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Deracialisation of urban business space: street traders in Pietersburg

Summary

The 'invasion' of the CBD by informal entrepreneurs signalled the first visible phase of the informal process of deracialisation of business space. A clear distinction between deracialisation and desegregation processes relating to urban residential space has been made by Saff (1994). This paper will apply this distinction to business space, using the secondary city of Pietersburg as a case study of two manifestations of policy concerning business space: processes of urban race-space restructuring and street trading as an example of the deracialisation process of urban development within the context of the response of the restructured democratic local authority.

Derasialisering van stedelike handelsruimte: straathandelaars in Pietersburg

Die 'inname' van die SSK deur informele entrepreneurs het die eerste fase van sigbare derasialisasie van besigheidsruimte as 'n informele proses beklemtoon. 'n Duidelike onderskeid tussen derasialisasie- en desegregasieprosesse in stedelike-residensiële ruimte is getref deur Saff (1994). Hierdie artikel pas dié onderskeid toe op besigheidsruimte met Pietersburg as gevallestudie. Twee manifestasies van handelsruimte word bespreek: besigheidsruimteprosesse van stedelike ras-ruimte herstrukturering, en sraathandel as 'n voorbeeld van die derasialisasieproses van stedelike ontwikkeling binne die konteks van 'n demokratiese plaaslike regering se reaksie daarop.

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South Africa has a unique mix of Third and First World urban landscapes.¹ This reflects race-space outcomes resulting from years of apartheid social engineering which affected, among other things, urban governance, development, form, and performance, so that

white urbanites have had access to municipal services that rival, and in many cases exceed, those of their counterparts in Europe and North America, while millions of urban black South Africans do not have access to even the most basic of municipal facilities (McDonald 1997: 28).

These imbalances are evident from figures released by the SA Institute of Race Relations (1994/95). The survey cites an unemployment figure of 29% (more than 3,6 million) of the economically active population. Of this figure, 37,1% are black. It is estimated that more than 4,05 million people (excluding those in the formerly 'independent' homelands) are employed in the informal economy. The predominance of blacks in this sector is attributed to discriminative legislation, such as the Licence Ordinance of 1971 and the Group Areas Act of 1966.

The scant literature on the segregation of central business space dates back only to the 1960s, with Davis & Rajah's (1965) exploration of boundary delimitation and racial dualism in the Durban CBD. Since then research has tended not to focus on "modern business and service centres" but rather on "the essential role played by the informal sector" (Rogerson 1989: 550). The spatial manipulation of business areas in South Africa's cities under apartheid, although a common consequence of the Group Areas Act, has been an infrequently investigated phenomenon. During the era of the modernised apartheid city, the deregulation of street trading was a visible sign of the demise of stringent apartheid planning mechanisms. While some case studies have investigated the consequences of deregulation for hawking in Free Trading Areas in

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CBDs,² others have monitored its impact on the desegregation of the CBD (Anon 1984; Pirie 1984). Dauskardt's (1993) contribution, considering two dimensions of the central city, is a more recent attempt to focus on the neglected aspect of business space in a post-apartheid milieu. Few studies, however, examine the introduction of the Business Act, Act 186 of 1993; street by-laws, which repealed control of street traders (*Financial Mail* 1992), or the subsequent formulation of provincial guidelines on legislation and the reregulation of street traders (cf Local Government Digest 1997). Invaluable guidelines for the formulation of policy on the informal economy and the subsequent reconstruction and racial re-balancing of economic power (planning for the desegregation of business space) in South African cities are provided by Dewar 1992, Dewar & Watson 1991, Dauskardt 1993, Levin 1994 and Rogerson 1993 & 1996a. Rogerson's (1996b) literature report provides particularly valuable views on policy intervention. It is worth noting that, from a holistic perspective, studies aimed at the restructuring of the urban economy and of society all too often overlook their interaction with the global scenario and their relation to urban form.

Understanding the processes involved in the deregulation and reregulation of street trading during a period of transition perhaps requires a conceptual framework. Moreover, investigating this change in a formerly 'conservative' secondary city, in this case Pietersburg, may shed some light on how successful policy formulation and its implementation during urban transition have shaped a city formerly defined by apartheid. Therefore, aspects reviewed and explored in this paper include:

- a concise historical overview of the segregation of business space under apartheid rule and the resulting spatial effects;
- an analysis of post-apartheid integration and the restructuring of urban business space, chiefly illustrating the distinction between desegregation and deracialisation processes of transformation;
- a discussion of the deregulation and subsequent re-regulation of

2 Cf Hart & Rogerson 1989; Rogerson & Hart 1989; Rogerson & Beavon 1985; Mosdell 1991; Nduna 1990; Rogerson 1995.

informal street trading as an example of informal urban development, and

- some planning suggestions regarding the process of desegregating central business space.

1. The segregation of business space: past patterns

The enforced spatial manipulation of business areas in South Africa's apartheid cities dates back to the 1940s. However, ample evidence of manipulation at the local government level was observed and documented during the colonial and segregation eras, whereby

the separate 'Asiatic Bazaars', established on the periphery of Transvaal towns in the late nineteenth century were the precursors of the group areas of the twentieth century (Christopher 1997: 315).

Following complaints about the movement of Indians into the white suburbs of Durban in the 1940s, the government deemed it fitting to enact the Trading and Occupation of Land (Transvaal and Natal) Act of 1943 and the Asiatic Land Tenure and Representation Act of 1946. The aims thereof were twofold: to prevent interracial property transfer and to establish a Land Tenure Advisory Board for dividing cities into White and Indian sectors (Christopher 1994: 41). Although the "Group Areas Act specified disqualification from carrying on a business except in the group area of a member's racial classification," the Free Trade Areas introduced in 1957 allowed all racial groups (except blacks, whose businesses were restricted to their group areas) to buy property and conduct business (Christopher 1994: 133).

At the time, section 19 of the Group Areas Act of 1966 was a positive step towards desegregating business areas. It permitted Group Areas to be proclaimed for a "specific purpose or use, instead of for ownership or occupation of a specific group" (Lemon 1991). Despite that, seventeen years later, only 26 such free trading areas had been established in South African cities. The new political dispensation of 1984, which for the first time provided for coloured and Indian 'participation' in a tri-cameral parliament, inevitably contributed to the enactment of the Group Areas Amendment Act of

1984 for local authorities. This enabled organised bodies, or the Minister, to "submit requests to have areas investigated for the purpose of having them declared free trading areas," ultimately empowering 90 CBDs (but no suburban shopping centres) to open for trading by all races, including a few enfranchised black business-people by 1988 (Lemon 1991: 14; Behr & Jurgens 1991). But this had hardly any impact in term of creating opportunities for black business in so-called white CBDs in urban areas under Conservative Party control. By 1986 in Pietersburg, for example, the Central Government had proclaimed a free trading area and enforced one-third of the CBD as such. Although, in principle, the municipality, dominated by the white Conservative Party, opposed the proclamation of the said area, they did not act against it (Pretorius & Humphries 1991).

During this modernisation phase (1986-1990) of the apartheid city, street trading became a prominent and visible feature in the previously whites-only business spaces. Black street traders predominated, since they were compelled to resort to the informal economy. This movement into the city, was variously received. Objections to street trading varied from city to city. Nevertheless, in essence, the primary objections related to hygiene, littering, and obstruction of movement, and these problems were not restricted to formerly white urban areas. The former homeland capital of the Transkei also experienced these features (Nduna 1990). However, strict policy legislation, street by-laws and control have been applied in an attempt to contain the movement of blacks into the defended spaces of white CBDs.

The truly shocking, albeit not surprising, findings of Hart & Rogerson's (1989: 168-69) investigation explain why black hawkers were "entirely excluded from the 'white' defended space of Pietersburg". The Pietersburg local authority representative had made blatantly racist remarks concerning sanitation: "We [whites] are higher developed than they are and can't take germs as they can" (Hart & Rogerson 1989: 168). Pietersburg regulated any movement into the city in the strictest sense of the word. However, political changes required relaxation, and the local authority eventually ceased to exercise strict control in the early 1990s. By then many traders

had occupied the area adjacent to the railway terminus, but no street traders were evident in the CBD.

Socio-political transformation, especially during this decade, resulted in "a re-formation and restructuring of the urban informal economy" (Rogerson 1992: 165). The government formulated a new Business Act (Act 71 of 1991) as a guideline for local governments on the implementation of by-laws to regulate and control trading. Local governments first had to restructure and amalgamate the separate white and black town councils. During this period of transition, informal trading in the CBDs of metropolitan centres escalated due to

the relaxation of licensing controls, the lifting of certain restrictive by-laws, the planning of special hawker zones and the approval of vending carts [which] contributed towards stimulating new hawker activity as well the rebirth of old forms of street trading operations (Rogerson 1992: 168).

However, deregulation was applied haphazardly in smaller urban centres such as medium-size and secondary cities, where politically conservative white local authorities insisted on retaining old restrictive measures. Other centres did no planning, took no action and enforced no regulations, so that a state of transition persevered. Pietersburg has been such a case since the 1990s. A precursor to the process of desegregating business space was the deracialisation of economic space through free trading areas. The deracialisation of the CBD had not only economic dimensions but, to some extent, social and residential ramifications as well (Dauskardt 1993).

Four distinct phases of historical outcomes may thus be observed in the business space of Pietersburg: First, the segregation of black business from the city had been evident since the city's origin in 1886 (Donaldson & Van der Merwe 1997), while attempts to segregate Asian business materialised only in the 1940s, when municipal by-laws attempted to accomplish this. Secondly, during the period 1970-1985, the racial composition of business segregated the city into two distinct areas — a white CBD with its adjacent Asian bazaar, and an Asian business centre next to the Asian group area suburb. Black business was completely absent from business space in Pietersburg because the policies of separate development dictated the

growth of independence in the neighbouring black township of Seshego as part of the homeland system. Thirdly, during the period of modernization (1986-1990) the apartheid city was slowly transformed into a deracialised area by means of the application of free trade areas and the acceptance of an informal sector in CBDs. In conservatively governed cities, such as Pietersburg, strict municipal regulations based on racist arguments were the order of the day. Fourthly, during the 1990s, ensued the period of socio-political transformation from apartheid to a non-racial society with an initial period of ungovernability and unregulatory local government in transition. After the transitional period, democracy reached fruition with the first general and local government elections in 1994 and 1995, respectively.

Table 1: Urban processes of development (after Saff 1994).

Process	Residential areas	Business areas
1 Desegregation	One-way immigration from the periphery (black townships) to the core (former coloured, Indian and low-middle income white suburbs)	Affirmative action, black professionals and Indian business community in the CBD, fixed premises with facilities for informal traders
2 Deracialisation	Squatting on vacant land adjacent to former white areas	Informal street traders
3 Segregation	Segregated residential suburbs based on income inequality between races	Segregated regulations for home-based business regulated in formerly white cities, unregulated in formerly black areas
4 Resegregation	Walled suburbs, townhouse complexes — home ownership restricted by race	Office relocation to affluent suburbs

2. Urban processes relating to post-apartheid business space

A schematic illustration of the social and economic processes of urban development in South African cities is given in Table 1. Four manifestations of urban space are observed, each taking place in a

formal or an informal manner: desegregation, deracialisation, segregation and resegregation. These processes may occur simultaneously in one city but not in another. The focus of these processes is at the level of post-apartheid change. In other words, a lower level of racial integration is brought about by the process of deracialiation, which means that race is no longer a barrier. Desegregation represents a higher level of integration of society in that it involves not only racial integration but also the advancement of previously disadvantaged groups by means of providing access to infrastructure, opportunities, and so on. The focus has thus changed from race to opportunity. This can be charted as follows:

- First, the scrapping of the Group Areas legislation in 1991 resulted in the formal process of business desegregation, characterised by a class of affluent, professional blacks gaining access to offices, infrastructure, technology and services characteristic of the formal economy. In other words, class-based desegregation occurred on a limited scale. Also, affirmative action policies in the private and public sectors contributed to a rapid increase in the numbers of blacks being admitted to the formal tertiary economic sector. No statistical data is available on the actual number of formal black businesses in Pietersburg, however.
- Secondly, local government legislation has led to the emergence of a lower socio-economic class of informal business entrepreneurs in previously prohibited business areas. These entrepreneurs simultaneously have "access to 'white areas' and exclusion from [their] facilities on the basis of class", which Saff (1994: 383) calls "deracialised space" and views as an informal process or component of urban development. Street traders, who form the main focus of this paper, are thus a case in point here.
- Thirdly, there is a resegregation of white businesses and professionals from CBDs to homes, suburban business centres and office parks in affluent, predominantly white suburbs. This decentralisation process is a direct consequence of the desegregation and deracialisation of the CBDs.
- Fourthly, segregation planning has continued, based on economic disparities in the population structure and preferred places of residence. Strict planning regulations and policies (which are

inherently segregational) are applied to formerly white areas under the town planning schemes, while no regulations are implemented in formerly black suburbs. Segregation is thus a manifestation of the legacy of fragmented planning policies, 'favouring' the engagement of one section of the urban community in informal business over another. The lack of proper development of the informal sector, especially street traders in CBDs, is essentially segregational. However, it is based on class and not on race.

In his analysis of desegregation and deracialisation, Saff (1994) conceptualises the integration of urban space exclusively as residential space. A parallel can be drawn between his conceptualisation and that presented here in terms of business space. Since street traders are generally engaged in such activities as a form of subsistence, it can be argued that, during apartheid, the regulation of street traders was primarily based on race. The deregulation of such activities, therefore, has resulted in the deracialisation of CBDs. However, as Saff (1994: 382) points out,

while spatially the racial impress of the apartheid city is changed by this process, it has little effect on [street traders of all previous racial categories] as they are excluded from access to virtually all facilities and social institutions [within the former whites-only CBD].

With the subsequent reregulation of the sector, Saff (1994: 383) anticipates that the process of desegregation will be accomplished because

the challenge facing the urban poor will be to translate the deracialization of space into genuine democratization of local governance and also the desegregation of, and equal access to, the resources and facilities in a given [CBD].

The aim of reregulation (ie, the re-introduction of by-laws signalling a new era of post-apartheid control), therefore, is to desegregate business space, by means of new street by-laws, as well as local government policy relating to the informal sector in general, aimed at providing facilities, access to credit, and an infrastructure similar to that enjoyed by the formal sector.

3. Deracialisation of the Pietersburg CBD

The socio-economic effects of the processes of deracialising business space in the different areas of South African cities are many and varied. The considerable number of informal economy case studies focussing on a local scene illustrates the importance of adopting a micro-viewpoint when attempting to apply or assess national government policy.

3.1 The 'new' Business Act, 1991

The period of transition to democracy saw an overemphasis on political negotiations at the national level, in favour of local issues. As a result, little attention was paid at the expense to the new Business Act of 1991 (Act 71 of 1991 as amended) during the early 1990s. The Business Act

abolished [apartheid created] licencing boards and all licensing requirements in some 76 business categories [and was seen as] a significant step in the development of the informal sector (SAIRR 1991/92: 170).

The Act provides a flexible framework for local governments. It gives them a choice, basically, between regulating the sector or not doing so. It is expected that most local authorities will formulate related by-laws according to section 6A1a. The Act (section 6A1) prescribes that powers given to local authorities to make by-laws regarding be the supervision, control, restriction and prohibition of the carrying on of the business of street vendor, pedlar or hawker. Sections 6A1b and 6A1c specify that no local authority shall restrict such businesses to "specific hours or places; or specific goods or services" or require such persons to obtain permission of some sort (such as a licence or permit). Section 6A1d provides authorities with the power to enforce the by-laws so formulated (Business Act 1991: 9).

The Act became effective in the then Transvaal on 25 April 1994. By then Pietersburg's CBD was experiencing various effects of unplanned street trading.

Most TLCs in South Africa are in the process of restructuring their informal economy. By February 1998 sixty local authorities in

South Africa had formulated policy on street trading (cf Table 2). The authorities located in former homeland areas are conspicuous by their absence from the list. Authorities in the Western Cape, Gauteng and Kwazulu/Natal have been most active in promulgating legislation. In the Northern Province, Pietersburg must be commended for being one of the first to have reregulated street trading after apartheid; however, with the acceptance of the informal economy, the approach, motivation and policy nevertheless seem not very different from those of the apartheid era.

Table 2: Number of Local Authorities in provinces that had reregulated street trading by February 1998.

Province	n
Western Cape	24
Kwazulu/Natal	15
Gauteng	8
Northern Province	5
Free State	3
North West	2
Northern Cape	2
Mpumalanga	1
Eastern Cape	0
Total	60

(Source: compiled from *Provincial Gazettes* Internet 1995-1998).

3.2 Street trading outcomes in the CBD during the early transition period

Before 1991 no street trading by black persons was allowed in the CBD. However, the former homeland 'border township' which was then incorporated with the city, Seshego, was not affected by these restrictions. Because of ungovernable and illegitimate black local authorities, as well as action by civic associations to destabilise local government apartheid functions, most forms of functional urban development — development of a CBD and other facilities for formal and informal business — had hardly materialised in that area. Informal business spaces are typically confined to home-based businesses, small-scale backyard industries, informal street traders,

shebeens, combi-taxi businesses, and so on. However, these seldom reflected the usual socio-economic undertones of land-use differentiation. Instead, businesses occurred in all areas of Seshego, regardless of zoning status, and reflected mixed land-use patterns.

Apart from the immense growth of the informal sector in the black township, both in street trading and from homes, a visible process of deracialisation of the streets in former white CBDs has been taking place since the 1990s. In 'white' Pietersburg, contemporary spatial form may be conceived as an urban relict of four aspects taking on various forms: the demise of business apartheid (the scrapping of the Group Areas Act in 1991); lack of governance and planning during the transformation phase of 1990-95 (and the reluctance of the Pietersburg urban authority to become involved); the destruction of the aesthetics of the city as a well-kept functioning entity (which was accomplished under stringent apartheid rule); and, on a more positive note, the empowerment of the informal entrepreneurs, as a survival strategy.

During the window period of transition to democratic local government (1990-95), and after years of strict control, informal street trading intensified without any planning, consultation, or enforced legislation. After 1990, the cumulative effect of street trading reached 'intolerable' levels for Pietersburg residents, especially with regard to the invasion of previously defended spaces. A survey conducted in 1995 showed that there were approximately 1300 street traders in the CBD in Pietersburg (Dept of Geography 1995). While local government politicians and urban governance were undeterred, protests and pleas from the mainly white public and business sectors were increasingly voiced in the local press. Local newspaper headlines such as "Hawkers can turn city into a slum" and "Street sellers are getting out of hand" (*Northern Review* 11/8/1995a & 1995b) were ignored by the transitional local council (TLC). The Premier of the province was quoted as saying that "developments similar to those of Johannesburg's city centre would not be allowed to reproduce themselves in Pietersburg". Business reactions were critical in stance: "New select shopping nodes will be developed resulting in the existing central business area decaying into a crime-infested slum [...] exactly what happened in Johannesburg" (*Northern*

Review 1995b). However, "the proliferation of street traders in Johannesburg has been made possible by liberalisation of city by-laws and not the Business Act" (*Financial Mail* 1992: 70).

The first attempts by the TLC to investigate the situation were made in June 1995. But by then the physical appearance of the city's CBD had been transformed through the deracialisation of space and a so-called informal CBD (ICBD) had been established. In response to the public outcry as described above, the city council argued that they could not legitimise, co-ordinate, or implement any strategies to improve conditions for all stake-holders without a representative forum, because — according to the government's Reconstruction and Development Programme (RDP) ideals — proper consultation and a representative forum need to be established. As a result a 'catch-22' situation arose as the informal entrepreneurs claimed not to have an organisation to represent them in negotiations with the authorities. At the same time, without such an organisation, the city council argued, they cannot co-ordinate any development or set up any strategies to improve conditions.

3.3 An empirical survey of informal street traders in the Pietersburg CBD

Two random questionnaire surveys were carried out by the Department of Geography (University of the North) among street traders operating in the CBD during October 1995 and October 1996. The first survey sample size was roughly 4.3% (n=56) of the approximately 1 300 street traders. The 1996 survey comprised 300 interviews (20%) conducted randomly among the approximately 1 500 street traders counted at that time. These surveys focused on the nature and extent of street trading in the CBD from the informal traders' point of view. They furthermore determined the traders' perceptions regarding the possible implementation of new street by-laws.

3.3.1 The 1995 survey findings

The majority of respondents (64%) were residents of the Pietersburg rural hinterland. Three out of four were under 40 years old. The high percentage (61%) with a standard eight educational qualification was

an indication that they were joining the sector as a survival strategy. A majority of the respondents were female (57%). Most were operators of their own businesses (77%) and they earned between R20 and R150 per day. Those who were employed by other business persons (from the formal economy) worked for a fixed salary varying between R60 and R250 per week. Only one respondent worked on a commission basis. Working hours varied between 05:00 and 18:30. A significant proportion had been street traders for less than a year (39%), whereas 32% had been so engaged for more than three years and 23% for between one and three years. Their activities varied from vending foodstuffs (raw fruit, cooked 'pap en vleis', sweets and cool drinks) to selling accessories (jewellery, ornaments, music), while some provided services in the form of hairdressing or repairs.

An important aspect of this survey of the street traders' behaviour was to determine their locality in business space. Almost all used the same space for their businesses every day (93%). According to the respondents, everyone had his or her 'own' place from which to trade (perhaps a 'gentlemen's agreement'). Understandably, most (62%) expressed reluctance about being concentrated in a market-type location for the following reasons: fear of losing fixed customers, over-concentration leading to more competition, and insufficient space. In the same vein most (84%) agreed that there were too many traders, yet only 39% responded to the question of whether they experienced any problems as sellers. The following is a list of problems mentioned by the street traders:

- bad behaviour of some customers;
- theft;
- lack of water and electricity;
- threats from shop-owners;
- customers' dissatisfaction with products purchased;
- threats from the municipality;
- little stock;
- people not buying their products;
- lack of after-hours storage facilities, and
- sexism.

Respondents were questioned on their local leadership and representation. Three-quarters of the traders indicated that they did not belong to, or know of, any hawkers' association in the city.

3.3.2 The 1996 survey findings

The follow-up survey reconfirmed the findings of the first survey. The level of education reflected that 52% had secondary education and a remarkably high percentage were under 20 years old (80%), while a high percentage (52%) had been engaged in the sector for between 6 and 10 years (irrespective of the place of employment). Low income was again reflected in that 56% earned R20 or less per day. The average profit for the sample members per day was R20. The range of activities (selling and service) is given in Table 3. Food (cooked or raw) was most generally sold (73%), followed by clothing (16%). An alarming 18% of the respondents were selling raw foodstuffs. Given the lack of storage facilities, this practice is seen as a health risk.

Table 3: Types of street trading activities sampled in Pietersburg, 1996

Street trading business	n	%
Food:		
Fruit and vegetables	96	32
Raw materials	55	18
'Pap en Sous'	45	15
Cooked mealies	23	8
Clothing	48	16
Jewellery	25	8
Cosmetics	5	2
Shoe repairs	3	1
Total	300	100

A majority of respondents (86%) were not against paying for their stands and a licence fee, with some saying that they were willing to pay an amount of up to R300 per year (R25 per month). The survey was extended to ask 300 customers of the street traders — at random — their reasons for supporting the informal sector and also their views of its weaknesses. The reasons and weaknesses are summarised in Table 4. The customers' perceptions do not differ much from those of the sellers (see 1995 findings). The informality

of the sector is evident from the perceptions in that it is seen as a convenient situation with more hours of operation and that credit is available. However, the weaknesses also relate to the sector's informality, in that it is less efficiently run, offers a limited choice of goods because there are no safe storage facilities and in general lacks proper facilities.

Table 4: Customers' perceptions of informal businesses in Pietersburg, 1996

Reasons for supporting informal sector	Weaknesses of the informal sector
Cheaper prices	Unstable prices
Better customer service	Stock often exhausted
A convenient situation	Limited choice of goods
Fresh products available	Less tidy and hygienic
More convenient hours	Less efficiently run
Given credit (day-to-day customers)	No guarantee of quality of products
Given personalised service	Lack of toilets and water facilities

3.4 Reformalisation of street by-laws

Because Pietersburg is the capital of the Northern Province, the situation described above led the Premier of the province to initiate the restructuring of street trading. He assigned the MEC for Land, Housing and Local Government to facilitate talks among the various interest groups (trade, industry, hawkers, organised business and local government). The municipal Department of Protection Services (DPS) was identified as the body responsible for all aspects relating to the informal economy of the city. In late 1995 the DPS conducted research into the nature and extent of the informal economy in order to facilitate policy formation and to set up structures for managing the sector. Surprisingly, and contrary to earlier investigations by the University of the North's Department of Geography (1995), in October 1995 a so-called "Pietersburg Hawkers' Association" conducted a survey on behalf of the TLC and DPS² in order to determine

2 The survey conducted by the Dept of Geography (1995) determined that 75% of respondents (a 4% random sample of the approximately 1 300 street traders) did not belong to, or have any knowledge of, any hawkers' association.

the number of street traders, the types of activity, and their locations, in other words a count of 'what was where'. The study was deficient in a number of ways. No participatory exercise, for example, was carried out to assess the contributions, problems, grievances, or prospects of the sellers. In fact the only visible input from the street traders themselves was from the so-called president of the Hawkers' Association, who provided a hand-written letter which identified a problem raised by the Hawkers' Association:

the most burning issues and that is being one of the creator of problems is the issue of immigrants must be taken into account (DPS 1996: Submission by Hawkers' Association).

This was the first time that the issue of foreigners had emerged. It was surprising to see that, despite the lack of facilities and security, as well as other shortcomings regularly associated with the sector, their only concern stated was xenophobic. The Pietersburg Hawkers' Association was apparently a legitimate organisation in terms of registration, but evidently not as a collective representative body for traders (if one regards the survey sample as representative).

Instead of focusing attention on the desegregation rather than the deracialisation of urban business space, xenophobia was consequently overemphasised and perhaps used as a scapegoat to divert ideologies. In fact, the policy cannot overlook the contributions made by foreigners. Rogerson (1997: 28) warns that

[i]n ameliorating the xenophobia that surrounds [foreign informal traders], it is essential that national and local policy-makers more fully appreciate and openly acknowledge the positive role, both existing and potential, of these businesses.

In Pietersburg, the xenophobic stance of the Town Council and the so-called Hawkers' Association is a vivid illustration of a particularly narrow approach to planning, perhaps stemming from ignorance. The recently released draft Green Paper on International Migration (Republic of South Africa 1997b: 24) recognises the important role played by foreign informal traders and suggests that "[i]mmigration and customs regulations should be more facilitative". Evidence of xenophobia has been observed in most urban centres of South Africa. However, "[l]ittle concrete information exists on the profile of non-South African citizens involved in cross-border trading

Donaldson & Van der Merwe/Deracialisation of urban business space with South Africa. A 1995 national survey of street traders found that 14% of operators were non-South African" while another "survey of handcrafts vendors undertaken by SAMP has found that non-South Africans tend to be quite highly educated, very mobile and highly entrepreneurial" and that "the majority have no intention of remaining permanently in South Africa" (Republic of South Africa 1997b: 24). Rogerson (1997: 1), for example, presents more recent evidence of what he calls "the progressive internationalization of the South African SMME economy, particularly of the growth of a foreign street trading community" in Johannesburg. Despite this, it would seem that the racial undertones involved in urban processes now include xenophobia.

The accepted norm of a participatory approach to transitional planning processes was ignored in the DPS survey. Not all stakeholders (including foreigners) were able to voice their differences on a public platform. Instead, 'behind closed doors' negotiations with the so-called Hawkers' Association, with various departments of the municipality, and with the Business Chamber followed. The final report of the Department of Protection Services was completed in 1996. It served as a policy document for the formulation of street by-laws and listed the following as some of its goals:

- to successfully integrate the informal sector with the environment of the city as a whole;
- to democratise the street environment through an integrated strategy so that it once again becomes functional and safe for pedestrians;
- to make the task of developing and actively promoting the city much easier by promoting order on the walkways;
- to make the inner city more user-friendly;
- to conserve the natural and fabricated environment of the inner city;
- to maintain the friendly dispensation among all role players;
- to consolidate and enforce agreements reached between all parties;
- to improve the economic position of the city;
- to implement RDP and Masakhane programmes successfully;
- to make the capital city a success, and
- to get policy in line with that of central government

(DPS 1996: 3-4).

A tabulation of the DPS's negative and positive perceptions of the informal economy in the CBD was also included in the report (Table 5). The positive perceptions are proof that urban governance has come to regard street traders as the norm. The DPS also valued the sector in terms of its economic role, not only in terms of the city's economy but also for its provision of employment and development of business skills. The negative perceptions, with the exception of "unfair competition for the formal sector", probably all be solved by the DPS, if they wish to consider it their task to do so. The creation of infrastructure, however, remains central to the solution of the current negative perceptions.

Table 5: Negative and positive perceptions of the Pietersburg urban informal economy (compiled from Department of Protection Services, 1996).

Negative perceptions of hawkers	Positive perceptions of hawkers
<ul style="list-style-type: none"> •Obstruct the pavement •Litter the pavement •Sell from unsightly structures •Are unfair competition for the formal sector •Urinate in public •Create an unhygienic environment •Are not subject to legal enforcement •Leave goods on the pavement overnight 	<ul style="list-style-type: none"> •Contribute to the economic viability of the city •Develop entrepreneurial skills •Contribute to the dynamic character of the city •Provide employment for families •Re-emphasise the prominence of a "trading city" •Upgrade the physical environment

The report was promulgated by the Premier on 21 March 1997. The Local Authority Notice 94 concerning the by-laws relating to street trading in Pietersburg/Polokwane TLC comprises six basic conditions: (1) prohibition of the carrying on of business; (2) restriction of the carrying on of business; (3) application to lease a stand; (4) offences; (5) impoundment and removal, and (6) penalties. It also declared an area in the CBD as prohibited and the total municipal area as restricted. The prohibited area is centrally located in the CBD, and pavements that are prohibited include the areas in front of the municipal building, major banks and some chain stores. The specific logic behind the demarcation of this area could not be determined. One may, however, postulate that this area represents white defended spaces because many office blocks are located there. The amalgamated former black town of Seshego was excluded from

these regulations because the Town Council was still in the process of formulating a separate town planning scheme for the area.

3.5 Interpreting the new street by-laws and policy document

In its policy document the TLC acknowledges, for the first time, the importance of the informal sector. However, the report of the Department of Protection Services remains conservative in outlook, arrogant, and insensitive in conceptualising the street trading phenomenon. It ascribes an historical perspective to the "the problem" and claims that, because of "serious economic problems that were experienced during the period 1990-1994", disadvantaged communities were "forced to become more creative with regard to finding an income" (DPS 1996: 1). This statement demonstrates either a conservative stance or considerable ignorance; indeed the report as a whole gives the impression that economic suffering began only after the demise of apartheid. However, the report does recognise that no "bottom-up" approach to regulation existed and that over-legislation under the now repealed Licence Ordinance 1971 (Ordinance 17 of 1971) and the "accompanying by-laws for the Control of Businesses" was a dismal failure because of its inflexibility (DPS 1996: 2). The new by-laws focus on restrictions in terms of location and its control, identifying seven possible offences, as well as specifying actions which can be taken by the Council, such as removal, impoundment and the imposition of penalties. Furthermore, the application procedure and the form for leasing a stand are also included in the legislation (*Northern Provincial Gazette* 1997a). Besides the stands are allocated on the pavements outside the prohibited area, the DPS has identified two locations for the development of an informal market. However, for one of these areas — currently a parking area — an Indian applicant has submitted a claim for land restitution. A few open structures have been built there but are not being used because of impracticalities such as a lack of secure facilities. Surprisingly, officials have spent funds on building lockable facilities at the Pietersburg sports stadium, a facility which is used, at most, once every two weeks. Planning for another site located next to the bus terminal, near the taxi rank and

Indian shopping complex, started in 1998. The number of street traders to be accommodated there, however, is not expected to exceed 30.

The DPS identified some serious negative perceptions of hawking in the CBD. Most of these relate to a lack of the necessary infrastructure: littering (lack of dustbins), unsightly structures (lack of permanent stalls), urinating (lack of public toilets), unhygienic environment (lack of cooling systems), and goods left on the pavement overnight (lack of storage facilities). Yet there appears to be no official intention of improving the facilities for street traders.

The promulgated by-laws stipulate that any street trader will be guilty of an offence if he or she

- (a) places or stacks goods on a stand in such a manner that it constitutes a danger or is likely to cause an injury [...]
- (b) attaches any goods by any means to any building, structure, pavement, [etc.]
- (f) prepares food in order to sell or offer to sell such food, which food is unsuitable for human consumption (*Northern Provincial Gazette* 1997a: 27).

It is further emphasised that if traders fail to "keep an allocated stand, including any goods utilised in a business, in a hygienic and neat condition" they will also be guilty of an offence (*Northern Provincial Gazette* 1997a: 27). The absurdity of such legislation, in view of the infrastructural shortcomings listed above, underlines the lack of any conceptual tool in the planning and policy formulation process undertaken in Pietersburg concerning the informal sector. Planners should take into account the needs, market potential, and infrastructural shortcomings — as seen by the street traders — as part of their conceptual tool for the task of desegregating business in the CBD.

The Deputy Chief of the Protection Services, who is in charge of the informal economy, has also indicated that foreigners and non-Pietersburg residents will not be allowed to trade in the city. Traders or potential traders from the Pietersburg Functional Area are also excluded from Pietersburg's business space, as are non-*bona fide* traders, such as formal business operators who employ people to trade in the street for them (Du Plooy 1997). It is evident that those engaged in the informal sector are still segregated from formal

Donaldson & Van der Merwe/Deracialisation of urban business space business facilities and opportunities and that the DPS does not understand the value of the formal-informal linkage.

4. From deracialisation to desegregation: planning suggestions

A set of guidelines in line with the national government's thinking on urban development needs to be developed. A major problem related to the restructuring process in most cities is that policy formulation for the informal economy is not viewed coherently. Instead, planning authorities regard compartments of it, such as street trading, home-based businesses, and small-scale manufacturing, as separate components in the urban economy.

Urban planning suggestions by Dewar & Watson (1991) are worth considering, especially if aimed at desegregating informal business space. They advocate:

- service provision — changing the physical structure of urban public spaces;
- densification — compacting cities and imploding growth;
- diversification — promoting a better mix of land-uses;
- integration — physically integrating rather than fragmenting urban areas;
- externalities — decentralising wholesaling systems;
- accessibility — maximising access to natural resources;
- redistribution — providing publicly funded infrastructure in partnership with private sector, and
- accountability — democratising regulations, administration and policy formulation — by which they mean that unified policy regulation should counter the division of the urban economy between white and black areas.

Planning should at all times involve the beneficiaries as well. Participatory planning methodologies need to be understood by local government and by the representatives of the street traders. Planning should in essence be a partnership between the public sector, the private sector and the street traders. Some of Dewar and Watson's

points are also highlighted in other publications. The discussion document for comment on an Urban Development Strategy of the Government of National Unity (Republic of South Africa 1995) argues that South African urban areas should move away from low density to high density planning for a compact city. This compaction should also have an impact on informal entrepreneurs in that it should enhance "the range and potential economic opportunities that would present themselves for all businesses" (Rogerson 1993: 68). Because of fragmentation and low-density sprawl, which have a negative impact on South African cities, Dewar & Uitenboogaard (1991: 45) propose compacting urban form as a "pre-condition for generating small-scale growth". This thinking is in line with the densification programme which, according to Levin (1994: 241), "would go a long way in [*sic*] serving the interests of the informal sector". Urban planning should integrate the separate identities of "[c]ores and peripheries as currently defined — and must have the longer-term aim of destroying the periphery as both reality and idea" (Republic of South Africa 1995: 20).

In essence, the planning principle is to move away from simply deracialising of business space to desegregation. This can be accomplished by means of the equitable distribution of resources. The CBD can adapt to the dualistic urban economy of South Africa by redevelopment and the use of open spaces to accommodate the informal economy in a formal manner (Van Zyl & Jacobs 1994), and hence to formalise it. The emphasis is thus on

infrastructural services, such as electricity, communication, water, toilets and proper roads [which] are vital for the livelihood of this sector. The 'mixed use activity corridor' concept is a very applicable kind of physical development to serve the unique requirements of the informal sector (Levin 1997: 241).

Along with a conceptual tool, national planning principles such as those advocated above need to be integrated into a framework for formulating policy at the local level.

5. Conclusion

Urban transformation introduced the informal street trading phenomenon to the streets of Pietersburg. The restructuring and transforming of outdated policies that prohibited informal economic activities in previously defended spaces occurred simultaneously with changes in national policy. However, during the transition period, the restructuring of street trading has been hampered by too many relics of the apartheid past and by ignorant policy makers. The current limitations inherent in the Pietersburg TLC's reregulation of street traders need to be remedied. It is still race (albeit in a xenophobic sense), rather than a progressive movement towards the formalisation of the informal economy within a desegregatory approach, that is overshadowing the restructuring process. For the time being it seems as if Pietersburg has rid itself of the stringent regulations of the past. Reregulation, reformulation of policies, and rearrangement of informal business space in the CBD have ensued, albeit in contradictory ways.

This paper has shown how the process of deracialising business space as a precursor to the desegregation of informal business space has transformed the urban business landscape in the formerly conservative white secondary city of Pietersburg since apartheid rule. It is up to the newly established structures to ensure that the process of informal business space desegregation — providing infrastructure for the informal traders — takes place. Currently, business space has only been deracialised through its (guarded) acceptance in Pietersburg. The desegregation process is yet to take place. Desegregation of street trading can only be achieved if the beneficiaries are involved in the whole planning process. The two surveys conducted for this study show that the concerns of street traders have not been addressed or even recognised by the town council.

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