



Inclusive planning for the informal economy: Lessons from Durban, South Africa

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Context: SA and Durban

Apartheid laws prevented black South Africans from working informally.

Informal employment has been a key area of employment growth in the post apartheid period.

Durban has dedicated resources to infrastructure for informal workers and designed some innovative practices.

Recently their approach has shifted.

1. National Frameworks: The right to work / rights at work

For the self employed, in the absence of secure rights to work, the risks of investing are high. Workers in informal enterprises need protection.

Progressive constitution that contains socio-economic rights.

1991 - National legislation stopped local authorities from disallowing street traders.

1997 - Basic Conditions of Employment Act applies to formal and informal workers, and sets down minimum standards.

2. Progressive municipal rates and taxes

- For many of those working in the informal economy, their living space doubles up as their working space.
- Electricity, water and rates charges are partly input costs.
- Durban (and other South African cities) have instituted policies of free basic water (first 6 kilolitres) and electricity (50kwh) and rates exemptions on houses below a certain value.
- This is of direct advantage to poorer home based workers.

3. Economically informed sector support

- Research demonstrates that there are multiple backward and forward linkages between the formal and informal economies.
- As is the case with growing the formal economy, value chain analyses allow the identification of key constraints to securer livelihoods.

3. Economically informed sector support

- A good example of this is the traditional medicine support programme. Product supply and final marketing were identified as areas for intervention. A sector support programme is currently addressing these issues.

Cardboard buy back centres



4. Infrastructure and design solutions

Survey's show that those involved in small scale manufacturing would prefer small units where they could be close to others doing similar activities ('firm clustering').

Those working in the streets particularly call for:

- Shelter
- Water and toilet facilities
- Storage.

Attractive infrastructure also mitigates conflict between different users of public space.

Architectural: design solutions

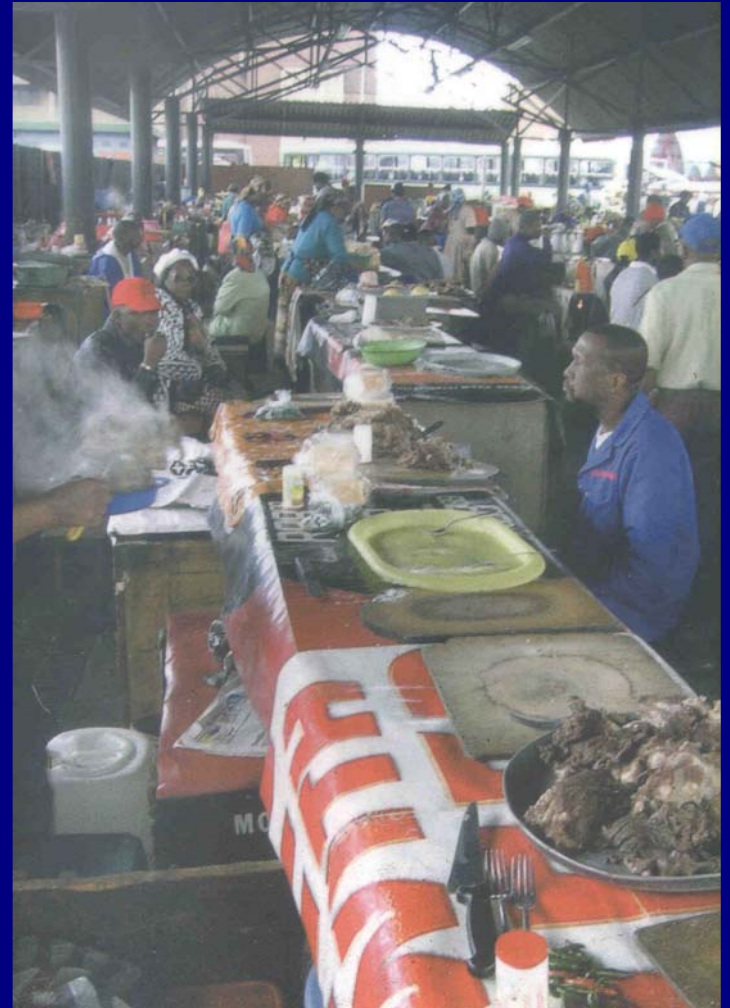




Street trader shelters



Bovine head cookers



5. Collaborative planning and collective action

- In the best cases the city council's was highly consultative.
- This dissipated conflict, facilitated interventions genuinely informed by user needs and led to users having a sense of ownership of the area
- High levels of self regulation were established (crime and cleaning).
- Government created an enabling environment for collective action.

Conclusion

- National government frameworks are important.
- The core business of local government can be designed in ways that are more or less supportive of the informal economy
- These are economic activities that require economically informed interventions.
- Informal worker organisation, combined with commitment to consult, is central to securing a more inclusive urban environment.