



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

**INFORMAL ECONOMY METRO
ENGAGEMENT: REPORT BACK
2016 – 2017**

25 FEBRUARY 2019

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BACKGROUND

- The annual Informal Economy Summit is an important event which aims to provide the industry with amongst others, with an understanding of the challenges faced by the sector;
- Creating a more conducive environment for informal trading;
- First metro engagement: 13-14 June 2016 – *Theme: Leadership as a tool to strengthen support and development of the Informal Economy and to encourage collaboration amongst key stakeholders”*



PURPOSE OF THE 2016 SUMMIT

- The 2016 Informal Economy Summit was a culmination of a number of activities and initiatives as well as research that has been undertaken in the city.
- The Summit delved deeper into certain aspects of the sector including inclusive management models, stakeholder participation, and approaches to law enforcement and monitoring mechanisms etc.
- Facilitate dialogue and strengthen linkages between the informal economy, local government, the private sector and research institutes of higher learning;
- Showcase and share innovative approaches and key lessons learnt.

PURPOSE OF THE 2017 SUMMIT

- ***Theme: “Infrastructure supporting the informal economy”***
- Currently there are no common standards which guide the provision of infrastructure and services for traders within Metropolitan Municipalities (metros) in South Africa.
- Therefore, the purpose of the Metro Engagement held on 28 June 2017 was to provide a platform for metros to share experiences, challenges, lessons and innovative approaches to infrastructure and service provision.
- To this end, through this platform, the aim was start engaging on the possibility to develop a Minimum Norms and Standards Framework/Guide which municipalities can use for the provision of infrastructure and services in support of the informal economy.

DISCUSSION

- Some of the issues raised included the importance of inclusion and participation of traders from the onset during IDP processes to ensure that their needs are addressed.
- asset management should be institutionalized within the municipality – some suggested asset management should be decentralised.
- Planning legislation which prohibits the growth of the sector and a recommendation was made that there need to be a review of the legislation to allow for the inclusion of the sector.



DISCUSSION

- The City of Cape Town, Nelson Mandela Bay and EThekweni metros presented various approaches to infrastructure provision aimed at the different types of trading. Management models including precinct, market management and mixed models was shared and discussed with interesting suggestions made on how metros can innovatively deal with informal trading in their area.
- Collaboration between departments in breaking down the silo's, partnerships and joint planning with traders associations was highlighted as imperative in responding to the needs of the sector.
- Furthermore, a key issue highlighted was the need to obtain a policy position on the management of the informal economy. There is a need to further unpack the role of municipalities related to the informal economy.

OUTCOMES

- SALGA should take the lead and establish a task team to implement the recommendations made;
- SALGA should engage National Departments and key ministries for example the Department of Trade and Industry and Department of Economic Development to be part of the task team;
- Agree on a third workshop to reflect on the changes that have been put in place post-metro engagement.
- SALGA should initiate the development of a National position paper on Informal Economy.
- Decentralise the annual Informal Economy Metro Engagement to other municipalities and ensure all relevant officials attend these sessions.
- SALGA to use dedicated website for information and case studies to be shared.



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