During Clean Sweep, the Johannesburg Metro Police Department (JMPD) unilaterally, and without prior warning, confiscated traders’ goods and forcibly prevented any trading in the Johannesburg inner-city. The City failed to follow the consultative processes required by the Businesses Act before, during, and after the operation, which was later lambasted in a Constitutional Court judgment as an act of “humiliation and degradation”. In order to explore the impact of the prohibition and restriction of trade being pursued by the City, this report investigates the regulation of informal trade in the inner city, as well as traders’ daily experiences of making a living.

The report presents two sets of findings. The first concerns the realities of informal trade regulation. The management of informal trade in the inner city is in disarray, and regulatory practices are characteristically restrictive, inconsistent and enforcement orientated rather than developmental or enabling. The management of informal trade by regulatory authorities is characterised by sporadic rent collection and site inspections which happen at the expense of meaningful consultation and the delivery of infrastructure and services.

In an economy that continues to fail to create enough decent jobs, informal trade in Johannesburg’s inner city provides the livelihoods of thousands of families. However, the City of Johannesburg’s approach is to limit informal trade, privilege formal businesses and “tidy” aesthetics and ignore the legal requirements imposed on it by the Businesses Act, most brutally represented in its infamous 2013 ‘cleaning’ project, Operation Clean Sweep. During the space of a month, the City illegally evicted roughly 7000 traders from the streets of Johannesburg. This report provides a picture of the current state of the management of informal trade in the city, and the different ways in which traders themselves experience making a living.
The second set of findings present some of the lived realities of traders making a living in the inner city. These experiences are crucial to understanding the mismatches between informal trading policy and the City’s attitude towards informal trade, as well as the realities of trade on the ground. For example, informal traders work to establish permanence and forms of continuity in the inner city because their businesses depend on it: being near to key locations, or building a loyal customer base, or the predictability to customers of being in the same place. The relocations pursued by the City neglect the importance of these kinds of permanence. This amounts to - in the language of the Businesses Act – ‘driving traders out of business.’

These findings have implications for the management of informal trade, informal trading policy, and the fundamental question of access to the city. Can street trade be better managed, prior to the consideration of prohibiting or restricting it? What would be the consequences of prohibition or restriction for traders? How would informal trade be managed in an African city that is truly ‘world class’? What can be learnt from this study for the investigation that municipalities are required to undertake in terms of the Businesses Act?

The report’s primary conclusions are that there is considerable scope for the City to improve the management of informal trade, and that any restriction or prohibition on trade is likely to negatively affect the way that traders make a living as it undermines the benefits that traders derive from permanence.

The report argues that the regulation of informal trade is restrictive, non-consultative, orientated towards enforcement rather than development, and that it is instrumental in producing illegality. By foregrounding the experiences of traders, it exposes major gaps in informal trade policy in the city and in the way in which informality has been approached more broadly by the City. It argues that the challenges of informal trade can be addressed if the City improves the way in which it is regulated. There are, however, also deeper problems with the ways in which informality is imagined by the City, and the state more generally. Importantly the report shows that an investigation into how prohibition or relocation may affect traders, as set out in the Businesses Act, is both possible and necessary.

The report concludes that an alternative vision is possible. A more inclusive approach, one that starts with recognising traders, whether they are licensed or not, will do more to contribute to inclusive regeneration than any interventions designed to eradicate informality. This approach would also accommodate more equal access to the economy that an authentically world class African city must surely provide.

- Read the full report on the SERI website
  http://www.seri-sa.org/index.php/research-7/research-reports