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## **Roundtable Discussion on Informal Economy**

**Department of Economic Development  
City of Johannesburg  
Date: 12 May 2014**

- High level discussion on issues of informal Economy – Trading
  - Best Practices Internationally
  - S.A National perspective around issues of informal Economy
  - Development of the sector
  - Research findings on Informal Trading – JHB Inner City and Townships
  - Best practices on Management on informal trading models



## History of JHB Informal Trading

2002

- Informal Trading Development Programme

2004

- Street Trading By-Laws promulgated in 2004

2007

- Informal Trading Policy

2009

- Informal Trading Bylaws promulgated in 2012



## Informal Trading Policy

- Outlines how various trading activities should be governed to benefit all affected stakeholders:
  - Traders, property owners, and law enforcement agencies, all spheres of government departments and members of the public

## Informal Trading By-Laws

- Give effect to the policy and to enable proper governance of trading activities
- The enforcement of bylaws, administration and management of trading activities are important elements of the City's governance role



## Informal Trading Development Programme

- Informal Trading Development Programme of 2002
- The programme was guided by three key pillars mainly restriction and prohibition of trading areas; Training and Development ;Infrastructure grading of the markets

## Street Trading By-Laws Promulgated in 2004

- The By-Law regulates aspects of;
  - Prohibited conduct;
  - Restricted conduct;
  - Standards of Cleanliness;
  - Signs indicating restricted and prohibited trading areas;
  - Procedures for Removal and Impoundment of Property; and
  - Due processes regarding Offences and Penalties



## Informal Trading Policy 2007

- Scope of application:
  - Activities in the public environment and as defined to refer to the sale of legal goods and/or services by individuals or group.
  - Trading in private/residential property (i.e. spaza shops, etc) covered by planning regulations - although not necessarily adequately so

## Focus areas

- Spatial planning and development to take into consideration requirements of informal trading
- Infrastructure development
- Demarcation of designated areas
- Allocation of informal trading smart cards
- Allocation of trading space
- Rental payable for trading space allocated
- Permission for periodic markets



## Informal Trading By-Laws promulgated in 2009

- Purpose:
  - Regulate the informal sector within the jurisdiction of the City in a manner that recognises and enhances the City's constitutional and other regulatory obligations

## The By-Laws Regulates Aspects of:

- Freedom to engage in informal trading;
- Designated areas; Lease and allocation of stands;
- Environmental Health and safety ;
- Signs indicating Restricted and Prohibited trading areas;
- Restricted and Prohibited conduct;
- Procedures in Removal and Impoundment; and
- The processes regarding Offences and due Penalties.
- Outline the vicarious liability of persons carrying on Informal Trading



- High demand for trading space:
  - Increasing number of informal traders especially those without permits – new entrance in to the sector
  - Illegal traders have used the over-crowded conditions on Inner City streets to evade the enforcement
  - The public environment on many streets is deteriorating rapidly as it was not designed for the high densities of trading activities
  - Pedestrians, residents, commuters, workers and businesses are unable to use pedestrian walkways and public amenities
  - The City has responded over time by designating trading leading to serious overcrowding



- Creating challenges around management:
  - The City is unable to deliver services, maintain infrastructure and enforce the law

### **The 2013 Inner City Operations**

- Initial operations in late 2013 led to legal action by traders, with the Constitutional Court granting them interim relief
- City's response: Rethink the future of informal Trading in JHB

## **Purpose**

**To reduce overcrowding and its effects on streets with high pedestrian traffic and that are closest to the major transport nodes, by:**

- Restricting/prohibiting trading on identified high-traffic, high-congestion streets where trading has previously been allowed;
- Relocating affected trading activities to less congested streets

## **Principles**

- Selection of affected streets based on achieving a balance of the interests of all stakeholders including traders.
- All affected legal traders will be accommodated in the new areas.
- The process will be implemented in accordance with applicable legislation and in compliance with the order of the Constitutional Court



### Proposed Process

- Identify streets with high-congestion and where trading has high impact on pedestrian traffic that could be prohibited for trading.
- Identify streets with lower congestion and pedestrian traffic impact that could be designated for trading and that can accommodate affected legal traders.
- Obtain permission from Council for proceed with stakeholder public consultations on the proposed changes
- Publish a notice outlining the City's intentions, including a plan showing the position of affected streets
- Conduct consultations with the public in general and with affected stakeholders in particular, including the informal traders
- Revert back to Council with final recommendations, having taken into account input received from the consultation process



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THANK YOU