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The Effect of Formal Shopping Centers in Townships on Street Vending in South African Townships

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ABSTRACT

Most governments discourage informal trading, labeling it as contradictory to development. In this regard, informal trading is considered one of the leading causes of street congestion, crime, dirt, and threatening public order. Residents in low-income and informal settlements use street vending as a livelihood method due to scarce work opportunities in the formal sector of South Africa's economy. This paper examines the effect of formal shopping centers in townships on street vending in South African townships. The study used a qualitative approach and collected data from secondary sources and a questionnaire. The study concluded that shopping centers have a positive impact on street vending. Street vendors and shopping centers complement each other.

INTRODUCTION

Unemployment and the constant increase in the cost of living compel more people to work in the informal economy. Most governments discourage informal trading, labeling it as contradictory to development. In this regard, informal trading is considered one of the leading causes of street congestion, crime, dirt, and threatening public order (Modiba, 2022).

Residents in low-income and informal settlements use street vending as a livelihood method due to scarce work opportunities in the formal sector of South Africa's economy (Gamieldien & van Niekerk, 2017). The informal economy has, thus, become a common denominator of sustainable livelihoods. Street trading has become an essential tool for creating employment and alleviating poverty and a vital component of the economy (Socio-Economic Rights Institute of South Africa (SERI) & South African Local Government Association (SALGA), 2018).

In most developing countries, street vendors work in unregulated and unprotected areas. In Sub-Saharan Africa, street vendors are generally disregarded in planning considerations, marginalized by policies that do not encourage this type of business and unprotected from political changes. For example, in Zambia, street vendors who operate on the sides of roads or outside established markets are technically illegal, regarded as public nuisance, and are charged (Giroux et al., 2021).

Policymakers' treatment of street vendors in African countries ranges from street vendors being harassed to complete oppression (Racaud et al., 2018). There is an inaccurate view that street vending always operates outside government policies and regulations. In South Africa, the informal sector, including street vending, is not identified as illegal or criminal (Roberts, 2023). The South African Constitution, the Businesses Act of 1991 (Act 71 of 1991), and municipal by-laws control informal trading.

The Constitution and the Businesses Act protect the rights of street vendors, and municipal by-laws and policies aim to create a good environment where informal traders can legally operate and generate an income. The Act legally acknowledges street vendors as business people (Social Law Project, 2014). The argument in this paper is based on neoliberalism. In neoliberalism, the market and economic conduct are built and organized within legal and political institutes that

shape and advance market systems and performances to maximize economic prosperity.

According to Gamieldien and van Niekerk (2017), in South African cities, street vendors are mainly found at taxi ranks, sports stadiums, railway stations, spaces surrounding shopping malls, and busy intersections in residential areas. South African literature links street vending to the development of malls in previously disadvantaged communities, including townships (urban settlements created by the apartheid government for non-White people), rural areas, and informal settlements.

Although the rapid expansion of shopping centers in South Africa is well-documented, the potential impact of this process needs to be better understood. Regardless of a large body of literature on shopping malls and informal trading, the existing literature focusing on the impact of shopping on street vending in South Africa is limited. It focuses mainly on the country's eight metropolitans (Peyton et al., 2015; Strydom, 2015; Battersby, 2017; Gamieldien & van Niekerk, 2017).

Peyton et al. (2015) studied supermarket infiltration in low-income communities in Cape Town and discovered that they have successfully penetrated some low-income communities. However, they are incompatible with the poorest households' consumption strategies, making street vendors and informal retailers valuable in these communities.

The authors also argue that Street traders operate in areas where the market-based strategies of formal retail do not meet consumer demand due to incompatibilities between formalized systems and households that experience poverty. Strydom (2015) investigated the effects of shopping malls and supermarkets on informal and small businesses in townships and concluded that these types of companies impair the growth of informal and small businesses.

Low-income households continue to source food from informal outlets while shopping malls are in their local area. This points out that street traders respond proficiently to the needs of poor urban residents, especially those in informal settlements. (Women in Informal Employment: Globalizing and Organizing (WIEGO), 2019)

The street vendors respond more positively to the economic realities of disadvantaged families than the supermarkets in shopping centers. The vendors reduce large packs of products to small bundles and sell in small quantities more affordable to underprivileged people, even though such products can be more expensive per unit (Battersby, 2017).

The current study extends the shopping mall literature by examining the effect of formal shopping centers in townships on street trading in South African townships. The study contributes significantly by underlining that shopping centers and street vendors are not on a collision course but have a complementary relationship.

The study used secondary data from academic journals, government documents, and newspapers. In addition, a questionnaire was used to collect empirical data. The data was utilized to meet the study's objective. The author draws arguments from other research to present a new perspective on shopping centers and their impact on street vendors. The limitation of the study emanates from the methods used.

The case study design in this paper allows for empirical research in one geographical area, which might result in generalization challenges since each location is unique. The study results might not be generalized in rural or other cities with different characteristics but in locations with similar characteristics. Nonetheless, the study will assist in developing ideas and scholarly theories in the study of street vending and the expansion of retail in townships or formally disadvantaged areas. The subsequent section describes the methods used in the study. The third section covers the study's findings and discussion. The last section is the conclusion based on the study findings.

METHODS

Research Location

The study uses a qualitative approach for data collection. A case study design was employed in Namakgale, Ba-Phalaborwa Local Municipality in Limpopo province. Namakgale is a township located at Latitude 23°5'0"S and Longitude 31°2'0"E coordinates established in 1959 by the apartheid government (pre-1994).

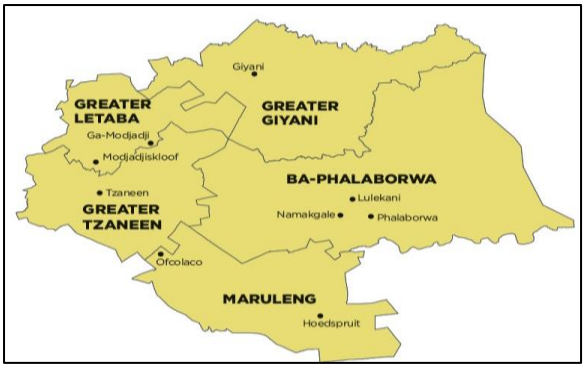

Figure 1. Namakgale Location

Data Collection and Data Analysis

Secondary data was collected from various published reports, books, journals, government documents, and newspapers. The data was used to conceptualize the problem of the study, identify the theoretical framework, outline the street trading business, and outline the subject area. Primary data was collected using a questionnaire survey. A structured questionnaire targeted at street traders operating close to the shopping center was administered face-to-face to forty-seven street vendors trading around the center's fence (boundary), mainly at the four entrances of the center.

The number of street vendors in the township and around the shopping center cannot be confirmed as some run their businesses seasonally and when they have stock. The study excluded spaza shops and illegal vendors. Section one of the questionnaire included questions to capture the demographic information regarding the gender and age of participants. All vendors were adults between the ages of 24 and 55 years. The majority (29) were women and 16 were men.

Section two was comprised of questions that related to the research objective. The questions aimed to collect information from respondents that will provide an understanding of street vending in the neighborhood and how it relates to the shopping center trade (operation) in Namakgale township. Caution was taken when collecting data to ensure that the sample was diverse to increase the benefit of the study results when applied to a broader situation or a larger group of people. The researcher also observed the behavior, events, structures, and arrangements in the location where the street vendors are trading.

Thematic analysis was used to analyze the data. Themes were generated from the questionnaire survey responses. The results were presented using descriptive narration with words and pictures.

RESULTS AND DISCUSSION

Type of Products

Out of the fifty-five participants, the majority sell food products. Thirty-three sell fresh produce (vegetables, fruits). Nine of those who sell fresh produce also sell brooms.

Figure 2. Fresh Produce Vendors

Eleven sells Cooked food. The figure below shows a glimpse inside a food stall. Showing cookies, Magwinya (African fat cakes), and bread.

Figure 3. Food Vendors

One vendor sells electrical buckets. Figure 4 shows the stall.

Figure 4. Electric Buckets Vendor

Distribution

The street vendors are located at the main entrance, taxi entrance, and the entrances on the side of the shopping center. Twenty-three fresh produce vendors are at the shopping center's main entrance. Figure 5 below shows some of the vendors located at the main entrance.

Figure 5. Street Vendors at the Main Entrance

Most (seven) of the food vendors are at the two entrances on the Northern side of the center, while only four are at the main entrance. A few (two) fresh produce vendors are at the side entrance. Figure 6 shows some of the stalls adjacent to the side gates.

Figure 6. Food Vendors on the Northern Side

Eight fresh produce vendors are at the taxi rank entrance, shown in Figure 7 below.

Figure 7. Fresh Produce Vendors on the Southern Side

The Street Vendors' Customers

THE vendors target employees of the different outlets in the shopping center, customers of the center, and the general public. They sell fresh fruit, vegetables, cooked food, and drinks to commuters and pedestrians visiting and passing next to the center. The employees come in the morning and during lunchtime. All eleven food vendors indicated that they have regular customers who work at the shopping center who buy food in the morning and during lunch. The other thirty-four vendors stated that they purchased food from the food vendor.

Type of Structures

Nineteen of those who sell fresh produce use tents as rooftops, and fourteen do not have any form of covering (open-air). Those who sell cooked food are sheltered in tents, corrugated iron sheets, and wooden rooftops with sides covered with cardboard (packaging boxes), wooden material, or open. Figure 8 below reveals some of the types of material used.

Figure 8. Types of Material Used to Construct Stalls

Goods Suppliers

The fresh produce vendors source their products from farmers, their home vegetable gardens, and other sources that sell in bulk. Those who sell cooked food buy from the center, fellow vendors, and butcheries in the community. All eleven food vendors indicated they buy items like salt, cooking oil, spices, flour, yeast, tomato sauce, and sometimes meat at the shopping center. When they run out of ingredients, they buy vegetables from their fellow vendors.

Duration of the Vendors at their Location

The vendors have been trading at the shopping center from the start. Most vendors, twenty-one, have been operating adjacent to the center for 1- 5 years, fifteen for 6 -8 years, and nine have been there for 9- 11 years.

Despite launching a shopping center in Namakgale eleven years ago, street trading continues. Street vending still provides income-generating work for the vendors. Forty-five vendors work in their stalls adjacent to the center, legally acknowledged as business people by the Businesses Act of 1991 (Act 71 of 1991). They are not technically illegal like in Zambia, as Giroux et al. (2021) discussed. They do not operate outside government policies and regulations, as deliberated by Racaud et al. (2018)

From the result, it can be deduced that a complementary relationship exists between the vendors and the shopping center. The shopping center has attracted street vendors due to the number of people visiting and working there. As highlighted in paragraph eight above, the traffic generated by the center provides the vendors with customers. The presence of street vendors since the shopping center's inception indicates that the center does not have a negative impact on street vendors.

Many have been trading in that space for more than five years, protected by municipal by-laws and national laws. By law, the shopping center management cannot evict vendors. They are not harassed by the police or municipal officials like the existing literature describes (Giroux et al., 2021; Racaud et al., 2018), which forces them to move from one place to another. The vendors who sell cooked food buy ingredients in the shopping center and sell the cooked product to their customers, including workers in the shopping center who eat at the food stalls.

Some products, like electric buckets, are sold outside the center. Most residents happily used street vendors for various reasons. The pricing and quantity of products are different. People buy from the vendors in small packages at the price that they can afford. The vendors do not sell products that are sold in the center. Customers buy from vendors for traditional reasons, such as traditionally cooked food and products.

Additionally, small, affordable portions of fresh produce like tomatoes, avocadoes, and oranges are cheaper than in the anchor supermarket, Shoprite. The above aligns with Peyton et al. (2015) assertion that supermarkets are sometimes incompatible with disadvantaged families' consumption strategies, making street vendors valuable in lower-middle-income and low-income communities. The role that shopping centers and street vendors play in a neighborhood are not contradictory.

They complement each other and provide products at different levels and cultural needs. Shopping centers focus on contemporary brands while the vendors cater to cultural needs and meet the disadvantaged's economic status and daily needs. The vendors and shopping centers are guided by law and aimed at economic development in the locality (The Constitution of South Africa, 1996; the Businesses Act of 1991 (Act 71 of 1991; Social Law Project, 2014). The shopping center will always complement the street vendors per the municipal by-laws.

CONCLUSION

The paper examined the effect of formal township shopping centers on street vendors in South African townships. From the results and discussion, it can be concluded that street vendors are legal businesses operating in locations approved by the law. The municipal policies and laws create a conducive environment for street vending to thrive.

Thus, shopping centers will supplement the vendors to encourage local economic development. Food sold by vendors includes traditionally cooked food and staple meals (food plates) like home-cooked food, which are not sold in the mall. The products are primarily in small packages and priced lower than the shopping center shops.

Thus, they respond to the needs of the low-income who cannot afford branded food in supermarkets. The shops and supermarkets in the shopping center are mainly used for bulk buying done at the end of the month or on paydays. In the future, local municipalities should ensure that they assist the vendors in getting funding and permanently trading adjacent shopping centers, taxi ranks, and facilities where the community will easily access them instead of creating formal markets away from the vendors' customers.

The design of streets and roads close to the shopping centers should have broad side roads to accommodate the vendors. The municipalities should provide daily refuse removal to maintain the sites clean. The authorities should consult with the vendor to develop a solution regarding the quality of their structures. Therefore, future studies are needed to address the matters mentioned above.

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