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Trading democracy?
Johannesburg informal traders and citizenship

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This paper forms part of a multi-country study on ‘poverty, informality and political community’ run out of the Institute for Development Studies at Sussex University.
**LIST OF ABBREVIATIONS**

<table>
<thead>
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<th>Abbreviation</th>
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<tr>
<td>GTA</td>
<td>Gauteng Traders Association</td>
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<td>MTC</td>
<td>Metro Trading Company</td>
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<td>Nafcoc</td>
<td>National African Federation of Chambers of Commerce and Industry</td>
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1. INTRODUCTION

Do citizens working as informal traders use their citizenship rights and if they do not, why not? This question lies at the heart of a current Centre for Policy Studies project, which is attempting to understand whether people working or living in informal settings, use their citizenship rights to attempt to influence the policies that affect them. A previous paper completed for this project has noted that, although all South Africans have enjoyed democratic rights for almost a decade, citizens do not always exercise these rights in the way in which democratic theory suggests that they will. Faced with official decisions that do not meet their needs or belonging to associations in ‘civil society’, which may not speak adequately for them, they do not necessarily react by engaging openly with government officials or public representatives. Nor, necessarily, do they use the methods of democratic participation to attempt to ensure that leaders of associations that claim to speak for them really do so. They may well seek simply to evade the government decision and if leaders of associations do not speak for members, they may simply drop out of the organisation rather than seeking a more responsive leadership.

Informal traders in Johannesburg’s inner city provide an excellent case study for an examination of the exercise of citizenship rights. While many are citizens of other countries and, therefore, not in a position to use South African citizenship rights, a significant number are South Africans who are entitled to vote. They also appear to work in an area where the metropolitan council is eager to engage with traders; the council negotiated with traders’ associations on its plan to move street traders to a market that it established. But, despite this, notions of democratic citizenship that entail exercising rights to influence public decisions do not seem to guide the response of many traders. While many are not happy with the arrangements negotiated on their behalf, they have seemed to react neither by seeking to pressure their representatives to improve their conditions nor by pressing for a more responsive leadership of their traders’ association.

This paper will attempt to add to understanding the response of the poor in the informal economy to government decisions that affect them. It will analyse traders and their associations in an attempt to test the extent to which their behaviour conforms to ideas of democratic citizenship and explain both adherence to and deviation from the patterns of behaviour usually associated with citizenship.

2. THE BEGINNINGS OF TRADERS’ ASSOCIATIONS

At first glance, inner city traders participate in a vigorous associational life. They are represented by several organisations and an Informal Business Forum (IBF) represents the

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various associations in dealings with the metropolitan council. The National African Federation of Chambers of Commerce and Industry (Nafcoc) has also expressed interest in the organisation of traders. But closer examination suggests that the capacity of traders to combine in order to influence decisions is far less pronounced than the surface impression would suggest. To understand this, it is first necessary to know how traders’ associations emerged in the inner city of Johannesburg, in particular in the suburbs of Hillbrow and Yeoville.

Street trading in Johannesburg emerged as restrictions, inspired both by the desire of apartheid-era officialdom to prevent black people selling goods in ‘white’ areas and by the demands of formal businesses for protection, were relaxed or were undermined by black people seeking a livelihood in the city.

Before 1991, street traders had to apply individually to the city council for licenses to trade. A street-trading license would cost only R20 and it only took a day to acquire. However, there were significant hurdles associated with licensing. Partly because of resistance from formal businesses, the license did not confer on its holder the right to trade in the street: it allocated the trader a site or building, almost invariably not in any of the places where traders wished to sell goods. Traders were expected to trade in front of their yard. If they were found doing business on the pavements, they were arrested whether or not they had acquired a license. The license, therefore, was not a route to a secure working environment. Besides littering, obstruction from formal business and lack of storage and ablution facilities with which street traders had to contend, they were continuously forced to relocate. Traders resorted to bribing municipal officials to enable them to sell in the suburbs and streets. Access to a license was also arbitrary: the criteria by which they were granted or refused were not clearly specified and, in practice, acquiring a license often depended on whether the would-be trader had a contact in the licensing department.

Given this background, arrests of traders were fairly common and police action was used as a mechanism to regulate street trading. But arrests were ineffective because retrenchments and the ensuing unemployment ensured that the number of street traders continued to grow despite control. The fact that traders did not have clear rights to do business (and that licenses were a privilege rather than a right) ensured the growth of an informal licensing system that enabled some traders to wield power over others. Those who had licenses to trade exploited those who failed to acquire them. A trader with a license would pirate it to accommodate new tenants. Those traders with licenses also became powerful in the street trade because of the bribes they offered traffic police. They provided sites to other traders, acted as protection against the police, and negotiated with the surrounding formal business if there were tensions. In exchange, they expected no competition from their tenants. Sometimes they also protected surrounding formal businesses against crime.
The origins of informal trading, then, lay in decisions by local officialdom whose desire to control trading ensured that traders increasingly operated outside the legal system. Because the municipality was unable or unwilling to include all those who wanted to trade on the streets in its set of formal rules, the result was a growth in informal power outside the control of the authorities. As we shall see, the actions of government institutions often help shape power relations, and the nature of organisation, in the informal economy.

The first spur to the formation of traders’ associations was another response to government policy or action; a reaction to perceived official ineffectiveness in the face of ‘illegal immigration’. In the early 1990s, as it became clear that apartheid was ending, South Africa experienced a high influx of migrants from across its borders who did not have the necessary official permission to live here. Without any citizenship, legal status and means of livelihood, most immigrants joined locals in the street trade. There was no formal or informal market to accommodate the growing numbers of traders and, as a result, a scramble for street sites ensued. This raised the possibility of conflict between foreigners and locals: a danger that was heightened because immigrants were more experienced and competitive than the locals. It was this, which led to the formation of the Gauteng Traders Association (GTA), by local traders, who were seeking a means to campaign against competition from foreigners. The association’s purpose was to lobby the government and politicians to protect local traders against foreign competition and to defend their rights to trade. This goal was at times pursued through the intimidation of foreign traders who did not have legal permission to live or work in the area. The first attempt at organisation of traders, then, was a direct attempt to influence government policy by demanding stricter controls on foreigners trading on Johannesburg’s streets.

The first set of controls, which initially helped create informal power in the street trade, did not last. In time, the municipalities did away with the license system, ostensibly removing a key source of power for those traders who had licenses. However, the power relations established during the period when a license gave its holder a privileged position seem to have outlived the license system. Thus, when the GTA was formed, there were no formal elections for office bearers and mostly powerful traders composed its leadership. This was not the only time in which patterns set by earlier official policies survived the ending of the relevant policy.

3. SHAPING ORGANIZATIONS: THE COUNCIL AND TRADERS’ ASSOCIATIONS

Official actions again impacted on the traders and their association after the establishment of democratic government. Shifts in the official approach to local governance, xenophobic protests, marches against city police by local street traders, urban decay and crime persuaded policy makers to address the issue of street trading in the city’s development.
plans. Johannesburg adopted a policy that certain areas or zones should be earmarked for housing street traders in markets designated for them. In 1996 during the initial stages of policy formulation on street trading, the city planners claim that various stakeholders were consulted. However, its proposal for a change in traders’ circumstances did not meet an enthusiastic reception: the GTA was against the building of markets. At that time, it felt strongly that the issue facing local traders was the presence of ‘illegal’ foreigners, not the Johannesburg council’s broad concerns for regulation and 'development’. The association also felt that a market would exclude the majority of traders and would mean paying taxes and losing their street power to the municipality.

The council’s plans were, however, aided by the fact that the GTA’s view was not unanimous. Cracks within the association started developing. Those who were interested in the markets gradually moved away to form other associations based on their new interest and on a desire to gain access to what the municipality was offering; namely trading markets. Some members also withdrew from the association because the leadership, having originally relied on emotional appeals to South African identity in the face of foreign competition, now seemed to use the foreign-local divide to extract commercial advantage. It demanded that foreigners share with them new goods that could be brought into the South African market and not sell what is being sold locally. The internal governance of the association was also a cause for concern for some members. Interviews with former leaders and their failure to produce documentation, which would ensure financial accountability, indicate that there was misuse of money collected from members.

By introducing the idea of designated markets for traders, then, the council indirectly affected the organisation of traders by creating an incentive for some to split off from the GTA. But its influence was also more direct. It sought to pursue its goal by engaging in workshops with traders on the planning of the market, its structure (sites, storage and ablution facilities), management, security and terms of reference. In an effort to deal with xenophobia amongst traders, the municipality demanded in 1995 that they speak with one voice. This implied that the council was not going to discriminate against immigrants in favour of locals and wanted to hear a traders’ perspective that emanated from both groups. It also dealt with the question of immigrants’ legality; it decided that immigrants with legal status, refugees, asylum seekers and those waiting for their citizenship were eligible to participate in street trade. For those traders who wanted to operate from a market, the council provided a strong incentive to organise associations, which did not campaign against immigrants and were open to all traders regardless of national origin or citizenship.

The council’s initiative prompted the formation of a new organisation. In 1999, street traders who lived in Yeoville formed an association, prompted by the need to form an all-encompassing organisation and to co-ordinate between locals and immigrants if they wanted to negotiate with the municipality. They were also tempted by the council’s ‘sugar coated pill’ designed to persuade them to move to council markets. Traders were convinced that there would be more business in the markets and that strong action would be taken against
anyone trading outside them or in the streets, thus offering them a more favourable trading environment. The formation of an association, which included immigrants as well as locals, was remarkable since, prior to this, Yeoville had experienced some of the worst xenophobic attacks on immigrant traders. How widespread anti-foreigner feeling among traders was is not clear. What is clear is that the council appeared to be offering a tempting enough prospect to some traders that persuaded them to form an association, which united them across national identities.

Formation of the new association may have reduced tension between locals and foreigners. But it also increased conflict between traders’ associations. The GTA was totally against the formation of the Yeoville Traders Association. The hostility was returned: an influential trader who tried to warn others about the negative implications of relocating to a market (endorsing the GTA position) was almost killed at one of the workshops conducted by traders who were tempted by the new markets.

With an inclusive association formed, the council began workshops with traders. After these were completed, traders had to fill application forms for sites and stands at the planned market. It was a prerequisite that the association have an elected committee to help speed the allocation of stands. Other than filling in forms, the traders had to approve the structure and agree on terms of reference for the market. The procedure for those who wished to trade at the market, then, continued to shape the new association by providing incentives to elect a committee.

Following these events in November 2000 - January 2001 in Yeoville, a similar process, entailing workshops with and registration of traders, ensued in Hillbrow. Interestingly, while this again threatened the GTA, there were no objections from it. Rather, some of its members withdrew and moved to other parts of the metropolitan area where there was less competition with immigrants, no regulation and development. Presumably by then, GTA members had concluded that they had lost the battle in the inner city and would need to move elsewhere if they wished to influence the trading environment. The municipality clearly played a major role in creating the conditions, which prompted its withdrawal.

If the council hoped that formation of the Yeoville association would ensure that one association would talk for all traders, it was disappointed. Its establishment led to a proliferation of organisations and eight emerged to speak for traders. This obviously complicated the task of negotiating an agreement on a move to the markets.

3.1 A Negotiated agreement?

One important sign of the degree to which associations are strongly organised is their ability to reach binding agreements on behalf of their members. The traders’ associations do not seem to have achieved this.
Leaders of traders associations and the council have differing interpretations of the negotiations between them. But the fact that there is no agreement between them on what was agreed, confirms that the council’s hope that its intervention would initiate a traders’ association that would work smoothly with it towards the establishment of the markets was frustrated.

The council claims that 80% of the eight associations represented (presumably 6 of them) agreed to the implementation of the market policy. But trader representatives disagree, claiming that an alternative proposal that they submitted to the council in 1997 was totally ignored. They accuse it of using ‘stick and carrot’ tactics to get them to agree to the markets rather than conducting an open negotiation in which all options were considered. For example, they claim that traders who queried the market process were told that their names would be taken to the bottom of the registry list of traders who registered with the Council for stand allocation.

While the White Paper on Local Government defines one of the roles of local government as commitment to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives, street traders insist that the council’s attitude to them has been hostile. It has, they say, associated street trading with the deterioration of the inner city and crime. The council’s markets, in their view, were not designed to improve traders’ conditions but were seen by the council as a quick solution to the ‘nuisance’ of street trading and a way to clean up the streets. By declaring all streets as prohibited areas for street trading and building markets that are too small to accommodate the present number of traders, the council, in this view, suppressed and controlled, rather than attended to the needs of, the poor engaged in street trade. If the municipality was committed to finding sustainable ways to meet citizen demands, this view suggests it could have provided for stands on pavements as it had done in Yeoville. Traders’ representatives submitted a proposal for these stands to the Council in 1997.

In this view, traders did not freely agree to markets but were steamrollered into accepting them for fear of losing all rights to trade legally. The cause, it is suggested, was the council’s failure to see street trade as a legitimate means of doing business and its determination to shoehorn traders into a formal environment, which would enable it to control them.

Whatever the truth of these claims, it seems highly unlikely that the council is the only party to blame for the workshops’ failure to produce arrangements that satisfied traders. The evidence does suggest that the representation of traders by their associations in the discussions was inadequate to ensure that traders’ interests were effectively represented. Those traders who were registered earlier with the council for stands at the market did not come forward when they were allocated because they either failed to understand the

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2 Republic of South Africa 1998; ix.
process of allocation or were still undecided about moving to the markets. More importantly for our purposes, a key problem in Hillbrow is that the workshop process was not representative enough. A (white) trader who was elected to the committee with his wife attended workshops on behalf of the traders. The couple agreed to the planning, structure and terms of reference without consulting their fellow traders. Perhaps inevitably, the result fell short of expectations. The Hillbrow market was never granted the same status as the closed Yeoville market; it was defined as an open street market. As a result, shelter that traders had expected in part of the market was not provided. Traders also claim that stands allocated to them are meant to kill their business, as they are too close to each other with no space for customers. None of these decisions were communicated to the traders or to their elected committee.

A few weeks after the Hillbrow market was opened, this ‘representative’ found a shop close to the market. This action indicates that, for him, street trading was just a step towards better business opportunities and that he was not committed to his fellow traders. The incident may also indicate how the Metro Trading Company (MTC), established by the municipality to operate the new markets, could manipulate trader leadership by finding an ally willing to endorse its plans without consulting traders. The result has been a source of tension at the market. Local traders are claiming that they were not consulted when the market was planned and that some sections are not conducive to trade. They also claim that stand allocation was biased against locals. There is sewerage coming from surrounding flats, dangerous objects being thrown from balconies and windows lack proper shelter.

Why did this failure of representation occur? Why did traders delegate to this couple such power over their future without accountability? The trader concerned was elected by a majority and blindly entrusted to negotiate on their behalf because of the history of his involvement in negotiating with council on street trading. Most of those who voted were foreigners, who may have felt that they should hand over decisions to someone who had experience in dealing with the council because they were uncertain about their capacity and standing to influence events. Strangely, none of the committee members who were bound by the decision of their leader can account for why that leader was never questioned and why they accepted what was on offer when they knew nothing of the process. But the incident may illustrate how easy it is for individuals who seem to enjoy access to the authorities, to rise to leadership positions in associations of informal traders.

4. HOW DEMOCRATIC ARE THE ASSOCIATIONS?

At first glance, the traders’ associations appear to engage in internal democratic practices. Since an elected committee is a prerequisite to engage with the municipality, the associations hold annual general meetings at the beginning of every year to choose a new committee. The nomination of candidates tends to reflect the distribution of power and status in the market. Ability to secure a nomination depends on a trader’s financial standing,
understanding of market-related politics and the municipality, the status of their trading
stand, what contributions they make to problem solving and their experience in the street
trade. Nationality does not matter in the election of representatives.

Another apparent sign of internal democracy is the holding of regular association
meetings. Monthly meetings are held in Yeoville to report on the daily running of the market,
problems about rent, security and facilities. In Hillbrow the association used to hold monthly
meetings but has stopped now because of tensions between members and leaders. Anger and
threats of violence characterise a traders monthly meeting. There are allegations that the
leadership practices double standards. Some local traders claim that their committee, while
claiming to represent them, is being used by the council to divide members. A further source
of tension is that some of the leaders have been appointed to a market committee by the
metropolitan council and are receiving a monthly salary of R800 for this duty while trading at
the markets. Leadership claims that calling a meeting has been a problem for the Hillbrow
committee because members of the association expect it to achieve immediate solutions.
Failure to fulfil member’s expectations, leaders add, is due to the unwillingness of
metropolitan officials to meet or respond to the association’s demands. As a result of the
degree of conflict at meetings, the leadership no longer convenes them.

This indication of the limits placed on membership participation suggests that internal
democratic practice is not as entrenched in the trader’s associations as it seems at first
glance. There is other evidence. There is no clarity on who belongs to the associations.
Leadership claims that all traders in the market are members but some of the interviewed
traders indicated that they do not belong. Determining who is a member is made difficult by
the fact that there is no subscription or joining fee paid by members. The committee collects
fees when the association seeks legal representation; each member contributes R30 to the
costs and all the money is paid directly to the lawyers. At a meeting the committee will
report on how much was collected and what is outstanding. But some members do not
contribute to the legal costs and yet enjoy the same protection of their interests as those
who do pay.

It is difficult to assess how members hold their leaders accountable. The two
associations do not appear to have constitutions. The leadership claimed that they did have
copies of a constitution but failed to produce one. This problem is made more serious by the
fact that it is difficult to define membership and also give exact numbers of those who
belong. Besides the factors already mentioned, it is difficult to give membership figures
because membership is continuously changing as many traders are forced to leave markets
after a short time because of high rents and a lack of profit, some leaving street trading
permanently.

There is also considerable mistrust between leaders and members and a declining will
for collective action in Hillbrow in particular. While the heated atmosphere of meetings
(before they were discontinued) suggests that traders do see a value in acting to hold their
leaders to account, perceived deception by leadership, lack of response from market management and an inconsistency in the attitudes of membership have contributed to unwillingness to engage in collective action.

Lack of enthusiasm for participation can also result from a perception that associations are powerless to act on behalf of traders. Thus in Yeoville the failure by the committee and the association’s legal representative to ensure that the council pays for stolen and damaged goods during evictions has led members to lose confidence in it. The way in which dealings between traders and market management is structured also ensures that individual members, rather than the association, directly deal with the market operational staff on a daily basis. A trading stand is provided to the individual and stand problems are dealt with between the trader and the management. Only if there are common general problems affecting a group of traders is the association leadership called in; evictions are one example of an issue on which this might happen. In Hillbrow, the association does not even intervene at this level and individuals have to deal with their own difficulties.

4.1 Being a member

What does belonging to an association mean to traders? Do they see them as vehicles enabling them to participate in decisions? Do they see a value in uniting with other traders to pursue common goals?

This seems to vary between Yeoville and Hillbrow and, to a degree, between older and newer traders, with those who have been trading longer more likely to favour belonging to an association. Another key difference stems from personal resources; the amount of goods in possession influences status within the associations, making them often the preserve of the better off traders. Some longer established traders in Yeoville feel that establishing the association has brought some achievement in organising traders. Although uncertain about the ability of the associations to represent them to the council, they do note that being members has enabled them to influence the political environment. Traders have made representation to the national parliament and have also made several requests for intervention to the provincial government and metropolitan Mayor. Through the association they can co-ordinate their trading activities and reach consensus where necessary. At the markets, even though under pressure from competition between traders, they have managed to educate each other on issues affecting the running of the market, the positioning of different traders at appropriate places within it and also assist each other in identifying cheap wholesalers where they can buy in a group, so cutting costs.

New traders are uncertain about belonging to the association. One notes the value of combining in an organisation but still seems uncertain about the concrete benefits: “It is a right thing to have an association so that we work peacefully and we do not discriminate against immigrants.” But: “In the long run what can the association do for us? Can it help me
to grow and develop like other traders?” Others appreciate what the association does for the traders but are not prepared to join it yet: “The committees are doing a good thing. I support everything as long as what they do is not negative to business. (But) my work is too hectic that I cannot focus on the association.” Experience has taught them that associations tend to become political and challenge the government while their chief concern is that they trade and support their families. Still others have joined associations but feel that this decision was a mistake. One source of disaffection is the perception, suggested above, that associations are powerless to influence events and are unable, for example, to enforce agreements. Thus, as noted above, when traders approved of the markets, it was agreed with the municipality that no one would be allowed to trade outside them. However, there are members of the association who are trading outside the market, taking business away.

More enthusiastic attitudes are found only in Yeoville. In Hillbrow there is a great deal of alienation. Although women are members of the association, they say they have been allocated sites where there are exposed to sewerage and vulnerable to objects thrown from flats. They feel that the committee is male dominated and that the leadership has acquired covered sites rather than the open ones they are expected to occupy; this is why, they believe, the committee does not vigorously fight for the enclosure of the entire market. Problems of communication between the municipality and the association have led members to feel that the association is party to changes which leave them no better off and, sometimes, worse off. Prior to the market and association, traders had developed a client base. Now, however, they say they have lost their reliable customers and competition in the market is tougher. “My business was big before we were forced into markets. I had business in town in Hillbrow and Yeoville…. Today I am forced to run these two sites like a small spaza… I lost so much money and customers…”

There is also a feeling that the associations were used by the municipality to do away with street trading. Traders claim that if the municipality was promoting development in street trading, but merely wanted to ensure that it occurred within markets. That it would at least have erected billboards advertising the various markets in the inner city.

In sum, many traders remain sceptical of organisation. To a degree this may be a result of the ineffectiveness of associations. But there is evidence to suggest that organisation can win improvements in the conditions of traders, raising the possibility that the powerlessness of the associations is more a perception among some traders than a reflection of reality.

The Yeoville market has almost all the facilities required for an adequate trading environment: storage, ablution (which members pay for when using), a garbage collection system, cleaning procedures and security patrols. All these services are included in the

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3 Interview with foreign trader, Yeoville.
4 Interview with female local trader.
5 Interview with chair of Hillbrow committee.
monthly rentals due to the municipality. By contrast, in Hillbrow storage facilities are not within the market. Instead, an old municipal building far from it was provided for storage. Ablution facilities are also not available on site. Cleaning the market has proved problematic with one section enclosed and clean, while the other is open and subjected to littering by flat dwellers and leaking sewerage. There are no water facilities for traders to clean their wares. Unlike Yeoville there are no security patrols and security is dependent on the taxi drivers in the adjacent rank.

It cannot automatically be assumed that conditions in Yeoville are better because there is more evidence of collective action and organisation there than in Hillbrow. But the correlation between high levels of organisation and better conditions does suggest that organisation among informal traders may be more effective than many of our interviewees suggested. If so, the obstacles to organisation and collective action lie more in many traders’ reticence about participating in trader associations than in the failure of organisation to achieve gains.

4.2 Collective action

Despite the limited enthusiasm for organisation among traders, they do engage in collective action. Examples are protests against the municipality when its rentals are seen to be too high and against metropolitan police who confiscate traders’ goods. When a protest is organised by one market, others join in solidarity.

But in most cases individuals act alone. When a trader fails to pay rent, or complains about a leak in the roof on top of a site or theft from storage, the trader alone tackles the issue. The committee deals with common problems. Both in Yeoville and in Hillbrow the committees were involved in negotiations with the municipality to reduce rent, which they achieved.

It is difficult for traders to engage in collective action and some claim that this is because the council creates divisions. The undermining of leadership by the metropolitan council, with (as noted earlier) the reality that many traders leave street trading, is said to have contributed to a lack of commitment to the associations among members. While the local government insists that it want traders to be organised into associations so that it is aware of their views, some interviewees insist that this is made difficult because the MTC is seeking to divide traders. Its officials are said to undermine the present trader leadership by indicating to other traders their desire to have the leadership toppled.

These informants claim that some immigrants have been encouraged to undermine the present committee because the authorities find it difficult to work with it. The evidence, they claim, is that foreigners have been allocated more stands by the MTC, which has also reduced their rent arrears and has directly employed some to collect rent. Allegations of preferential treatment for foreigners in allocating stands and shops, ‘partnership’ with Metro Police and the flourishing of illicit trade at the markets, has contributed to divisions between
locals and foreigners. Foreigners are said to be untrustworthy because they have assisted the MTC and have been allocated extra stands as a reward or have been involved in trading in drugs with the connivance of the metropolitan police. Locals also insist that immigrant traders (because they are supported by the MTC and police) are more organised and prosperous. Unless it is assumed that the authorities are powerful enough to turn anti-immigrant sentiment on and off it appears that tension between locals and immigrants has not been dissolved by the municipality’s initial insistence that locals and immigrants speak with one voice.

Whether or not the municipality is actively working to divide traders, the evidence reported here suggests that people engaged in informal activity may be as, if not more, likely to seek to improve their situation by making bargains with the authorities as to rely on broad-based collective action. Given the pressures towards individualism rather than solidarity, traders, whether or not they are active in associations, seem far more likely to be open to deals with the authorities which advance their situation at the expense of collective action than formally employed workers. In inner city Johannesburg, the fact that many traders are foreigners may make this more likely because the legal vulnerability of many immigrants may sharply increase the incentives for making individual bargains with the authorities to protect against their precarious legal position. But the tendency to accept individual advancement rather than to rely on collective action is not restricted to immigrants who lack permission to live here. One example is that, within the market, good relation with people responsible for security can protect stock from theft. Being friendly with the rent collectors and the market manager helps those who fail to pay rentals in time. This helps on bad days when one cannot pay rent and may be given grace to collect more money to pay off the debt. Those who befriend security personnel also stand a chance of being identified as co-operative traders who can be recruited to undermine the association.

Obviously, the traders’ response is shaped by the authorities’ inability to ensure that security and rent collection is not arbitrary; that all receive adequate attention as a matter of course. But a key-defining feature of informality is that it occurs outside clear rules. In this context, individual arrangements with power holders, including security personnel and rent collectors, may appear as a far more rational strategy than engaging in collective action.

A further disincentive to collective action by foreign traders in particular is their access to a vast network, which seems better able to serve their interests than local government. They have special places where they buy their stock. They support shops owned or run by fellow country traders. In some cases, this may entail access to organised crime. A foreign street trader may leaves his or her site for two months with an assistant or ‘brother’ (a business partner or a front from the same country who gets paid) and set off for as far away as Bangkok to attend to another business. On their return, these traders have more resources to boost trade or even rent a shop. Local traders join these networks at the markets as fronts for illicit trade. Joining or being a member of a network is tempting, since it allows traders
to sell illicit drugs, to acquire protection from police, access to other underground markets and to cherish hopes of running a racketing ring in the future. But these kinds of traders leave the markets quickly and are offered shops on unclaimed state property within the inner city.

Further evidence of MTC hostility to the association is said to be a demand by the operational manager at Yeoville market that traders not close the market when they hold meetings. This means that traders have to abandon their sites to attend and encourages poor attendance as well as divisions between those who attend traders meetings despite this and those who do not. The allocation of stands by the council to undocumented immigrants and individuals acting as fronts for taxi owners and drivers, who are unknown to traders and their associations, also obstructed the mobilisation of traders by suggesting that collaboration with the authorities is a surer route to meeting traders’ needs than collective action.

4.3 Internal divisions

Even if these allegations of deliberate official attempts to undermine trader solidarity are accurate, the MTC’s attitude is not the only barrier to organising traders. Other obstacles stem from the fact that they come from different backgrounds and environments. They also have different attitudes towards their present status. Thus there are divisions between locals and immigrants and between survivalists and entrepreneurs. To some, trading in the street is a lifetime occupation, to others, it is a bridge to more success and a temporary way of making ends meet. The latter are less inclined to organisation and collective action since they see their status as traders as a step on the way to another occupation. Also differences in their level of education impact how traders interact and set their goals. So do the distinction between those who never experienced employment in their lives and those who were retrenched.

Those who trade to survive tend to be more reticent to organise and act collectively than those who are entrepreneurs. There is also a tendency for survivalists to be dissuaded from collective action by entrepreneurs, who then tend to recruit survivalists into collective action when it suits them. Those who worked in the formal economy before becoming traders are unlikely to use their experience as former members of trade unions (by, for example, organising traders into highly organised associations or conducting meetings). Most traders were not formally employed and that works against the few retrenched traders who might be able to apply their trade union know-how. And the harsh trading environment has meant that each trader has to focus his or her energies on making a small profit each day.

National and ethnic divisions play an important role in the lives of street traders. At the market, traders have aligned themselves according to these differences. Foreign traders will mix with each other according to their country of origin and ethnic orientation. They share resources and always help each other in times of trouble. But, as we shall see, these working relationships do not extend beyond the trading environment. Local traders are also aligned on ethnic lines. This is partly reinforced by claims that the types of goods traders sell are
associated with ethnic origins. Female Zulu traders are always associated with trading in traditional medicine and food. Shangaans and Vendas are associated with traditional clothing and goods. Pedis are more dominant in vegetables. These stereotypes do not hold because there are traders from other ethnic groups who trade in what has been claimed as a speciality of a particular group. But the stereotypes do illustrate that ethnicity remains an important issue to traders, even where ethnic identification is based on myth.

Another sign of an environment which is not conducive to united collective action, is that there is little interaction between traders outside the market. Shared experiences are limited to the market. A few traders are exceptions if they live in the same area or building or share transport. Some might form bonds because their sites are close to each other. Much mistrust is developing among traders and this has contributed to low interaction between them. Traders of the same national background may interact with each other outside the market although in some instances this is not the case. Ghanaians have failed to interact outside the market but have acted together in it. The reason may be the strength of ethnic identities. Outside the trading environment there is a tendency to classify each other according to ethnic origins and it has been difficult for the Ghanaian traders to form an association outside the market because of ethnic differences. A similar problem faced Senegalese traders but they have overcome their ethnicity to run an association outside the market. There are also trans-national working relations, which are defined by common skills and craftsmanship.

Outside the market, traders hardly make demands on the state for citizenship, asylum status, service delivery, education, health and security. But collectively under the Informal Business Forum they have demanded that government involves them in policy planning and decision making on street trading. They have also rejected government ‘boardroom decisions’ imposed on them. Reasons given by traders for limiting their bargaining power to the market is that they follow different political persuasions or have no hope that anything can happen to change their lives (although it was noted above that this second point may reflect perceptions rather than reality). In any event, the second explanation seems inadequate, since hopelessness would presumably also deter traders from seeking improvements in the market. It is not clear why traders should feel able to act to change their conditions in the market but not outside it.

5. THE MORE THINGS CHANGE...

The municipality’s intervention may have been the key factor in shaping organisation among informal traders. But this does not mean that the council has been able to ensure that reality in the informal environment coincides with municipal officials’ goals. We have seen how associations may conform with municipal requirements in form (by, for example, holding elections) but how the substance may be very different. It may well be, therefore, that leaders in the informal economy are adept at simulating obedience to council requirements,
while at the same time ensuring that they evade the spirit of these stipulations so that power relations in the informal setting remain unchanged.

Thus intervention by the council has failed to achieve one of its chief objects, changing power relations and behaviour patterns among the traders. A key goal of metropolitan council officials, who promoted the idea of formal markets for traders, was to break what was seen as the hold of powerful traders, who often acted illegally to wield power over other traders. But the evidence suggests that the patterns the council officials hoped to break simply continue in the markets.

Thus, before the markets were opened, powerful traders would rent sites to tenants, forcing them to sell only on the rented sites and demanding loyalty. Nothing has changed. Today registered traders sell sites in the markets at high prices to desperate new traders. A site costs a new trader R 1 000 - R 2 000 and will still be registered under the seller’s name. New traders may also rent a site from a ‘site lord’ paying double the rent: to the ‘site lord’ and the municipality. If the new entrant cannot afford the illegal rent, she or he must sell the powerful trader’s wares.

As suggested above, some who are registered to trade in the market has agreed with sympathetic businesses to sell goods outside it in violation of the agreement with the municipality that no trade will be allowed outside a market. The Council is aware of this. Initially the MTC had reached an agreement with traders that when the markets are operational, street or pavement trading will be an offence unless otherwise stipulated by the council. There are no stipulations in the municipal by-laws saying that street traders can sell outside the markets but metropolitan police, when arresting traders, leave the ones partnering formal businesses alone. Shop owners who have provided them sanctuary on their pavements protect these traders from the metro police because the traders are used to sell goods on behalf of the formal businesses.

Market managers claim that organising street traders into associations and introducing markets has reduced trade in illicit substances in the streets - before markets were introduced street trading was used also for the drug trade. But despite assurances that there is tight security at the Yeoville market, trade in illicit substances continues. In the Hillbrow market there is no security. While its manager indicated that since its establishment, crime has been reduced, the situation is worse than in Yeoville. There are no roving patrols, people deal in drugs and users use sites in the market as they wish. Patterns of crime next to the market in Yeoville have not changed and thefts out of a motor vehicle are still high. In Hillbrow surrounding streets are now more dangerous than the street market. Some traders have been robbed while leaving the market.

Whatever effect moving traders to a market may have had, however, the prime original stated intention of creating an environment in which traders would no longer be engaged in

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6 Interview with IBF leader.
or at the mercy of crime, and in which informal power would be replaced by democratic regulation, has not been realised. Clearly, far more is needed than a change of trading location if these patterns are to be altered.

6. CONCLUSION: UNDERNEATH THE SURFACE?

Literature on associational life in the informal economy is often pessimistic about its capacity to generate effective democratic organisation. Thus a literature review of international research on this topic notes that organisations of informal people “are not in a position to represent the interests of the urban poor and help them address their multiple needs but suffer problems of leadership and participation... linked to relations of patronage between state officials, politicians and community leaders.”

Much evidence reported in this paper supports that view. It shows that low levels of participation and leadership accountability often mark traders’ associations and that patronage can intrude into relations with the metropolitan police and the MTC. In Johannesburg, the presence of large numbers of undocumented immigrants adds to the problem. They have strong incentives to insulate themselves from the government rather than to engage with it (or to make deals with officials in the hope of securing their right to trade) and there is also great potential for conflict between them and South African citizens. There is much in the Johannesburg inner-city reality to support the view that associations able to speak for the informal poor are yet to emerge and that the odds against their emergence, given the insecurity and weak bargaining power of informally employed people, are great. While some of the literature glorifies the democratic character and inclination to organise of associations formed in the informal economy, our research is far more consistent with Widner’s argument that most of these associations are designed to seek private benefits, even if they are disguised as democratic organisations to increase their legitimacy.

There is another sense in which the research presented here is consistent with the finding quoted here. It shows that governments have an important influence on the organisation of people working informally. It was a type of government regulation, the traders’ license, which initially helped shape the way some street traders exercised power over others. It was an insistence that the government was not doing enough to curb trading by undocumented immigrants that initiated the first traders’ association. And, perhaps most important of all, it was the local government’s attempt to reshape the inner city trading environment which prompted the formation of new associations open to immigrants as well as locals and which plays a key role in ensuring that elections are held within associations. On a less benign level, it is also, according to some informants, a local government agency,

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the MTC, which now weakens organisation by creating divisions between traders and closing off some options for organisation.

Thus, while there may be a temptation to see the associational life of the informally employed as something mysterious, way beyond the control of governments, this research shows that, if the Johannesburg inner city experience is a guide, governments retain a capacity to shape the organisations of the informal poor. It is also clear that, as noted above, informal power-holders do seem to retain the capacity to ensure that government intervention does not disturb their power.

Nevertheless, there may well be evidence in these findings, which suggests that the powerlessness of people working informally is not permanent and that forms of democratic organisation among traders could emerge. First, despite the weakness of democracy within associations, the findings do contain evidence of at least the germs of democratic practice and culture. This is found in examples of participation in elections, of enthusiasm for attempts to influence government, of support for associations and of vigorous attempts to hold leadership to account even if they tend do so with hostility (so much so that, in Hillbrow, the leadership has reacted by ceasing to hold meetings to avoid members seeking to engage the leadership). Some organisations do also honour aspects of democratic practice such as regular elections and meetings. This suggests that both members and leaders do value (or feel the need to honour) some practices, which make for democratic and effective organisation even if the leaders may see these purely as a means of complying with the requirements of the municipality. The fact that traders do make demands on the state, albeit on a limited set of issues such as police treatment and that at times there are shows of solidarity between them does suggest an interest in and capacity for exercising citizenship rights. It may be important to understand whether particular types of people engaged in informal activity are more likely to be interested in democratic and organised collective action than others. At least as much work is needed on the reasons for civic engagement and interest in democratic organisation among people active in the informal economy as is often devoted to understanding the constraints to them. It may well be that thinking and research on this question has tended to see the exercise of democratic citizenship as the norm and has therefore sought to explain deviations from it. More useful strategic information may emerge from an approach, which sees both as unusual and seeks to understand them.

Second, and related, while even organisations which hold elections and seem amenable to democratic practice may be less organised and less responsive to a mass constituency than they seem, some do seem better able to command the support of members than others. This does suggest that organisations are not doomed to remain weak and leadership dominated and that it may be important to understand the differences between those that are able to offer at least a modicum of participation and accountable leadership, and those that are not. A deeper understanding of motives for assuming leadership of associations and the way in which leaders operate may offer an insight into incentives for and disincentives to democratic organisation. This study, for example, finds examples where collective action by
the informal poor is constrained by informal power holders, others where the attitudes of people at the grassroots themselves are inhibiting. It may be important to understand the relative weight of external constraints and of attitudes among traders to gain a clearer insight into obstacles to citizen action.

Third, evidence that government actions (however ineffectual these may be in changing power relations) often shape organisation among people working or living informally, suggests that the possibility for change may be greater than is often assumed. If governments have an important influence, then changes in their action and strategy can open new possibilities for action by informally employed people. This opens possibilities for change, which are not offered by views that see informal association as something entirely outside the control of government institutions. The evidence gathered thus far suggests that government action often has unintended consequences and that governments seem frequently unable to develop enough of an understanding of informally employed or housed people and their associations to equip them to intervene effectively. But a context in which government could be helpful but is not, is clearly far more amenable to change than one in which the causes of powerlessness lie beyond the control of governments. More work is needed on the institutions, attitudes and practices, which governments need to develop if they are to create environments conducive to democratic organisation by the informal poor.

Fourth, if, as our early findings suggest, resistance to democratic organisation is prompted in part by an expectation that the informal status will be temporary, then it is at least possible that, as it becomes apparent to the informal poor that the position is permanent, organisation will come to seem more necessary. There could be an analogy in the early history of industrialisation, when at least a section of the new industrial workforce expected to return to the countryside and agrarian employment and therefore had a diminished incentive to seek to change conditions in the mines and factories. At least some constraints on organisation, which now seem structural may abate or disappear as informality comes to be seen as a permanent condition.

Fifth, while ethnic and national identification remain an important barrier to trader unity, these identities may be more fluid, and possibilities for co-operation greater, than surface impressions might suggest. There are clearly contexts, legal or illegal, in which co-operation between locals and immigrants is considered appropriate whether this is participating in association elections or in networks of dubious legality. This suggests that leaders of associations of the informally employed who seek to build links between members across ethnic and national boundaries may well enjoy success.

In sum, then, this first attempt to understand the associational life of the informal poor does confirm that the obstacles to the emergence of democratic organisations able to win changes in government policy and practice on behalf of the informal poor and to provide poor people in the informal economy with a route to participation are great. But, far less
predictably, they show that there may well be embryonic potential for democratic collective action, which has not yet been fully appreciated.