

STREET TRADING IN THE TRANSKEI:
A STRUGGLE AGAINST PPOVERTY, PERSECUTION AND PROSECUTION.

by

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DEVELOPMENT STUDIES UNIT

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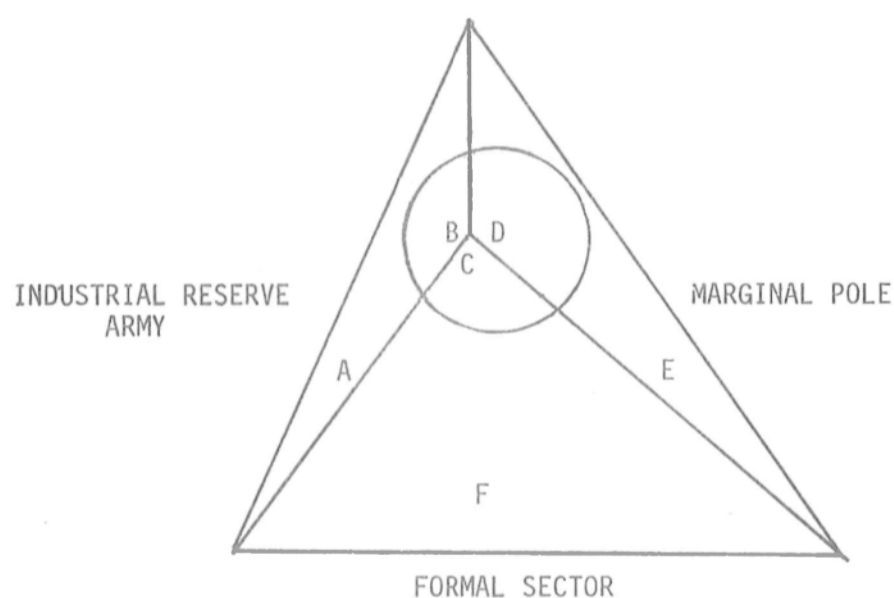
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2.

hand argue that the informal sector is subordinated to the to the formal sector via direct links which enables the formal sector to extract surplus from the informal sector (Le Brun and Gerry, 1975; Moser, 1976; Tokman, 1978).

Towards an integrated theory. Too often it is assumed that in adopting a certain paradigm, one automatically excludes the insights offered by rival interpretations. 'Informal sector' debates are unfortunately no exception, and thus an integrated theoretical approach could be useful. Before such an approach can be developed however, it is necessary to combine the observations of the "marginality" and "petty commodity producer" theories. This is best done by means of a diagram.

Figure 1. Locating the informal sector.



The above figure consists of three adjacent triangles representing the industrial reserve army, the marginal pole, and the formal sector of the economy.

3.

A circle overlapping the apex of all three triangles comprises the informal sector.

The industrial reserve army triangle consists of those people who could get a job in the formal sector if some expansion took place. Given the large labour surplus in Third World cities, these people would need to have some formal sector skills or experience which could get them jobs in the future. The industrial reserve army has two sub-components. Sub-part 'a' consists of those people who are full-time job-seekers, perhaps living off savings and borrowing from friends and relatives. As these people are not productively engaged, they are not part of the informal sector and are thus excluded from the inner circle of the diagram.

The second sub-component, part 'b', consists of those people who although they could theoretically obtain work in the formal sector, have ceased their job search and gone into the informal sector as a 'temporary' measure. They plan to leave it as soon as formal sector jobs became available. They have, in other words adopted a "fall-back" strategy which as Wilkinson and Webster point out, "becomes a necessary substitute for the social security benefits that the state has failed to provide" (1982: 8).

The marginal pole triangle represents people outside the formal sector and the industrial reserve army - those truly peripheral to the industrial economy. Having no formal sector skills or experience, they have little hope of ever being employed in the formal sector. Part 'd' of this triangle comprises those working in the informal sector for a living. They are likely to be on the lower rungs of the informal sector, ie to be the most poorly paid wage workers due to their lack of formal training. Part 'e' consists of the

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"dregs" within the marginal pole - the truly marginalised people who are not even active in informal production. Such unfortunates would include beggars (Ruizz-Perez, 1979) and garbage pickers (Birbeck, 1979).

Finally, the formal sector triangle comprises those working in the formal sector full-time (sub-part 'f') and those who, whilst occupying jobs in the formal sector, also supplement their incomes with informal productive activity (part 'c').

In short, this approach argues that only some part of the marginal pole fits into the informal sector, that the industrial reserve army may or may not participate in informal activities, and that people who are not marginalised can also form part of the informal sector.

The diagram has further implications. For instance, groups 'c', 'b' and 'd' probably represent different income hierarchies in the informal sector. The members from the marginal pole (i.e. 'd') are likely to be the worst off as they have no formal sector skills or experience. That part of the industrial reserve army operating in the the informal sector (i.e. 'b') will probably occupy the next niche in the income hierarchy. Its members will have some 'human capital', and possibly past savings of their own. Having two income sources, those employed in both the formal sector and informal sectors (ie group 'c') are probably well off on average, although some individual members from group 'b' could do better.

Thus far we have uncritically accepted the categories "formal" and "informal sector". In terms of the diagram, the informal sector has been conceived as comprising of a large number petty enterprises manned by people from within

the industrial reserve army, the marginal pole, and by some of those who also hold jobs in the formal sector. The informal sector as a concept has thus been conflated with that of petty enterprise.

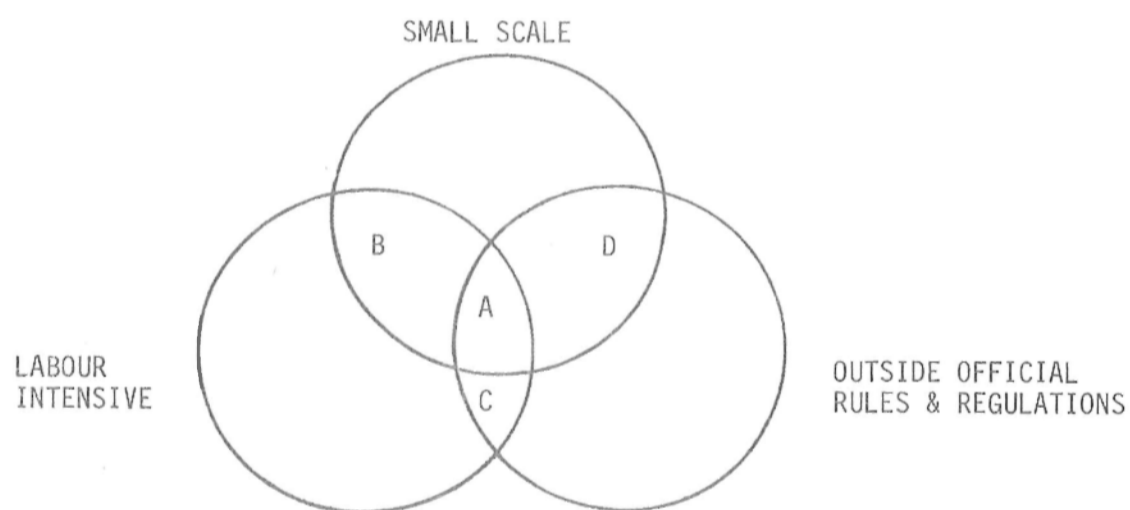
Within Marxian theory, subordinated petty enterprise as a concept covers a wide range of productive concerns. This is mainly due to the fact that its ambit has never been defined in terms of characteristics, but always in terms of its structural position. For example it is often defined by obscure vagaries such as "never having constituted the dominant or total production of a society but ... always ... articulated within another wider social formation" (Moser, 1978: 1057), and as a "form of production existing at the margins of the capitalist mode of production but nevertheless integrated into it and subordinated to it" (Le Brun and Gerry, 1975: 20).

The weakness of the subordinated petty enterprise theory in its approach to the informal sector is simply that it includes far too much. It includes all those enterprises which have to operate in an environment dominated by a large scale (often transnational) capitalist sector which basically "calls the tune" when it comes to supplies, prices, wages, market conditions, etc. Consequently a legal storekeeper with two or three cafes would be classified as informal along with a poverty-stricken hawker. As this broadens the definition of the informal sector towards the absurd, it is necessary to isolate the informal sector as a concept apart from the broader category of petty enterprise.²

2. Davies makes precisely this point: "a distinction should be made between those working in informal employment primarily to accumulate money for re-investment and those who work in the Informal Sector out of necessity. In the latter case the sector provides an indispensable means of subsistence. In other words, some informal operators may be legitimately regarded as small scale capitalist producers while others may not" (Davies 1978. 23).

In most cases the informal sector has been described as consisting of all those people outside formal wage employment in the large-scale officially recognised and regulated sector, as well as all enterprises which function outside government rules and regulations and which operate on a small scale using labour intensive technology.³ Obviously the informal sector enterprise does not have to show all three characteristics simultaneously in order to qualify. Similarly, exhibiting only one characteristic would not be sufficient. Consequently, as a general rule, one should argue that an informal sector enterprise must manifest at least two of these three characteristics. This is shown diagrammatically below.

Figure 2. Characteristics of the informal sector.



3. Obviously the terms "small scale" and "labour intensive" are extremely vague in this context. This however is unavoidable because to place limits on the capital:output ratio and number of employees allowed would be so arbitrary as to be useless. Rather the terms "small-scale" and "labour-intensive" shall be used as principles of classification. Their exact magnitudes would vary from case to case depending on the scale and capital intensity of the formal sector.

7.

Figure Two is a Venn diagram consisting of three category sets; labour intensive, officially recognised and unregulated, and small-scale. Most informal enterprises are likely to fall into group 'a' - ie will be officially unrecognised and unregulated, small-scale and labour-intensive. However, it is possible to find a small-scale labour-intensive petty producer who also has a licence - eg. a patent medicine man. Although legal, such a business should fall into the informal sector and be represented by area 'b'.

Very few enterprises are likely to fall into group "c" which consists of large scale, labour intensive and officially unrecognised and unregulated enterprises. It stands to reason that there is a payoff between expanding production and operating outside the sphere of official recognition and regulation. Being illegal restricts accumulative possibilities as police, inspectors etc. have to be bribed or dodged and enterprises located in the "seamy" parts of town in order to avoid official attention. Consequently, large-scale expanding enterprises will tend to opt for official recognition - and hence move out of the informal sector.

Also, with official recognition comes additional costs, many associated with labour, such as medical schemes, compulsory compensation, registration etc. Consequently, the large officially recognised firms would tend towards capital intensity. The only group that really fits into the large-scale, labour-intensive officially unrecognised sector is organised crime!

As regards position "d", ie officially unrecognised small-scale and capital-intensive - one is also likely to find few enterprises. Small-scale enterprises are unlikely to be both capital-intensive and officially unrecognised as an entrepreneur with enough money to buy machinery is likely to choose to

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comply with official regulations as it gives him or her broader scope for accumulation. Positions "c" and "d" thus both refer to few enterprises and those that fall within them (apart from organised crime) are likely to be transitional - on their way out of the sector.

In brief then, the informal sector operator, having limited access to and control of capital, will be labour-intensive, small-scale and likely to operate outside of official recognition due to licencing costs and because his or her standards of production are lower than those officially demanded. However, if the standards are low, and the costs of the licence reasonable, it is likely that the petty operator will work within the sphere of official recognition.

The economic implications of the integrated approach. It is clear that the informal sector is far from homogeneous, incorporating many activities performed under different conditions. Consequently it would be trite to state that the informal sector either can or cannot experience evolutionary growth, as the degree to which the different operators will be exploited by formal capital depends on the market conditions facing them.

Market conditions. The major contribution of the marxist approach is its focus on the ability of the large-scale capitalist (formal) sector to exploit the informal sector via its control over market conditions. This includes formal sector controls over informal sector supply (materials, machinery maintenance) and output (eg subcontracting arrangements). On a general level, the point is often made that because the informal sector lacks access to credit, it is forced to buy from retailers rather than wholesalers. This means additional profits for the formal sector and losses to the informal

sector with the consequence of poor growth prospects for the latter (Gerry, 1978; Moser, 1978).

However, despite the grimness of the above picture, informal sector enterprises have been known to generate surpluses even under hostile conditions. In Nairobi for example, informal sector enterprises have been reported to have multiplied their capital by as much as six to ten times over an average of five years (Sethuraman, 1981: 35). These cases show that under certain conditions the informal sector can generate a surplus and hence grow.

The great question is then - what are these conditions? Perhaps the way to approach this is to ask the opposite question - eg what areas should the informal sector avoid? The first is obviously that of direct competition with the formal sector for markets flooded with mass-produced goods. Not having scale advantages, credit, high technology, sophisticated machinery etc, the informal sector cannot hope to compete.

Although frequently advocated by policymakers, the second dangerous area is subcontracting with the formal sector for the supply of intermediary goods. While subcontracting guarantees the informal sector a market and a fixed income, it also has some disconcerting drawbacks. In the first place, it is the formal sector that is the winner in the subcontracting game, not the informal sector. Using decentralised production methods reduces the need for fixed capital and is particularly useful when the demand for final products is temporary or fluctuating. Also, by using the "out-work" subcontracting system, workers can be "laid off" with no comebacks or cost (Roberts, 1978: 117). Furthermore, the informal sector runs the risk of the formal sector deciding to produce the goods itself, or to break the production process down

even further, and paying proportionately lower prices for the sub-contracted articles. One must of course be careful of generalising about all subcontracting arrangements. In certain areas room for bargaining may exist. Nevertheless, subcontracting should be viewed with suspicion.

Areas in which the informal sector can prosper are those not considered by the formal sector. These are the "unprofitable" areas of the economy and the illegal market. The illegal market includes the sale of narcotics, home brew and sexual favours. In a sense, informal operators have cornered the illegal market - although the risks are often high enough to push them out of it.

There is also room for informal activity in areas deemed unprofitable by the formal sector. For instance, the formal sector may not see any profit in travelling out to peri-urban areas or squatter camps to provide goods. A local informal sector consequently has a locational advantage and as long as its prices remain below those of the out-town formal sector plus transport costs, it will have a market. Other areas disregarded by the formal sector are small scale peripheral activities like shoe-shining, street-singing etc.

Another potential area is that of the so-called "poor" market, ie catering specifically for low-income people. Here the emphasis would be on the use of cheap (if not waste) materials to keep production costs low, and on the sale of very small quantities at a time. There is also a demand from low income people for specialised goods such as braziers, repairs, and the supply of second-hand clothes.

Perhaps serving the needs of the poor market is the best option for the informal sector. As Sandbrook maintains, "it is a reasonable proposition that

large firms cannot displace petty producers from markets restricted to the poor alone" (Sandbrook, 1982: 160).

However, this may not continue to be the case in the long run. If it becomes clear for example, that cheap burners are selling well, the formal sector may step in and take over. This is the phenomenon Bienefeld calls the "growth destruction impasse." He agrees that once the market served by petty commodity producers goes beyond a certain size, the formal sector will invest there and capture the market by virtue of its technological efficiency. This implies that petty enterprise is residual up to a point - ie is allowed to operate only in the "nooks and crannies" of the economy deemed unprofitable by large capitalist enterprises (Bienefeld, 1975).

The other possible implication is that the informal sector will in the "last instance" become either formalised or atomised into wage workers. However, as the lonely hour of the last instance remains far away, many more generations of informal sector operators should be able to make a living out of these economic nooks and crannies.

STREET TRADING IN TRANSKEI - A CASE STUDY

Transkei's street traders are typical of the lower echelons of the informal sector. They are poor, marginalised and at the bottom of the socio-economic ladder. The data below was obtained from a survey conducted in 1982 covering 13 out of Transkei's 28 towns. 571 street traders were enumerated and 137 interviewed. The wide variety of activities found among the street traders and the occupational distribution of men and women is shown in Table 1.

Table 1. Occupational distribution of men and women.

| Occupation | Sample | | | | | | Census ¹ | |
|------------------------------------|----------------|-----|------------------|-----|-----------------|-----|---------------------|-----|
| | Male Number | % | Female Number | % | Total Number | % | Total Number | % |
| Fruit and vegetables | 3 | 18 | 65 | 54 | 68 | 50 | 326 | 57 |
| Clothing | 2 | 12 | 27 | 22 | 29 | 21 | 74 | 13 |
| Cobbler | 5 | 29 | 0 | 0 | 5 | 4 | 17 | 3 |
| Herbalist | 3 | 18 | 0 | 0 | 3 | 2 | 17 | 3 |
| Chicken, meat & fish | 0 | 0 | 7 | 6 | 7 | 5 | 34 | 6 |
| Combinations of goods ² | 0 | 0 | 15 | 13 | 15 | 11 | 80 | 14 |
| Other | 4 | 24 | 6 | 5 | 5 | 7 | 23 | 4 |
| Total | 17 | 100 | 120 | 100 | 137 | 100 | 571 | 100 |

1) The sex and occupational distribution of the hawker census shows how the original sample (137 cases) was biased away from fruit and vegetable sellers and towards producers like the clothing sellers. In order to rectify the bias, cases were randomly removed from each category until the percentage distribution of the sample equaled the that of the census. This left 100 cases. Unless otherwise specified, all data in this section originates from this stratified sample.

2) Those selling combinations of goods always sold either fruit or vegetables along with another line such as knitted hats. In other words, they both produced and speculated in fruit and vegetables at the same time.

The dominance of women. The most striking aspect of the sample was that 88% of the respondents were female.⁴ This is not surprising when one considers that women are largely excluded from the South African labour market, and that relatively few jobs are open to women within Transkei. For instance, in 1975, 70% of paid jobs in Transkei were occupied by men (Rep. of Transkei, 1978: 7).

4. Other studies done in Africa have found a similar concentration of women in the informal sector. According to Heyzer, Ghanaian women constitute 80% of the total labour force engaged in trade. She also points out that 80% of market vendors in Lusaka are women. (Heyzer, 1981: 10)

One could argue that because women have husbands, fathers, lovers, etc, and therefore have access to income and produce off the land, there is no need for them to engage in street trading and thus they do it only to supplement the household income. However, the survey showed that 86% of the street traders had no other income earners in their household and that on average they had 4.3 children to feed. In other words it is only the meagre proceeds from hawking that stand between their families and starvation.

An interesting fact which emerged is that marital status was no indication of the existence of a supplementary income. For instance, 55% of the hawkers were married, and yet, as previously mentioned, 86% had no other sources of income. This reflects both the high unemployment rate amongst males in Transkei and the substantial desertion rate of male migrants from the area.

Breakdown in terms of goods sold. As shown in Table 1, 57% of the sample sold only fruit and vegetables, while a further 14% supplemented their fruit and vegetables with another small line such as chickens or knitted hats. In other words, 71% can be said to be petty traders who speculate rather than produce. The other 29% were producers such as dressmakers (13%), cobblers (3%), traditional medicine sellers (3%), and cooked meat sellers (5%). The remaining 5% consisted of craftsmen such as bangle makers, beadsellers and decoration makers.

Closely associated with the above breakdown is a sexual division of labour. Women dominated the unskilled (speculative) occupations, making up 96% of the fruit and vegetable sellers, while men featured strongly in the producing sectors. Men made up 100% of the cobbling and traditional medicine trades and

dominated the craft sector.⁵ Apart from clothing, men dominated those occupations which required skilled labour of some sort. However, one must remember that both men and skilled occupations were a very small part of the sample.

Age structures. A further differentiation between the male and female street traders is apparent regarding age structures. As Table 2 (below) shows, the female age structure is relatively normal apart from the above-average number in the 51-60 age category. In other words, the young and middle aged categories dominate the curve.

Table 2. Age distribution of men and women.

| Sex | 11-20 | 21-30 | 31-40 | 41-50 | 51-60 | 61-70 | 71+ | Total |
|--------|-------|-------|-------|-------|-------|-------|-----|-------|
| Male | 0 | 2 | 5 | 2 | 3 | 4 | 1 | 17 |
| Female | 3 | 24 | 34 | 21 | 22 | 9 | 3 | 116* |
| Total | 3 | 26 | 39 | 23 | 25 | 13 | 4 | 133 |

1) The table is drawn from the original sample of 137 in order to get as many male cases as possible. During the stratification the male sub-sample was reduced from 17 to 12. Thus in order to get a more meaningful male age distribution, 137 cases rather than 100 were used for this table.

*) 4 cases were missing from the female sub-sample.

Concerning the male curve however, things are vastly different. One finds a peak occurring at the 21-30 year old age group and another at the 61-70 age group. Because the male sample consisted of only 17 cases, it is too small to

5. This is corroborated by a Transkei rural study which showed that men dominate the shoe-repair, building and herbalist categories (Moll, 1984). Bromley found a similar trend in his Cali study. He points out that females tend to deal in food items and males in non-food items (Bromley, 1978: 1162).

producers had the resources to travel to large centres and buy in bulk while only 28% of the speculators could afford to do so. In other words, substantial differences in profit margins exist between the producers and the speculators.

Indications of Marginalisation. So far we have produced no hard evidence that Transkei's street traders are marginalised. It is clear that they are worse off than the average urban family in Transkei. For instance, a Bureau for Market Research study done in 1979 found that only 62% of Transkei urban households had a sole income earner and that such an earner was usually male (BMR, 1980). In comparison, 86% of the street traders were sole income earners while 76% were female and the only income earners.

However, being "worse off" does not necessarily imply that one is marginalised. Marginalisation implies lack of access to alternative economic resources such as land or jobs.

Access to land. Unfortunately no questions relating directly to the street traders' access to land were asked in the survey. However two questions did provide indirect indications of access to land.

The first was the question, "Where were you born?". 59% replied that they were born in the town they were presently in. 38% replied that they were born in another town in Transkei, while only 3% replied that they had been born in a rural area. The second question, "Is your permanent home in this town - if not where is it?", correlates closely with the first. 72% replied that their home was in the town they were selling in, 25% replied that it was in another town nearby, and only 3% said it was in a rural area.

From the above data, it is clear the majority of the street traders were thoroughly urbanised, and for the most part at least second-generation urban dwellers. Movements that occurred from birthplace to their present home seemed to be movements from one town to another. The same applies as regards movements from home to selling place. Consequently it is unlikely that more than 3% of the street traders had any access to land.

Access to jobs. To find out whether the street traders in Transkei were in that occupation from choice or because they were unable to obtain formal sector jobs, two questions were asked: "Would you prefer a steady paying job - if so, why?", and "When was the last time you had a steady paying job - why did you lose it?"

To the question, "Would you prefer a steady paying job?", only 44% said yes. One could interpret this as meaning that 56% of the street traders preferred their present occupation to wage employment. However, this conclusion is reversed when one tabulates job preference by the reasons given for such preference.

Table 3. Work preference by reasons given.

| Work Preference | Reason for work preference (%) | | | | | | Total | (N) |
|-----------------|--------------------------------|---------------|-------------|-----------------|-----------------|-------------------|-------|-------|
| | More money | More security | Easier work | Too old or sick | Husband objects | Care for children | | |
| Prefer job | 88 | 12 | 0 | 0 | 0 | 0 | 100 | (44) |
| Prefer hawking | 15 | 0 | 23 | 46 | 8 | 8 | 100 | (56) |
| Total | 48 | 5 | 13 | 26 | 4 | 4 | 100 | (100) |

From Table 3 we can see that of the 44% who answered that they would prefer a steady job, 88% gave financial reasons, and the remaining 12% cited the security of a set weekly/monthly income as the reason. These answers reflect the hazardous life of the street seller, both financially and in terms of police harassment.

Of the 56% who claimed not to prefer a steady job, 47% justified it on the grounds that they were too old or sick to accept a steady paying job which, for most of them, would require a fair amount of manual labour. Similarly 23% argued that street trading was "easier" and thus preferable. The interviewers told me that the people who answered this were usually old or crippled. Consequently this answer too may be a measure of incapacity rather than laziness or simple preference. In short, it can be argued that 69% of those who answered 'no' to the question, "Would you prefer a steady paying job?", did so because of a physical incapacity of some sort.

16% of those who answered that they would not prefer a steady job, did so for family reasons, ie they had to look after children or their husbands objected to them working. Here too the answer is determined by limitations rather than a strict preference. In fact, the only people who answered no as a direct matter of choice were the 15% (of those 56% who preferred hawking) who answered that money was better in the street trading business. In other words, it is likely that only 8% of the total sample really preferred working in the street trading business and were not "forced" into it in some way or another.

The most successful entrepreneurs I encountered who had entered the informal sector by choice, were two cobblers at the Butterworth busrank. They told me they left their jobs with a shoemaker in the formal sector because the wages

there were poor. According to their estimates, they are now making nearly three times their previous wage each month.⁹ Nevertheless, the vast majority of the street traders were there because of physical or other limitations. In other words, they would fall into position 'd' in Figure 1 except for the cobblers who would fall into area 'b'.

The question about job preference revealed another interesting fact. The interviewers told the hawkers that the imaginary steady job paid R50 per month. This implies that informal sector incomes are for the vast majority, less than R50 per month.¹⁰ A further indication of low income is that 84% of the street traders saved nothing, and 13% saved R20 or less a month.

Table 4. Last job held (year).

| Last year of formal employment | percentage | cumulative percentage |
|-----------------------------------|------------|-----------------------|
| Never had a job | 26 | 26 |
| Last job held between 1939 - 1959 | 4 | 30 |
| Last job held between 1960 - 1970 | 16 | 46 |
| Last job held between 1971 - 1975 | 19 | 65 |
| Last job held between 1976 - 1978 | 17 | 82 |
| Last job held between 1979 - 1982 | 18 | 100 |
| Total | 100 | |

9. One must bear in mind however, that earnings are relative. For instance, a woman in Mount Frere, told me that money was better in hawking because her previous job as a domestic paid R3 a month!

10. No direct questions were asked about income to avoid suspicion and confusions between profit and turnover.

The question "When was the last time you had a steady paying job and why did you lose it?" revealed further indications of marginalisation. From Table 4, we can see that 26% of the street traders had never had formal jobs. Being so totally inexperienced, their chances of ever getting formally employed are almost zero, thus they can be regarded as marginalised. 54% of the street traders held jobs somewhere between 1971 and 1982 while 35% held jobs between 1976 and 1982. These relatively new entrants illustrate the growing unemployment crisis in Transkei.

When one considers the reasons given as to why the hawkers lost their previous jobs, some interesting facts emerge.

Table 5. Reasons for leaving formal sector jobs.

| Reasons | Percentages |
|------------------------------|-------------|
| Fired | 3 |
| Employer moved | 12 |
| Ill health | 27 |
| Too little pay | 36 |
| Old age | 3 |
| Pregnancy | 8 |
| Laid off | 8 |
| Accident | 2 |
| Endorsed out of South Africa | 1 |
| Total | 100 |

From Table 5 it appears that 64% of those that had had jobs lost them for

Moreover, since August 1981, hawkers in Umtata have been prevented by law from staying in any one place for longer than five minutes. To keep moving is very tiring and few hawkers manage to obey the municipal ordinance. This has provided the police with additional reasons to arrest the hawkers and confiscate their wares.¹²

Official attitudes to street trading in Transkei. Bromley, in his study of Cali, Columbia, found that the urban authorities "usually consider Street Traders to be a nuisance, making the city look untidy and ugly by their very presence, causing traffic congestion, dropping litter, molesting passersby, depriving the law abiding and paying shops of trade and spreading diseases by physical contact and the sale of contaminated or rotting food" (Bromley, 1978: 1163).

Much the same attitudes are discernable amongst the various government representatives in Umtata. For instance, it is argued that hawkers "cause obstructions on sidewalks and public places" (Sacke, 1982: 5), leave the place "littered with cardboard boxes, banana peels, etc" (Mtshizana, 1982: 1), "defile semi-sacred objects like war memorials and generally create an eyesore in the city" (Sacke, 1982: 5). These factors are held to be a danger to the tourist industry. For example, an Umtata magistrate argues, "... there is the effect on tourism, which is one of the greatest money spinners this country has. People going in coaches around here are very loathe to see ladies with boxes in piles of skins" (Houston Barnes, 1982: 2).

12. The increase in police harassment has been accompanied by tougher penalties imposed on hawkers by magistrates. For example, in April 1982 a hawker was sentenced to two months' imprisonment without the option of a fine. Previously the penalty had been a R10 or a R20 fine. (Golden City Press, 14/11/82)

The health issue has also been raised. The city health inspector has pointed out that fruit and vegetable hawkers often wash their wares in stormwater drains whose water may be contaminated with industrial effluence. (Mtshizana, 1982:2). The problems of hygiene were drawn further by a Cabinet Minister, who claimed that hawkers could bring cholera to Umtata and spread it around the city (Letlaka, 1982).

An often cited complaint against the street traders is that they worry motorists and pedestrians in their efforts to sell their goods. According to the town clerk, by creating such disturbances the street traders "indirectly at least contribute to an increase in crimes such as bag snatching, etc" (Sacke, 1982: 5).

In short, the local government in Umtata upholds the belief that street traders are a messy, unhygienic, crime-inducing nuisance in the city. These attitudes are accompanied by large-scale police harassment of hawkers selling in the central business district.

The Role of Formal Sector Interests. One way to approach such a perspective would be to attack it as being too "westernized." This argument has been adopted by an Umtata researcher who maintains that "local government officials delude themselves that they are living in a western environment and try to enforce standards that are very exclusive and not in line with the prevailing economic realities" (C. Tapscott, quoted in Golden City Press, 14/11/82: 8).

Such a strategy aims at "Africanising" existing legislation by revising it downwards until suited to the needs of a developing country and assumes that

existing legislation is there "by mistake" in the sense that it was adopted without the necessary considerations being made. This implies that if one provides the local government with enough clear and well thought-out arguments, legislation suitable to the needs of a Third World African country will be adopted.

Unfortunately, legislation is not made in the sphere of ideology alone. There are other underlying (determinant?) reasons for this ordinance and these are the interests of, and pressures from, formal sector businesses. In the words of the town clerk, "any municipal council is under pressure to, and generally does act in accordance with, the best interests of the electorate who are rate payers. The formal sector of commerce and industry are rate payers, and usually big rate payers at that. They often contribute the greater part of the municipal income. The informal sector, the hawker, on the other hand, are seldom ratepayers and seldom make contributions" (Sacke, 1982: 3).

Sacke points out that whereas the formal sector has to pay high license fees, rates and comply with regulations, the hawker can simply set him or herself up on the sidewalk with none of this expense. This, he says, is "unfair competition". Therefore, he concludes, "the council has a responsibility to this group, the formal trader suffering from unfair competition and is often subjected to pressure from them" (Sacke, 1982: 5). Consequently, it has been the councils' policy to eliminate, or more recently restrict, hawking in the greater part of the city, "especially in the central business area"¹³ (Sacke,

13. Bromley, in his study of Cali, Columbia, found similar instances of big businesses complaining of 'disloyal competition'. Similarly, he points out that authorities 'defend' the more prestigious areas of the city from large scale invasion by street traders, forcing many street traders into poorer and less central areas" (Bromley, 1978: 1164).

1982: 6). In other words, it appears that pressure from the big profit makers in Umtata pushes the council into harassing the hawkers, rather than some "city beautiful" ideal.

One must of course avoid falling into the trap of postulating a direct antagonism between the formal sector and the hawkers. The formal sector as such, is by no means united by a common interest against the street traders. In fact, the actions and opinions of certain businesspeople in Umtata indicate that the formal sector is characterised by two widely opposing positions on street traders.

Street Traders Versus Big Businesses. According to the manager of an Umtata store which, judging its prices and contents, caters specifically for the Umtata elite, hawkers are "filthy ... people - unhygienic - selling dirty fruit and vegetables to the public!" When asked for more specifics, he claimed that the hawkers dirtied "his" pavement and blocked the window display and entrance to the store. Almost as an after-thought he added, "and besides, they are competition for us. They sit outside and sell more cheaply". He was quick to call the police when hawkers appeared and had even driven them away himself.

On the other hand, the proprietor of another large supplier in Umtata, (supplier B), was a lot more tolerant towards the hawkers. His biggest complaint was that the hawkers bought potatoes from him, washed them in the stormwater drains and then sold them. He said this made the potatoes look more attractive when actually they were a lot less clean! He had never called the police, but had threatened to do so a few times - "just for effect".

It appeared that the degree of formal sector antagonism towards the hawkers was inversely proportional to the amount of trade with them. No hawkers bought their wares from the elite store as in their opinion the selection was bad and the prices exorbitant. Supplier B on the other hand, because he had a fair amount of trade with hawkers, was prepared to adopt a more or less live-and-let-live approach towards them.

Street traders and small formal businesses. During December 1982 a survey of Umtata hawkers was conducted asking only one question: "Where do you buy your wares?" All thirty-one of the hawkers questioned gave three to five names. All listed Majuju Cafe and roughly 80% listed Transkei Bazaar and Umtata Fisheries. About 40% mentioned Supplier B and none listed the elite store. Most of the hawkers, however, stressed that they bought where the goods were cheapest - so the popularity of the various low-priced shops would ebb and flow with their prices.¹⁴

The favoured shops were all relatively small businesses - tearoom size - and the owners adopted sympathetic positions towards the hawkers. The most enlightening interview came from the owner of the most popular supply shop - Majuju cafe. He said that 90% of his trade was with hawkers and estimated his daily turnover from hawkers to be in the region of R3 500! He believed it was

14. This economic rationality is illustrated by the following description by a hawker of her buying patterns: " I left home at 2 am this morning and took the bus to town. I bought bananas at Majuju cafe for R9,50 per box of about 170 bananas. I then went to Lounge tearoom but the apples at R4,90 a box were not good quality. I then went to Transkei Bazaar and bought a bag of onions for R4,95. I was told that tomatoes were good at York Road Butchery and bought two cases for R3,30 each I sent my friend's daughter to buy plastics* for one cent each. I began packaging my goods before selling them" (quoted in an interview conducted by R Kingwell and A Morel, August 1982).

* Plastic bags.

vegetables, etc which then get sold within the elite supermarkets' "beat", the smaller capitalists are in fact encroaching upon the big suppliers' market.¹⁶

CONCLUSION

This paper has argued that street traders in Transkei are mainly poor, marginalised people attempting to eke out a living for their families through hawking. Although hawking is often a strategy born of desperation, the municipal police all over Transkei harass the street traders by confiscating their goods, fining them, and even imprisoning them. As the Umtata case study shows, the interests of big business, articulated through the City Councils, are often at the heart of this repression.

Judging by unemployment trends in Transkei (Thomas, 1982), increasingly many people are likely to respond to the escalating employment crisis by swelling the ranks of the informal sector. This in turn means an increase in the scale of conflict between the police and the street traders.

16. This has interesting implications as regards the "conservation-dissolution debate where it is argued that the informal sector is functional to the formal sector via the social security role it plays, its' production of cheap commodities for the poor and hence depressive effect on wages (Sandbrook, 1982), and the "value transfers which take place through backward and forward linkages between petty producers and capital in the sphere of exchange" (Wilkinson and Webster, 1982: 4). These theorists tend to conclude that the dominant capitalist sector has a strategy of keeping the the informal sector at an "optimal size" - not too big to provide too much competition, and not too small to offer none of the advantages (Davies, 1979: 82; Dewar and Watson, 1982: 138).

The Umtata study indicates that this "strategy" is by no means universally adopted by capital. Functional explanations such as this tend to point to phenomena which benefit capital "in general", in the long run. However, this does not mean that individual capitals will respond in accordance with these interests. They will respond to the immediate benefits or disadvantages the informal sector poses them as individual businesspeople.

Transkei officials are going to have to re-evaluate their policy towards the street traders. If they continue to harass the street traders they will either be wasting their time and street trading will continue (as it is doing at the moment), or if they succeed in preventing the marginalised poor from hawking, it is likely they will turn to crime in order to survive.

What options are available to the government? It could expand its present policies of aiding and "formalising" the informal sector. These policies adopted by TRANSIDO, (Transkei Small Industries Development Organisation) are geared towards helping small "entrepreneurs" become successful businesspeople. The ideology behind such schemes is articulated by Cabinet Minister Letlaka: "It is a well known fact that many a successful businessman in the world today started from a small beginning and, in a young country like Transkei, it it felt that every possible incentive should be provided to enable citizens who display the necessary initiative and courage to enter the field of commerce in however limited a manner, to prove themselves for who knows, they may be the giants of tomorrow's economy" (1982: 7).

The study has shown that the assumptions in the above quotation are very misleading. Firstly, it is clear that street traders enter the field of commerce not out of courage or initiative, but out of a need to survive. Secondly, the quotation implies that the success or failure of the street traders depends on whether they can "prove" themselves or not. This "everyone can make it big" ideology is incongruous when referring to Transkei's poverty stricken street traders. Likewise, the idea that street traders could become the giants of tomorrow's economy is equally absurd. One might find the odd trader becoming lucratively formalised, but this is certain to be very much the exception to the rule.

who could only afford one at a time. Such people do not frequent shops displaying expensive trinkets in the window! They would be more likely to buy from a street trader.

By moving into a little shop Bernard raised his overhead costs, lost his lower-income market, and because the shop was close to the busrank, failed to capture a middle class clientele. This case points to two problems with policies geared at promoting or formalising informal sector businesses.

Firstly, promotional schemes could result in the informal operator being trapped between two markets and losing both. Secondly, even if a great deal of money is pumped into the informal sector, very few would formalise successfully. Skills are in too short a supply and the middle and upper-class markets are too small and already catered for to allow many new entrants. In other words, as a general policy, promoting Transkei street traders in this way is not an adequate solution.

By the same token, limited institutionalisation is also problematic. As Watson points out, "street selling abounds because this is generally the optimal location for sellers and the most convenient for customers. In cases where an attempt has been made to force sellers off the streets and into newly constructed markets, the number of sellers has been greatly reduced and only the bigger, richer operators have been able to survive". She argues that the provision of facilities will make a positive contribution only if it is viewed as a social service (V. Watson, quoted in Wellings and Sutcliffe, 1984: 18).

The other alternative is to let the informal sector proliferate and place no restrictions on it. Let the poor make a living as best they can. Possibly

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