



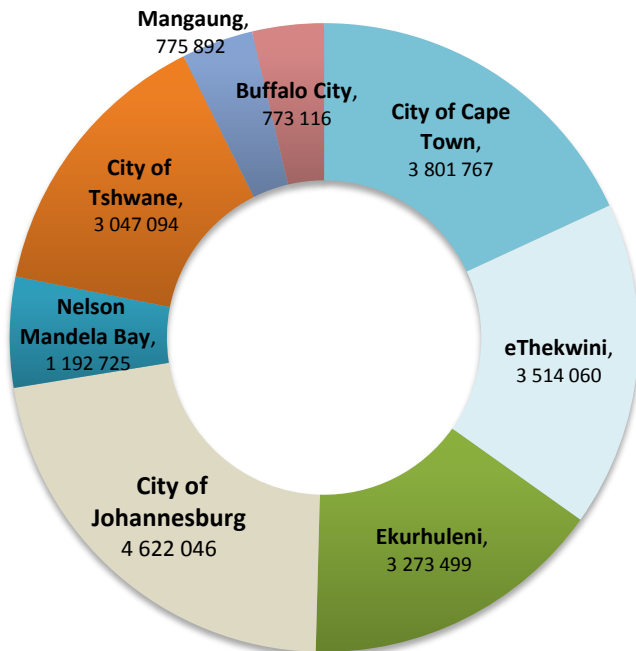
a world class African city



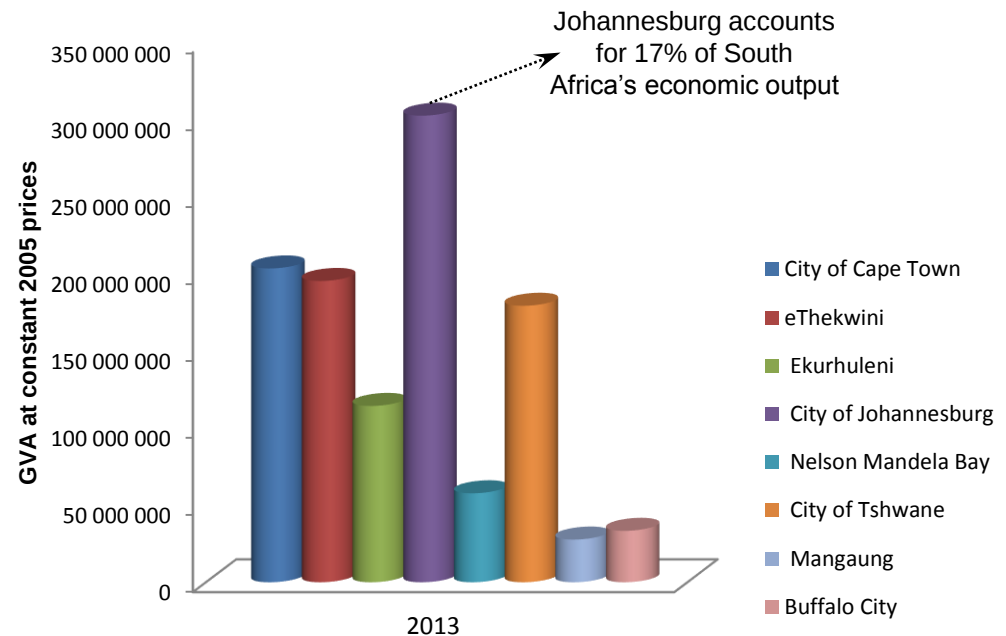
Presentation to Inner City Informal Trading Sector
26 April 2016
Promulgation of trading Areas
Economic Development
City of Johannesburg
XP Nxumalo Deputy Director Informal Trading

Johannesburg remains a focal point in the SA economy. The City economy (equivalent to that of Kenya) is also larger than most neighbouring countries – equivalent to the 8th biggest “country” in Africa or 66th in the world.

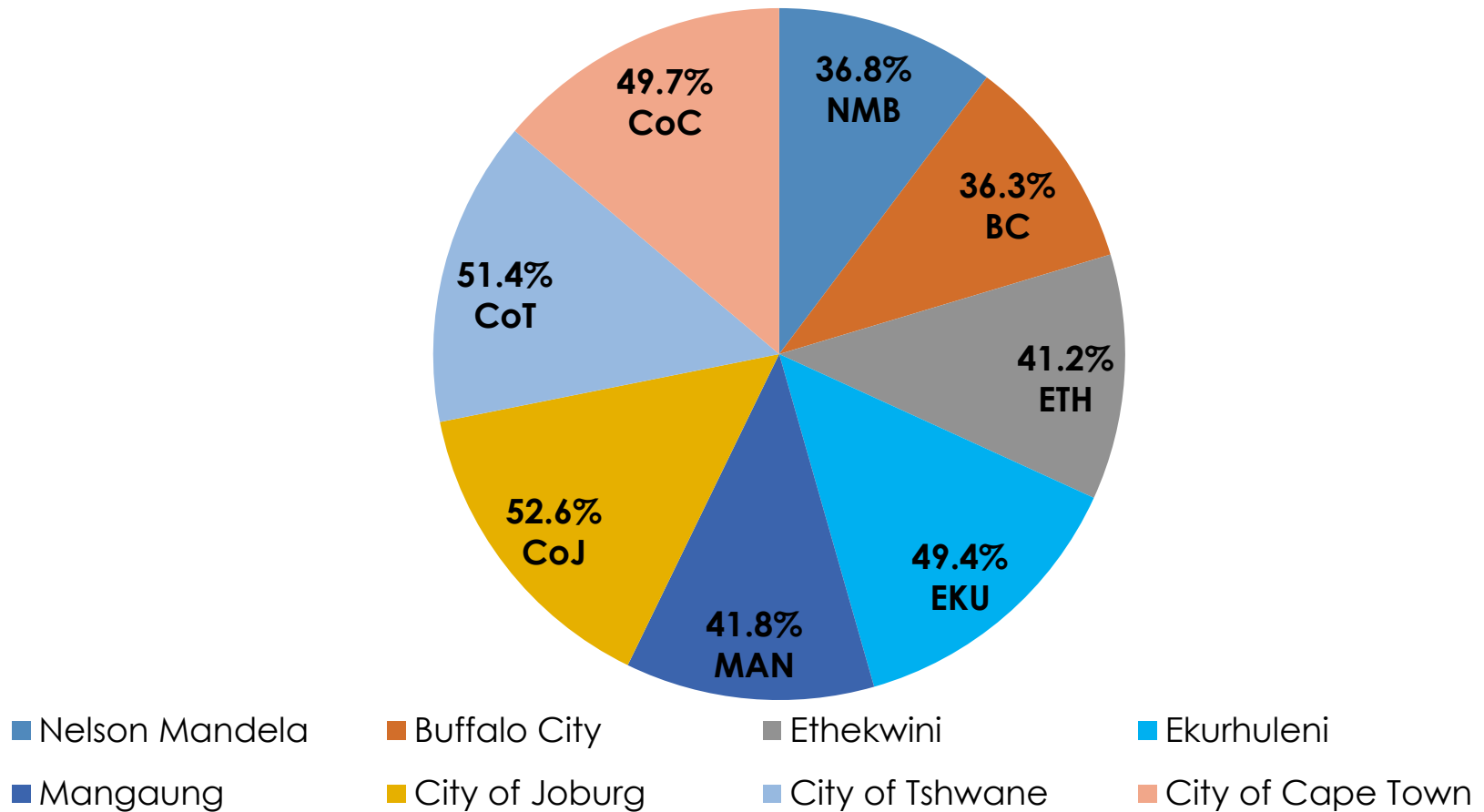
Metro population estimates - 2013



Metro economic output - 2013



There is a higher probability of finding a job in Johannesburg than in any other metro - hence the inward migration into the City



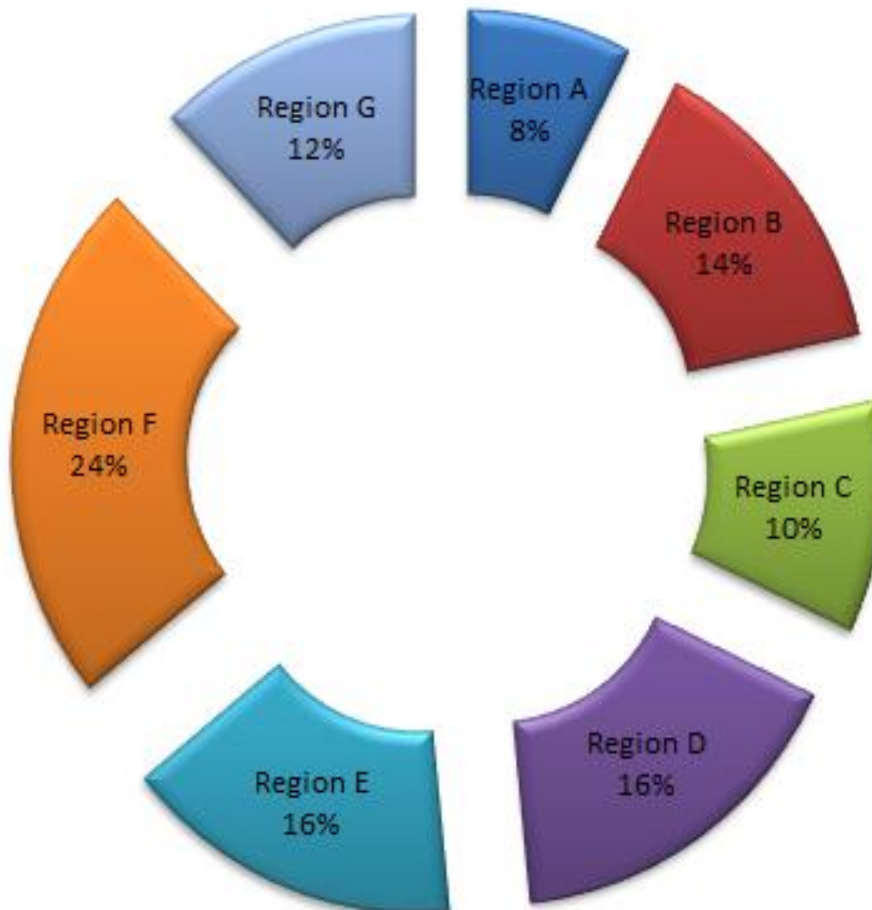
INFORMAL TRADING

Overview in the City of Johannesburg



REGIONAL DISTRIBUTION

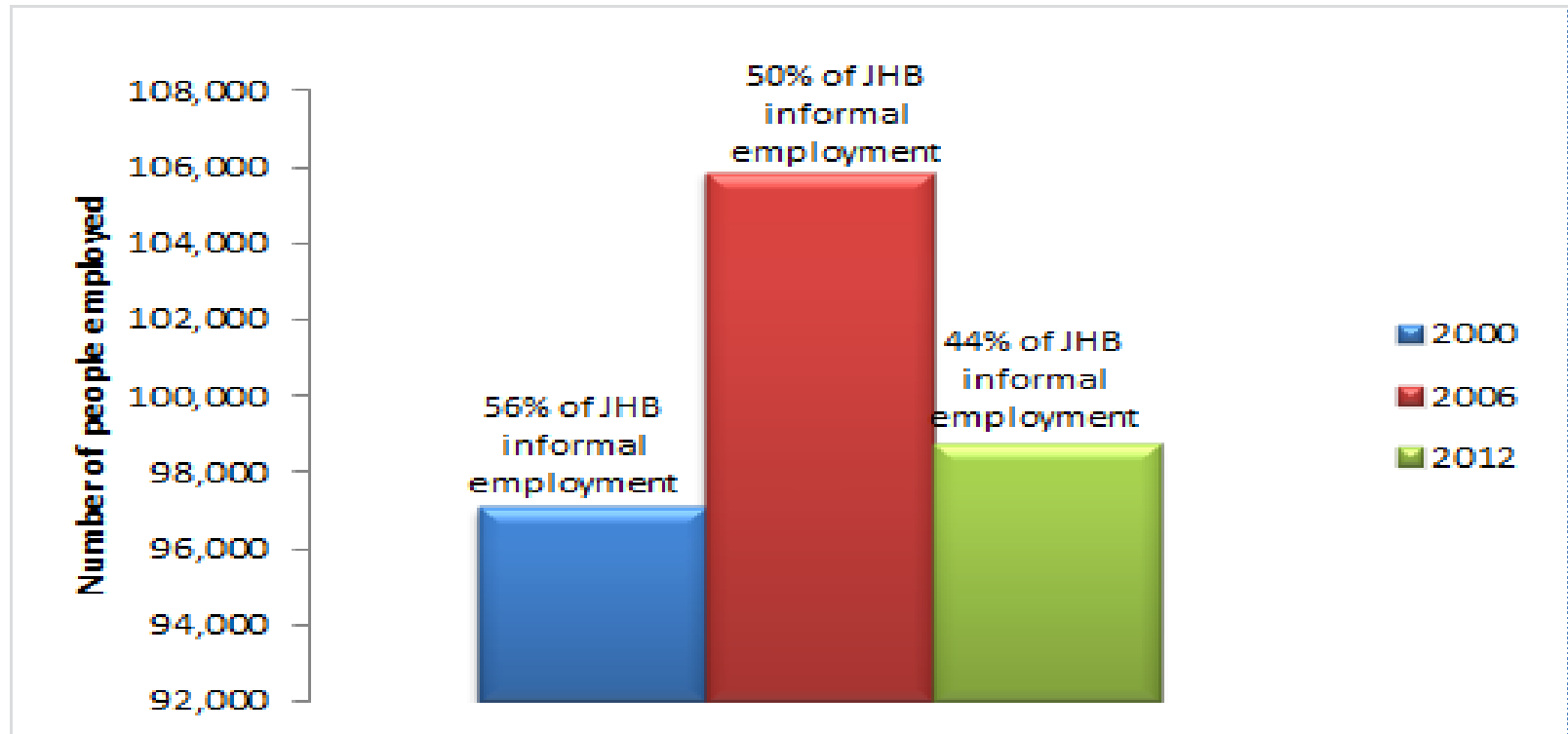
Regional distribution of informal trade activities in JHB: 2012



- Informal trade activities distributed evenly across all regions
- Region A accounting the lowest (8%) activities
- Region F accounting the highest (24%)
- The Inner City being the major hub for informal trading activities in JHB



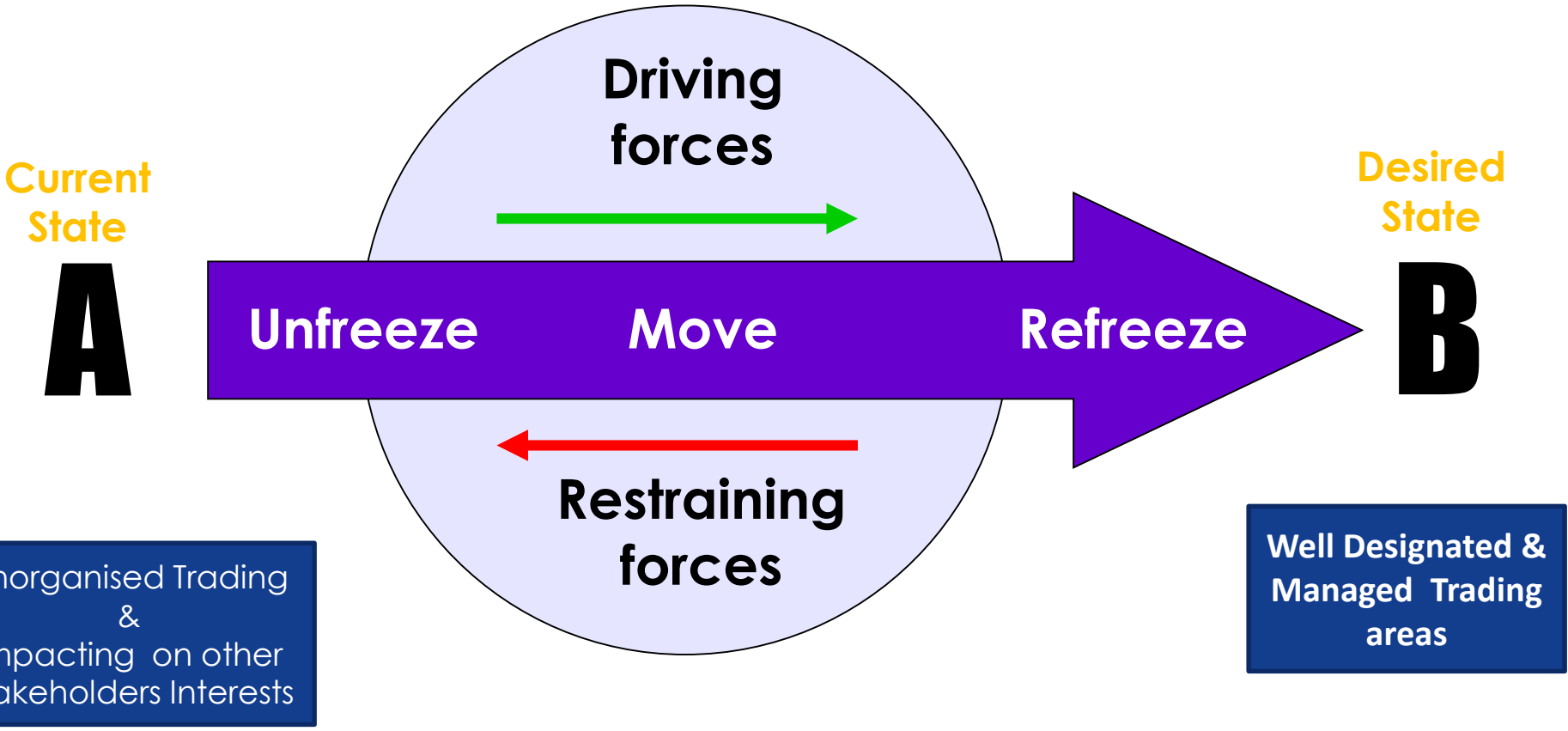
JHB informal trade employment



Source: Constructed with Global insight data

- In 2000, informal trade employment accounted for approximately 56% of Johannesburg's informal employment
- In 2006 reduced to 50%
- In 2012 was 44%

Managing Implementation: Context and Process



Promulgation of trading Force-field analysis

□ Driving Forces

- Pedestrians
- Residents
- City of Joburg
- Political Support
- Balancing interest of all
- New Management Approach
- Informal traders
- New Paradigm shift

Desired State

**Well Designated &
Managed Trading
areas**

□ Restraining forces

- Conflicting stakeholder needs
- Illegal Traders/Un –organised trading
- Limited economic viable trading spaces
- Lack of sustainable by Law-enforcement

Current
State

**Unorganised Trading &
Impacting on other
Stakeholders Interests**

Our vision for informal trading in the inner city

- Well managed informal sector providing diverse retail offerings in the inner city
- Informal trading to be included in land use planning and economic development strategies
- Informal trading is limited to markets, linear markets and designated streets that are to be clearly demarcated and integrated with transportation and movement plans
- **Needs of traders balanced vs needs of other stakeholders for space to walk, safety etc.**
- **To ensure that we rid the city of Crime and grime and to promote the informal economy ensuring the promotion and creation of jobs**
- **To facilitate development of informal trading and migration from informal to formal Economy**

How do we understand informal trading?

- Informal trading refers to a set of activities which are less regulated and protected by government than other trading activities
- Informal traders however have links to the more formal economy
- Informal traders are diverse – both in the range of products that they sell, whether they are marginal or lucrative, efficient or inefficient and whether they trade on the streets or in different forms of markets and buildings
- Informality has become an inevitable part of many modern Cities especially in the developing world.
- ***Thus the City needs to provide regulation, protection and support for both the informal sector as well as to balance their interests versus those of pedestrians on streets, property owners and residents.***

What Promulgation of trading areas is addressing

- Balancing the interest of all Stakeholders
- Stakeholder submission
- 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
- Support Local Economy - formalize street trading spaces, improve service access
- Improve Liveability - play spaces, event spaces, public art
- Design for low/easy maintenance - robust detailing, durable materials
- Improve Commuter Experience - separate vehicles from pedestrians



COUNCIL 21 MAY 2014 RESOLUTION

That the Council approved the framework engagements for proclamation and de-proclamation including designation of new trading areas

That in terms of Section 6A(2)(a) read with Section 6A(2)(c) of the Business Act No 71 of 1991 the CoJ subject to the provisions of paragraphs(b) up to and including(j), by resolution declare any place in its area of jurisdiction to be an area in which the carrying on of the business of street vendors, peddlers and hawkers may be restricted or prohibited

That Department of Economic Development should obtain approvals from Department of Planning and Urban Management as determined by specific area Town Planning Scheme.

That a technical team from critical players such as Transport, Planning etc. be established to look at current and future trends in the CoJ before streets are declared and undeclared)

That the task team in collaboration with informal traders representative and other stakeholders embark on benchmarking best practice both local and international models

That Council approves the commencement of the engagement with affected parties to decide on proclamation and de-proclamation and designation of new trading areas)

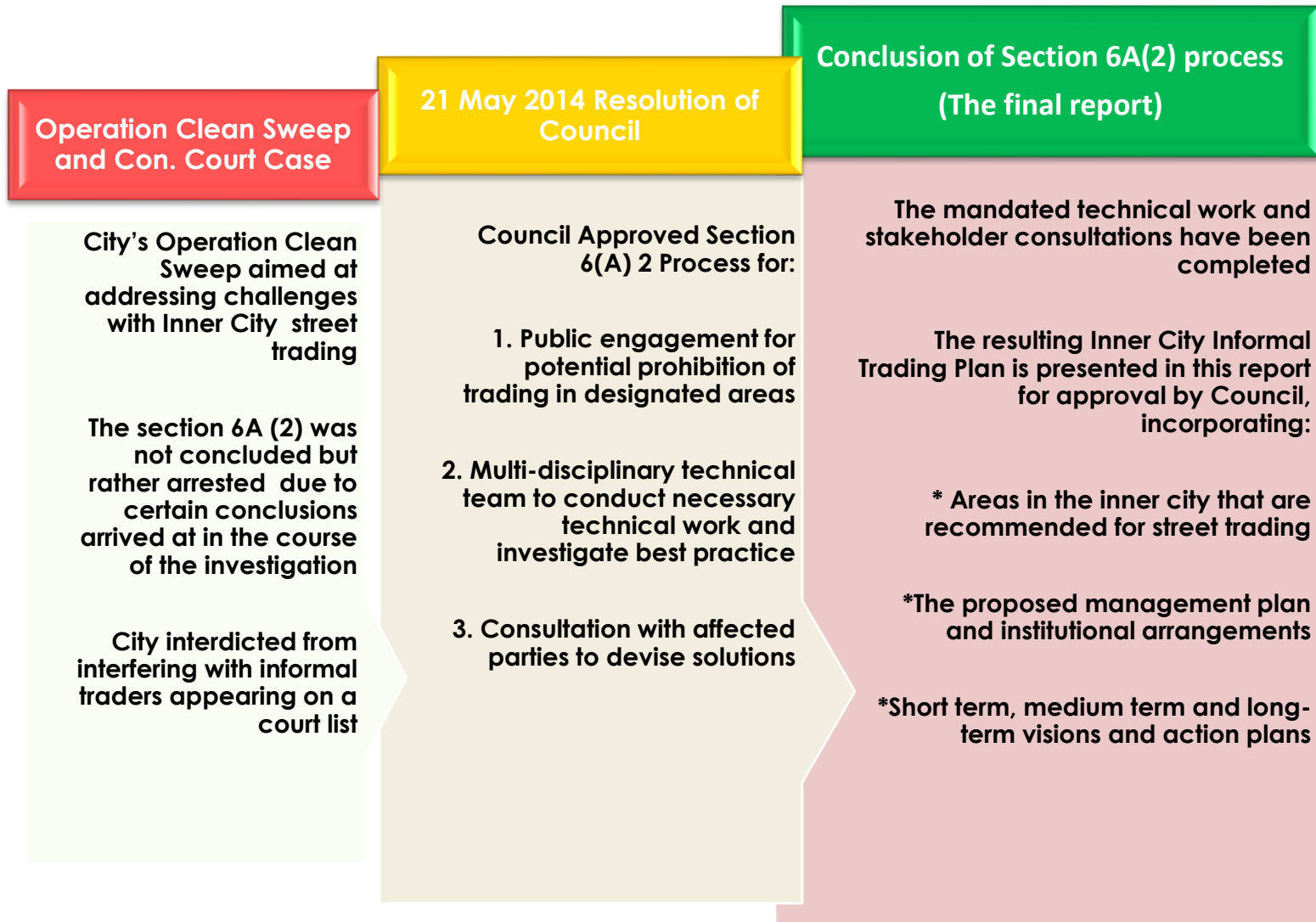
That all affected informal traders be accommodated in alternative short street adjacent and identified buildings and linear market in line with the City policy. (An agreement be reached with various traders association of streets to be de-proclaimed and products categorization to be moved into buildings

Business Act 1991 no 716A Powers of the local authority

(2) (a) A local authority may, subject to the provisions of paragraph (b) up to and including (j), by resolution declare any place in its area of jurisdiction to be an area in which the carrying on of the business of street vendor, pedlar or hawker may be restricted or prohibited.

- **(b) A motion that steps be taken to declare an area under this subsection shall be dealt with at a meeting of the local authority.**
- **(c) Before such a motion is adopted, the local authority shall have regard to the presence of a large number of street vendors, pedlars or hawkers in that area and shall consider whether -**
 - (i) *More effective supervision or control in that area, including negotiations with any persons carrying on in that area the business of street vendor, pedlar or hawker or their representatives, will make such declaration unnecessary; and*
 - (ii) *the intended restriction or prohibition will drive out of business a substantial number of street vendors, pedlars or hawkers.*
- (d) If such a motion is adopted the local authority shall
- cause a plan to be prepared showing the position of the area concerned.
- e) On completion of the said plan, the local authority shall cause to be published in a newspaper circulating in that area of jurisdiction of that local authority, a notice setting out its intention to effect the restriction or prohibition concerned as well as its reasons therefor, stating the said plan is open for inspection at a place and during the hours mentioned in the notice calling upon any person who has any objection to the intended restriction or prohibition to submit in writing to the local authority within a period mentioned in the notice, which period shall not be shorter than 21 days following the day upon which the notice appeared in the newspaper, such objection or objections .;

Background to this report



Consultation with Stakeholders Views

What can be done to improve the situation?

Informal Traders

More trading space in more viable areas

Self-regulation and self-management

Transparent allocation of spaces

Enforcement of illegal trading

Rentals commensurate with services provided

Residents and Property Owners

Reduce congestion, litter and criminal activity

Clean and uncongested sidewalks

Enforcement of bylaws

Address building visibility and access

Security Cluster

Unambiguous licencing framework and permits

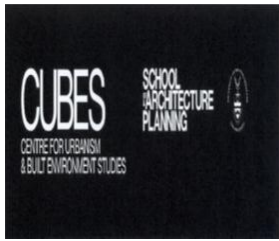
Traders to cooperate more with enforcement

Less congestion will improve policing

Transport Providers

Trading serves staff and customers

Need more off-street ranking city-wide



What can be done to improve the situation?

Key Research Recommendations from SERI & CUBES

• Wits Cubes

- Key principle : all Streets traders are legitimate, should be registered and accommodated with minimal relocation;
- Starting from a position of knowledge – a survey / database of all existing traders (how many traders there are, where, what goods are sold)
- Recognition that street traders depend on passing pedestrian flows, and that relocating them in markets or in quieter streets destroys their business.
- Use of the concept of 'natural market' (where traders 'naturally' congregate) and focus on their recognition, consolidation and intensive management.
- A multi-stakeholder advisory committee on street trading: officials of relevant departments, trader representatives, other civil society stakeholders, to debate and advise the City on policy, implementation, trading street plans;
- Consolidation of street trader organisations, in street trader forums chaired by an independent facilitator – strategic capacity for the multi-stakeholders advisory committee
- Forms of area-based management: flexible agreements (location of street trading sites, design of stalls, uses of the street, etc.) between stakeholders at the street, block or area level.
- **A consensual and incremental definition of the 'street carrying capacity' (can't be only based on a technical basis)**
- **Turning around the approach: from wishful thinking to problem solving**
- **Establishing a multi-stakeholders street trading committee, to debate issues and find agreements and compromises**
- **) Resourcing a Street Trader Forum to consolidate and capacitate street trader organisations**
- **Consolidating a dedicated municipal street trading institution with a clear mandate**
- **Adopting a pragmatic and developmental approach to street trading: legalise all existing traders, agree on suitable trading locations balancing various needs**
- **Exploring area-based management processes and institutions**

• SERI

- **Improve regulation and control**
- **Reconceptualising key aspects of approach to improve practice**
- **Investigation according to the Act**
- 1. **Regulation processes and procedures**
 - Documentation, Verification
 - Confiscation, Payment of rent
- 2. **Improve regulation and control**
 - Regulation mechanisms/instruments:**
 - Smart cards, Lease agreements
 - Regulation authorities**
 - Role of JMPD ,Role of MTC
- 3. **Reconceptualising key aspects of approach to improve practice**
 - Storage facilities, Waste removal
 - Toilet facilities, Water access
 - One trader one stall model not applicable in practice ,Livelihoods support, Economic inclusion
 - Developmental, Facilitating economic access, Binary conceptualisation of economy
- 4. **Implications for the Investigation required according to the Act**
 - Speaking to traders directly
 - Including unregistered traders
 - Working through trader organisations
 - Cumbersome or inconvenient?
 - Days in the field
 - Number of fieldworkers

Highlights Informal Trading Approach /Plan

Consultation

- Informal trading is an important economic activity
- Need for stakeholder-led management model
- Address congestion and illegal/criminal activities

Technical Work

- Street-by-street analysis of trading activities
- Traffic impact study
- Informal trading policy benchmark study by Wits University
- Various proposals and research by traders, Wits, SERI and others

Final Proposals

- No prohibition of trading – increase inner city capacity over 5 years
- Drastically improve bylaw enforcement through increased capacity
- Consider balance of interests in the demarcation of trading spaces
- Precinct-based partnerships for street- trading management

Process Completed in terms Section 6A(2) of Business Act

Promulgation Process Outcomes

- The outcomes of the City's extensive investigations in terms of S 6A (2) of the Businesses Act 71 of 1991 ("Businesses Act").
- The proposed plan for effective management of informal trading in the inner city" and "a resolution in terms of section 6 A (3)(b)";

Summary:

- All necessary investigations have been completed, including extensive consultations with all stakeholders.
- Proposed solution is to increase informal trading capacity in the inner city while working towards a well-managed and supported diverse trading sector which is effectively integrated into the developmental goals of the City.
- There is no need for the City to prohibit trading in areas already designated .Several trading areas in the plan are already demarcated trading areas and the plan seek to better regulate and improve better effective management including creating other areas .
- Current challenges can be addressed in a way that creates new jobs and economic opportunities

Legislative Framework - Inner City Promulgation and designation of trading areas

The Constitution

- S 152(1) states that the object of Local Government is to provide democratic and accountable government for local communities, promoting economic and social development and encouraging the involvement of the Community and Community organisations in the matters of Local Government

Promotion of Administrative Justice Act

- Administrative action must be lawful, reasonable and procedurally fair

Businesses Act 71 of 1991

- Has changed the legal framework for Informal Trading acknowledging that it is an important sector which contributes to the economy and has to be supported
- Section 6A (2) and 6A(3)(b) of the Businesses Act

Informal trading By-laws

- Informal trading is required to occur in a manner that doesn't violate the City informal trading by laws

The Businesses Act (De-Proclamation /Restriction of Trading Areas in terms of S6A (2))

- In compliance with S6A(2) (b) and (c) (i) and (ii) of the Businesses act, the City engaged with affected stakeholders
- Throughout the process of engagement, the City faced challenges from legal representatives of the traders regarding the process being followed despite the fact that all the stakeholders were extensively engaged on all aspects of the process
- The next step in terms of S6A(2)(b) would be to request Council to declare a motion to restrict or prohibit trading which plan would be advertised for 21 days
 - However,
 - The extensive engagement and investigations have revealed that
 - There is no need for the City to prohibit trading in areas already designated
 - Legal Opinion obtained ;Risk Assessment completed and Research Completed ,Feasibility Studies Completed and Stakeholder submissions

Milestone on Promulgation of Inner City Informal trading spaces



The Businesses Act Paradigm Shift – S6A(3)

(b) Demarcation of Trading Areas

- This section allows the City to
 - *“set apart and demarcate stands or areas for the purposes of the carrying on of the business of street vendor, pedlar or hawker on any public road the ownership or management of which is vested in the local authority or on any other property in the occupation and under the control of the local authority and*
 - *“extend, reduce or disestablish any such stand or area.”*
- It must be remembered that this section does not have the strict requirements set out in S6A(2) (c), even though the City followed this process to arrive at the current paradigm shift.
- As there will be no restriction or prohibition during this stage, there is no requirement for a plan to be advertised as was required in terms of S6A(2) (e) of the Act

Project Completed to date



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Promulgation
of Trading
Areas

- Baseline Region F Study 2009
- CoJ (JPC) database 2340
- Central Johannesburg Partnership Database 1300
- JPC Waiting list
- Constitutional Court LIST(Verified)

21 May 2014 Council
Resolution

(COO)CoJ Task Team
Project Management
Office (PMO)

- Feasibility traffic Impact Assessment Study Completed
- Urban Management Plan
- Building Approach
- **Wits-Cubes Studies**
- **SERI Studies**

- Draft Layout Plans
- No Prohibition
- Focus on Management Informal Trading Plan
- Communication drive – demarcated streets
- **Final Informal Trading Plan**

**Mayoral Committee &
Final Council**

Identified Problems and Proposed Solutions

1. Congested Streets and the need to balance stakeholder conflicting interests



- Relocate affected trading activities within requirements of court order & In consultation with concerned traders /representative and extension of sidewalks by removal or reducing parking bays
- Designate new trading areas where this is deemed viable
- Trading shall be strictly limited to demarcated trading spaces
- Location and sizes of demarcations should balance the interests of all stakeholders

2. Illegal Trading



- Deploy additional resources for enforcement of by laws
- Implement new Informal Trading Management Plan based on a multi-stakeholder approach .
- The process will be implemented in accordance with applicable legislation and in compliance with the Constitutional Court order
- Accommodate new informal traders in new areas in line with survey list existing within the City records

3. High Demand for Trading spaces



- Demarcate an additional new trading spaces in line with plan
- Accommodate all traders on the COJ database and the Constitutional Court List (Total: 3740) including new areas Increase capacity by creating markets in buildings in close proximity to transport nodes

4. Management of Informal trading



Issuing of Revised smart cards & Allocation Process
Informal Trading Forum with Terms of Reference
SLA with Partnerships (Precinct approach e,g FNB,ABSA, Fashion District, RID etc)
Dedicated COJ PMO
Finalisation of Informal Trading Plan in collaboration with Informal traders and Property owners

Solution 1: Addressing congestion and balancing the interests of all stakeholders



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The proposed solution is based on extensive consultation with all stakeholders and a range of technical work

- There are a variety of stakeholder in informal trading: *Informal traders, Residents, Pedestrians, Property owners & Investors*
- Traffic impact assessments were conducted
- A new plan was developed outlining areas where trading is viable and manageable
- Measure identified to address congestion in existing trading areas
- Factors taken into account:
 - Proximity and accessibility to customers of traders
 - Walkability of sidewalks (Traffic studies recommendations)
 - Interest and approval of concerned stakeholders to be sourced when demarcating stands e,g JMPD;Property Owners; Ward Councillors and Residents if applicable
 - Location in relation to transport nodes
 - Involvement of stakeholders in the design and management of trading areas and facilities
 - Relocate affected trading activities within requirements of court order (main stands that are blocking building entrances) & In consultation with concerned traders /representative and extension of sidewalks by removal or reducing parking bays

Solution 2: Addressing Illegal Trading

- Trading shall only be permitted in designated and demarcated for trading, illegal trading shall be subjected to the applicable by laws
- Where a trader whose name appears on the constitutional court list is found trading in a prohibited area, he/she will be relocated to a designated area
- Drastically improve bylaw enforcement
 - Introduce a large number of dedicated Officers to assist in the management of informal trading
 - Informal trading to be limited only in demarcated trading stands
 - Intensive campaign to engage, educate and communicate with stakeholders
 - Dedicated City-wide team to monitor progress in implementing the plan and Conduct regular inspections
 - Improve and manage the permits and licencing systems
 - Re-register all traders regularly – permits to expire and be re-issued

Legal Trading places vs illegal ?



Solution 3: Create more trading capacity

- Introduce markets in mixed-use buildings
 - 10 Buildings identified
 - Two buildings already procured through ICPS
- Develop an iconic market in the heart of the CBD
 - Based on Rotterdam Market Hall model
 - Create an iconic project and flagship tourism destination
 - Flagship Inner City Rejuvenation project in accordance with Inner City Roadmap
 - Where streets are not designated and demarcated for trading, traders will be removed
 - Look at viable sites (between ABSA precinct and Maboneng?)
 - The other Option Decking of the Bridge to Provide this multi mixed market (consider the craft market option)

Example: Warwick Junction, eThekwni



Example: Warwick Junction, eThekwin



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Example : Rotterdam Market Hall



Example : Rotterdam Market Hall



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Categorisation of products

- Proposed Products recommended for buildings ;Markets & Linear Markets
- Second Hand Clothing
- Food
- Hairdressing
- Electronics
- Traditional Medicine



Solution 4: Addressing Management of Informal Trading in the Inner City



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The proposed solution is based on extensive consultation with all stakeholders and a range of technical work

- There are a variety of stakeholder in informal trading: *Informal traders, Residents, Pedestrians, Property owners & Investors*
- Revised smart cards (All allocated legal traders to issued smart cards
- Finalisation of Informal Trading Plan with day to day operations
- Informal Trading Forum with Terms of Reference
- Focused Sub-Committees for the Inner City
- SLA with Partnerships e.g CID Areas ; ABSA and FNB Precincts
- Dedicated COJ PMO
- Dedicated Law enforcement
- Informal trading sector provided opportunities to be (self management or service providers within regulated environment e,g MFMA and Supply Chain policy)
- Monitoring and Evaluation
- Key Resources considered (Wits Cubes Research Management Models)
- Key Resources Considered (SERI End of Inner City streets)
- Keys Resources Considered (All submission received both Road Map 1&2)
- Keys Resources PMO Draft Management Report and Traffic Impact Study



Johannesburg Metro Police Department additional Capacity

JMPD



Solution 4: Addressing Effective Management Informal trading Adopted from Process Design SIPOC Model

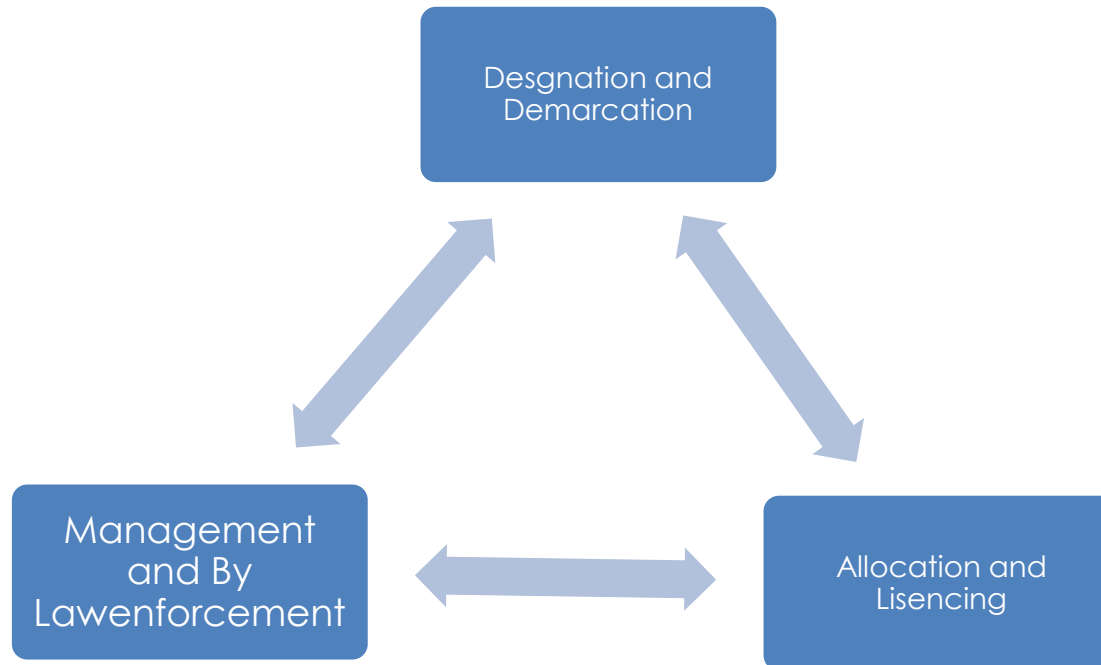
Suppliers	Inputs	Process	Outputs	Customers
- City Multi-Task Project Team - Mayoral Committee & Council - Department of Economic Development - Environmental Health Dept.	- Smart Systems Application - Permits and Licences - Database of Informal traders - Project Plans - Vetting and signing Lease agreements - Motivation for funding - Rental Payment	The Designate and demarcate trading spaces ↓ Conduct Survey to determine existing traders ↓ Informal traders application of stalls and verification lists ↓ Generate final allocation list and allocate trading spaces ↓ Issue smart card/permits and licenses ↓ Monitor and evaluate including by law enforcement	- Council Reports - Allocation list - Rent Roll - Updated Informal traders records - Electronically smart card system - Infrastructure Development Project Report	- Informal Traders - Property Owners - Residents - Mayoral Committee - Council - City Manager
Transforming Resources				
		- IT systems - Staff Personal - Metro Police Officers - City officials - Volunteers, - Funding & Project Plans		

Solution 4: Addressing Effective Management Informal trading

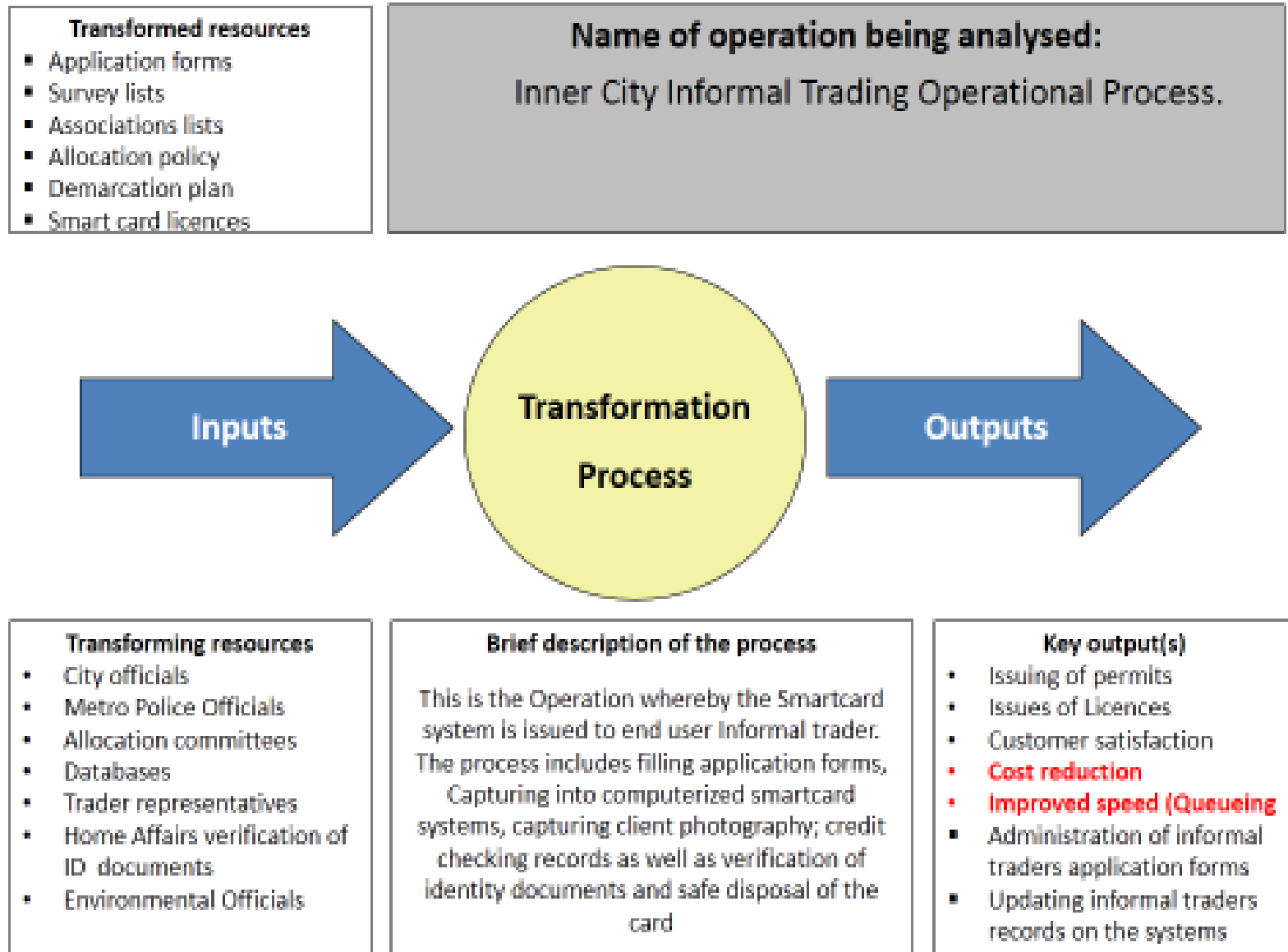


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The proposed solution is based on extensive consultation with all stakeholders and a range of technical work

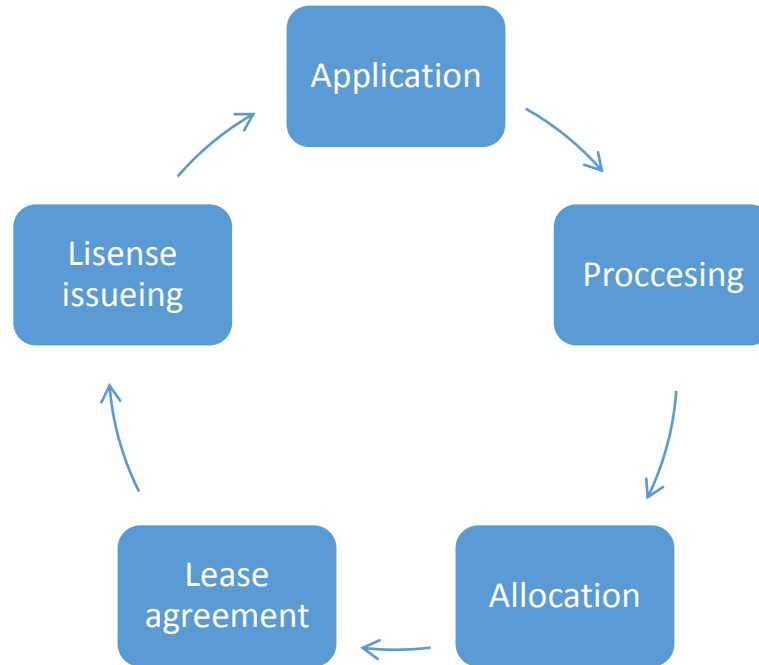


Solution 4: Addressing Effective Management Informal trading Input-Transformation –Output Model



Solution 4: Addressing Effective Management Informal trading Process Flow

- Process Flow



Revised Smart Card Rollout

Smart cards are being rolled out to existing markets

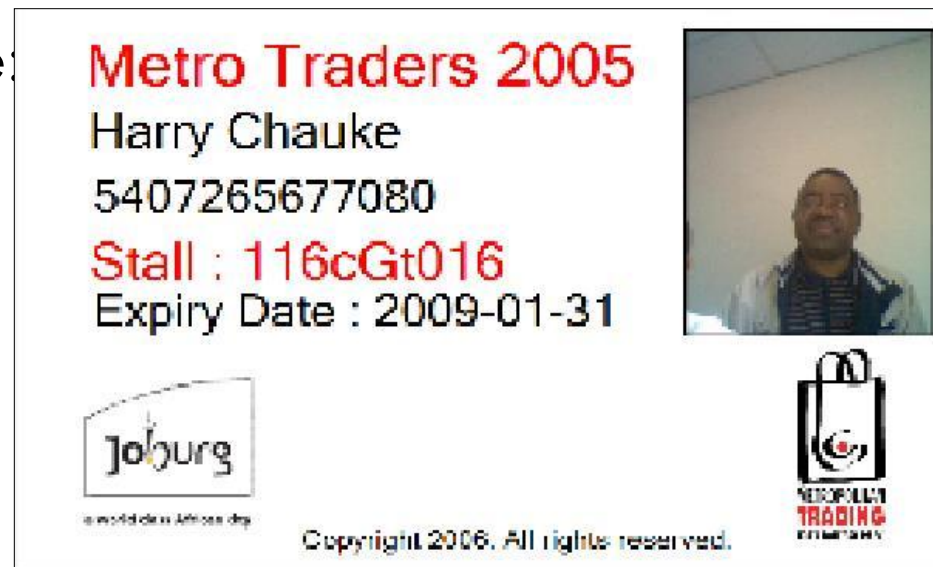
Requirements to obtain the card are:

- Signed Lease Agreements

- Legitimate documents, SA ID or Passport or Refugee documents

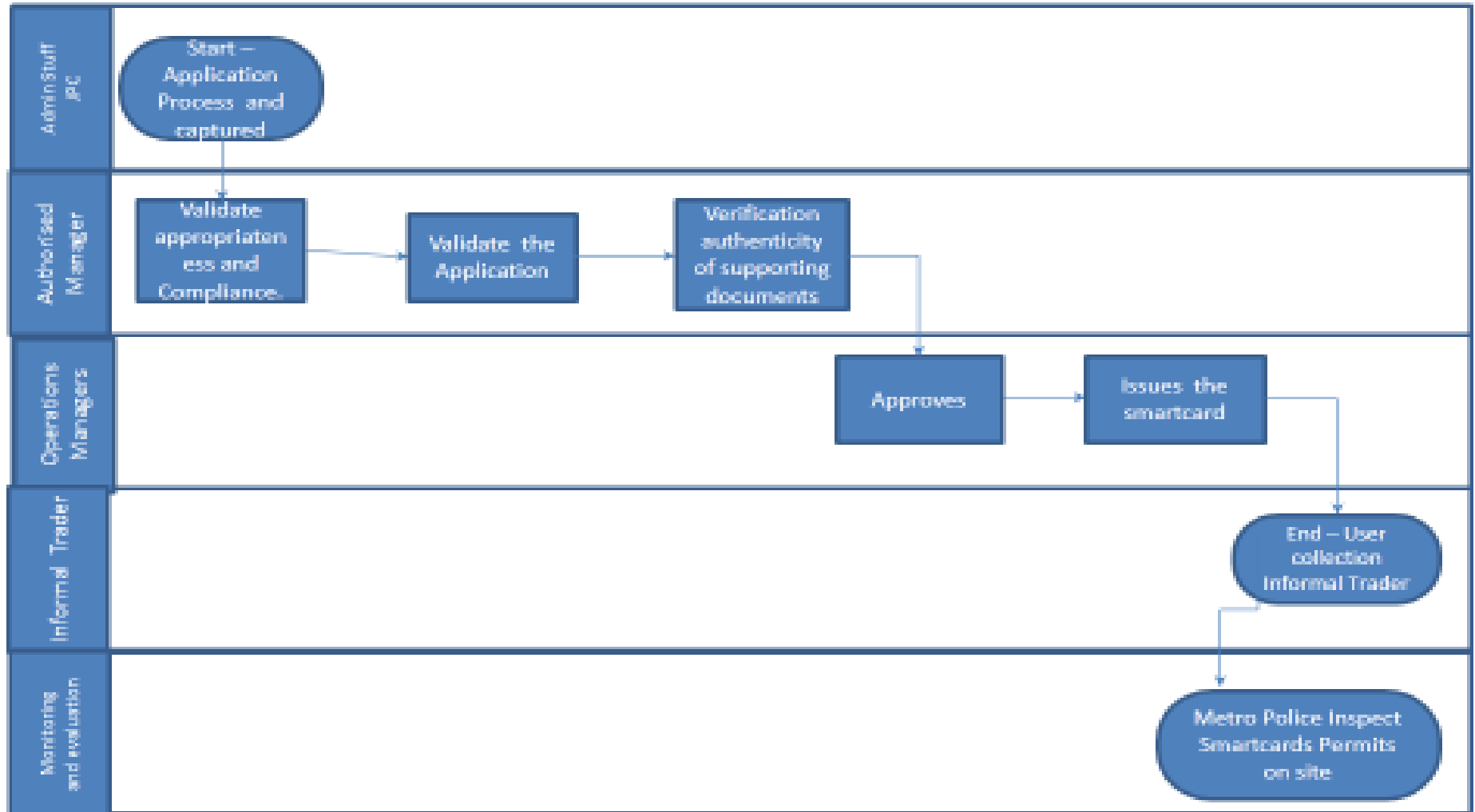
Smart Card consists of: ID, Photo, Name, Market and Stall numbers

All demarcated trading stalls to be issued with smartcards

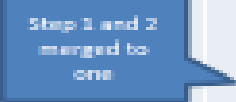


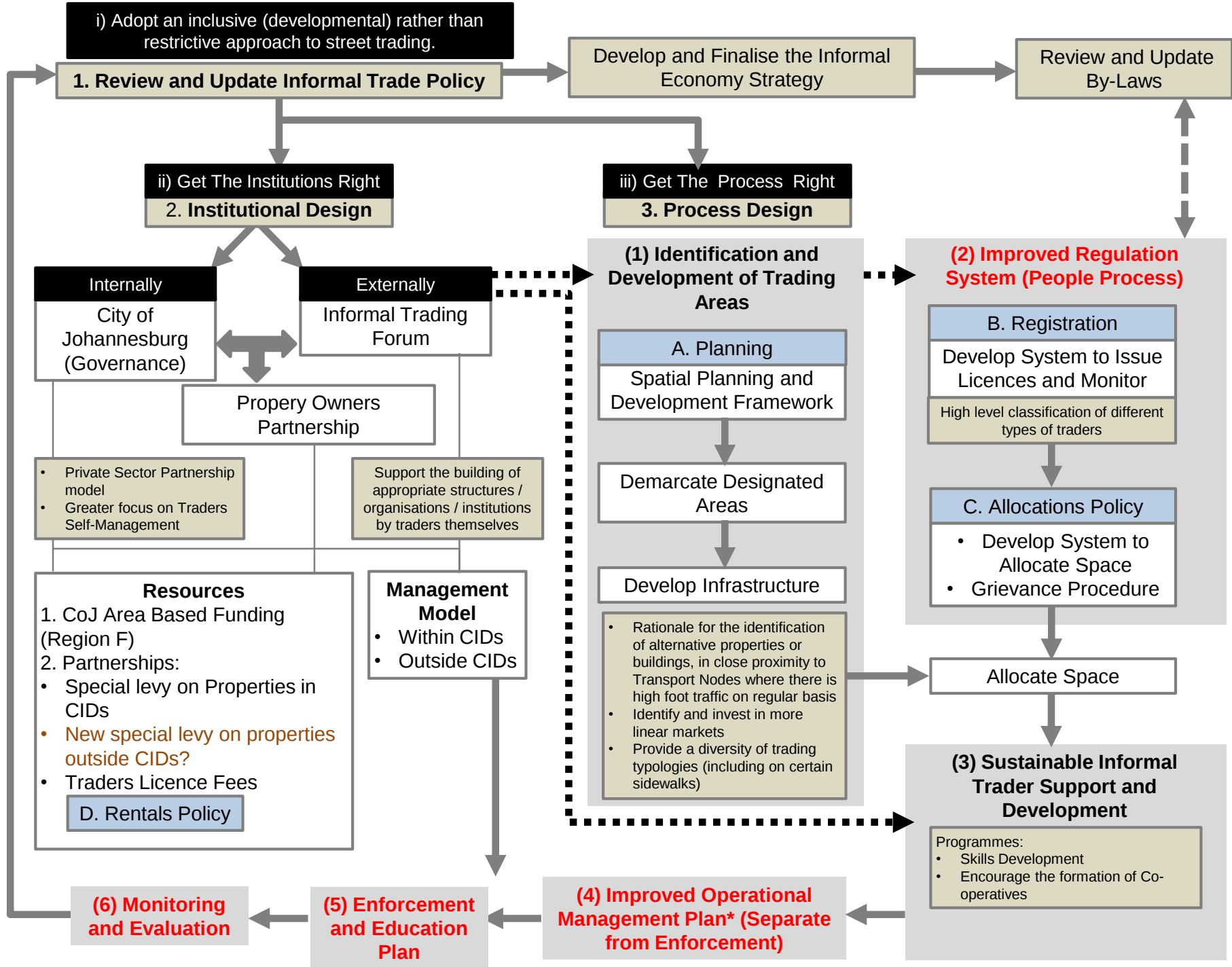
Solution 4: Addressing Effective Management Informal

Process Future



Solution 4: Addressing Effective Management Informal trading smart card /permit issuing process turn around time

	1	2	3	4	5	6	7	TOTAL
	Start – Application Process and captured	Validate appropriateness and intolerance	Check Client record for Verification	Verification authenticity of supporting documents	Submit for approval	Issues the smartcard	End – User collection Informal Trader	
Current	0.5	1.3	1.5	1	3.2	1	1.5	10
Admin Stuff	X	X	X	X	X	X	X	10
Authorised Manager	X					X	X	3
Operational Manager								
	Receive Application forms Validate on system and check Compliance		Check client records system	Verification and Quality checks	Approval Confirmation	Data updated on system for Issuing and Collection		
Planned	0.5		0.5	3.2	1	1.5		6.7
Admin Stuff	X		X	X				4.2
Authorised Manager					X	X		2.5
Operational Manager	Current time = 10 minutes – To be = 6.7 minutes							



Proposed Institutional Arrangements for the Revised Informal Trading Forum (Including Informal traders Associations; Committees and others)



prasa

PASSENGER RAIL AGENCY
OF SOUTH AFRICA



SERI

socio-economic rights institute
of south africa



URBANGENESIS

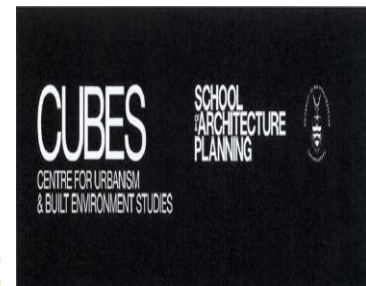


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SERI

socio-economic rights institute
of south africa



Proposed Institutional Arrangements External City Improvement Districts and Key Stakeholders



The City will enter into management agreements that includes informal trading with relevant Precinct Affected Entities



Proposed Institutional Arrangements External CoJ Project Management Office



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Department of Economic Development ;Department of Environmental Health
Department of Development Planning ; CRUM; Department of Transport
Group Legal and Contracts; City Manager 'office



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Proposed Institutional Policy alignment Arrangements Inter- governmental Departments



small business
development

Department:
Small Business Development
REPUBLIC OF SOUTH AFRICA



the dti

Department:
Trade and Industry
REPUBLIC OF SOUTH AFRICA

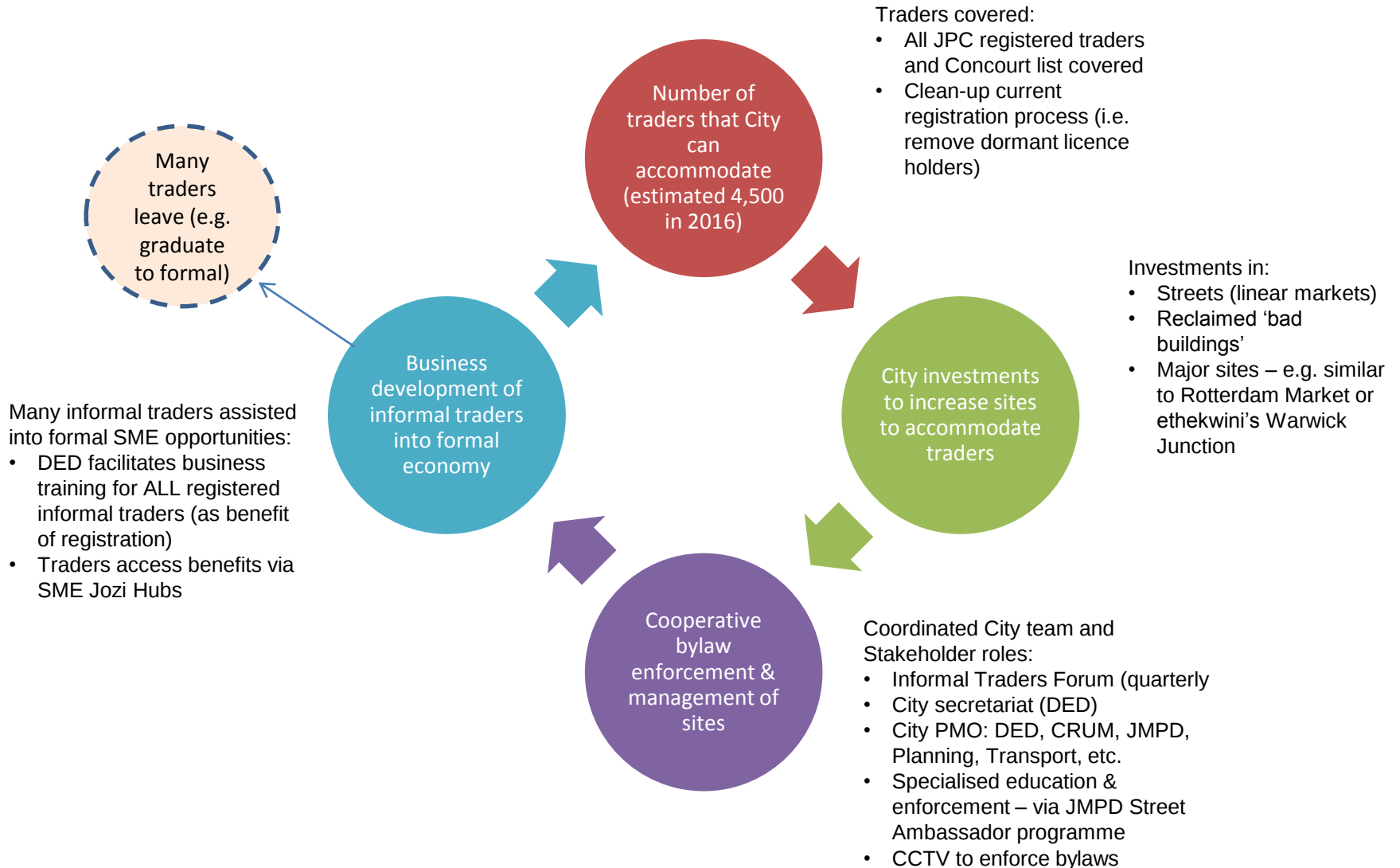


home affairs
Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA



SUMMARY:

Informal traders – How the City focus on bylaw enforcement & Better Management Fits Together



Key Management Approaches

Informal Trading-related information

Designation of new trading Ares Inner City

New allocation system

Re-register all traders and issue New Smart cards

City'-related information

Revised Smart Card

Allocation Process

SLAs with Partnerships

Implementation &Monitoring

Institutional alignment

Central PMO Team

Management
System

Outcomes

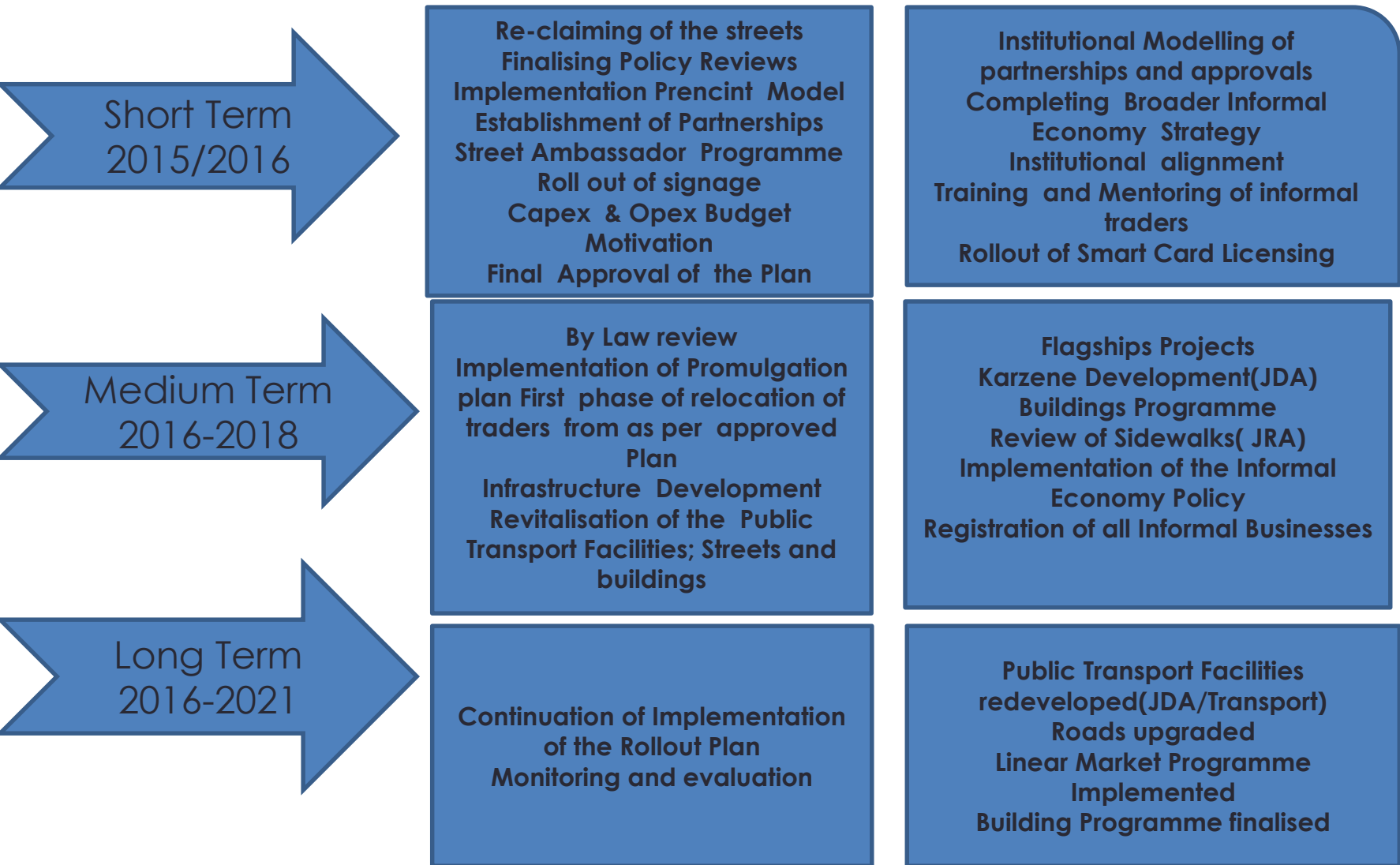
Orderly/Organised Trading
Environment

Interest of all
balanced

New systems

Sustainability

Phasing post the Promulgation Plan



Presentation of the Informal Trading Plan Overview

- Future Public Transport Facilities (Kazerne & Jack Mincer Taxi Rank)
- Current Streets Continue
- Street with Future sidewalk upgrades
- New Proposed Road Closures (Fraser ,Kock,polly,Diagonal, Van Brandis)
- Future Decking
- Proposed site for trading
- Proposed Periodic Markets
- Existing markets (Trading spaces)
- On Street taxi ranking permitted and non permitted
- Trading proposed subject to Road Closures (City Process being finalised)
- Additional trading streets with proposed upgrades

Thank You

Q & A