

## **Research Summary #11 - Trading Democracy? Johannesburg Informal Traders and Citizenship**

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*This paper forms part of a five year research programme under the Centre for the Future State, based at the Institute of Development Studies. Below is a summary of principal findings. Further details are available at [www.ids.ac.uk/gdr/cfs/index.html](http://www.ids.ac.uk/gdr/cfs/index.html)*

### **Introduction**

This paper explores whether street traders in Johannesburg's inner city use their citizenship rights to organise and try to influence public policies that affect them. It examines the factors which have encouraged or impeded collective action, including government policies and the internal organisation of traders' associations as well as external factors. The literature on associational life in the informal economy suggests that there are many obstacles to effective organisation of the urban poor, and the experience of street traders in Johannesburg supports this view. But it also suggests that there may be more potential for collective action than is often recognised.

### **How Government Action Shaped Traders' Organisations**

Government action (or inaction) has shaped power relations and the nature of organisation among street traders in Johannesburg, sometimes with unintended effects:

- Prior to 1991 the municipal authorities in Johannesburg operated an unsatisfactory and arbitrary licensing system that was unable to accommodate the needs of a growing number of street traders or provide them with security. The result was the growth of an informal system of licensing outside the control of the authorities, and dominated by those who had formal licences. These informal power relations survived even after the licensing system itself was ended.
- The first association, the Gauteng Traders' Association (GTA) was formed in the early 1990s by local traders in order to lobby government for stricter controls on the influx of immigrant traders who flooded into South Africa with the ending of apartheid.
- In 1995 the municipal authorities decided to require traders to move into purpose built, designated markets. This led to a split in the GTA, many of whose members opposed the new policy, and the formation of new associations by those who favoured operating from the designated markets. The municipality demanded – as a precondition for negotiation over the planning of the markets – that the associations bring together local and immigrant traders to speak with one voice; they were also required to have an elected committee to represent their views. In all, a total of eight new traders associations emerged, which complicated the task of negotiating the move.

The research follows the experience of two associations. In Yeoville the association appears to have achieved some (limited) success in organising traders and negotiating with the municipality on their behalf. In Hillbrow there was a breakdown in relations between traders' leaders and members, and little evidence of effective collective action.

### **Obstacles to Organisation**

Leaders of traders' associations claim that their efforts were undermined by the hostile attitude of the municipality, which associates street trading with crime and a deteriorating inner city environment, and is unsympathetic to the needs of traders. In their view associations were steamrolled into accepting markets; the buildings were too small and the services in some cases inadequate. They also accuse market management of creating divisions among traders, for example by favouring foreigners. Relations between traders and management of the markets were structured in ways which encouraged individuals rather than the association to deal with daily problems. A perception by members that associations were powerless to influence the municipality or deliver tangible benefits in turn weakened enthusiasm for participation.

But internal organisational weaknesses were also to blame. The associations have elected committees and in the case of Yeoville, regular monthly meetings (suspended at Hillbrow following increasing distrust between leaders and members). But there is little clarity about membership (there are no regular dues, and high levels of mobility among traders); and no formal constitution or accountability mechanisms. Collective action is also inhibited by strong internal divisions - between locals and immigrants, those who see street trading as a permanent living versus those with more transient interests, and different ethnic groups. Collective action mainly takes the form of protests - for instance against high rents or police raids. In most cases, traders act alone, seeking deals with the authorities for individual gain. Foreign traders in particular have recourse to their own, ethnically based networks.

### **Conclusion**

Despite the weakness of collective action in this case, there are some reasons for optimism:

- Government clearly has capacity to influence the organisation of people living and working informally; more sympathetic and consistent behaviour by the municipality could have provided openings for more constructive engagement by traders' associations.
- Despite the organisational weaknesses of the associations, they show potential for democratic practice and culture, and there is some support - particularly from more established traders - for making demands on the state and for holding leaders accountable.
- Incentives for collective action may increase as informality comes to be seen as a permanent state, not just a temporary arrangement.
- While ethnic and national divisions remain an important barrier to collective action, there is evidence that these can be overcome when locals and immigrants find common ground on which to co-operate.