The World Bank and ILO acknowledge an employment crisis in many countries of the world but in their perception the informal sector has a potential for not only creating jobs but also for increasing the output of a national economy (Manning 1993). De Soto’s view of the informal economy is more radical. In his neo-liberal views, the informal sector could be a revolutionary development in a pure capitalistic system, with the potential for developing countries to resolve macro-economic problems (Bromley 1990; Manning 1993). The would-be entrepreneurs of the informal sector are only limited in their growth aspirations by a large volume of regulations imposed upon them by top-heavy state bureaucracies that until they have at least in part been removed the informal sector will not unfold its true potential (Bromley 1990; Waters 1997).

In opposition to the optimistic school of informal-sector studies, the informalization school views the steady increase in informal employment mainly as a response to economic crisis and outsourcing (Meagher 1995; Waters 1997). The informalization school is derived from the petty-commodity-production ideas that deny the developmental potential of the informal sector (Manning 1993; Meagher 1995). Adherents criticize de Soto mainly because his concepts do not address the question of why households enter the informal sector and because of the non-inclusion of the structural interrelations of the formal and informal sectors (Meagher 1995). Informality is analyzed as a social and historical process, rather than as a sector, which reflects class relations, response to crisis, and structural adjustment policies (Meagher 1995; Waters 1997).

### 2.3 Involutionary and Evolutionary Growth

From the discussion above it should be apparent that the informal sector encompasses both, potential for growth as well as the basis for a survival strategy. Simultaneously, the informal economy is characterised by exploitation and innovation, poverty and chances (Portes a. Castells 1989). Therefore, a division of
the informal enterprises into survivalist and growth enterprises accommodates both schools of thought, optimism and informalization (ROGERSON 1996b). Survivalist enterprises are active in areas with the lowest market potential and characterized by involutio-

nary growth, whereas growth enterprises work within areas with the greatest economic potential that facilitates their evolutionary growth (ROGERSON 1996a; SIMON 1998). Such a differentiation was used in the petty-commodity literature on articulation of modes of production. In that model it was argued that informal businesses could either grow into Petty Capitalism or
change towards Proletarianization. Consequently, to understand the informal street traders in Marabastad, it is necessary to not only elaborate on the continuum between formal and informal trade but especially the differentiation between the informal vendors of Marabastad.

3 The Study Area: Marabastad

Marabastad is situated to the north-west of Pretoria’s inner city. Since its foundation in 1867, Marabastad had been a neglected corner of Pretoria (Marabastad Development Forum 1999). From 1867–1888 the locus of African settlement in Pretoria was centred in Schoolplaats (Fig. 1; Friedman 1994; Meyer et al. 1998). The Berlin Mission Society owned the land which was bordered by the Apies River in the north, Boom Street in the south, Steenhovespruit in the west and farm land to the east. In 1888 the state established the first location for the urban African population to the west of Schoolplaats and it was named Marabastad (Friedman 1994).

During the 1890s two new residential areas were proclaimed adjacent to Marabastad. South of Marabastad the government set aside land for the Indian population; an area called Asiatic Bazaar. The second portion termed the Cape Location was established south of the Asiatic Bazaar to house the increasing numbers of Cape Coloured people moving to Pretoria. As early as 1903, the Town Council of Pretoria threatened the inhabitants of the racially mixed area of Marabastad with removal. Indifference and mismanagement as well as overcrowding consequently led to slum conditions in Marabastad during the early 20th century (Friedman 1994). After 1940 the early segregationist and later the apartheid policies were responsible for the destruction of large areas of Marabastad culminating with the forced removal of the inhabitants to the newly established townships of Atteridgeville and Mamelodi (African population), Eersterust (Coloured population), and Laudium (Indian population) (Meyer et al. 1998). The Asiatic Bazaar area within Marabastad survived the total destruction but with only a few Indian traders still living either side of Boom Street (Meyer et al. 1998; Figs. 2; 3).

It can be argued that the current slum-like conditions in Marabastad, with problems of squatting and a certain deterioration of the built environment, are the physical manifestation of the earlier destruction of Marabastad’s social environment (Meyer et al. 1998). Hawking and squatting, however, are a manifestation associated with insecure land tenure where a number of land claims are pending and the failed implementation of the hoped upgrading by the Pretoria City Council (MDF 1999). A large number of women from rural areas trade in Marabastad and sleep illegally in shacks that are used as hawking stalls during the day (Seymour 1992).

In 1967 the Asiatic Bazaar was declared a ‘frozen area’ under the direct control of the national government and shortly afterwards the Marabastad trading complex was erected (Meyer et al. 1998). The new Belle Ombre railway station constructed as part of the apartheid transportation apparatus to provide segregated access to commuter trains running to the nearby Bantustan with associated bus- and taxi-ranks was completed in 1981. It has since served as a major node of public transportation for the city centre. Approximately 40,000 Black commuters from the northern dormitory towns of Pretoria use the Belle Ombre station every day (Fig. 3; Meyer et al. 1998). Northern extensions of Greater Pretoria, such as Ga-Rankuwa, Mabopane, and Temba, were established to resettle the remaining Black population of Pretoria into the adjacent “homelands” during the 1970s and early 1980s (Hattighn a. Horn 1991). A bus station west of the Maraba shopping complex and some informal taxi-ranks are further generators of pedestrian traffic and provide a customer base for the high number of informal street traders in Marabastad (Figs. 2; 4). The major business conducted in Marabastad today is a mix of the formal and informal trading, both of which capitalize on the transportation function present in this area (Meyer et. al. 1998). As will be shown, the many wholesalers, retailers, and the Indian Retail Fruit and Vegetable Market to the west of the Maraba shopping complex, function as direct suppliers to the hawkers of Marabastad.

4 Methods

As indicated at the conclusion of the literature review in this paper it should be possible to identify two or more categories of hawkers such as survivalists and growth enterprises. As it is not automatically clear to a casual observer which category a hawker or enterprise might fall into, data was collected that could be analysed by means of an appropriate clustering technique. The details concerning the nature of the data and its numerical manipulation by means of a set of appropriate hierarchical cluster methods is set out below.

3 Interview with Mr. P. Lethuba, chairman of the Pretoria Informal Business Association (PIBA), Pretoria, 16 May 2001.
The study site includes mainly the old Asiatic Bazaar area with the railway line as its northern boundary, Lorentz Street to the west, Bloed Street to the south, and Potgieter Street functioning as the eastern boundary of the study site (Figs. 4; 2). Within the study area the Pretoria City Council plans to erect informal markets (Pretoria City Council, 2000). For sake of convenience the area just defined will hereinafter be referred to as Marabastad in this text although it is not the township of Marabastad as defined by the city council (MEYER et al. 1998). Within the realm of the informal enterprises the terms hawker, informal street traders, and street vendors will be used to refer to any person who operates as a seller of goods and who does not do so from premises in a recognised building (as was done in BEAVON 1981, 6). The definition excludes personal services such as barbering and carpentry.

The main approach is to distinguish categories of informal enterprises in terms of their ‘business’ linkages to the formal sector. Two types of links to the formal sector namely employment relations and capital/supply linkages have been identified and used in other studies (ROGERSON 1985; TELTSCHER 1994). Consequently a hierarchical cluster analysis has been employed in an attempt to classify the informal vendors in terms of their link to formal business as has been done elsewhere (TELTSCHER 1994; BROWNE 1996). Concerning their economic potential, the categorization of the informal enterprises into different subgroups has been undertaken by using additional variables such as the type of good and stall as well as their credit source.

Cluster analysis is a generic name for a variety of statistical methods that can be used to categorize data into groups where the variance within a group is less than that between the groups (RONNESBERG 1984). The type of cluster analysis that happens to be appropriate is a hierarchical cluster analysis that is used when the number of clusters is not known in advance (EVERITT 1993). At the same time a cross-tab analysis was performed on the same data to reveal the inter-correlation between the variables.

The data subjected to the cluster analyses was collected in structured interviews of 102 hawkers in Marabastad over one week, which is a twelve per cent sample of the 822 hawker population. The assistance of a translator was necessary because some of the street vendors cannot understand or speak English. It should be noted that the fact that the interviewer is a white European who was assisted by a female Black South African could have influenced the results negatively (DEVEREUX a. HODDINOTH 1992). A spatial sampling frame, in the form of a fixed route, was applied to the study area so that the sample reflects the spatial patterns of hawking in Marabastad. Every eighth informal trader on the predefined route through Marabastad was interviewed. The interviews were conducted with the ‘heads’ of the enterprise unit, which is the procedure normally used in policy studies (DEWAR a. WATSON 1991). Questionnaire design and the choice of variables were based on the results and returns of a pilot set of interviews amongst 80 street vendors and a review of the relevant literature (following the suggestions of DEVEREUX a. HODDINOTH 1992). Moreover, structured and unstructured interviews were conducted with role-players from the Tshwane Metro Council, the Marabastad Development Forum, and hawkers’ organisations.

The CROSSTAB-function of the widely used SPSS package was applied and it is appropriate to calculating relationships between non-ratio scale variables (HEALEY et al. 1999), which is the case of the collected data.
Informal Trading in Marabastad: The Continuum of Formal and Informal Sectors and the Struggle for Survival

Because of the huge numbers of mainly Black commuters the transportation function of Marabastad has the effect of making the area a showpiece of the informal sector. In addition to hawking there are also informal services such as hair dressing and car repair on offer in certain parts of Marabastad and in that respect it is similar to the pattern found in other inner-city and highly accessible areas in South Africa (ROGERSON 1996a). Whereas the number of informal traders in the 1996 Hawkers’ Census for Marabastad was 589, the number of hawkers counted by the city Council in 2000 had almost doubled to 1049 (Pretoria City Council 1996; 2000). Compared with the 2000 census the number of hawkers in the 2001 interviews (822) had decreased by 21.6 per cent, which is probably due to seasonal differences and the recent harassment of street vendors selling at the Belle Ombre Station5). The surge from 1996 to 2001 is a reflection of the deteriorating conditions in Marabastad and a national and international trend of increasing informal sector membership (inter alia CELESTIEN a. HAAN 1989; ROGERSON 1995).

As in the early 1980s, there are a considerably higher number of hawkers in the sample who are older than 40 years (36%), and the average age of 35 years reflects the fact that hawkers stay in the “business” for a long time even if they aspire to something else (BEAVON 1982). Not surprisingly, 95 per cent of street vendors interviewed in Marabastad were Black. Foreigners made up seven per cent of the respondents; a bit lower than in other surveys but significantly lower than in Johannesburg’s inner-city (ROGERSON 1995; HOLNESS et al. 1999). In contradistinction, the male (51%) – female (49%) ratio of nearly one to one in the sample does not reflect the common notion of a preponderance of females in informal trade (inter alia NATTRASS 1987; DONALDSON a. VAN DER MERWE 1999). A large number (70.5%) of all interviewees start their daily selling earlier than the shops in Marabastad and almost all of them (94.1%) close their business at a later time. Of the informal traders interviewed 85 per cent work from Monday to Saturday which, together with their long opening hours, is the common way to increase their custom as informal traders (EVERS a. MEHMET 1999). A relatively high number of respondents (60%) live in the peri-urban northern hinterland of Pretoria and only twelve per cent of the interviewees stay in Marabastad. Some of the hawkers who reside in areas far from Pretoria sleep over in shacks in Marabastad during the week and contribute to, as well as suffer under, the problems of the informal settlements in this

<table>
<thead>
<tr>
<th>Variables: Direct Relationship</th>
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<tbody>
<tr>
<td>Work Relationship Type</td>
</tr>
<tr>
<td>Self Employed/Family Business</td>
</tr>
<tr>
<td>Wage Work</td>
</tr>
<tr>
<td>Commission Work</td>
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<tr>
<td>Supplier</td>
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</tbody>
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<table>
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<tr>
<th>Variables: Indirect Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of Supply Type</td>
</tr>
<tr>
<td>Supplier comes to Marabastad</td>
</tr>
<tr>
<td>Marabastad</td>
</tr>
<tr>
<td>Tshwane</td>
</tr>
<tr>
<td>Gauteng</td>
</tr>
<tr>
<td>Rest of South Africa</td>
</tr>
<tr>
<td>International</td>
</tr>
</tbody>
</table>

*) This group of informal traders either produces the goods on their own or they belong to the muti sellers, who have their own specific supply chain which is not connected to formal businesses.

5) Interview with Mr. T. C. Hlophe from the Tshwane Metro Council, section informal trade (Department of Local Economic Development), and informal interviews with hawkers at the Belle Ombre station, Pretoria, 8 May 2001.

Table 1: Frequencies of the variables explaining the link between formal and informal sector in Marabastad

Häufigkeiten der erklärenden Variablen des Zusammenhanges von formellen und informellen Sektor in Marabastad
area, which recently experienced shack-fires (Pretoria News 2001a; 2001b). The above practices lead to frequent complaints from the formal businesspeople who are typically opposed to what they claim is the over-trading and congestion caused by the Hawkers (see Bromley 1998). In the next sub-section of this paper it will be shown that the informal traders in Marabastad are not only competing against the formal sector but also exist in a symbiotic relationship with each other (Rogerson 1988).

5.1 The link between informal and formal sector in Marabastad

Whereas in a previous study (Teltscher 1994) it has been shown that there are distinct groups of hawkers with a specific type of linkage to the formal sector, the cluster analysis applied here reveals no significant clustering of hawkers in that respect. The initially unexpected outcome, however, can be attributed to two characteristics of the informal-formal relationship in Marabastad:

- The informal traders are mainly linked to the formal sector through marketing linkages such as the supply of goods whereas capital and employment relationships between the two sectors are low in Marabastad (Table 1).
- The chosen variables “Type of Credit”, “Location of Supply”, “Type of Good Sold” and “Type of Work Relationship” unfortunately do not show significant inter-correlation with each other.

The low occurrence of disguised wage-work and commission work is a prevalent characteristic of informal trade (Dittmann et al. 1990; Horn et al. 1993; Evers a. Mehmet 1994; Meagher 1995; Holness et al. 1999). Wage work is more likely to be found in the petty-manufacturing sector which has a need for many labourers (Teltscher 1994). Nevertheless, 47 per cent of the hawkers in Marabastad get a special price or discount from their supplier, which shows that they are regarded as important customers and that many businessespeople indirectly support hawking and extend their business by using the hawkers (termed fronting) (Van Rooyen et al. 1997). In addition, the street vendors of Marabastad preferably buy from shops, wholesalers, or the markets in and around Marabastad (80%) and are less dependent on middlemen (12%). Conversely, the low number of hawkers who actually go to suppliers outside Marabastad (17.6%) and their very low ability to obtain credit for their business without asking family and friends (2%) indicates that many hawkers are struggling instead of being able to expand their businesses (as also reported in Horn et al. 1993).

5.2 Informal Trade as a Survival Strategy

Whereas the cluster analysis described above did not reveal any significant groups, the more general approach to classifying the informal traders in terms of their potential as enterprises showed striking results. Included in that analysis were the variables “Type of Good”, “Location of Supplier”, “Type of Credit”, “Work Relationship”, “Number of Employees”, “Type of Stall”, “Level of Education”, “Hawker pays Rent for Stall” and “Experience in Hawking”. The result was two clusters; one of which can be regarded as growth enterprise type and the other mainly a survivalist type of enterprises. Other studies (Van Zuydam-Reynolds 1990; Meagher 1995; Simon 1998) of the informal-trade sector have already indicated a predominance of survivalist enterprises but the results for Marabastad are noteworthy: only six per cent of the cases fall into the growth enterprises category and 94 per cent of hawkers must be regarded as involved in survivalist enterprises. The groupings in this study have been tested using less variables, different cluster methods, and measures of dissimilarity, and a random division of the data into two sets (following the suggestions from Everitt 1993) all of which caused no major differences to the results.

It must be noted that the level of education of the respondents did not play a significant role in the determination of the growth enterprise cluster. Moreover, the spatial clustering of growth enterprises close to major transportation centres is confirmed by the findings for all interviewees. As found in other studies, certain types of goods are offered close to the transportation hubs particularly fruits and vegetables (Beavon 1981; Beavon 1981; De Montille 1987; Van Rooyen et al. 1997). The discovered preponderance of male hawkers in the growth enterprise cluster was not unexpected because they generally outnumber females in the better-performing part of the informal sector due to the women’s limited access to capital, low levels of education and skills (as reported in Meagher 1995; Sethuraman 1997).

The high number of survivalist enterprises can be explained by recourse to other information, which is also generated from the structured interview data (Table 2). Furthermore, the informal traders of Marabastad cater for low-income groups and therefore have a limited market potential (as also reported by Nattrass 1987; Celestien a. Haan 1989; Meagher 1995). With 27 per cent of the interviewees having
achieved less than a Standard 4 education it must be concluded that they are basically illiterate, which reflects similar low education and skills levels found in the informal sector all over the world (SETHURAMAN 1997). Consequently, many hawkers enter the sector as a last resort after they have lost their jobs or could not find formal jobs (DE MONTILLE 1987). Almost three-quarters (74%) of the interviewed hawkers would prefer a formal job over hawking. Moreover, when asked why they would prefer a job over their current occupation 90 per cent answered they would earn more money. In addition, most hawkers have to spend on average R 11,307 each day on transport, which makes a significant inroad into their profit margin.

The above results support the conclusion that only a small number of street vendors have the potential for business growth. Therefore, the results support the statement that the recent growth in the informal economy is occurring primarily through involution rather than evolution (as argued in ROGERSON 1996a). Large numbers of people are entering the informal market without the necessary skills or capital to have prospects for a growing business or even without getting enough money to satisfy basic needs. These findings call into question the productive labour absorption potential of the informal sector and are only one of the challenges for the policy makers.

6 Implications of the Findings for Policy Makers

Common reasons for the sustainable growth of the informal sector are the failure of the formal sector to create sufficient jobs, steady migration into urban centres, and competitive pressure through globalisation, which has led to the informalization of jobs and to job losses (ROGERSON 1995; SIMON 1998). The slow and insufficient promotion of employment in the formal sector puts the burden of employment generation on the informal sector (SETHURAMAN 1997). In South Africa, the 1995 White Paper on a national strategy for the development and promotion of small businesses transfers the responsibility for the survivalist enterprises, which typifies the overwhelming majority of the informal traders, to the local government (SKINNER 2000). The local authorities, however, assign the informal trade less priority than other issues so that the departments in charge mostly lack sufficient financial and human resources (SKINNER 2000). In addition, local authorities can restrict trading in delimited areas as is the case in the city centre of Pretoria (SKINNER 2000). The policy for hawking in Durban is regarded as the raw model for informal trade policy in South Africa. A good example is that of the Bridge Herb Muti Market in Durban’s inner-city cost as much as the whole section for informal trade at the Tshwane Metro Council has in its preliminary budget for 2001 (KHOSA a. NAIDOO 1998).

Table 2: Selected frequencies on the hawkers of Marabastad

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Work Preference</th>
<th>Reasons for Starting Selling</th>
<th>Previous Occupation</th>
<th>Type of Stall</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Formal Job</td>
<td>Needed money</td>
<td>Working</td>
<td>Mobile hawkers</td>
</tr>
<tr>
<td>SubA–Std 3</td>
<td>Hawking</td>
<td>Other work not available</td>
<td>Unemployed/</td>
<td>On Pavement</td>
</tr>
<tr>
<td>Std 4–Std 6</td>
<td>Other</td>
<td>Support family</td>
<td>Scholar/</td>
<td>On Boxes</td>
</tr>
<tr>
<td>Std 7–Std 9</td>
<td></td>
<td>Can earn more, supplement</td>
<td>Other</td>
<td>Table</td>
</tr>
<tr>
<td>Matric</td>
<td></td>
<td>income</td>
<td>Family business</td>
<td>Tent</td>
</tr>
<tr>
<td>Post-Matric</td>
<td></td>
<td>Independence</td>
<td></td>
<td>Basic Structure</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>Shacks</td>
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<td></td>
<td></td>
<td></td>
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<td>Informal Building</td>
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6 In South Africa the pupils start school in Standard 1 (in the old system Sub A) and finish in Standard 10 (Matric).
7 During February 2002 the approximate exchange rate between the Rand and the Euro was 10 to 1.
8 Interview with Mr. T. C. Hlophe from the Tshwane Metro Council, section informal trade (Department of Local Economic Development), Pretoria, 8 May 2001.
The Tshwane Metro (i.e. Greater Pretoria) Council also has plans for the establishment of informal markets on three sites in Marabastad, which will be based on the experience of the successful Denneboom Informal Market in Mamelodi (Fig. 4; Pretoria City Council 1999; 2000). Whereas the need to provide hawkers with shelter and highly accessible market places in general is recognised as an opportunity for informal-street traders, this measure is also used to reduce the number of traders (GEYER 1989; SKINNER 2000). Thus, 60 per cent of the interviewed street vendors in Marabastad are opposed to the plans of the Metro Council. Most respondents that favour the establishment of informal markets assume it will be an improvement in terms of infrastructure and safety (74%), whereas the fear of loosing customers ranked highest (84%) amongst the opponents of the plans by the Metro Council (see also DONALDSON a. VAN DER MERWE 1999). In addition, informal networks such as hawkers’ associations, which try to protect the established hawkers from new competition, can hinder entrance into the new market (MOSDELL 1991; SKINNER 2000). Hence, the potential of NGOs for effective promotion of informal sector interests is limited because vulnerable groups, i.e. foreigners and women, would be largely excluded from the benefits (KHOSA a. NAIDOO 1998). The largest hawkers’ organisation in Marabastad, the Pretoria Informal Business Association (PIBA), only represents 28.4 per cent of all respondents but controls access to the private Maraba shopping complex and to one ramp of the Belle Ombre Station. Nevertheless, it seems as if the PIBA does not regulate these areas in terms of nationality or gender of the street traders.

The final part of the questionnaire in the study was designed to address the major business problems of the informal traders and what kind of assistance they would need. As in other studies (inter alia MEAGHER 1995; ROGERSON 1996a; VAN ROOYEN et al. 1997), the need for shelter and capital were ranked as the highest priorities for assistance, followed by training. The relaxation of restriction is not seen as a major obstacle.

Mr. T. C. Hlophe from the Tshwane Metro Council, section informal trade (Department of Local Economic Development), confirmed the location of the two informal markets indicated on the map whereas the third site was not confirmed and therefore not included on the map.

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* The interview with Mr. T. P. Lethuba, chairman of the Pretoria Informal Business Association (PIBA), revealed that he even wants to employ the highly-educated foreigners in a schooling project for the unskilled hawkers.
any more although 10.8 per cent of respondents complain about harassment by the authorities. When asked about their most important problems the hawkers in Marabastad expressed greater concern with the lack of money/credit, high competition with other hawkers in this area, and the inadequate infrastructure than with harassment and theft.

The problems and needs mentioned above should be considered by the policy makers, as well as the findings in the previous section. The observed inner-heterogeneity of the informal economy requires different approaches to address the special needs and constraints of these sub-groups (ROGERSON 2000). In Marabastad the revealed dominance of the survivalist enterprises strongly supports a shift towards more basic support for this type of enterprise. At the survivalist enterprise level, community-based efforts and basic-service projects including enterprise-development projects should be set up whereas the growth enterprises would benefit from individual assistance, such as loans, technical training, and management instruction (CELESTIEN a. HAAN 1989). When it comes to the establishment of informal markets and shelter for the traders, the major challenge for the local authorities will be how to include informal vendors and which street traders will be included or excluded from such a scheme (SKINNER 2000).

7 Conclusions

There is always the danger of over-interpretation of cluster-analysis results (EVERITT 1993). Nevertheless, the prominent dominance of the survivalist enterprise in the sample supports the view that the informal economy in Marabastad is skewed towards the proletarianization pole in the articulation model. Therefore, the formal economy will remain the important engine of economic progress while the informal sector will mainly be a means of survival for the growing number of people that cannot find work in the formal sector. On the one hand, as can be seen in this paper the urban informal sector largely depends on the modern sector for its inputs and demand. Consequently the development of informal economies of growth even in the micro-enterprise sector is difficult to achieve (MEAGHER 1995; Mail&Guardian 2001). On the other hand the increasing governmental support of the informal sector all over the world is driven by its positive side effect of reducing the number of unemployed people and the subsequent reduction of potential conflicts (CASTELLS a. PORTES 1989). Moreover, a policy of preventing the poor from hawking could likely make them reconsider whether they should not turn to crime in order to survive (NATTRASS 1987).

Marabastad itself contains all the pre-conditions needed to turn it into an inner-city slum. Nevertheless, for a huge number of hawkers from the northern dormitory towns of Greater Pretoria, such as Ga-Rankuwa, the area is regarded as a window of opportunity and some of them consequently move permanently to this inner-city area of Pretoria. Just as the first migrants to Marabastad caused congestion and deterioration of the overall living-conditions during the late 19th and early 20th century, the increasing number of new inhabitants and hawkers are forced to follow the same path of development. The oppression by the state may have wained since 1994 but one characteristic stays the same in the new South Africa: poverty and the related informal responses. The above findings have revealed that only a small number of the hawkers in Marabastad can be turned into promising entrepreneurs whereas the high number of unfortunates who struggle for survival will not diminish until the formal economy can provide sufficient jobs for them.

References


– (2001b): Focus should be on squatter problem. 2 July, Pretoria.


BUCHBESPRECHUNGEN


In der steten Wiederholung und nuancenreichen Ergänzung dieser letztlich auf wenige Grundstrukturen zurückzuführenden Entwicklungstendenzen liegt jedoch auch das Problem der Dissertation. Sie wirkt nicht nur in ihrer sprachlichen Ausgestaltung ermüdend, sondern sie bleibt auch in ihrer analytischen Aussagekraft begrenzt. Im Anschluss an die einführenden Kapitel erwartet man eine stringentere und möglichst theoriegeleitete Definition der Forschungsfragen. Eine solche lässt sich jedoch nicht finden. Es werden vielmehr Untersuchungsfragen jeweils im Kontext der einzelnen Feld-