

**INFORMAL BUSINESS ENTERPRISES AND THEIR
IMPACT ON THE SUSTAINABILITY OF THE CITY
OF PIETERMARITZBURG**

By

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DECLARATION

I, Beauty Nobahle Ngcaweni hereby declare that this dissertation is the outcome of my research in Pietermaritzburg under the supervision of Prof. E.M. Makhanya. All sources from which information was obtained have been duly acknowledged.

Signed: Beauty Nobahle Ngcaweni at Umlazi

this 31 day of JANUARY 2000.

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ABSTRACT

There has recently been an increase of clusters of informal business operators in different parts of the city of Pietermaritzburg. Allegations have been made that street vending causes pollution of the environment in the city and that it was an illegal activity associated with crime and other anti-social activities that were inimical to formal business enterprises and the viability and sustainability of the city of Pietermaritzburg.

This dissertation was conducted in the context of Agenda 21 of the Rio Earth Summit which advocates for sustainable development of business enterprises, which governments worldwide were persuaded to adopt in their development planning policies. The Pietermaritzburg-Msunduzi Transitional Local Council (TLC) has recently initiated a move to implement the Local Agenda 21 programme as advocated by the Rio Declaration.

The main aim of the dissertation was to examine the impact of the informal business enterprises on formal business and the environment, and thereby determine the sustainability of the city of Pietermaritzburg.

It was found in this dissertation that street vending was related to the high rate of unemployment in Pietermaritzburg, and that both males and females in their productive years were involved in street vending. Informal businesses were found to be partially responsible for littering and environmental pollution in the city by generating litter from the items they sold on the streets. It was also found that many of the street vendors lived in squalid informal settlements or on the street pavements which contributed to the pollution of the city's environment. It was found that their actions resulted from an involuntary and necessary condition of poverty. The Street vendors were actually actively engaged in cleaning up operations and environment education in accordance with local Agenda 21.

The informal business enterprises were found to be recognised legal activities that cooperated with formal business, the city council and other stakeholders in the fight against environment pollution and crime. It was found that there was a complementary relationship between formal and informal business, which did not jeopardise formal commerce and industry and the sustainability of the city of Pietermaritzburg.

It is argued in this dissertation that, with more positive encouragement and assistance, the informal sector is an essential means of alleviating the problems of unemployment and poverty. Guided in the correct direction, the informal business enterprises are a way of promoting the viability, development and sustainability of the city of Pietermaritzburg.

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CHAPTER ONE

CONCEPTUAL FRAMEWORK OF THE STUDY

1.1 INTRODUCTION

Business can be viewed from an economic, social, or cultural view point. From an economic point of view business means "exchange" of goods, money, or services for mutual benefit (McNaughton, 1967). The Functions performed by business include, for example, consultation, designing, production, marketing, advertising, promotion, buying and selling, and the delivery of goods and services. Business can either be profit making or non-profit making. *Profit making business (or commercial business) owners seek to ensure the survival or expansion of their enterprises through earning adequate profits from such activity.* Thus the commercial business enterprise, whether privately or publicly owned, is not viable without sustained profits. Other enterprises engage in production for social and cultural ends and may survive, in the private sector, without making profits on account of the subsistence, non-monetary, or intangible rewards they deliver. Alternatively, in the public sector, organisational survival can be guaranteed through the expenditure of public revenues.

Business and industry, including transnational corporations, play a crucial role in the social and economic development of a country. Business and industrial activities contribute to increasing prosperity. Business enterprises, large and small, provide major trading, employment and livelihood opportunities.

Besides formal employment there is a large 'hidden' economy operating in both the urban and rural areas of all countries of the world. This type of occupation is termed informal business.

Informal business provides employment for thousands of people, particularly in Third World countries (Rogerson, 1985). Walking around the streets of South Africa's urban areas (e.g. Pietermaritzburg, Durban, Johannesburg, etc.) one can find illegal taxi operators, fruit and vegetable hawkers, curio makers, shoe-shine boys, prostitutes, shebeen queens, herbalists, cooks of fresh food and a host of other operators. These small-scale commodity producers and service providers are often ignored in official definitions of economic activities. This dissertation seeks to examine the impact of these informal business activities on the sustainability of the city of Pietermaritzburg.

1.2 THEORETICAL BASIS OF THE STUDY

A review of related literature is done in this section to outline the theoretical foundation of the study.

1.2.1 Sustainability and the Economic system.

Economics is the study of human actions (activities) in relation to wealth. These human activities involve production, consumption, exchange and distribution of one or other forms of wealth that will satisfy human needs. As such economics covers all kinds of business transactions and motives that influence human conduct in business (Brits and Reese, 1981).

For the purpose of relating sustainability to the urban business enterprise which must grow, or adapt, to survive, the following definitions will be used: "Sustainable Development is development that is likely to achieve lasting satisfaction of human needs and improvement of the quality of human life " (Allen, 1980): "The term 'sustainable development' suggests that

the lessons of ecology can, and should, be applied to economic processes" (Redclift, 1979).

Redclift (1987) defines sustainability as a desirable objective which serves to observe the contradictions that development implies for the environment (ecological and socio-economic). To explore the relationship between development and environment, there is a need to construct a model of how relationships have changed over time. Sustainability as a concept can further be defined as the compatibility of economic growth with environmental interests (implying the protection of the environment, the improvement of living standards and the integrity of socio-cultural systems on intergenerational basis (Makhanya, 1997).

There is an ordered network of links (relationships) among the different processes of production, consumption and exchange. For instance the selling of paper originates from the planting of trees followed by all processes of pulp production. This links forestry to manufacturing, transportation and trade. Each urban business enterprise is a component of a complex network (i.e. economic system) of the urban economy.

1.2.2 Socio-political Context of the Urban Business Enterprise

Economics is also the study of business in its social aspect, which can be so much a matter of personal character and accidental circumstances (Clay, 1946). The study of sustainability and the urban business enterprise should therefore be concerned as much with economic issues as it is with issues of society and the environment.

The immediate end of economic activities is the production of a maximum of wealth with minimum of effort and sacrifice. Wealth itself is wanted only as a means of welfare. Clay

(1946) argues that economic activities must be accounted good or bad according to whether they promote or hinder not merely wealth but welfare. It is clear therefore that the moral and economic aspects are combined. The moral considerations are the decisive factor, because they embody the conception of the end to which all action is directed. To persist in an economic activity therefore, or maintain a business enterprise which is contrary to our moral sense, is to subordinate the end to the means, or, in other words, to sacrifice morality to cheapness (Clay, 1946; Smith, 1993).

There is a vital link between environment, economy and society. The linkage between poverty and environmental degradation provides perhaps the clearest demonstration of the centrality of social, political and economic issues involved in environment and development (Redclift, 1987). Although the development process involves the transformation of socio-economic relationships, it relates to the ways in which individuals and groups within a society experience their environment and the way in which they use it (Adams, 1990).

Decisions taken by urban business enterprises are of considerable importance to society as a whole. Every year society pays a high price because business people have taken decisions to use resources in a manner that is harmful to society (Brits and Reese, 1981; Milton, 1993). Hindson, King and Peart (1996) state that the concept of sustainability brings together three strands of thought concerning development of urban areas :

- a) the need to concentrate on development goals (i.e. the economic, social, cultural, health and political needs)
- b) the need to focus on controlling or limiting the harmful impacts of human activities on the urban environment
- c) the need for an inclusive and participatory approach to planning and management.

1.2.3 Informal Business Sector

Meier (1976) defines the informal sector as a reservoir of unemployment and a productive activity into which those who cannot obtain paid jobs in the formal sector make ends meet by begging, hawking and vending, operating '*matatu taxis*' (illegal taxis), or embarking on petty crimes. According to Elliot (1975) the informal business sector is a sector consisting of small-scale units engaged in the production and sale of goods and services with the primary objective of generating employment and incomes to their participants notwithstanding the financial and technological constraints. Hart (1973) describes the informal sector as the low productivity urban sector, the reserve army of underemployed and the unemployed.

People in many rural areas may have an idealistic perception of the city. They migrate to the cities hoping to obtain better housing, better job opportunities, more reliable sources of food, better services, and so on. In most countries money is spent on physically developing urban areas through the expansion of secondary and tertiary business enterprises. These business enterprises may provide employment to the new arrivals to the urban areas. Many people who cannot find employment in the urban areas make a living through street vending.

Street vending is the primary activity of petty traders, street hawkers, shoe-shine boys and other groups of under-employed on the streets of the big towns (Smith, 1982). There are two defined activities involved in street vending: that of a trader who walks around the city offering goods or services without a fixed place from which to operate, and that of a trader who provides services from a fixed point on the public thoroughfare (Meier, 1976).

The scale of operation of the informal business enterprises are by far smaller than those of the formal business enterprises. This is partly due to the difficulties of access to credit

facilities experienced by many informal operators, and partly because of the lack of incentive to expand associated with the lack of security of informal businesses enterprises (Bromley and Gerry, 1979). Street vending is characterized by low capital intensity, a low level of productivity, a small and usually poor clientele, a low level of formal schooling, ease of entrance and lack of support and recognition on the part of the government (Bromley, 1985). Street vendors are viewed as a community of law breakers, generators of litter, sources of congestion and as a health hazard through the food they sell.

Although informal business operators can operate legally by obtaining licences for their businesses, many informal business enterprises involve some degree of illegality ranging from hawking without a licence to prostitution, pickpocketing and theft. Unlike in the formal sector where institutional restrictions can act as barriers, there is considerable freedom of entry into the informal sector both as entrepreneur or employee (Maasdorp, 1983).

The informal business is characterized by the entirely indigenous ownership of the means of production (Davies, 1979). The informal production and its techniques are not amenable to large-scale investment which typifies formal production. It has been argued by Davies (1979) that informal business constitutes a peripheral or marginal activity in the world system of capitalist production. The main function of informal business is, according to Davies (1979), to service the formal sector.

1.2.4 The Relationship Between Formal and Informal Business Enterprises

From what has been stated in the introduction to this chapter, it is evident that there is a common goal in all commercial business enterprises, namely, that of realising profit. The activities of both formal and informal business enterprises are thus focused on the "exchange"

of goods, money, or services for mutual benefit (McNaughton, 1967). It was mentioned that the owners of profit making business (or commercial business) seek to ensure the survival or expansion of their enterprises through earning adequate profits from their operations. It is also important to note that a commercial business enterprise, whether privately or publicly owned, is not viable without sustained profits. In the struggle for existence business enterprises have to compete with one another for customers, and the fittest survive. It is on this basis that this section examines the relationship between formal and informal business enterprises.

Whereas the general characteristics of business, whether formal or informal, are common, there is evident dualism between informal and formal business enterprises which is manifested in the form of different modes of production, organisation and scale of operation which are simply a reflection of the varying circumstances under which these enterprises come into existence and operate.

1.2.4.1 From Resentment to Tolerance

Until about 1976, the informal business sector in South Africa was considered as a social evil, a threat social health and order and a blot on the urban landscape (Rogerson, 1987). The growth of the informal sector was curbed by an array of prohibitive legislation that relegated the informal sector to the darker corners of the urban areas (Rogerson, 1987). Since the 1980s South Africa's policies towards the informal sector have taken a shift from repression to tolerance (Rogerson, 1988). Consequently, there has since been a sudden increase in informal business enterprises in all major cities of South Africa.

1.2.4.2 Competition

Elliot (1975) distinguishes between inter-group and intra-group competition. The former refers to competition between the informal and formal sectors, while the latter is the competition within each sector. Inter-group competition is mainly confined to those goods and services which are common to both the informal and the formal business enterprises. The Natal Witness (1999) observed that even though some of the goods and services offered by the two sectors may be common, there are often marked quality differences between them. For example, both sectors may produce shoes but the shoes produced by the formal sector are of 'superior' quality to those cobbled together on the street corner from old tyres (Natal Witness, 1999).

Arising from the real and perceived quality differences in the goods and services between the two sectors, there is an obvious set of biases in favour of the formal sector in business competition with the informal sector. These biases are related to trade with large corporate businesses, parastatals and government. There is direct discrimination against the informal sector in that it is seldom for these organisations to place their orders for goods and services from the informal sector. As a way of addressing this imbalance many governments have realised the necessity of implementing 'affirmative action' to redress the situation. For example, the Mulungushi economic reforms in Zambia required that the copper mining companies place all their maintenance, painting, cleaning and waste disposal contracts with the small (often informal) Zambian businesses (Elliot, 1975). Similar affirmative policies, though not specific, have been adopted in South Africa by the new political order.

Another form of bias in favour of the formal sector is institutional. Credit for the informal sector is either not available or available at a high cost. Not available, because financial

institutions usually require securities on giving out loans. From the nature of their business enterprises the informal sector are largely unable to raise sufficient securities to acquire loans. A case cited by Elliot (1975) of informal businesses acquiring loans at high cost is that of the Philippines. Here informal business enterprises could borrow from the banks at twenty percent interest per week instead of the normal borrowing rate of six to twelve percent per annum. This difficulty of accessing credit restricts the informal traders to buying goods in small quantities at a time instead of benefiting from the economies of scale of buying in bulk. On the basis of paying higher prices for the same goods the informal traders are compelled to sell at higher prices than their counterparts. The difficulties of accessing credit thus reinforces the disadvantage of the informal sector of selling inferior goods and services at higher prices.

One advantage that the informal sector has over the formal is the fact that the operating costs of many informal businesses are low as a result of their not paying rent, licences or taxes which reduce their risk factor.

1.2.4.3 Intensity of Labour

The formal business sector is often described as a high labour productivity while the informal sector is characterised by low labour productivity. These varying levels of productivity are associated with high and low wages respectively. These comparisons are, however, not conclusive, firstly, because of the many of those engaged in the informal sector are self-employed and not working for a wage. Secondly, the labour market imperfections and rigidities in wage structure are common features in many developing countries (Sethuraman, 1977).

Sethuraman (1977) states that workers in the formal sector are somewhat protected in that the wage level and working conditions in this sector are not available, in general, to the job seeker unless they manage to cross the barrier of entry. The kind of protection referred to by Sethuraman (1977) relates to the institutional arrangements and actions of trade unions and/or government which may restrict free entry into the formal labour market. Entry into the informal labour sector is, on the other hand, unregulated and free (Sethuraman, 1977).

1.2.4.4 Complementary Relationship

Assuming that the majority of informal business operators originate from outside the urban area (e.g. rural areas), the money they receive from their sale of goods and services in the urban area is largely used to purchase goods and services from the urban formal sector to satisfy their needs in the rural areas. Viewed in this light, there is evident complementarity or symbiosis between the formal and informal business enterprises. Symbiosis between the two sectors also exist where, because of their common location, the two sectors may jointly attract customers. A person shopping for furniture or appliances from the formal sector may, for example, at the same time buy a necklace or fruit from an adjacent street vendor.

Rogerson (1986) maintains that there is a continuum of forms of production between the formal and informal sector. He argues that the informal sector may be concentrating on pure artisan production, while the formal sector is concentrating on capitalistic production. This view is also expressed by Davies (1979), who points out that the informal sector tends to produce goods for local consumption while some of the formal sector may be concentrating on the production of goods for export. Dewar and Watson (1990) maintain that the informal sector are business enterprises at the bottom end of a continuum ranging from very small to very large businesses. Complementarity of formal and informal business enterprises is also

expressed by Hart (1973), Bromley (1978) and Davies (1979). Hart (1973), Bromley (1978) and Davies (1979) assert that the informal sector nurture the 'reserve labour' or 'labourers-in-waiting' for the formal sector. In short, these authors concur on the complementarity of the formal and informal sectors in production, labour and marketing.

1.2.5 Urban Unemployment and the Informal Business Enterprises

Peil (1984) regards work as the prime source of urban growth. A study of the viability and sustainability of urban society requires thus an examination of the labour force. Occupations are differentiated hierarchically by status and rewards. A large proportion of the African labour force in many countries is self-employed or work in small-scale enterprises, producing or selling goods to a relatively small clientele (Simkins and Desmond, 1978).

There is growing unemployment in the urban areas worldwide. One of the obvious reasons for this situation is the rapid increase in the growth of the urban population. This particularly true of the developing countries where the increase in population is not complemented by economic growth and industrialisation. The failure of the urban areas to provide employment for the increasing population inevitably leads to increasing unemployment. Many of the unemployed are immigrants from the rural areas, who were compelled by hunger to migrate from their rural areas to the urban areas. The solution to this problem, according to Thirlwall (1972), lies in the unemployed creating work for themselves in the fringes of the industrial sector. Thirlwall (1972) argues that although the wages from such self-employment are often low, some income is better than no income.

The Graduate (1999) highlights the inability of the labour market to absorb new entrants. The decline in work opportunities is a worldwide phenomenon. In South Africa it is

aggravated by the imbalance between skilled and unskilled labour. According to the Graduate (1999) 71 percent of the economically active population in South Africa have not reached Grade 12 qualification and only 12 percent have qualifications higher than Grade 12. These figures indicate that changes in the broad occupational composition of employment are likely to favour skilled professionals while the proportion of employment requiring lower skills is expected to decline substantially (The Graduate, 1999). Under these circumstances, the Graduate (1999) maintains, self-employment is a viable alternative in a developing country such as South Africa. This signifies the importance of the informal business sector.

1.2.6 Informal Business Enterprises and Informal Housing

Whereas some of the focus areas of this study were to determine the environmental impact of informal business on the sustainability of the city of Pietermaritzburg, it is inevitable that some attention is given to the housing of the informal business operators because the sustainability of a city is as much affected by the environmental impact of its housing as it is by the environmental impact of business.

The informal business sector is often defined in terms of household units rather than in terms of individuals (Sethuraman, 1977). In terms of this definition reference is made to poor households rather to poor individuals. Poor people or poor households are usually identified with slums and informal settlements. The informal sector has thus been attributed different meanings at different times, including, urban poor, low income households, urban slums, squatter areas and so on (A'Bear, 1981).

The proportion of city population living in informal settlements and slums in many developing countries ranges from 25 to 90 percent (Sethuraman, 1977). In many of these cities urban services have reached the point of breaking down due to the limited capacity of

the urban poor to pay for the urban services (Sethuraman, 1977). The environmental impact of such conditions is a negative factor in the sustainability of the urban centre.

1.2.7 Business Enterprises and the Environment

The development of business enterprises have in the past often been carried out without due consideration to their impact on the environment. It was at the United Nations Conference on Environment and Development (UNCED), also known as the 'Earth Summit', which was held in Rio de Janeiro in 1992 (UNCED, 1992) that recognition was given to the *interdependence between the issues of environment and those of development*. The Rio Earth Summit closed with the adoption of Agenda 21 declaration which bound all states to adopt a policy of environmental conservation in their development projects. The Rio Earth Summit felt that business and industry, including transnational corporations, and their representative organizations should be full participants in the implementation and evaluation of activities related to Agenda 21. Governments worldwide were persuaded to adopt Agenda 21 in their development planning policies. Consequently, South Africa and all its major cities also adopted, in principle, this Rio declaration (Hindson, *et al.*, 1996).

The 22nd principle of the report of the United Nations Conference on the Human Environment (UNCHE), held in Stockholm on 5-16 June 1972 recognised that indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. The report maintains that States should recognize and duly support the identity, culture and interests of these communities and enable their effective participation in the achievement of sustainable development (UNCHE, 1972).

1.3 STATEMENT OF THE PROBLEM

South Africa has had the Environment Conservation Act (Act no. 100 of 1982) since 1982 (South Africa, 1982), yet only a few Local authorities applied it effectively. Although the need to preserve the environment has been realised in South Africa for some decades, there has not been much action taken to ensure this. The Pietermaritzburg-Msunduzi Transitional Local Council (TLC) has recently initiated a sub-committee of the Executive Indaba (The local Agenda 21 forum) to monitor the situation in the city and advise the TLC on how to make current and future development programmes compatible with sustainability (LA21, 1999)

Under-employment and unemployment has caused an increase in the number of people who are engaged in informal activities in Pietermaritzburg. These informal activities have both positive and negative consequences. The positive consequences are that the informal sector provides job opportunities for the unemployed. The negative consequences are that such practices have a tremendous negative impact on the environment. Whereas a stable policy regime enables and encourages formal business and industry to operate responsibly and efficiently and to implement longer-term policies, littering and piles of waste in the CBD are associated with informal business activities.

Informal business operators cluster mostly in the taxi ranks where there is a flow of pedestrians using taxis for visiting town for shopping and working in secondary and tertiary industries. Allegations have been made that street vending causes pollution of the environment in Pietermaritzburg. The *Natal Witness* (25 June 1996) explains that the littered area has increased the rat population in the city and surrounding areas, and that the air is polluted by odours and the buzzing of flies.

1.4 AIMS AND OBJECTIVES

The aims and objectives of the study were:

- (a) to examine the nature, causes and effects of informal business in Pietermaritzburg.
- (b) to investigate the conditions under which the informal business operates.
- (c) to ascertain the allegation that informal trading causes environmental pollution in Pietermaritzburg.
- (d) to determine the extent to which informal business affects formal business enterprises and the general economic base of the city.
- (e) to determine the impact of informal business on the sustainability of the city of Pietermaritzburg.

1.5 HYPOTHESES TO BE TESTED

The study was based on the following hypotheses :

1. Street vending was related to the high rate of unemployment in Pietermaritzburg.
2. Both males and females in their productive years were involved in street vending.
3. Informal trading caused congestion, littering and environmental pollution.

4. Informal Business enterprises were illegal activities associated with crime
5. Informal business enterprises were inimical to formal business enterprises.
6. The sustainability of the city of Pietermaritzburg was jeopardized by the proliferation of informal businesses.

1.6 RESEARCH METHODOLOGY

A survey method was used which involved the following processes.

1.6.1 Questionnaire Survey

Socio-economic data were gathered by means of questionnaires and interviews. A questionnaire survey was conducted among a sample of about 45 randomly selected informal business operators and interviews were conducted personally. As far as the formal business enterprises were concerned the questionnaire used was designed by the Pietermaritzburg-Umsunduzi Business Retention and Expansion Programme which conducted a survey in July 1999. The author of this dissertation was a participant member of the interviewing team. The sample of 46 respondent business enterprises used in this dissertation was randomly selected from a total population of some 300 respondent business enterprises. Unstructured interviews were also held with officials of the city of Pietermaritzburg, the taxi operators and passengers.

1.6.2 Spatial Analyses

Spatial analyses of data were carried out by the use of Maps and aerial photographs. The aerial photography used for the study were those of 1953, 1975 and 1997 covering the entire CBD. A sequential study of these aerial photographs was done by interpreting the photographs using mirror stereoscopes. The interpreted data was transferred on to the existing base maps of the CBD resulting in Figs 3.1, 3.2 and 3.3.

Extensive field work, lasting about four weeks, was carried out in the CBD to check the accuracy of the interpreted data.

1.6.3 Data Analyses

The collected data were entered into a personal computer and processed by the Statistical Package for the Social Sciences (SPSS) and other statistical packages available in the Department of Geography.

1.7 SIGNIFICANCE OF THE STUDY

It is important to note that since the adoption of Agenda 21 by the Rio Earth Summit, many governments have compiled reports on the state of their environment in compliance with the Earth Summit resolutions. In South Africa the first report on the state of the environment was produced by the Department of Environmental Affairs and Tourism (DEA&T) in 1999 (South Africa, 1999 b). The only cities reporting in terms of Local Agenda 21 are Johannesburg, Pretoria, Durban and Cape Town (South Africa, 1999 b). This study highlights the need for a similar report for the city of Pietermaritzburg.

The policies and operations of business and industry, including transnational corporations, can play a major role in reducing impacts on resource use and the environment, through more efficient production processes, preventive strategies, cleaner production technologies and procedures throughout the product life cycle (UNCED, 1992). Much waste and pollution can be avoided or minimized by the application of sound technological innovations in production processes.

Business and industry, including transnational corporations, should recognize environmental management as among the highest corporate priorities and as a key determinant to sustainable development (UNCED, 1992). Some enlightened leaders of enterprises are already implementing "responsible care" and product stewardship policies and programmes, fostering openness and dialogue with employees and the public and carrying out environmental audits and assessments of compliance (UNCED, 1992). These leaders in business and industry, including transnational corporations, are increasingly taking voluntary initiatives, promoting and implementing self-regulations and greater responsibilities in ensuring their activities have minimal impacts on human health and the environment.

The regulatory regimes introduced in many countries and the growing consciousness of consumers and the general public and enlightened leaders of business and industry, including transnational corporations, have all contributed to this. A positive contribution of business and industry, including transnational corporations, to sustainable development can increasingly be achieved by using economic instruments such as free market mechanisms in which the prices of goods and services should increasingly reflect the environmental costs of their input, production, use, recycling and disposal subject to country-specific conditions (UNCED, 1992).

The reduction of unemployment has become policy of governments and agencies concerned with developing countries. Davies (1979) states that the informal sector provides income-earning opportunities for a large number of people. It is regarded as unproductive and stagnant, yet it is providing a wide range of low-cost, labour-intensive, competitive goods and services. The informal sector provides for people without the benefit of government subsidies and support, yet the operators in the informal business were often harassed and hampered by restrictions imposed from outside. Smith (1982) contends that the Industrial colour-bar, which was an array of legal, institutional, social, political and economic practices, blocked the occupational advancement of blacks in the South African economy. White workers were favoured by the Job reservation legislation. Recently a positive attitude on the part of the government has been shown towards the promotion of the informal sector.

In South Africa, apartheid had yielded a significant proportion of the workforce engaged in street occupations. Most of the informal activities are conducted by street dwellers (Maarsdorp, 1983). This implies that the informal sector in South Africa is aimed at solving the unemployment crisis. Bromberger (1978) ascribes the awakening of the informal sector to a response to the unemployment crisis in South Africa. The government had failed to provide employment and the policy of deregulation had been passed so that the unemployed can look after themselves while the Government sits back.

Rogerson (1985) regards street vending and hawking as petty forms of production which help to alleviate the 'employment crisis' that is experienced in African, Asian and Latin American urban environments. In South Africa it is believed that one of the causes of crime and political instability is an increase in poverty and hunger. These petty forms of production may reduce the potential for crime and political unrest.

Street occupations are regarded by Bromley & Gerry (1979) as:

".... the contribution towards lowering of the cost of living in the city and particularly holding down the foodstuffs for the urban poor, who buy a greater portion of their food in the streets than the better off social groups. By holding down the cost of living for the urban poor, these street occupations contribute to holding down the costs of wage labour for capitalist enterprises"

On the other hand, street vending and hawking encourages job creation both by selling at relatively low prices and the marketed items being available in a wider range of locations.

Barrow (1995) explains that urbanised areas are among the most altered of earth's environments and some of their problems are unique. They are also major sources of pollution. Bad housing is one of the obvious and common physical impacts, as is overcrowding. Urbanisation results in ground surfaces becoming more impervious through compaction and installation of hard-surfaced roads and buildings. Storm drains and sewers accelerate water run-off.

City populations are growing and that is causing stress to infrastructures and services. Many suburbs are under stress and decay, being overcrowded, poverty-stricken, crime-ridden, vandalised and polluted. Rapid city growth means that land is not set aside for the public space and amenities. Lack of recreational space is another cause of deteriorating urban quality of life and contributes to increasing social instability. In the past child labour was a problem, and the problem is growing in many cities.

The highest crime rates occur in the most deprived sections of large cities, where it is difficult to train children to become law-abiding citizens. The excitement of the streets provides the principal escape from boredom and unsolvable problems. The informal trading areas are associated with much vice and crime - pickpocketing, gambling, narcotics use and sale, public drunkenness and acts of violence. There are also many illegal activities among the informal sector that violate the copyrights of formal business. Informal traders often sell imitation goods bearing the brand name of some well known manufacturer or owner, thus violating their property right (Natal Witness, 1997). The practice has reached such alarming proportions that South Africa has had to pass the Counterfeit Goods Act of 1998 (South Africa, 1998) to prevent the illicit dealing in counterfeit goods. These conditions are not conducive to the growth of formal business enterprises.

This dissertation is conducted in the context of Agenda 21 of the Rio Earth Summit which advocates for sustainable development of business enterprises (UNCED, 1992). The importance of this dissertation lies in the fact that South Africa has in principle adopted Agenda 21, and the Pietermaritzburg TLC in particular has initiated a move to implement local Agenda 21. The dissertation is done with the notion that industries in specific economies are linked to the world manufacturing system by the international trading system, and that many firms within national economics are part of larger multinational organisations which permit some degree of coordination of production activities across national boundaries.

One of the basis for action laid down by the Rio Earth Summit is that entrepreneurship is one of the most important driving forces for innovations, increasing market efficiencies and responding to challenges and opportunities. In terms of this basis small and medium-sized entrepreneurs, in particular, play a very important role in the social and economic development of a country. Often, they are the major means for rural development, increasing

off-farm employment and providing the transitional means for improving the livelihoods of women (UNCED, 1992). The conference stated that responsible entrepreneurship can play a major role in improving the efficiency of resource use, reducing risks and hazards, minimizing wastes and safeguarding environmental qualities (UNCED, 1992).

The prospects of sustainability of the urban business enterprise in any one location are in part shaped by forces and decision-making often at great distances away (Roberts, 1995). No urban area can be studied in isolation from the wider community. It is also important to note that the combination of an internationally accepted free enterprise system and the profit motive may result in the inability of national governments to make industry pay its share of the environment costs.

It is hoped that this dissertation will highlight the impact of informal trading on multinational as well as local business interests in Pietermaritzburg, and how this impacts on the sustainability of the city.

1.8 DELIMITATIONS AND LIMITATIONS OF THE STUDY

Whereas this study was undertaken with the notion that commerce and industry in specific locations are linked to the world manufacturing system, it was not feasible within the time and budgetary constraints to explore the topic beyond the confines of the city of Pietermaritzburg. Although the city boundaries extend to the peri-urban and rural areas, actual research was conducted only in the Central Business District (CBD) which is the heart of the city. It is assumed in this study that the socio-economic conditions in the CBD largely reflect the general state of sustainability of the city.

Although this research acknowledges that there is an ordered network of relationships among the different components of the complex economic system of the urban economy, the research was targeted at the commercial (mainly tertiary) activities within the CBD. None of the primary and only a few secondary production activities were included in the research survey.

The main aim of the dissertation was to examine the impact of the informal business activities on formal business and the environment, and thereby determine the sustainability of the city of Pietermaritzburg. The dissertation was concerned with the more tangible and measurable, influential rather than causative, environmental and socio-economic factors. The findings are not intended to be an end in themselves but to provide a basis for further research into identified specific causative factors.

1.9 SUMMARY

Chapter One dealt with the conceptual framework of the study. Chapter Two deals with the ecological and historical background of Pietermaritzburg. Chapter Three discusses land use changes in Pietermaritzburg. Chapter Four is the research data analysis, and Chapter Five consists of the evaluation, recommendations and conclusion. What follows is the discussion of the ecological and historical background of Pietermaritzburg.

CHAPTER TWO

THE ECOLOGICAL AND HISTORICAL PERSPECTIVES OF THE CITY OF PIETERMARITZBURG.

2.1 INTRODUCTION

Pietermaritzburg has been described as a city of contrasts where the new blends with old in graceful harmony, nestling within a ring of green hills (Landsman and Haswell, 1988). It has a built environment of great quality and destination, described by the Historical Monuments Council as one of the most important high character cities in Africa (Landsman and Haswell, 1988). It is important and essential to examine the ecological and historical factors that have shaped this city in order to effectively discuss the impact of the informal business sector on its viability and sustainability. The study of the historical evolution of the city of Pietermaritzburg, on the other hand, necessitates a brief review of the historical evolution of the settlement of KwaZulu/Natal. Due to time and space constraints, only the relevant historical events will be discussed in this dissertation.

2.2 SITE AND SITUATION OF THE CITY OF PIETERMARITZBURG

Pietermaritzburg is situated in the Natal Midlands along the N3 highway from Johannesburg to Durban (Fig. 2.1). It is about 70 km west of Durban, and therefore within easy reach of the port for the export and import trade with foreign countries. One of the early functions of the town, was to receive goods from the interior either to use them locally or to forward them to the port (Thorrington *et al*, 1973). In exchange the inhabitants of Pietermaritzburg supplied goods and services. Durban being a popular tourist destination,

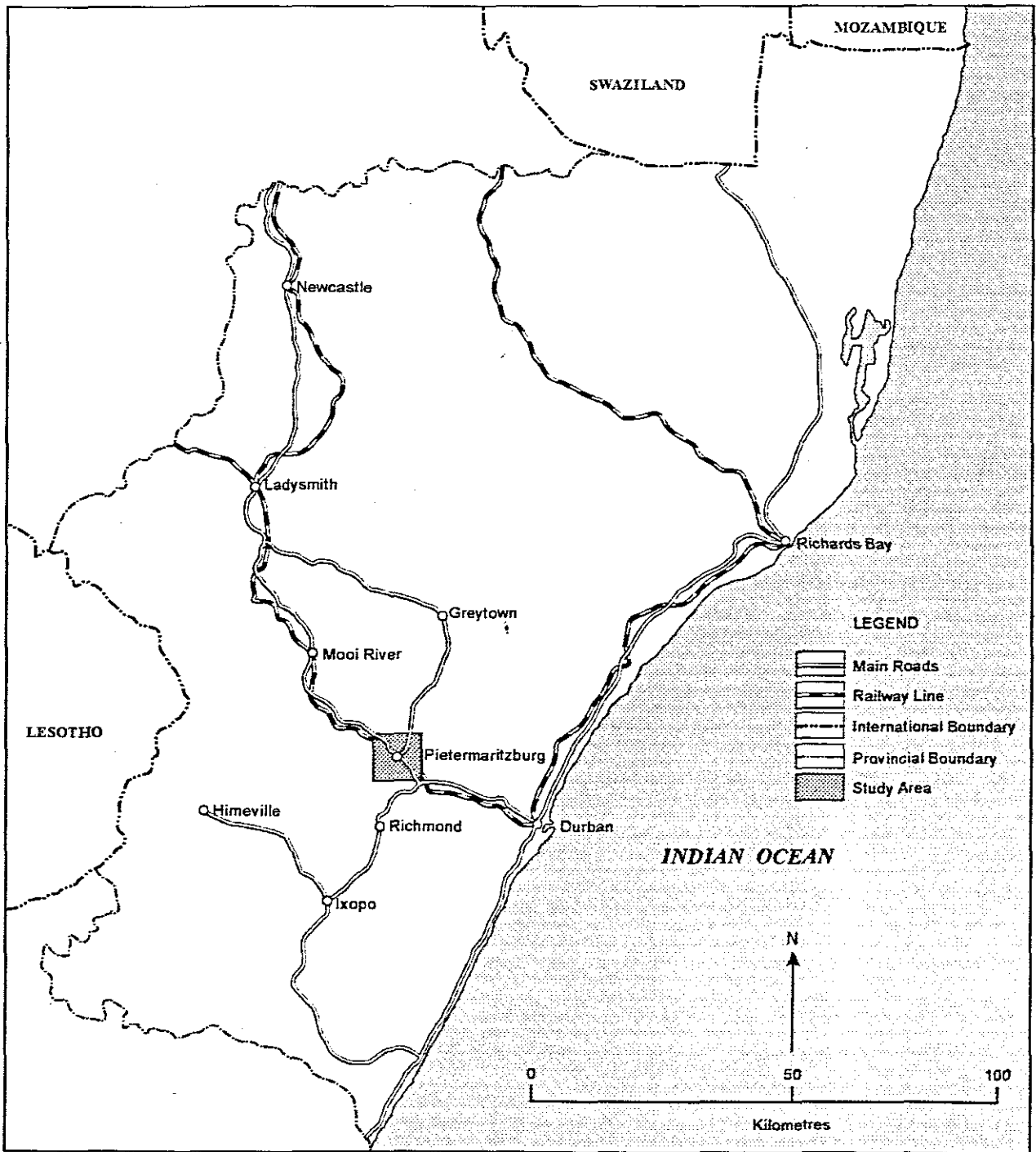


Figure 2.1. Locality Map.

Pietermaritzburg has a high potential of benefitting economically from the multitude of tourists, businessmen and other motorists passing through it from the inland areas of Natal, the Free State, Gauteng, Mpumalanga and beyond. Pietermaritzburg is also a railway and road junction to northern Midlands and inland areas such as Greytown, Nkandla and Msinga and the southern areas such as Richmond, Ixopo and Himeville (Fig 2.2). According to Thorington-Smith *et al* (1973) it was in Pietermaritzburg that up-country farmers (Boer and English) reprovisioned and re-stocked for their next half year. Here they selected their hardware for their farming operations - the chains, plough shares, grains bins, milking pails and tools. Here, too, they bought ox-wagons and canvas tilts. Its sphere of influence, as far as consumer behaviour is concerned, extends to Mooi River, Greytown, Impendle, Himeville, Ixopo and Cato Ridge (Fig. 2.3).

Still within the influence of the Indian Ocean, its humidity level is much lower than that of Durban because of the sharp rise in altitude (about 1500 metres at Pietermaritzburg). Being within the commuter zone to Durban, Pietermaritzburg is a preferential residential area for a number of people with business or work interest in Durban but who cannot tolerate the high humidity levels of Durban. In short its site and situation is ideal for sustainable development.

2.3 ORIGINS OF THE CITY OF PIETERMARITZBURG

During the early nineteenth century KwaZulu/Natal (in which Pietermaritzburg is situated) was occupied by the Natal Nguni under the leadership of Shaka (Zulu). It is common knowledge that at this time the Cape province and other parts of South Africa had been settled by Dutch and English speaking colonists since 1652. The colonial acts of conquest, plunder and of dispossessing the indigenous people of their land as they advanced into the interior of South Africa are well documented (Welsh, 1971; Bundy, 1979; Davies, 1981;

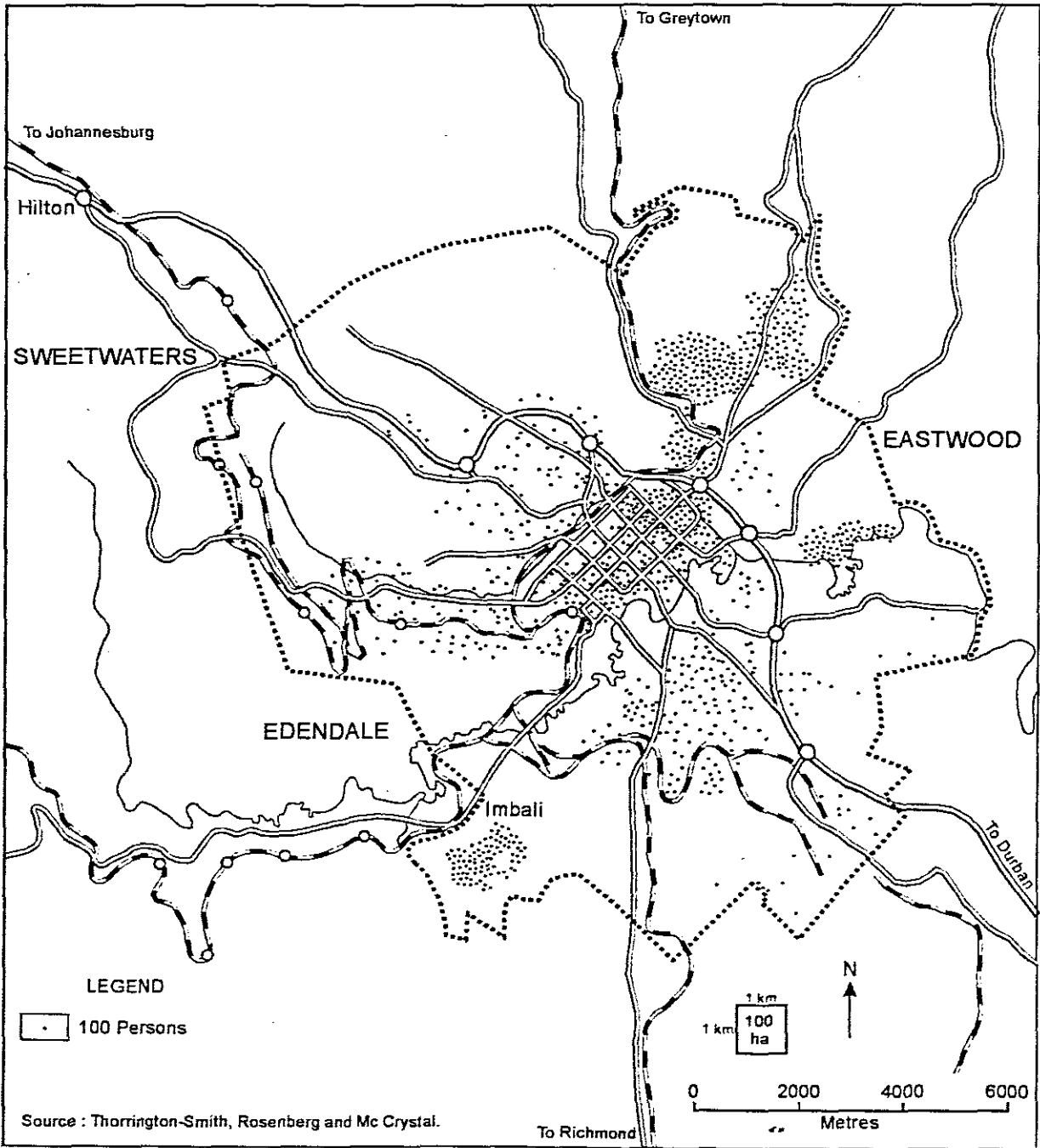


Figure 2.2. Population distribution within the city boundaries 1970.

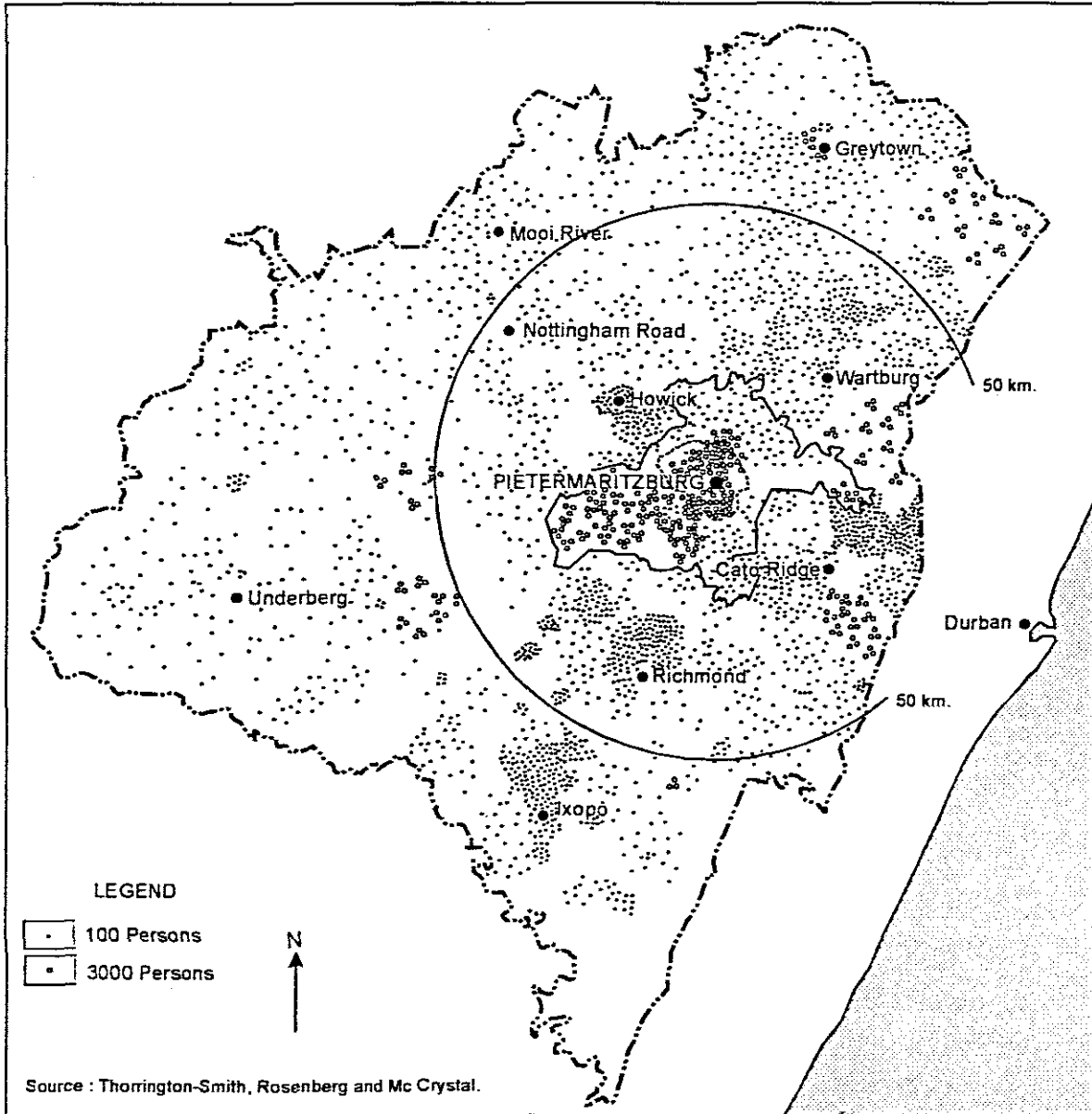


Figure 2.3. Sphere of influence of Pietermaritzburg.
(Population settled within Market Area).

Cobbett, 1987). It is against the background of this colonial history that the evolution of Pietermaritzburg is viewed.

2.3.1 The Arrival of the English Traders in KwaZulu/Natal

Early in the 1820s a group of English traders, largely from the Eastern Cape, began to expand into KwaZulu/Natal to trade with the indigenous inhabitants (Bird, 1965; Chase, 1968; Clarke, 1972). The Traders acquired ivory and the hides of animals from the local inhabitants in exchange of items such as pots, pans, beads, mirrors etc. (Brooks and Webb, 1967; Osborne, 1964).

Under the leadership of Farewell and Fynn, the White traders acknowledged the rule of Shaka and obtained his permission to settle permanently in the site now occupied by the Durban metropolitan area (Robinson, 1972; Clarke, 1972; Brooks and Webb, 1967). This area was chosen for its natural harbour which facilitated the transportation of trade items by vessels (Russell, 1972; Osborne, 1964). Using the Durban harbour as their base, the English colonists advanced into the interior.

2.3.2 The Arrival of the Voortrekkers and the founding of Pietermaritzburg

In 1838 the Dutch speaking 'Trekboers' (Voortrekkers) from the Eastern frontier of the Cape Colony arrived in KwaZulu/Natal. The pattern of land settlement changed for the whole region as the Voortrekkers divided practically all the land that they had conquered into farms for themselves (Ballard, 1989; Guest, 1989; Brooks and Webb, 1967). As already stated, this involved dispossessing the Zulu inhabitants of their land (Perrett, 1971; Russell, 1972; Clark, 1972).

In 1838 they clashed with Dingane (who succeeded his brother Shaka as the Zulu King) at the battle of 'Blood' River (income). The Battle of Blood River followed a massacre of Piet Retief and his followers by Dingane. The combined effects of the massacres of Piet Retief's group and that of Dingane's warriors resulted in the death of some 800 colonists and thousands of Zulus (Landsman and Haswell, 1988). After defeating Dingane's warriors the Boers decided to form a laager in the vicinity of the present Bank street in Pietermaritzburg. The laager mentality lingered on until the overthrow of Dingane in 1840. Without much venture to expand, the laager settlement resulted in a permanent settlement.

In 1839 the Boers set about to survey the lay out of town between Umsunduzi River and the Dorps Spruit (stream). They named it 'Pietermaritzburg' in commemoration of their leaders, Pieter Retief and Gerrit Maritz (Landsman and Haswell, 1988). The town comprised of a rectangle about one and a half miles long and about one mile wide, with eight streets. It had a market place in the middle. The area near Boom street was called the western vlei and formed a sort of commonage where riders could exercise their horses (Landsman and Haswell, 1988).

In their struggle with the warriors of Dingane the Boers made a vow and a covenant with the Lord to the effect that if He would vouchsafe (to grant) them the victory over their adversaries, they would erect a House to the Honour and glory of His name. The vow was fulfilled and a building was erected at the corner of present Church Street and Market Square in 1854 (Ingram, 1898; Landsman and Haswell, 1988). It was not only the first place of worship in Natal but also became the mother Church of South Eastern Africa (Landsman and Haswell, 1988).

2.3.3 Pietermaritzburg Declared a Colonial Capital

The Trek Boers declared themselves the Republic of Natalia and sought recognition as such from the Cape Governor (Bender, 1988; Ballard, 1987; Clark, 1972). This provoked the British colonists, and after a skirmish with the Boers the British colonists established their authority.

Pietermaritzburg was then flavoured with typical British colonial structures. All the ingredients of a colonial town were present: the military cantonment (Garrison at Fort Napier), the clustering nearby the civilian elite placed at the head of grid in the vicinity of what was to become the Government House, the market Square and its surrounding commercial enterprises, the administrative precinct - all welded together by a thinly spread population of small tradesmen, craftsmen and artisans (Landsman and Haswell, 1988).

In 1842 the British proclaimed sovereignty over Port Natal and the whole KwaZulu/Natal region. After a few skirmishes with the Voortrekkers, the British gained control of the Port and later the whole region in 1843 (Ethernington, 1989; Bender, 1988). Sir George Grey, then Governor of the Cape travelled to Pietermaritzburg by the order of the Home Government to enquire into the desirability of granting local representative government to the colony. Subsequent to this visit, the Governor in the name of Her Majesty Queen declared KwaZulu/Natal a British colony, with Pietermaritzburg as a capital city (Landsman and Haswell, 1988). There was an exodus of Boers from the city as the British annexed the entire Natal Province to the Cape Colony in 1845 (Landsman and Haswell, 1988).

Pietermaritzburg was then known by the Zulu as 'Umgungundlovu' (place of the 'Elephants'). The name 'Umgungundlovu' is derived from the Zulu verb '-gungu' (to surround, enclose)

and the Zulu noun 'indlovu' (an elephant). 'Umgungundlovu' is therefore a compound noun with the first element meaning 'enclosure of' or 'encircling' and the second element meaning 'elephant'. Umgungundlovu was originally the name of King Dingane's great kraal (capital) between the two Mfolozi rivers which he built immediately after the assassination of his brother Shaka in 1828. The Zulu associated Pietermaritzburg with Dingane's great kraal (Forsyth, 1898).

An effective cordon separated the colonists from the indigenous population (with the exception of the domestic workers who were increasingly drawn towards to the city). The black residents were expected to provide their own accommodation in the periphery of the town. Accommodation was typically provided for certain categories of employees in the form of barracks or compounds.

The first Local authorities in Natal were established on the basis of the Cape Ordinance of 1836 (Cloete, 1986). This ordinance provided for the election of a small number of commissioners to serve as members of the municipal council. The electorate consisted of all ratepayers in an urban area (*ibid.*). Only White rate payers, however, were qualified to vote. The first local authorities in Natal, and indeed in South Africa as a whole, were thus White Local authority that catered mainly for the needs of the White residents. Hence public amenities such as schools, churches, hotels, and recreation facilities were for the sole use of White residents.

2.3.4 Arrival of the Asians in Pietermaritzburg (1860)

The colonial sugar cane growers decided to import Asian workers to their cane fields. In 1860 the first batch of indentured Asians sponsored by the Natal Government were introduced

as reliable labour for the sugar industry (Brain, 1989; Perrett, 1971; Osborne, 1964). Beside indentured labour other Indians came of their own will and expense, to join families in Natal or to set up trading (Davies, 1981).

The first groups of Asians who arrived in Pietermaritzburg from the early 1860 were mostly Hindi or Tamil-speaking Hindus. They were attracted by large irrigated erven in the lower, largely unoccupied part of the town layout and then to small holdings beyond the original nucleus (Perrett, 1971; Osborne, 1964).

2.3.4.1 Asians and the Shaping of the Space Economy of Pietermaritzburg

By the 1890s the lower reaches of Church Street and Longmarket Street acquired an Asian flavour of temples, stores, gabled houses, market gardens and barracks. The barrack was regarded as an Asiatic residential area taking the form of row of rooms, opening directly to the veranda on the street side and onto a yard at the rear of ablution facilities. Sometimes the barracks were organised in a rectangle with a central courtyard. The barrack, as housing type, is a part of what is called 'Colonial Third Culture' produced by fusion of British and Indian experiences of British colonialism in India and exported elsewhere in the Empire (Landsman and Haswell, 1988).

More Asians arrived in Pietermaritzburg in the 1880s enriching the Pietermaritzburg townscape. The Muslim merchants set up shops in increasing numbers concentrating on upper Church Street area and were often referred to as 'Arabs', being distinguishable from their ex-indentured Hindu countrymen (Gordon, 1981).

2.3.4.2 *Asians and Informal Trading*

Beside the Asian merchants, there were hundreds of licensed Asiatic hawkers who were carrying baskets of fresh produce from door to door. The scale at which Asians engaged in business enterprises (both formal and informal) was remarkably high such that in April 1863 the resident magistrate of Pietermaritzburg wrote :

" . . . it is the intention of many after their period of service is expired to settle here as has been the custom and open commerce for themselves. As it is, while in service many engage their spare hours in working and trading among themselves the produce of that labour.

From early hours in the morning Indians hawkers, male and female, adults and children, go busily with heavy baskets on their heads from house to house, and thus citizens can now daily, at their own doors, and at low rates, purchase wholesale vegetables and fruit which not many years ago, they could not, with certainty, procure even in the public "markets and at exorbitant prices" (Guest & Sellers, 1889, pp 101).

2.3.5 **Livelihoods in Pietermaritzburg During the Colonial Period**

Human activities in Pietermaritzburg during the colonial period were not just confined to wars and plunder. As indicated earlier in this section, the main occupation of the colonists (both Dutch and English) were agriculture and trade. The Asians were also engaged in agriculture and trade. The Indigenous Zulu, who were mainly engaged in agriculture, became trading partners to the foreigners. Many of the Zulus who had been dispossessed of their land became paid labourers. Pietermaritzburg thus became primarily a centre of commerce and

trade as well as a centre of employment. The discovery of diamond (1867) and gold (1884) in South Africa resulted in large scale movement of people from the rural areas to the cities. Money became an essential means of obtaining the basic means of living such as food, shelter and clothing. Failure of the emerging industries to provide jobs for all rural people who invaded the urban areas resulted in the problem of unemployment.

2.4 FORMALISED RACIAL SEGREGATION IN PIETERMARITZBURG (1910-1948)

During the colonial period Pietermaritzburg was characterised by class differentiation and residential segregation among the different racial groups. In section 2.3.4 it was explained how the different racial groups became separated within the city. Historical records indicate that segregation was one of the dominant features of British Colonial Societies (Brain, 1989; van der Merwe, 1992). By definition colonialism imposed a coercive rather than an integrative social order upon society (Harvey, 1972). Structural ethnic separation was a reality that characterised Pietermaritzburg since the colonial period.

2.4.1 Legal Segregation of the Indigenous Zulu

From 1910 the South African government took over the role of the colonial power in Pietermaritzburg. Much has been written about the segregating effect of the Natives Land Acts of 1913 and 1936 (Welsh, 1971; Bundy, 1979; Cobbett, 1987). In 1923 the state centralised control over Black urbanisation (Cobbett, 1987). During this year the Natives (Urban Areas) Act (Union of South Africa, 1923) was passed which empowered, but did not compel, local authorities to set aside land for African occupation in Pietermaritzburg.

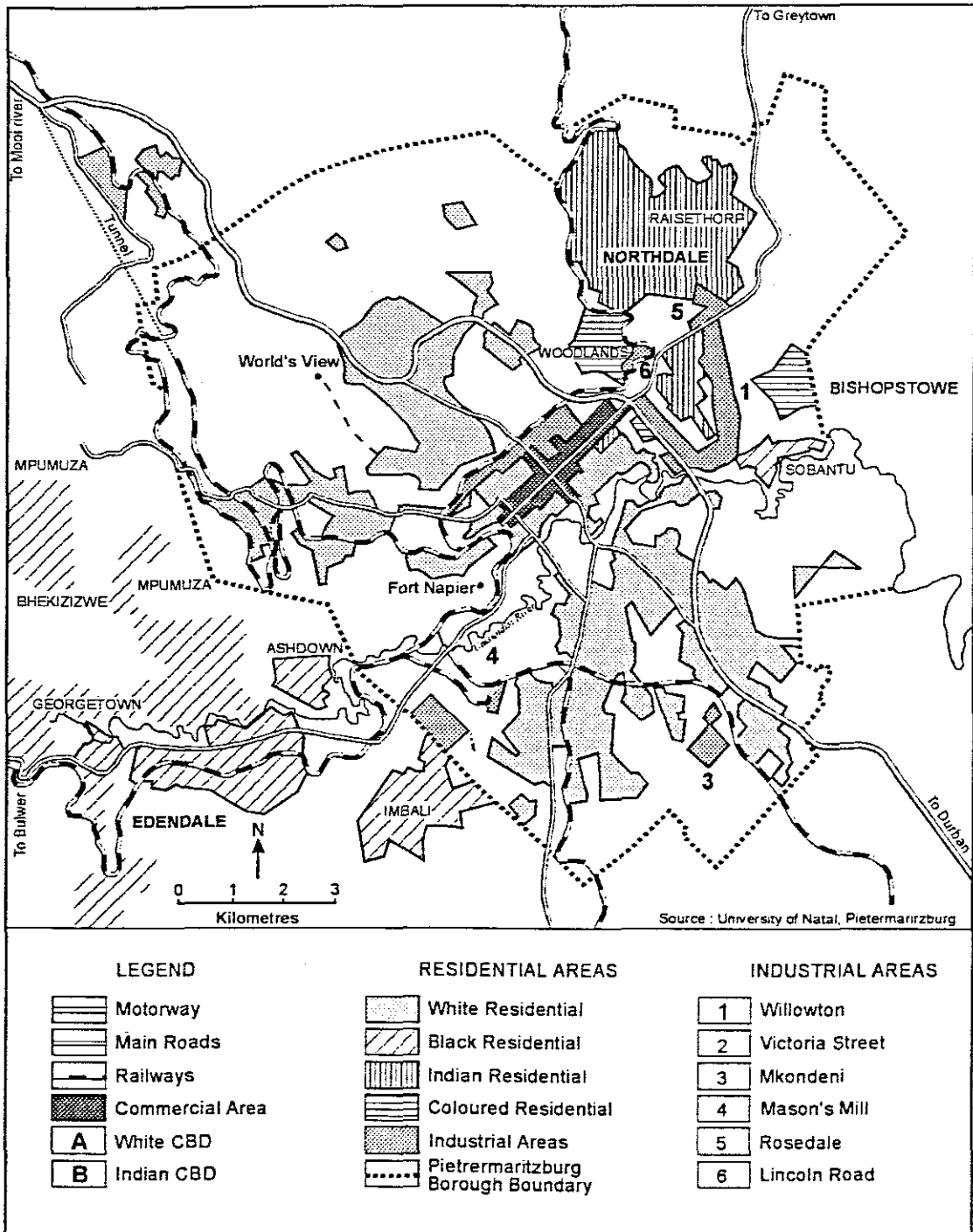


Figure 2.4. Racially segregated city of Pietermaritzburg.

Pietermaritzburg was transformed by suburban developments and attempts to control a burgeoning 'non-white' population whose plight was exacerbated by long years of economic depression. It was also a period during which national policies on matters such as race and housing impacted on local developments (Forsyth, 1898; Landsman and Haswell, 1988).

Policy measures were taken to ensure the security of the White citizens as far as making a livelihood was concerned. Job reservation measures such as the Industrial Conciliation Act of 1924 (Union of South Africa, 1924) and the Mines and Works Act of 1926 (Union of South Africa, 1926) imposed the colour-bar on a number of job categories.

2.4.2 Legal Segregation of the Asians

Many Asian households occupied small parcels of land beyond the city centre, often flanking streams where market gardening could take place such as along the Dorpspruit or along the fertile banks of the Msunduzi (Camps Drift / New Scotland) area (Landsman and Haswell, 1988). Competition in trade and urban land ownership later led to attempts by the colonists to control Indian economic development (Davies, 1981). The period 1910 - 1946 was marked by strong "anti" asiatic agitation in the Transvaal and Natal particularly in Durban, and the ill-feeling culminated in the Trading and Occupation of Land (Transvaal and Natal) Restriction Act No. 35 of 1943 (Union of South Africa, 1943), known commonly as "Pegging Act" (Guest & Sellers, 1889). The Act pegged out the areas occupied by Asians in 1943 and controlled further property transactions between Whites and Asians. This Act was followed in 1946 by the Asiatic Land Tenure and Representation Act No.28 / 1946 (the "Ghetto Act"), placing absolute limits on the territory occupied by Asians. Municipal housing was thus designated for specific racial groups long before the Population Registration Act made such racial division mandatory or the Group Areas Act (1950) demanded territorial separation.

2.4.3 White Local Authority in Pietermaritzburg

Prior to the first World War (1914-1918), Blacks in Pietermaritzburg were controlled by White local authorities without representation. Populations were small and the White Local Authorities managed to satisfy most of the basic needs at a low-level of the people and furnished them with gravel streets and bucket sewerage system (Cloete, 1993). After the first World War urbanisation increased at a rapid rate and the White local authorities could not provide for the growing needs of essential services.

2.5 PIETERMARITZBURG DURING THE APARTHEID REGIME 1948 - 1994.

The heritage of the British colonial town provided the foundation for the evolution of the segregated and later apartheid towns (van der Merwe, 1992). Following the adoption of the Apartheid ideology in 1948, the Group Areas Act was passed in 1950. The Group Areas Act of 1950, as amended in 1955, was a cornerstone of the Apartheid Policy, producing for the first time legally enforced segregation in Pietermaritzburg and other South African towns and cities (Fig 2.4). Housing and services were provided separately on a highly uneven basis and access of Blacks to the cities was strictly controlled by means of influx control regulations. The result was that cities in South Africa became more highly structured and divided than any multi-ethnic colonial city elsewhere in the world.

There was later a series of laws aimed at ensuring racial segregation in South Africa. Included among these laws was the Population Registration Act of 1950, the Separate Amenities Act of 1953, and the Group Areas Development Act of 1955.

Apartheid managed to institutionalise racial segregation in the urban areas of South Africa. Pietermaritzburg became progressively more segregated because of the increasing concentration of the City's white population in suburbs flanking the old town core (Fig. 2.5). More systematic development of suburbs was witnessed on an entirely different scale on both private land and townlands e.g. Scottsville, Wembley, Athlone and later Claredon.

2.5.1 Apartheid Administrative Institutions

The White dominant group determined the basic framework of the city about which the distribution of groups was articulated (Davies, 1981). The Central Department of Local Government and National Housing (also general affairs) controlled policy for local authorities of all population groups through the Acts of Parliament (Cloete, 1993; Maharaj, 1995).

Under the policy of separate development, each racial group was given limited administrative functions over "own affairs". Black, White, Indian and Coloured local/municipal authorities were established by ordinances passed before 1 July 1986 local municipalities can make laws approved by the relevant Provincial administrators for general and own affairs; approve their own incomes and expenditure; direct and control the activities of their officials (Cloete, 1993; Government Gazette, 1994).

After the provincial Councils were abolished from 1 July 1986, the Provincial Government (Act 69 of 1986) (Cloete, 1993) provided that the ordinances passed by the provincial councils would regulate the establishment, financing and functioning of the local authorities of Whites, Coloureds and Indians in South Africa. These ordinances provided for the preparation and approval of annual budgets of income and expenditure, auditing of accounts, borrowing money, and the valuation and rating of fixed properties.

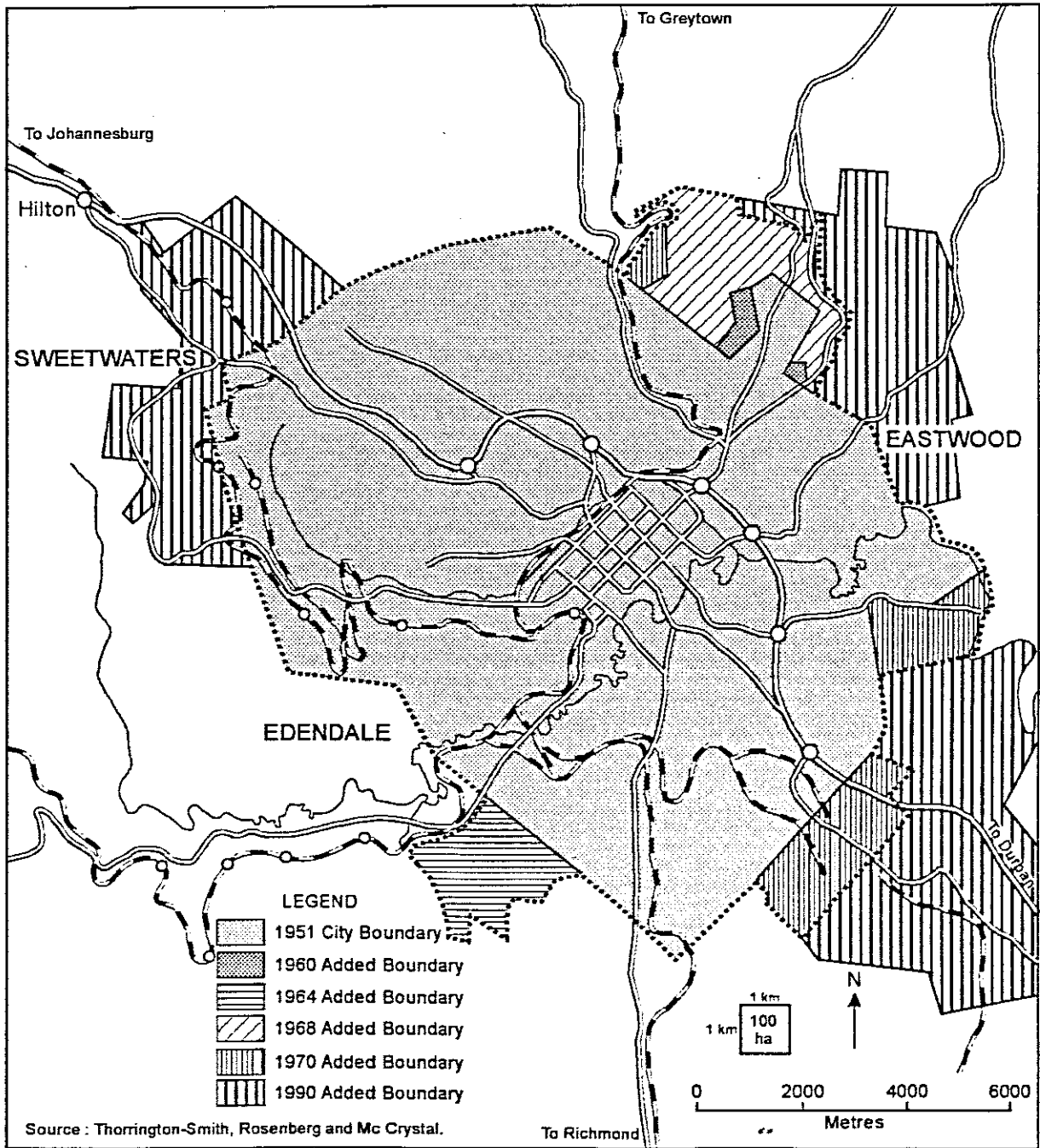


Figure 2.5. Spatial growth of the city of Pietermaritzburg 1951 - 1994.

Black local financial affairs were regulated by provisions of Black Local Authorities (Act 102 of 1982) (Cloete, 1993). This was justified on the grounds that throughout the world local authorities are subject to control by higher authorities. This arrangement is essential to ensure that various levels of authorities will not compete with one another for sources of income and their activities will not disrupt the economy of the country.

2.5.2 The Establishment of Indlovu Regional Services Council

According to the Regional Services Councils Act (Act 109) of 1985 (Republic of South Africa, 1985) a "Regional Services Council" of the demarcated regions was established to provide specified municipal services on a regional scale by the Provincial Administrator, the Minister of local government, national housing, the Minister of Finance and the Ministers Council of the three Houses of Parliament (House of Assembly, Delegate and Representatives). Under this Act the Indlovu Regional Service Council was established with Pietermaritzburg as its core (Cloete, 1993; Government Gazette, 1994).

Twenty two services were provided by the Regional council e.g. Bulk water and electricity supply, sewerage purification works and main sewerage discharge pipelines; roads and storm water drainage; passenger transport services, abattoirs; cemeteries and crematoria; health services; airports; civil defence; library services; recreational facilities; environmental conservation and tourism. The regional service council was therefore, a specific type of local authority, rendering local services on a larger scale and thereby relieving the individual local authority of rendering services beyond their financial and administrative capacity. The relevant provincial administrator decides on the appointment of the chairman and the five local authority members of the multiracial regional services council, depending on financial contribution of each local authority to the regional services council (Cloete, 1993). A deputy

chairman for each regional service was elected at the first meeting. Parliament passed the KwaZulu and Natal Joint services Act (Act 84) of 1990, which established joint services boards corresponding with those of the regional services councils.

2.5.3 Effects of Apartheid on the Structure and functioning of Pietermaritzburg

The impact of Apartheid on the structure and morphology of Pietermaritzburg is such that it cannot be ignored in any discussion about the future planning of the city. Apartheid was responsible for the present plan of the city as well as its functioning.

2.5.3.1 Artificial Structuring of the City

The mass removals associated with apartheid have been exhaustively documented (Smit and Booysen, 1977; Smit *et al*, 1982; Surplus People Project, 1983). By 1990 approximately 1 700 group areas had been proclaimed in South African cities, resulting in the forced removal of between 750 000 and 1 000 000 people (Bernstein and McCarthy, 1990). Apartheid laws did not only have damaging effects on human lives but also resulted in the artificial structuring of cities in terms of its economy, administration and morphology.

According to Soussan (1984) there existed a clear dialectic between ideology and settlement structures in South Africa which revolved around two central dimensions of apartheid, namely, the labour requirement of the capitalist mode of production and the maintenance of white supremacy in all aspects of the country's economy. The segregated city of Pietermaritzburg was build to a comprehensive social design which made it to be distinguishable from the 'apartheid city' which reflected a dominant political ideology (Landsman and Haswell, 1988). In terms of the Group Areas Act, the Black people were temporary sojourners in the 'white' city, and were there to serve the White citizens as

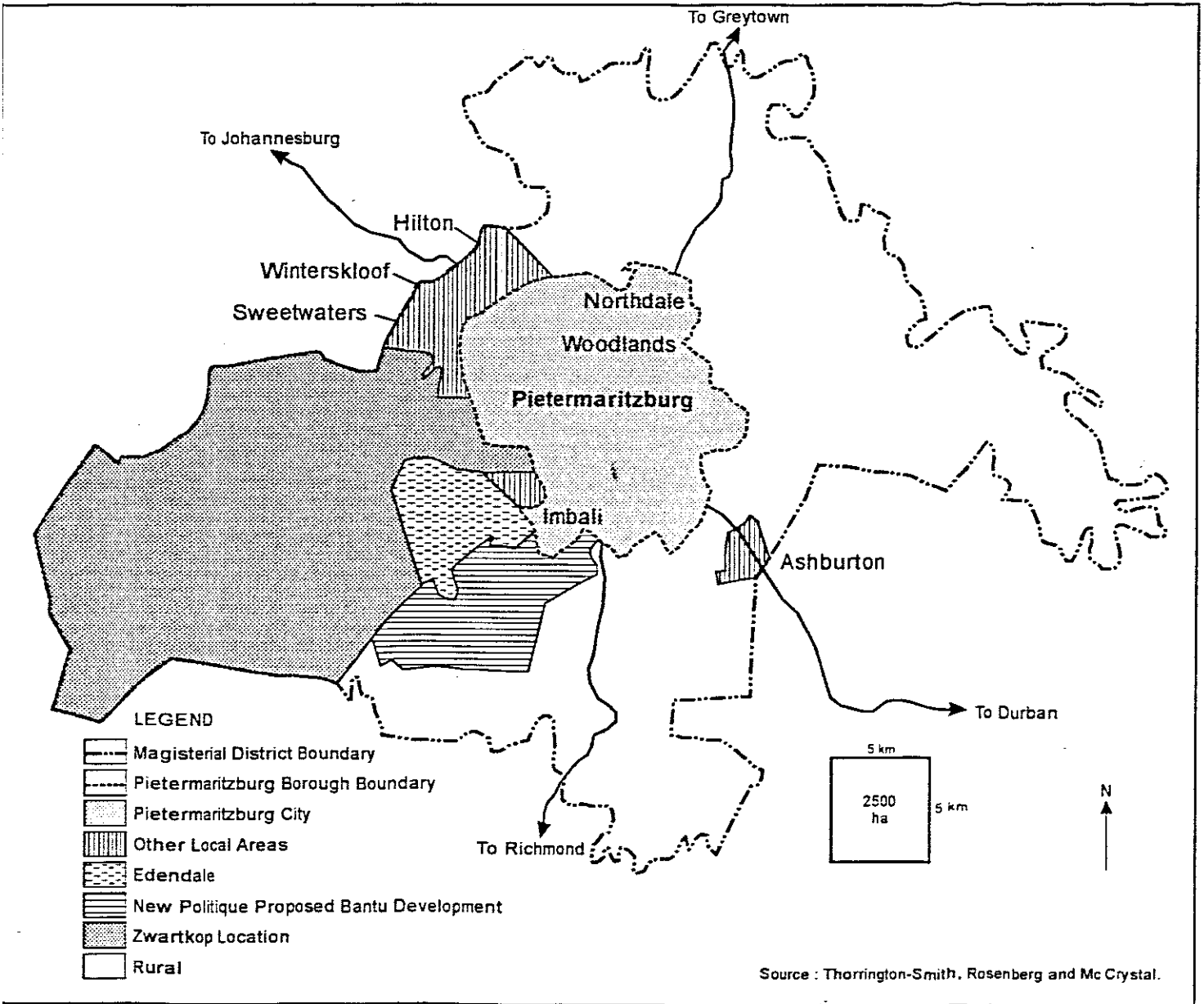


Figure 2.6. Pietermaritzburg Metro Area 1970.

domestics and labourers. This idea was euphemistically expressed in the words of the Ministers of Interior (1950):

" now this (the bill) is designed to eliminate friction between races in the Union because we believe, and believe strongly, that points of contact - all unnecessary points of contact - between races must be avoided. Contact brings about heat, and may cause a conflagration " Landsman and Haswell, 1988 pp 41).

The removal of 'unnecessary points of contact' was achieved by dividing cities into racially exclusive zones, where only one group was allowed to live and carry on business. If the system of zoning was to be effective, a type of sectoral residential pattern by buffer zones. The policy was established to keep Africans on the outskirts of town or in nearby rural areas. Despite some decentralisation, employment opportunities in Pietermaritzburg remained concentrated in the central area and Willowton. Buffer strips were created e.g. strip of land between Imbali and the Grange / Westgate; the municipal cemetery and the railway servitude which separated the coloured group area of Woodlands from the Indian suburb of Northdale.

The global pattern of cities was that those who could afford it lived farthest from their places of work. The poor were clustered at high density in unsatisfactory housing in the inner city, while the affluent lived at low density in suburban comfort some distance from the heart of the city. Paradoxically, in the apartheid city the discriminatory legislation has pushed the centre of gravity of the poor majority to the periphery, resulting in the urban African population commuting long distances to work (Truluck, 1990). African residents of Pietermaritzburg live in the peripheral townships of Imbali , Ashdown or Edendale. all

situated south of the city (Fig. 2.3). The commuter railway service is absent and commuters rely on the bus system and minibuses (taxis).

Although the city of Pietermaritzburg is set within the western capitalist market economy, the apartheid system has imposed a specific structure and distinctive character on it. State induced racial zoning on ethnic lines resulted in an artificial duplication of the residential, economic and administrative functioning of this town. Stringent state involvement in the structuring of the town corresponds to a certain degree to the central planning of second world cities. Socialist principles of equality, however, were absent and the gap between the rich and the poor has increased with time. Furthermore, apartheid stimulated a dualistic economic base within Pietermaritzburg comprising a formal Western and an informal Third World economic structure.

2.5.3.2 Migratory Labour

In order to further protect White citizens in South African urban areas a series of influx control legislation was passed including the Prohibition of Mixed Marriages Act of 1949 (Republic of South Africa, 1949), the Population Registration Act of 1950 (Republic of South Africa, 1950), the Immorality Act of 1950 (Republic of South Africa, 1950), the Separate Amenities Act of 1953 (Republic of South Africa, 1953), the Group Areas Act of 1950 (Republic of South Africa, 1950). There was further limited provision of housing for Blacks in the urban areas. The end result of this was that only a limited number of Blacks could live permanently in the urban areas. The majority of those who offered to work in the urban areas became migrant labourers, oscillating between their rural homes and the urban areas. The migrants were largely housed in single-sex hostels, which were often

overcrowded, filthy and alienated from the urban dwellers. Two such hostels exist in Pietermaritzburg.

2.5.3.3 Crime and Violence

Unemployment, poverty and the squalid living conditions under which the Black communities lived were associated with crime and violence. Violence in Pietermaritzburg in the 1970's and 1980s caused many Black people to abandon their homes and seek refuge in the city. This created overcrowding and is one of the causes of the development of 'informal settlements' such as the Masukwane settlement near the Greytown-Howick taxi rank. During periods of unrest parents were accompanied by their children in their flight and crowded community halls, churches and other public buildings as refugees. The children consequently suffered emotionally and educationally.

2.5.3.4 Economic Stagnation

Economic disinvestment by multinational companies resulted in the closure of a number of industries such as the Brick 'n Tile Company in Willowton (Natal Witness, 1991). Many jobs were lost. Consequently the cycle of unemployment, poverty, informal settlements, crime and violence was exacerbated.

2.6 THE POST-APARTHEID PIETERMARITZBURG

Apartheid was eventually accepted as unrealistic and abandoned by the Abolition of Racially Based Land Measures Act (Act 108) of 1991 (Republic of South Africa, 1991) which recalled the Group Areas Act 1950 and abolished separate local authorities and all the interim

measures for local government. The Local Government Act (Act 128) of 1991 was passed with the aim of bringing about conditions of welfare for all people living in urban areas. Section 28 of the Provincial and local Authorities Amendment Act (Act 134) of 1992 (Republic of South Africa, 1992) empowered the administrator of a province to demarcate by proclamation joint administrative areas for local government purposes and assign a name for each such area. Section 29 of this Act established an Advisory Commission on financial aspects regarding local government Affairs. At the request of the Minister of Finance the government grants were given to the local governments.

2.7 SUMMARY

All land in KwaZulu/Natal was originally farm land. Urban areas developed out of a change of livelihood from farming to trade and the need for people to live in closer communities. Church buildings became surrounded by a small number of houses, business or trading centres and later government and administrative buildings were erected.

There are very few cities in the world of the size of Pietermaritzburg which have been involved in so many epoch-making events. In the preceding sections of Chapter two it has been indicated that Pietermaritzburg was occupied interchangeably by first the Indigenous Zulu, then by the Dutch colonists (Trek boers), then by the British Empire, then by the Union of South Africa (1910), then by the Apartheid Republic of South Africa in 1948 and finally by the democratically elected Government of South Africa in 1994. Each time there was change from one occupier to another there was some impact on the growth, structure and functioning of the city.

The citizens of Pietermaritzburg are proud of their heritage and are determined to conserve buildings of character. Since there are so many treasured buildings and other historical monuments in Pietermaritzburg, their preservation is a significant factor to be considered in assessing the viability and sustainability of the city. Chapter three examines the morphology and socio-economic characteristics related to the sustainability of Pietermaritzburg.

CHAPTER THREE

THE INFORMAL BUSINESS ENTERPRISES AND THE SOCIO-ECONOMIC

CHARACTERISTICS OF PIETERMARITZBURG

3.1 INTRODUCTION

In South Africa the local needs of urban residents are provided by a local government. Not only does the local government control the revenue of the area or region under its authority, but it also has access to central and provincial government funding. Local governments serve entire communities, whose needs are bulky, and are acquired cost-effectively through the Local Government in terms of the principles of scale economies. Among the services provided by the Local Government are roads, public transport, sewerage system, garbage removal, water and electricity supply, libraries, schools, health services and security. Chapter three examines the relationships between the informal business and the socio-economic characteristics of Pietermaritzburg with a view of assessing their effects on the economic viability and sustainability of the city.

3.2 THE DUALISTIC CHARACTER OF PIETERMARITZBURG

Pietermaritzburg still bear the colonial and apartheid character as far as residential areas are concerned. Unlike the typical models of western cities where there is decreasing population densities in combination with increasing social status towards the periphery, Pietermaritzburg is characterised by decreasing socio-economic status and increasing density towards the periphery.

In spite of the repeal of all racial laws in South Africa by the Abolition of Racially Based Land Measures Act (Act 108) of 1991 (Republic of South Africa, 1991) the segregation of residential areas along racial lines is still obvious, manifesting itself in a dualistic character of the city. The predominantly White residential areas such as Wembley, Scottsville, Athlone and Montrose are orderly and well developed according to western norms. They are characterized by low building densities dominated by single dwelling units, well planned layouts, private vehicle use, modern architecture, and sound infrastructure and services.

Alongside the White residential zones there exists disadvantaged Black residential components such as Imbali, Edendale and Sobantu village, which portray a relatively disordered and inferior layout. Phenomena such as high densities, unemployment, poverty, informal economic activities, illiteracy, ill health, housing backlogs, informal settlements, insufficient infrastructure and services are widespread in these areas. At this stage it is appropriate to state that in terms of the 22nd principle of the report of the United Nations Conference on the Human Environment (UNCHE, 1972), and the Rio declaration (UNCED, 1992) this inequality is a negative factor to the sustainability of Pietermaritzburg.

3.3 THE ECONOMIC BASE OF PIETERMARITZBURG

A large part of the funding for the city of Pietermaritzburg consists of the allocation by the Central Government. The rest is from locally generated revenue. The discussion of Pietermaritzburg has thusfar treated the city and its adjacent areas as a unit. In reality, however, there are differences in the amount of revenue generated among the different areas of the city. The areas generating more revenue being those that contain industrial and commercial sectors. The taxation and rates contributed by the industrial and commercial

sectors are substantially larger than those contributed by the residential areas. Apart from rates and taxation, the city collected its revenue from rental of state property, various licence fees, fines for the contravention of municipal legislation, miscellaneous fees, etc.

Although the town of Pietermaritzburg is set within the western capitalist market economy, the apartheid system induced racial zoning which resulted in an artificial duplication of the residential, economic and administrative functioning of this town. Furthermore, within the residential zones apartheid encouraged a dualistic economic base in Pietermaritzburg comprising an economically rich formal White residential sector and an economically weak Black residential sector.

In spite of the economic differences among the residential areas, this study is concerned with the economic viability and sustainability of the city as a whole. For this reason, the yardstick used for measuring economic viability and sustainability will be the income of the city as a whole, and not just certain sectors of it. Assuming that the amount of revenue contributed by residents in the form of rental and rates is sufficient only to maintain infrastructure and services within the residential areas, the vibrant areas that can generate surplus income for the city are the industrial and commercial cores. It is on this basis that a more detailed study of the commercial and industrial centres has been made in the sections that follow hereafter.

3.4 MORPHOLOGICAL CHARACTERISTICS OF CENTRAL PIETERMARITZBURG

In Chapter two it was explained how Pietermaritzburg originated and developed under the Dutch and English colonial systems and subsequently under the apartheid system. Since its occupation by the Trekboers, Pietermaritzburg was surveyed and planned. The Original grid

plan of the central area has remained as it was laid out by the early voortrekkers. The changes brought about by the English colonists to the morphology of the central city was merely cosmetic, involving mainly the alteration to the size of the erven. The most significant effects of the British colonial and apartheid policies on the morphology of Pietermaritzburg was the residential segregation on racial lines, which has remained and indelible character even after the abolition of all racial laws in South Africa (Republic of South Africa, 1991). Racial disparities have even been highlighted recently by the development of squalid informal settlements side by side the city's predominantly White affluent suburbs.

To develop every urban area the South African parliament has made laws that are passed by the provincial councils to enforce the proper use of land. The physical planning, surveying, preparing and zoning (land-use) is the responsibility of each local authority (Cloete, 1993; Government Gazette, 1994). The planning offices for Kwazulu/Natal are located in Pietermaritzburg, which means that the Pietermaritzburg city is in an ideal position as far as its planning programmes for viability and sustainability are concerned.

3.4.1 Land Use Changes in Pietermaritzburg

The total area of Central Pietermaritzburg is approximately 912 hectares (ha). Of this total about 63.8 percent was initially used for residential purposes. With increase in commercial and industrial activities, more land has been allocated to their use. While commercial land increased from 6.2 percent in 1975 to 18.4 percent in 1999, there was a decrease in residential land from 52.5 percent to 40.2 percent over the same period. Figures 3.4 to 3.6, which were compiled by the interpretation of sequential aerial photographs of the city for the years 1958 to 1999, provide a vivid illustration of the spatial encroachment of commercial

activities on residential areas. The CBD, Government property, Recreational areas and the Civic areas have remained relatively unchanged in size.

Table 3.1 Land Use Changes in Pietermaritzburg (in hectares)

Category	1958	1975	1999
CBD	106	106	106
Other Commercial Units	-	56	168
Civic Area	30.8	30.8	30.8
Residential Area	582.4	478.6	366.8
Industrial Area	-	28	28
Schools & Hospitals	53	58.8	58.8
Recreational Area	95	95	95
Govt. Property	44.8	44.8	44.8
Parking Area	-	14	14
Total	912	912	912

Source: Measurements taken from Figs. 3.1 to 3.3.

Table 3.2 Land Use Changes in Percentage of Total Area

Category	1958	1975	1999
CBD	11.6	11.6	11.6
Other Commercial Units	-	6.2	18.4
Civic Area	3.8	3.8	3.8
Residential Area	63.8	52.5	40.2
Industrial Area	-	3.0	3.0
Schools & Hospitals	5.8	6.5	6.5
Recreational Area	10.4	10.4	10.4
Govt. Property	4.9	4.9	4.9
Parking Area	-	1.5	1.5
Total	100	100	100

Source: Derived from Table 3.1

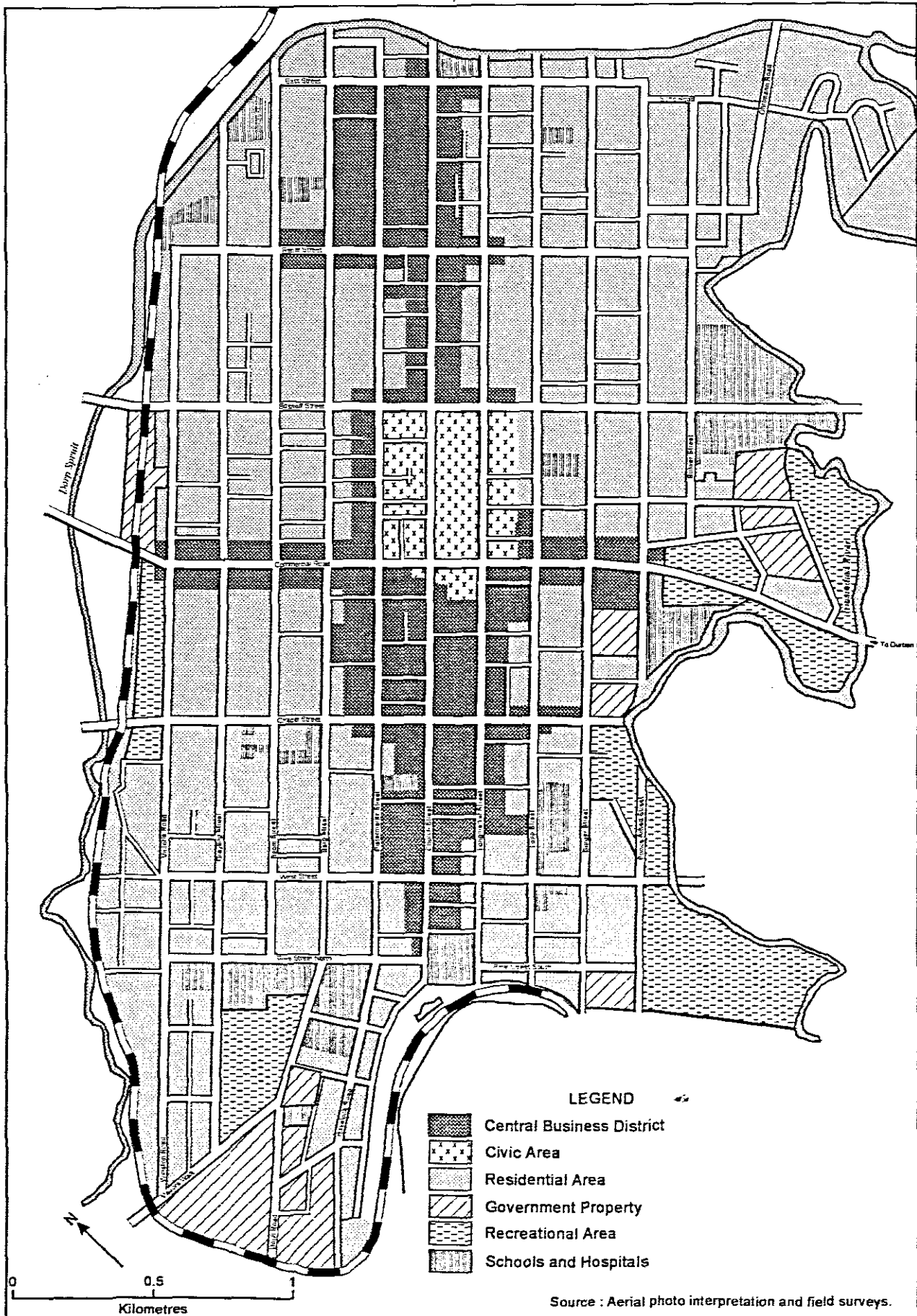


Figure 3.1. Pietermaritzburg central area land use in 1958.

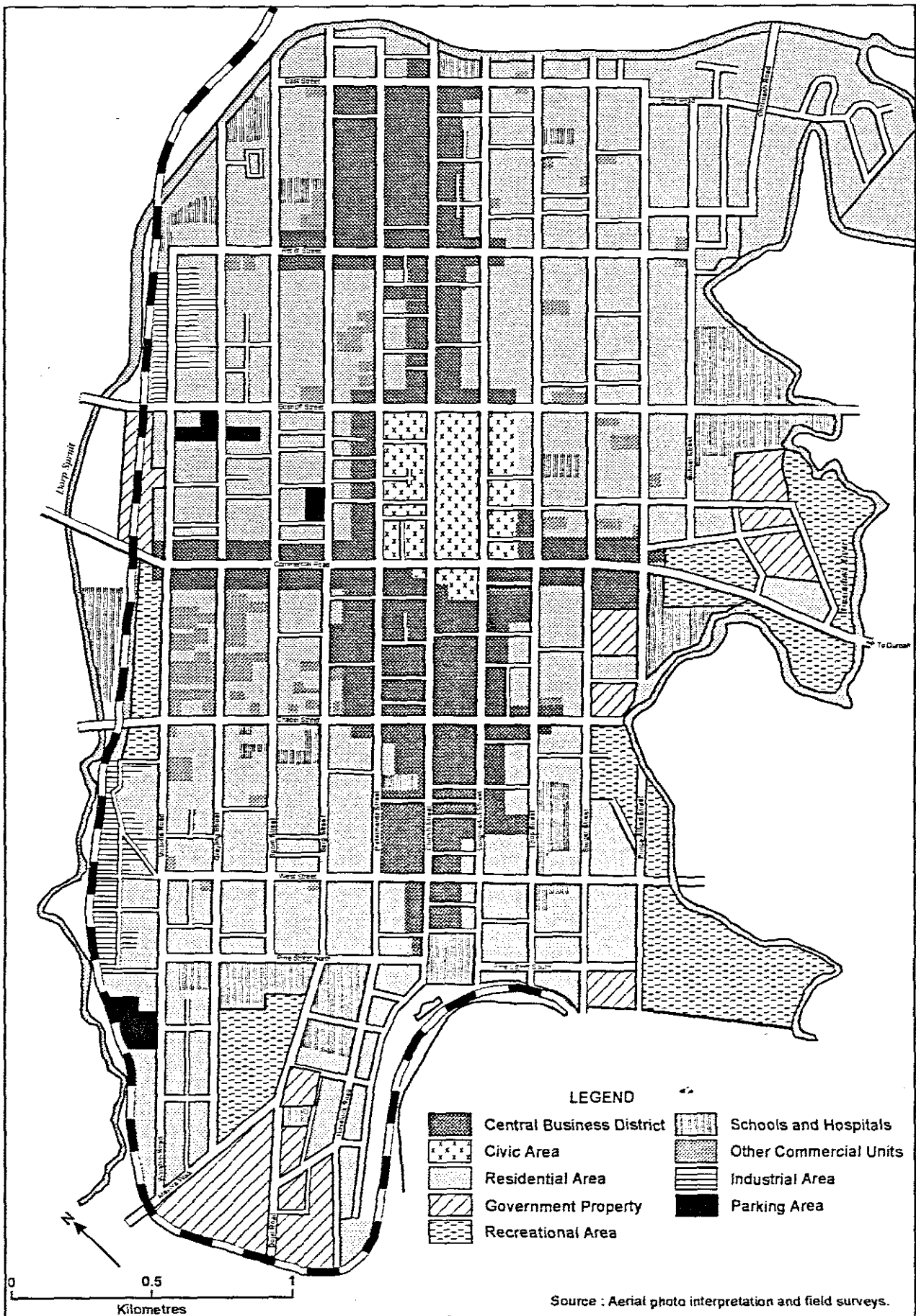


Figure 3.2. Pietermaritzburg central area land use in 1975.

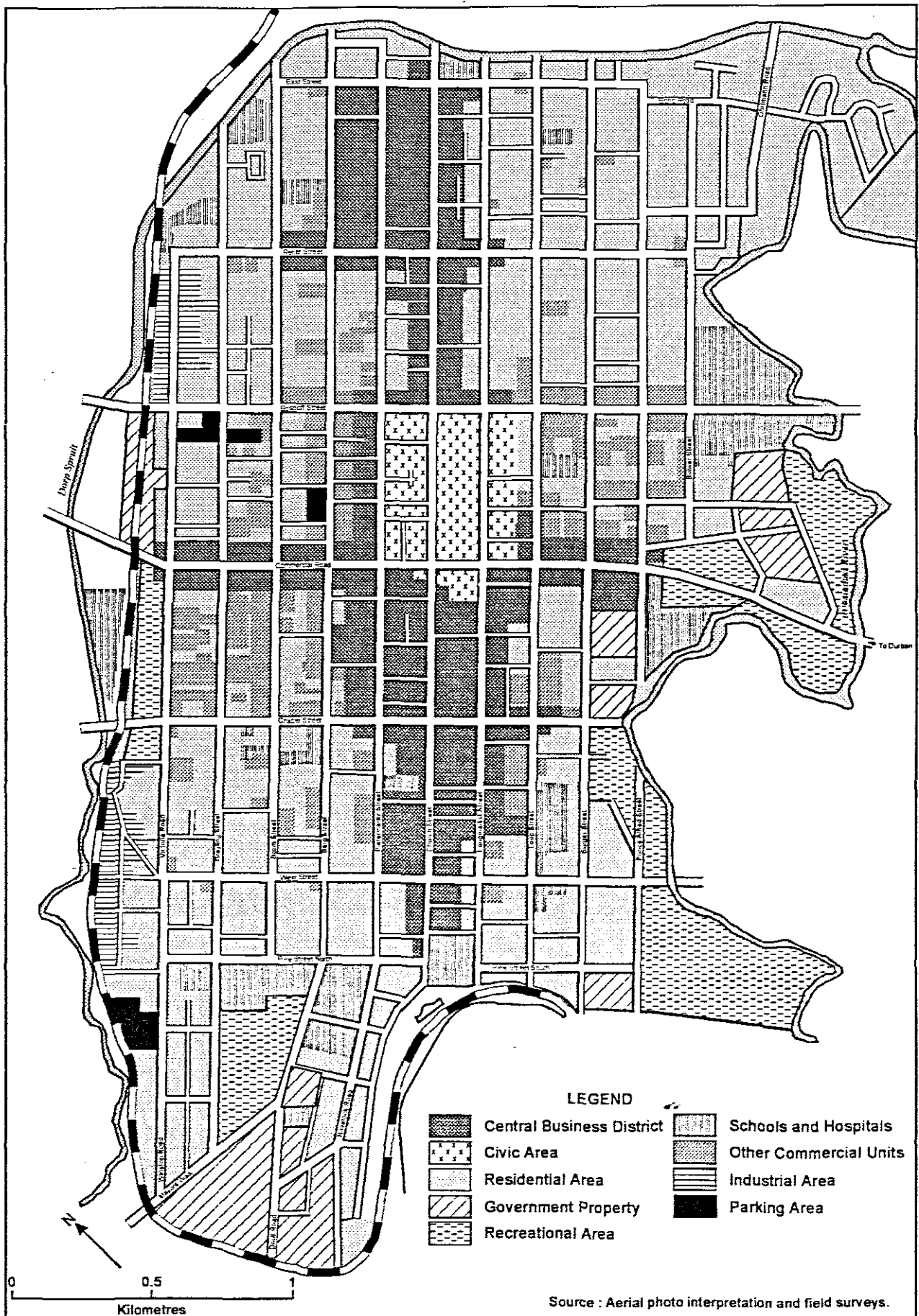
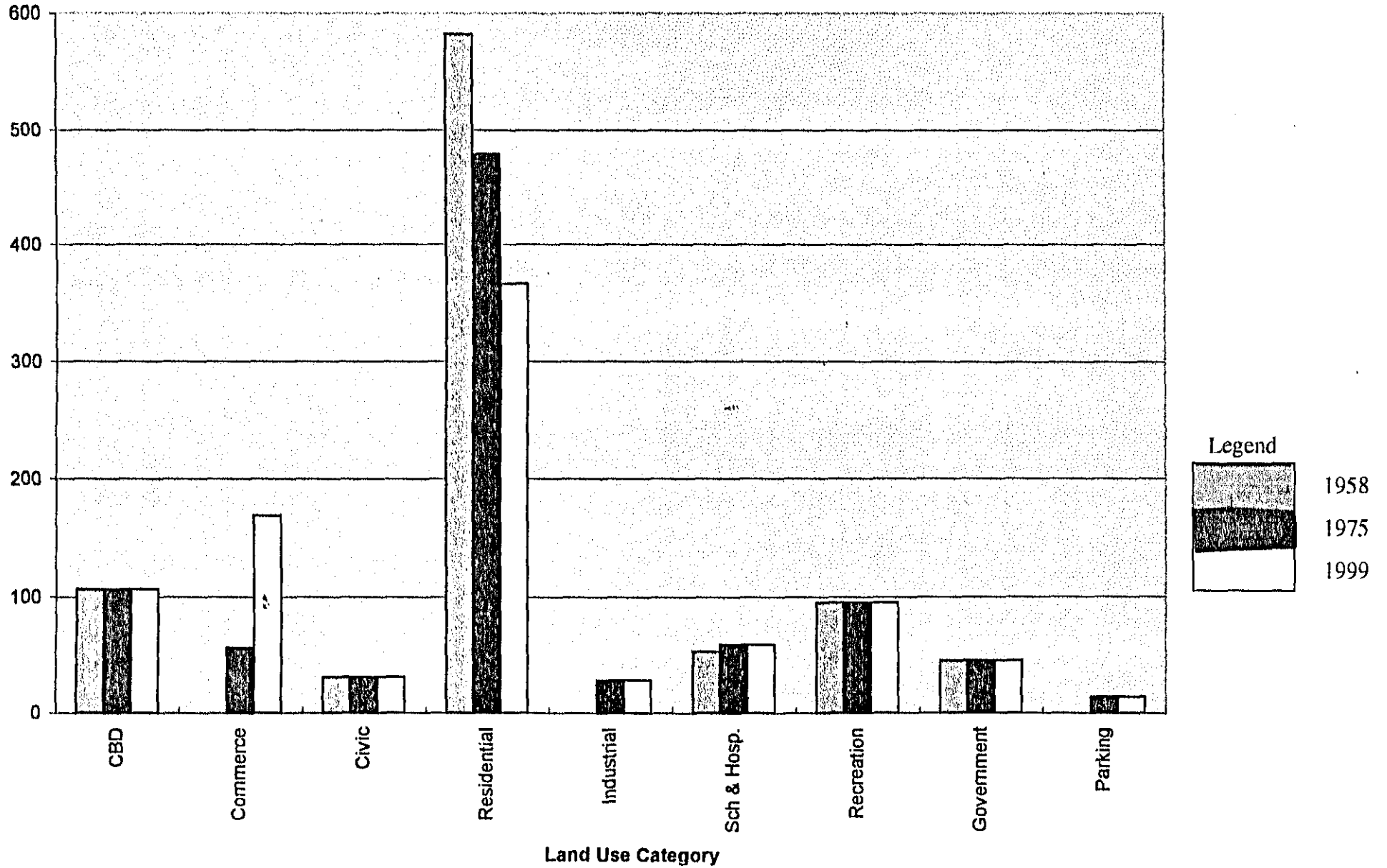


Figure 3.3. Pietermaritzburg central area land use in 1999.

Diag. 1 Pietermaritzburg Land Use Changes 1958 -1999



3.4.2 The Present Land Use of the Central Area of Pietermaritzburg

At present the Central area of Pietermaritzburg may be divided into about nine significant land use categories namely, commercial, civic, government property, public institutions, residential, industrial and recreational (i.e. open spaces, parks and playgrounds). Competition for land use is confined to commercial and residential land use. Although commercial activities are spreading spatially to encroach on residential areas, there are very few newly build centres of commerce. Most of the newly established commercial enterprises operate from residential areas (see Plates 1 to 5). The significance of this is that the spatial extension of business is not matched by the number of businesses established. There would have been far more business enterprises accommodated if the businesses were concentrated on high density, high rise buildings. Pietermaritzburg is characterized by the lack of high rise buildings which are symbolic of city status. Unless alternative space is found for the accommodation of industry and commerce in modern high rise buildings, its economic growth potential is somewhat limited.

3.4.3 Development of Commercial Enterprises and Heritage

The main reason for the use of private residences for business enterprises in Pietermaritzburg, is the need to conserve the city's heritage. It was mentioned in Chapter two that the Historical Monuments Council has described it as the most important high character cities in Africa (landsman and Haswell, 1988). This is not surprising, considering the many historical events that took place in the city since colonial times. It was indicated in Chapter Two that there were few cities the size of Pietermaritzburg which have been involved in so many epoch making events. There are also many cultural groups that claim their heritage from the city, including, the Zulu, the Dutch and the English. One of the elements of heritage that the

citizens of Pietermaritzburg are proud of, and would like to conserve, are the buildings and monuments of character. This includes all buildings with colonial architecture, the historic public buildings and monuments, etc. The following are examples of these buildings and monuments :

3.4.3.1 Historical Church Buildings in Pietermaritzburg

The colonists who entered South Africa were christians. Throughout their travel in the country they spread the Christian gospel, and proselytized the indigenous people. In the process they build churches wherever they settled. Pietermaritzburg was well supplied with churches.

The first public building in Pietermaritzburg was the church of the vow, that was built by the Trekboers in 1840 (Thorrington Smith *et al.* 1973) Built of gable stone, the church of the vow was the first place of worship in Natal. Although it was intended to be a temporary place of worship, it became the mother Church of South Eastern Africa. With the rapid advance of the rest of the City the building was over-looked and fell into despair, until Mr Thomas Hannah took it over for the purpose of establishing himself in it as a chemist and druggist and later speedily transformed it into a first-class pharmaceutical establishment with doctors' consulting rooms and work-rooms (Thorrington-Smith *et al* 1973).

In 1844 a Thatched-roofed Wesleyan Chapel was opened in Chapel street. In 1851 a Presbyterian church was established on the site in Church street opposite the Raadsaal. Also in 1851 were built the garrison church at Fort Napier and St Peter's Anglican Church on a site granted by the Colonial Government. St. Mary's Catholic Church was opened in 1852.

PLATE 1. RESIDENTIAL HOUSES USED FOR BUSINESSES IN GREYLING STREET

The house in the top picture has retained its original corrugated iron roof, whereas the roof of the house in the bottom picture has been renovated.



PLATE 2. RESIDENTIAL HOUSES USED FOR BUSINESSES IN BOOM STREET

All the houses have retained their original architecture. Those in the top picture still have their original corrugated iron roofs. The houses in the bottom picture have had their roofs renovated.



PLATE 3. TYPICAL COLONIAL ARCHITECTURE

These are typical colonial houses with Dutch or English architecture. Note the characteristic corrugated iron roofs with chimneys. The verandahs have decorated linings. The house in the top picture is in Prince Alfred Street, that in the bottom picture is in Burger Street.



PLATE 4. NON-COLONIAL RESIDENCES USED FOR BUSINESS

The house in the top picture is of modern architecture. The main reason for it been used for business purposes is that it is situated in a busy area in Boshoff Street. Although it has become convenient for many business people to use private residences for business purposes, it is sometimes necessary to make alterations to non-colonial houses to accomodate their business needs. This is illustrated in the bottom picture, located in Chapel Street.

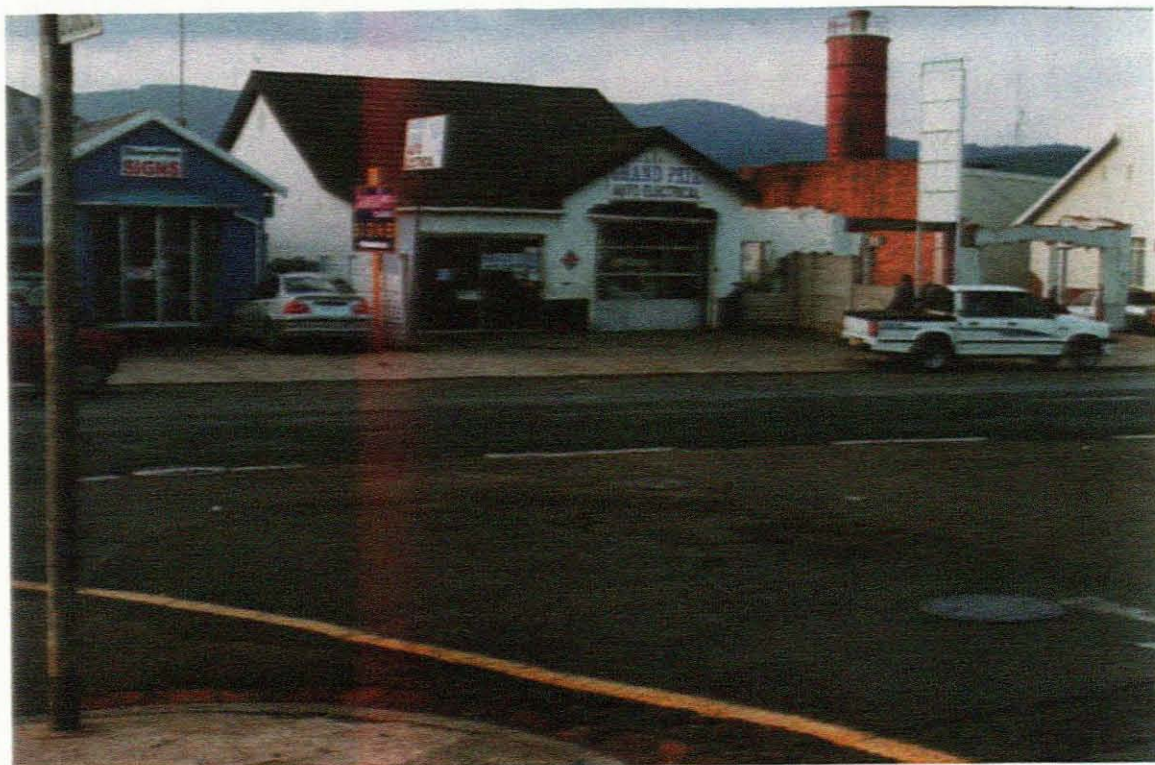


PLATE 5. MODIFICATIONS WITHOUT ALTERATION OF ARCHITECTURE

The take-away shop (top picture) and the exhaust dealer (bottom picture), both located in Berg street, indicate how the residential houses can be modified without alteration of the original architecture. A metal chimney can be seen from the side-wall of the take-away shop.



3.4.3.2 Other Public Buildings

The market place - built of thatched roof in the site of the present City Hall at the corner of Church street and commercial road. Nearby was a goal. The first legislative council building was built in 1857 at the corner of Chapel and Longmarket Street.

In 1848 a school room was built for the government in Longmarket Street and auction houses in Church Street.

In 1897, at the celebration of the Diamond Jubilee Year, several important public buildings, including the Scottsville Theatre, the Diamond Jubilee Pavilion in Alexander Park, the Post Office and Parliament Buildings in Longmarket Street and A Sanatorium (now St. Ann's Hospital).

Also of importance are the railway station which was completed in 1901 and the many private or official residences of the different personalities and colonial officials who came to live or work in Pietermaritzburg.

As a result of its legacy as an administrative capital of KwaZulu/Natal, the apartheid policies that prevented the influx of Black people into the city, and the conservative attitude towards economic development within the central area, Pietermaritzburg has remained essentially an administrative capital with little economic development.

3.5 THE GROWTH OF PIETERMARITZBURG'S POPULATION

Human populations are important in the assessment of the viability and sustainability of any settlement. People are producers and consumers of items of value derived from the natural

resources. Therefore the size of the population, its age and sex structure, its education and skill, its culture and socio-political organisation are all related to its capacity to efficiently utilize the available natural resources. Linking population and environment in strategies for sustainable development is supported by the International Union for Conservation of Nature (IUCN) which maintains that, for effective results, policy and planning responses must be attuned to the location-specific nature of population-environment interactions (Ness and Golay, 1997).

3.5.1 Population Growth in Pietermaritzburg During 1865 - 1902

Table 3.3 illustrates the growth of the population of Pietermaritzburg during the colonial period, specifically for the period 1865 to 1902.

Table 3.3 Population of Pietermaritzburg 1865 - 1902

Year	Whites	African	Asian
1865	3 220	1 600*	78
1868	3 632	-	-
1870	3 950	-	-
1874	3 259	-	-
1880	6 088	5 000*	745*
1900	10 000	30 000*	3 000
1902	13 000	35 000	

Estimates

Source: Thorrington-Smith *et al* 1973.

Between 1865 and 1874 there was no significant change in the size of the White population in Pietermaritzburg. During the years 1880 and 1900, however, there was a sudden increase in the White population. This is associated with the Zulu War (1871-1879) and the Anglo-

Boer War (1899-1902) during which there was an influx of commissioned men who were deployed to the city (Thorrington-Smith *et al*, 1973)

The Asiatic population increased from 78 in 1864 to 745 in 1884 and 3 000 in 1900. According to Thorrington-Smith *et al* (1973), the indigenous Zulus were not accurately recorded before 1863 as they were alleged to have been driven out by Shaka, and were in hiding. In 1863 the recorded number of Zulus living in Pietermaritzburg town was 1 600. This figure increased to 5 000 in 1891. Due to changes in administrative boundaries the number of Africans in Pietermaritzburg increased to 30 000 in 1899 and 35 000 in 1902.

3.5.2 Population Growth in Pietermaritzburg during 1951-1996

After the declaration of the Union of South Africa in 1910, Pietermaritzburg became the administrative capital of KwaZulu/Natal. The normal urbanisation process took place, although the urbanisation of Black people was slowed down by the influx control laws. Whereas there has been a continuous increase of all population groups, the numbers of Blacks in the city has been fluctuating, having gone down from 64312 in 1960 to 47337 in 1970 and from 67369 in 1980 to 63343 in 1991 (Table 3.4). Table 3.4 shows that the White population almost doubled between 1951 and 1996. The number of Asians trebled, while the coloured population rose by about 5 times its 1951 number.

The exceptionally high figure of Black people recorded in the city in the 1996 census can be associated with the repeal of the all racial laws in 1991, and the subsequent establishment of the Government of National Unity (GNU) in 1994. The number of Black people in 1996 increased by about 288 percent (i.e. almost three times) that of the 1991 census figure. This explosion of the Black people was to be expected, considering the long period during which

they were artificially and legally excluded from being citizens of the city. The influx of many Black people into the city may also be related to the violence that broke up in KwaZulu/Natal towards the change over to the new political dispensation. Changes made to the boundaries of the city to incorporate some of the previously excluded Black areas also contributed to the explosion of the city's Black population. The Black component of the city's population was changed from 42 percent in 1951 to 74 percent in 1996.

Table 3.4 The Urban Population of Pietermaritzburg by Racial Group for the Years 1951-1996.

Year	Whites	Coloured	Asians	Black	Total
1951	33 992	3 904	20 462	42 052	100 410
1960	41 221	5 780	27 758	64 312	139 071
1970	47115	8 400	35 999	47 337	138 851
1980	57256	12 774	53 330	67 369	190 729
1991	55557	15 706	63 912	63 343	198 518
1996	61516	16 233	68 467	424 579	570 795

Data source: 1980, 1991 and 1996 Population Censuses

On the whole Pietermaritzburg population grew from 100 410 in 1951 to 570 795 in 1996 giving an average annual growth rate of 3.9 percent compound. For this rate of population growth, it requires a similar growth rate in the economy for the city to remain economically viable and sustainable.

3.5.3 Housing Provision for Pietermaritzburg's Population

According to the 1991 population census there were about 46 565 formal housing units (including houses, flats and town houses) in Pietermaritzburg city. This gives about 4 people to a housing unit, which was a satisfactory allocation. Only 265 informal housing were

registered in 1991. The rapid growth of the city's population has not been accompanied by a similar growth in housing provision, especially because it is the Black population that increased threefold when it was already suffering severe housing backlogs. Based on the 1996 population census the number of people per household increased from 4 to 12. Considering that this average figure was in fact skewed against the Black population, it is not difficult to understand why informal settlements mushroomed in the city between 1991 and 1996.

To the south-west of the city there are dense concentrations of informal settlements under slum conditions in and near the Umsunduzi River valley. Other informal settlements lie scattered in various vacant lots, especially in the eastern part of the city. Two large hostels within the central area of the city provide accommodation for about 2 900 inmates each under crowded conditions. Other places of mass accommodation within the city are the school and hospital residential hostels located on the premises of these institutions. The failure to provide suitable housing under hygienic conditions is negative to the sustainability of the city.

3.6 AGE AND SEX STRUCTURE OF PIETERMARITZBURG'S POPULATION

The age and sex structure of the population was extracted from the 1996 population census because of its recency. It should, however, be borne in mind that age and sex structure of the population is dynamic, changing from one census to another. The age and sex structure of the different race groups is also not similar. The use of the data on Table 3.5 is thus a generalised picture of the age and sex structure of the population. It is, nevertheless, sufficient to use it as an indicator of sustainability.

Table 3.5 Age and Sex Structure of Pietermaritzburg's Population in 1996.

Age Group	Male	Female	Total
00 - 04	27210	27011	54221
05 - 09	28474	28277	56751
10 - 14	29120	29535	58656
15 - 19	28823	30906	59729
20 - 24	32061	34904	66965
25 - 29	25900	28812	54712
30 - 34	21102	24719	45821
35 - 39	17899	20692	38591
40 - 44	14810	17704	32514
45 - 49	12141	13864	26005
50 - 54	8573	10191	18764
55 - 59	6557	8639	15196
60 - 64	4744	7822	12566
65 - 69	4094	6584	10678
70 - 74	2526	4106	6632
75 - 79	1767	3143	4910
80 - 84	794	1628	2422
85 +	480	1298	1778

Source: 1996 Population Census

According to the 1996 population census there were about 167 347 people in their productive years (i.e. 20 - 64 years) in Pietermaritzburg. This constitutes about 54 percent of the whole population. About 55 percent of this age group are female. Children below 15 years constitute about 29 percent of the total population, while people above 65 years old are 5 percent of the population. Assuming that all people in their productive years are productively engaged, the age and sex structure of the population is satisfactory, in terms of production and consumption, for sustaining the economy of the city. It all depends on the actual occupation of the population.

3.7 EMPLOYMENT OPPORTUNITIES

Unemployment in Pietermaritzburg is a dominant characteristic which appears to increase rather than to decrease. The 1996 population census shows that only about 139 240 people, i.e. about 24 percent of the population, are employed in the city of Pietermaritzburg. This is a very small number considering that about 54 percent of the population is in their productive years. Table 3.6 lists the city's employees according to type of occupation. The figures indicate that 114 107 people, or about 82 percent of the all the employed people, are employed in skilled occupations in commerce, industry and government (Table 3.6). The spatial location of employment in the city is illustrated in Figure 3.4. Outside the listed job categories there are apparently very few job opportunities in Pietermaritzburg. This is a negative factor to the viability and sustainability of the city.

Table 3.6 Occupations of the Population by Gender 1996

Occupation	Male	Female	Total
Legislators, senior officials and managers	3154	1091	4245
Professionals	6495	8732	15227
Technicians and associated professionals	4128	5284	9412
Clerks	3227	7508	10735
Service workers, shop and market sales workers	9153	4049	13202
Skilled agricultural and fishery workers	1699	635	2334
Craft and related trades workers	13580	2830	16410
Plant and machine operators and assemblers	9232	1717	10949
Elementary occupations	9429	22164	31593
Total	60097	54010	114107

Source: 1996 Population census

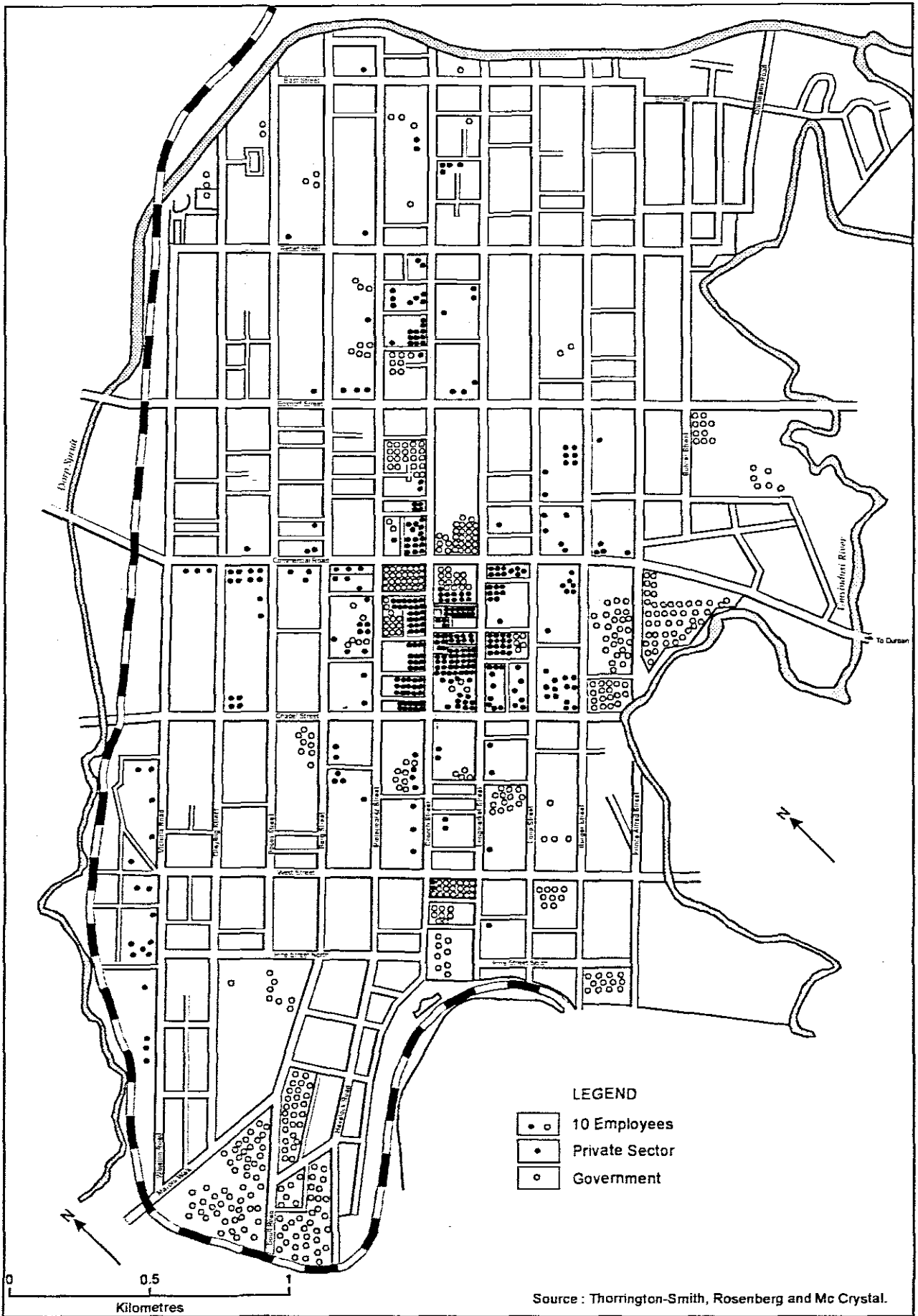


Figure 3.4. Spatial location of office employment. (Private sector and Government)

3.7.1 Inequalities in Job Opportunities

A further breakdown of the 1996 population census indicate that there are racial and gender disparities in job opportunities. Although females constitute about 55 percent of the population, only 47 percent of the females are reflected as employed in Table 3.5. The 1996 population census also indicate that only 43 840 Black people were employed. This is about 31 percent of all employed people, yet Black people constitute about 74 percent of the total population (Table 3.4). At the other extreme the White population, who constitute about 10 percent of the total population, also constitute 10 percent of the employed. Black people are the most disadvantaged group in Pietermaritzburg as far as employment opportunities are concerned.

After visiting the Department of Manpower, Truluck (1990), who found that more than a thousand people were registered unemployed in the Pietermaritzburg/Howick area, stated that unemployment increased with distance from the city centre. This further confirms the finding that Black people are the most disadvantaged group as far as job opportunities are concerned. It has been shown in Chapter two how apartheid laws confined Black people to the peripheries of the city. In the Machibise district of Edendale about 50 percent of the women and 22 percent of the men were unemployed (Truluck, 1990).

3.7.2 Employment Opportunities and Skills

It has been mentioned earlier that about 82 percent of the all the employed people, are employed in skilled occupations in commerce, industry and government (Table 3.6). According to the 1996 Population census the literacy rate among Black people is very low compared to that of other population groups. The bias towards skilled occupations in

Pietermaritzburg is one of the factors associated with there being fewer Black people employed.

3.7.3 Income Disparities

Associated with disparities in education, skills and job opportunities, is the great disparity in income levels (Table 3.7). About 91 percent of Black people earned less than R2 501 a month. The percentage of Coloured, Asian and White people earning less than R2 501 per month was 72, 70 and 41 respectively.

Table 3.7 Income Levels (in Rands) by Racial Group in 1996

Income Level	Black	Coloured	Asian	White	Total
No Income	254099	5942	31010	17933	308984
1 - 200	12491	119	465	1005	14080
201 - 500	35674	769	4113	2175	42731
501 - 1000	21480	652	3313	2535	27953
1001 - 1500	15104	1046	5372	3274	24796
1501 - 2500	10003	1221	6297	5465	22986
2501 - 3500	4110	634	3380	5288	13412
3501 - 4500	2295	377	1946	4175	8793
4501 - 6000	1583	248	1576	4050	7457
6001 - 8000	531	101	758	2851	4241
8001 -11000	279	44	372	1995	2690
11001-16000	141	13	184	1083	1421
16001-30000	62	7	80	637	786
30001+	32	1	37	201	271
Unspecified	55329	4534	8984	4938	73785

* NB about 3 004 people who did not specify their racial group are not reflected in Table 3.6
Source: 1996 Population Census

Of the 310349 people who did not earn an income, about 81 percent were Black. About 13 percent of the people did not indicate the amount they earned (reflected as unspecified in Table 3.6). This may be associated with people who could not estimate their earnings, either because they did not receive fixed income, or being in business, they were unable to keep financial records. About 75 percent of people in this category were Black, probably because of their engagement in the informal sector where they did not keep proper books. Considering that Black people constitute about 74 percent of the total population of Pietermaritzburg city, the high percentage of Blacks earning less than R2 500 a month and of those not earning an income indicate that there are racial disparities in income levels. As stated earlier in this Chapter this inequality in income levels is, in terms of the 22nd principle of the report of the United Nations Conference on the Human Environment (UNCHE, 1972), and the Rio declaration (UNCED, 1992), a negative factor to the sustainability of the city of Pietermaritzburg. Considering that the dependency ratio (i.e. number of dependents per one employed person) was 432, it is evident that there is widespread poverty in Pietermaritzburg, which is another negative factor to sustainability (UNCHE, 1972).

3.7.4 Private Sector Efforts at Job Creation

Private Business has acknowledged the need for job-creation programmes and industrial expansion in the city. New industrial areas were opened for industrial expansion. The Tiger Oats and the Premier milling groups, for instance, moved into the city, calling it the "heart of the fastest growing region in South Africa". The Hullett Aluminium firm also bought up huge areas at newly established Camp's Drift industrial area for expansion purposes. This positive move is, however, offset by retrenchments by companies relocating or closing down, such as Corrobrick that retrenched 80 percent of its remaining staff and Renold Crofts which pulled out of the city (Truluck, 1990).

3.7.5 Worker Efforts at Finding Employment

The Unemployment Silent Majority Organisation was launched to address the needs and demands of the jobless in the city. Some common problems were inadequacy of assistance given to the unemployed. Job seekers were, for instance, often handicapped by the inability to pay for transport in their job seeking ventures. The unemployment crisis is serious judging from a quotation from one of the unemployed:

"At least in jail you get a meal, a bed and shelter. If you go to jail you at least come back with a trade certificate. What type of country is it when one must go to jail to eat and be trained?" (Natal Witness, 1987).

Many of the unemployed have resorted to the informal business enterprise for survival.

3.8 THE INFORMAL BUSINESS SECTOR IN PIETERMARITZBURG

The informal sector has existed in Pietermaritzburg since the beginning of trade in the city. The trade carried out by the colonists with the Natal Nguni was no different from what is now regarded as informal trading. With the arrival of Asians in Pietermaritzburg there were hundreds of licensed Asiatic hawkers who carried out a door-to-door sale of fresh produce.

Until 1976, however, informal trading was considered by government authorities as a social evil, a threat to public health and an eye-sore on the urban landscape (Rogerson, 1987). There was no accommodation for street traders, and street traders were prohibited from operating within the city limits. As a result of the unbearable unemployment situation in South Africa, restrictions prohibiting street trading were relaxed. Small business enterprises

were encouraged through the Small Business Development Corporation (SBDC) which was established in 1980 (SBDC, 1988). Although the primary aim of the SBDC was to furnish pioneer industrial facilities by the creation of industrial parks and factory space for small-scale entrepreneurs, it also offered active support for the experiment in formalising street hawkers by allocating fixed stalls in designated areas.

More attention is currently being given to sheer "survival entrepreneurship" attempts by unemployed people to create some income through self-employment (SBDC, 1988). SBDC staff operate mentor advisory programmes to assist the informal traders by building suitable shelters and stalls, and giving loans to deserving cases.

3.8.1 Support for the Informal Business Enterprises

The informal sector had been mooted by many as an increasingly important sector of the city's economy, with the informal trading as its most obvious manifestation. The City Council had encouraged such trading under strictly controlled conditions. The six areas were earmarked in the city for the establishment of informal trading centres. The first to open was in Retief Street catering about 300 traders. Other areas were in West Street, East Street, Berg Street and Railway Street. It is said that thousands of rands were spent to provide adequate facilities for street traders.

3.8.2 The Sphamandla Hawkers and Vendors Association

The informal traders in the city had become a well-organised sector wielding considerable financial power. The Sphamandla Hawkers and Vendors Association (SHVA) was established in November 1987, with 262 members who were the first to be legalised under

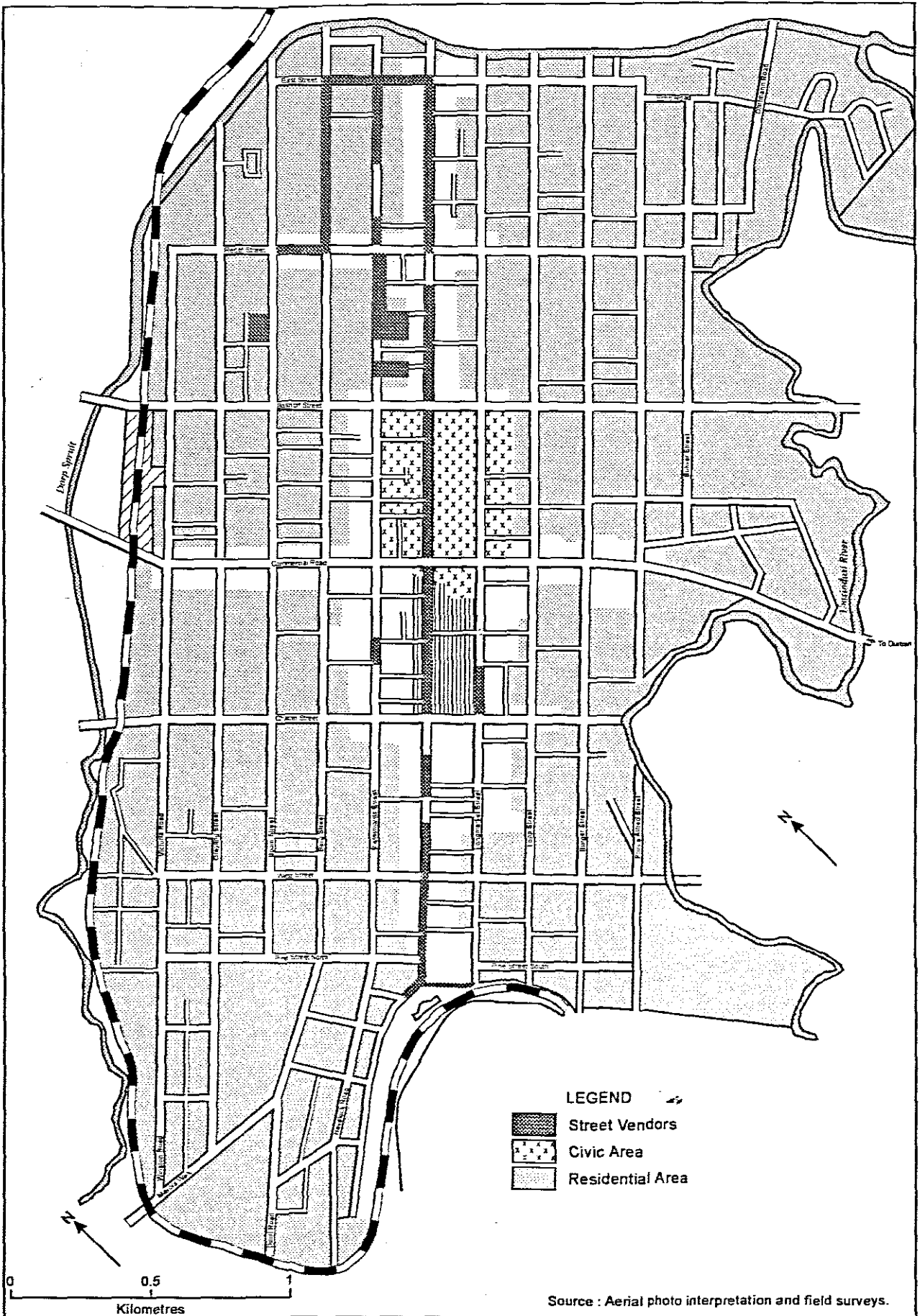


Figure 3.5. The location of Street Vendors in central Pietermaritzburg.

the city council's trading scheme. Several other similar associations have been established in the Midlands Region such as Bambanani Hawkers and Vendors Association affiliated to SHVA which was exploring ways to circumvent wholesalers and deal directly with farmers (Natal Witness, 1989).

Small business in the city had received increasing attention with the SBDC, KwaZulu Finance Company (KFC) and Urban Foundation running advancement programmes or offering finance to small businesses. The SBDC opened Willowton Road Industrial Park consisting of sixteen micro and nine mini-factories for small manufacturers.

3.8.3 Foreign Vendors and Formal 'Informal Vendors'

After the election of the new government in 1994, immigration into South Africa took place, especially from Third World countries, e.g. China, Zimbabwe, Kenya, Ghana, etc. The crucial issue is competition because these people, especially the Chinese, have experience in trading. Through investigation they have employed people to run their businesses for them, providing job creation.

A number of the street trading business is also operated by formal business using poor people as a front. In other words, some formal businesses enjoy the benefits of both the informal and the formal business worlds.

3.9 CRIME IN PIETERMARITZBURG

The existence of poverty and the unequal distribution of wealth under capitalist conditions are good ingredients for the occurrence of economic crimes such as theft, burglary, robbery,

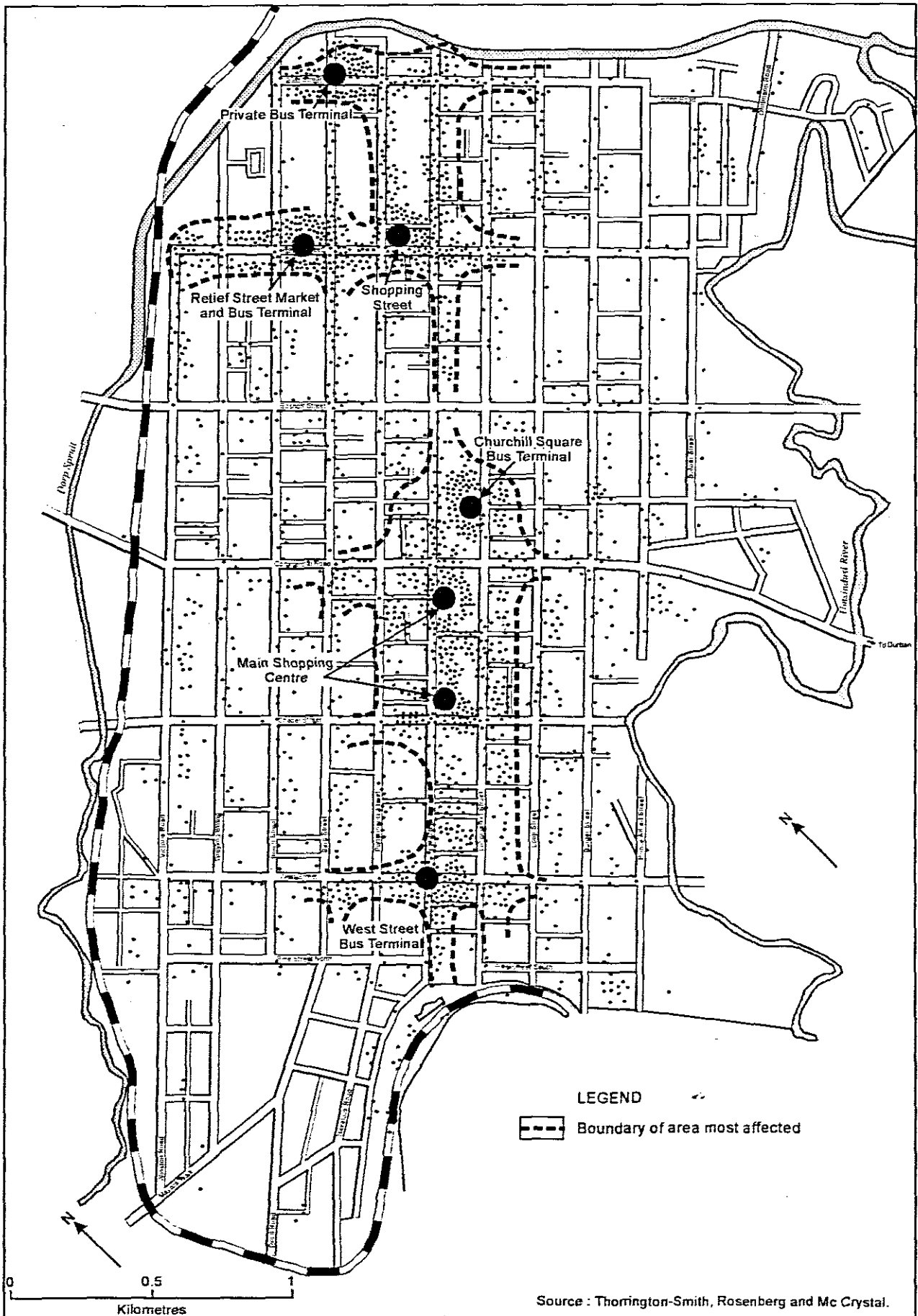


Figure 3.6. Crime frequency in the Central Area.

mugging, shoplifting, fraud, etc (Davidson, 1981). Economic crimes in Pietermaritzburg occur mainly in the central area in close relationship to the commercial areas and the taxi ranks (Fig. 3.6). This concentration of crime in the centre of Pietermaritzburg is in accordance with Davidson's (1981) research findings that crime is concentrated in the city centre and diminishes towards the periphery. Davidson (1981) maintained that there were locational factors which determined the commitment of crime. Chapter four will examine the association of crime and the informal sector.

3.10 CONSERVATION OF THE ENVIRONMENT IN PIETERMARITZBURG

Conservation of the environment in Pietermaritzburg started as early as 1863 when the Corporation decided to preserve some 162 acres of the Town's land as open spaces (Thorrington-Smith *et al*, 1973). From these open spaces a few parks such as Alexander Park, Albany Park and Northern Park were established, which still provide for the recreational needs of the citizens.

Local authorities have been guided by the provisions of the Environment Conservation Act (Act 100) of 1982 (Republic South Africa, 1982) and the National Environmental Management Act (Act no. 107) of 1998 (Republic of South Africa, 1998), as well as Local Agenda 21 in their implementation of environment conservation. The public in Pietermaritzburg has become increasingly aware of the need to protect and respect the environment. The Pietermaritzburg-Msunduzi Transitional Local Council (TLC) has recently initiated a sub-committee of the Executive Indaba (The local Agenda 21 forum) to monitor the situation in the city and advise the TLC on how to make current and future development programmes of compatible with sustainability (LA21, 1999). The objective of the TLC is

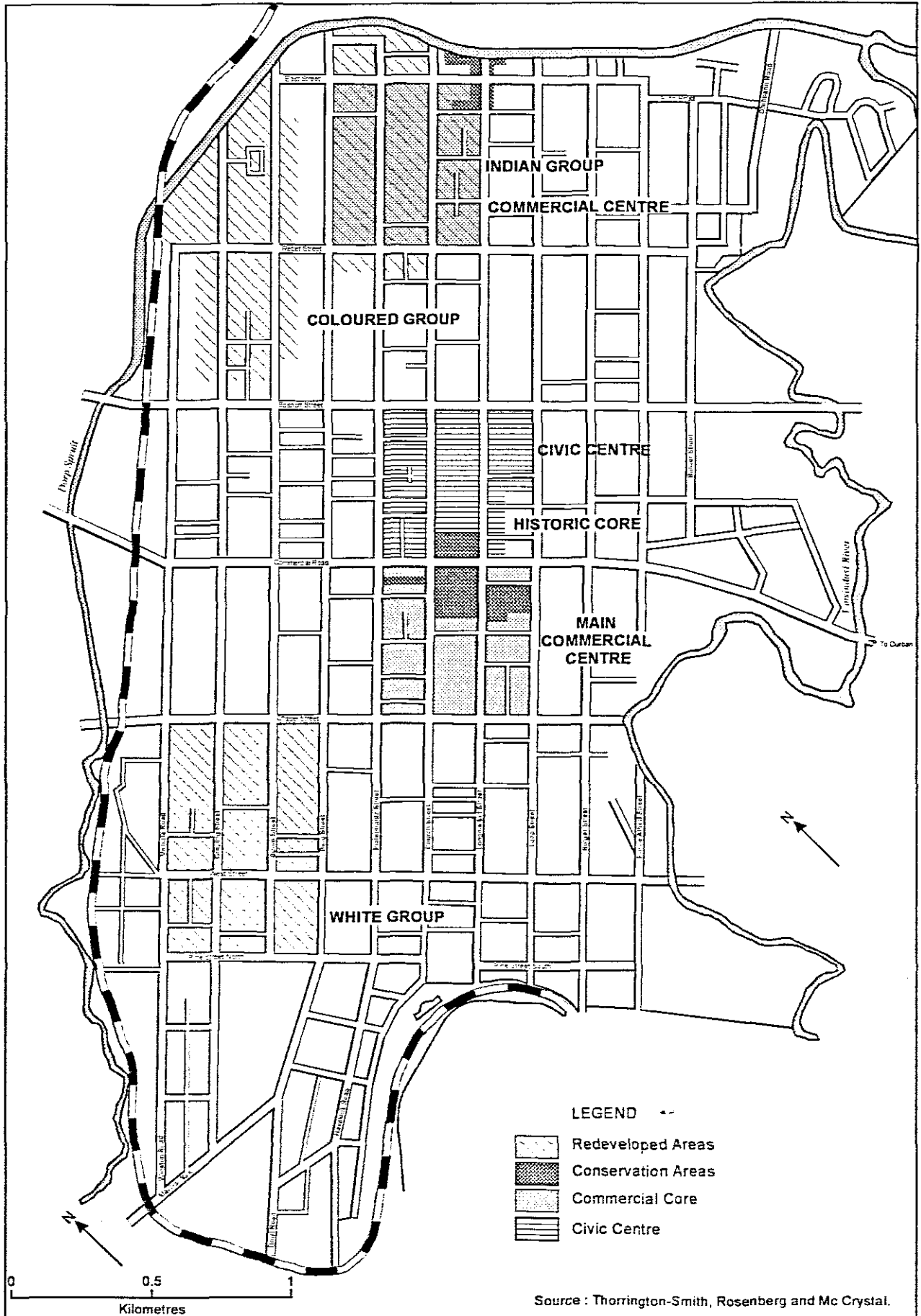


Figure 3.7. Action Areas.

not only to ensure that the people of a local area are able to improve the quality of their lives, but also ensure that the heritage of the town is not entirely lost through the destruction of the much cherished historical buildings and monuments.

Over the years it has been found that the provision of essential services like rubbish removal, cleaning of streets and supplying running water should be entrusted to the local authorities as the best results are obtained when the inhabitants of a local urban area are given the power to care for themselves. The city of Pietermaritzburg, through its structures such as the physical planning department and waste management, is responsible for keeping the environment clean and hygienic. The city management is also responsible for the needs of the citizens such as the provision of infrastructure.

3.11 SUMMARY

Chapter Three has examined the relationships between the informal business and the socio-economic characteristics of Pietermaritzburg with the aim of assessing their effects on the economic viability and sustainability of the city.

Pietermaritzburg has remained essentially an administrative capital with little economic development. On the other hand the population of the city has grown much more than the city can provide employment for it. Consequently there is continued increase of unemployment and poverty, especially among the previously disadvantaged but numerically dominant Black racial group. This has inevitably led to the uncontrollable mushrooming of the informal business enterprises for survival in the central area.

It has been found that racial segregation under colonial and apartheid policies had an indelible stamp on the morphology of Pietermaritzburg even after the abolition of all racial laws in South Africa in 1991. The resultant dualistic character of Pietermaritzburg is manifested through residential segregation and in the racially skewed employment structure. The mushrooming of unhygienic informal settlements is a manifestation of desperation on the part of the Black community to secure a roof over their heads.

There are endemic racial and class disparities in income levels and welfare in Pietermaritzburg which, in terms of the 22nd principle of the report of the United Nations Conference on the Human Environment (UNCHE, 1972), and the Rio declaration (UNCED, 1992), are negative factors to the sustainability of the city of Pietermaritzburg. Chapter Four examines the research data to further test the hypotheses of this dissertation.

CHAPTER FOUR**FORMAL AND INFORMAL BUSINESS AND THE SUSTAINABILITY OF THE CITY OF PIETERMARITZBURG****4.1 INTRODUCTION**

Chapters Two and Three dealt with the origin and development of the city of Pietermaritzburg from a laager settlement of the colonial Trekboers to its present city status. The various socio-economic characteristics of the city were examined with a view to assess the extent to which the city was viable and sustainable. Chapter Four is an analysis of the data gathered through research among the formal and informal business operators. The results will determine the extent to which the findings of the earlier chapters were corroborated by the relevant players in the fields of commerce and industry; commerce and industry being the key pillars of economic viability and sustainability in the city.

The assumption on which this research was undertaken was that by examining the heart and soul of the relevant members of commerce and industry, a better insight would be gained on the subject under investigation. The research was carried out mainly by the use of structured interviews as explained in Chapter One. The questionnaire probed into the perceptions of the relevant parties about their strengths and weaknesses, as well as their views about the future prospects for business in the city.

4.2 PROFILE OF THE RESPONDENT FORMAL BUSINESS ENTREPRENEURS

The respondents from formal business were from different types and sizes of formal business enterprises.

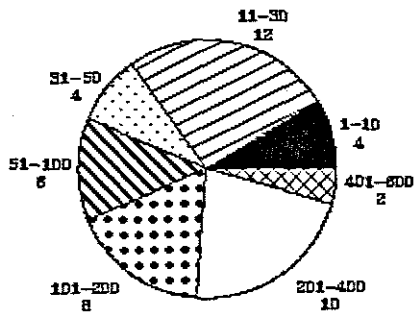
4.2.1 Types of Formal Business Enterprises Surveyed

About 60 percent of the respondents were from the wholesale and retail group of businesses, about 26 percent from the manufacturing group of industries and the rest (14 percent) were service providers (e.g. banking, insurance, dry cleaning, photocopying, etc.). The manufacturing group consisted mainly of the light manufacturing industries (e.g. shoe manufacturing, clothing, instrument making, etc.). There were no representatives of heavy duty industries (such as mining, iron and steel and automobile industries) among them.

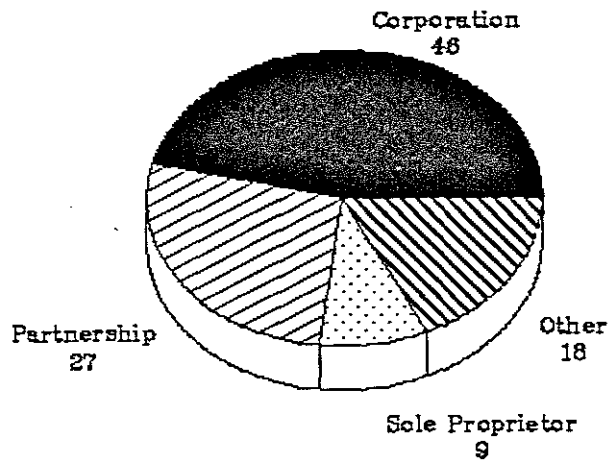
4.2.2 Ownership of the Respondent Formal Businesses

About 46 percent of the businesses were close corporations. Partnerships constituted about 27 percent of the businesses and only 9 percent were sole proprietors. About 56 percent of the businesses were owned by local (i.e. Pietermaritzburg) entrepreneurs, while 44 percent were owned by outsiders. Of those owned by outsiders about 45 percent were owned internationally. The establishment of many formal business enterprises in the city did not come about accidentally, or out of sheer desperation. They were pre-planned, after some time of thinking by the parties involved. Formal business enterprises are also collectively organised through the Pietermaritzburg Chamber of Commerce and Industry (PCCI).

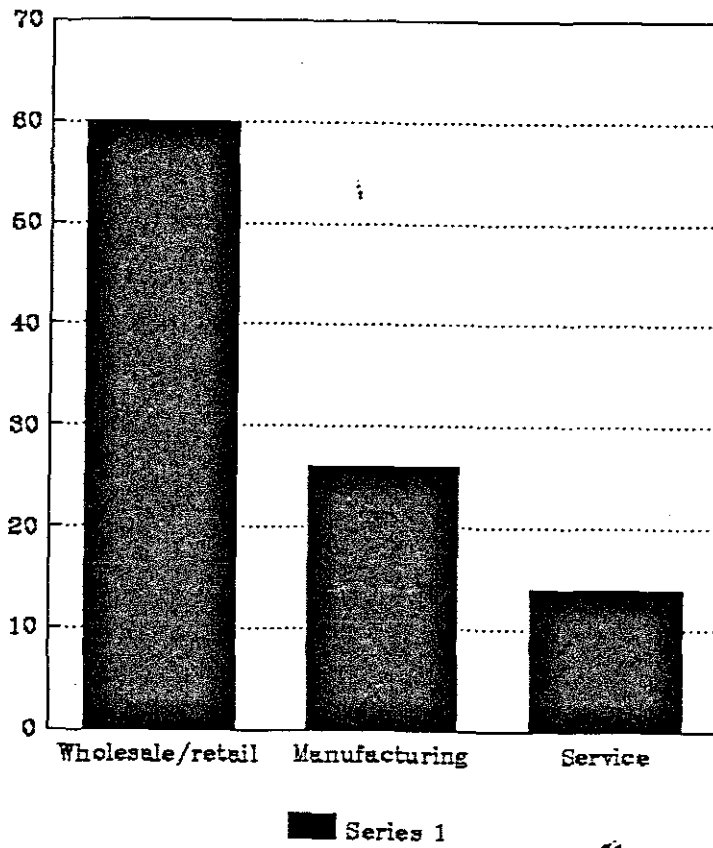
Number of Employees Employed



Ownership of Formal Business



Type of Business Enterprises



Diag. 2 Characteristics of Formal Businesses in Pietermaritzburg

4.2.3 Sizes of the Respondent Businesses

Using the number of employees as a yardstick, the respondent businesses were equitably distributed according to size. About 35 percent employed less than 30 employees each, about 39 percent employed between 31 and 200 employees and 26 percent above 200 employees.

Table 4.1 Number of Employees in Each Industry

People Employed	Frequency	Percentage
1 - 10	4	9
11 - 30	12	26
31 - 50	4	9
51 - 100	6	13
101 - 200	8	17
201 - 400	10	22
401 - 600	2	4
Total	46	100

With so many people employed in each business enterprise there is need for organisation of the businesses into hierarchical management structures, with clear functions and duties allocated to each member for smooth functioning. The businesses are run on accounting systems, which make planning and operation possible and predictable. Interviews and discussions with the formal business entrepreneurs was thus more informative about the factors affecting the viability and sustainability of commerce and industry in the city.

4.3 PROFILE OF THE RESPONDENT INFORMAL BUSINESS ENTREPRENEURS

The sampled informal business operators consisted of a variety of activities such as hairdressing, shoe-making, dressmaking, retailing, craftsmen and food preparation.

4.3.1 Age of Street Vendors

None of the respondent street vendors were above the age of 44 years (Table 4.2). About 45 percent of them were of school-going age (i.e. ages 10-24). Many of these vendors had lost their homes or families during the period of violence when many people were killed and homes burnt down. Some came from homes where the parents were unemployed. Financial problems had compelled these young men and women to resort to street trading for survival.

Table 4.2 Age of street vendors

Age Group	Number	Percentage
10 - 14	3	7
15 - 19	7	16
20 - 24	10	22
25 - 29	6	13
30 - 34	12	27
35 - 39	5	11
40 - 44	2	4
45 - 50	-	-
Total	45	100

Of the 55 percent vendors between ages of 25-44 (the working age-group), about 20 percent were victims of retrenchment, due to the closing down of factories like Simba Chips (Mason's Mill), Bailey's Furniture Factory, etc.

4.3.2 Type of Commodities Sold by Street Vendors

The street vendors in the Pietermaritzburg dealt with a wide variety of services and commodities. About 35 percent dealt with cooked food (porridge, vetkoek, curry and rice,

etc.), about four percent sold coffee, tea and cool-drinks, about 45 percent sold vegetables and fruits, and eight percent sold ice cream, sweets, chips, chocolates. About eight percent provided services such as hairdressing, herbal medicines and shoe-repairs (Table 4.3).

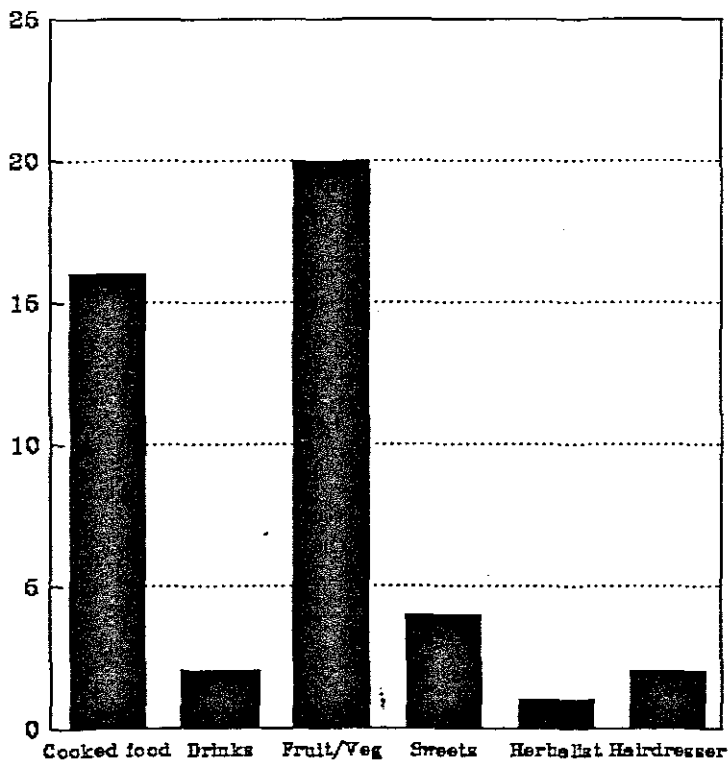
Table 4.3 Type of commodities offered by street vendors

COMMODITIES	NO. OF STREET VENDORS	% STREET VENDORS
Cooked food (porridge, vetkoek, curry and rice, etc.)	16	35
Coffee, tea and cool-drinks.	2	5
Vegetables and fruits	20	45
Ice cream, sweets, chips, chocolates.	4	9
Herbalists	1	2
Hairdressers	1	2
Barbers	1	2
Total	45	100

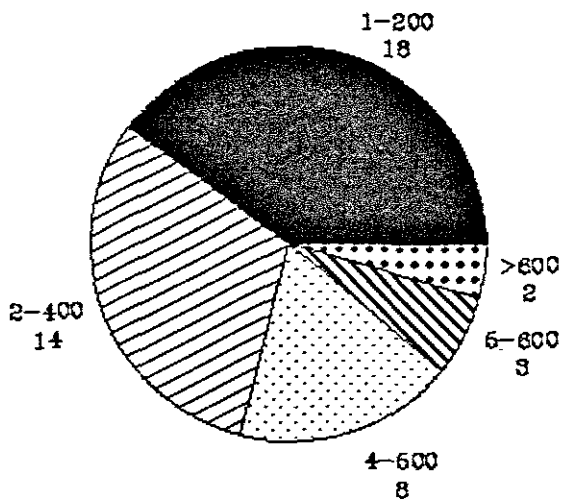
4.3.3 Earnings of the Street Vendors

Incomes of the vendors were exceptionally low, with 40 percent of the hawkers claiming to earn less than R200 per month. Through involvement in this sector, most street vendors have been operating for approximately 14 years. This suggests that street vending is a struggle for survival rather than a capitalist enterprise. Most of the hawkers were sole providers of subsistence means for large families. Few of them have access to the skills and capital required to expand beyond pavement trading. Street vending is thus a short-term means of the alleviation of poverty. At its present state of income generation it cannot be seen as a sustainable form of livelihood.

Type of Commodities or Services Offered



Monthly Income of the Vendors



Diag. 3 Characteristics of Informal Operators in Pietermaritzburg

Table 4.4 Street vendors Income per week

Income	Street Vendors	
	Number	Percentage
R100 - R200	18	40
R201 - R400	14	31
R401 - R500	8	18
R501 - R600	3	7
>R601	2	4

4.3.4 Housing Accommodation of the Vendors

Whereas some street vendors live in the informal settlements, the majority sleep on the streets. They burn papers and use big plastic bags as blankets, in order to keep themselves warm. Many of those who do not have stalls provided by the SBDC do not have overnight storage space for their commodities. They pack the commodities in piles and sleep next to them throughout the night. Litter and dirt usually accumulate in their surroundings, which contributes towards pollution of the environment and unhygienic living conditions.

4.3.5 Organisation of the Informal Business Sector

As stated in Chapter Two, the informal sector in Pietermaritzburg has become organised through the Sphamandla Hawkers and Vendors Association (SHVA) which was established in November 1987 with an initial membership of 262. Members of the Association, most of whom have reached the secondary school level of education, act as executive members. SHVA works hand-in-hand with the health authorities, municipality, the taxi association to whom the area belongs, and the vendors and hawkers themselves.

4.4 STRENGTHS AND WEAKNESSES OF THE CITY'S FORMAL BUSINESS

As mentioned earlier in this Chapter formal business enterprises were pre-planned, and have accounting systems which make it possible for the entrepreneurs to assess progress in their businesses. A number of answers to the structured questions were thus useful in providing an insight into the economic viability and sustainability of Pietermaritzburg.

4.4.1 Why they Chose to Establish their Business in Pietermaritzburg.

When asked why they chose to locate their businesses in Pietermaritzburg, about 44 percent stated that they established businesses in Pietermaritzburg because they lived there, and 30 percent were attracted by the locality of the city. In short, the respondents displayed a positive perception about the suitability of the city as a business centre. This is a positive sign for economic viability.

4.4.2 Length of Time of Operating Business in Pietermaritzburg

Table 4.5 Length of Time of Operating in Pietermaritzburg

Years	No. of Businesses	Percentage
Less than 1	-	-
2-5	2	4
6-10	6	13
More than 10	38	83
Total	46	100

About 83 percent of the respondent businesses have been operating in the city for more than 10 years (Table 4.5), which is an indication of some stability in their operation. This also indicate economic viability of the business enterprises.

4.4.3 Collective and International Ownership

The fact that about 73 percent of the respondent businesses were owned collectively through partnerships or corporations strengthens their chances of survival and development. The presence of international industries is also a boon to the city brings foreign capital and technology to the city. Multinational corporations can spread wealth, work and technologies that raise living standards and better ways of doing business.

The inherent weakness of multinational corporations is, however, that they tend to be more powerful than nation states, and they are seen as capable of destroying livelihoods and the environment or anything else that stands in the way of their profits (Sunday Times, 2000). Multinationals are known for their ability to buy local firms and drive others out of business. They can be a threat to democratic accountability, where governments are held at ransom by multinationals who have the ability to shift profits, or operations, from country to country (Sunday Times, 2000)

4.4.4 Pietermaritzburg Chamber of Commerce and Industry (PCCI)

Formal business enterprises may affiliate to the Pietermaritzburg Chamber of Commerce and Industry (PCCI), which is an umbrella body used by formal businesses for collective bargaining. Through the PCCI businesses were able to negotiate with the different authorities for the betterment of the conditions under which they were operated in the city.

The PCCI also gives support to its members in times of difficulty, which alleviates hardship and improve their chances of being viable.

4.4.5 Advantages of Operating Business in Pietermaritzburg

Asked to state their perceived advantages of operating business in Pietermaritzburg, the respondents rated the advantages as follows:

- a) Municipal incentives (52 percent)
- b) Quality of life in Pietermaritzburg (44 percent)
- c) Proximity to key industries (40 percent)
- d) Proximity to markets (40 percent)
- e) Local customer loyalty (34 percent)
- f) Reliable transport and freight services (34 percent)
- g) Reliable support from local business and services (20 percent)

Municipal incentives and the quality of life in Pietermaritzburg ranked high in the minds of the business entrepreneurs as advantages of being in the city. The other advantages mentioned were purely economic. The profit motives, expressed in terms of availability of markets and supplies of materials as well as the reliability of transport, were fairly highly perceived as advantages of locating commerce and industry in the city. Factors such as availability of housing for employees and parking facilities were each mentioned by less than five percent of the respondents.

4.4.6 Disadvantages of Operating Business in Pietermaritzburg

About 78 percent of the respondents perceived crime to be a disadvantage in the city. High costs of transportation, and the long distance from the suppliers were each perceived by 30 percent of the respondents as disadvantages. The other disadvantage that ranked high in the minds of the respondents was the slow growth of the local market (perceived by 48 percent of the respondents), and the lack of skilled manpower (perceived by 14 percent of the respondents). Only one respondent perceived the shortage of suitable accommodation for employees as a disadvantage, which shows that business enterprises were more concerned with purely economic factors of income and costs than with matters of social welfare. Even crime and quality of life were viewed largely from an economic point, namely, in as far as they affected business operations.

4.4.7 Constraints to Business Expansion

Table 4.6 Major Constraints to Business Expansion

Constraint	Frequency	Percentage
Availability of finance	18	39
Small market share	14	30
Small size of local market	12	26
Too much competition	16	35
Not enough customers	16	35
Lack of skilled employees	8	17

Of the list of possible answers in the questionnaire, only those appearing in Table 4.6 were selected by the respondents. According to these answers the lack of finance is the most prohibiting factor to the expansion of business enterprises in the city. The other major

constraints have to do with marketing difficulties. Whether this is viewed as size of the market or market share, too much competition, or in terms of customers, the perception was that there were few opportunities to market the goods and services provided by business.

4.4.7.1 Business Competition

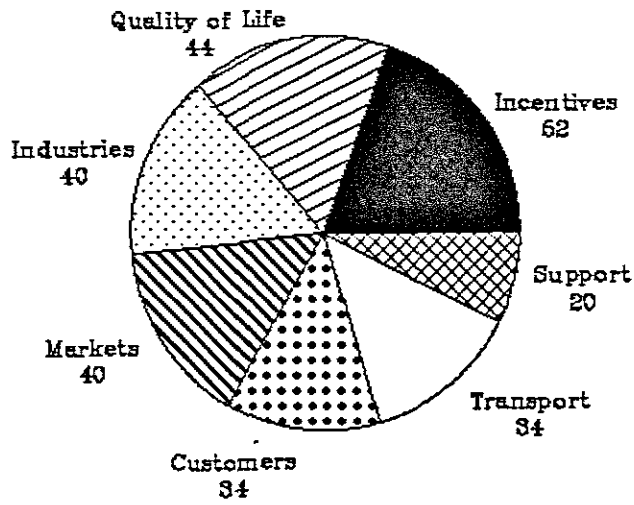
The respondents were asked to rate their business competition in terms of its local, provincial, national, and international dimensions. According to Table 4.7 there was unanimity among the respondents that competition is challenging at all levels. Competition is, in fact, the essence of business in the capitalist economy. A few regarded it as problematic.

Table 4.7 Rating of Business Competition

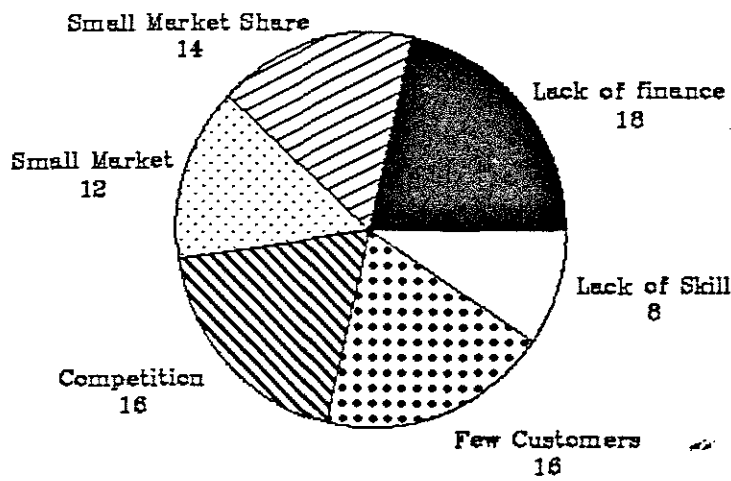
	Local	Provincial	National	International
No Problem	26	13	13	4
Holding out	9	13	4	22
Challenging	26	26	35	17
Problematic	9	4	13	4
Fair	13	17	13	9
Unfair	17	26	22	44
Total	100	100	100	100

Whereas about 26 percent of the respondents did not perceive any competition problems at local level, there were fewer who did not experience competition at provincial (13 percent), national (13 percent) and international (4 percent). This finding is corroborated by the fact that there were fewer respondents (17 percent) who regarded competition at the local level as unfair than those who regarded it as unfair at the provincial (26 percent), national (22 percent) and international (44 percent) levels.

Advantages



Constraints



Diag. 4 Advantages and Constraints of Business in Pietermaritzburg

4.4.7.2 Unfair International Competition

The high percentage of those who perceived international competition as being unfair has to do with the presence of multinational companies that operated in the city. It has been mentioned under section 4.4.3 that multinationals are known for their ability to buy local firms and drive others out of business (Sunday Times, 2000). It is not only the mega multinationals who present unfair competition to the local business enterprises; there are also small and medium size international companies whose unfairness lies in their sale of cheap and counterfeit goods. A number of multinational companies have been found trading in counterfeit goods which they sell as 'knock-offs' far below the price of the real product. China was suspected of being the biggest supplier of counterfeit products (Natal Witness, 26 April, 1999). So severe had the problem of trading in counterfeit goods for the local companies become that The Counterfeit Goods Act had to be promulgated in January 1998 (Republic of South Africa, 1998).

4.4.7.3 Difficulties of Obtaining Certain Products and Services

Asked whether there were any products or services that they found difficult to obtain, about 44 percent of the respondents answered 'yes' and 56 percent answered 'no'. Those who answered 'yes' to the question mentioned raw materials like leather, cotton, aluminium, tin, plated wire mesh and electronic equipment. They also mentioned the lack of skilled personnel at managerial and operational level, in particular they mentioned the lack of computer programmers, electricians and artisans.

4.4.7.4 Lack of Skilled Manpower

The lack of skilled manpower was mentioned often in the answers to the structured questions. About 48 percent of the respondents found it difficult to recruit staff. The method popularly (56 percent of the respondents) used to recruit staff was by word of mouth. Only about 22 percent of the respondents advertised vacancies in the newspapers or used employment agencies to recruit employees.

4.5 SOCIO-ECONOMIC IMPACT OF INFORMAL BUSINESS ENTERPRISES

4.5.4 Street Vending and Job Security

Earnings are only one aspect of employment. Job security is of equal importance, both from the point of view of security of employment and security of earnings. There is more job security in the informal sector than the formal one because one cannot be fired from self-employment. One might also expect informal earnings to be subject to more fluctuation than occur in the formal sector. A distinction has to be made between short-term fluctuations and a long-term fall in earnings. In the long-term there seems to be no reason why informal work should be particularly prone to falling earnings. One expects real earnings to be resistant to inflationary erosion since earnings depend on prices which are flexible in the short-term. The increase in earnings of some workers is attributed largely to increased experience and extended operations.

The respondents were also asked about the extent of seasonal booms and slumps, depending on the nature of their trade. Food and vegetable sellers indicated seasonal fluctuations

corresponding to variations in supplies of fruit and vegetables. Radio and watch repairers have slight fluctuations towards Christmas time.

4.5.5 Competition with Foreign Vendors

The city of Pietermaritzburg has experienced an influx of Senegalese, Somalis, Nigerian and Ghanaian people who have joined the street trade (Natal Witness, 1999). Some of these immigrants have become active agents of counterfeit goods, and thereby offer unfair competition to the local street traders. The Sphamandla Hawkers and Vendors Association together with its members, is fighting to get rid of this group of traders.

4.6 RELATIONSHIP BETWEEN INFORMAL AND FORMAL BUSINESS

Throughout the interview there were no negative remarks made by formal business about informal business. This is largely because the informal business has a different class of customers from that of formal business. Informal business customers buy mainly small quantities of goods using petty cash. This does not seem to worry formal business in terms of competition. Instead, there is some mutual assistance derived by both groups of business from their close relationship.

The Sphamandla Hawkers and Vendors Association (SHVA) was actually initiated by members of formal business. Early in 1987, under the chairmanship of Councillor Chetty, the Informal Trading Task Team (ITTT) requested the city's informal traders to organise themselves into an association for collective bargaining on their conditions of operating in the city (Natal Witness, 1987). Since the establishment of the SHVA in November 1987 the informal business became a recognised business sector in the city. There is a record of

understanding between the formal and informal business as far as business operation is concerned.

4.6.1 Pietermaritzburg Chamber of Commerce and Industry (PCCI) and the Informal Business Enterprises

A delegation from the PCCI liaise with other bodies and produce boards. These bodies consulted with the City Council to discuss conditions of trade and official harassment of the street vendors. After a consultations with the informal business associations, formal business organisations, Transitional Local Council (TLC), municipal authorities, and the ITTT there was progress with the formulation of the city's street trading policy. This included the allocation of quotas of street vendors to various city areas, registration of the vendors with the TLC, the payment of trading licences, inspection of the vendors and keeping the environment clean.

Under the auspices of the PCCI businesses in Pietermaritzburg pledged more than R30 000 to help establish more adequate facilities for the informal business sector (Natal Mercury, 1988). The SBDC initiated the erection of a shelter for the street vendors. The Coca-Cola company under the PCCI donated cooking carts to the street vendors who sell prepared food, and supplied clean water containers and waste water containers. Instead of hastily emptying waste water on site on the pavements or down the drains when their small waste water containers are full, the street vendors can now wait until the end of the business day and then empty the waste water on carefully selected useless open spaces away from their business sites. This indicates positive attitudes by formal business and other parties towards the informal business sector.

PLATE 6. STREET VENDING SITES

The top picture shows vending stalls provided by the SBDC in East Street. The bottom picture shows street vending at the Pietermaritz Street Taxi Rank. Note the obstruction of the pavement causing pedestrians to walk on the street.



4.6.2 Conditions of Street Vending in the Inner City Area

After lengthy consultation with all stakeholders, it was agreed that the inner city needed special regulations of street trading because of its importance to tourism. The boundaries of the inner city were defined as being bounded by East, Pine, Pietermaritz and Longmarket streets. In this area seven sites were set aside for food vending carts, three for flower carts, four for photographers, 25 for upmarket tourist traders in Ndlovu Square, 10 for upmarket tourists at the Pietermaritz/Otto streets taxi rank, and 25 upmarket tourists in market square (Natal Witness, 1997).

This gave the street vendors the opportunity of purchasing custom-built hawker trolleys made of a simple galvanised steel design complete with a number of attractive extra features such as lock-up storage space, plenty of counter space, hanger space and a roof (Natal Witness, 1998). Coca-cola also offered to equip each trolley selling coca-cola with a cooler box and an umbrella.

4.6.3 Informal Businesses and Shop Lifting From Formal Business

Three percent of the shops in the Pietermaritz Street taxi rank area are supermarkets whose owners support street vending. They believe that street vending prevents thieves who pretend to be customers in their shops. Some of the shopkeepers have actually used some of their employees as street vendors on the verandahs of their shops to assist in the prevention of theft. In appreciation of the theft prevention function of the street vendors, some of the shopkeepers provide extra bins for the accumulated street vendor garbage as well as trucks to transport the garbage to the landfill site. This display of charitable actions by the Pietermaritz Street shopkeepers confirms their satisfaction with the presence of the street vendors next to their businesses.

4.6.4 Competition with Some Formal Traders

Some competition exists, however, between street vendors and those shop owners who employ people to sell on the verandas, and along pavements. Many of the street vendors also link up with the Chinese counterfeit goods syndicate and thereby offer unfair competition to the local street traders.

It is evident that those shop owners who join the ranks of street vendors, and compete for the same customers, will feel the competition with street vendors more. When a proposal was made by the SBDC to build shelters for street vendors, for example, the Business and Professional People's Organisation (BPPO) objected to the erection of the shelters on the grounds that the vendors did not pay rent and general sales tax, and that they did not pay for electricity and water (Natal Witness, 1994). They also complained about the low-priced goods of the street vendors.

4.6.5 Relationship with Financial Organisations

Whereas it was previously very difficult for financial institutions to consider lending money to street vendors, they can now get loans through intervention by informal business organisations. The African Council for Hawkers and Informal Business (ACHIB) is one organisation that negotiates loans for its members. Members of ACHIB can borrow up to R100 a day on condition that they refund this amount plus one percent interest (administration fee) at the end of the day. This assists cash-strapped street vendors to accumulate some money for the following day's purchases.

4.7 CRIME AND BUSINESS (FORMAL AND INFORMAL)

In Chapter Three it was stated that economic crimes in Pietermaritzburg occur mainly in the central area in close relationship to the commercial areas and the taxi ranks (Fig. 3.6). A comparison of Fig. 3.6 with Fig. 3.3 shows a close relationship between the location of crime and land use zones. Crime is concentrated in two main clusters of the Central Business District. The first cluster is between Boshoff and Pine streets including the main shopping centre towards the railway station. The second cluster is around the Asian business centre between East and Retief streets (see also Fig. 3.7). These are busy areas where the criminals can pick and choose their victims, commit a crime, and then disappear in the crowded streets. The victims may be shopkeepers through shoplifting, robbery or burglary. Shoppers and street vendors may be mugged, pick-pocketed or simply robbed of their money or goods.

Closely associated with the areas depicted in Fig. 3.6 are bus terminals and taxi ranks. This brings to light the other victims of crime, namely, commuters. At the bus terminals and taxi ranks commuters are usually vulnerable because of the inevitable queues which give the criminals opportunities of being very close to their victims. This is especially so if the commuters also have baggages.

4.7.1 Relationship Between Crime and Informal Business

The street vendors are also located in the same areas as the CBD, taxi ranks and bus terminals. On opposing the erection of shelters for the street traders, some residents alleged that shelters for street vendors served to attract criminals and informal dwellings (Natal Witness, 1994). Considering the close association between commerce, bus and taxi terminals and informal business enterprises it would be difficult to accept the allegation made by the

residents without an indepth research. The fact that formal business near the Pietermaritz Street taxi rank co-operated with the street vendors to prevent theft from their shops makes it difficult to believe the allegation that the erection of shelters for street vendors *per se* could attract criminals.

Crime in Pietermaritzburg has to be seen in the context of crime in the entire country. Most South African cities like Durban, Johannesburg, Cape Town, etc. complain about the high crime rate. Economic crimes are associated with general economic factors such as unemployment, poverty, greed as well as lack of proper policing.

4.7.2 Policing of the Street Vending Stalls

Although many formal business enterprises are protected by private security guards, there are also frequent police patrols in their areas. This is also beneficial to the street vendors and shoppers. Street trading stalls located in areas such as taxi ranks are, however, not well protected by police. A policing forum was mandated by the TLC to eliminate crime in some of the street trading areas, as well as remove illegal traders. Some traders welcomed the move while others saw it as disturbing their peace.

4.8 WASTE MANAGEMENT IN THE STREET VENDING AREAS

Littering and pollution are the inevitable results of street vending. Waste water and used fats that were thrown down the drains, rotten vegetables and fruits that were often left with their containers on the pavement are some of the resultant littering and pollution of the environment that required the attention of many stakeholders.

PLATE 7. CHARACTERISTIC FEATURES OF STREET VENDING SITES

Although drums are provided by municipal waste management, litter overspills onto the pavements as shown in the top picture. The bottom picture illustrates displayed fruits for sale on self-made stalls.



4.8.1 Cleaning efforts

Efforts to clean up the street vending areas are undertaken by various organisations, namely, the municipality, waste management, the taxi association, the street vendors association, the Pietermaritzburg Chamber of Commerce and Industry (PCCI) and the Keep Pietermaritzburg Clean Association (KPCA) (Table 4.8). Most formal business enterprises employ private companies to keep their premises and the city environment clean.

Table 4.8 Groups involved in cleaning campaign

People Involved	Groups Involved	
	Number	Percentage
Municipal authorities	11	25
Waste management team	17	37
Representatives from Street Vendors Association	3	7
Pietermaritzburg Chamber of Commerce and Industries	2	3
Keep Pietermaritzburg Clean Association	9	20
Taxi Association	3	5
Shopkeepers	2	3

4.8.2 The Role of the Local Authorities in Waste Management

4.8.2.1 Provision of Health Facilities

The local council provides the necessary health facilities such as public toilets, garbage bins, drinking water and shelters in the taxi ranks and bus terminals. The majority of the users of the toilets are the street vendors as the place serves as part of their homes. In the toilets they also bathe and wash their clothes.

4.8.2.2 Health Inspection

The twenty-five percent of municipal workers (Table 4.8) includes four health inspectors and a group of ten field hygiene workers who are responsible for the entire Transitional Local Council of the City of Pietermaritzburg. Included in the duties of inspectors is the inspection of street vending areas.

4.8.2.3 Environment Awareness Education

The municipality organises workshops to conscientise people on the need to preserve the environment. The workshops are usually conducted between 9 a.m. and 12 noon and certificates of attendance are issued to the participants. This is one of the conditions for street vending. It is so important for them to attend the workshops, that the street vendors often employ temporary workers while attending the workshops.

4.8.2.4 Limitations

Under-staffing in the areas of field hygiene and anti-litter programmes results in the some of the street vendors being seldom inspected. This leads to a lack of guidance and control among the vendors, which is a contributory factor to the pollution of the environment.

4.8.3 The Role of the Waste Management Team

It is the responsibility of the waste management team to provide litter bins in the city. Waste management employees (garbage collectors) empty the bins into trucks and transport them to the landfill site. Some of the collected waste is reused by recycling or burnt to provide

energy. For instance, the cartons containing the African brewed drink (*Amahewu*) are used as building material in informal settlements.

Table 4.9 Method of Waste disposal

Method of Waste Disposal	% Personnel Required
Reused (cartons)	35
Recycled (paper, plastics, bottles, etc.)	17
Burnt (tomato boxes)	12
Landfill	36

The collection and disposal of dispersed litter is very expensive, and much of tax payer's money is spent to have waste collected and disposed of by the municipal departments.

4.8.4 The Keep Pietermaritzburg Clean Association (KPCA)

Twenty percent of the members from KPCA have shown great concern about the littering and waste generated by street trading. The association plans programmes for public awareness and cleanliness. The KPCA also organises the correctional services to have long-term prisoners participating in the disposing of waste during the night. The prisoners collect waste three days a week (Monday, Friday and Saturdays), from the most heaped-up areas.

4.8.5 The Role of Vendors in Waste Management

The Sphamandla Hawkers and Vendors Association liaise with produce boards and the Pietermaritzburg Chamber of Commerce about the working conditions of the vendors. This includes the provision of bins, stalls and other necessities of the informal business. Due to

the shortage of municipal hygiene field workers, some of the task of environment education and the inspection of street vending is delegated to the executive members of the Sphamandla Hawkers and Vendors Association. They organise workshops and presentations or promote the 'Keep the City Clean' and the 'Environmental Awareness' campaigns.

4.8.6 The Role of Taxi Association in Environment Management

The Taxi Associations have some control over the street vendors as far as keeping the taxi rank areas clean. The passengers, as people who promote the taxi operations in towns as a means of transport, must be well-cared for. The area is swept and washed with water every Sunday by the municipal workers, and the street vendors take it in turns to clean the area three times a week. The Taxi associations ensure that the street vendors take their turns to clean the area at least three times a week.

4.9 CONCERNS ABOUT THE FUTURE OF FORMAL BUSINESS IN THE CITY

Asked to state their perceptions about the future of business in Pietermaritzburg, many of the respondent formal business enterprises expressed concern about the high crime rate which they said was threatening business operations in the city. There were also concerns expressed about the lack of space for the expansion of commerce and industry, the high rates charged as well as the lack of skilled manpower. The demand for skilled manpower is in accordance with the findings of the Graduate (1999) that future employment is likely to favour skilled professionals at the expense of lower skills.

4.10 SUMMARY

The main findings of the discussion in Chapter Four are, firstly, that the profit motives, expressed in terms of availability of markets and supplies of materials as well as the reliability of transport, were fairly highly perceived as advantages of locating commerce and industry in the city. In purely locational terms, the city is well placed for commerce and industry.

The main constraint of business expansion in Pietermaritzburg was the unexpanding market. This is also associated with the reluctance of the city to demolish old buildings and build high rise, high density commercial centres. This is a negative sign for economic sustainability in a city with a rapidly growing population. The existence of unexpanding markets in a rapidly growing population is paradoxical, but understandable considering the high unemployment rate and poverty existing in Pietermaritzburg.

Street vending has been found to be an essential but short term means of the alleviation of poverty. At its present state of income generation it cannot be seen as a sustainable form of livelihood.

Throughout the interview there were no negative remarks made by formal business about informal business. This is largely because the informal business has a different class of customers from that of formal business. Instead, there is some mutual assistance derived by both groups of business from their close relationship.

Crime in Pietermaritzburg is one of the factor threatening the viability of commerce and industry in the city. Pietermaritzburg is, however, not exceptional as many other cities in

South Africa have similar problems of crime. Economic crimes are associated with general economic factors such as unemployment and poverty, and as long as these conditions exist the viability and sustainability of the city is at stake.

CHAPTER 5**EVALUATION, RECOMMENDATIONS, SUMMARY AND CONCLUSION****5.1 EVALUATION**

It has been found in this dissertation that commerce and industry, including transnational corporations, played a crucial role in the social and economic development of the city of Pietermaritzburg and its surrounding areas. The main aim of the dissertation was to examine the impact of the informal business activities on formal business and the environment, and thereby determine the sustainability of the city.

The hypotheses on which this dissertation was based were that :

1. Street vending was related to the high rate of unemployment in Pietermaritzburg.
2. Both males and females in their productive years were involved in street vending.
3. Informal trading caused congestion, littering and environmental pollution.
4. Informal Business enterprises were illegal activities associated with crime
5. Informal business enterprises were inimical to formal business enterprises.
6. The sustainability of the city of Pietermaritzburg was jeopardized by the proliferation of informal businesses.

Chapter 5 seeks to evaluate the validity of these hypotheses.

5.1.1. Hypothesis One : Street vending is related to the high rate of unemployment in Pietermaritzburg.

It is necessary to reiterate what was stated in Chapter Two that informal trading has existed in Pietermaritzburg since colonial times when the colonists bartered commodities with the Natal Nguni. It was mentioned in Chapter Two that with the arrival of Asians in Pietermaritzburg there were hundreds of licensed Asiatic hawkers who carried out a door-to-door sale of fresh produce (Thorrington-Smith *et al*, 1973). Informal trading was at that time a spontaneous activity arising out of a need to satisfy the needs of the traders. The basic principles underlying the current informal business activities are similar to those of the colonial times, except that the motive is now to get money with which the operators satisfied their various needs. In the absence of paid employment, the other alternative to generating income in monetary terms is through business. In the absence of capital and commercial skills, informal business becomes another option.

In Chapter Three it was demonstrated how the population of Pietermaritzburg rapidly increased since 1951. It was shown how the Black racial group was excluded from living in the city by influx control regulations while the other racial groups became urbanised. Then, as would be expected of a situation where Black people were artificially kept excluded from the city against their will, it was shown how the Black population exploded by 288 percent in 1996 after the repeal of all racial laws in 1991. The total population of Pietermaritzburg population grew from 100 410 in 1951 to 570 795 in 1996 giving an average annual growth rate of 3.9 percent compound.

It was shown in Chapter Three that there were few employment opportunities in Pietermaritzburg, with only about 24 percent employed out of a total of 42 percent people in their productive years in 1996. It was explained in Chapter Three that many of the unemployed were immigrants from the rural areas, who were compelled by hunger or violence to migrate from their rural areas to the city. Without the means of establishing formal business enterprises, the one viable 'legal' survival option for these desperate immigrants was to operate informal businesses. This solution to the problem of unemployment is in accordance with Thirlwall (1972), who states that the solution for the unemployed lies in their creating work for themselves in the fringes of the industrial sector. Thirlwall (1972) justified his argument by stating that although the wages from such self-employment are often low, some income is better than no income.

Hart (1973), Meier (1976), Bromley (1978) and Davies (1979) all concur on their association of the informal sector with unemployment. In essence they agree that the informal sector was a productive activity into which those who cannot obtain paid jobs in the formal sector make ends meet.

Informal business has been found in this dissertation to be racially skewed in that most of the operators were Black. This may be related to the laws of probability in that the Black group were by far the majority in Pietermaritzburg. But it was also found that job opportunities in the city were also skewed against the Black majority. Whereas indications were that there was an exceptionally high employment rate among White people, only 43 840 Black people were employed.

It was found that the racial bias was related to the bias in the racial equities in the level of education and skill. Table 3.6 indicates that about 82 percent of the all the employed people

in Pietermaritzburg were employed in skilled occupations in commerce, industry and government. The level of literacy among the Black racial group was at the same time found to be relatively low. It was found that there were very few unskilled job opportunities in Pietermaritzburg, hence the high unemployment rate and high incidence of informal traders among the Black population. The employment situation prevailing in the city of Pietermaritzburg is in accordance with the findings of the Graduate (1999) that changes in the broad occupational composition of employment were likely to favour skilled professionals while the proportion of employment requiring lower skills was expected to decline substantially. Under these circumstances, the Graduate (1999) maintains, self-employment is a viable alternative in a developing country such as South Africa.

The hypothesis that street vending is related to the high rate of unemployment in Pietermaritzburg is thus valid.

5.1.2. Hypothesis Two : Both males and females in their productive years were involved in street vending.

It was mentioned in Chapter 4 that street vendors comprise mostly of the younger generation who had lost their families, and whose homes had been burnt down during the period of violence. It was also found that about 45 percent of these young men and women were in the age group 10-24 years (i.e. school-going age)

Table 4.2 shows that none of the respondent street vendors were above the age of 44 years (Table 4.2). Of the 55 percent vendors between ages of 25-44 (the working age-group), about 20 percent were victims of retrenchment, due to the closing down of factories like Simba Chips (Mason's Mill), Bailey's Furniture Factory, etc.

The street vendors in Pietermaritzburg dealt with a wide variety of services and commodities, that were gender specific in nature. For example cooking was mainly done by females, while service such as the dispensing of herbal medicines and shoe-repairs were done by the males. There is thus a mixture of males and females in the street vending business.

It is therefore true that street vendors consisted of both males and females in their productive years.

5.1.3. Hypothesis Three : Informal trading causes congestion, littering and environmental pollution.

As part of the city development, taxi ranks were constructed in order to avoid congestion on the streets as well as along pavements which disrupts the normal flow of traffic. The combination of a large number of taxis, taxi operators, street vendors, hawkers and pedestrians in the taxi ranks, however, causes congestion. Many pedestrians are consequently compelled to walk in the streets in competition with motor vehicles (Plate 6). This slows down traffic causing congestion. The congestion is associated with a variety of unpleasant side-effects, like a high accident rate, waste of time, and the personal frustration caused by an unpleasant atmosphere. This statement is according to the view expressed by Bromley (1985) that street vendors were a community of law breakers, generators of litter, sources of congestion and as a health hazard through the food they sell.

Street vending in specially designated stalls and in some quieter streets of Pietermaritzburg does not, however, necessarily lead to congestion (Plate 6). It is therefore a combination of the accumulation of passengers, taxis, taxi operators and vendors that is associated with

congestion. Street vending is one of the contributory factors of congestion rather than the sole cause of it.

Fifty-seven percent of respondents denied the statement that street vending caused pollution of the environment, they perceived that the general public were polluting the area. As far as they were concerned they observed the waste management rules of discarding all garbage into the provided bins. The respondents perceived that the many thoughtless taxi passengers, passersby and taxi operators, who discarded fruit peels and waste paper onto the pavements, were the culprits. This is to be understood, since most of these thoughtless taxi passengers, passersby and taxi operators were Black people who lived in the city's poverty-stricken peripheral Black residential areas where no environmental regulations existed. This confirms Redclift's (1987) assertion that the linkage between poverty and environmental degradation provides the clearest demonstration of the centrality of social, political and economic issues involved in environment and development.

About half of the street vendors complained about the erratic collection of the waste bins by the waste management team. This statement was confirmed on observation at the Pietermaritz taxi rank area (see Plate 7). Another explanation to the overspilling bins displayed on Plate 7 was that too few bins were provided for the relatively large amount of accumulated waste. Nevertheless, since the type of garbage displayed on Plate 7 resembles items sold by the vendors, they were the generators of litter (Bromley, 1985), and were thus indirectly the cause its lying on the pavement. Similar evidence of grime from the foods sold by the vendors is sufficient evidence that the pollution was related to their items of trade.

It was mentioned that some street vendors lived in the informal settlements, and that the majority slept on the streets. To keep warm they burn papers and use big plastic bags as

blankets. The resultant accumulation of litter and dirt usually in their surroundings, contributes towards pollution of the environment and unhygienic living conditions. This is in accordance with the findings of Redclift (1987) about the linkage between poverty and environmental degradation.

It was stated in Chapter Four that the street vendors, through their association, were part of the team responsible for cleaning the environment. It was indicated that the vendors were obliged to attend environment management workshops for which they received attendance certificates. It was further indicated that the street vendors were inspected by the local council inspectors and their own association, and that they were checked at the taxi ranks by the taxi associations. Under these conditions their scope for littering and polluting of the environment is limited.

Although street vendors were, to put it in Bromley's (1985) words, generators of litter, there were other players involved in actual littering and pollution of the environment. It would be reasonable, therefore, to attach a contributory role rather than to attach the full blame on the street vendors. The hypothesis that informal trading causes congestion, littering and environmental pollution can thus be accepted only on the understanding that they played a contributory rather than absolute role.

5.1.4. Hypothesis Four: Informal Business enterprises were illegal activities associated with crime

The conception of informal vendors as illegal activities stems mainly from the resentment to it expressed throughout the history of South Africa. It was stated that up to 1976 informal business was prohibited by law in South Africa. Hence, Meier (1976) stated that the activities of the informal sector included begging, hawking and vending, operating illegal

taxis, or embarking on petty crimes. Bromley (1985) also stated that street vendors were viewed as a community of law breakers and that the informal trading areas were associated with much vice and crimes such as pickpocketing, gambling, narcotics use and sale, public drunkenness and acts of violence. The conception of street vending as an illegal operation is further re-enforced by Maasdorp (1983) who stated that although informal business operators could operate legally by obtaining licences for their businesses, many informal business enterprises involve some degree of illegality ranging from hawking without a licence to prostitution, pickpocketing and theft.

It is true that activities like gambling, prostitution, pickpocketing etc. were illegal. If we include all these petty commodity production activities as part of the informal business sector, then it may be justified to classify informal businesses as illegal activities. Using the same argument, formal business may also be justifiably classified as illegal if it be found associated with crimes such as fraud, corruption, etc.

It has been explained in Chapter Three how the informal business enterprises were encouraged through the Small Business Development Corporation (SBDC) which was established in 1980 (SBDC, 1988), and how street vendors were gradually accommodated and supported by the SBDC. Through the building of fixed shelters and stalls in designated areas street trading was formalised in Pietermaritzburg. It was stated that the City Council had encouraged street trading and that it offered many designated areas for the establishment of informal trading centres.

It was then explained how the informal traders in the city had become a organised through the Sphamandla Hawkers and Vendors Association (SHVA) which was established in November 1987, with an initial 262 members who were legalised under the city council's

trading scheme. The SHVA is now a recognised association that works hand in hand with the Local Council, the Pietermaritzburg Chamber of Commerce and other stakeholders to regulate, manage and assist street trading.

So disciplined were some of the street vendors that, besides the existing Council regulations they formulate their own regulations to suit their specific areas. The informal vendors at the Pietermaritz taxi rank area, for instance, operated according to a constitution drawn up by the Informal Trading Task Team. The policy, with help from the municipal authorities, was to manage the overloaded areas. Every street trader has to apply for a site and hold a registration card. The street vendors operated strictly within the law and were guided to set rules and codes of behaviour. A similar arrangement obtained at the Retief Street shelters where the Council attempted to restrict the free movement of traders in the city.

The conception of street vendors as illegal operators is thus misleading. Since almost all writers who held this view wrote before the authorisation of street vending in South Africa, their statements should be seen in the context of the time during which they expressed their views (Meier, 1976; Maasdorp, 1983; Bromley, 1985).

The hypothesis that Informal Business enterprises were illegal activities associated with crime is thus not true.

5.1.5. Hypothesis Five : Informal business enterprises were inimical to formal business enterprises.

Discussions in Chapter Four demonstrated that competition was the essence of business in the capitalist economy. In the struggle for existence business enterprises have to compete with

one another for customers, and the fittest survive. Elliot (1975), who distinguished between inter-group and intra-group competition, stated that inter-group competition was mainly confined to those goods and services which are common to both the informal and the formal business enterprises. During the interviews with formal business there were no discernible comments made by formal business about competition with informal business, which indicates that they were not worried about such competition if there was any.

Contrary to the notion that informal businesses sold their goods at lower prices which offered unfair competition to formal business, the difficulty of accessing credit restricts the informal traders to buying goods in small quantities at a time instead of benefiting from the economies of scale of buying in bulk. Consequently, on the basis of paying higher prices for the same goods informal traders were compelled to sell the goods at higher prices than formal business enterprises. The Natal Witness (1999) also made observations that even though some of the goods and services offered by the two sectors may be common, there were often marked quality differences between them which appealed to different customers. The Business and Professional People's Organisation's allegation that informal businesses offered unfair competition to formal business, may be related to the few formal business enterprises that participated in the activities of informal business enterprises as described in Chapter Four.

Instead of informal business offering unfair competition to Formal Business, it was found that there was complementarity between the two business sectors. Informal business enterprises were themselves found to be customers to formal business, and thereby boosted the prosperity of formal businesses. According to Davies (1979), the main function of informal business was to service the formal sector. By providing income-earning opportunities for a large number of people informal business sector also created an expansion of market for consumers goods sold by the formal sector.

On the other hand it was explained in Chapter Four how formal business, through the Pietermaritzburg Chamber of Commerce and Industry, protected the rights of informal business enterprises in the city. Not only have the PCCI protected their rights of operating in the city, but it also collaborated with the SBDC, the Local Council and the vendors associations to provide shelters and stalls for the street vendors.

This complementary relationship between formal and informal business was an indication of the healthy relationship existing between the two business sectors. The conception of the complementarity between the two business sectors was expressed by Dewar and Watson (1990) who viewed the system of business enterprises as a continuum ranging from very small to very large businesses. The complementarity of formal and informal business enterprises was also asserted by Hart (1973), Bromley (1978) and Davies (1979) who stated that the informal sector nurtured the 'reserve labour' or 'labourers-in-waiting' for the formal sector.

The hypothesis that informal business enterprises were inimical to formal business enterprises is therefore invalid.

5.1.6. Hypothesis Six : The sustainability of the city of Pietermaritzburg was jeopardized by the proliferation of informal businesses.

It was found in this study that commerce and industry, including multinational corporations, play a crucial role in the social and economic development and sustainability of Pietermaritzburg and its surroundings. Business enterprises, large and small, were found to provide employment and livelihood opportunities for many city dwellers. Their prosperity, and that of the city, depend on the prosperity and sustainability of commerce and industry.

For the purpose of relating sustainability to the urban business enterprise which must grow or adapt to survive Allen's (1980) definition of sustainable development will be used in this discussion, namely, that sustainable development is development that is likely to achieve lasting satisfaction of human needs and improvement of the quality of human life. This definition of sustainable development implies, *inter alia*, economic growth, the protection of the environment, the improvement of living standards and the integrity of socio-cultural systems.

It was found in this study that the informal business enterprises provided employment and livelihood opportunities for many unemployed and unemployable people in the city, which is a positive contribution towards the alleviation of poverty which the Rio declaration (UNCED, 1992) found to be one of the factors inimical to sustainability. The informal business enterprises were also found to be actively engaged in the cleaning up and environment awareness campaigns. This satisfies the issue of environment protection, which is a major concern of Agenda 21 of the Rio Declaration (UNCED, 1992). Informal business enterprises in Pietermaritzburg were therefore conforming to the efforts of local Agenda 21 of achieving the sustainability of the city of Pietermaritzburg.

It is therefore not true that the sustainability of the city of Pietermaritzburg was jeopardized by the proliferation of informal businesses.

5.2 RECOMMENDATIONS

The informal business sector plays an important role in the development process in the city of Pietermaritzburg. Its passive role of providing valuable employment and survival means to the surplus manpower unable to find employment in the formal business sector; as well as

its active role of using capital-saving, labour-intensive techniques to produce goods and services complementary to those of the modern sector, should be harnessed and developed in accordance to the principles of Agenda 21. This obviously implies more involvement of the government, at all levels, as well as the formal business sector in giving whatever assistance was necessary to make the informal sector viable and sustainable.

Apart from the good work already done of building shelters and stalls and of providing waste and environment management education and skills, this was a need to organise markets for the goods and services of the informal business sector to enable this sector to gain access to more viable and lucrative markets that would boost the capacity of the informal business enterprises to provide more employment for the poverty-stricken unemployed people in the city. Actually, one of the aims of the policy should be to regard the informal sector as a transitional sector which must be brought into being part of the modern sector as the economy develops. This way the informal sector would be more useful in creating markets for the formal sector, and by so doing make the formal sector as well as the city of Pietermaritzburg viable and sustainable.

On the basis of the views of the respondent formal business entrepreneurs the city was well located for business expansion if only there was an expansion in markets. Currently, the conservation of the heritage of the city of Pietermaritzburg seems to impede rapid growth of commerce and industry, and therefore markets, in the inner city areas. There is a need for the city to allow a growth of the city's formal business by combining the preservation of old buildings and museum with proactive development efforts of developing infrastructure for the expansion of commerce and industry.

As the city of Pietermaritzburg is important for the many historical events that happened in and around it, it offers ample opportunities as a tourism destination. Markets for commerce and industry could be boosted up if the tourism industry could be developed and actively encouraged in Pietermaritzburg. The provision of proper marketing facilities for both formal and informal business should be coupled with the issuance of vending licences and suitable and safe working shelters.

The development of the peripheral rural and peri-urban areas where the majority of the unemployed live should be given priority by the local government. This would counteract the current trend of rural-urban migration which has a negative impact on the city and its resources. Decentralisation of urban activities would provide work prospects, thus partly inhibiting the urbanization process which renders the city of Pietermaritzburg unmanageable in terms of the provision of the necessary socio-economic necessities to the people. Among others, government at all levels should encourage education and training so that the necessary skilled manpower for manning commerce and industry is developed.

The above suggested actions should aim at eliminating all conditions conducive to the perpetration of crime, which is one of the most important social indicators to sustainability. Crime could be alleviated by the creation of employment, the alleviation of poverty, education, the elimination of the conducive environmental conditions such as congestion, darkness, lack of proper policing and prosecution.

5.3 SUMMARY AND CONCLUSION

This dissertation was conducted in the context of Agenda 21 of the Rio Earth Summit which advocates for sustainable development of business enterprises (UNCED, 1992) which

governments worldwide were persuaded to adopt in their development planning policies. The main aim of the dissertation was to examine the impact of the informal business activities on formal business and the environment, and thereby determine the sustainability of the city of Pietermaritzburg.

It was found in this dissertation that street vending was related to the high rate of unemployment in Pietermaritzburg, and that both males and females in their productive years were involved in street vending. Informal businesses were found to be partially responsible for littering and environmental pollution in the city by generating litter from the items they sold on the street. It was also found that many of the street vendors lived in squalid informal settlements or on the street pavements which contributed to the pollution of the city's environment. It was found that this was an involuntary and necessary condition of poverty. The Street vendors were actually actively engaged in cleaning up operations and environment education in accordance with local Agenda 21.

The informal business enterprises were recognised legal activities that cooperated with formal business, the city council and other stakeholders in the fight against environment pollution and crime. It was found that there was a complementary relationship between formal and informal business, which did not jeopardise formal commerce and industry and the sustainability of the city of Pietermaritzburg.

It is argued that positive encouragement and assistance should be given to the informal sector as a way of alleviating the problems of unemployment and poverty as well as promoting the viability, development and sustainability of the city of Pietermaritzburg.

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APENDIX A

PIETERMARITZBURG ECONOMIC PARTNERSHIP ACTION TEAM

BUSINESS RETENTION AND EXPANSION VISITATION PROGRAM

BUSINESS INFORMATION SHEET

Business Name :	Business ID :
Postal Address:	
	Postal Code :
Street Address:	
Telephone N°:	
Fax N °	
E-mail address:	
Person Interviewed:	
Position:	
Volunteer visitors:	

QUESTIONNAIRE

1. Is all information on the cover sheet complete and correct?
 Yes No (if no make the necessary corrections)
2. What is the main activity of your business?

3. Which of the following categories best describes your business activities (tick one box only and underline applicable category)
- | | | | |
|--------------------------------------------------|--------------------------|-----------------------|--------------------------|
| agriculture, forestry, fishing/hunting | <input type="checkbox"/> | communications | <input type="checkbox"/> |
| manufacturing | <input type="checkbox"/> | community service | <input type="checkbox"/> |
| finance, property, business services | <input type="checkbox"/> | wholesale and retail | <input type="checkbox"/> |
| building and construction | <input type="checkbox"/> | transport and storage | <input type="checkbox"/> |
| recreation, tourism, personal and other services | <input type="checkbox"/> | | |
4. Is your business locally owned?
- Yes No
5. If not locally owned, is your business
- | | |
|------------------------------|--------------------------|
| Provincial company branch | <input type="checkbox"/> |
| National company branch | <input type="checkbox"/> |
| International company branch | <input type="checkbox"/> |
| Other (please explain) _____ | |
6. Which of the following categories applies to your business?
- Sole Proprietor Partnership Close Corporation Pty Ltd Cooperative

7. Do any of the following categories apply to your business?

- franchise importing exporting wholesaling
 distributing/agent Joint Venture

8. How long has your business been operating in Pietermaritzburg?

- less than 1 year 2 to 5 years
 6 to 10 years longer than 10 years

Why was your business established in Pietermaritzburg?

- Municipal/State incentives infrastructure
 locality labour owner residing in the city

9. What are the major products or services offered by your business and what percentage of your sales comes from each area?

	Major Product or service	Percentage sales (approximate)
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____
(e)	_____	_____

10. What is special or unique about your products or services?

11. How many people do you employ (including Directors and Partners)?

	Total (present)	Total (2 yrs ago)
Number of full time	_____	_____
Number part time	_____	_____
Number of casual/contractor	_____	_____
TOTAL	_____	_____

12. Over the next two years, do you expect any change in the number of people you employ?

Increase employees

Decrease employees

No change

(tick one box)

Please give reasons:

13. What do you perceive as being the main advantages of running a business in Pietermaritzburg? (Please tick up to five (5) advantages)

local customer loyalty proximity to key industries

quality and supply of local labour reliable transport and freight services

housing available for employees proximity to markets

quality of life the area has to offer general image of the region

reliable support business and other local services good car parking

Municipal incentives

other(s) please specify _____

14. What do you perceive as the main disadvantage of operating a business in Pietermaritzburg? (please tick up to five (5) disadvantages)

time/distance from other markets lack of local support

time/distance from suppliers poor service of local businesses

transport costs slow growth of local market

general image of the area small size of local market

lack of suitable housing for employees quality of infrastructure

crime rate lack of support by Council

shortage of skilled labour planning restrictions

road networks lack of car parking

communication costs

other(s) please specify _____

15. What are the major constraints to expanding your business? (Please tick up to four (4) reasons)

- | | | | |
|----------------------------------------|--------------------------|----------------------------|--------------------------|
| availability of finance | <input type="checkbox"/> | small size of local market | <input type="checkbox"/> |
| limited product range | <input type="checkbox"/> | lack of space | <input type="checkbox"/> |
| market share is too small | <input type="checkbox"/> | too much competition | <input type="checkbox"/> |
| franchise restrictions | <input type="checkbox"/> | not enough customers | <input type="checkbox"/> |
| achieving recognised quality standards | <input type="checkbox"/> | lack of skilled employees | <input type="checkbox"/> |
| other(s) please specify _____ | | | |

16. How would you rate the outlook for your business over the next 12 months?

- | | | | |
|-----------|--------------------------|------------|--------------------------|
| very good | <input type="checkbox"/> | bleak | <input type="checkbox"/> |
| good | <input type="checkbox"/> | very bleak | <input type="checkbox"/> |
| fair | <input type="checkbox"/> | don't know | <input type="checkbox"/> |

17. Do you expect the sales for your products/services to increase, stay the same or decrease over the next 3 years?

- | | | | |
|----------|--------------------------|----------------|--------------------------|
| increase | <input type="checkbox"/> | stay the same | <input type="checkbox"/> |
| decrease | <input type="checkbox"/> | (tick one box) | |

18. Please explain your answer to question 17.

19. How would you rate your competition?

	No problem	holding out	Challenging	Problematic	Fair	Unfair
Local						
Provincial						
National						
International						

22. Are there any services or products which you have considered providing or manufacturing locally but did not proceed with the idea?

Yes No

If Yes mention what services or products and what were your reasons for not proceeding?

23. Are there any products or services which you find difficult to obtain?

Yes No

If yes, please specify?

24. Are there any industries/businesses/services which you think could be successfully located in this area?

25. If you were to take on any new staff in the future, what skills would you be looking for? (tick which ever apply)

- | | | | |
|---------------------------|--------------------------|----------------------------|--------------------------|
| research skills | <input type="checkbox"/> | data entry skills | <input type="checkbox"/> |
| word processing skills | <input type="checkbox"/> | Spreadsheet skills | <input type="checkbox"/> |
| typing/clerical skills | <input type="checkbox"/> | engineering skills | <input type="checkbox"/> |
| strategic skills | <input type="checkbox"/> | business management skills | <input type="checkbox"/> |
| finance management skills | <input type="checkbox"/> | design/graphic skills | <input type="checkbox"/> |
| interpersonal skills | <input type="checkbox"/> | marketing skills | <input type="checkbox"/> |
| negotiations skills | <input type="checkbox"/> | customer service skills | <input type="checkbox"/> |
| public relations skills | <input type="checkbox"/> | other | <input type="checkbox"/> |
- technical skills (describe) _____

trade skills (describe) _____

others (describe) _____

26. If you were to take on new staff in the future, what occupations would you be looking for? (tick which ever applies)

- | | | | |
|---------------------------------------|--------------------------|----------------------------------|--------------------------|
| manager/administrator | <input type="checkbox"/> | plant/machine operator or driver | <input type="checkbox"/> |
| professional | <input type="checkbox"/> | labourer/farm hand | <input type="checkbox"/> |
| para-professionals
i.e technicians | <input type="checkbox"/> | waiter/waitress | <input type="checkbox"/> |
| trades person | <input type="checkbox"/> | sales person | <input type="checkbox"/> |
| clerical | <input type="checkbox"/> | other (specify) _____ | |

27. How did you recruit your last staff member? (tick which applies)

- | | | | |
|----------------------------|--------------------------|-------------------|--------------------------|
| word of mouth | <input type="checkbox"/> | employment agency | <input type="checkbox"/> |
| advertisement in newspaper | <input type="checkbox"/> | | |
| other (please specify) | _____ | | |

28. Are there any occupational groups you find difficult to find in the community when looking for staff? (tick one box only).

Yes No

If yes, please indicate which:

29. Are you currently considering moving your business, selling it or closing it?

Yes No undecided

Are you willing to share reasons? If yes please explain?

30. Do you have plans to change, modernise or expand your operation?

no change	<input type="checkbox"/>	modernising facilities	<input type="checkbox"/>
change mix of goods/services	<input type="checkbox"/>	add product line	<input type="checkbox"/>
change production technology	<input type="checkbox"/>	undecided	<input type="checkbox"/>

31. If changes are planned, are you willing to describe what is planned, and when work will begin?

33. Would you like additional information concerning the following subjects, (tick which ever apply).

- | | | | |
|--------------------|--------------------------|----------------------|--------------------------|
| business planning | <input type="checkbox"/> | business management | <input type="checkbox"/> |
| taxation | <input type="checkbox"/> | marketing strategies | <input type="checkbox"/> |
| council by-laws | <input type="checkbox"/> | grants/finance | <input type="checkbox"/> |
| merchandising | <input type="checkbox"/> | international trade | <input type="checkbox"/> |
| labour legislation | <input type="checkbox"/> | | |

other _____

34. Do you have any specific questions or special needs on any of the topics ticked in question 34 or any other topic.

35. With your permission can we share your firm's name with the local, provincial or national agencies that provide this information?

Yes No

36. What avenue is most helpful to receive this information? (tick all appropriate)

- | | | | |
|-------------------------|--------------------------|-------------------------|--------------------------|
| information in the post | <input type="checkbox"/> | e-mail | <input type="checkbox"/> |
| workshops | <input type="checkbox"/> | individual consultation | <input type="checkbox"/> |
| videos | <input type="checkbox"/> | | |

36. Is your business experiencing any problems with any section or department of local, provincial or national government?

Yes No

If yes, what problems, are you experiencing?

37. While the Business Retention and Expansion Task Force can't promise to solve any issues, they are willing to look into it. Would you like our Task Force to assist you with any particular problems/issues?

Yes No

If yes, what do you suggest?

38. Do you have any other ideas or suggestions about improving business activity within the City?

39. The KwaZulu-Natal Economic Council plans to introduce a programme of apprenticeships/learnerships for unemployed youth, probably starting in the year 2000. If the income of these trainees is subsidised, would you be prepared to offer specific training for a three year period?

Yes No

If yes, which of the following categories would you be willing to take on?

Tertiary Education Graduate

Matriculants, N2/N3 holders

Non- matriculants

THANK YOU FOR YOUR TIME

II STREET VENDORS AND HAWKERS

1. NAME :	<hr/>		
2. AGE :	YEARS		
	10 - 14	<input type="checkbox"/>	
	15 - 19	<input type="checkbox"/>	
	20 - 24	<input type="checkbox"/>	
	25 - 29	<input type="checkbox"/>	
	30 - 34	<input type="checkbox"/>	
	35 - 39	<input type="checkbox"/>	
	40 - 44	<input type="checkbox"/>	
	45 - 50	<input type="checkbox"/>	
3. MARITAL STATUS	SINGLE	<input type="checkbox"/>	
	MARRIED	<input type="checkbox"/>	
	DIVORCED	<input type="checkbox"/>	
	WIDOW	<input type="checkbox"/>	
	WIDOWER	<input type="checkbox"/>	
4. NUMBER IN THE FAMILY	OWN CHILDREN	<input type="checkbox"/>	
	DEPENDENTS	<input type="checkbox"/>	
5. PLACE OF RESIDENCE	OWN HOME	<input type="checkbox"/>	
	RENT HOUSE	<input type="checkbox"/>	
6. LEVEL OF EDUCATION	PRIMARY	<input type="checkbox"/>	
	SECONDARY	<input type="checkbox"/>	
7. TYPE OF TRANSPORT USED TO AND FROM WORK	YES	<input type="checkbox"/>	
	NO	<input type="checkbox"/>	
8. AMOUNT PAID FOR TRAVELLING	R1 - R2	<input type="checkbox"/>	
	R2 - R3	<input type="checkbox"/>	
	R3 - R4	<input type="checkbox"/>	
	R4 - R5	<input type="checkbox"/>	

9. HOW LONG HAVE YOU BEEN SELLING?

LESS THAN 1 YEAR

- 1 - 2
- 3 - 4
- 4 - 5
- 5 - 6
- 6 - 7
- 7 - 8
- 8 - 9
- 10 +

10. WHAT HAVE YOU BEEN DOING BEFORE?

- SCHOOLING
- EMPLOYED
- STAYING AT HOME

11. WHY HAVE YOU DECIDED VENDING?

- SCHOOLING
- SUPPORT THE FAMILY
- TO EARN LIVING

12. WHAT TYPE OF FOOD OR GOODS ARE YOU SELLING?

- FRUITS & VEGETABLES
- COOKED FOOD
- CLOTHES
- HERBS
- OTHER

13. IS IT YOUR OWN BUSINESS OR EMPLOYED?

- OWN
- EMPLOYED

14. WHERE ARE THE GOODS KEPT?

- HOME
- ROOM IN TOWN
- SHOPS
- STREETS

15. ARE YOU SATISFIED ABOUT VENDING?

- YES
- NO

IF YES OR NO, WHY?

16. WHAT IS THE REASON FOR CHOOSING THE SITE?

17. HOW IS THE AREA KEPT CLEAN?

STREET VENDORS
MUNICIPAL EMPLOYEES

18. ARE THE BINS PROVIDED TO KEEP WASTE?

YES
NO

19. HOW OFTEN IS THE WASTE DISPOSED OF PER WEEK?

1
2
3
EVERY DAY

20. IS THE RENT PAID FOR SERVICE RENDERED?

YES
NO

IF YES, HOW MUCH

R 5 - R10
R10 - R15
R15 - R20
R20 - R25
R25+

21. DOES THE MUNICIPAL AUTHORITY OF GOOD SERVICE TO YOU?

YES
NO

IF YES, HOW

22. DO YOU SELL DURING RAINY DAYS?

YES
NO

IF YES, HOW

23. WHICH ARE THE BUSIEST DAYS OF THE WEEK?

MONDAYS
TUESDAYS
WEDNESDAY
THURSDAY
FRIDAY
SATURDAY

24. HOW MUCH DO YOU MANAGE TO SELL PER WEEK?

- R50 - R100
- R100 - R150
- R150 - R200
- R200 - R250
- R300 +

25. ARE YOU NOT AFFECTED BY DISEASES AND BAD ODOURS?

- YES
- NO

IF YES, WHAT IS THE SOLUTION

- CLINICS
- HOSPITALS
- DOCTORS
- MUNICIPAL HEALTH DEPT

26. ARE THE TOILETS PROVIDED?

- YES
- NO

27. WHO IS RESPONSIBLE FOR CLEANING THEM?

- STREET VENDORS
- MUNICIPAL EMPLOYERS

28. WHAT IS YOUR GENERAL FEELING ABOUT STREET VENDING?

T H E E N D