iTRUMP [inner Thekwini Regeneration and Urban Management Programme] AREA BASED CONTRIBUTION TOWARDS MANAGING THE INFORMAL ECONOMY

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1. INTRODUCTION

This Report forms part of a series of studies documenting the Learning emerging from the eThekwini Municipality’s Area Based Management Programme [ABMP] receiving Sector Support Grant Funding from the European Commission. The Report has been commissioned by the Programme Office of the ABMP. The Programme consists of five ABM administrative units, namely iTRUMP, South Durban Basin, INK [Inanda, Ntuzuma, KwaMashu], Cato Manor and Rurals. This Report is with respect to the iTRUMP unit and its area based contribution towards managing the informal economy. The report topic and the informal economy interventions have been identified by iTRUMP as a subject for investigation.

2. REPORT FORMAT

This Report consists of two narrative Documents and one CD formatted set of Annexures. Document 1 contains the Programme level narrative, whilst Document 2 contains specific project level detail, and ultimately technical information and illustrations in the Annexures. Figure 1 below illustrates the composition of the Report and the referencing system.
The Warwick Junction Project [Durban, South Africa] was the forerunner to the iTRUMP Area Based Management Programme. The Project was identified in 1995, progressed through initial planning studies to commence capital works implementation from 1997 onwards. The Warwick Junction area is the primary metropolitan modal interchange with local, provincial and national transport...
networks converging around minibus taxi and bus ranks and the commuter rail station. The area was the historic site for the City’s fresh produce market and over time the concentration of commuter pedestrians reinforced the areas’ importance as a natural market for the informal economy.

The area’s apartheid legacy derives from its forming the centralized access point for Black people entering the City – limited elevated crossings over the railway network – and typical of the times, being under serviced and with little proactive urban management.

The area also serves as the primary western vehicular “gateway” to and from the City for commuters and tourists. Managing traffic congestion, the safety of both the traffic and commuters, and the quantity of the urban environment, were all important regeneration objectives.

At the commencement of the Project in 1996, the focus was on the neglected urban management through the allocation of dedicated funding to specifically improve the cleanliness of the area. The officials identified for this task eventually formed the core team of the Warwick Junction Renewal Project. In 2001 Warwick Junction was incorporated into iTRUMP and is now one of the nine inner city districts of this consolidated Programme. In 2003 iTRUMP became one of five of the eThekwini Municipality’s European Commission sector support funded Area Based Management Programme units.

4. **CHALLENGE**

Conjested and under serviced sidewalks characterized the district. It is estimated that 460,000 pedestrians traverse the district per day, many commuting to under serviced residential areas eg. no refrigeration, where the purchase of perishable food for daily consumption is essential. Equally, many receive adhoc incomes thus reinforcing a pattern of daily purchasing. A further consideration is that minibus taxis limit the amount and size of commuter packages, encouraging incremental portage.

The local informal economy is responsively orientated to service these large numbers, with goods available for a rapid point-of-sale transaction [to avoid delaying customers en route to their transport connections] and evenly dispersed throughout the district to capture business on these routes and particularly those serving the approximately 22 minibus taxi ranks.

The initial project undertaken by Council officials to clean and repair the area revealed this vibrant activity, the intensive use of the public realm and the obvious challenge that any regeneration effort in the district would need to recognize the micro-economic function it provided for the City. Equally, any capital works intervention would most likely disrupt these symbiotic activities, cause hardship to valuable livelihoods and severe commuter inconvenience. It was
acknowledged that sympathetic re-ordering of the public realm [and particularly the congested side-walks] was necessary. In 1996 ITSBO [Informal Trade and Small Business Opportunities] the Council departmental predecessor to [the current] Business Support, commissioned Architectural Services to design and construct tables and shelters for the informal traders located in portions of Alice Street and Cannongete Road. Notwithstanding the best efforts of all the Council officials involved in “packaging” the project, the moment construction commenced on site the affected traders set to benefit from the intervention, questioned the design, detailed location and process. Upon review, it was abundantly clear that an entirely different delivery process was necessary in order to produce beneficiary responsive infrastructure, engage in sector and district level consultation to enlist user preferences that would build a unique, inclusive vision for the area. The approach was well intentioned but also pragmatic – no significant construction activity would be possible within the congested public realm without the participative support of all stakeholders.

The team of Council officials who were already concentrating on the urban management of the district were included in an expanded Warwick Junction Project Team; an area based philosophy was adopted and the subsequent informal economy infrastructural project [Traditional Herb and Medicine Market See Document 2A] implemented an integrated approach that resulted in a successful project and an evolutionary consultation approach that commenced district level stakeholder “buy-in”.

An under-utilized turn-of-the-century warehouse building located in the heart of the district was converted and restored as the Warwick Junction Project Office with a specific focus on the provision of a large community hall to facilitate consultation and permit stakeholder representative groups an opportunity to meet outside the confines of Project ‘business’ to develop their own interests and capacity.

For the period July 1997 to June 2000 the Project was directly or indirectly responsible for the implementation of approximately R37,0 million worth of capital projects ranging from public transport facilities, informal economy infrastructure, environmental upgrading [including landscaping], temporary housing and social amenities.

By comparative national standards this represented a significant inner city re-investment in the post apartheid context; the projects were wide ranging; delivered in a highly congested and contested public realm with evolving participatory stakeholder support. At the end of this same review period the Project was the winning recipient of the Nedbank Mail and Guardian Green Trust Award for Urban Renewal.

5. **APPROACH**
With respect to managing the informal economy the Warwick Junction Project adopted the following general strategies that had specific benefits:

i. Project Philosophy:

There was an early conviction that the regeneration and urban management activities must be dynamically integrated. Any insular regeneration projects without considered urban management aftercare, are potentially unsustainable; equally, resource consumptive urban management often requires a capital works intervention [regeneration] to mitigate the repetitive wasted activity. The Project adopted the following diagram as its philosophy.

![Project Philosophy Diagram](image)

**Fig 2 Project Philosophy**

Three distinct disciplines were needed, namely planning, implementation and operations. All three generated their unique “intelligence” which was invaluable information to all of the individual disciplines. In addition, stakeholder consultation and interaction also supplemented the pool of “intelligence”. Forward direction was provided by the act of implementation, but specifically, the implementation of capital works.
Planning generally informed the district vision and provided particularly the operations with a sense of how to react to operational issues eg. accept the activity as an endemic consequence of the Project plan or intervene with a diversionary strategy. Each of the disciplines was represented by a Team Leader who in turn acted as the core team leading the Project. This Project Team was located centrally in the Project Centre, at the heart of the district.

ii. Project located “in Council”:

At the time of the initiation of the Warwick Project, the current debate was exploring the merits/demerits of agencies alongside Council. It was considered that the agency approach provided potential for more responsive action ie. less constrained by beauracratic procedures. The Warwick Junction Project operated “in Council” and relatively soon became advocates for this approach, which provided unfettered access to a huge human and technical resource which, if assembled on a project basis was effective and cost efficient. In the case of Warwick Junction the Planning Team Leader [and also the inception Project Leader] was located in Urban Design; the Implementation Team Leader was an architect engaged on a fixed term contract by Architecture and Buildings and the Operation Team Leader, an environmental health practitioner located in City Health. What soon exemplified the approach was that by the year 2000, 28 multi-departmental task teams had formed to manage a range of urban management challenges, generated mainly by the informal economy. The leaders of these task teams were the departmental officials most affected and who had the primary concern or skill to address the matter. This invigorated the team approach and brought Council Departments into or closer to the Project. This conviction, that the regeneration agency can be effectively located “in Council” with more advantages than compromise, has been carried forward into the composition of the iTRUMP team and its operations.

iii. Area Based Approach:

The potential complexity of the Project; the early challenges emerging after the initial implementation project indicating the necessity for more intensive stakeholder engagement and the desire to “weld” an interdepartmental Project team, all moved the Project to adopt an area based approach that was finally implemented upon the availability of an optimally located under utilized Council owned warehouse. The premises were able to accommodate the administrative offices and a community hall, the latter well suited to give effective implementation to the stakeholder participation strategy. A snap assessment taken during the Informal Economy Policy writing process, revealed that for the months of March and April 2000, 1500 people used the hall for over 90 meetings
with over half being with Council officials. [Ref. Annexure 5 page 40. Durban’s Informal Economy Policy.] Symbolically, the restoration of the severely neglected building was also a signal of Council and Project intent for the district. The Project Centre received a Kwa Zulu – Natal Institute of Architects Architectural Heritage Award for the restoration.

The institutional location of the iTRUMP ABM is represented in the following diagrams [See following page]. Figure 3 depicts the typical line department project matrix. With respect to the implementation of an informal economy project, the line department utilized Architecture and Buildings as their implementing agent. Generally, the design, contract documentation and contract implementation were outsourced to Consultants. Notwithstanding the best efforts of all participating parties, the project matrix produced the disappointing outcome described earlier in this report [Challenge Page 5]. Fig. 4 depicts the institutional positioning of the iTRUMP ABM in the project matrix, such that it is able to influence and add value throughout the cycle ie.

- communication between line department seniors into the Municipality’s Organogram [Administrative, Strategic and Political].
- the addition of district level “intelligence” to enhance and achieve the project’s broader development objectives.
- ensure technical understanding of the project brief and the design response [between the line department and its implementing agent]
- reflect district level reality with respect to the projects’ implementation and through its stakeholder networks, facilitate a considerate construction phase.
- monitor the beneficiaries’ participation and reception of the project.
- at all times represent and add the Programme’s vision to the participating parties activities.
iv. District Distinctiveness:

The Project and later iTRUMP, developed an approach that became identified as district distinctiveness. It reflected a recognition that the inner city districts had characteristics and functions that had evolved and were now contributing to the City as a whole. Although in the case of Warwick Junction, much of this distinctiveness had apartheid origins and political expediency, eg. the public transport node concentrated on the edge of the white city centre, it was perhaps now ideally located to receive...
feeder transport routes for connections to a circular inner city distribution system. The district maintained its distinctiveness as the transport hub and with the resultant high number of pedestrians, the opportunity for a concentration of public realm trading. Further, acknowledging that currently the majority of public transport users are in the lower LSM income brackets, a responsive retail environment developed around customer needs. The retail activity that was present in the district at the inception of the Project had taken root even in the abolitionist years of the 80’s, thus having survived, it was a good measure of customer preference. In general the Project team worked with these presenting activities as its ‘bridge-head’ and as its stakeholder interaction and vision matured, its directing of the informal economy became more informed.

The Project accepted that much of its work with respect to the informal economy would be of a pioneering nature as there was little comparable national or international precedent.

v. Consultation:

The Project team placed high priority on this facet of their work – determined as an objective in its own right, but also as an acknowledgement that without precedent and an initial detailed understanding of the dynamics of the district, stakeholder participation would be a critical success factor.

The Project’s communication and consultation strategy operated on at least four levels. At district level through a stakeholder forum – the Warwick Junction District Working Group; with interested and affected groups eg. formal business and informal traders’ street committees and all their affiliate organizations; specific sector representatives eg. bovine head cookers, traditional herb and medicine traders etc. and individuals. The Project deliberately interacted at all these levels as a means of verifying information and to avoid any apparent alignment to groups, individuals or opinion. The various project interventions also had their own unique consultation approach and learning that is distilled in Document 2 of this Report.

6. INTERVENTIONS

The following schedule and timeline details the Warwick Junction Project’s infrastructure implemented in support of the informal economy:

<table>
<thead>
<tr>
<th>DATE</th>
<th>PROJECT AND NARRATIVE</th>
<th>[APPROX] VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Alice Street and Cannongate Shelters. Sidewalk tables,</td>
<td>R2,25</td>
</tr>
<tr>
<td>Year</td>
<td>Project Description</td>
<td>Architects</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>1997</td>
<td><strong>Traditional Herb and Medicine Market.</strong> Market stalls and Izinyanga Kiosks</td>
<td>OMM Design workshop.</td>
</tr>
<tr>
<td></td>
<td><strong>Warwick Junction Project Centre.</strong> Alterations and renovations to existing warehouse for project offices and community hall.</td>
<td>Emmett and Emmett</td>
</tr>
<tr>
<td>1997-99</td>
<td><strong>Informal Traders’ Storage Facility.</strong> Centenary Road. Relocation of an existing storage business for traders’ goods from Stratford Road [site of the future Project Centre] to Municipal premises with an extensive layout of under-utilized carports.</td>
<td>Warwick Junction Project</td>
</tr>
<tr>
<td>1997-99</td>
<td><strong>Early Morning [fresh produce] Market.</strong> Complete renovation</td>
<td>M.A. Gafoor; Kooblal and Steyn</td>
</tr>
<tr>
<td>Year</td>
<td>Project Name</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
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</tr>
<tr>
<td>1999</td>
<td><strong>Leopold Street Bridge Stalls</strong></td>
<td>Tables and shelters erected on an existing pedestrian bridge. At inception most traders sold pre-recorded music. Architects: Langa Makanya and Associates</td>
</tr>
<tr>
<td>1999</td>
<td><strong>Bead and Pinafore Sellers Market</strong></td>
<td>Raised platforms and shelters with the latter incorporating hanging rails for display purposes. Bead sellers occupy the Market on Friday mornings only. Architect: Mike Legg Architects CC</td>
</tr>
<tr>
<td>2000</td>
<td><strong>Buy-back Centre for cardboard salvagers</strong></td>
<td>Urban management and income enhancing project to facilitate an immediate point-of-purchase for salvagers. Architect: Warwick Junction Project</td>
</tr>
<tr>
<td>2000</td>
<td><strong>Crèche and pre-school</strong></td>
<td>FBO operated facility orientated towards informal traders’ children. At inception the children were “schooled” on the sidewalk in the open air. They then graduated to a converted shipping container and then the Project renovated a disused building in Alice Street. Architects: Warwick Junction Project</td>
</tr>
<tr>
<td>2001</td>
<td><strong>Mealie Cookers Facility</strong></td>
<td>Outdoor specialist cooking and distribution facility utilizing open wood fires to cook mealies [corn-on-the-cob] in 200L recycled drums. Architect: Matic van Zyl</td>
</tr>
<tr>
<td>2001</td>
<td><strong>Brook Street Central Market Phase 1</strong></td>
<td>Inception phase [one of six] as a public private partnership between the Municipality and the Badsha Peer [Muslim] Community to provide an informal trade “mall” and an annual urban gathering space for the Badsha Peer veneration. Architect: Phase 1 Kooblah Steyn Phase 2-6 Architects Collaborative</td>
</tr>
<tr>
<td>2001</td>
<td><strong>Traditional Herb and Medicine Market Information Centre</strong></td>
<td>An interpretative and visitor’s reception centre conceived to encourage local tourism, particularly of the Traditional Herb and Medicine Market but also the Markets of Warwick a walking tour of the district. Architect: Laren Beni</td>
</tr>
</tbody>
</table>
## 2002

### Cannongate Taxi Rank Traders’ Shelters.
Relocation of existing informal traders displaced as a result of the construction of an expanded mini-bus taxi rank. The provision of tables and shelters. Provision of a “pilot” public, ablution facility immediately located near the traders for community management and maintenance.


### Informal Traders’ Storage Facility.
Alice Street. Provision of yard space and shelter for the storage of goods on market barrows and the formation of a [shipping] container park for units moved from sidewalks as an urban management intervention.

Architects: Warwick Junction Project

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Location</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Cannongate Taxi Rank Traders’ Shelters</td>
<td></td>
<td>R0,34 [of R2,5]</td>
</tr>
<tr>
<td>2003</td>
<td>Bovine Head Cookers Facility</td>
<td></td>
<td>R0,75</td>
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## 2003

### Bovine Head Cookers Facility.
Provision of a specialist facility for the preparation, cooking and serving of cow’s head meat [a traditional Zulu male delicacy]. Relocated from a sidewalk location without adequate support infrastructure [particularly drainage and fresh water] to form a “food court” alongside other informal enterprises preparing and serving cooked food.

Architect: Lees and Short

### The specific interventions identified by iTRUMP as exemplifying the ABM’s management of the informal economy are as follows:

- Traditional Herb and Medicine Market.
- Mealie Cookers Facility.
- Buy-back Centre [for cardboard salvagers.]
- Brook Street Central Market Phases 1-6
- Bovine Head Cookers Facility and Food Court.

The Area Based Management learning is categorized on two levels; those specifically derived from each intervention ie. the sectors and in addition, a rolled-up summary from the iTRUMP Programme perspective ie. overall learning.

The former will be found as part of the detailed analysis of each intervention [Document 2] whilst the latter follow hereafter.
7. LEARNING [PROGRAMME LEVEL]

iTRUMP has identified the following Programme level learning with respect to the managing of the informal economy.

i. District Distinctiveness:

Recognizing the district’s intrinsic urban and social contribution to the inner city has been beneficial. This notion does not diminish or undermine the due diligence of technical studies and processes. Instead, it informs a rational understanding of what is possible, sustainable and valuable. It is particularly important in the post apartheid context as a means of recognizing emerging and preferred land-use; previously suppressed livelihood strategies; social reconfiguration and cultural expression. Interrogating these dynamics with curiosity, provides invaluable indicators that press added value into technical processes and studies. iTRUMP recognizes that this basic sensitivity communicates a powerful subliminal message to stakeholders that the urban practitioners and the regeneration process is creating an environment sympathetic to their needs. The high levels of community volunteerism eg. the cleansing and peer education programme, Traders Against Crime and the willing participation in consultation, are all indicative of this response and has had positive urban management implications.

ii. Consultation:

iTRUMP believes that its structured multi-level consultation process ie. District level stakeholders; interested and affected groups; sector representatives and individuals, ensured a thorough canvassing of opinion and the communication of the programme’s intentions. Equally, the integration provided a solid basis for verifying information and the early detection of any potential malalignment.

The most significant learning has been through the Programme’s provision of a community hall alongside the Project Centre in Warwick Junction. The backbone of the consultation process has become the ability to have an appropriate meeting space available and in many instances, the space being available unfettered to stakeholders to further their “business” in response to the Programme’s interaction. There is antedotal evidence that particularly the informal traders’ organizations have benefited from their regular opportunities to meet.
iii. Emerging Economic Understanding and Dynamic:

Further to the notion of district distinctiveness, sensitivity towards the emerging economic patterns and dynamic has been critical in the development of an approach for urban informal trade. Towards the end of the first year of trading [1998], research indicated that the gross turnover for the Traditional Herb and Medicine Market was R170,0 million, of which R20,0 million was in the retail component and R150,0 million for the izinyanga [traditional healers/ doctors]. Further, there were approximately 700-1000 traders in the Market but 14,000 jobs directly linked as a supply chain to the Market. These statistics immediately indicated the possible future direction of the Municipality’s development programme – namely beneficiation and the propagation/commercial farming of raw materials. The beneficiation not only recognized the value add through processing or prescribing eg. the discrepancy between retailers’ and practitioners’ turn-over, but also provided the invaluable advantage of potentially extending the “shelf-life” of scarce natural products.

Without any prior precedent, an acceptance of an evolutionary understanding was and is, critical. It implies that there should be an extend project cycle that maps future outcomes and trends with the expectation that the learning will be applied to future projects within a dynamic process, contained by relatively close time horizons ie. not to dissipate the energy. Commitment to the urban informal economy implies an inquisitive and sustained programme.

iv. Infrastructure Investment:

Further to the example of the Traditional Herb and Medicine Market, the Municipality’s capital investment in the initial 1998 phase was approximately R4,0 million. The rationale to commit capital to development projects is never an exact science, but the course grain analysis of the project’s job creation potential, the extended supply chain and the development trajectory into commercial production and processing, indicated a significant return on the capital investment.

Similarly, the initial capital investment in 2001 of approximately R60,000 in the mealie cooking facility showed a weekly turn of over R1,0 million / week in the sale of cooked mealies.

iTRUMP believes there is now substantial evidence indicating that the provision of appropriate and sector responsive infrastructure has a positive impact on the informal economy and often by default, improved urban management. No research has been conducted on the opportunity cost of a reduced operating budget derived from improved urban management.
The combination of the two outcomes presents a convincing case for infrastructure investment for the informal economy.

v. Policy:

In 1999 the Municipality embarked on a process to write and adopt an Informal Economy Policy. Historically, informal trade had been illegal and therefore the existing bylaws were restrictive and the Council required enabling legislation to promote a developmental approach towards the sector. Equally, the project work emerging from Warwick Junction was accelerating the need for a development and management framework. A constructive and inclusive process resulted in the adoption of an Informal Economy Policy – a first for any international, national or provincial city. iTRUMP [then the Warwick Junction Project] contributed significantly into the policy writing process with its infrastructure projects and emerging urban management insights. Further, the intensity of the capital programme dictated that officials were now more frequently in the public realm, resulting in unique and studied insights only obtainable about the sector through observation and curiosity. The Project’s consultation processes were also providing invaluable incidental feedback which was also available to the Policy writing team.

As much as there are aspects where the Project informed the Policy, the adoption of the Policy immediately provided a solid framework for successive Project work. However, for the Policy to become effective and live its developmental intent, it “needed” projects to ensure its future.

iTRUMP believes this relationship between implementation and enabling legislation is an unique example of a dynamic development cycle in action.

vi. Extensive Project List:

Committed project based work within the informal economy matures organically in that one project feeds another, where eventually the cross fertilization develops a multiplicity of potential projects of varying scale. Within this range some will be either of a capital nature, while others biased towards urban management. iTRUMP’s learning has been to embrace this eventuality and develop the widest and most extensive project list possible. In reality, these projects mature with an internal logic that is eventually matched by funding, scale, opportunity or necessity. What has been important is that the potential for these individual projects be know to the stakeholders, which creates the opportunity to implement much faster should the possibility materialize eg. capital savings, a technical delay on another scheduled project etc. Equally, in the instance of a delay around a particular consultation issue, it has been advantageous
to have projects in “the wings”. This has been beneficial, not as a punitive measure, but rather one that has ensured continuous implementation momentum, which although having a minor influence on project emphasis, results in overriding stakeholder confidence evidenced through actual delivery. Maintaining the extended list, managing stakeholder expectations, navigating procurement protocols and financial regulations has been relatively easy to achieve. The resultant consistent delivery is evident.

vii. Phased Implementation

Further to the maintenance of an extensive project list, is the deliberate process of phased implementation. The Brook Street Central Market exemplifies this approach. Now in Phase 6, the project has received, almost consistently, an annual increment in development. The phased approach has matched the available funding; spread the overall annual Programme capital across a wider range of stakeholders; produced annual implementation contracts of a scale that have been less disruptive [achieving an enhanced stakeholder response when it is appreciated that their livelihoods are at risk] and allowed for the design evolution of the project to maximize and respond to user preferences.

It has also been observed that an apparently over ambitious scale can prevent the implementation of a project eg. as a single, one off project, the Brook Street Central Market would have represented a capital investment of approximately R11,3 million – more than iTRUMP’s annual capital budget. This strategy, driven with a clear and articulated long term vision enables the delivery of significant interventions.

viii. Social and Cultural Inclusion

Sensitivity towards these two aspects has been critical given the nation’s exclusionary past. iTRUMP believes that the construction of the Traditional Herb and Medicine Market signaled a welcoming urban shift and the embracing of diverse cultural practices. There are many anecdotal examples eg. the wearing of cultural dress, the manufacture of “pantsula” clothing etc. that have surfaced out of the seemingly unconstrained urban environment. As a specific strategy it is difficult to pursue without overt attention stifling the spontaneity, but experientially, a walk through the district, easily convinces the observer that this level of inclusion provides invisible regenerative, city making “glue”.

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8. CONCLUSION

As an informal economy intervention, the iTRUMP Warwick Junction body of work is significant because of its scale and sustained presence. As a leader throughout the review period, i.e. from inception until 2006, Richard Dobson is qualified to present the Programme narrative, but methodologically constrained from conducting beneficiary interviews without these being “tainted”. Verification of this aspect of the work will be required from supplementary sources.