# Impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality


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## DECLARATION BY CANDIDATE

I, GABRIEL ACHA EKOBI, declare that this thesis is my own work for the PhD Degree in Development Studies at the North West University where it is hereby submitted, and that, to the best of my knowledge, it has never been submitted by me or anyone else for a degree at this or any other university or for another qualification. Materials and sources cited from other people in this thesis have been correctly acknowledged by means of complete references.

Signed on this……day of……2019 at……

Signature.....

## DEDICATION

This study is dedicated to my late parents David Acha, Emilia Mokosso and Lucas Nwatiagbo. In addition, it is dedicated to my wife and son, Lovelyne Mboh and Garel Ekobi, for supporting me psychologically and emotionally and for their motivation and advice throughout my study period.

God bless you all.

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## ABSTRACT

The main objective of this research is to investigate the impact of street food vending on poverty, livelihoods and unemployment in the Mahikeng Local Municipality (MLM). In addition, the study describes the socio-economic profiles of street food vendors, challenges and types of food sold. Street food vending has been identified as a cornerstone of socio-economic development in the world in general and South Africa in particular. Nevertheless, very little research has been conducted in the MLM focusing primarily on the impact of street food vending on poverty, livelihoods and poverty. This study therefore, supplements existing knowledge by concentrating on the impact of street food vending in the area. To achieve the above objectives, the study utilized both quantitative and qualitative research methods. In addition, structured questionnaires were used to collect data from individual respondents while focus group discussions were held using semi-structured questionnaire. Unstructured questionnaires also were employed to collect information from the key informants.

The finding demonstrates that street food vending generates income, employment, food security, good health, education, taxes, housing and skills in the MLM. These were very instrumental in promoting livelihoods and poverty reduction in the area. Street food sector also plays a crucial role in promoting socio-economic status of vendors in the area. Some vendors were able to acquire assets such as livestock and landed property from the profit made from the business that contributed to poverty reduction among vendors in the MLM. However, the street food sector is plagued with challenges such as lack of working capital and credit, competition, harassment and confiscation of food items and utensils, listeria contamination, street vending policy and lack of infrastructure. These challenges reduce profit made and hinder the growth of the business, livelihoods and poverty reduction among vendors in the area. The study recommended that other stakeholders and the government of South Africa should ensure that vendors in the MLM should be provided with soft bank loans and/or credit. The local authorities and government should design a helpful policy and legislative framework that promote and provide an appropriate atmosphere for earning livelihoods through street food vending.



KEY WORDS: Informal sector, livelihoods, small medium enterprise, street food vending, poverty, unemployment

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| NON-ENGLISH WORDS | ENGLISH WORDS |
|---|---|
| *Atchar:* | Unripe green mangoes, chillies and spiced oil |
| *Dumpling:* | Steamed bread |
| *Eba and amala:* | Cooked maize and soup |
| *Fufu and eru:* | Fermented cassava and wild vegetable |
| *Kota:* | Bread, potato chips, atchar and polony |
| *Lerotse:* | Melon served with salt |
| *Kgatsele:* | First milk from cow |
| *Kwakoko and mbanga soup:* | Mashed cocoyam/palm nut soup |
| *Magwinya:* | Fat cake |
| *Malamogodu:* | Beef intestines |
| *Mabele:* | Sorghum |
| *Madila:* | Sour milk |
| *Mealies:* | Maize |
| *Menoto:* | Chicken feet |
| *Morogo:* | Wild vegetable |
| *Motogo wa mabele:* | Breakfast tin porridge |
| *Mukwetjepa:* | Boiled meat, gravy and salt |
| *Pap:* | Cooked maize flour |
| *Samp:* | Boiled mixed maize (chopped) and beans |
| *Serobe:* | Mixed cooked internal organs (sheep and cow) |
| *Stokvel:* | Society savings or investment |
| *Tlhakwana:* | Sheep or cow legs |
| *Tshotlo:* | Pounded beef |

## LIST OF ACRONYMS

AFSUN: African Food Security Urban Network

CBD: Centre Business District

DoA: Department of Agriculture

DAFF: Department of Agriculture Fisheries and Forestry

DEDT: Department of Economic Development and Tourism

DTI: Department of Trade and Industry

EHP: Environmental Health Practitioner

FAO: Food and Agricultural Organization

FGD: Focus Group Discussion

GCIS: Government Communication Information System

GDP: Gross Domestic Product

GEM: Global Entrepreneurship Monitor

GVA: Gross Value Added

HSRC: Human Science Research Council

IDC: Industrial Development Corporation

IDP: Integrated Development Plan

ILO: International Labour Organization

ISBDS: Integrated Small Business Development Strategy

LED: Local Economic Development

MLM: Mahikeng Local Municipality

NDP: National Development Plan

NEF: National Empowerment Fund

NGOs: Non-Governmental Organisations

NPC: National Planning Commission

NYDA: National Youth Development Agency

NSBAC: National Small Business Advisory Council

NWDC: The North West Development Corporation

NWPG: North West Provincial Government

OECD: Organization for Economic Co-operation and Development

QLFS: Quarterly Labour Force Survey

SADC: Southern Africa Development Community

SALGA: South Africa Local Government Authority

SETAs: Sector of Education and Training Authorities

SFS: Street Food Sector

SFV: Street Food Vending

SFVs: Street food Vendors

SAMAF: South Africa Micro-Finance Apex Fund

SEDA: Small Enterprise Development Agency

SMMEs: Small Medium and Micro Enterprises

SPSS: Statistical Package for Social Sciences

Stats SA: Statistics South Africa

UNDP: United Nations Development Programme

UN: United Nations

UNO: United Nations Organisation

US: United States

WIEGO: Women in Informal Employment

WB: World Bank

WFP: World Food Programme

# CHAPTER ONE: INTRODUCTION TO THE STUDY

## 1.1 BACKGROUND

### 1.1.1 The informal sector

Researchers and economists paid no attention to economic activities (informal sector) carried out outside the formal outline of the economy before the 1960s. Anthropologists and sociologist were the only ones who seemed to consider the existence of such activities. However, in the 1970s, since its discovery in Kenya, the informal sector became increasingly recognized as important tool in promoting job creation, income and entrepreneurship (International Labour Organisation, 1972: 4; Hart, 1973: 16; World Bank, 2017: 9). The term informal sector is used interchangeably with informal trading, informal economy and informal workers in this study. In addition, street food vending, in this study, is used interchangeably with street food trade and street food sector and vendors with traders. The informal sector is significant towards poverty reduction, job creation and reducing income inequality far more easily than the formal sector in the world, especially in developing countries (Bhowmik, 2005: 1; Boakye, 2009; 71; World Bank, 2017: 13, Williams, 2017: 6). The informal sector employment comprises 69 percent in South Asia, 57 percent in East and Southeast Asia excluding China. Further, in China, more than 59 percent of people operate in the informal sector that serves as a safety net against poverty (Khizi, 2013: 8; Vanek, Chen, Carre, Heintz and Hussmanns, 2014: 10; Williams, 2017: 6; World Bank, 2017: 13). Bhowmik (2005: 45) concurs and point out that the informal trade created better full time employment opportunities for family members involved in the sector and creates employment opportunities for hired labour. Bhowmik further stresses that hired labour used in the informal sector was double in comparison to that of the formal sector. From livelihood perspectives, informal sector is very essential, in South American countries such as Argentina and Venezuela, the informal sector contributes approximately 20 to 45 percent of livelihood of vendors in 2015 as it generates income for trader's households to be food secured. This reduces hunger and promote better health (International labour Organisation, 2016: 13).

In Africa, the informal sector is extremely important as it contributes between 25 and 65 percent of Gross domestic product (GDP) and accounts for between 30 and 90 percent of total employment and income. In Africa, the informal trade empowers vendors and emancipates them socially through job creation. This allowed traders to participate in development initiatives and

poverty reduction in rural and urban areas. In Cameroon, Liberia, Tanzania and Egypt for instance, informal sector employment comprises of 70 percent, 50 percent, 52 percent and 45 percent respectively (Chukuezi, 2010: 16; International Labour Organization, 2013: 12; Njaya, 2014: 18). Similarly, Kaizhi (2013: 6) found that in Kenya, the informal sector contributes 85 percent of employment and 45 percent of street vendor's income that enabled them to move out of poverty. Further, in Botswana, Kapunda and Mmolawa (2007: 56) supports the views and expressed that the informal sector generates 40 percent of employment and 70 percent of those who joined the informal sector did so in order to find a better income after staying unemployed for some time. They further indicate that remuneration rates received for workers in the informal trade were six (6) percent more than that of industrial labourers.

In South Africa, although the informal sector contribution is less than that of other African countries, however, there is a growth of the trade. The informal sector is increasingly seen as a mechanism for job creation, entrepreneurship and poverty reduction as many people are now involved in the sector to make a living (Green and Fourie, 2017: 8). Williams (2014: 56) and Statistics South Africa (2016: 7) posit that in 2014, the informal sector in South Africa contributed five (5) to eight (8) percent of the country's GDP. Statistics South Africa continue to report that in April-June 2016 Quarterly Labour Force Survey (QLFS), 2, 565, 000 South Africans were working in the informal sector. Despite the fact that, this figure is far less than that of other African countries employment rates, it is still 16.4 percent of South Africa's total employment. In addition, in 2017 the informal sector employment improved to 17 percent that translates between 2.3 million to 2.6 million (City of Cape Town, 2003: 14; The City of Cape Town, 2013: 13; Green and Fourie, 2017: 9). Equally, in the North West province, in 2016, approximately 16 to 25 percent of the population were employed in the informal sector and the sector accounted for about three (3) to six (6) percent of the province's GDP (Department of Trade and Industry, 2013: 12; North West Development Corporation, 2016: 15). Statistics South Africa (2016: 12) and NWDC (2016: 17) survey further found that the informal sector generates about two (2) to four (4) percent of the Mahikeng Local Municipality GDP. The sector further contributes approximately six (6) to 17 percent of employment in the area compared to about four (4) to 13 percent in 2014.

### 1.1.2 Street food vending global picture

Street food in the informal sector has become an important source of food and nutrients for consumers in the world most especially in developing countries, which have enabled food vendors to generate income. It is estimated that about 2.5 billion people world-wide consume street food on a daily basis, mainly as a result of its low cost and easy access (Fellows and Hilmi, 2012: 1; Rahman *et al.,* 2014: 24). Street food can be seen in virtually every corner of the world most particularly in the developing countries and has been on sale for thousands of years (Fellows and Hilmi, 2011: 1). It is estimated that street food vending contributes up to 40 percent of the daily diet of urban consumers in the world in 2012. This was in contrast to 32 percent it contributes in 2010 (Etzold, 2014: 12). In addition, to its significance as a source of nutrients and food, street food further act as a vehicle for income generation, employment creation and entrepreneurship for rural and urban residents that leads to sustainable development (ILO, 2011 6; ILO, 2016: 7). In Asian countries, street food vending contributes approximately 33 percent of the region's GDP and 25.3 percent of the Central America regions GDP (Schneider and Klingmair, 2004: 5; Kumar, 2012: 118; Roever, 2014: 13; World Bank, 2016a: 2). Huang's (2016: 15) study corroborates and point out that in countries like Mongolia, Indonesia and Vietnam, street food vending employment comprised 23 percent, 25 percent and 11 percent respectively. Huang also states that income obtained from the street food trade improved food vendors wellbeing and prestige, which was generally above that of transport operators. Likewise, in Latin America, for instance, Uruguay, Paraguay and Bolivia, street food vending employed 16 to 56 percent of the population who were lacking skills and this enabled them to generate income. The proceeds made were seven (7) percent higher than salary made by road construction workers. These enabled them to carter for themselves and sending their children to schools (Cardoso *et al.,* 2014: 57).

### 1.1.3 Street food vending in Africa

Of all regions in the world, the street food sector has contributed more significantly to life in Africa at the household level, in rural and urban areas in terms of employment, income and poverty reduction. ILO (2016: 13) survey postulates that in 2015, more than eight (8) million people were involved in the street food vending trade as their means of livelihood compared to

seven (7) million in 2014. In Africa, street food vending helps in poverty reduction and untimately improve livelihoods. The street food trading acts as a vehicle for the creation of additional employment, which together permits people to move out of the poverty cycle. In addition, SFV also helps in increasing income, and providing poor households a chance to meet basic needs and overall economic well-being. Furthermore, it provides the podium in stimulating entrepreneurship that enhance the business and promote diet diversification, and thus reduction of food insecurity (Food and Agricultural Organisation, 2012: 8; Roever, 2014: 20). In Kenya, street food vending provides employment and income to about 70 percent of Kenya's population, especially in urban areas in 2007. This equalled 65 percent employment and income contribution in 2005. Poverty incidences were less among food vendors than among domestic workers' households (Salway *et al.,* 2003: 881; World Bank, 2007: 12; Roever, 2014: 19; Etzold, 2014: 1; Gender energy research programme, 2016: 32). Charmes (1999: 15) and Mittulah (2005: 36) supports and point out that in the year 2002 alone in Uganda, street food vending employed about 5,086,400 people up from 4,624,400 in 2001. This was an increase of 462,000 persons and consisted of 74.2 percent of total national employment. In addition, street food vending provides the opportunity for them to generate income used to invest in education that is critical in the fight against poverty. Education entails more opportunities of generating income, and implies better understanding of new and improved business technologies. This has permitted food vendors to be self-sufficient.

Further, in Southern Africa Development Community, (Malungisa, 2015: 36) found that street food vending plays an important socio-economic development role in terms of employment, livelihoods and poverty reduction. Street food vending contributes approximately 3.5 percent of the SADC regions GDP and accounts for about 22.3 percent of employment. A 2003 census of street food vendors in Harare, Zimbabwe shows that about 8,631 people were involved in the business of street food vending, of which 81 percent were women. Women involved in the food trade enabled them to influence changes in the balance of power within their households. This increased women's confidence in community debates and decision-making. In addition, these food vendors employ other people to assist with the business. Food traders' livelihood was thrice better than that of security guards (FAO, 2005: 3; Nago, 2005: 15; Njaya, 2014: 23; ILO, 2016: 12; Tawodzera *et al.,* 2016: 33; Zimbabwe Government, 2017: 13).

### 1.1.4 Street food vending in South Africa

South Africa has experienced a steady growth in street food vending like the other African countries. The street food trade in the informal sector is continuous seen as an important mechanism to improve living standard due to the high levels of unemployment, poverty and income inequality even after the inauguration of democracy in April 1994 (Department of Economic Development and Tourism, 2009: 13; Tregenna, 2012: 2). In 2012, there were about 2.1 million people in South Africa involved in the informal sector in general and street food vending in particular compared to 9.5 million in the formal sector. Out of the 2.1 million, 1.2 million were men and just over 857,000 were women (DTI, 2005: 4; DTI, 2014: 3). Human Science Research Council (2012: 7) posits that millions of poor South Africans eat street food every day since it is relatively inexpensive. HSRC report further found that at the national level, 11.3 percent of the population bought food from street vendors and 6.8 percent from fast food outlets frequently. Black Africans were the most regular consumers of street food with nearly one out of five (19) percent consuming such foods at least twice a week. By contrast, Indians (1.9) percent and Whites (2.9) percent had the lowest street food consumption. Indians (14) percent and Whites (12.5) percent had the highest fast food consumption with the lowest percentages found in the Black (5.4) percent and Euro-Afro-Malay groups. The highest consumption of street food took place in urban informal (19.4) percent and urban formal areas (16.7) percent. The lowest percentage of respondents buying street food was recorded in rural areas (4.7) percent.

Over the decades, street food vending has had a significance for economic growth, income generation potential, job creation, food security and entrepreneurship, which has led to the development of Small Medium and Micro Enterprises (Department of Economic Development and Tourism, 2009: 19; Gender energy research programme, 2016: 34). Small Medium and Micro Enterprises in South Africa contribute more than 30 percent to the country's GDP. Small Medium and Micro Enterprises (SMMEs) in South Africa absorb about 70 percent to 80 percent of the employed population and contribute more than four (4) percent to export earnings (DTI, 2016: 21). Small Medium and Micro Enterprises in South Africa play an important role in South Africa's economy and development. For instance, in 1996, around 19 percent of those employed

in the SMMEs were from the informal sector in general and street food in particular. By 2009, 31 percent and in 2012 it had risen to 41 percent (Mahembe, 2011: 35; DTI, 2014: 12).

A study conducted by the Human Science Research Council (2012: 11), found that 75 percent of street food vendors made an average income more than R1, 000 each week, 25 percent created an income that ranged between R1, 000 and R3, 000 a week better than the income earned by day or casual labourers. Crush and Frayne (2010: 17) study reveals that in the eThekwini metropolitan area in KwaZulu-Natal there were about 20, 000 street food vendors who daily sold up to 28 tonnes of cooked mealies. Street food vending businesses contribute significantly to the alleviation of poverty and in 2001; the number of employment opportunities generated in the informal sector through innovations such as street food vending was estimated at 911,000. This was contrary to 40,000 generated in the formal sector (Codjia, 2000: 45; Chakravarty, 2001: 12; Von Holy and Makhoane, 2006: 2; Steyn and Labadarios, 2011: 14). Equally, Peberdy (2016: 45) report found that in Gauteng province, street food vending contributed one (1) to eight (8) percent of the province's GDP. In Johannesburg, street food vending employed 1,586 jobs of which 825 were full-time and 761 were part-time most particularly migrants from other countries and other parts of the country. In addition, Mafunzwaini (2013: 1) and (Marras, 2014: 23) emphasise that in Thulamela Local Municipality of Vhembe District Limpopo Province, a proportion of food secure households was higher among traders involved in SFV (73.3) percent compared to street non-food traders (26.7) percent.

In the North West Province, street food vending contribution does not differ distinctly from the national perspectives. The North West Province is the second largest consumer of street food (19.9) percent (MLM, 2016: 12). The North West Development Corporation (2015: 14) establishes that in 2010 about 43,000 people were involved in street food vending. This was contrary to 65,000 people engaged in the food sector in 2016. Street food vending activities accounts for about one (1) to three (3) percent of the province's GDP. The types of food sold in the North West Province by food vendors are beef stew, rice and pap, malamogodi (beef intestines), chicken and red meat pieces, kota (bread, potato chips, atchar and polony), chisanyama (braai meat), dumbling (steamed bread) and mabele (sorghum pap). Vendors also trade in vegetables such as spinach, cabbage, tomatoes, potatoes and pumpkins as well as fruits, beverages, tea/coffee and bread, boiled and roasted maize, (MLM, 2014: 10; DTI, 2014: 8).

Nonetheless, uplifting the effectiveness of street food vending in the area is only one aspect of poverty reduction; poverty can only be reduced if other instruments such as financial, technical, and infrastructure support are provided to food vendors (HSRC, 2012: 13; Marras, 2014: 25). The Human Science and Research Council (2012: 7) concurs and points out that infrastructure development, better regulation and recognition of the informal sector (Street food sector) will contribute to improved socio-economic status of not only the urban poor but also, alleviate poverty for the rural population through job creation and skill development.

Similarly, in the Mahikeng Local Municipality, about 3,500 people depend on street food vending for their livelihoods, wealth creation and employment. Street food vending contributes approximately one (1) to two (2) percent of the GVA of the economy and accounts for about one (1) to four (4) percent of employment in the area. According to (MLM, 2016: 13), in 2015 approximately 39 percent of street food vendors made a turnover of R3, 000 and more in a month compared to 35 percent turnover of R 2, 200 generated by food traders in 2013. The types of food sold in the Mahikeng Local Municipality are Magwinya (Fat cakes), menoto (chicken feet), polony or atchar and tlhakwana (cow and sheep legs). In addition, the types of food sold are Kota (bread, potato chips, atchar and polony), boiled and roasted maize (mealies), fresh tomatoes, fruits, beverages, pounded beef, spinach, cabbages, beetroot, fresh potatoes, bread and potato chips and beef stew with rice or porridge and chisanyama (braai meat) (DTI, 2014: 5; MLM, 2016: 12). These foods are mostly sold in front of schools, office buildings, police stations, construction sites, taverns, taxi ranks and shopping malls (DTI, 2014: 5; MLM; 2016: 12).

In order to propel the informal sector through street food vending, the South African government and the North West Province have enacted policies and legal frameworks to formalize street food vending sector and these include:

*The Constitution of the Republic of South Africa (Act 108 0f 1996)* provides the power for the government and municipalities to create an enabling environment for growth of small businesses in the area (GCIS, 1996: 2). In its Bill of Rights, Section 22 of the Constitution of 1996 guarantees the right of every citizen to choose with freedom his or her trade or occupation, which might be regulated by law. The Constitution also makes provision through section 152 for

municipalities to allow informal traders including food vendors to participate in the economy through the making of informal trading bylaws.

The Constitution provides the platform for some policies and legal framework to be implemented to facilitate the informal sector, including SFV in the country. *The Food stuffs, cosmetics and disinfectants Act Number 54 of 1972* was introduced to control the sale of food in the country including the informal sector and the importation and manufacture of foodstuffs, cosmetics and disinfectants in order to promote food safety. The Act states that a person shall be guilty of an offence if he or she sells any foodstuff that is a mixture or compound of different foodstuffs (GCIS, 2008: 21). In addition, the *Meat Safety Act Number 40 of 2000* was introduced by the Department of Agriculture to encourage further hygiene and food protection through meat and the animal products safety. It stipulates that all street food vendors dealing with meat products must have a certificate of operation. Certificates of operation for vendors, in terms of national food hygiene regulations, allows for better control and coordination of the sector within their areas of operation (Department of Agriculture, 2012: 12).

In addition, the *Business Act Number 71 of 1991* was introduced by the Department of Trade and Industry to modify or retract certain laws regarding the licensing and carrying on of businesses. Section 6A of the Business Act, reduces the powers of local authorities regarding their ability to introduce and implement laws that restrict informal retailing including street food vending (DTI, 2014: 14). Furthermore, the *Mahikeng Informal Trading Policy of 2016* seeks to address challenges such as licenses, as well as trading space and permits facing the informal traders and food vendors at the municipality level (NWPG, 2009: 16). The Mahikeng Local Municipality bylaws were introduced to regulate the informal sector including street food vending in the area;

- To protect the right to engage in informal trading including street food vending
- To provide for the closing down of unsuitable areas and creation of areas where informal trading may take place and the granting of trading permits to vendors
- To control the conduct of street food vendors and also health and safety measures; and
- To stipulate the penalties for violations of the bylaws

On the other hand, *the Preferential Procurement Policy Framework Act Number 5 of 2000* was put in place to further encourage registration of small businesses and give SMMEs owned by historically disadvantaged people and community co-operative's a chance to fully contribute in economic activities in the country to promote growth and job creation (GCIS, 2008: 15).

The *Department of Trade and Industry Informal Sector Policy* was introduced by the Department of Trade and Industry that mandated agencies such as the National Small Business Advisory Council and Small Enterprise Development Agency to support small enterprises such as the informal sector including street food vendors to thrive in order to facilitate economic development (DTI, 2014: 13). In addition, the *Mbeki's Second Economy Policy 2003*, differentiated between first and second economy. According to President Mbeki, supporting the second economy like the informal sector in general and street food vending in particular through intervention programmes would promote growth in the country (Mbeki, 2003: 224). Further, *the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa of 1995* commits government's legal interventions and other resources towards creating an enabling atmosphere in which small businesses, including the informal sector can contribute to economic development in conjunction with bigger enterprises. Furthermore, *the Provincial Growth and Development Strategy of the North West province of 2004* was a strategy introduced that sees SMMEs including the informal sector as a development tool for economic growth, job creation and wealth redistribution in the province (NWPG, 2009: 23). In addition, the *National Development Plan (NDP)* was implemented to recognise further the need for a capable and developmental state, and a thriving business sector to promote growth and job creation in the country (NDP, 2012: 5; Zarenda, 2013: 10).

These legal and policy frameworks above were introduced to facilitate the creation of as many job opportunities as possible in order to promote economic development in South Africa, the North West province and Mahikeng Local Municipality in different ways. The interventions strengthened the fragile and smaller economic enterprises such as SFV and can to lead to greater re-circulation of capital amongst the poor.

## 1.2 PROBLEM STATEMENT

Street food vending is very instrumental in development since it promotes income generation and employment creation, which help in poverty reduction in South Africa. In order to promote SFV in South Africa, the North West Province and the Mahikeng Local Municipality, some legal and policy frameworks have been introduced at the different levels of government (Mahikeng IDP 2011, 2; DEDT, 2014: 4; Roever, 2014: 130). However, it appears the legal and policy frameworks are still a concern since challenges such as limited access to capital, and credit, business location and transportation continue to plague food vendors. In addition, harassment and confiscation of goods by government and municipality officials, crime, inadequate local infrastructure and basic food storage facilities, high municipal taxes and rates continue to face food vendors compromising income generated from the trade (Mahikeng IDP, 2011: 2; DEDT, 2014: 40). As a result, these continue to increase unemployment and poverty incidence in the Mahikeng Local Municipality. Further, a study conducted by the Department of Economic Development and Tourism (2014: 12) state that one of the main challenges that hampers the effectiveness of the informal sector in general and street food vending in particular in South Africa, is the lack of communication among the various stakeholders in the sector. Tshuma and Jari (2013: 253) study found that in South Africa both at national, local level, the legal procedures of registering a business takes very long processes and paperwork, and licenses could not be obtained easily or cheaply. Most often, applications for licenses take too long to be processed since small businesses such as street food vendors lack the influence enjoyed by bigger firms in the formal sector. In addition, studies conducted in South Africa, indicate that the lack of proper training for food traders in the areas of nutrition and hygiene were a concern. The lack of training also in the areas food safety and handling has made food vendors to be often overlooked as economic agents and unlike other businesses, are hindered rather than helped by municipal policies and practices (Statistics South Africa, 2011: 4; HSRC, 2012: 1; Department of Trade and Industry, 2014: 3). These challenges have made street food vendors (SFVs) in the Mahikeng area to continue to struggle thereby, promoting the increase of poverty and unemployment in the area.

Moreover, despite the fact that laws and regulations exist to govern street food vending in South Africa, however, it seems the lack of implementation of laws and the regulatory framework in the sector is a major challenge. The weak capacity of labour administration and labour inspection compounded with governance issues and the problems caused by street food vendors leads to the problem of formalisation of the sector (The City of Cape Town, 2013: 10). Furthermore, even though threats need to be addressed from consumption, handling and safety of street food, more emphasis has been paid to it than to any contribution they might offer (Charmes, 1999: 15; Mitullah, 2005: 10; Jan, Lues, Mpeli, Rasephei, Pierre Venter and Theron, 2006: 67; Kumar, 2012: 110; Jillian, Zandile and Nelia, 2014: 154). This has made street food vending not to be a top priority of development discourse in the country at large and Mahikeng Local Municipality in particular.

In addition, poverty and unemployment is one of the greatest concerns of the of the Mahikeng Local Municipality, despite the fact that unemployment and poverty is a serious national problem in the North West Province, the worst case has been identified in the Mahikeng Local Municipality. The Mahikeng Local Municipality in 2015 was amongst the municipalities with the highest incidents of poverty (41.4) percent (Statistic South Africa, 2016: 5; MLM, 2016: 3). Based on standard poverty measures, the extent of poverty is worse in the MLM than in South Africa on average. The poverty gap ratio in 2015 was twice as high in the MLM as the South African average (Mbuli, 2008: 201; Heimos, 2016: 36). Since the private sector and the public sector are unable to provide enough employment for the expanding labour force in the municipality (Statistic South Africa, 2011: 6). Street food vending is increasingly acknowledged as a way to the growing unemployment, particularly among the urban poor and the youth (DEDT, 2014: 14). As such, many South Africans are becoming involved in street food vending as a means to provide for their families through income generated from the business. Consequently, relevant data and information concerning the impact of street food on poverty, livelihoods and unemployment need to be collected in order to assist the sector to be effective in the country as a whole and Mahikeng Local Municipality in particular.

### 1.2.1 Research questions

- What are the socio-economic profiles of street food vendors in the Mahikeng Local Municipality?
- What are the types of food sold by street food vendors in the Mahikeng Local Municipality?
- What are the impact of street food vending on job creation, livelihoods and poverty reduction in the Mahikeng Local Municipality?
- What are the challenges experienced by the traders in the municipality?

## 1.3 AIM AND OBJECTIVES OF THE STUDY

The aim of the study is to analyse the impact of street food vending on poverty reduction, livelihoods of vendors and employment creation in the Mahikeng Local Municipality.

### 1.3.1 The specific objectives are as follows:

- To analyse the socio-economic profile of street food vendors in the Mahikeng Local Municipality
- To find out the types of food sold by street vendors in the Mahikeng Local Municipality
- To assess the impact of street food vending on job creation, livelihoods and poverty reduction in the Mahikeng Local Municipality
- To determine the challenges experienced by the street traders in the Mahikeng Local Municipality, and
- To make recommendations on how to improve the street food vending as an informal sector in the MLM

## 1.4 RATIONALE OF THE STUDY

It is hoped, this study will help policy makers to understand the constraints of street food traders in the area and contribute towards the solution of the problems they are facing. Ignoring such problems may lead to the continued failure and collapse of street food sector in South Africa.

Also, despite the fact that informal sector (street food vending) have been an important area of research in South Africa and other parts in developing countries over the years (Mensah *et al.*,

2002: 4; Afele, 2006: 34; Rheinlander, Olsen, Bakang, Takyi, Konradsen, and Samuelsen, 2008: 23), research has largely focused on the hygiene and attitude. In addition, most of the studies concentrated also on perception, safety, consumption and handling of street food. For instance, Rheinlander *et al.* (2008: 23) investigated the social perceptions of safety of street vended foods. Afele (2006: 34) called for an improved hygiene for street food and street food vending. Forkuor (2015: 16) research was based on regulation of street foods, stakeholder practices and perceptions. Very few studies exist on the impact of street food vending on poverty and employment in South Africa as a whole and Mahikeng Local Municipality in particular (HSRC, 2012: 2).

Furthermore, the importance of street food vending role in unemployment, livelihoods and poverty reduction has often been overlooked because the sector is considered part of the informal economy. However, given the importance of street food vending to vulnerable sections of the population and local economies, it is vital to go deeper to get a better understanding of its impact on employment creation and poverty reduction. Addressing these limitations of lack of understanding of SFV impact on poverty, livelihoods and unemployment is crucial for influencing socio-economic development growth.

In addition to its contribution to an understanding of the street food vending in the North West Province in general and Mahikeng, this study will therefore contribute to available literature by bringing out the voices of the street food vendors that have been suppressed in many countries most particularly South Africa. The informal sector (street food vending) has been considered illegal for a long time in the South Africa at large and MLM in particular.

The research will hopefully provide policy makers such as the Department of Trade and Industry, Department of Economic Development and Tourism and the Mahikeng Local Municipality information they can use in planning and implementing measures aimed at promoting participation of all stakeholders involved in street food vending and the informal sector.

The study also highlights the challenges facing women who are involved in this sector. Addressing these challenges might lead to the empowerment of women and the improvement of their livelihoods and those of their dependents (Mensah *et al.*, 2002: 23).

## 1.5 ORGANISATION OF THE STUDY

The study is divided into seven chapters:

**Chapter 1:** This is the introduction to the study and it explains the importance of street food vending in the fight against poverty and unemployment globally, in Africa and South Africa. The regulatory framework within which street food vending takes place in South Africa is also highlighted. In addition, it presents the research problem underpinning the study. Furthermore, the chapter gives an outline of the research questions as well as the objective, specific objectives and rationale of the study.

**Chapter 2:** Describes the definition of concepts such as informal sector, street food vending, street food vendors, entrepreneur, poverty and unemployment. The chapter also deals with the review of literature that includes the role of informal sector and street food vending in development process and challenges faced by street food vendors. Furthermore, this chapter presents legal and policy frameworks and agencies put in place to support street food vending in South Africa, in the North West Province and in the MLM. Finally, the chapter deals with the theoretical framework of the study.

**Chapter 3:** Discusses the methodological approach. This includes quantitative and qualitative methods employed to investigate the impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality, types of food sold by street food vendors and socio-economic profile of street food vendors in the Mahikeng Local Municipality. The chapter also deals with sampling procedures, sample size, study population, data collection techniques and data analyses of the study.

**Chapter 4:** Presents the socio-economic profile of the study area that includes population and distribution, employment patterns, economic activities, poverty, hunger, food security and

service provision. The chapter further deals with the state of street food vending in the North West Province in general and Mahikeng Local Municipality in particular.

**Chapter 5:** Describes the presentation of data analysis and research findings of the study, which includes the socio-economic profile of street food vendors, types of food sold and challenges in SFV and, the impact of street food vending in the Mahikeng Local Municipality.

**Chapter 6:** Presents the discussion of research findings such as the socio-economic profile of SFVs, types of sold by SFVs. The chapter also deals with the impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality as well as the challenges they face.

**Chapter 7:** Summarises the research findings, presents the conclusion and makes recommendations in relation of the impact of street food vending in the Mahikeng Local Municipality. It also makes recommendations for further research.

# CHAPTER TWO: DEFINITION OF CONCEPTS AND LITERATURE REVIEW

## 2.1 INTRODUCTION

This chapter presents the definition of concepts and review of literature on the impact of street food vending on poverty, livelihoods and unemployment in the Mahikeng Local Municipality. The definitions of concepts and literature review help expand the current arguments on the topic. The chapter looked at the role of informal sector and SFV in the development process. The chapter presents the challenges faced by the informal traders and street food vendors in the world at large and South Africa in particular. The chapter also looked at resolving the challenges in the informal sector and SFV. The chapter further presents types of food sold and policies, legislatures and programmes that are there to promote street food vending in South Africa in general and Mahikeng in particular. The chapter also discussed the agencies that are there to promote informal sector including street food vending in the country. The last part of this chapter presents theoretical frameworks used in the study, which are the dualist and the legalist theories to scrutinise data.

## 2.2 DEFINITION OF KEY CONCEPTS

This section provides the definition of key concepts used in this study.

### 2.2.1 Development

A multitude of meanings is associated with the idea of development; the term "development" is well contested and elusive. It is seen by some authors as social change that allows people to achieve their human potential (Adams, 2009: 68; UNDP, 2009: 13). To some development is a process rather than an outcome: it is dynamic in that it involves a change from one condition or state to another. Ideally, such a change should be a positive one - an improvement of some sort (for instance, an improvement in livelihoods) (Adams, 2009: 65).

Todaro and Smith (2006: 810) defined development as a procedure of uplifting the quality of all human life with three equally vital features. These are (i) raising people's' living standards, that is incomes, consumption, availability of food, medical services, education. (ii) generating conditions conducive to the growth of people's' self-esteem through the establishment of social,

political and economic systems and institutions which promote human dignity and respect (iii) elevating people's' freedom to choose by expanding the variety of their choice variables, for instance, ranges of goods and services. According to Mciza *et al.* (2016: 4), development means growth, change and the rise in the wealth of individuals and countries. Development must bring improvements and changes in social, economic, political, environmental and technological aspects of a country, which will in turn expand the standards of living of individuals and families. Development is about improving people's lives so that they become freer, happier and better equipped to fulfil their potential.

Sen (1999: 67) adds to the definition by describing development "as capabilities that means the freedom that a person has in terms of the choice of functionings, given his personal features and his command over commodities, just as in basic microeconomics where income matters to the extent that it affects utility". According to Sen Capabilities are not determined only by income but by various "functionings" in human life that is what people want to do and what they seek to be and their capabilities to achieve these "functionings". Sen uses the term "functionings," to refer to the capabilities that a person actually participates in or uses. Functionings as discussed by Sen mean various things a person succeeds in "doing or being", for instance, being healthy and participating in the life of society, while "capabilities" refer to a person's real or substantive freedom to achieve such functionings; for example, the ability to take part in the life of society. Capabilities, then, are the full set of functionings that are feasible for a given person (Sen, 1999: 75). For Sen, human beings are both beneficiaries and agents of development.

UNDP (2009: 12) defined development as "a practice of widening people's choices by escalating human functioning and capabilities that is the range of things a person can do and be in leading a life, the freedom of being able to live as she or he would like and even the opportunity to choose own fate". Human development is a people-centred development, where the focus is put on the improvement of the various dimensions affecting the well-being of individuals and their relationships with the society. Human development focused on important freedoms such as, to acquire knowledge, enabling people to live long and a healthy life, and to be able to enjoy a decent standard of living and to shape their own lives (UNDP, 2004: 13; UNDP, 2009: 12). Human development aligns itself with the creation of a better environment in which people can develop their full potential, and lead productive, creative lives in accordance with their needs and

interests (UNDP, 2009: 13). The purpose of development is to reduce poverty, deprivation, inequality, and unemployment.

According to UNDP (2015: 1), development is defined to mean Sustainable Development Goals which were a pledge to uphold the principles of equality, partnership, prosperity, peace, equity, human dignity and eradicate poverty in a world all its dimensions and forms, including extreme poverty. Sustainable Development Goal contains a set of 17 goals and 169 targets to be achieved by 2030. They are as follows:

*"End poverty in all its forms everywhere", "End hunger, achieve food security and improved nutrition and promotes sustainable agriculture", "Ensure healthy lives and promote wellbeing for all at all ages". Also, to "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", "Achieve gender equality and empower all women and girls", "Ensure availability and sustainable management of water and sanitation for all", "Ensure access to affordable, reliable, sustainable, and modern energy for all". "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", "Build resilient infrastructures promote inclusive and sustainable industrialization and foster innovation", "Reduce inequality within and among countries" "Make cities and human settlements inclusive, safe, resilient and sustainable". "Ensure sustainable consumption and production patterns", "Take urgent action to combat climate change and its impacts", "Conserve and sustainably use the oceans, seas and marine resources for sustainable development", "Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss". "Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels", "Strengthen the means of implementation and revitalize the global partnership for sustainable development".* (UNDP, 2015: 1).

On the other hand, Seers (1969: 3) argued that development occurs when poverty, inequality and unemployment is reduced and eliminated within a growing economy. Seers further raised the following questions to define development: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have

become less severe, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result "development," even if per capita income has soared.

The above definitions encompass core values of development, which include life-sustenance, self-esteem and freedom. Life sustenance is concerned with the provision of basic needs such as shelter, food, medical health and clothing; self-esteem concerned with the feeling of respect and independence; and freedom refers to the ability of people to determine their own destiny. In this study development is defined as improving people's capability within the informal sector in general and street food vending in particular by providing necessary conditions such as good policies, programmes, legislation and infrastructure so that people would be able to generate income. It also means improving people freedom in businesses in order for them to make their own decisions that would promote self-esteem in a society. For street food vendors, development can be seen as a process through which vendors become aware of their capabilities, acquire knowledge and work in a collective way to meet their needs (adopted from Sen, 1999: 67).

### 2.2.2 Entrepreneur

Haydam (2004: 64) sees an entrepreneur as a person who organizes resources into a creative combination, for the purpose of production. Being an entrepreneur requires the willingness and some kind of initiative to take risk to enable one to become involved in pursuing a business venture. Entrepreneurship is defined by practical efforts and profit-driven productive ideas, which make the arrangement of scarce resources possible under private ownership. Adenutsi (2009: 13) sees entrepreneurship as the mobilisation and identification of business opportunities and economic resources to initiate a new business or revitalise an existing business, under the conditions of risks and uncertainties, for making profits under private ownership. In simple terms, entrepreneurship is the unique profit-driven productive ideas and pragmatic efforts that make the combination of scarce resources possible under private ownership. Nieman (2006:4) adds to this definition by stating that an entrepreneur is a person that sees an opportunity in the market creates, grows a business venture, and gathers resources in order to satisfy these needs. The entrepreneur is rewarded with profit from the venture if it succeeds through the risks taking.

Scarborough and Zimmerer (2006: 4) maintains that an entrepreneur is a person who creates a new business in the face of risk and uncertainty for the purpose of achieving a profit and growth by identifying opportunities and assembling the necessary resources to capitalize on those opportunities. The entrepreneur often commences his or her business with nothing more than an idea, usually a very simple one and then assembles the resources necessary to transform it into a sustainable business. On the other hand, according to SMMEs business toolkit (2006: 40), entrepreneurs are those people that make something out of nothing. Entrepreneurship is an involving undertaking and profit-oriented activity aimed at creating value through modernisation of production processes or the identification and exploitation of new markets or products. In this case, any SMMEs such as street food vending, in which the owner has some important role to play, by fully managing the day-to-day activities of the enterprise, is considered an entrepreneurial initiative. Entrepreneurship is instrumental in the development process since it enables one to obtain skill that helps in poverty alleviation and job creation. The definition includes all aspects of entrepreneurship such as opportunities, risk and profit making which are instrumental in job creation and poverty reduction. In this study an entrepreneur is defined as a person that identifies a business opportunity such as street food vending, organizes the resources in a better combination, then takes the risk in order to make a profit.

### 2.2.3 Income

Asheim (1994: 13) suggests that income is equal to the level of consumption that could be sustained for an indefinite period out of the capitalised value of current income. The income could equate to being as well off at the end of the week as at the beginning. Income is defined as the sum of the market value of rights exercised in consumption and the change in the store of property rights between the beginning and end of the period (Simons, 1938: 34; Kratzke, 2016: 4). International Labour Organisation (2003: 2), states that income consists of all receipts whether monetary or in kind (goods and services) that are received by the household or by individual members at annual or more frequent intervals, but excludes windfall gains and other such irregular and typically onetime receipts. The above authors Asheim, Simons and Kratzke, defined income as equal to the level of consumption. They mentioned income such as kind and cash donation and gift from donors. However, the authors fail to indicate income made in the informal sector at large and street food vending in particular.

On the other hand, the US Bureau of Economic Analysis (2004: 5) sees income as the receipts by individual from participation in production, from government and business transfer payments, and from government interest. Income includes income received by non-profit institutions serving households, by private non-insured welfare funds, and by private trust funds. Banerjeer (2007: 67) defines income as a business or an individual receipts in exchange for providing a good or service or through investing capital in a business. Income is consumed to take care of day-to-day expenditures. Most people aged 65 and under receive majority of their income from a salary or wages earned from a job. Investments, pensions and social security are primary sources of income for retirees. In businesses, income can refer to a company's remaining revenues after all expenses and taxes have been paid. Income for the purpose of this study is defined as money flowing into the business such as sales from beverages, raw and cooked foods, interest received, rent, services offered by professionals such as doctors and teachers are seen as income.

### 2.2.4 Informal sector

There is no accepted definition of the informal sector also known as informal trade, informal economy, second economy, and shadow economy but it is well recognised that the informal sector covers an enormous number of businesses, in terms of ownership structure, sectors, activities, size and formality. Informal sector work is viewed as employment that is not recorded in the formal labour market data. Informal employment in tend take the form, in general, of simple occupations such as street food trading and any forms of home-based work, but could take the form of skilled occupations, which take place outside the formal economy. Examples include motor mechanics, street food vendors, electricians, plumbers and caterers.

The informal sector constitutes economic activities that involve the production and distribution of goods and services that are not registered and regulated by the state or local government (UN, 1996: 6). This includes any roadside shops, 'spaza' shops, newspaper and other vendors, windscreen washers, and the trade of goods and raw and cooked foods or services (Hovsha and Meyer, 2015: 33). The International Labour Organisation (2003: 8) adds to this definition by describing the informal sector as any business or employment relationship that is not seen to be sufficiently covered by formal arrangements (Larsson, 2006: 13). In other words, this definition includes both employment and self-employment in informal enterprises (ILO, 2003: 8).

The Department of Economic Development and Tourism (2007: 8), sees the informal sector as all economic activities by workers and economic units that are in law, in practice not covered, or are insufficiently covered by formal arrangements. The activities are not included in the law, which means that they are operating outside the formal reach of the law; or they are not covered in practice. This means that although they are operating within the formal reach of the law, the law is not applied or not enforced; or the law discourages compliance because it is inappropriate, burdensome, or imposes excessive costs. An important insight in the above definitions of ILO, DEDT, UNO and Hovsha and Meyer is that, the authors defined the informal sector using regulation, which implies legal recognition as a business entity, payment of taxes and legality in relation to labour matters. For instance, to comply with official guidelines on social security and working hours. The informal sector is broadly characterised and consisting of units engaging in the production of goods and services with the primary aim of generating income and employment to the persons concerned. These units operate typically at a low level of organisation.

On the other hand, Alter (2014: 2) defines the informal sector as enterprises having the following characteristics: ease of entry into markets that is, there is no barrier to entry in terms of capital and professional qualifications. Informal sector also means reliance on indigenous resources, small-scale operations (a business that is run by a single person and employ a small number of workers) labour-intensive activities, that is a larger portion of total costs is due to labor, using adaptable technology and skills acquired outside the formal education system and they are unregulated (Alter, 2014: 2). Hope (2001: 34) describes various aspects of the informal sector such as subterranean, underground (operating under the surface of the earth), unofficial that is, the activities are not registered. Hope further defines the informal trade using the following characteristics such as hidden, shadow, invisible, black market that is, the activities are done under the radar and undeclared, small-scale, micro-enterprises, and the second economy (range of activities that are often negligible and outside the regulatory net). These terms used by Hope are informative of different aspects or activities that fall in this sector and serve to argue that it excludes those activities legally proscribed and sanctioned, which are indeed by their nature criminal, underground or hidden (United Nations, 1996: 7)

Hart (1973: 11) defines the informal sector as that which fell outside the boundaries of formal sector enterprise (public services, factories, large-scale commerce). From the above definitions of Alter, Hart and Hope, the informal sector was defined using different characteristics, which include unregulated and competitive markets, easy entry, and skill acquired outside of the formal school system. The informal sector encompasses numerous features ranging from type of activity to size, regulatory requirements and legal status. Informal employees are those who do not have a written contract of employment, are not registered for income tax or value-added tax, and do not receive basic benefits such as pensions or medical aid contributions from their employers (Statistics South Africa, 2011: 8). The informal sector for the purpose of this study constitutes economic activities that involve the production and distribution of goods and services that are not registered and regulated by the state or local government (Adopted from UN, 1996: 6).

### 2.2.5 Livelihood

Chambers and Conway (1992: 6) describes livelihood to comprise the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks, maintain and enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term. Similarly, the WFP (2013: 3) defines livelihoods to comprise the capabilities, assets (including both material and social resources) and activities required for a means of living linked to survival and future well-being. The UNDP (2004: 5) maintains that livelihoods occur as a result, of people's capacity to make a living by surviving shocks, stress, and improve their material conditions without endangering the livelihood options of other people either now or in the future. This requires reliance on both capabilities and assets that is stores, resources, claims and accesses for a means of living.

On the other hand, Long (2001: 241) refers to livelihoods as a "process by which individuals and groups strive to make a living, meet their consumption necessities, cope with adversities and uncertainties, engage with new opportunities, protect existing or pursue new lifestyles and cultural identifications, and fulfil their social obligations". Ellis (2000: 12) sees livelihood as attempts to capture not what people do in order to make a living, but the resources that provide

them with the capability to build a satisfactory living in managing their resources, and the institutional and policy context that either helps or hinders them in their pursuit of a variable or improving living. This implies that to secure the livelihood condition, enabling resources have vital importance. The definitions above include all aspects of livelihoods such as capability, assets and activities. In this study, livelihood refers to the ways and means people use to overcome stress and shock in order to make a living in a particular business or trade, adopted from (UNDP, 2004: 5).

### 2.2.6 Small, medium and micro enterprises

There are different interpretations among organisations, individuals and even countries on how they view Small Medium and Micro enterprises (Cass, 2012: 19; Berisha and Shiroka, 2015: 3; Zhang, 2015: 12). It is very difficult to formulate a universal acceptable definition of SMMEs. This has made researchers and writers to formulate their own definitions to suit the context on which they are researching or writing.

The Ntsika Enterprise Development Agency Report (2002: 12) sees SMMEs as a small business with fewer than 200 employees, a micro business with fewer than 50 employees and a medium business with 50-200 employees. Gamage (2010: 5) describes small medium and micro enterprises as an establishment whose capital investment in plant, machinery does not exceed US$ 42,000, and the total number of regular employees does not exceed 50 persons. Ledwaba (2004: 3) and Hlungwane (2006: 11) refers to SMME as the bulk of established businesses, with employment ranging between five (5) and about 50 employees, owner managed, likely to operate business on industrial premises, are tax-registered and meet other formal registration requirements. Drawing from the above, Hlungwane definition of SMMEs supports that of Ledwaba and Gamage that indicate employees not more than 50. This was in contrast of the Ntsika Enterprise Agency Report definition, which reveals a workforce of less than 200. Gamage definition further reveals a sale of less than US$ 42, 000. However, despite the difference and similarities in the definitions the authors raised sales and number of employees as the meaning of small medium and micro business enterprise.

On the other hand, Small and Medium Enterprise (Act No 102 of 1996: 2) describes SMMEs as a separate and distinct entity, whether or not incorporated or registered under any law. SMMEs includes cooperative enterprises and non-governmental organisations managed by one owner or more and its branches or subsidies if any is predominantly carried on in any sector or subsector of the economy which can be classified as micro, very small, a small or a medium enterprise.

**Micro-enterprises:** Involve very small business that encompasses some family member, only the owner and at most one or two paid employees. They usually lack "formality" in terms of business licenses, value-added tax, formal business premises, operating permits, accounting process and registration. Most of the businesses have a limited capital base and only rudimentary technical or business skills among their operators. Nevertheless, many micro enterprises advance in to viable small businesses. Earning levels of the activities differ widely, depending on the particular sector, growth phase of the business and the access to relevant support

**Small enterprises:** Constitute the bulk of the established business, with employment ranging between five (5) and 50. These enterprises are usually owned managed by the owner or by the owning community. They are likely to operate from business or industrial premises, be tax registered and meet other formal registration requirements

**Medium enterprises:** This employs between 51 and 200 employees and a turnover of five (5) million rand per annum (National Small Business Act. of 1996: 14).

Nieman (2006: 4) defines SMMEs as independently owned, operated, and financed which have relatively small share of the market place or relatively little impact on its industry. Small Medium and Micro Enterprises contain very extensive range of firms, some of which include informal, formally registered, and non-VAT registered organisations. Small businesses range from medium-sized enterprises, such as established traditional family businesses employing over a hundred people, to informal micro-enterprises such as street food vending employing one or more people. Despite, the differences in the definitions of SMMEs in the world and South Africa in particular, employment that is the number of people employed is the most common basis for definition of small medium and micro enterprises. Small Medium and Micro Enterprises usually involve one (1) to two hundred employees. In this study SMMEs is defined as any business

venture including street food vending whether registered or not under any law managed by more or one owner (Small Medium Enterprise Act., 1996: 2).

### 2.2.7 Street food vending

Tinker (1997: 12) defines street food as any minimally processed food sold on the street for immediate consumption. Street food is defined as ready-to-eat food or drink sold on a street or other public places, such as a market or fair by a hawker or vendor often from a portable stall (Chukuezi, 2010: 9). Dardano (2003:34) defines street food as food prepared on the streets and ready-to-eat, or prepared at home and consumed on the streets without further preparation. Street foods include snacks, main meals, or beverages. They often reflect traditional local cultures and exist in an endless variety (Marras, 2014: 2). According to the definition of Dardano (2003: 34), snacks have also been included in the definition of street foods. Snacks refer to food consumed between main meals and hence relatively lighter and less substantial and nutritional value. Snacks may be prepared from fruits, vegetables, flours and cereals and may be processed or eaten in a raw state (Fellows and Hilma, 2012: 14). These snacks include foods that are sold on the streets like ice creams, biscuits and yoghurts. Street food is any ready to eat food or beverage sold. Street food is sometimes prepared in outdoor public spaces such as open-air markets, streets, parks, squares, parks by cooks. Street food is sold either by stationary or mobile vendor, either on foot or from mobile outlets for instance vans, carts, bicycles and removable outlets (e.g. stalls), fixed outlets without indoor space to accommodate consumers such as kiosks or take-away shop with kitchen overlooking the street (Draper, 1996: 59). These definitions of Marras, Dardano and Tinker ignored raw food, which is as an essential aspect of street foods. The authors point out one direction processed, prepared, ready-to-eat food, snacks and beverages as street food.

On the other hand, Forkuor (2015: 16) sees street foods as meals, excluding snacks and beverages that are sold by the side of streets, at street junctions, in or near markets, lorry parks. Street foods can be sold from either stationary location with less than four permanent walls, or from mobile venders who move from one location to the other. It can be for either immediate consumption or later without further processing. Forkour definition excludes snacks as part of street food. Street foods embody a vital part of urban food consumption for millions of low and

middle-income consumers in urban and rural areas on a daily basis. The defining features of street food in view of the presented definitions are as follows: they are ready to eat food and beverage, prepared and sold on the street or prepared at home and sold on the street. These key features emphasise the type of food, the mode of preparation and the location of sale. Chukuezi (2010: 12) argues that this characteristic of street food such as ready to eat and mode of preparation is what makes it distinctive in nature amongst other informal sector activities. It provides a basic need to rural and urban inhabitants at relatively low cost. In this study, street foods refers to meals, raw foods, snacks and beverages that are sold by the side of streets, at street junctions, lorry parks, schools, vehicle, caravan and construction sites. It also includes mobile food vendors who move from one location to the other or stationary locations with less than four permanent walls, (adopted from Forkour, 2015: 16).

### 2.2.8 Street vending

Street vendors are also known as hawkers, street traders, peddlers and sidewalk traders (Sidzatane and Maharaj, 2012: 21; Forkuor, 2015: 14). Their description also differs from country to country or state to state. Ramaite (2006: 6) defined street vendors as visible and distinctive part of urban landscape, offering a range of goods from small informal stalls; from mats on the pavement, baskets that they carry on their heads, from pushcarts, or wares in baskets on poles on their shoulders. Street trading is an activity for marginalised groups in society who trade informally owing to lack of capital, as an alternative to formal economy employment to supplement wages and welfare benefits to purchase basic household needs (Leonard, 2000: 28; Unni, 2000: 14; Mitullah, 2003: 4).

Street vendors are described as people who belong to the informal economy and operate their business alongside the streets (Bhowmik 2005: 221; Steyn and Labadarios, 2011: 14). However, they can be found operating their business under different conditions such as in an open space without shelter, selling different types of commodities such as food, utensils broomsticks, cane baskets, petty cosmetics, bangles and horticultural products (Geetika *et al.*, 2011: 12; Sidzatane and Maharaj 2012: 26). On the other hand, Bhowmik and Sharit (2005: 14) defined a street vendor as a person who offers goods for sale to the public without having a permanent built-up structure from which to sell. These vendors may be stationary in the sense that they occupy space

on the pavements or other public or private spaces. They can also be mobile in the sense that they move from place to place by carrying their ware on pushcarts or in baskets on their heads to make goods available to the consumers (Bhowmik, 2005: 256). According to Forkuor (2015: 16), street vendors are individuals, either males or females, who are directly, involved in the day-to-day preparation and sale of street foods, either as owners or as employees, to the public. One main feature, common to all the definitions above is the location (street) where the business is conducted. The word "street" may appear to exclude those vendors operating from officially sanctioned off street markets, bus terminals, and other public spaces. However, street vendors are defined to include vendors in markets, bus terminals, and other public places (WIEGO, 2013: 6; FAO, 2016b: 12). This is because the activities and modes of operation of vendors operating in these public spaces remain the same as their street counterparts, even after moving off the streets (WIEGO, 2013: 6).

WIEGO (2013: 5) argues that street vendors do not refer only to those who sell goods and foods in public space but also in a broader sense to refer to those who provide or sell services in public spaces, such as hairdressers; shoe repairers; and bicycles, motorcycles, car or truck mechanics. Street vending is an attractive source of employment, most particularly for women, due to the flexibility of the working conditions presented by this form of employment (Mitullah. 2003: 14). This flexibility allows street vendors to engage in trade and to perform other vital domestic activities at the same time (Mitullah, 2003: 14). The flexibility offered by street vending is evidenced in the fact that the number of vendors may change considerably during the course of a day, from morning through evening. While some vendors may operate in the morning, others may operate in the afternoon and yet others may operate only in the evening (International Labour Organisation, 2003: 13). In this study, a street vendor is describe as a person who offers goods or services such as beverages, raw, cooked foods and clothes for sale to the public without having a permanently built structure but with a temporary static structure or mobile stall. Street vendors could be stationary and occupy space on the pavements or other public or private areas.

### 2.2.9 Poverty

Poverty has different meanings and it is difficult to define. The understanding of poverty varies considerably from one locality to another and from one period in time to another. The definitions of poverty range from consumption or income based to others. This explains the multidimensional nature of poverty.

Todaro and Smith (2006: 805), see poverty as a "situation where a population or section of the population is, at most, able to meet only its bare subsistence essentials of food, clothing and shelter to maintain minimum levels of living". Freud and Stapafora (2005: 45) define poverty as the, "inability to attain a minimum standard of living measured in terms of basic consumption needs or the income required to satisfy those consumption needs". This metric and inexpensive definition quantifies poverty as an absolute, objective and scientific phenomenon that is unchanging over time. The World Bank (2010: 11) describes poverty as an income level that is below some minimum level necessary to meet basic needs. This minimum level is usually called the "poverty line". What is necessary to satisfy basic needs varies across time and societies. Therefore, poverty lines vary in time and place, and each country uses lines, which are appropriate to its level of development, societal norms and values. The above definitions of the World Bank and Freud and Stapafora do not see poverty only as lack of income but also material lack or want. However, income has been used by the above authors as the only way to define poverty that posed a problem. Income is associated with problems such as the fact that the very poor tend to depend on non-income source that is the support of extended family (Davids *et al.*, 2005: 38).

On the other hand, United Nations Development Programme (2015: 12) defines poverty as a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to visit. Furthermore, it means not having the land on which to grow one's food or a job to earn a living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation. The Presidency of South Africa (2012: 2) defined poverty as the

deficiency in an individual's socio-economic capabilities. It manifests through factors such as income, access to basic services, access to assets, information, social networks or social capital. The definitions of the Presidency of South Africa and the UNO covered all aspect of poverty such as participation, income, choices and sustainable livelihoods that are very important aspects in understanding poverty. Poverty for the purpose of this study is the lack of both necessities and income needed to live successfully. These necessities include education, food, shelter, water, medical care and other items required to maintain a decent living. It means lack of basic capacity to participate effectively in businesses like street food vending in a society (UN, 2015: 12).

### 2.2.10 Unemployment

According to Statistic South Africa (2011: 6), unemployment refers to the percentage of the workforce that is unemployed but is willing and able to work and actively seeking employment. O'Higgins (2001: 10) describes unemployment as "those people who have not worked more than one hour during the short reference period, which is usually the previous week or day, but who are available for or actively seeking work". On the other hand, according to ILO (2003: 10) unemployed comprises of all persons 15 years of age and over who were not employed during the reference period who have used at least one of the search channels for seeking a job during the last three months and were available to start work within 15 days. According to (Amadeo, 2016: 2), unemployment refers to as "people who do not have a job, have actively looked for work in the past four weeks, and are currently available for work". The definitions above also include people who are temporarily laid off and waiting to be called back to their jobs. The number of people who were without work in the reference week, have taken steps to look for work or start a business and were available to work.

Barker (2007; 174) maintains that an unemployment person is that individual who does not have employment, is presently available to work, and is looking for employment. The Presidency of South Africa (2012: 15) defined unemployment as the number of people who are without work in the reference week and were available to work. Barker (2007; 174) defines unemployment as an individual who does not have employment, is presently available to work, and is looking for employment (Altman, 2009: 47). The above definitions include the following core values of unemployment (a) people without work that is paid employment or self-employment (b)

currently available for work, that is were available for paid employment or self-employment during the reference period; and (c) seeking work that is, had taken specific steps in a specified recent period to seek paid employment or self-employment. In this study, unemployment often occurs when a person who is actively searching for employment is unable to find and is currently available to work. These also include people those who are temporarily laid off and waiting to be called back to their jobs (Amadeo, 2016: 2).

## 2.3 INFORMAL SECTOR AND DEVELOPMENT PROCESS

This section discusses the role of informal sector in development process. Since the informal trade "discovery" in the early 1970s in Kenya (ILO, 1972: 4; Hart, 1973: 16), over the years the informal trade has grown tremendously and greatly contributed to socio-economic development in the world at large and South Africa in particular. The role of the informal sector has been acknowledged globally, with a lot of empirical evidence suggesting that the sector is crucial for job creation, GDP and poverty reduction. In addition, the informal sector is very instrumental towards the contribution of entrepreneurship, income generation and reducing inequality.

### 2.3.1 Informal sector contribution to GDP

There is an increasing recognition that the informal trade plays a crucial role in promoting Gross domestic product in the world most especially in developing countries, which eventually reduce poverty (Informal Workers Organisation, 2013: 15; World Bank, 2016b: 13). Todaro and Smith (2006: 815) refers to GDP as the total final output of goods and services produced by the country's economy within the country's territory by its residents and non-residents, regardless of its allocation between domestic and foreign claims. On the other hand, Statistics South Africa (2011: 6) sees GDP as the market value of all final goods and services produced within a country in a given period. The World Bank (2017: 13) survey reveals that the informal sector contributes 40 to 60 percent of the world GDP. In Asian countries like Taiwan, the informal sector contribution to the country's GDP was estimated to be between 25 percent and 28 percent during 2008 to 2014 (Huang, 2016: 15). Similarly, in Europe, the informal sector contributed approximately three (3) to 26 percent of the region GDP. In Moldovia, for instance, the informal sector reached about eight (8) percent of GDP in 2013 (ILO, 2016: 5). Meanwhile, the WB

(2017: 17) and William (2017: 8) support and point out that in the United States of America, the informal sector contributed about four (4) percent of GDP in 2016.

The informal sector has been a very important mechanism in promoting economic development and growth in most African countries. The informal sector in Africa excluding South Africa in 2014 was around 20 to 65 percent of gross domestic product (GDP). SALGA (2016: 6) and Gaunt (2017: 34) found that in Tanzania and Nigeria, the informal trade accounts for 50 to 65 percent of GDP compared to Ghana 20 to 58 percent, Zambia, 20 to 24 percent and Mauritius, 20 to 25 percent. While, in North Africa, for instance Algeria, Libya and Egypt the informal sector contributes between 15 to 26 percent of the country's GDP. Meanwhile, Statistics South Africa (2016: 7) report found that in 2014, the informal sector in South Africa contributes five (5) to eight (8) percent of the country's GDP.

### 2.3.2 Job creation and poverty reduction

The informal trade acts as a tool to poverty reduction in many parts of the world most specifically in the developing countries. Most importantly, it supports access by providing poor people with employment opportunities that improve livelihoods (Ogalo, 2010: 12; ILO, 2016: 7). Williams (2017: 6) postulates that in South America for instance, in Brazil 83 percent of people working in the informal sector move out of poverty compared to 17 percent of those doing formal jobs. ILO (2016: 23) report affirms that in South Asia, Cambodia, approximately, 79 percent of women workers and 21 percent of men workers were employed in the informal trade. The ILO further emphasise that job creation in the informal sector was twice that of the formal sector since it is capable of creating a large number of jobs at a very low capital cost. This reduces poverty incidence among trader's households. ILO also states that these workers in the informal sector lived in different types of houses such as bricks, bamboo, wood, and do not pay taxes. Similarly, a study conducted by the World Bank (2017: 6) corroborates the statement and point that informal employment comprises of 41 percent in Papua New Guinea, Fiji 23 percent, Samoa 35 percent, Solomon Island 78 percent and Tonga 27 percent. The WB also indicates that current consumption levels for the traders have increased by an average of 16 percent and this lift them out of poverty. Meanwhile, Green and Fourie (2016: 56), research done in the United States, Massachusetts found out the informal sector employment similarly has a relatively

effectiveness in reducing poverty as income from informal sector work mostly flows to households that are still poor.

In Africa, informal sector contribution to job creation and poverty reduction is highly significant. Rasameolina (2015: 10), study in Madagascar argues that the informal sector has nearly 700,000 informal Production Units, employing more than a million people. The informal trade was seen as a vehicle in eliminating poverty in order to attain high standard of living. Ogalo, (2010: 12) demonstrates that 11 percent of those with tertiary professional or semi-professional training including university degrees are employed in the informal trade. At the same time, in Eastern Africa Chetti (2012: 109) corroborate the observed trend in other regions that almost half of traders 44.2 percent in the informal trade have completed secondary school certificate; 25.8 percent have semi-professional and diploma certificates while those with degrees constitute 30 percent of individuals involved in the informal trade. Further, in the Southern Africa Development Community, the informal sector relieves some of the household poverty via employment. In Namibia, for instance, the informal sector contributes 44 percent of employment that enabled informal traders to build houses compared to transport operators. The study also reveals that the majority of the vendors in the informal sector were male 60 percent. Males were more represented in the lower age groups, whilst women were more predominant in the older age groups, 30 years and above (ILO, 2016: 6). Malungisa, (2015: 34) affirms that most of the vendors 66 percent had attained secondary school education, but a significant number 19 percent had some form of tertiary training. The average time that vendors had been employed in the informal trade was seven years.

Likewise, in South Africa, even though the informal sector contribution is less than that of other African countries, however, it acts as a lucrative source for poverty reduction as it serves as a buffer between employment and unemployment (South Africa study abroad, 2015: 13; Statistics South Africa, 2016: 13). According to Stats SA (2016: 13), employment in the informal sector has increased for five consecutive quarters since Q2 in 2014, reporting a quarterly gain of 177, 000 jobs in Q2 of 2015, compared to the formal sector, with a gain of 39 000 jobs. The latest information from Stats SA is that 2.6 million South Africans are employed in the informal sector (excluding agriculture), and with total employment sitting at 15.6 million, it means that 17 percent of the country's total employment is through the informal sector. The informal sector

provides opportunities for marginalised and historically disadvantaged groups, such as women to escape poverty. The informal trade provides women (with lower levels of education, insufficient skills and a lack of business literacy) the chance to support their households, and in some cases, they become the breadwinners, supporting a large number of dependants (Stats SA, 2016: 14; Hartnack and Liedeman, 2017: 21). Similarly, in Western Cape, it is estimated that the informal sector accounts for 18 to 20 percent of the economy and contributed about 177, 000 jobs in 2010 to 264,000 in 2015. The survey also found that 42 percent of traders had chosen to engage in informal trading as a result of not having or losing a job. Also significant in this study was the fact that more than half of the traders were females. This form of business activity is increasingly being done by women because of its flexible working hours. Furthermore, these workers earn twice than domestic workers as it provides opportunity for the poor to reduce poverty incidence within their households. Most are not only in construction, retail trade and services, but also in manufacturing and communication (Willis, 2009: 45; City of Cape Town, 2012: 4; SALGA, 2016: 6; South Africa Local Government Association, 2016: 4; Green and Fourie, 2017: 9).

Agrisystem consortium (2012: 14) and Stats SA (2013: 5) corroborates the argument and point out that people engaging in the businesses in the informal sector, has enabled them to be able to survive during economic downturns when formal sector jobs are in short supply and when social security systems are inadequate. This view was vividly expressed and supported by Hodge (2009: 101) who states that the number of jobs created by the formal sector in South Africa did not match the number of job seekers entering the labour market.

### 2.3.3 Income and poverty reduction

In terms of stable income opportunities, the informal trade plays an important role in promoting living standard and ultimately improving livelihoods and more importantly in the developing countries (Malungisa, 2015: 25). Vanek *et al.* (2014: 12) and the World Bank (2016b: 14) argues that in the Asian countries, the informal sector is pivotal in the economies, which essentially serve as a natural economic shock absorber. The informal sector allows workers to exit the formal sector temporarily and, rather than being unemployed, earn subsistence income. Bhowmik (2005: 36) supports the above views and expressed that in countries such as Bangladesh, India, Sri Lanka, Thailand, Singapore, Philippines, Cambodia and South Korea

street vendors generate enough income from the informal trade that reduces poverty more than that of public sector workers. This factor was common in Nepal and Vietnam (Milgram, 2011: 29; WB, 2016b: 2). In addition, in Africa, Rasameolina (2015: 10), posits that goods and services transaction in the informal sector in Madagascar generate income estimated at many billions of Ariary twice that of the formal trade (Malagasy currency). However, according to Rasamelolina the high presence of vendors in the informal trade leads to the high demand of housing in the area. This creates problems to the government and local authorities as urban planning become difficult to handle.

Further, Malungisa, (2015: 34) argues that the informal trades constitute 30 percent to 50 percent of total of SADC trade with an estimated annual value of US$17.6 billion. It is estimated that the regional average monthly value of goods traded is as high as US$2, 500 per person. In addition, it is estimated that the Lusaka informal trade in 2004 make profits ranging from US$ 14 to US$42 per day (Nago, 2005: 15; Tawodzera *et al.,* 2016: 34). This was in contrast in 2010 were the informal trading in Lusaka made profits of more than US$57 per day (Ndhlovu, 2011: 6; ILO, 2016: 12). Njaya (2014: 23) reveals that in Zimbabwe, 20 percent of vendors earn subsistence income from the informal trade. In addition, the failure to find jobs in the formal economy contributed to them being involved in the informal sector. However, Njaya stresses that the income generated from the sector was too little to provide better health to these informal workers. Furthermore, this has made some vendors to strengthen their hunt of other sources of income besides their informal trading activities in order to enhance their livelihood status. This statement is corroborated by Ndhlovu (2011: 16) who states that some informal traders depend on other sources of income such as social grants and formal sector wages to supplement their street vending income.

Similarly, in South Africa, Soweto it was estimated that in 2014, the informal trading generated about R128 millions of turnover per year, a figure which represented 12 percent of turnover in Soweto (The City of Johannesburg 2015: 24). Of this total it was further estimated that R81 million is accounted for by spazas and shebeens and R47 million by informal traders either operating on the street (R43 million) or in organized markets (R4 million). Green and Fourie (2017: 9) affirm that informal sector is very instrumental in lifting households out of poverty in Eastern Cape and Kwazulu Natal through income generated. According to Green and Fourie

(2017: 9), although informal sector comprises just 6.6 percent of all household income, their share of poverty reduction is more than 20 percent the income from social grant. They further indicate that income generated from the informal trade enabled some vendors to acquire assets such as livestock and landed property. The livestock in form of cattle can be use or hire for draughts power in farming and can be sold like landed property to get additional income to cover for basic needs. Further, Green and Fourie reported that an informal sector income has 63 to 81 percent potency in reducing poverty in households.

## 2.4 STREET FOOD VENDING AND DEVELOPMENT PROCESS

This segment presents the role of street food vending in development process. Researchers have revealed that street food vending does not only create employment, entrepreneurship, living standard opportunities for many people in the world most particular in developing countries but also income that helps in poverty reduction. Pingali (2006: 281), points out that street food vending acts as a mechanism in improving livelihoods in the world.

### 2.4.1 Employment, income and poverty reduction

Street food vending plays an important role concerning employment and poverty reduction to the rural and urban dwellers in many parts of the world, more importantly in the developing countries, which foster economic development (ILO, 2011: 10). Fellows and Hilmi (2012: 8) argue that "street food vending in Latin American countries such as Brazil, Peru and Colombia have enabled people to move out of poverty since it has the potential to create employment for many family members and can provide for many other stakeholders involved in the supply chain". Street food vending alone accounts for the employment of millions of people who are poor, unskilled and have limited formal education. Street food vending has also allowed households to reduce the incidence of poverty through employment compared to clothes traders (ILO, 2003: 10; ILO, 2011: 12; WB, 2017: 13). Informal economy monitoring study (2015: 12) conducted in Lima, Peru, in relation to perception of street food, posits that the education level of most women involved in street food vending was concentrated mainly in the basic level (completion of primary school or less), while the education level of men was at the upper middle

level (secondary school or higher). Street food vending has helped in generating employment of these vendors most particular women and this has resulted in poverty reduction.

In addition, a similar report of the of variations in age of the individuals involved in street food trade, in Central Asia region, it is observed that a majority of female traders were aged between 30 to 39 years and are often older than their male counterparts (WB, 2016b: 3). Nataraj (2012: 2) add that about 75 percent of the total street food vendors in India were Hindus, 23 percent were Muslims, and around one (1) percent were Christian. Furthermore, Kumar (2012: 109) study in India supported by ILO and Fellows and Hilmi studies found that street food vendors create jobs, not only for themselves, but also for porters, security guards, transport operators, storage providers, and others. They further state that job created in the street food sector paved the way for vendors to reduce poverty (Government of India, 2012: 5; The Committee on Unorganised Sector, 2012: 12; Marras, 2014: 12; Kalyani, 2016: 2; World Bank, 2016b: 14).

In Africa, street food vending role in poverty reduction through job creation is extremely significant which promotes socio-economic development (Mittulah, 2005: 8; Roever, 2014: 15). Otoo *et al.* (2011: 23) and Nicolò, (2012: 56) supports the above views and point out that street food vendors are mostly micro-entrepreneurs rather than dependent workers, providing employment not only for themselves but also for other people who would otherwise be unemployed. Gani (2016: 21) also confirms the views and state that street food trading provides job opportunities especially for the unskilled and foreigners in Nigerian and Ghana cities such as Lagos, Abuja, Enugu, Accra and Kumasi and people earn a living from street food trading that reduce poverty incidence (Solomon-Ayeh *et al.,* 2011: 85; FAO, 2016a: 2). The contribution was reinforced by FAO (2006: 16) scoping report on the Informal Food Sector in South Africa, Mali, Rwanda and Senegal, that argues that street food vending employs over 60,000 people out of the number 35, 000 were women. These women were able to make decision in their households more than windscreen washers were. In Ghana, a significant proportion of total metropolitan revenue in Kumasi comes from food trader fees. Street food vending contributes significantly in generating employment opportunities for people most especially women with large families and meeting some low income group's basic needs (Asiedu *et al.,* 2008: 87; King, 2016: 104; Roever and Skinner, 2016: 5).

Mengistu and Jibat (2015: 16) found that in Addis Ababa, Ethiopia, street food vending activities compose of youth, adults and some of the elderly people (both women and men). Further, a study conducted by Timirat (2012: 129) in Addis Ababa Ethiopia, shows that SFV activities were dominated by Gurages and Silte ethnic groups. Edima *et al's* (2014: 34) study also corroborates and point out that the Street Food Sector in the Metropolitan Areas of a Cameroonian City, Yaounde, acknowledged that up to 60 percent of vendors who dominated the business are from the Ewondo ethnic group. In addition, street food vending helps to absorb labour of new arrivals in the urban areas mostly migrants from different countries and locals from the rural areas looking for jobs. The migrants utilised the food trade business to improve livelihoods (Madziakapita, 2003: 97). Equally, Cleopas (2014: 1) also establish that in SADC region for instance, Lusaka the street food trading promotes viable socio-economic activity by providing gainful employment for 20 to 60 percent of populations with limited education and skills, despite the fact that limited education demonstrated by food vendors implied a corresponding lack of basic skills in food safety and hygiene. However, the street food trade allowed very poor households to meet the basic needs improving household overall economic well-being. Despite the contributions of authors such as Fellows and Hilmi, Kumar, Roever and Skinner, Cleopas and Gani in regards to the importance of street food vending in creating jobs in the world generally, however, their studies focused more on perceptions, health, attitude, challenges and handling of street food while little was done on the impact. Therefore, this study looked deeper at the impact of street food vending on poverty reduction and unemployment.

Likewise, in South Africa, in 2014 street food vending employ more than 60, 000 people, this are those do not have skills and provide the opportunity to them reduce poverty (Skinner and Haysom, 2016: 9; AFSUN, 2016: 6; DTI, 2016: 5). Martins (2010: 8) supports the view vividly and expressed that street food vending contributed to job creation in South Africa, about 33 percent of the vendors acknowledged employing one-person in their business. Tregenna (2012: 45) found that many people in South Africa, particularly those who are unemployed and with a minimum level of education, are forced to explore opportunities such as street food vending in informal sector that could reduce their household vulnerability. Since the formal sector tends to employ educated workers, street food vending in the informal sector tends to employ uneducated people because low qualifications are required. Martins (2010: 6) also concur and point that

street food vending in Gauteng 48.08 percent of those involved in street food sector had a secondary school qualification. No formal schooling 13.0 percent and the vast majority (90.5) percent of the food vendors were females. Thirty-eight and half 38.5 percent of these food vendors fall within the age group of 31- 40 years, twenty-seven (27) percent are in the 21 – 30 years' age group, while 24.5 percent are in the 41 – 50-year age group. Further, Mathaulula *et al.* (2017: 140) study reveal that in Limpopo, 41 percent were married, single 38 percent; divorced 13 percent and widowed eight (8) percent were involved in street food vending. Although the authors Mathaulula *et al.,* Skinner and Haysom, Tregenna and Martins views can be commended, however, more emphasised were on health, perception and safety of street food ignoring the impact of street food vending on poverty and unemployment.

In relation to income, street food vending provides the podium for rural and urban residents to generate income in the world and more significantly in the developing countries (World Bank, 2017: 11). In Asia, various ventures have shown that street food vending generates a large volume of business, involving large amounts of money and provides a competitive source of income to millions of people which have led to decrease in poverty (Cress-Williams, 2001: 109; Muzaffar *et al.,* 2009: 65; Recio and Gomez, 2013: 41; WB, 2016b: 12; WB, 2017: 3). FAO (2005: 12) found that in Malaysia, approximately 100,000 traders depend on SFV and their collective total annual sales amount to over $2 billion. Women's role in street food vending is very important as the trade assisted them in providing for basic needs like cooking oil, clothes and shelter to family members. In addition, many street food vendors in India generate revenue for cities through payment for licenses and permits, fees and fines, and certain kinds of taxes, which is used to propel development in the country (Government of India, 2012: 5; The Committee on Unorganised Sector, 2012: 12). Yasmeen and Nirathron (2014: 17) maintains that in Bangkok, 25 percent of food vendors acknowledged that street food vending creates opportunities to fight poverty through income made from the food trade more than the potters do. The study further demonstrates that street food vending also assures livelihood for new generations of less privileged people. In addition, street food vending is a means to accumulate capital. This is particularly remarkable when one considers that many of the vendors were impoverished farmers with limited education, and skills, and employment opportunities. In addition, 29 percent of the population that migrated from rural to urban areas in Central America

used street food vending as a means to earn an income. The income made double that of shoemakers and was used to pay rent, buy clothes and settle medical bills (ILO, 2013: 6). Similarly, in New Mexico, Mexico around 94,000 vendors sell food snacks, fruits and beverages on the streets and thereby provides a living and income for approximately 415,000 people. The study further revealed that vendors have access to better housing with the income generated from the business (Crossa, 2009: 63; WB, 2017: 13).

In Africa, street food vending is highly important in generating income, which reduces poverty incidence. In Bamako, FAO (2006: 16) confirm that street food trading has an annual turnover of over US$100 million, with annual profits of US$24 million. Street food operations sometimes involve the entire family in the procurement of raw materials, preparation and cooking of the meals. A study conducted in Democratic Republic of Congo argues that 73.35 percent of people most particularly those that were married, single and widowed rely solely on these street food vending activities for livelihoods for their households. Most of the people engaged in the street food trade lived in wood and brick houses. Although the weekly profit margin varies, the amounts earned have allowed vendors to solve their daily problems regarding housing, education, health, transport and food. However, most of these food vendors would still be classified as poor (according to the World Bank criterion of US$ 1.25 per person per day). In addition, these vendors recognize that their lives were better than shoemakers, or civil servants who are unpaid for many months (Iyenda, 2001: 233; Sautier *et al.,* 2006: 15; Johnson *et al.,* 2007: 67; Tomlins and Johnson, 2010: 13; Alexander *et al.,* 2011: 102). Mittulah (2005: 8) and Roever (2014: 15) highlight that a dollar worth of output generated in street food vending generates more than five dollars' worth of value to the regional economy. Street food vending has a strong multiplier effect on other sectors of the economy by promoting poverty reduction.

In Southern SADC region for instance, Botswana, 41 percent of youth in the country were involved in street food vending; the majority 34 percent of them being young women obtained income through food vending and this enabled them to further their education (Joseph, 2013: 4). Education is very important asset in development since it provides the opportunity to generate additional income and better livelihood. In South Africa, the lack of economic opportunities forced many poor households to resort to street food vending to generate income. Sales of fruits, beverages, raw, prepared and processed foods act as the main source of income for most

households continue to play an important economic role in communities (Mathye and Maliwichi, 2015: 283; Skinner and Haysom, 2016: 9; AFSUN, 2016: 6). FAO (2016b: 15) and Roever (2016: 56) concur and point out that street food vending in South Africa, generate an annual turnover of US$60 million, with annual profits of US$24 million. Most often, the enterprises involve the entire family in the preparation and cooking as well as in; the procurement of ingredients and most vendors have little or no education.

In addition, Martin (2010: 8) study affirms that 99.5 percent of vendors indicated that their street food business was the main source of their household income and that it contributed to poverty reduction. Stats SA (2016: 12) report also confirms that 35 percent of food vendors in Tshitale/Hlanganani, Limpopo were able to support their children from their street food income in respect of their basic needs such as education, clothing and food than those who depend on social grants. Although according to the vendor's street food vending does not constitute a career for many, it does provide a temporary income until something better shows up (Khongtong *et al.,* 2014: 18; Stats SA, 2015: 11). Street food vending acts as an important source of livelihood since it enabled food vendors to support their families. Similarly, a study conducted by Stats SA (2013: 13) in Eastern Cape in 2012, reveal that 29 percent migrants from countries such as Nigeria, Sierra Leone, Lesotho, Zimbabwe, Pakistan, Cameroon, and Ghana were using street food vending as a means of livelihoods. In addition, migrant within the province (Gauteng) 64 percent indicated that the street food trade enabled them to generate income. This income was used to support their families, 76 percent of vendors acknowledged that street food vending enabled them to take care of their family of more than two (Stats SA, 2014: 12; Khong-tong, 2014: 2; Fourie and Kerr, 2015: 56).

### 2.4.2 Food security

Street food vending activities in the world and most especially in the developing countries results in an increase in food security and diet diversification that leads to reduction of malnutrition and starvation hence an increase in living standard (Roever and Skinner, 2016: 6). In Latin America for instance, Paraguay and Chile, street food vending contributes substantially to food security as well as education to many female-headed households (Nataraj, 2012: 1; Etzold, 2014: 12; Vanek *et al.,* 2014: 14; Cardoso *et al.,* 2014: 56). The World Bank (2017: 5) further states that in Asia,

Dhaka, Bangladesh "street food vendors provide food security, not only for themselves and the family but also for their customers. Similarly, in Africa, Roever and Skinner's (2016: 5) study on informal food retail highlighted the crucial role of street food vending in generating food security in countries such as Ghana, Mali, Ivory Coast, Democratic Republic of Congo, Nigeria and Kenya. Roever and Skinner further argued that, 70 percent of 6,453 households surveyed across 11 sub-Saharan African cities sourced food from informal outlets, with 59 per cent of households reporting that they patronized informal food outlets once a week or more. Furthermore, the more food insecure the household, the more likely it is to rely on informal food sources. Roesel's (2014: 68) work in Ghana on food safety and informal market supports the above argument and state that street food vending contributes up to 60 percent people food security in some African cities like Bamako, Nairobi and Addis Ababa. The sector also makes a significant contribution to gross national income, skills and food processing output, as well as a significant portion of total nutrient intake. However, the authors Roesel's (2014: 68), Roever, and Skinner's (2016: 5) raised concern that the street food sector does not meet health and safety standards, and may not be as healthy as formal food producers may.

Equally, street food vending contributed significantly to the food security of those involved in its production, particularly suppliers of food processors and raw produce by providing vendors with income in Democratic Republic of Congo. Women are often owners or employees of street food businesses (The University of Greenwich, 2017: 1). Crush and Frayne (2011: 13) argues that some 70 percent of households in South Africa normally sourced food from informal outlets such as street food vending. Nearly one-third 32 percent of households said they patronised the informal food economy almost every day and nearly two-thirds 59 percent did so at least once a week. Roos *et al.* (2013: 14) maintains that small general dealers, spaza shops and street food vendors are the main source of food, income and employment in a low-income community near Worcester in the Western Cape. Eighty (8) percent of the respondents' reveal street foods are cheap to buy and employ about 15 percent of the population. Though the author's such as Roever and Skinner, Vanek *et al.,* Nataraj, WB and Roos *et al.* contributions brought out the importance of street food vending on food security, their studies however, were conducted in Ghana, Bangladesh, Mali, Ivory Coast, Democratic Republic of Congo and Western Cape and not in the Mahikeng area. This study focuses more on the impact of street food vending on poverty and

unemployment in the Mahikeng Local Municipality. FAO (2009: 12) recommend a research should be done on the impact of street food vending as a vehicle of job creation and poverty reduction. Since this is an important issue in promoting development in the world, South Africa at large and MLM in particular. Street food vending provides a security net, significant employment, cheap source of food, improves the economy, and provides direct and indirect jobs for millions of the unemployed.

## 2.5 LEGAL AND POLICY FRAMEWORKS IN SOUTH AFRICA

The following are some relevant legal and policy frameworks that promote the informal sector and street food vending in South Africa. Regulatory frameworks applicable in the Mahikeng Local Municipality will also be discussed.

**The Constitution of the Republic of South Africa (Act 108 0f 1996):** The constitution of the Republic of South Africa is the supreme law of the republic and provides among others how different arms and levels of government should conduct their business. In its Bill of Rights, Section 22 of the Constitution guarantees the right of every citizen to choose freely his or her trade or occupation, which might be regulated by law. The Constitution gives power to informal traders in general and food vendors in particular to carry out any business of their choice. This constitutional provision is given effect through a number of trade policies, legislation or bylaws by municipalities. In addition, Section 152 (1) of the Constitution provides for the involvement of communities in matters of local government. That is the Constitution makes provision for municipalities to allow informal traders including food vendors to participate in the economy and in the making of informal trading bylaws.

The Constitution provides for a substantive element of socio-economic rights which informal traders in general and street food vendors in particular are entitled to as poor members of the South African society like the MLM. Sections 26 and 27 of the Constitution of South Africa stipulate that the local government must ensure the provision of services to communities in a sustainable manner, promote social and economic development and a safe and healthy environment. Informal traders and food traders as citizens of the country and crucial economic actors, qualify to be developed economically and be protected by the very same law. These rights

include access to adequate housing, trade, health care, water and sanitation. In addition, even though no explicit provision is made for electricity, it is inconceivable that the right to adequate housing will be realised without electricity. It is thus an implicit right. The importance of the constitution in Mahikeng informal trading sector is that it provides the authority that is the government and municipal officials to create an enabling environment for the growth of small businesses (Republic of South Africa, 1996: 3; GCIS, 1996: 2; Department of Justice and Constitutional Development, 2011: 4).

The Constitution provides the platform for the introduction of legal and policy frameworks in South Africa, in the North West Province and in the MLM to promote issues such as hygiene and food safety and participation and job creation. In addition, it encourages licensing and registration in the informal sector and street food vending to be sustainable in the country.

### 2.5.1 Hygiene and food safety

The *Foodstuffs, Cosmetics and Disinfectants Act Number 54 of 1972* were introduced to control the sale of food and the importation and manufacture of foodstuffs, cosmetics and disinfectants in order to promote food safety in the country. According to Subsection (2) and section 6, of these act a person shall be guilty of an offence if he or she sells, any foodstuff, which contain a prohibited substance. It also stipulates that a person shall face offense if he or she sells any foodstuff that is a combination or compound of different foodstuffs. More so, the Act provide the environmental health practitioner the power to search premises, take and remove samples of, any foodstuff found to be harmful to consumers (GCIS, 2008: 21). The foodstuffs, cosmetics and disinfectants Amendment Act 54 of 1972 were amended in 2007 to strengthen the power of the Minister to regulate the handling, importation and exportation of foodstuffs. In addition, the power to remove, detain and destroy food-producing animals or foodstuffs causing health problem. Furthermore, it provides the Minister with power to inspect food-producing animals and the water used for food processing (Presidency, 2008: 2).

In addition, the *Meat Safety Act, No. 40 of 2000* was further established by Department of Agriculture to uphold hygiene and food safety through meat and the animal products safety in the country. Further, the Act establishes a meat safety schemes and provide for matters

connected therewith. It also provides the national executive officer the right to enter an abattoir during working hours in order to inspect any process carried out at the abattoir. According to the Act meat, inspection services may only be performed by the national executive officer and a provincial executive officer (Presidency, 2008: 5; DAFF, 2016: 8). Further, the Act stipulates that no person should slaughter any animal at any place other than an abattoir as prescribed in accordance with the requirements of the Animals Protection Act of 1962 (Act No. 71 of 1962); water used in an abattoir must conform to the prescribed standard. In addition, it allows food vendors to operate and receive essential food hygiene training to promote meat safety and which enables them to comply with minimum hygiene regulations. The Act states that all street food vendors dealing with meat products must have a certificate of operation. Certificate of operation for vendors, in terms of national food hygiene regulations, allows for better control and coordination of the sector within the area. Despite the fact that the Acts were introduced to promote food hygiene and safety, however, they were also implemented to safeguard the health of consumers and for consumers to obtain adequate quantity and quality of foods.

### 2.5.2 Licensing and registration

*The Businesses Act, no 71 of 1991* was introduced by the Department of Trade and Industry to improve or reverse certain laws regarding the licensing and carrying on of businesses to ensure sustainability of trading in the country, shop hours and to make certain new provisions regarding businesses (Department of Trade and Industry, 2014: 12). According to the Act Section 6A, reduces the powers of local authorities regarding their ability to introduce and implement laws that restrict growth of informal retailing including street food vending to encourage licensing and registration. It also empowers a local authority to make bylaws that regulate informal trade, especially street and market trade, near parks, gardens, state-owned buildings, museums, churches. The Act clearly cites locations where local government restrictions cannot be imposed on those who engage in food and perishable food trade, amongst other. However, the Act recommends that the local authority first consider the effect on business in the case of a bylaw or regulation that will restrict trading in an area where large numbers of informal traders operate. In such cases, the Act encourages the local authority to negotiate with the informal traders before instituting a restrictive bylaw or regulation. The relevance of this Act is that it recognizes street vendors as business people. Government, at the time, was of the view that informal traders were

important to the economy and needed to be supported. Prior to the Act, street vendors were only permitted to trade if they had a license. The Act removed this requirement. In 1993, further amendments were made which gave local authorities greater powers to regulate and restrict street food vending. This would be done by way of bylaws and regulations about where and how informal trading would occur (Department of Justice and Constitutional Development, 2011: 4).

Furthermore, the *Preferential Procurement Policy Framework Act 5, 2000* was introduced to encourage registration of businesses in the country and provides SMMEs owned by historically disadvantaged people and community co-operatives a chance to contribute fully to economic development. The framework guard against foreign competition and improve competition within the business sector to promote growth. In addition, it also addresses problems concerning access to market by SMMEs including street food vendors and discrimination against the disadvantaged people because of apartheid. It also takes care of unfair and inequitable treatment of men and women in the trade (GCIS, 2008: 15). Meanwhile the *Mahikeng Informal Trading Policy of 2016* was also implemented to further address challenges such as cumbersome and costly licensing and permits procedures at municipal level. The policy also aimed to take care of key barriers such as working in the informal economy, negative observations of work in the informal economy, tensions around the status of foreign informal traders and relations between formal and informal businesses at the municipal level. This was done to promote registration and licensing of businesses at the municipal level in order to create local jobs. The policy recommends a holistic and integrated approach in addressing the informal sector, including recognition, space, access and support for small informal economy enterprises and individuals engaging in survivalist activities.

In addition, it also sets out the payment procedures and conditions for rentals of urban public trading spaces use by businesses. Further, the policy provides the podium for municipal bylaws to be introduced to regulate and control informal trading in the area. A bylaw is a municipal regulatory law within a specific area. Consequently, an informal trading bylaw regulates the business of informal trade including street food vending within a specific jurisdiction (MLM, 2017: 3). As mentioned, Section 152 (2) of the Constitution commits local authorities to involve communities in matters of local government and so, amongst other, provides the legal basis for the participation of informal traders in the making of informal trading bylaws (GCIS, 1996: 2).

The Mahikeng Local Municipality bylaws were introduced to regulate the informal sector including street food vending in the area;

- To protect the right to engage in informal trading including street food vending
- To provide for the closing down of unsuitable areas and creation of areas where informal trading may take place and the granting of trading permits to vendors
- To control the conduct of street food vendors and also health and safety measures; and
- To stipulate the penalties for violations of the bylaws

### 2.5.3 Participation and job creation

*Mbeki second economy Policy*, in August 2003, former President Mbeki differentiated between first and second economy. President Mbeki stated that the second economy or marginalised economy is characterised by underdevelopment in the informal sector, contributes little to the GDP and contains a big percentage of the population. The term second economy was used to refer to the rural and urban poor of the informal sector structurally disconnected from both the first and the global economy. It also refers to a sector (rural and urban poor) incapable of self-generated growth and development (Mbeki, 2003: 224; Integrated Small Business Development Strategy, 2005: 15). According to President Mbeki, supporting the second economy like the informal sector in general through intervention programmes will promote growth and job creation (Mbeki, 2003: 224). The idea of the 'second economy' elicited a flurry of critique among analysts. For instance, Aliber *et al.* (2006: 34) and Neves (2010: 67) largely pointed to the conceptual flaw of seeing the formal and informal as being 'structurally disconnected. The 'second economy' arguments were based on the premise that…the mainstream of the economy is working rather well, and government action is needed to enhance the linkages between the first and second economy and where appropriate to provide relief, such as public works programmes, to those locked into the informal economy.

In addition, the *Provincial Growth and Development Strategy of the North West province of 2004* was a collective effort by government and its social partners to address the challenges of growth and development in the province and to help improve the quality of people's lives through SMMES. Further, it addresses pressing challenges by selecting from many possible

interventions like those, which hold the promise of the greatest possible impact in the shortest possible time for accelerated investment, job creation through SMMEs and the informal sector. Further, it sets a platform for serious social dialogue within broad policy frameworks by focusing on people and developing strategies in order to avoid geographic inequalities; securing the commitment and active participation of all constituencies in those areas identified for prioritized actions in ways that build on lessons learnt from development programmes.

Furthermore, the *North West Provincial Small Business Development Strategy* was to provide additional support to SMMEs in order to promote growth and job creation through participation at the provincial level. The strategy serves as a blueprint with regard to the promotion and support of SMMEs including the informal sector in the North West Province. The strategy was seen as a vehicle to improve the coordination and partnership development with stakeholders and government structures that have programme targeted at supporting SMMEs and street food vending in the province. Further, it aimed at reducing regulatory constraints for SMMEs development in the province to ensure job creation and growth. In essence the North West Province in line with prescripts and policy imperatives of the national government clearly supports and advocates for the sustainable SMMEs development and endeavours to provide an enabling framework to facilitate and ensure that SMMEs develop and flourish in the competitive market (North West Provincial Small Business Development Strategy, 2009: 6; NWPG, 2014: 4).

In addition, *Local Economy Development Policy* was introduced by the Department of trade and Industry in 2006 in order to further strengthen economic development which encourage and allow local people to work together to achieve sustainable growth at local level. LED was seen as a platform to involve stakeholders in implementing programmes and strategies in order to assist the informal traders like the case of MLM to thrive. The Framework states that municipalities like the Mahikeng Local Municipality have a key role in making an environment favourable for investment through the provision of infrastructure and quality services rather than by developing programmes and attempting to create jobs directly (Meyer-Stamer, 2003: 23; DPLG, 2006: 12; DTI, 2013: 12). It is hoped that this policy at local level create job through the informal trade thereby growing the local economy and bringing many people in to the income receiving stream hence poverty reduction. In addition, the *National Development Plan (NDP)*

was implemented to advance and recognise the need for a capable and developmental state through a thriving business sector in order to promote economic development in the country (NDP, 2012: 5; Zarenda, 2013: 10). The National Development Plan gives particular primacy to small business such as the informal sector, targeting 11 million jobs by 2030 and arguing that 90 percent of these new jobs will be created by SMMEs including the informal sector (NDP, 2011: 5; NDP, 2012: 6).

### 2.5.4 Technical and financial support

The *Khula Finance Limited* was Government's small business finance organisation set up in 1996 by the DTI then later transfer to Department of Economic Development and Tourism with primary aim of supplying funding to SMMEs not addressed by commercial financial institutions. It provides the podium for retail financial institution and credit guarantee scheme to assist small businesses to grow. Khula provides equity capital and gearing capital for public and private sector funds targeting small enterprises in specific sectors to be sustainable. Khula operates through a network of financial intermediaries across the country. Its channels include South Africa's leading commercial banks, retail financial institutions and specialist funds and joint ventures in which Khula itself is a participant (DTI, 2014: 14). In addition, the *Department of Trade and Industry Informal sector Policy of 2008* was introduced by the Department of Trade and Industry to further advance on the supply of funding to SMMEs through agencies not addressed by commercial financial institutions. The agencies include the Small Enterprise Development Agency, National Empowerment Fund and National Small Business Advisory Council. The DTI mandated these agencies to support the SMMEs in the country to propel growth and job creation. Furthermore, the policy aimed to fund black-owned and empower (both big and small) businesses and to advise the Minister on ways to boost support to small businesses in the country. The DTI also through this policy acknowledge women to further take part in 'survivalist activities', such as the informal trade to contribute to economic development (DTI, 2014: 16).

Furthermore, the *Small Enterprise Development Agency* was put in place by the DTI in order to strengthen small, medium and micro enterprises such as street food vending and in informal sector in general to benefit from advisory support on financial and cash-flow management. This

was done so that SMMEs can make inroads into South Africa's "first economy" and create jobs. SEDA provides business development and support services for small enterprises through its national network, in partnership with other role players in the small enterprise support (DTI, 2014: 12; GEM, 2014: 16; SEDA, 2016: 8). Moreover, *South Africa Micro-Finance Apex Fund (SAMAF)* was established to provide additional access to microloans and support to the social capital mobilisation to small businesses in the country. Also, to facilitate the provision of affordable access to finance to micro, small and survivalist businesses such as street food vending for the purpose of growing their own income and asset base. Further, it was initiated to reduce poverty and unemployment and to extend financial services to reach deeper and broader into the peri-urban and rural areas. As a wholesale institution, SAMAF provides micro-finance to financial intermediaries such as Financial Services Cooperatives (FSCs) and MFIs who in turn on-lend to their members and clients. SAMAF offers two types of loans via its financial intermediaries, microenterprise loans and development loans. The Micro-enterprise loan is offered to financial intermediaries who then on-lend to poor people to establish and grow their micro survivalist businesses (DTI, 2014: 15; DEDT, 2014: 13). In addition, the *White Paper on National Strategy for the Development and Promotion of Small Businesses in South Africa (1995)* was initiated by the DTI to create an enabling environment for the creation and promotion of Small Medium and Micro Enterprises in the country (DTI, 2009: 7). It intended to help address market failures, particularly where they influence the Government's special development goals. Through the paper, the Government continues to develop and implement measures focused on targeting beneficiaries such as microenterprises and informal enterprises (DTI, 2009:7)). In March 1995, the government articulated a number of measures to foster an enabling atmosphere in the White Paper on National Strategy on the development and promotion of small business in South Africa. The measures to facilitate SMMEs include access to finance, infrastructure, training and counselling, information, markets and technology. Since the introduction of this White Paper in 1995, a number of support institutions such as the Small Business Development Agency and the National Small Business Council were introduced to promote the growth of the informal sector.

Furthermore, the *National Small Business Advisory Council (NSBAC)* was launched in 2006 by DTI to further address market failures, review the current, introduce new legislation on small

businesses growth and create access to small businesses value chain. This was further directed to strengthen skills development within small businesses and challenges affecting them. Further, it was out to provide physical infrastructure were small businesses are being conducted. NSBAC has council comprises of eight members who advises the Minister on ways to boost support to small businesses such as the informal sector in the country. However, the first council collapsed after two years in 1998 amid allegations of mismanagement (DTI, 2014: 14). Also, *the National Skills Development Act (1998),* was introduced by the Department of Labour to provide a Sector of Education and Training Authorities (SETAs) section 9 (1); aimed at providing market-related skills that are intended to benefit the people, including young women and men who are involved in informal sector including SFV. In addition, through the Act is hoped that small business like street food vending in the informal sector would encouraged work-seekers to start their own trade. In addition, the *Industrial Development Corporation* was also initiated to stimulate entrepreneurship through the building of small medium and micro enterprise including the informal sector and food trading to strengthen economic development. Industrial Development Corporation was out to improve regional equity, including the development of South Africa's rural areas, poorer provinces and industrialisation in the rest of Africa. IDC aimed to grow sector diversity and increase localised production. Support the transformation of communities and development of black industrialists. Furthermore, IDC align with the sector objectives of National Development Plan and New Growth Path in order to promote development in the country (NDP, 2011: 5; National Youth Development Agency, 2015: 11).

## 2.6 CHARACTERISTICS OF STREET FOOD VENDORS

Street food vending is characterized by low capital costs, owned by an individual, easy accessibility, small-scale operation that allows easy entry into the sector (Tinker, 1997: 34; Kachere, 2011: 23; Roever and Skinner, 2016: 34). Sun *et al.* (2012: 106) and Mengistu and Jibat (2015: 34), posit that in Asia, Latin America and Africa street food vending requires less equipment, small capital and less skills to enter the business that enabled them to generate income to pay rents, buy clothes and send their children to school. Street food vending is one sector in the economy of a country that most often is not regulated, lacks official registration and legal recognition (Chukuezi, 2010: 16; Bhat and Nengroo, 2013: 11; Kaizhi, 2016: 34). Muinde and Kuria (2005: 56) argue that street food vendors operate irregularly in South Asia, Latin

America and Africa without any monitoring of what they prepare and how they do it. Both males and females are highly involved in the activities of street food vending. (Mitullah, 2003: 56; Chukuezi, 2010: 24).

Vanek *et al.* (2014: 12) argue that in Asia, for instance, in Vietnam 78.2 percent of food vendors were males while 21.8 percent were females. The percentage of static vendors is 87.2 percent and 12.8 percent mobile vendors, who carry their items on head and bicycles. Among static vendors, 78.2 percent are male and 21.8 percent are female. Among mobile vendors, 78.1 percent are male and 21.9 percent are female. This is contrary to study conducted by Mengistu and Jibat (2015: 34), in Africa for instance, Benin, Chad, and Mali women accounts for over 85 percent of food vendors outside agriculture. Similarly, FAO (2016a: 4) study in Ghana reveals that street food vending is mainly a sector run by women, that it is high in poverty pocket areas of the city and near schools. The study shows similarly, FAO (2016b: 4) study in Ghana shows that street food vending is mainly a sector run by women, that it is high in poverty pocket areas of the city and near schools. The study demonstrates that 67.7 percent of women and 32.3 percent were male. Masalila (2012: 35) and Carol and Matenge (2013: 6), supports the above and point out that female made the majority of informal enterprises in Durban, South Africa. FAO (2013: 3) explains that despite the fact that women are more represented than men in Durban, South Africa as stated by Carol and Matenge (2013: 6) in the informal sector and SFV, they income earned are less and are concentrated in market places considered to be "feminine," especially food production and service.

Most of these street food vendors in Latin American, Asian and African countries operate in makeshift structures while some of them are mobile moving from place to place (Dardano, 2003: 12; Bhat and Nengroo, 2013: 25). These operators do not use permanent structures; they operate from strategic locations including bus and train stations, markets and shopping areas, commercial districts, outside schools and hospitals, residential suburbs, factories and construction sites (Draper, 1996). In most of the situations it appears that, vendors have regular clientele (Carol and Matenge, 2013: 10). Furthermore, typical uniqueness of street food vendors is that they keep few records of business activities, low level of stock is maintained over a short period or no stock is kept, lack of business experience, profits are low, activities are highly labour intensive, earnings fluctuate greatly (Chukuezi, 2010: 25; Masalila, 2012.: 106; Carol and Matenge, 2013: 13).

In South Africa, Otoo *et al.* (2012: 2) assert that the street food sector is typically owned by one individual, including one or two apprentices or paid and unpaid family workers. The street food sector requires small amounts of start-up capital and relatively simple skills. Otoo *et al.* (2012: 3) further elaborate that due to limited levels of investment, street food vending is typically located outdoors or under a roof with easy accessibility from the street and their marketing success depends on the location and word-of-mouth promotion. Women comprise the majority of food vendors. Factors such as low barriers to entry, limited start-up costs, and flexible hours have attracted women to the occupation. Martins (2010: 23) posit that women make 91 percent and men nine (9) percent of those involved in street food vending in Gauteng.

Chipepa (2017: 5) argues that in Durban, women involved in the informal sector and street food vending experience low pay, little or no access to social security and maternity protection However, women remained in the business since they do not have any other means to survive. Due to the fact that the street food sector is not regulated and not recognise in some parts of South Africa, street food traders most importantly women also face challenges like lack of water and sanitation and lack of childcare facilities (Otoo *et al.*, 2011: 16; Chipepa, 2017: 6). The DTI (2014: 13) states that South Africa's labour legislation does not afford adequate protection to workers and food traders in the informal sector, particularly those who are not in a clear employment relationship. Since the informal sector is neither taxed nor monitored by government nor included in the gross national product (GNP), it has been one of those areas, the South African government has had serious challenges trying to control (Chenga, 2013: 11).

## 2.7 TYPES OF FOOD SOLD

It is generally argued that the customers of street food are mainly the pedestrians who pass by for food while on their daily routine. However, the FAO (2016a: 13) contends that in a few cases, especially when a vendor has done business in one spot for a long time, customer relations develop, thereby expanding the market beyond the pedestrians. Some food vendors look for customers in offices, homes and beyond the urban areas where they are based. This is quite common among those who have invested substantially in the street food trade, especially those who use trucks, pick-ups and bicycles. Food vendors trade in cooked and raw food, fruits, and vegetables (FAO, 2003: 5; Park, 2014: 37; Vanek *et al.*, 2014: 12). Park (2014: 45) argues that

the street food sector is an important motivating factor for people to visit a destination and occupy one third of their expenditure when on holiday. FAO (2016a: 13) states that in Asia for instance Thailand cooked food such as sour, beef soup, boiled vegetable soup, fish and kidney. Noodles, shrimp and papaya salad are sold by vendors and this attracts many people to consume the food due its nutritious value and freshness. The study further reveals that food vendors trade in fruits like banana, pineapples, young coconuts and legumes. Furthermore, vegetables such as chillies, tomatoes, cucumbers, fresh soya beans and okra are also sold by traders.

Kalyani (2016: 2) posits that in Vietnam, 31 percent street vendors are engaged in vegetable vending, 45 percent are fruits vendors, 14 percent are dealing with beverages. Cardoso *et al.* (2014: 56) states that in Latin American countries like Colombia, vendors sell varieties and tasty street food such as arepas (morsels), bunuelos, champas (corn and milk) and cholados (condensed milk and fruits). In addition, in Argentina, the sale food such as choripan (barbecue), empanades (beef and stew), pizza, milanesa (chicken breast) and asado (grilled beef) enable food vendors to improve their livelihoods. However, high transport costs and low profits prohibit street food traders from accessing better markets.

In Africa, Pikuda and Llelaboye (2009: 57) observed that vendors' trades in various types of foods such as stews, gravies, grilled meat and fish, fruits, cocoyam, cassava, ugali, vegetables, chapati, fruits, spices and snacks such as dried meat, fish, roasted yam, fried plantains and cereals which enabled them to generate income. Nicolò's (2012: 45) study conducted in Accra, Ghana shows that vendors trade in fried chicken, koko, fufu, jollof rice, tomatoes stew and banku, bread and sausages, fried yam, kenkey, banana, oranges, mangos and fried fish. Haleegoah *et al.* (2015: 67) found that in Ghana at national level due to it being convenient and less expensive to purchase street food, 35 percent of consumers patronized Koko every day, 28 percent eat Waakye twice a week, while 26 percent consumed Kenkey once a week. In Cameroon, Edima *et al.* (2014: 18) found that in Yaoundé, personal trust and customer preference enable some vendors to trade in fried dough, roasted or fried plantain (dodo), roasted plums, meat (roasted, fried or boiled), fish (roasted, fried or boiled), bread and baton (fermented cassava roll), cocoyams, yams, plantains and fufu and eru. Edima *et al.* further reveals that vendors sell fruits and vegetable such as mangos, oranges, pumpkin leaves, huckleberry, pineapples and papaw.

A study on Burkina Faso, also cited in Steyn and Labadarious (2011: 466), found that vendors mainly sell cereals, meat, milk and fruits while another study of food vending in Mwanza, a city in Tanzania, found that food vendors prepared foods based on customer requirements. In East and Southern Africa, vendors sell food such as ugali (a thick porridge common as a staple food in East and Southern Africa), rice, banana, vitumbuwa (fritters), chapatti, beans, fish, tea and eggs. The pricing of foods, however, was very similar across food stalls because they all were each other's competitors (Mramba, 2015: 34). In Zambia, it is unusual not to find such foodstuffs as cassava, fried groundnuts, and boiled groundnuts and other foodstuffs sold on the street (Cohen, 2010: 3). Cohen (2010: 2) further argues that the type of street food sold in Singapore and Namibia not only acts as a colourful attraction in a travel magazine but also a delightful culinary experience for travellers passing through. Njaya's (2014: 34) study found that maize meal, beef, especially musoro (cow head), tripe (maguru), whimps (madora), dried fish (matemba) and mazondo (cow legs) are sold in Harare, Zimbabwe.

In South Africa, the type of food sold has enabled vendors to generate income that contributes to development. For instance, a study conducted by Mathye and Maliwichi (2015: 284) reveals that in Limpopo, Polokwane, traders trade in porridge, grilled chicken, beef chicken, porridge and salads porridge and meat (chicken feet and offals), mageu, tea and bread and doughnuts, He further states vendors also trade in fruit and vegetables like avocado, oranges, pear, spinach and cabbages. Steyn and Labadarious (2011: 464), in their study of street food consumption in South Africa found that in Johannesburg foods vended are mainly fruits such as oranges, mangos, tangerine, water melon, grapes, savoury snacks, biscuits and cooked food such as samp, grilled meat and chicken, potatoes, vegetables, pap, fried meat and tripe. Steyn and Labadarious (2011: 464) further indicates that vendors also trade in fat cakes and dumplings and fried meat burgers, pizza, fried chicken that allowed traders to accumulate income.

## 2.8 CHALLENGES FACED IN THE STREET FOOD SECTOR

There are many obstacles and challenges that the informal traders and street food vendors are facing in the world in general and South Africa in particular. Despite, the fact that some of these challenges also affect the formal sector, the informal traders including street food vendors are much more vulnerable to the problems.

### 2.8.1 Business location

The greatest challenge faced by informal traders in general and street food vendors in particular in the informal sector is where to locate their business and the right to trading space (Neves, 2010: 36). Street food vendors often operate in urban spaces meant for other users (Mitullah, 2003: 45; Neves, 2010: 36). The sites that street food vendors often take up are usually influenced by accessibility to sell their food items, attractiveness of the location such as the taxi ranks, schools, construction sites and offices. Street food vendors often operate in some areas to avoid competition from other traders, and also the number of customers of whom they can sell their foods (Onyango *et al.,* 2012: 34). Joseph (2011: 45) posits that, street food vending is mostly unregulated trading that takes place in public spaces such as streets, sidewalks, bridges, pavements. The use of public space both physically and socially by street food traders has become the subject of intense contestation. Roever and Skinner (2016: 23) and Vanek *et al.* (2017: 67) argues that in many Latin American countries like Argentina, Uruguay and Venezuela and also African countries such as Cameroon, Ghana, Mali, Ethiopia, Nigeria and South Africa, street food vendors often occupy urban space for their livelihood. The urban space occupied by vendors leads to eviction by the police and municipal officials because they are considered as illegal encroachers upon public space.

Roever and Skinner (2016: 23) further states that some vendors reported also that strong feelings of attachment to a specific area, as traditionally, they and in some cases even their parents have been selling from this specific spot. Street food vending is alleged to be a major crisis and an eyesore in the urban administrator and criticized for causing or contributing to a number of social ills that negatively affect cities (Palmer, 2007: 13). Steyn and Labadarious (2011: 467) and MLM (2014: 12) found that street food vendors in Gauteng and in the North West Province have more difficulty finding physical space in which to operate their business. As a result, food vendors operate in space owned by other business and this always leads to confrontation and eviction by the police. Ndhlovu (2010: 56) posits that for a street food vendor to succeed accessibility to customers is a key consideration and they are strategically located on the streets to avoid formalization costs such as rent, taxes and licenses. Street food vendors often occupy public spaces making urban planning very difficult.

### 2.8.2 Confiscation of food items

At national and local level, there are policies, legislation and bylaws policies use to run informal trading and street food vending in countries (Mkenda and Aikaeli, 2015: 23). Policies are introduced to provide for a smooth operation of informal trading while municipal bylaws are also used to regulate street vending. Bylaws related to street vending restrict the activity of vendors and confer the power to sanction by local authorities (Morris, 2009: 67; Steyn and Labadarious, 2011: 465). A concern for vendors is the extent and nature to which bylaws may facilitate or obstruct informal trade activities. This may be through trade licenses and permits, rent, trading stalls, health and sanitary facilities. In most cases, municipalities control of street trade seem to have a dominant motive of preventing street food trading from interfering with the running of formal businesses in cities or to reduce the obstruction of public facilities (Neves, 2010: 36).

In Asia and Latin countries such as Thailand, Mongolia, Argentina, Paraguay and Chile, Sun *et al.* (2012: 106) study in Asia and Latin America, found that, several food vendors reported that confiscation of their merchandise by police and municipal officials undermined their ability to repay loans, obtain license, permit and meet household needs. Most often results to lack of communication between government and food operators. In Accra, Ghana, in Harare, Zimbabwe Mbabane, Swaziland, Lusaka, Zambia and Johannesburg, South Africa, informal traders including food vendors have often faced harassment and their goods confiscated in various 'operations' by local authorities designed to 'sweep' cities clean of street traders (Iyenda, 2001: 2; Cleopas, 2014: 34; Mathye and Maliwichi, 2015: 284). Rover (2013: 76) study in Accra, Ghana, Durban in South Africa, Nakuru, Kenya. The study demonstrates that for 68 percent of informal traders, faced the problems of confiscation of merchandise and harassment from police.

Rover (2013: 76) further found that police invent reasons to confiscate food vendor's merchandise, and then invent methods to avoid returning the confiscated merchandise to the vendors. Ndabeni and Maharajh (2013: 5) argues that in Durban, bylaws that allowed municipal officials to confiscation of goods without warning of street food traders who commit an offence, can be devastating to vendors who cannot easily replace their food items since it often results to confrontation. Munyaradzi (2012: 24) states that due to confiscation of goods from food vendors by the police in South Africa, the relationship between the vendors and police is usually strained,

especially because the law enforcement agents are viewed as being antagonistic to the informal food trading sector. Government and municipalities should ensure effective regulatory framework, good governance in order to reduce confiscation vendor's goods.

### 2.8.3 Street vending policy

Street vending policy is a tool introduced by governments and municipalities for setting standards in the provision of public goods, foods and services in order to protect consumers, food traders, investors and the public. While bylaws introduced by the local authorities set controls that ensure that urban areas are safe and clean for business (Mittulah, 2003: 12; Handayani, 2016: 13; Holmes and Scott, 2016: 69). Nevertheless, street vending policy most often appears do not cover the informal sector including food vending, for instance, Asian countries, such as, India, Cambodia, Thailand, Papua New Guinea, China and Vietnam. Handayani (2016: 13) argues that, the overall workforce of the informal sector most are not covered by social protection programs. Handayani (2016: 13) further maintains that a large number of households (missing middle) are not covered by social insurance or social assistance. This missing middle usually works in the informal sector in general and street food vending in particular, placing themselves in a vulnerable group.

In most of the African countries such as Ghana, Lesotho, Zimbabwe, Togo, Kenya and Tanzania and South Africa there are no specific policy for street food vending, they are governed by either Small businesses policy or trade policy or city bylaws while their business environments are quite different (Misati, 2010: 31). Mittulah (2003: 13) argues that licenses and permit for street food vendors often take too long and this has made some vendors to operate illegally. For instance, in Kampala, Uganda, only 850 of the estimated 16,000-food vendor's work with permits, while in Dakar, Senegal, less than 10,000 of 25,000 vendors have legal licenses to trade with (Nicolo and Bendech, 2012: 56). Nicolo and Bendech (2012: 56) further states vendors operate their businesses without permit and might be due to a variety of factors. For instance, the licensing of vendors has very limited advantage for vendors themselves but have many benefits for regulators. Misati (2010: 34) argues that in Kenya street food vendors have non-transparent policy and legal-regulatory environments that govern businesses. As a result, vendors are harassed by police, demanding for bribes and some vendors are abuse physically. These practices

tend to take place in urban policy environments that do not define a role for informal sector. FAO (2016b: 16) emphasis that in Ghana, there are no comprehensive and detailed guidance of what is required in order to start a street food vending activity is given by the government and the municipalities. In Zimbabwe, Njaya (2014: 55) maintains that about 98.3 percent of the street food businesses were not registered by the Harare City Council. This was because the City bylaws did not allow vending of cooked food. The City issued hawker's licenses, which included a restriction on the type of food sold (vegetables) and the location where they could be sold. Consequently, many food vendors operate illegally and this led to several arrest by the police.

Mkenda and Aikeali (2015: 22) and Gamieldien (2017: 6) found that in Malawi and South Africa the informal traders (street food vendors) are often ignored and receives little support from the government through policies and municipal bylaws that make street vending very difficult to carry out and this always leads to confrontations between vendors and municipal officials. Among other issues a street vending policy should address the main challenges of street vendors for instance social protection programs, license and taxation (Mittulah, 2003: 12; Misati, 2010: 34; Mramba, 2015: 16).

### 2.8.4 Lack of skills and knowledge

The relevant skill development and knowledge in business is a major tool for an improvement in better working conditions, productivity and the promotion of decent work in the informal sector as a whole and SFV in particular (ILO, 2003: 1; Bhowmik, 2005: 57; Cohen, 2010: 2). However, lack of skills of bookkeeping and knowledge of food preparation and hygiene are problems plaguing street food vendors. ILO (2016: 23) found that in Asia and Latin America countries Venezuela, Uruguay and Chile, street food vendors lack business skills such as bookkeeping and knowledge about food hygiene that prevented them to expand their business and improve their income. In the Philippines, approximately one -third of the dietary intake originates from street foods. Often the food is not up to acceptable standards and safe for consumption. This is mainly because the street vendors have little knowledge of basic hygiene and sanitation measures required in food handling, preparation and storage. In addition, the street vendors are often lacking business skills that would help them to expand the business and improve their income (ILO, 2013: 13). Similarly, Cichello (2005: 26) argues that in Central America for instance,

Brazil and Mexico, the lack of knowledge, technical, business and entrepreneurial skills deter informal street food vendors from effectively conveying the opportunities of their informal businesses to financiers.

In Africa, ILO (2016: 24) survey in countries like Cameroon, Tanzania, Ivory Coast, Malawi, Zimbabwe and Kenya reveals that food vendors in the informal economy, are facing lack of knowledge and skills as a challenge that leads to the noncompliance with occupational health and safety regulations in dealing with food items (Wrigley-Asante, 2012: 32; Etzold, 2014: 1; Jongh, 2015: 12). Rasameolina (2015: 45) work on informal sector in Madagascar found out that lack of skills in bookkeeping and sales hindered the growth of street food enterprises. A recent survey of street food vendors in Ethiopia reveals that 76 percent of informal food traders that is 900,000 people; do not have any skill and knowledge about street food vending (Birhane, 2015: 9). In South Africa, street food vendors often possess low skills and knowledge of food preparation and hygiene (Bhat and Nengroo, 2013: 31; Ndabeni and Maharajh, 2013: 5; Mrambo, 2015: 17). This hinders the growth of their businesses.

The National Development Plan (2015: 6) states that small business such as street food vending in South Africa are negatively affected by a shortage of skills and knowledge of hygiene. This shortage is mostly sales capabilities. The Department of Trade and Industry (2014: 23) argues that a shortage of skills and limited entrepreneurship capacity act as constraints to employment growth. Ndabeni and Maharajh, (2013: 5) posits that in Durban, South Africa, 45 percent of food vendors faced the problem of lower education levels, skills and knowledge as a result, these limits vendor's ability to understand written instructions, rules and bylaws as well as information that could help them improve their businesses. The possession of relevant business knowledge and skills are very vital for street vendors to perform core business activities such as sales, marketing research, business strategy and bookkeeping.

### 2.8.5 High levels of crime

The high level of crime is a serious problem in the world that limits the growth of the informal sector including street food vending. Sun *et al.* (2012: 107) study in Asia and Latin America, affirm that approximately 60 percent of food traders in Bangladesh stated that they were affected

by some sort of criminal activity in the marketplace. They further states that criminal activities occurred during busy times when stalls are filled with people and this makes it difficult for food vendors to manage the influx of customers and guard their stalls. Moola (2006: 45) research on street food in Africa for instance, Nigeria, Mozambique, Ethiopia, Eritrea and Somalia argues that the crime burden puts a strain on starting street food vending. Hence, vendors tend to rely on private security to protect them from criminals.

In South Africa, for instance, Kwazulu, Natal, Eastern Cape, Limpopo and Gauteng, informal food traders although having street vending policy and city bylaws, traders operate on the fringes of the law. They are often associated with criminal activities and are consequently subjected to harassment. Informal food vendors face major difficulties such as fear of violence, crime, theft of stocks resulting to vendors not expanding their businesses as result vendors are afraid to expand their trade (Cichello, 2005: 20; Neves, 2010: 14). In economic survey conducted in South Africa in 2015, the OECD found that high crime was forcing SMMEs most particularly street food vending to wind out of business or increase security spending (MLM, 2014: 12; OECD, 2015: 11; OECD, 2016: 12) The increased spending on security has a ripple effect on the overall cost of doing business. GEM (2014: 13) highlights the business cost of crime and violence as one of the key drags on investment confidence in South Africa and the MLM.

### 2.8.6 Difficult labour laws

Difficult labour laws tend to restrict informal food trading rather than facilitating them. The labour laws make it difficult to fire or hire workers when the business is no longer doing well. This may be due to the effectiveness of the legal and policy frameworks. The absence of appropriate labour laws can cause an escalation of taxation rates, increase income vulnerability, limit trading participation, constrain responses to expansion, and distort incentive structures which leads to continuous poverty and unemployment (Marras, 2014: 45). Tomlins and Johnson (2010: 17) study on the informal economy in Asia for instance, Thailand, Bangkok and India, New Delhi, reported that difficult labour laws introduced by the government tend to restrict informal food trading rather than facilitating them. Tomlins and Johnson (2010: 17) further found that in Latin America countries such as Argentina, Venezuela, Ecuador and Uruguay the

absence of appropriate labour laws caused an escalation of taxation rates, decrease in income for vendors, limit-trading participation and prevent the growth of food enterprises.

In Africa, Bendech and Nicolo (2013: 78) and Riley, (2014: 15) study conducted in Cote d'Ivoire, Ghana, Mali Sierra Leone, Mozambique, Malawi and Cameroon found that difficult labour laws hindered the growth of food vendor's businesses. More than 75 percent of vendors in these countries are unable to hire workers since the law prohibits anti-union discrimination and requires that workers sacked because of union activities must be reinstated. This made some vendors to employ workers without proper written contract.

In South Africa, labour laws have been found to be a significant regulatory obstacle (OECD, 2015: 10) to business growth, particularly when it comes to laying off staff. Small business owners (including informal sector and street food vending) found that once they have employed workers, the law makes it difficult for them to lay the workers off if the business can no longer afford to keep them or if they prove to be unproductive (Cohen, 2005: 34: Ndabeni and Maharajh, 2013: 5). Labour laws in South Africa do not provide for cyclical downswings in small businesses (Von Holy and Makhoane, 2006: 34; Crush and Frayne, 2010: 17; GEM, 2014: 14). Ndabeni and Maharajh (2013: 5) posits that there are too many rules and regulations presently restricting the advancement of new businesses such as street food vending, which makes it more difficult to start a business. The skills levy that is paid often returns little value. The current tax system also creates an unnecessary burden for emergence of small businesses such as food vending. Ndabeni and Maharajh (2013: 5) further states that vendors have to deal with multiple tax structures including VAT, PAYE, SDL, UIF, income tax and workmen's compensation. These are all important but it can be hugely cumbersome and complex for a new business such as street food vending. This has made it difficult for street food vendors to hire workers to assist in their businesses. For a business such as a food vending to thrive, it is important to provide appropriate incentives, as these businesses have the potential to add real value to the local economy through the creation of new jobs and income. In addition, South Africa's relatively high minimum wages, however, are proving costly for small businesses such street food vending (informal trade), particularly at their start-up stage. With SMMEs including SFV finding it costly even to hire unskilled and semi-skilled workers, this adds to the hindrances of small business growth.

### 2.8.7 Lack of credit and finance

Lack of credit and finance is a major contributing factor to stagnation in the growth of the informal sector in general and street food in particular in the world (Jalbert, 2010; 45). In Asia, for instance, India, Clark and Kays (2006: 78) indicates that 41 percent of vendors' report lack of money to be a major constraint to starting a business whilst 47 percent testified the lack of capital as the greatest hindrance to business expansion. Gile and Preston (2010: 67), study in Latin America, for instance, Ecuador, Peru, Bolivia and Venezuela identify that due to challenges in terms of access to credit, finance, new technologies, and lack of properly coordinated support in the SMMEs and informal sector, they fail to grow.

In Africa, for instance, Ethiopia, Eritrea and Togo, Bobodu (2010: 34) study postulates that street food vendors (65) percent complained bitterly that due to the lack of capital and access to credit they are not able to expand their businesses from the microenterprise stage to the medium enterprise and subsequently the large enterprise. In Tanzania, (Heintz, 2012: 26) study affirm the lack of access to finance and credit limits the ability of informal sector including street food vending to expand and create more jobs. While lack of access to finance constraints many SMMEs including food vending, enterprises operating informally face a further barrier in that their records are informal, and hence cannot access formal banks for capital to finance their operation. Heintz (2012: 26), states that 41 percent of the informal entrepreneurs got their start-up capital for their business from friends, personal savings and relatives to start their business.

Similarly, in Southern Africa, for instance Malawi, Jongh (2015: 12) postulates the lack of capital and access to credit for food vendors as a major challenge, the vendors suggest that they do not have sufficient means to acquire more merchandize, which they could display in the market. Additionally, banks are not willing to loan money to vendors without collateral. Jongh further states that it seems useless for traders to occupy a spot in the market since they have only a few items that they can sell. This hinders the growth the business and results to unemployment and increase in poverty incidence.

In South Africa, lack of access to finance in the business sectors such as street food vending is very common despite the existence of policies and institution governing the informal sector and

the SFS (Financial Services Regulatory Task Group, 2007: 13). Given their highly conservative nature, South African banks and lenders are more inclined to put resources in small businesses in their later stages of development (Vermeulen, Fok, and Biénabe, 2006: 16). In addition, South African banks are less likely to lend to start-up to businessmen involved in street food vending and informal trading in general (Financial Services Regulatory Task Group, 2007: 13; Finmark Trust, 2010: 8; Tshuma and Jari, 2013: 255; Roos *et al.*, 2013: 17). According to Barker (2007: 46), one of the common problems for food vendors in South Africa is the lack of finance and access to credit to start business. The study reveals that 80 percent of vendors obtained capital to start their business from friends and relatives.

SMMEs including street food vendors in Mpumalanga and the Northern Cape, find it difficult to access finance (Tregenna, 2012: 45). This is mainly due to the predominantly rural nature of these provinces, no vendor's associations where vendors can borrow money and the lack of collateral to obtain loans from the banks. Vendors reveal that they are unable to expand the business and recruits' workers to assist them (Chenga, 2013: 34). Obstacles to credit access for food vendors, according to the GEM South Africa 2014 report, lack of access to finance and poor profitability, are among the chief reasons for business discontinuance in South Africa in the street food sector. The GEM report also pointed to the fact that poor profitability, as a reason for discontinuance, was rising sharply. Typical obstacles towards small businesses obtaining finance include inadequate collateral on the part of the entrepreneur and a lack of credit history (Financial Services Regulatory Task Group, 2007: 14; Tshuma and Jari, 2013: 256). Further, the inability to produce an acceptable business plan according to financial institutions, poor market research and the absence of a viable business idea, and lack of access to vibrant markets (Skinner, 2008: 201; Cohen, 2010: 2; Bhat and Nengroo, 2013: 11; GEM, 2014: 9).

### 2.8.8 Lack of infrastructure

The lack of access to physical infrastructure such as transports, sanitation, storage facilities, electricity and space are very detrimental to business growth and adds significantly to the cost of doing business. In Latin America countries such as Colombia, Ecuador, Venezuela and Paraguay, Mitullah (2003: 67) posit that street food traders work in very unfriendly environment lacking basic infrastructure such as water, shelter and sanitation and childcare facilities. Equally,

in African countries, like Zambia, Ghana, Mali, Congo and Senegal, food vendors reported that a lack of shelter and deficits in urban infrastructure to handle the effects of heavy rains have an enormous impact on the profitability and growth for their enterprises. Restricted access to toilets and running water, and deficits in power supply and waste removal, were also said to undermine productivity. Prepared food vendors must cook at home or ferry water to their stalls, street tailors and hairdressers stop working when the power goes out, and market vendors spend time and money organizing adhoc waste removal systems where city services fail (Cleopas, 2014: 1; Roesel, 2014: 68; Roever and Skinner, 2016: 5).

In South Africa, infrastructure is one of the key enablers for the development of street food vending and SMMEs; however, informal sector in general and street food vending in particular are faced with this challenge despite the adoption of legal and policy frameworks to promote the food sector. SEDA (2008: 32) points out that for any business venture (SFV) to succeed basic services such as refuse removal, shelter, water, electricity, toilets and storage facilities are important for the businessperson. Such facilities are, in most cases absent at various vending sites where SFV operate from resulting in the traders paying for storage or using toilets in the nearby shops. For instance, Mitulla (2003: 15) identifies the lack of day care facility as a necessity to assist women street traders in taking care of their young ones. In Gauteng, Limpopo and Eastern Cape for instance, it was recognised by all street food traders that the problems that they face is the absence of shelter, sanitation and transport (Skinner, 2008: 201; Tshuma and Jari, 2013: 256). In Kwazulu Natal, food vendors reported lack of infrastructures like storage facilities; water, toilet, electricity and childcare facilities are not available to traders. As a result, vendors spend extra amount of money to take care of the problems. Traders carry their own form of shelter to protect themselves and their goods (Tshuma and Jari, 2013: 256; Roos *et al.*, 2013: 16). Berry *et al.* (2002: 45) posit that in Western Cape, the high cost of social services such as transport, electricity and water render street food traders incapable of accessing these essential services including health services constrain their business. Vendors also reported lack of childcare facilities provided by the state as a problem that prevent them running their businesses smoothly. In Mpumalanga and the Northern Cape, on the contrary, the experiences were different. There SMMEs claim to have access to adequate amenities and space (SMMEs,

2015: 15). Government should ensure the provision of shelter, childcare centre, electricity, water and toilet to food vendors as these would enable them operate effectively.

### 2.8.9 Low level of research and development (R&D)

High levels of research and development is very important for small businesses to develop, as it can help determine the feasibility of transforming ideas into actual businesses. Investing in small businesses such as street food vending through research and development allows businesses to access innovative solutions through the process of discovery (Paul and Pellissery 2006: 6; ILO, 2016: 14; Huang, 2016: 15). Paul and Pellissery (2006: 6) emphasis that in Latin America, for instance, Bolivia, Peru, Colombia and Ecuador the lack of research and development on street food processing and sale in urban public spaces have not gained significant attention from the researchers. Lack of research and development in this area is because street food vending is often considered as an illegal activity. Research and development in the informal sector in general and street food vending in particular is lacking due to non-recognition from the government and municipalities of Asian and Africa countries such as Thailand, Indonesia, Burma, Niger, Sierra Leone, Togo and Lesotho (Marras, 2014: 24). Lack of research and development hinders the improvement of the food trade sector and leads to continuous poverty and unemployment (Charmes, 2012: 106; Marras, 2014: 24). Charmes (2012: 106) and Marras (2014: 24) further argue that the lack of research and development is because of the problems cause by street food vendors. Vendors are often blamed for creating traffic congestion, crime and dirtiness. In addition, street food vendors also trade in food that poses health risks, particularly the spread of food-borne diseases.

In South Africa, according to Maas, De Coning and Smit (1999: 67) and Roos *et al.* (2013: 18), innovating firms that benefited from research and development are likely to grow faster than traditional start-up businesses. The authors Mass, De Coning and Smith (1999: 67) and Roosel *et al.* (2013: 18) further found South African SMMEs in general and street food vending in particular to be less innovative compared to those in the developed countries. Booysens (2011: 45) suggests that the absence of innovation due the lack of research and development in South Africa is stifled by the failure of small businesses such as street food vending having strong linkages between the informal and the formal sector including street food vending. This failure

denies them opportunities for technology diffusion. The GEM report (2014: 13) proposes that government should provide incentives for research and development. The aim would be to foster innovation, and to attract and strengthen lasting linkages among domestic and foreign knowledge intensive firms.

## 2.9 RESOLVING THE CHALLENGES IN STREET FOOD VENDING

This section presents resolving the challenges in the informal sector in general and SFV in particular. The collaboration and active participation of food traders is the best way to promote the sector and this can be done through appropriate regulation of street of the street food vendors (Skinner, 2008: 239). Mirand (2015: 56) and FAO (2016b: 13) emphasize that the collaborative and active participation of all stakeholders including street food vendors is a crucial element in ensuring, promoting and sustaining the growth of the food sector and the wellbeing of street food vendors. In Latin America countries of Argentina, Bolivia and Venezuela, government and municipalities have ensured effective participation and collaboration of all stakeholders involved street food vending and an integration of policies regarding the food sector. By doing so the national government and the municipal authorities, reduces the risk having a weak food regulatory system that addressed the challenges faced by street food vendors. FAO (2016b: 13) and Mirand (2015: 56) further states that ensuring participation and collaboration promote food-vending businesses and ultimately ensure the livelihoods of urban and rural residents.

Similarly, in Asia countries like India, Philippines and Indonesia and African countries such as Ghana, Cameroon, Nigeria and Lesotho collaboration and active participation of food vendors have been encouraged by the government and municipalities (Vanek *et al.,* 2016: 35). Clark and Kays (2006: 104) and Chukuezi (2010: 35) argued that as a result of the important contribution of street food trading to urban livelihoods, it is essential to promote collaboration and active participation of all stakeholders including food vendors working in the food sector through better regulation. Since this might lead to the reduction of crime, improved cleanliness of streets, and enhanced implementation plans in general.

The government of South Africa and some municipalities (Kwazulu Natal, Guateng and Western Cape) have been recognizing and ensuring that street food vending and informal sector be a

success. This can be done through collaborative effort of the various stakeholders and SFVs (Bessy, 2009: 101). This can be effective through the introduction of legal policy frameworks targeting the SFVs, and ensure transparency, build and ensure active participation of all stakeholders involved SFV (Bessy, 2009: 101). It is very crucial that SFVs in MLM participate actively in the advancement of these legal policy frameworks and rules are relevant to the needs of all stakeholders within the street food sector (Bessy, 2009: 101).

In connection with registration and licensing, SFVs should be encouraged through various means to secure licenses and register for their operations. In Asia countries such as Thailand, India and Vietnam and Africa countries like Ethiopia, Mali, Kenya, Zambia, South Africa, registration and licensing in the street food sector promotes growth and stable livelihoods to food vendors. Registration gives permission to operate and provide access to support and services to traders (Skinner, 2008: 240; Ndabeni and Maharajh, 2013: 5; Roever and Skinner, 2016: 45). The WHO (2015: 13) survey in Africa countries such as Cameroon, Nigeria, Sierra Leone and South Africa affirm that national governments and municipalities should introduce educational programmes to enable street food vendors to understand the importance of registration and obtaining licensing to run their business. As this will encourage growth in the sector, thus livelihoods. FAO (2016a: 8) argue that licenses for food vendors should be delivered based on a food vendor's knowledge of food safety and their commitment to produce safe food.

In relation to regulation to ensure smooth operation of street food sector, Nicolo' and Bendech (2012: 76) and Vanek *et al.* (2016: 34) studies in Asia, Latin America and Africa, proposed that in order to resolve challenges to regulation SFVs, governments should develop and enforce regulations and laws that target specifically the street food sector and street food vendors. The authors Nicole' and Bendech and Vanek *et al.* further proposed that the government should introduced laws that focus on monitoring food vendor practices, the working condition of food vendors, and the handling of food by food vendors (Nicolo' and Bendech, 2012: 77). These however, must be done in collaboration with other stakeholders and street food vendors themselves. These stakeholders must be involved and consulted in developing policies and regulatory frameworks regarding the street food sector (Nicolo' and Bendech, 2012: 78). In addition, policies and needs regarding the street food sector may also be included in National and Regional planning models and policies (Nicolo' and Bendech, 2012: 80; Vanek *et al.,* 2016: 34).

Inclusive participation, open communication, and collaborative working between street vendors and stakeholders have been indicated as one of the best ways to improve the regulation of SFV (Kumar, 2012: 56). An ideal example of this is the case of Bhubaneshwar. In Asia, for instance, India, Kumar (2012: 55) describes how street vendors and city authorities worked together collaboratively and as partners to develop a policies and programmes that gratified the needs of all those involved in the SFVs partners, these programmes and policies has become a good example for other cities in India. Kusakabe, (2010: 34) study on street food and regulation in Latin America and the Caribbean countries, reiterates the importance of inclusive participation and open communication are essential in ensuring effective regulations for street food vending. Roever and Skinner (2016: 34) argues that in Africa countries such as Tanzania, Togo, Mali, Mozambique and South Africa, inclusive participation and partnership between food vendors and regulators working together to achieve a single goal can help re-establish trust between street food vendors and regulators. These methods have been shown to reduce considerably the tensions that often exist between municipality's officials and food vendors and leads to formalisation of traders (Forkuor, 2015: 45).

## 2.10 THEORETICAL FRAMEWORK

This study employed the Dualist and the Legalist theories of the informal sectors including SFV to scrutinise data and guide the study. Further, both theories were very instrumental in understanding street food vending impact on unemployment, livelihoods and poverty reduction in the world, South Africa at large and Mahikeng Local Municipality in particular.

### 2.10.1 The Dualist theory

This study used the dualist theory to explain the contribution of the informal sector including street food vending on job creation, livelihoods and poverty reduction in the Mahikeng Local Municipality. In addition, this theory serves as lens to determine the links between the informal and formal sector in the economy. This theory further supports the fact that a link between the informal sector and formal sector if encourage could be very beneficial in promoting growth of the street food sector in the informal sector. Hart (1973: 56) and ILO (2003: 16) argue that the dualist theory of the informal sector comprised minimal activities separate from formal sector

that act as a safety net and provide income for the poor in times of crisis. According to the dualist, the formal sector alone cannot offer enough jobs for a growing labour force in the economy; informal jobs therefore arise to provide temporary employment for workers unable to find opportunities elsewhere (Misati 2010: 222). The Dualists maintained that informal sector workers are excluded from modern economic opportunities due to the imbalances between the growth rates of the population and of modern industrial employment, and a mismatch between people's skills and the structure of modern economic opportunities. In the logic the economy is conceived as being dual, consisting of traditional and modern sectors. The Dualists further argued that the informal units and activities have few or no linkages to the formal economy but, rather, operate as a distinct separate sector of the economy and that the informal workforce assumed to be largely self-employed comprises the less advantaged sector of a dualistic or segmented labour market (ILO, 2003: 17).

The two sectors in the economy are treated as independent entities because major improvements are seen and directed to the public formal sector and the informal sector, which performs a major role in absorbing the growing labour force, is not recognized (Misati, 2010: 221; Motsoene, 2014: 5). Chen (2007: 2) disputed the dualist view of thinking by arguing that, the informal and the formal economy are often vigorously linked with many informal enterprises. According to Chen, the informal trade has production or distribution relations with formal enterprises. The formal sector supply inputs, goods or services ready for the market either through direct transactions or subcontracting engagements; moreover, several formal enterprises employ wage workers under informal employment relations, for instance, the majority of part time workers, temporary workers and home workers work for formal enterprises through contracting or sub-contracting arrangements.

Despite the wide use of the dualist approach, it is criticized on the grounds of its simplistic and crude assumption that all economic activities are divided into two categories as many activities display features of both 'formal' and 'informal' sectors (Adelino, 2002: 12; Dlamini, 2002: 45). In addition, the dualist theory pays very little attention to the links between the informal trade and formal sector. However, they recommend that the governments should provide credit and business development services and more jobs to informal workers, as well as social services to their families and basic infrastructure in order to boost the sector (Misati, 2010: 222).

### 2.10.2 The Legalist theory

The adoption of the legalist theory in this study was to elaborate that strict and excessive regulation in the street food trade and informal sector leads to the problem of formalisation of vendors in the sector. This reduces growth of the sector, thus employment and income in the world at large. Since traders would prefer operating their businesses illegally. The legalist theory also serves as a lens to explain that the street food sector if supported by the government and local authorities provides skills for people thus livelihoods. Using strict regulation to get rid of street food traders would be damaging to the society therefore, continuous unemployment. De Soto (2000: 32) argue that the legalist theory of the informal sector is comprised of micro-entrepreneurs who choose to run informally in order to avoid the costs, time and effort of formal registration and who need property rights to convert their assets into legally recognized assets (de Soto, 2000: 32). The legalists argued that a hostile legal system leads the self-employed people that are informal traders (food vendors) to operate informally with their own informal extra-legal norms. These workers turn to illegal methods not to act against society or by choice, but to survive (Chen, 2011: 14). In order words, De Soto (2000: 32) argued that informality is a consequence of bureaucratic barriers. According to De Soto the inflexible rules and regulations, terms and conditions for operating a business in the formal sector are so tedious such that it becomes an additional burden for people and hence they are forced to evade formal regulations and rules by operating in the informal sector (Maiti and Sen, 2010: 45). De Soto (2000: 32) also argues that the informal economy grows because traders try to avoid the cost of formality in terms of strict rules and regulation, taxes, time and effort involved in complying with formal state procedures.

The legalists focus on informal enterprises and the formal regulatory environment to the relative neglect of informal wageworkers and the formal economy per se. However, they acknowledge that formal firms what de Soto calls "mercantilist" interests collude with government to set the bureaucratic "rules of the game" (de Soto, 2000: 68). Legalist sees the state as a key player in the informal sector in structuring markets. According to them, the states have a key role in the rise of modern markets and in promoting industrial development (Menyah, 2009: 3). Legalists viewed the informal sector and street food vending as safety valve that provide alternative employment when the formal sector cannot produce adequate employment to support them. This opinion

treats the informal sector including SFV as a kind of protection against poor economic environments (Chen, 2011: 15).

Tilly and Charles (1998: 45) states that one way in which state actions regulate the process of the growth of the informal sector and street food is through fiscal and monetary policies. For instance, the states regulate labour demand through fiscal and monetary policies, influence labour supply through immigration or welfare laws. This partial list emphasizes the importance of looking at the ways in which state institutions structure economic relations (Tilly and Charles, 1998: 45; Menyah, 2009: 3). De Soto argued that governments should introduce simplified bureaucratic procedures to encourage informal operators to register and extend legal property rights for the assets held by informal workers in order to release their productive potential and change their assets into real capital.

## 2.11 SUMMARY

This chapter explained the key concepts, such as development, street food vending, entrepreneur, poverty, informal sector, income, small medium and micro enterprise, street vending, livelihoods and unemployment. The chapter also looked at literature review in relation to the study in order to show their importance and to ensure that the study is well understood. The chapter further elaborated the relevance of the informal sector and street food vending in development process as raised by authors in not only generating employment but also income and food security, which leads to poverty reduction. In relation to the role of informal sector, despite its contribution to poverty, livelihoods and unemployment reduction, street food vending role to the improvement of livelihoods and employment and poverty reduction has often been overlooked. Since it is seen as part of the informal sector, therefore this study deals specifically on the impacts of SFV on job creation, livelihoods and poverty. Besides, most of the studies done on SFV focused on attitude, hygiene, challenges, selling streets and snacks, street food and fast food, perception, handling, safety and consumption of street food vending, thereby ignoring the impact of street food vending on poverty, livelihoods and unemployment. Also, majority of the studies on street food vending emanated from countries such as Thailand, Peru, India, Ghana, Zimbabwe, Togo, Zambia and other parts of South Africa like Gauteng, Limpopo, Western Cape, Kwazulu Natal and Eastern Cape. This study therefore, concentrates on the impact of SFV to portray the

contribution the sector has in poverty reduction, employment and livelihoods creation in the Mahikeng Local Municipality and the North West province. This chapter also presented the policies and legal framework put in place by the government of South Africa, the North West Province and Mahikeng Local Municipality in order to promote street food vending in particular and the informal sector in general. However, the legal and policy frameworks support small businesses and neglecting the informal sector including street food vending, hence resulting to the many challenges in the sector. In addition, the chapter outlined the types of food sold and characteristics of street food vendors. Finally, the chapter discussed the dualist and legalist theories, which are theoretical framework for the study that were used to guide and discuss the relevance of street food vending on poverty, livelihoods and unemployment in the study. Having discussed the definition of concepts, literature review and theoretical framework relevant to the study, the next chapter looked at the research methodology adopted in the study to solve the research objectives. The chapter also discussed at the sample size, sampling procedure, and the research tools used in collecting data and analysing in the study.

# CHAPTER THREE: RESEARCH METHODOLOGY

## 3.1 INTRODUCTION

This chapter explains the research methodology used in conducting this study. The chapter also describes the research design, population, the sample size, sampling procedure, and the instruments used in collecting data in the study. The approaches used in analysing and organizing the data obtained during the study are presented. Lastly, validity and reliability, limitations and ethical consideration in relation to the study are explained. The purpose of this chapter is to demonstrate the research methodolgy, sample size and sampling techniques adopted in relation to each of the objectives for the research; and the type of analysis employed in discussing the information obtained from respondents and participants.

## 3.2 METHODOLOGY

Research methodology consists of a complete description of the method and procedure that will be used in the study in obtaining information (Kumar, 2011: 69). Through methodology, the researcher describes ways that he or she used to obtain information for the study. Babbie (2013: 4) echoed this by saying that methodology is the science of finding out procedures for scientific investigation. Research methodology is defined as the total strategy, from the identification of the problem, to the final plans for data gathering and analysis (Burns and Grove 2001: 223).

There are three main research methodologies namely, qualitative, quantitative and mixed methods of research (Creswell, 2014: 12). For the purpose of this study, quantitative and qualitative research approaches were adopted, meaning that a mixed method of research was adopted. A mixed method of research is defined as the procedure of collecting and analysing data using both quantitative and qualitative methods in a single study, in order to have an extensive understanding of the phenomenon being investigated (Hesse-Biber, 2010; 105; Maree, 2010: 263; Susanne, 2012: 12; Creswell, 2014: 35). According to Kumar (2011: 89) quantitative approach is a method in social science that is rooted in rationalism, follows a structure, predetermined methodology, believes in having a narrow focus, emphasizes greater sample size, aims to quantify the variation in a phenomena and tries to make generalizations to the total population. On the other hand, other writers (Babbie, 2013: 309; Creswell, 2013: 34) have

suggested that qualitative research is the non-numerical examination and interpretation of observation, for discovering underlying meanings and pattern of relationships. Qualitative methods provide the basis for a more interpretive, descriptive and thematic analysis that facilitates ways of understanding human spectacles within the context in which they occur. Although the study used both methods, more of the qualitative method was utilised.

Adopting quantitative and qualitative approaches in this study was considered appropriate in view of its importance to the objective of the study since it gave a better understanding of the research problem. They complement each other and therefore add robustness to the findings, thus compensating for the disadvantages of these methods when they are employed separately. The quantitative method tries to quantify the problem. Quantitative method also tries to measure how prevalent the problem is and it allows one to describe and interpret statistically. The qualitative method on the other hand enables one to clarify the situation when necessary and to give an in-depth understanding of the research objective (Creswell and Clark 2011: 205; Creswell, 2014: 35). In addition, both quantitative and qualitative methods are used in this study since it allowed the researcher to rely on a variety of methods such as conversations, interviews and review of documents to fully explore the street food vending and its impact on poverty and unemployment in the Mahikeng Local Municipality (Baxter and Jack, 2008: 14; Creswell, 2013: 35). Furthermore, while many previous studies about street food vending employ qualitative or quantitative methods, this study combines qualitative methods with quantitative methods in order to provide a more detailed understanding on the impact (Creswell and Clark 2011: 206).

## 3.3 RESEARCH DESIGN

Polit and Hungler (1999: 155) describe the research design as a blueprint, or outline, for conducting the study in such a way, that maximum control will be exercised over factors that could interfere with the validity of the research results. The research design is the researcher's overall plan for obtaining answers to the research questions guiding the study. While Bhattacherjee (2012: 37) and Gray (2014: 128) maintain that a design in research involves the process of collecting data, instrument developing, sample selection and data analysis so that the answers to the research questions will be found. The study adopted an exploratory and descriptive research design to solve the research problems.

According to Baxter and Jack (2008: 548), an exploratory research is viewed as an inquiry into a problem, which provides new insights to the researcher. An exploratory research is conducted where there is little or no information about a problem and the study used different methods such as interviews, group discussions and surveys to gain information from the respondents (Labaree, 2013: 6). It incorporates multiple aspects that are explored in order to understand the research problem under investigation. Due to the lack of information regarding the impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality, an exploratory design was adopted to provide answers and solutions to the study. In addition, adopting an exploratory research design helps in investigating previous studies done in regards to the impact of street food vending on poverty and unemployment. In addition, using the exploratory design helps in obtaining information from knowledgeable individuals like the case of the key informants (Baxter and Jack, 2008: 548).

On the other hand, a descriptive research design is used to describe an intervention or phenomenon and the real-life context in which it occurred (Baxter and Jack, 2008: 548). It also provides an accurate and valid representation of factors that are relevant to the research questions. Descriptive research design is used to gain information regarding the status of the problem and to describe, "What exists" with respect to variables or conditions in a situation (Salkind and Rasmussen, 2007: 251). The choice of this research design gives a better appraisal of the objective thereby providing a good description from the assessment. In other words, using a descriptive research design in this study provides a better platform for the description of information and characteristics about what is being studied.

## 3.4 POPULATION OF THE STUDY

Creswell (2013: 167) describes the population as the complete set of events, people or things to which the findings are to be applied. O'Leary (2010: 162) defines population as the total group that the researcher is interested in learning more about. A population is a term to describe the total quantity of cases, which is the subject of a study that consists of objects, people, and events (Bhattacharjee, 2012: 66).

According to the Department of Economic Development and Tourism (2014: 5), about 3,500 people are involved in street food vending in Mahikeng local Municipality (Fruits, raw foods, cooked foods, snacks and beverages). However, the study focused on Mahikeng and Mmabatho CBDs since they are the business centres in Mahikeng Local Municipality and street food vendors can easily be found there. In the Mahikeng and Mmabatho CBDs, about 750 vendors sell food items such as beverages, raw and cooked food, snacks and fruits. Nevertheless, in the Mahikeng and Mmabatho CBDs 401 food traders deals with food items like beverages, raw and cooked food. Of that population of street food vendors of 401, 387 are in Mahikeng CBD and 84 in the Mmabatho CBD (DEDT, 2014: 5; MLM, 2016: 12). The population of this study included all groups of people who are stakeholders in street food vending in the Mahikeng Local Municipality. In addition to the vendors, therefore, the stakeholders include environmental health practitioners, officials from Local Economic Development, Small Enterprise Development Agency, local government authorities from the Mafikeng Local Municipality and District Municipalities. Furthermore, the officials from the Department of Trade and Industry and Economic Development and Tourism were included.

## 3.5 SAMPLE SIZE

Sample size is a subset of the entire target population that is selected for observation (Babbie, 2013: 320). In other words, a sample size is defined as the total number of the respondents from whom the researcher obtains the required information (De Vos, 2005: 66; Bless *et al.*, 2006: 89). As already noted, according to the Department of Economic Development and Tourism (2014: 5) and MLM (2016: 3), about 3,500 people are involved in street food vending in the Mahikeng Local Municipality. This figure includes all those who are selling raw-food, snacks, fruits and cooked food and beverages. The quantitative sample size for this study was calculated using the Yamane formula (1967: 5).

$$n = \frac{N}{1 + N(e)^2}$$

Where

N= population of the study

n = Sample size

e = error term in this case = 0.05% considering that the confidence interval was 95%

$$n = \frac{3500}{1 + 3500\ (0.05)^2}$$

$$n = \frac{3500}{1+ 8.75}$$

$$n = \frac{3500}{9.75}$$

Sample size (n) = 358

Based on the calculation above, 358 is the sample size of the study. For non-response rate, the sample size was adjusted thus:

$$n = 358 \times \frac{1}{1 - 0.1} = 397$$

As shown above, the sample for this study was 397 that give a better sample representation of the population (11%). The sample size of the population is approximated to 401 of the population of street food vendors in Mahikeng and Mmabatho CBDs as noted in 3.4. Therefore, the research utilised the entire population of Mahikeng and Mmabatho CBDs. A sample size of fifty-three participants (53) was selected for qualitative data using purposive non-probability sampling. In this case, forty participants (40) for focus group discussions and thirteen (13) key informants were selected.

## 3.6 SAMPLING PROCEDURE

Sampling is the act, process, or technique of selecting a suitable sample, or a representative part of a population for determining parameters or characteristics of the whole population (Ahmed, 2009: 102; Marre, 2010: 217; Creswell and Clark, 2011: 104). In this study, a cluster and simple random sampling methods were adopted to obtain samples for quantitative data collection. Non-probability sampling, specifically purposive and snowball sampling were used for qualitative data collection.

### 3.6.1 Cluster sampling

Cluster sampling is an approach in which group of participants that represent the population are identified and included in the sample. In order words, cluster sampling entails identification of group of participants representing the population and their inclusion in the sample group (O'Leary, 2010: 99; Marre, 2010: 215). With cluster sampling, the researcher listed all street food vendors in Mahikeng Local Municipality. The population of street food vendors was then divided into groups, called clusters (Miller and Brewer, 2003:269). The groups consisted of those selling raw-food such as potatoes, pumpkin, fresh tomatoes and cabbages and cooked food like beef stew, rice, pap, and malamogodi (beef intestines). In addition, beverages like tea/coffee and bread and sorghum (mabele) breakfast tin porridge, snacks such as pie, ice creams, scones, and fruits like mango, watermelon and oranges.

### 3.6.2 Simple random sampling

Simple random sampling (SRS) is a method of selecting a sample comprising of n number of sampling units out of the population having N number of sampling units such that every sampling unit has an equal chance of being chosen (Miller and Brewer, 2003: 269; Creswell and Clark, 2011: 174). The researcher listed all street food vendors in the MLM and then assigned them consecutive numbers from one (1) to 3500. The researcher then selected the sample size from different numbers that fall between one (1) and (3500) (Miller and Brewer, 2003: 269; Marre, 2010: 201). Every fifth number was selected. If a number was selected twice the second time it was ignored. Since the study focused on street food vendors selling raw-food, cooked food and beverages in Mmabatho and Mahikeng CBDs, and the sample size of 397 that were

estimated to the entire population of 401 traders, the research utilised the total population of Mahikeng and Mmabatho CBDs.

In the terms of identifying participants for qualitative data collection, the researcher utilised non-probability sampling, to recruit the key informants and participants in focus groups. According to Bhattacherjee (2012:70), non-probability sampling involves a method where the opportunities of selecting respondents cannot be adequately determined because of the non-randomness or convenience in selection. Gray (2014:145) affirms that a non-probability sampling method does not involve chance selection but a personal judgment of the researcher. For qualitative data collection, a total number of 13 key informants were identified using the process of saturation and snowball techniques. Saturation is a tool used for ensuring that adequate and quality data are obtained to support the study and snowball technique is a non-probability (non-random) sampling approach utilized when characteristics to be possessed by samples are difficult and rare to find. In order words, snowball-sampling technique entails primary data sources recommending another potential primary data sources to be used in the research (Bless *et al.*, 2006: 60; Babbie, 2013: 105). Saturation is very good techniques in identifying data that are very relevant for the study, in this case those who have an in-depth understanding of the program, which is under investigation since the work closely with the street food vendors. Key informants were obtained from the environmental health practitioner from the MLM (2), Local Economic Development (1), SEDA (2), local government authorities from the Mahikeng Local Municipality (2) and District Municipalities (2). Officials from the Department of Trade (2) and Industry and Economic Development and Tourism (2) were also part of the key informants. Forty participants (40) made of four groups (4) consisted of 10 members each took part in the focus group discussions. The focus groups include food traders' who vend beverages, raw and cooked food, males and females of different ages and levels of education. They were selected using purposive and snowball techniques. Data from the key informants and focus group provide holistic information and allow for a better understanding of the street food sector in the Mahikeng Local Municipality. Using a purposive sampling in selecting participants also help and improve this research in the sense that it provided knowledge on the different experiences on how street food vending impact on poverty and unemployment in Mahikeng Local municipality (Gray, 2014:145).

Below shows the breakdown of numbers of participants (key informants) selected for the study

| Departments | Participants |
|---|---|
| Environmental Health practitioner | 2 |
| Local Economic Development | 1 |
| Small Enterprise Development Agency | 2 |
| Mahikeng Local Municipality | 2 |
| Districts Municipalities | 2 |
| Department of Trade and Industry | 2 |
| Department of Economic Development and Tourism | 2 |
| Total | 13 |

## 3.7 DATA COLLECTION METHODS

According to Kothari (2006: 56) and Kumar (2011: 302), data collection involves the construction of tools necessary to collect data and the way the information should be recorded.

Data collection involves interaction with individuals on one-to-one bases or interaction with people in a group setting (Babbie, 2013: 406; Gray, 2014: 89). The study used the following methods to collect data: focus group, questionnaire, and secondary data.

### 3.7.1 Questionnaires

For primary data, the study used three types of questionnaires that include structured, semi-structured and unstructured questions. A structured questionnaire consisting of closed-ended questions was used in the survey to obtain quantitative information from 401 respondents. Questionnaires were designed in such a way as to elicit responses on the socio-economic profile of SFVs, types of food sold, impact of street food vending, contribution of SFV to poverty reduction as well as to explore the challenges facing SFV in the area (Appendix 1). The reason of using a questionnaire was that, they are convenient to administer, thereby saving time and other arrangements involved in other methods of data collection like telephone interview. A questionnaire was very essential for this study in obtaining facts, opinions and feelings from food vendors on the impact of street food vending on poverty and unemployment in the MLM (Babbie, 2013: 109). Questionnaires are important in this study since they give opportunity to the respondents to indicate their feeling in writing (Burns and Groves, 2001: 56). In addition, the

objective of using a questionnaire is often to survey a representative sample of the population so that one can make generalisation from responses of the respondents.

The survey took place in Mmabatho and Mahikeng CBDs. It was a face-to-face interaction with the researcher and the respondents. Street food vendors were contacted in their business places in Mmabatho CBD and Mahikeng CBD while some few food vendors preferred to be contacted in their homes. According to the respondents, it was convenient for them. The street food vendors were contacted between 08:00 am to 5:00 pm. Since it was observed that majority of the population, (street food vendors) are Tswana speaking. A translator was also used in the study. These translators were trained by the researcher. Unstructured interview was employed to collect qualitative data from the 13 key informants (Appendix 3 to 9). Key informants were contacted in their offices in Mahikeng. Unstructured interview questions aimed at providing an understanding of the types of food sold, impact of street food vending, challenges plaguing street food vendors as well as the relationship, collaboration and responsibilities between officials and street food vendors in Mahikeng Local Municipality. The structured questionnaire was pre-tested among street food vendors with the same characteristics who were not part of the study in order to get clarity and validity of the questions. During pre-testing eight (8) respondents were selected to take part in the study.

### 3.7.2 Focus group discussions

Focus group is a form of strategy in qualitative research in which attitudes, opinions or perceptions towards an issue, product, service or programme are explored through a free and open discussion between members of a group and the researcher (Burns and Groves, 2001: 74; Gray, 2014: 89). Qualitative data was obtained from focus group for this study with semi-structured interview guide. The aim of using an interview guide in this study was to maintain the flow of the interview, which helps to get new ideas and in-depth findings to the phenomenon under study (Creswell, 2013: 201; Gray, 2014: 145). Forty participants (40) took part in the focus group discussions selected from the 401 food vendors who participated in the survey. They were selected using a non-probability sampling. Snowball techniques were also employed to identify those vendors with experience in street food vending. Further, snowball-sampling techniques were used extensively as it helped in sampling particular groups of SFVs. For instance,

snowball-sampling techniques were used to select the vendors who vend traditional foods. These vendors are small and difficult to reach. The focus groups consisted of four groups made of 10 members. Each focus group included males and females of different ages and levels of education (Appendix 2). A semi-structured interview guide was suitable in this study since it allowed flexibility and made it possible for the researcher to follow up and probe new and emerging ideas from respondents. This also gave participants the opportunity to elaborate more on their responses (Marvasti, 2004: 201; Bless *et al.*, 2006: 62; Kumar, 2011: 55).

The objective of focus groups was to provide street food vendors with the opportunity to discuss their experiences in SFV, challenges in the business and the impact of street food vending on poverty and unemployment. During focus group discussion, only the researcher was in position of the semi-structured interview guide and the interview took place in their homes and business places. The focus group discussions took place between 09: 00 to 14: 00. During focus group interviews, two sessions took place in one day. Focus group discussions were conducted in this study in order to get an in-depth understanding about the street food vending impact on poverty and unemployment in Mahikeng Local Municipality.

### 3.7.3 Secondary data

Secondary data is defined as "second-hand" information, it is the information gathered by someone else or for some other purpose than the one currently being considered, or often a combination of the two (O'Leary, 2010: 101; Bhattacharjee, 2012: 67). For the purpose of this study, information was collected from secondary sources such as legislation, books, internet, unpublished and published articles, reports, Journals, memorandum and minutes in relation to street food vending and the impact on poverty, livelihoods and poverty reduction. Such documents of the impact of street food vending on poverty and unemployment were obtained from the Department of Trade and Industry, Non-Governmental Organisations, Department of Economic Development and Tourism, SEDA, LED, Statistics South Africa, and Mahikeng Municipal Council. Newspaper publications in relation of street food vending in Mahikeng Municipality were also reviewed.

## 3.8 DATA ANALYSIS AND INTERPRETATION

Data analysis is a process of interpreting data that were collected from the respondents to produce a statistical summary that will be meaningful and reasonable (Salkind, 2012: 134). According to Babbie (2013: 370), quantitative data analysis is the numerical representation and manipulation of observation for the purpose of describing and explaining the phenomena that those observations reflect. On the other hand, qualitative data analysis is non-numerical and helps in the interpretation and examination of observations aimed at discovering underlying meanings and patterns of relationships (Salkind, 2012: 134; Babbie, 2013: 370). Two data analysis packages were employed. The Statistical Package for Social Science (SPSS 22) was used to analyse the data from the survey questionnaires while interviews from and key informants and focus groups were captured using Atlas ti.

### 3.8.1 Survey data

Quantitative information from the structured questionnaires for individual food vendors were analysed using the statistical package for social sciences (SPSS 22). The SPSS was used to organise the numerical data that was obtained from the questionnaires. The responses were coded into numeric values for proper statistical analysis using statistical package for social sciences (SPSS). Descriptive statistics were created to demonstrate socio-economic and demographic data, types of food sold, impact of street food vending, contribution to poverty reduction and challenges facing street food vendors (Appendix 1). Descriptive statistics helped to summarise the set of data associated to the population in the study. Quantitative data were presented using charts, graph and tables.

### 3.8.2 Focus groups discussions

Audio recording was the main instrument for recording information from focus groups. For focus group discussions, the settings of the semi-structured interviews were arranged in a way that as much as possible reduced background noise in an attempt to improve the quality of the audio recordings (Appendix 2). The use of audio tape recordings as data-collection method ensured the capturing of as much of what was discussed as possible. This gave an opportunity to clarify with the participants any issue that they required to be clarified. This was done because it was

convenient to verify quickly with the participants whether what was recorded indeed represented their opinions. The focus group discussions were done in the local language of the participants and transcribed back into English. Transcripts of the interviews were done and recorded verbatim. From the focus groups discussions, audio files were downloaded from the digital recorder and installed into a Hermeneutic Unit in Atlas ti for analysis. Responses in each of the transcripts were then coded by themes, after which thematic content analysis was done using Atlas ti.

### 3.8.3 Key informants' interviews

The unstructured interviews with the key informants were done in English in their offices. Data from the key informants were recorded verbatim using digital recorder in order to gain an understanding of the impact of street food on poverty and unemployment, types of food sold and challenges face by street food vendors (Appendix 3 to 9). The information collected using digital recorder from the key informants was downloaded from the digital recorder and imported into a Hermeneutic Unit in Atlas ti for analysis. In cases, where key informants did not allow the interview to be recorded like two (2) key informants from SEDA and DEDT, careful notes of the key points in the conversation were taken and a summary of the interview was created. Each response obtained from key informants was compared. Responses from the key informants were coded by themes and patterns after which analyses was done using Atlas ti.

### 3.8.4 Storage and management of data

Audio files from the focus group and key informant interviews were stored on different devices (external hard disk and a laptop computer) in order to prevent loss of information. Furthermore, an online database (Drop Box) was used to store information and write-ups in order to prevent data loss. To ensure the safety of field data and the confidentiality and anonymity of informants, the researcher kept all audio files on a home-based, unconnected, password protected desktop computer with an up-to-date antivirus. Identifying information on audio files was turned into codes with the meaning of codes kept in a separate location.

## 3.9 RELIABILITY AND VALIDITY

Validity refers to the degree of an instruments' ability to measure what it is supposed to measure (Maree, 2010: 214; Kumar, 2011:178). In this study, content validity was ensured by formulating questionnaires and the interview guides from the literature review in relation to the impact of SFV on unemployment and poverty in the MLM. The questionnaires were formulated using simple English language, while questions were easy to understand. The study also maintained validity by ensuring that the questionnaires were distributed only to street food vendors while key informants from the EHP, DTI, SEDA, LED, DEDT and Mahikeng Local Municipality were interviewed for clarity purposes. The validity of this research was also enhanced through the consideration of divergent and alternative explanations. Thus, the perspectives and opinions of those expressing different opinions were included in the data analysis to enrich the analysis.

On the other hand, reliability refers to the degree of consistency of an instrument (Maree, 2010: 215; Creswell, 2013: 206). Furthermore, reliability measures the dependability, stableness, honesty and accuracy of a measuring instrument (Maree, 2010: 216; Bhattacherjee, 2012: 37). Reliability ensures that the process of data collection is done in an accurate way to ensure that relevant data were duly attributed to the research questions. Reliability is important to quantitative research because it is a basis for validity, clarity and measures whether or not a study obtains the same results each time (Zhang and Wildemuth, 2009: 201; Susanne, 2012: 2). Reliability in this case was ensured by employing a pre-test through the administration of questionnaires to one group of individuals who were not part of the study, after which the same instrument was administered to the entire sample. In the quest to maintain reliability, eight (8) questions were taken for pre-test to ensure that the questions were clear, simple and easily understood by the respondents. Furthermore, to ensure reliability in this study, the researcher operated in a systematic and consistent manner during the information gathering process.

Furthermore, reliability and validity were ensured in this research through triangulation of methods such as structured, semi-structured interviews and document reviews (key informants and food vendors). This ensured that different perspectives and viewpoints were considered and included in developing a better understanding of the impact of street food vending on poverty and unemployment in the MLM.

## 3.10 ETHICAL CONSIDERATION

Ethics is conforming to the rule of conduct of a given profession or groups aimed at causing no harm and providing, if possible, benefits (Salkind, 2012: 171; Babbie, 2013: 63). According to North West University Research Ethics Committee (2010: 23) and Babbie (2013: 63), adequate measures were adopted by the researcher towards maintaining ethical standards at all stages during the survey. These include informed consent, confidentiality, voluntary participation, no harm to participants and anonymity.

**Informed consent:** Informed consent was assured during the research by ensuring that the respondents or participants get full understanding of the possible risks involved. In addition, the ethical issue of informed consent was overcome by sending a cover letter to institutions such as Department of Economic Development and Tourism, Department of Trade and Industry and Mahikeng Local Municipality as well as street food vendors outlining the intention and methods, nature of the research, and the duration of the research. The consent of participants in the research was sought before the survey (Babbie, 2013: 64).

**Anonymity:** Anonymity in the research was assured by ensuring that neither the researcher nor the readers of the findings can identify a given response with a given respondent or participant. Participants or respondents gave their consent to participate (Salkind, 2012: 171).

**Confidentiality:** Confidentiality was guaranteed by ensuring that responses from respondents or participants would not be revealed in public. The researcher also assured respondents that the study was conducted purely for academic purposes. In addition, participants or respondents who took take part in the study were not being forced to participate. Participants were free to leave at any time they want (Creswell and Clark, 2011: 174).

**Deception of participants:** The researcher clearly outlined the purpose and objective of the study and did not deliberately reserve information or offer incorrect information in order to ensure the participation of the participants or respondents when they would have otherwise possibly have refused it (Babbie, 2013: 63).

**No harms to participants:** The researcher guarded against any physical and psychological harm to participants or respondents. At the beginning of each interview, the researcher made respondents aware of their right to withdraw from the interview or refuse to answer a particular question, without harm to their person or without fear of any form of harassment or victimisation (Babbie, 2013: 63).

## 3.11 LIMITATION OF THE STUDY

The research focuses most specifically on street food vendors that are within Mahikeng Local Municipality. Consequently, Mahikeng Local Municipality cannot therefore represent the extent, nature and challenges of all other street food vendors in the North West province or South Africa given the different geographical, economic and entrepreneurial culture of the different regions. As a result, the conclusions may not represent the rest of street food sector in South Africa and may therefore, cannot be generalised to other parts of South Africa.

## 3.12 SUMMARY

This chapter discussed the research methodology used in the study to investigate the impact of street food vending in Mmabatho and Mahikeng CBDs in the Mahikeng Local Municipality. The study used quantitative and qualitative methods and it allowed the researcher to rely on a variety of methods such as conversations, interviews and review of documents. The study adopted a descriptive and exploratory research design to analyse the impact of street food vending on poverty and unemployment in the MLM. The Yamane formula was utilised to get the sample size for the study. Cluster and simple random sampling techniques were used in the study to select respondents for quantitative study. In terms of qualitative data non-probability sampling, specifically purposive and snowball sampling were employed to recruit participants for focus groups discussions and to key informants. Furthermore, this chapter presented the data collection tools such as the questionnaires, focus group and secondary data used to obtain quantitative and qualitative information for the study. Finally, the chapter discussed the data analysis instruments used such as SPSS and Atlas ti, reliability and validity, study limitations and ethical considerations. Having established the research methodology and design of the study and

instrument used to collect and analyse the data. The next chapter presents the socio-economic profile and state of street food vending in the study area.

# CHAPTER FOUR: SOCIO-ECONOMIC PROFILE OF THE STUDY AREA

## 4.1 INTRODUCTION

This chapter discusses the socio-economic background of the study area. This includes the demographics, education, employment status, poverty, food security, hunger, service provision and income level in the Mahikeng Local Municipality. The chapter further looks at the state of street food vending in the Mahikeng Local Municipality. This chapter helps demonstrates the socio-economic profile situation in the Mahikeng Local Municipality.

## 4.2 GEOGRAPHICAL LOCATION OF MAHIKENG LOCAL MUNICIPALITY

The Mahikeng Local Municipality, which includes the Mahikeng and Mmabatho CBDs, is located in Ngaka Modiri Molema District Municipality in the North West Province of South Africa. The North West province is located between 22 and 28 degrees' longitude east of the Greenwich Meridian and between 25 and 28 latitude south of the equator (Cowley, 1985: 5; MLM, 2017: 2). The North West province is situated in the North West of South Africa on the Botswana border, fringed by the Kalahari Desert in the west, Gauteng province to the east, and the Free State to the south (NWPG, 2009: 10). It is also known as the Platinum Province for the wealth of the metal it has underground. The Province has a population of 3,509,953 people and about 65 percent live in rural areas (Statistics South Africa Community Survey, 2016: 14). It occupies 106, 512 area square kilometres. Most economic activity is concentrated in the southern region between Potchefstroom and Klerksdorp, as well as in Rustenburg and the eastern region, where more than 80 percent of the province's economic activity takes place (NWPG, 2009: 1).

The MLM (2016: 7) indicates that the North West province produces 5.7 percent of the South African GDP, with mining, agriculture and manufacturing contributing the largest share. Agriculture is the only sector apart from mining in which the North West is acknowledged to have a comparative advantage over the other provinces. The agricultural sector produces 13 percent of provincial GDP and provides jobs for 18 percent of the labour force in the province. The North West provincial gross geographic product (GGP) of R 3, 964 per person is well below the national average of R 6, 498 (National Planning Commission, 2011: 8). The Gini coefficient, a measure of income inequality, is above 0.6 in the province, placing the province among the

most unequal regions in the world. Unemployment rate in the area stands at 35.7 percent with youth unemployment at 47.1 percent, slightly higher than the national average unemployment rate (MLM, 2014: 2; Stats SA Community Survey, 2016: 12).

Ngaka Modiri Molema District Municipality in which the Mahikeng Local Municipality is found is Located on the North Western part of the Province. The District covers an extent of 31,039 square kilometres and the Municipality has a total population of 845,699 people. The District Municipality has a total of 2,788,844 hectares (MLM, 2016: 3; Stats SA, 2016: 13).

The Mahikeng Local Municipality (previously Mafikeng Local Municipality) is a Category B municipality (MLM IDP, 2016: 3). Category B municipality shares municipal executive and legislative authority in its area with a category C municipality within whose area it falls (MLM, 2016: 3). Mahikeng is the capital of the North West Province and it is the seat of the Provincial Legislature, and the majority of the National State Departments' regional offices (Statistics South Africa, 2011: 13). Mahikeng was part of the old Transvaal that was founded as a British administrative centre 1885 when Sir Charles Warren was sent with military force to bring peace to this frontier area. The name of the new settlement (Mafikeng) came from Tswana "maFikeng" that means, "place of boulders" (MLM, 2016: 4; Stats SA, 2015: 10). The surrounding territory became known as the British Bechuanaland and with Mahikeng as the centre for local farmers, traders and hunters (MLM, 2014: 3). Mahikeng is next to the Botswana border. It is a three-hour drive from Johannesburg and about 294 kilometres from Pretoria (Statistics South Africa, 2011: 2).

The Mahikeng Local Municipality has a population of 314,394 and a population growth rate of 0,017 percent. There are 69,000 people in Mmabatho CBD and 75,000 in the Mahikeng CBD. It is the smallest of the five local municipalities in the Ngaka Modiri Molema District (Stats SA Community Survey, 2016: 12; MLM, 2016: 6). Thirty-four (34) percent of the population in the Ngaka Modiri Molema District Municipality are found in the Mahikeng Local Municipality, thus giving it the largest population density in the district (MLM IDP, 2016: 3). Mahikeng Local Municipality covers a total area of approximately 3,703 square kilometres. It is divided it to 35 wards consisting of 103 villages, six (6) townships and a few suburbs. About 75 percent of the area is rural. The rural areas are in the southern and western parts of the Municipality and are

under tribal authority. The Mahikeng Local Municipality contributes 40 percent to the District's economy and has the highest GVA (MLM IDP, 2016: 4).

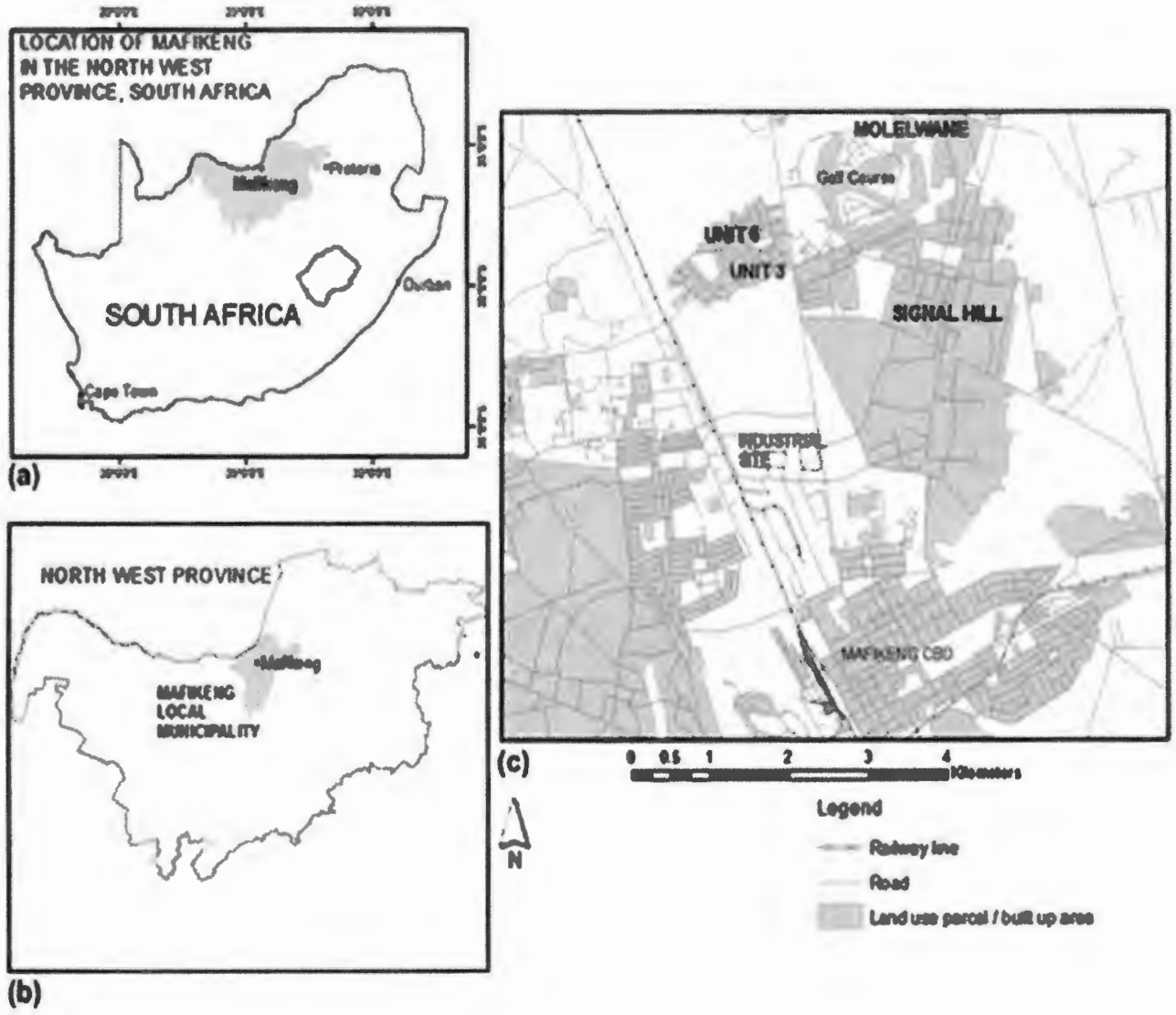



**Figure 4. 1: Mahikeng Local Municipality**
**(Source: Mahikeng Local Municipality 2014: 1)**

According to Stats SA Community Survey (2016: 1), female population 50.2 percent in the MLM is slightly higher than the male 48.8 percent. The dependency ratio of the area is 55.3 percent and population density of 615 people per square kilometres. The area consists of 103, 333 households, with an average household size of 3.5 in 2011 as compared to 3.0 in 2016. The

majority of households 60.2 percent were headed by men compared to 39.8 percent for females in 2015 (Stats SA Community Survey, 2016: 12).

### 4.2.1 Population size and distribution

**Table 4. 1: Population size and distribution**

| Population Group | Numbers | Percentage |
|---|---|---|
| Black African | 232,651 | 74.5% |
| Coloured | 24,579 | 7.5% |
| Asian/Indian | 22,950 | 7.3% |
| White | 32,125 | 9.9% |
| Other | 2,515 | 0.8% |
| Total | 314,394 | 100% |

As indicated in table 4.1, 74.5 percent of the population is made up of Black African, 7.3 percent Asian/Indians, 7.5 percent Coloured, while whites make up 9.9 percent and other, 0.8 percent.

### 4.2.2 Population by first language in the area

The majority of the population of the district speak Setswana as a first language as shown in the table below.

**Table 4. 2: Languages in the area**

| Languages | Numbers | Percentage |
|---|---|---|
| Setswana | 224,279 | 78.5% |
| Afrikaans | 8,915 | 3.11% |
| English | 13,165 | 4.60% |
| IsiNdebele | 3,042 | 1.06 % |
| IsiXhosa | 11,050 | 3.86% |
| IsiZulu | 5,259 | 1.84% |
| Sepedi | 1,513 | 0.53% |
| Sesotho | 9,982 | 3.49% |
| Sign Language | 1,066 | 0.37% |
| SiSwati | 390 | 0.14% |
| Tshivenda | 385 | 0.13% |
| Xitsonga | 998 | 0.35% |
| Other | 6,182 | 2.16 % |
| Total | 286, 226 | 100 |

(Source: Mahikeng IDP, 2016: 4)

In relation to languages in Mahikeng, the majority of people 78.5 percent speak Setswana. While 0.14 percent, speak SiSwati. The number of people that speak English stands at 4.6 percent as

compared to 3.1 percent for Afrikaans (Mahikeng IDP, 2016: 2). Table 4.2 further indicate that Sesotho is spoken by 3.4 percent of the population, while Sepedi is spoken by 0.5 percent of the population, Tshivenda speakers are at 0.1percent and 1.8 percent are IsiZulu speakers.

### 4.2.3 Marital status

**Table 4. 3: Marital status**

| Group | Numbers | Percentage |
|---|---|---|
| Married | 23,903 | 27.1% |
| Co-habitation | 5, 131 | 6.0% |
| Never married | 53,030 | 62.2% |
| Widow/widower | 18,817 | 2.2% |
| Separated | 3,421 | 0.4% |
| Divorced | 17,961 | 2.1% |
| Total | 122,263 | 100 |

(Source: Statistics South Africa Community Survey, 2016: 1)

The information in table 4.3 indicates that 27.1 percent of the population in the area were married whilst 62.2 percent were never married. On the other side, 0.4 percent were separated and 2.1 percent were divorced.

### 4.2.4 Educational level

With regard to education, 26.5 percent have completed at least primary education. Currently only 15 percent have completed matric and 10 percent have higher education. These low percentages are hampering human development capacity in the area (Mahikeng IDP, 2016: 2).

**Table 4. 4: Educational level**

| Group | Numbers | Percentage |
|---|---|---|
| No schooling | 12, 462 | 6.5% |
| Some primary | 47, 931 | 25% |
| Completed primary | 47, 848 | 26.5% |
| Some secondary | 32, 593 | 17% |
| Matric | 28, 758 | 15% |
| Higher education | 19, 172 | 10% |
| Total | 188, 764 | 100 |

(Source: MLM IDP, 2016: 3)

### 4.2.5 Employment level

According to Statistics South Africa (2016: 11) and MLM IDP (2016: 9) in 2015, the Mahikeng Local Municipality had an employment rate of 35.7 percent. In the Mahikeng Local Municipality currently there are 204 male and 107 female municipal employees. This means that 66 percent of employees are male and 34 percent are females. Mahikeng Local Municipality also has 25 employees with a disability thus 2.6 percent. Ninety-three percent (93%) of employees are African, three (3) percent are Coloured and four (4) percent are White. This also indicates that overall 96 percent of employees are black and four (4) percent are white. In terms of employment in the Mahikeng Local Municipality 31.8 percent are employed (MLM IDP, 2016: 4; North West Development Corporation, 2016: 12; Stats SA Community Survey, 2016: 10). Youth unemployment rate in the area for the age 15-34 stood at 47.1 percent, while about 6.9 percent of the population in the Mahikeng Local Municipality are discouraged job seekers (MLM IDP, 2016: 4).

**Table 4. 5: Employment level**

| Employment | Numbers of people | Percentage |
|---|---|---|
| Discouraged work seeker | 12,987 | 6.9% |
| Employed | 59,726 | 35.8% |
| Not economically active | 81,863 | 43.6% |
| Unemployed | 33,167 | 17.7% |
| Total | 187,743 | 100 |

(Source: Statistics South Africa Community Survey (2016: 2)

In terms of sectors of employment, the Mahikeng Local Municipality has the highest employment opportunities in the District. There are between 5, 000 and 35, 000 opportunities within a 10 minutes driving time (MLM IDP, 2016: 4). According to Mahikeng Investment Study (2016: 8) approximately, 68.6 percent of the population in the area is employed in the formal sector. The informal sector employed 16.8 percent and the private sector employed 13.2 percent of the population. This is not an ideal level of employment and will have to be addressed through job creation initiatives such as the informal sector and street food vending (Stats SA Community Survey, 2016: 13).

**Table 4. 6: Sectors of employment**

| Sector of employment | Numbers of people | Percentage |
|---|---|---|
| Formal sector | 41,518 | 68.6% |
| Informal sector | 10,154 | 16.8% |
| Private household | 7,995 | 13.2% |
| Do not Know | 822 | 1.4% |
| Unspecified | 0 | 0% |
| Total | 60,487 | 100 |

Source: MLM IDP, 2016: 4; NWDC, 2016: 12; Stats SA Community Survey, 2016:13

### 4.2.6 Income level

In terms of income, the highest average household income in the Ngaka Modiri Molema District Municipality is found in the Mahikeng Local Municipality (MLM IDP, 2016: 3). According to Statistics South Africa (2016: 14), 19.4 percent of people fall within the annual income bracket R9, 601- R19, 600 as compared to people with no income at 16.9 percent. Furthermore, the percentage of people within the R19, 601-R38, 200 annual income bracket stands at 18.0 percent whilst people with R307, 600 and above stands at 5.6 percent.

**Table 4. 7: Income levels**

| Income | Numbers | Percentage |
|---|---|---|
| No income | 14, 405 | 16.9% |
| R1 - R4,800 | 4,223 | 4.9% |
| R4,801 - R9,600 | 7,525 | 8.8% |
| R9,601 - R19,600 | 16,506 | 19.4% |
| R19,601 – R38,200 | 15,338 | 18.0% |
| R38,201 – R76,400 | 9,368 | 11.0% |
| R76,401 – R153,800 | 7,365 | 8.6% |
| R153,801-307,600 | 5,827 | 6.8 % |
| R307,600+ | 4,329 | 5.6% |
| Total | 84,886 | 100 |

(Source: Statistics South Africa Community Survey 2016: 2)

### 4.2.7 Poverty

In relation to poverty, the majority of the population constitutes the historically disadvantaged groups, and poverty level in the Mahikeng Local Municipality stood at 42.5 percent in 2011 as compared to 41.4 percent in 2016. Poverty headcount in the MLM dropped from 10.6 percent in 2011 to 8.2 percent in 2016. Most of the households in the area have also been noted to rely on external economic activities, especially state grants and other subsidies (Statistics South Africa Community Survey, 2016: 13). For instance, a survey conducted by Stats SA Community Survey (2016: 13) shows that social grants and other subsidies constitute 32.2 percent of income earned by households in the MLM.

### 4.2.8 Economic activity

According to Mahikeng Investment Study (2016: 4), Community, social and other personal services, finance and business sector are the main economic activity in the area. The sector has 22,490 people involved and contributes to 24.5 percent of trade, catering and accommodation activities in the MLM. Manufacturing in the MLM has a total number of 16,193 and constitutes about eight 18 percent of economic activities. Agriculture, forestry and fishing activities in the MLM have a total number of 9,895 that constitutes 11 percent of economic activities in the MLM (Mahikeng Investment Study, 2016: 4).

**Table 4. 8: Economic activity**

| Sectors | Numbers | Percentage |
|---|---|---|
| Agriculture, forestry and fishing | 9,895 | 11% |
| Mining and quarrying | 16,193 | 18% |
| Manufacturing | 6,292 | 7.5% |
| Construction | 2,698 | 3% |
| Trade, catering and accommodation | 22, 490 | 24.5% |
| Transport, storage and communication | 199 | 2% |
| Community, social and other personal services, finance and business sector | 30,587 | 34% |
| Total | 88,354 | 100 |

Source: NWDC (2016: 5) and DEDT (2014: 10)

### 4.2.9 Service provision

Table 4.9 below shows the breakdown of service provision such as housing, electricity, refused removal and water.

**Table 4. 9: Service provision**

| Service provision | 2011 | | 2016 | |
|---|---|---|---|---|
| | Numbers | Percent | Numbers | Percent |
| Housing | | | | |
| Formal dwelling | 73,557 | 87.3% | 89,740 | 86.8% |
| Informal dwelling | 8,760 | 10.3% | 8,663 | 8.3% |
| Traditional | 1,477 | 1.7% | 3,624 | 3.5% |
| Other | 444 | 0.5% | 1,298 | 1.2% |
| Water | | | | |
| Access to piped water | 67,179 | 79.7% | 63,186 | 61.1% |
| No access to piped water | 17,060 | 20.2% | 40,147 | 38.8% |
| Toilet | | | | |
| Flush toilets | 27,642 | 32.8% | 32,913 | 31.8% |
| Other (Latrine, ecological, bucket, and none toilet) | 56,596 | 67.1% | 70,420 | 68.1% |
| Electricity | | | | |
| Lighting | 87,062 | 37.5% | 96,332 | 39.1% |
| Heating | 77,156 | 33.2% | 79,291 | 32.2% |
| Cooking | 67,589 | 29.1% | 70,123 | 28.5% |
| Weekly refuse removal | 56,345 | 67.1% | 67,192 | 79.7% |

Source: (Statistics South Africa Community Survey, 2016: 13)

The number of people living in formal houses in the Mahikeng Local Municipality was 87.3 percent in 2011 and 86.8 percent in 2016. Access to lighting increased from 37.5 percent in 2011 to 39.1 percent in 2016 (Stats SA Community Survey, 2016: 13). Access to water fell from 79.7 percent to 61.1 percent while homes with flush toilets dropped from 32.8 percent in 2011 to 31.8 percent in 2016. The use of other toilets such as bucket and pit latrines increased from 67.1 percent in 2011 to 68.1 percent in 2016. In 2011, 67.1 percent of households had their refuse collected by the Mahikeng Local Municipality once every week compared to 79.7 percent in 2016 (Statistics South Africa, 2016: 13; MLM IDP, 2016: 11).

### 4.2.10 Food security

After 1994, food security received much attention in South Africa. The right to access sufficient food was embedded in Section 26 and 27 of the South African Constitution of 1996. The Constitution indicates that every South African citizen has a right to sufficient food, water and social security (DAFF, 2012: 5). In addition, feeding schemes, child support grants, free health services for children up to six years and for pregnant and lactating women, pension funds, provincial public works programmes, community food garden initiatives, and the rehabilitation of irrigation schemes were all introduced as ways to improve household food security in the MLM (DoA, 2010: 5). Hendriks and Msaki (2009: 7) and the Department of Agriculture (2010: 5) argue that South Africa is food secure at the national level. However, food security in the Mahikeng Local Municipality is under threat as many households in the area are facing food insecurity (Statistics South Africa, 2015: 15).

In the Mahikeng Local Municipality, an estimated 38, 233 households (37 percent of households) had inadequate or severely inadequate access to food in 2016 as compared to 36, 116 households (35 percent of households) in 2011 (DOA, 2015: 10; Stats SA Community Survey, 2016: 13). The Department of Agriculture (2015: 11) acknowledges that the Mahikeng Local Municipality food inflation rate hit a new high in 2014. From July 2010 to July 2015, the year on year increase in the Consumer Price Index for Food was 19.8 percent. Residents in the Mahikeng Local Municipality earning less than US$200 (R 2,882) per month spend more than 35 percent of their income on food. Women, children and the elderly are the most vulnerable to food insecurity in the Mahikeng Local Municipality. The MLM in 2015 estimated that about

1,500 children under the age of ten years where stunted due to chronic malnutrition (MLM: 2016: 12; GHS, 2016: 5).

### 4.2.11 Hunger

General Household Survey (2016: 5) and Stats SA Community Survey (2016: 14) show that hunger in the Mahikeng Local Municipality is a major concern due to vulnerability to food insecurity. This is because of the scarcity of water and recurring droughts, poverty, lack of access to land and unemployment in the area. Hunger, most particularly access to food, is high in the Mahikeng Local Municipality (Stats SA Community Survey, 2016: 14). Stats SA Community Survey (2016: 47) reveals that the Mahikeng Local Municipality has the second highest number of households in the Districts experiencing hunger. The Mahikeng Local Municipality households that ran out of money or skipped a meal in the past 12 months stood at 36.7 percent of households in 2011 and 34.8 percent in 2016.

**Table 4. 10: Households who skipped a meal in the past 12 months**

| Skip meal | 2011 | | 2016 | |
|---|---|---|---|---|
| | Numbers | Percentage | Numbers | Percentage |
| Yes | 30,915 | 36.7% | 35,959 | 34.8% |
| No | 53,323 | 63.3% | 67,373 | 65.2% |
| Total | 84,239 | 100 | 103,333 | 100 |

Source: Stats SA Community Survey (2016: 13)

## 4.3 STREET FOOD VENDING IN THE MAHIKENG LOCAL MUNICIPALITY

Street food vending in the Mahikeng Local Municipality is seen as a positive development in the micro business sector as it contributes to the creation of jobs, income and entrepreneurship that leads to poverty reduction (MLM, 2016: 13). According to North West Development Corporation (2016: 2) and MLM (2016: 10), approximately 3,500 people are involved in the street food sector in the Mahikeng Local Municipality. Women in the MLM make the majority

of food vendors in the area constituting about 68 percent and men 32 percent due to the flexibility of the business. This flexibility allows women to engage in the trade and to perform other essential domestic activities at the same time (MLM, 2016: 13). In addition, women involved in the street food trade in the area due to socio-economic factors such as failure to secure formal employment due to lower education and lack of professional skills. Furthermore, street food vending requires relatively small capital base and hence it is easier housewives (women) to penetrate the street food sector (MLM, 2016: 14). In the area, more men are now engaging in the vending of street foods as a form of employment due the lack of other opportunities in the economy (DEDT, 2014: 12). As with street food vendors in other parts of the world, there are also mobile and stationary street food vendors in the Mahikeng Local Municipality. Mobile food vendors are those that carry their street foods on trays, pans, trolleys, caravans, cars and other such movable containers, from one location to the other in search of customers. On the other hand, stationary street food vendors are those that sell street foods from a particular location and operate from a variety of structures, including shops, stalls, fixed kiosks, folding tables and chairs, and pushed carts that could be moved and stored at the end of each working day. Street food vendors in the area operate in the morning, others operate in the afternoon and other operate only in the evening (DEDT, 2014: 12).

Street food vendors in the MLM deals in various types of food such as Magwinya (Fat cake), atchar, menoto (chicken feet), tlhakwana (cow and sheep legs), kota (bread, potato chips, atchar and polony) fresh tomatoes, boiled, roasted and dried maize (mealies) fruits, beverages, spinach, potatoes, bread and chips, beef stew with rice or pap and chisayama (braai meat). Street food vendors also deal with snacks such as scones, ice cream, biscuits and pie (DTI, 2014: 5; MLM, 2016: 12). Some street food vendors in the Mahikeng Local Municipality prepare their food at the same place used for vending and other from homes. The place for food vending (vending sites) sometimes differs from the place of food preparation (kitchen) of street foods. Vendor's in the Mahikeng Local Municipality usually sells their foods in front of schools, offices, construction sites, tavern, taxi ranks, police station and shopping malls. Most of street food traders are found in the Mahikeng and Mmabatho CBDs due to the availability of schools, malls and taxi ranks (DTI, 2014: 5).

Concerning access to finance, street food vendors based in the MLM can approach the Mahikeng Local Municipality or the Mahikeng SEDA for support (Mahikeng Investment Study, 2016: 3; MLM, 2017: 2). Despite the fact that, there is legislation, regulations, and other procedures used by the Mahikeng Local Municipality to manage, control, and organise the informal sector and the sale of street foods, vendors do not often abide by it. This often leads to eviction by the officials. Vendors in the Mahikeng Local Municipality lack basic protection like property rights from the court and police. In addition, vendors lack services such as water, roads, shelter and toilet that hamper their productivity. This often leads to confrontation between the municipal officials and food vendors (MLM, 2016: 3).

Figure 4.2 below shows the breakdown of the state of street food vending in the Mahikeng Local Municipality

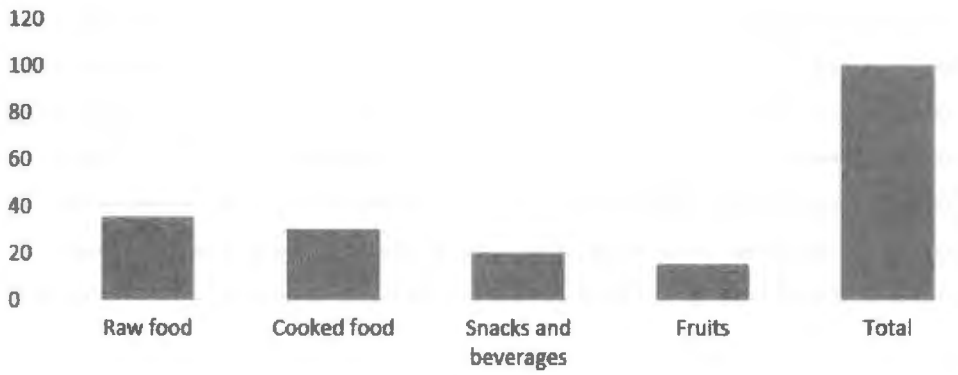



**Figure 4. 2: Types of food sold by street food vendors**

**(Source: North West Development Corporation, 2016: 3; MLM, 2016: 3)**

Information in figure 4.2 indicated that about 38 percent of street food vendors sell raw food such as potatoes, spinach, tomatoes, dried maize, beans and onions as compared to about 18 percent for those who deal with fruits. Those traders who trade in cooked food comprise about 35 percent as compared to approximately 19 percent for snacks and beverages.

**Table 4. 11: Time spent in street food business**

| Duration | Years |
|---|---|
| 0-1 year | 15.3% |
| 2-3 years | 25.7% |
| 4-6 years | 45.7 |
| 6 years and above | 13.7% |
| Total | 100 |

(Source: DEDT, 2014: 3; MLM, 2016: 4)

Information in table 4.11 shows that 45.7 percent of street food vendors had been in the business for 4-6 years and 13.7 percent for six (6) years and above. The table further reveals that 25.7 percent of street food vendors had run the business for 2-3 years as compared to 15.3 percent who had run the business for 0-1 year.

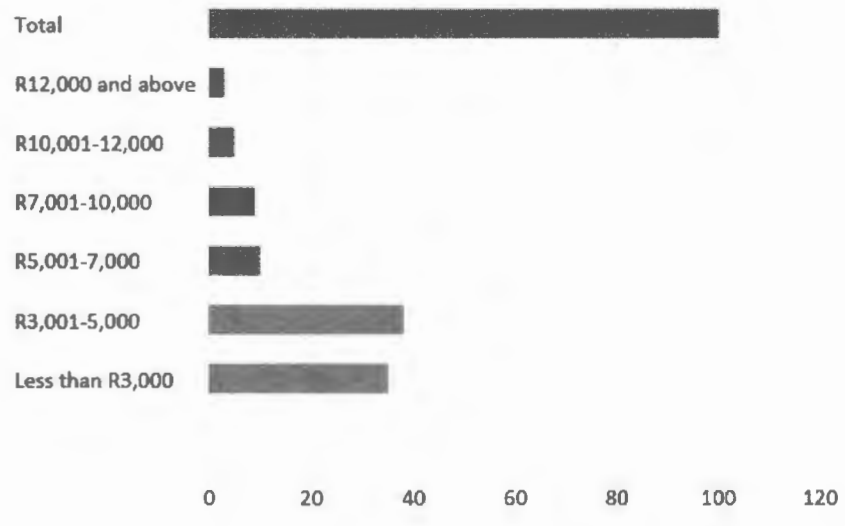



**Figure 4. 3: Monthly turnovers of street food vendors**

Figure 4.3 indicates that about 39 percent of street food vendors make R3, 001-R5, 000 a month and only about 4 percent obtained more than R12, 000 and above a month.

**Table 4. 12: Numbers of employees in street food vending**

| Numbers | Employees |
|---|---|
| No employee | 78% |
| 1-2 employees | 13% |
| 3-4 employees | 6% |
| 5 and above | 3% |
| Total | 100 |

(Source: NWDC, 2016: 4; MLM, 2016: 4; DEDT, 2014: 4)

Information in table 4.12 shows that the majority (78%) of street food vendors reported that they have no employees and only nine (9) percent revealed that they had three (3) or more employees.

## 4.4 SUMMARY

This chapter provided the description of the socio-economic background of the Mahikeng Local Municipality. The socio-economic background includes the demographics, languages spoken, employment status, marital status, educational level, poverty, income level, economic activity and service provision. In terms of educational level, 26.5 percent have completed primary school and 25 percent has obtained some primary level. The number of people never married stands at 62.2 percent and unemployed stands at 35.8 percent. In addition, formal sector employment in the MLM comprises of 68.6 percent compared to 16.8 percent in the informal sector. The number of people without income stood at 16.9 percent. Poverty level in the MLM dropped from 42.5 percent in 2011 to 41.4 percent in 2016. Further, the highest contributors to economy in the MLM were trade, catering and accommodation that comprised 24.5 percent. Also, equally discussed in this chapter is the state of hunger in the Mahikeng Local Municipality. Mahikeng Local Municipality has the second highest number of households in the Districts experiencing hunger. The Mahikeng local Municipality households that skipped a meal in the past 12 months stood at 36.7 percent in 2011 and 34.8 percent in 2016. Further, the chapter covered the state of street food vending in Mahikeng Local Municipality that showed the total number of street food

vendors, different categories of food vendors, location of business and the types of food sold in the area. In the next chapter, the research analysis and findings are presented in relation to the objectives of the study.

# CHAPTER FIVE: PRESENTATION AND ANALYSIS OF THE RESEARCH FINDINGS

## 5.1 INTRODUCTION

The chapter presents the analysis of the impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality. The analysis is based on data collected from stakeholders such as the Environmental Health Practitioner, Local Economic Development, Small Enterprise Development Agency, local government authorities from the Mahikeng Local Municipality and the Modiri Molema District Municipality. In addition, data from the officials of the Department of Trade and Industry and Economic Development and Tourism were also analysed. The empirical evidence obtained through different methods has been grouped along the following main themes arising from both the quantitative and the qualitative approaches:

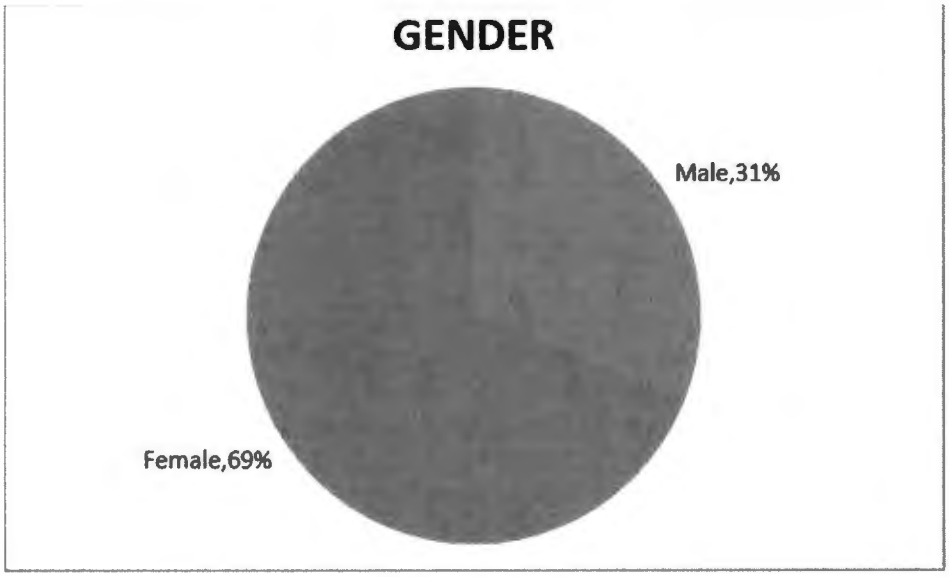
- The socio-economic and demographic profile of street food vendors in the Mahikeng Local Municipality
- The types of food sold by street vendors in the Mahikeng Local Municipality
- The impact of street food vending on job creation, livelihoods and poverty reduction in the Mahikeng Local Municipality
- The contribution of the food vending business activities to poverty reduction among vendors in the study area
- Income accruing from food vending business activities among operators in the study area, and
- Challenges experienced by street food vendors in the Mahikeng Local Municipality.

The analysis of this study was based on the 401 respondents for the survey, thirteen (13) key informants and 40 participants for the focus group discussions (FGDs).

## 5.2 PROFILES OF RESPONDENTS

This segment presents the socio-economic and demographic profile of SFVs. The socio-economic and demographic profiles of participants and respondents was based on the following characteristics: gender, age group, marital status, educational level, income level, nationality,

size of household, ethnic group and religious affiliation. The socio-economic and demographic profile of participants and respondents was used to demonstrate how it could influence street food vending activities in the area. Gender spreading has influenced the arrangement of the various services and participation in various activities such as the SFS in the world at large and MLM in particular (Fellows and Hilmi, 2012: 56). As such, gender was taken into consideration in this study to demonstrated how the influence SFV in the MLM. Figure 5.1 below demonstrates the age distribution of respondents.




Source: Field Research in the MLM 2017

**Figure 5. 1: Gender of respondents**

Most of the respondents 69 percent were females as compared to males 31 percent that indicate that females were the major role players in street food vending in the area. This is in line with most studies conducted in street food vending in Asia and Africa, which acknowledged that women dominate the street food trade (Alexander *et al.*, 2011: 102; Nataraj, 2012: 2; ILO, 2016: 5). During focus group discussions, there were more females than males also who trade in street food. This study confirms that street food trade is a female-dominated occupation. Despite the fact that the proportion of male food vendors has been significantly increasing over the years, participants stressed that:

*"Majority of women preferred this sector rather than the formal sector where we would otherwise work under someone's supervision and with strict time tables".* (Female vendor aged 39).

*"Street food sector allows us to better balance our work with family responsibilities, like taking care of children".* (Female vendor aged 36).

*"We would have wanted to study further but did not have the opportunity to do so due to lack of income". Street food vending provides an opportunity to take care of our upkeep.* (Female vendor aged 37).

Further, the small fraction of males involved in street food vending in the Mahikeng Local Municipality may be because, in the area, the street food sector is able to generate employment opportunities. Further, the street food vending allowed them to generate income that improves their well-being. Table 5.1 below demonstrates the age distribution of respondents.

Social scientists (researchers) and demographers have shown special interest in the age structure of a population, not only because it is essential in measuring population growth of a country, but it also act as a tool that helps to understand the connection within the way activities such as SFV are undertaken Stats SA (2015: 5). Age distribution is seen as an important driving force in influencing knowledge and the involvement of traders in the SFS. This describes why the inclusion of age group distribution of respondents in this study.

**Table 5. 1: Age distribution of respondents**

| Age group | Frequency | Percent |
|---|---|---|
| <20 years | 5 | 1.2% |
| 21-25 years | 12 | 3.0% |
| 26-30 years | 25 | 6.3% |
| 31-35 years | 57 | 14.2% |
| 36-40 years | 153 | 38.4% |
| 40 and above | 148 | 36.9% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

The data in Table 5.1 shows that the majority 75.3 percent of respondents who participated for the study were 36 years or older. Further, Table 5.1 indicates that 14.2 percent were in the age group 31–35 years. On the other side, only 10.4 percent of respondents were below the age 30 years. In the FGDs most of the participants were above 36 years and a small number of those who are 35 years or younger were engaged in street food vending in the area. The table 5.2 below presents a breakdown of the marital status of respondents.

Marital status of respondents' inclusion in this research is to demonstrate the importance it might have in propelling people to involve in the SFS.

**Table 5. 2: The breakdown of marital status of respondents**

| Marital status | Frequency | Percent |
|---|---|---|
| Single | 203 | 50.6% |
| Married | 99 | 24.7% |
| Widowed | 21 | 5.3% |
| Co-habitation | 55 | 13.7% |
| Divorced | 23 | 5.7% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

Information in Table 5.2 indicates that 50.6 percent of respondents surveyed were single as compared to 13.7 percent of co-habitation. Further, 24.7 percent of respondents were married whilst 5.7 percent were divorced. On the other hand, only 5.3 percent of respondents were widowed. Equally, in the FGDs, more than half of the participants were single and a small number of married, co-habitation, widowed and divorced were involved in the street food trade in the MLM. The table 5.3 below presents a breakdown of the educational level of respondents.

The study probed the level of education of the respondents because of the assumption that knowledge is essential in understanding street food regulations. Knowledge is also vital in ensuring success of a business (FAO, 2016a: 12).

**Table 5. 3: The breakdown of educational level of respondents**

| Educational level | Frequency | Percent |
|---|---|---|
| No schooling | 178 | 44.4% |
| Grade 1-4 | 129 | 32.2% |
| Grade 5-8 | 69 | 17.2% |
| Grade 9-12 | 17 | 4.2% |
| Diploma | 4 | 1.0% |
| Degree | 4 | 1.0% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

The information in Table 5.3 indicates that almost half 44.4 percent of respondents had no schooling, followed by 32.2 percent of respondents that had completed Grade 1-4. Only 1.0 percent had obtained tertiary qualifications as their highest level of education. Table 5.3 further shows that 1.0 percent of respondents were diploma holders in the MLM. On the other hand, 17.2 percent had completed Grade 5-8 as compared to 4.2 percent for Grade 9-12. Likewise, in the FGDs educational levels among street food vendors was generally low; almost half of the participants had limited formal education. The participants opted for street food vending because it is not only one of the easiest means of earning a living without formal education but also requires only a small financial input. The table 5.4 below presents a breakdown of the income level of respondents.

The inclusion of income level of respondents was geared towards ascertaining whether people in the MLM could start a food trade.

**Table 5. 4: Income levels of respondents**

| Income level | Frequency | Percent |
|---|---|---|
| <R1000 | 313 | 78.0% |
| R1001-2000 | 56 | 14.0% |
| R2001-3000 | 20 | 5.0% |
| R3001-4000 | 8 | 2.0% |
| R4001+ | 4 | 1.0% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

Table 5.4 indicates that majority 78.0 percent of respondents earned less than R1000 per month, followed by those who obtained between R1001-2000 per month 14.0 percent. On the other hand, 7.0 percent of respondents earned R2001-4000 per month whilst only 1.0 percent revealed they received R4001 and above. Similarly, in the focus group discussions most of the participants reported earning less than R1000 a month and a small number received R1001-2000, R 2001-3000, R3000-4000 and R4001 and above per month. The table below presents the types of houses occupied by respondents.

The study probed the types of houses occupied by respondents because housing ensures sustainability of a business (Gani, 2016: 34).

**Table 5. 5: Types of houses occupied by respondents**

| Type of house | Frequency | Percent |
|---|---|---|
| Brick | 353 | 88.0% |
| Mud | 37 | 9.2% |
| Shack (Mokhuku) | 11 | 2.8% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

Most of the respondents reported they lived in brick houses 88.0 percent, followed by those who lived in Mud houses 9.2 percent. Only 2.8 percent of the respondents indicated they lived in shacks (Mokhuku). In addition, in the FGDs majority of the participants involved in SFV in the

area reported they lived in brick houses and a few in mud and shack houses. The table 5.6 below presents the proportion of respondents' nationality.

The inclusion of proportion of respondents' nationality is because of the assumption that nationality influences the types of food sold by traders in the area (Cress-Williams, 2001: 67).

**Table 5. 6: Proportion of respondents' nationality**

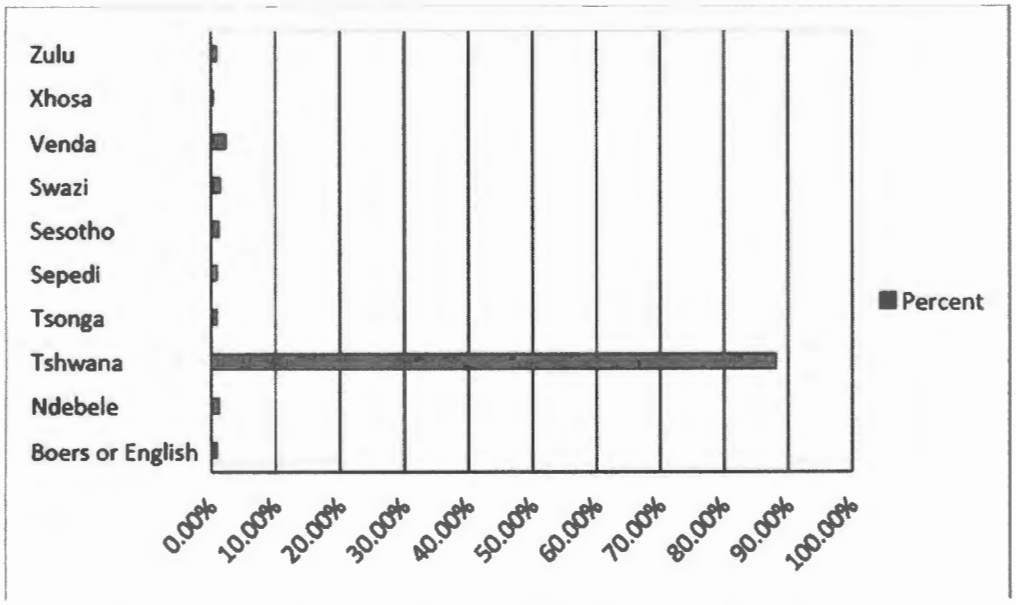
| Nationality | Frequency | Percent |
|---|---|---|
| Botswana | 4 | 1.0% |
| Cameroon | 2 | 0.4% |
| Democratic Rep. of Congo | 1 | 0.2% |
| Lesotho | 3 | 0.8% |
| Mozambique | 5 | 1.2% |
| Nigeria | 4 | 1.0% |
| South Africa | 372 | 92.9% |
| Swaziland | 1 | 0.2% |
| Zimbabwe | 6 | 1.5 % |
| Other | 3 | 0.8% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

The data in Table 5.6 revealed that majority 92.9 percent of respondents were South Africans, followed by 1.5 percent from Zimbabwe. Further, Table 5.6 illustrates that 1.2 percent respondents were from Mozambique whilst 1.0 percent were from Nigeria and Botswana respectively and; 0.2 percent respondents indicated they were from Democratic Republic and Swaziland respectively. On the other hand, 0.4 percent of respondents reported they were from Cameroon as compared to 0.8 percent from Lesotho and other (Pakistan and Somalia) respectively. In the focus group discussions, most of the participants originated from South Africa and a few came from Nigeria, Cameroon, Swaziland, Pakistan, Somalia and Lesotho. The few traders from Cameroon, Nigeria, Swaziland and Lesotho engaged in street food vending because of lack of job opportunities in the country since employers prefer South Africans above immigrants. Hence, immigrants turn to street food vending as a form of employment since rules

are not imposed as strictly in the informal sector as in the formal economy. Figure 5.2 below demonstrates percentage of South African respondents by ethnic group.

Ethnicity influences the nature and variety of street food in the world at large and South Africa in particular since these foods are assumed prepared and consumed based on local tradition and knowledge (Edima *et al.,* 2014: 57). This explains the inclusion of South African respondents by ethnic group.




Source: Field Study in the MLM 2017

**Figure 5. 2: Percentage of South African respondents by ethnic group**

The majority of the respondents about 89 percent reported Tswana as the most dominant ethnic group involved in street food trade in the area, followed by approximately 3 percent of Venda. Figure 5.2 further indicated about 2 percent of respondents are Swazi as compared to nearly 1 percent of Tsonga origin. During focus group discussions, Tswana were the most prevalent ethnic group engaged in SFV in the area. Focus group discussions further indicated that a small number of Tsonga, Venda, Ndebele, Zulu and Sesotho ethnic groups involved in the street food sector in the MLM. Table 5.7 below presents members living in a household.

The addition of members living in a household in this research is because street food vending activities requires not only capital but also labour to enable it run smoothly (Edima *et al.,* 2014: 60).

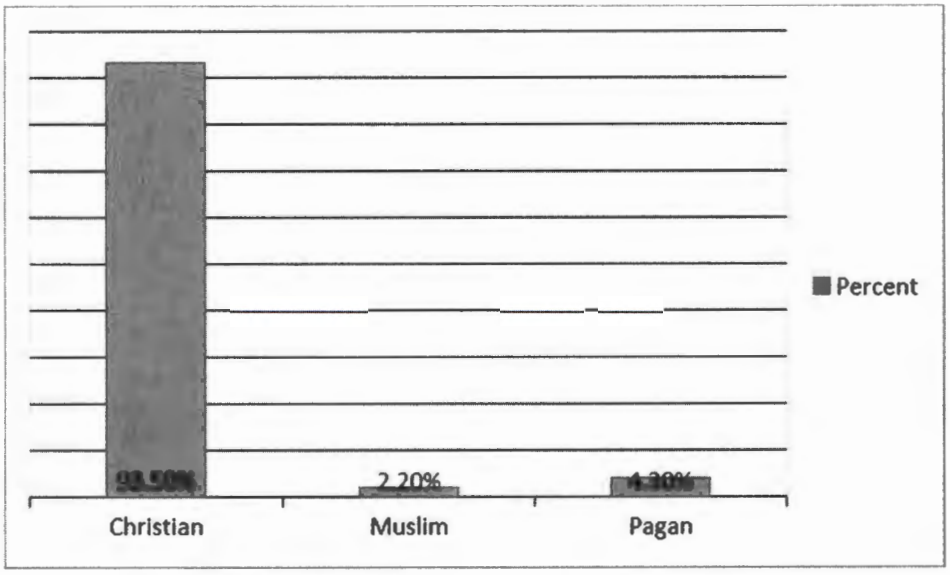
**Table 5. 7: Members living in a household**

| Members in a household | Frequency | Percent |
|---|---|---|
| 1-2 | 43 | 10.7% |
| 3-4 | 139 | 34.7% |
| 5 and above | 219 | 54.6% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

Table 5.7 indicates that 54.6 percent, more than half of respondents surveyed lived in households with more than five people, followed by respondents from households with three to four people 34.7 percent. On the other side, only 10.7 percent lived in a household of less than two people. Similarly, in the focus group discussions, the majority of participants lived in households with more than five (5) people. With the large numbers per household, food vending activities were used to supplement household's income and to meet financial needs. Figure 5.3 below presents religious affiliation of respondents.

The study probed for religious affiliation since there is an assumption that some religions prohibit the consumption of some type's food or the way it is handled.



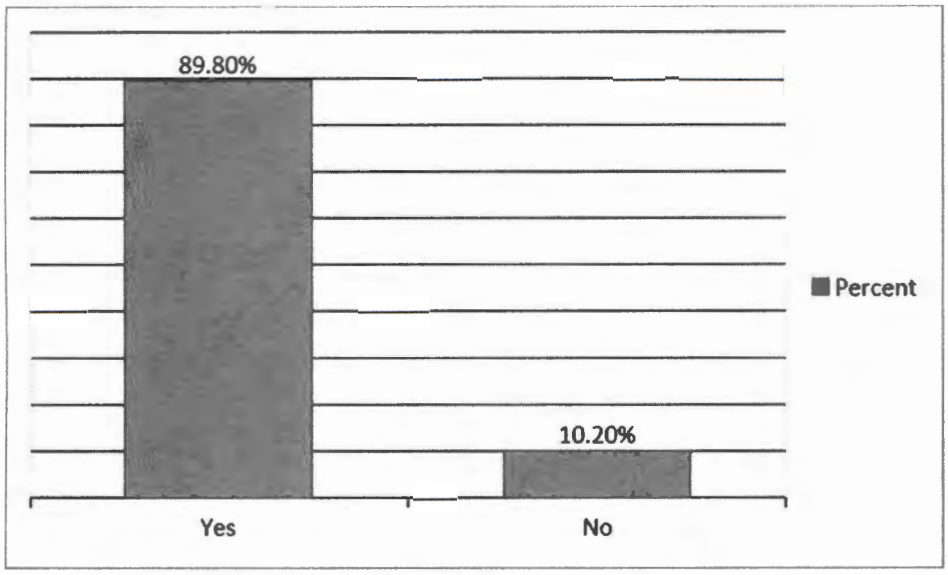

Source: Field Study in the MLM 2017

**Figure 5. 3: Religious affiliation of respondents**

Most of the respondents were Christian 93.5 percent, followed by Pagans 4.3 percent. Only 2.2 percent of respondents in the study were Muslims. Equally, in the FGDs most of the participants were Christian, a small number were Muslim and pagans.

### 5.2.1 Influence of socio-economic profiles on street vending

After describing the socio-economic and demographic profiles of vendors in the area, a question was asked to establish if socio-economic profiles such as nationality, ethnicity, income, religious affiliation, marital status and educational level influence street food vending activities in the MLM. Figure 5.4 below demonstrates influence of socio-economic background of street vending.




Source: Field Study in the MLM 2017

**Figure 5. 4: Influence of socio-economic background of street vending**

Figure 5.4 indicates that the majority of respondents 89.8 percent reported that factors such as nationality; income; educational level; marital status and religious affiliation influenced street food vending. Nevertheless, small sections of respondents 10.2 percent were of the opinion that socio-economic profiles do not affect the business.

The majority of focus group participants, as well as the officials from the MLM and LED also reported that socio-economic such as nationality, marital status, income, religious affiliation and educational level influence SFV. According to participants, in terms of nationality, street food vendors often trade in food in line with their country of origin. The growing number of nationals in South Africa in general and MLM in particular are pressing to access the waged labor market, which often does not expand quickly enough, to generate employment. Street food vending becomes the only way to earn a living since it represents one of the easiest ways to be self-employed, as it requires little start-up capital. As one participant put it:

*"Dealing with food from your country is very convenient... although, we sell to people from different countries, cooking and selling food of our countries of origin, particularly cooked traditional food is a way of preserving our culture when we move to new places".* (Female vendor aged 42).

Another one said:

*"We are forced to get involved in street food trade since it is very difficult to get formal jobs in another country to sustain ourselves; however, street food vending allowed us to generate income to take care ourselves and our siblings". (Female vendor aged 35).*

Participants also indicated that education level plays a vital role in influencing street food vending in the area. The following extracts from FGDs provide confirmation for these claims:

*"Lack of education hindered some of us to obtain jobs in the formal sector; we have to settle in this business".*

*"Some of us had no choice other than food vending on the street, as it requires less education and the income made is good as compared to other occupations".* (Male vendor aged 36).

*"High level of formal education ensures the success of a business since it can help in better management of profits and losses in the street food sector".* (Male vendor aged 39).

*"Proper education assists some of us to understand legal requirements, hygiene and food safety rules in relation to the street food sector. This might lead to licensing and registration of vendors".* (Male vendor aged 32).

The participants went on to report that street food traders carry out this business in order to support their families, and some of them are the sole income earners of their respective families.

In addition, participants explained that marital status also acts as a stimulus to SFV, particularly among women, as it provides an opportunity for them to generate income. As one participant put it:

*"My husband does not work and I am married, I do not have any qualification to look for work in the formal sector. My children need food, clothing, education and health care. This forced me to start the street food trade".* (Female vendor aged 39).

Another participant said:

*"I am a widow after the death of my husband. I have been suffering for a very long time without any support. I decided to start this business to support my family".* (Female vendor aged 41).

Another one revealed:

*"I am a married woman however the job that my husband is doing is not fetching enough income to support our children in school. My daughter is in the university. I had to start this business to assist my husband". (Female vendor aged 41).*

Participants further indicated that religious affiliation influenced the business practices of SFVs, and their livelihoods. According to participants, religious connection set the boundaries within which street food vendors are allowed to operate. Religious affiliation bars traders from dealing in certain types of food since it influences the knowledge, behavior and attitudes of traders involved in the business. One participant-male aged 40 claims:

*"I am a Christian my business is stable...the success or failure in this business depends on my religion since I have to sell food in line with my religion".*

Another one revealed:

*"I am a Muslim we do not eat pork, so there is no way I will sell pork to my customers".* (Male vendor aged 39).

Another one said:

*"As Muslims; we have strict rules in relation to food trading and consumption than the Christians. Animals not slaughtered according to Islamic rules cannot be used in cooking".* (Male vendor aged 41).

Furthermore, participants reported that lack of income and irregular incomes is a stimulus for vendors to start street food trade in order to have continuous flow of revenue to improve their living conditions. The lack of income presented itself in different ways to different participants as demonstrated in the following statements:

*"I will say since I left school I have struggled to find money to cater for my needs even though I am the only member of my family still alive...I need to survive and this is the only shortcut to earn some money".* (Male vendor aged 38).

*"The child support grant that I receive is too little to depend on. I started this business to supplement my income and to help the family".* (Female vendor aged 36).

*"Where I worked I did not receive my salary for three months, I started this trade to have continuous flow of income to support myself and the family".* (Male vendor aged 39).

## 5.3 TYPES OF FOOD SOLD BY STREET FOOD VENDORS

After discussing the socio-economic and demographic profiles of respondents and participants and its influence on SFS, a question was asked to find out the types of food sold by vendors in the area. The table below presents percentage of types of food sold by respondents.

**Table 5. 8: Percentage of types of food sold by respondents**

| Types of food sold | Frequency | Percent |
|---|---|---|
| Red meat pieces (grilled), pap (cooked maize flour) or rice and cold drinks | 28 | 7.0% |
| Chicken pieces (grilled), pap or rice | 30 | 7.5% |
| Chicken pieces (boiled), pap or rice and cold drinks | 18 | 4.5% |
| Chicken stew, pap or rice | 55 | 13.7% |
| Beef stew, porridge, salad, gravy and vegetables | 60 | 15.0% |
| Spinach and cabbages | 25 | 6.2% |
| Cow and sheep legs (tlhakwana) | 20 | 5.0% |
| Potatoes | 20 | 5.0% |
| Fresh tomatoes | 25 | 6.2% |
| Pumpkins | 10 | 2.5% |
| Fresh, boiled, roasted or dried maize (mealies) | 19 | 4.7% |
| Kota (bread, potato chips atchar and polony) | 15 | 3.9% |
| Dumpling (steam bread) | 11 | 2.7% |
| Beef intestines (Malamogodu) | 19 | 4.7% |
| Beet root | 7 | 1.7 |
| Fat cake (magwinya), menoto (chicken feet) polony or atchar | 28 | 7.0% |
| Other | 11 | 2.7% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

Table 5.8 indicates that respondents preferred to vend beef stew, porridge, salad, gravy and vegetables 15.0 percent followed by those that sell chicken stew, pap (cooked maize flour) or rice 13.7 percent. The Table also indicates that 7.5 percent of respondents preferred to sell chicken pieces (grilled), pap or rice whilst 3.9 percent revealed they hawk kota (bread, potato chips, atchar and polony). Only 1.7 percent of respondents reported they preferred to vend beetroot as compared to 6.2 percent who sell spinach and cabbages. On the other hand, 7.0 percent of respondents revealed they deal with fat cakes (magwinya), menoto (chicken feet), polony or atchar whilst 4.7 percent vend fresh, roasted, boiled or dried maize (mealies). Table 5.8 further shows that 4.7 percent of respondents preferred to hawk beef intestines

(malamogodu) as compared to 2.7 percent who sold other foods such as live chicken, uncooked eggs, garri, dried fish, and fried rice. The fact that the traders deal in various types of food is an indication that the sector is vibrant and provides a platform for them to earn income.

In the focus group discussions, participants also revealed they deal in various types of food that have enabled them to obtained skills, employment and income which help in improving livelihoods in the area. Food vending in the MLM was found in taxi ranks, bars, road junctions, around churches and universities, shopping centres (malls), construction sites and public buildings such as banks, hotels, police stations, schools, petrol stations and offices. The location of a food service point in these places is determined by intensity of demand for food items. Participants indicated they trade in various types of food such as beverages, cooked and raw foods in the MLM. Some government officials also confirmed that in the MLM, participants trade in foods like fat cake (magwinya), polony, menoto (chicken feet) or atchar, beef stew, porridge, salad, gravy and wild vegetables called morogo and/or pumpkin leaves morogo (morogo wa lephutshe), chicken stew, pap or rice and beef intestines (malamogodu). Participants went on to explain that they also trade in red meat pieces (grilled), pap or rice and cold drinks, potatoes, fresh tomatoes, pumpkins, kota (bread, potato chips and polony), fresh, boiled or dried maize (mealies) called dikgobe or kabu. Further, participants reported they trade in beetroot, cow and sheep legs (tlhakwana), spinach and cabbages and dumpling (steamed bread). These types of food sold in the MLM generate employment, income and skills to participants, which contribute to poverty reduction.

In addition, some participants indicated that they preferred dealing with traditional foods like pounded beef (tshotlo), boiled meat, gravy and salt (mukwetjepa) the gravy is called moro wa dinaledi, sorghum (mabele), breakfast tin porridge (motogo wa mabele) or thick porridge and meat (bogobe jwa mabele) since it generates enough profit and employment for them. As one participant put it:

*"I preferred selling pounded beef (tshotlo), because most of the elders in my area like it".* (Female vendor aged 41).

Another one stressed:

*"I deal with fat cake (Maqinya) because I generate enough income from it, in the morning you need to see the queue. I get up very early in the morning on week days to prepare the ingredients".* (Female vendor aged 39).

Some participants further revealed they preferred to vend traditional food like maize or mabele served with sour milk, pap with fresh or sour milk, maize meal served with pumpkins, mixed boiled maize (chopped) and beans (samp) which fetches sufficient income for them to support their families. In addition, participants claimed that the food trade enables them to earn an income through the different types of food sold; according to these vendors, they are far better than domestic workers in the area are. Melon served with salt (lerotse), soft pounded maize and beans (millet rice), sour milk (madila), first milk from cow (kgatsele) given to kids, sorghum beer, tin maize porridge fermented (mageu), mixed cooked internal organs of either goat, sheep or cattle (serobe) are also other types of food sold by participants in the area.

Further, some foreign participants indicated that they preferred to trade in food like cocoyams, boiled rice and beans, plantains, fried plantain (dodo), baton (fermented cassava rolls), ndole, achu (mashed cocoyam/yellow soup), vegetable, fufu, kwakoko and mbanga soup (mashed cocoyam/palm nut soup) and fufu and eru (fermented cassava and wild vegetable) since it is line with their nationality. Participants also reported they vend roasted fish, tea/coffee and bread, life chicken, eba and amala (cooked maize and soup), fried/boiled eggs and rice and stew.

However, a number of participants preferred selling more than one type of food. According to these participants, although tedious, selling more than one type of food is more profitable and it is easier to accumulate income that lessens susceptibility to shocks in time of adversity. Further, selling more than one type of food can also help create more employment opportunities and improve livelihoods, as it provides customers a wide range to choose from traders. One female participant aged 36 stressed that that street food vending permits them to make proceeds through the various types of food sold, according to the participant she is far better than those people who depend on the government packages in the MLM. Another female vendor aged 39 claimed that she could cover her costs by selling more than one type of food. However, she also pointed out that dealing with more than one kind of food was no easy task since it requires both labour and capital. Another male vendor aged 37 stressed that selling more than one type of food provide

sufficient profits for him and his families to obtain better health that thwarts ill-health. Quotations from the focus group discussions provide evidence for these claims:

*"When I started this business, I was dealing only with one type of food but now I trade in different kinds of food, this generates enough income for me and my family".* (Female vendor aged 42).

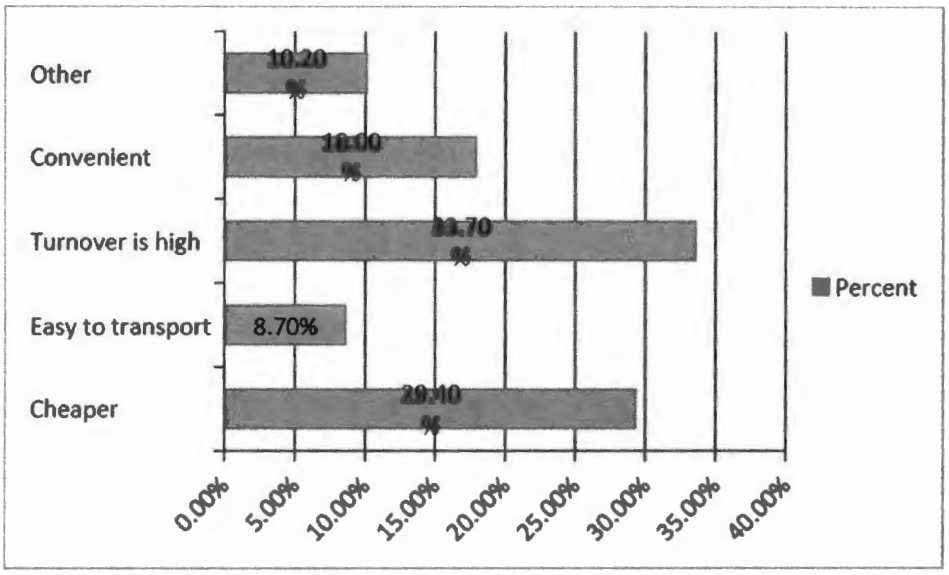
*"I began this street food business in 2005 when I stopped working at a hotel going several months without payment, selling varieties of food such as boiled maize, kota and maquenya using a trolley. After one year, I was able to hire two women to assist me in the business. I used R 6000 to purchase a trailer for my business".* (Male vendor aged 41).

*"Selling variety types of food does not only fetch enough income but also provides a strong attraction when eaten outside the home in an urban context, fosters a sort of national pride and sense of identity".* (Male vendor aged 41).

Where varieties of street foods are sold, the areas have become empowering public sites for social networking where people tell stories, brag and relax. It is also a place to discuss politics, sports and business.

### 5.3.1 The reason for selling particular types of food

After discussing the types of food sold, the study sought to establish the reason vendors in the area sell a particular type of food. Figure 5.5 below shows percentage of why sell the types of food respondents.




Source: Field Study in the MLM 2017

**Figure 5. 5: Percentage of why sell the types of food respondents**

Figure 5.5 reveals that 33.7 percent of respondents indicated they sell the type of food due to high turnover in the trade as compared to only 8.7 percent who reported that it was easy to transport. Further, the table indicated being cheaper as the reason they sell the type of food 29.4 percent followed by those that reported convenience as the motive 18.0 percent. On the other side, 10.2 percent of respondents indicated other such as taste, freshness of the food and personal trust as the reason they sell the type of food.

During focus group discussions, majority of the participants, the officials of the DTI, MLM, SEDA and EHP (during interviews) also reported that high turnover; convenience, being easy to transport, being cheaper and personal trust (known vendor) are the reasons why participants sell a particular type of food.

**High turnover:** According to participants, high turnover from the trade encourages them to stay and attract others to engage in the business. In addition, the high turnover from street food vending allowed them to regain quickly a sense of financial security. Participants indicated the following statements as proof:

*"I was unemployed for more than eight years; I used to spend time with a friend who was a street food vendor, the turnover was good that I decided to start my own business and with the same type of food she was selling".* (Female vendor aged 38).

*"High turnover from selling samp (mixed boiled maize and beans) allowed me to continue the trade and assisted me to solve my financial difficulties and be self-employed".* (Male vendor aged 35).

*"The types of food I sell provide me with high turnover that I use to expand the business".* (Female vendor aged 41).

**Convenience:** According to participants' convenience that is, the availability and accessibility of street foods over space and time allowed them to sell a particular type of food. Participants also stated that street food vending helps in generating income since the food they sell provided flexible paying opportunities for regular customers. Quotations from the focus group discussions provide evidence for these claims:

*"Indeed, in the area there are so many street food vendors operating round the clock that consumers can always find one within reasonable distances and it is time saving".* (Male vendor aged 37).

*"My business operates 24 hours a day; customers will always find me here".* (Female vendor aged 39).

*"I chose to locate my stall at the intersection of major roads to gain access to the mix of residential, business and commercial properties and to the high volumes of both pedestrians and vehicular traffic at all hours".* (Female vendor aged 37).

*"We usually situate our businesses in places where it is convenient and accessible to the consumers. Also, we often situate our business close to universities, schools, offices, shopping areas, taxi ranks, construction sites and footpaths so as to have regular customers".* (Female vendor aged 32).

*"I located my businesses along the road side since it is accessible to my customers who use various transportation means".* (Male vendor aged 27).

**Being Cheaper:** Participants revealed that street food is cheaper to prepare and less expensive for the customers. The relatively low cost of street food attracts consumers to the sector. Furthermore, participants reported that due to the fact street food vending is cheaper to start encourages people to do the business in order to generate additional income to cater for family needs. Participants made the following statements:

*"I started this business with R500 when I was sacked from my workplace.....I was a mechanic".* (Male vendor aged 38).

*"For people who have a meagre income, street food trading is a blessing".* (Male vendor aged 42).

*"Some of our customers do not have time to prepare meals every day for their children; they give them a little money every morning before school to buy some lunch or snacks from us".* (Female vendor aged 38).

*"There is a cafeteria in the university but foods there are so expensive. Students prefer to buy our food since it is cheaper".* (Male vendor aged 35).

**Nutritional value:** Another reason raised by participants was the nutritional value of certain food types. These varieties give the opportunity for customers to select from varied local dishes, and the opportunity to obtain a balanced diet. As one participant put it:

*"We provide food which is not available at home".* (Male vendor aged 39).

Another one said:

*"Home cooked food like the pounded beef (tshotlo) and boiled meat, gravy and salt (mukwetjepa) are more nutritious; when preparing the food, I always boil the meat properly and use good products...when consume them you are satisfied".* (Female vendor aged 36).

Another participant revealed:

*"I make sure I prepare my food very well. When street food is prepared appropriately, it can prevent certain health problems like cholesterol, constipation and deterioration of the immune systems".* (Female vendor aged 38).

Providing balanced diets with adequate nutrients by participants is vital factor in improving community wellbeing and development.

**Personal trust:** Another reason raised by participants was personal trust, due to the general skeptic attitude towards the quality of street foods, many consumers choose to buy street food from a known vendor. In addition, social bond to a known vendor seems to be one of the decisive factors why food vendors sell a particular type of food. Trust was often based on close interpersonal ties to relatives or friendship. As one participant put it:

*"The customer is my friend...she will buy my food all the time".* (Female vendor aged 41).

Another one said:

*"Customers always choose to buy my food because of personal trust and my experience in preparing the type of food I sell".* (Male vendor aged 43).

Another participant stressed:

*"Customers preferred eating my food because it is healthier and more hygienically prepared. I prepare the food like home cooked food".* (Female vendor aged 39).

**Taste:** Taste was another reason raised by participants for dealing with a particularly type of food. People from all the classes and income groups have a special love for street food because of its deliciousness and variety. As one participant-female aged, 43 said:

*"The food I prepare tastes so delicious...my customers come every day and buy it".*

**Freshness:** Another reason participant raised for trading in a particular type of food is freshness. According to the participants, fresh food attracts people and it is healthy. As one participant-female, aged 40 put it:

*"Street food is generally better, because you are able to select fresh ingredients as compared to fast food. You are also able to ensure the ingredients that go into your food are clean and free of contaminants".*

From the above, it can be noted that selling various types of food in the area provides traders with knowledge and skills, which build their confidence in the business. Further, it enables them to interact with people most particularly consumers and this also enhance their capacity to deal with factors affecting their lives. This attests to the fact that the street food sector like formal trade also provides nutritious and fresh foods that serve as attraction to people in the area.

## 5.4 STREET FOOD VENDING, POVERTY AND UNEMPLOYMENT

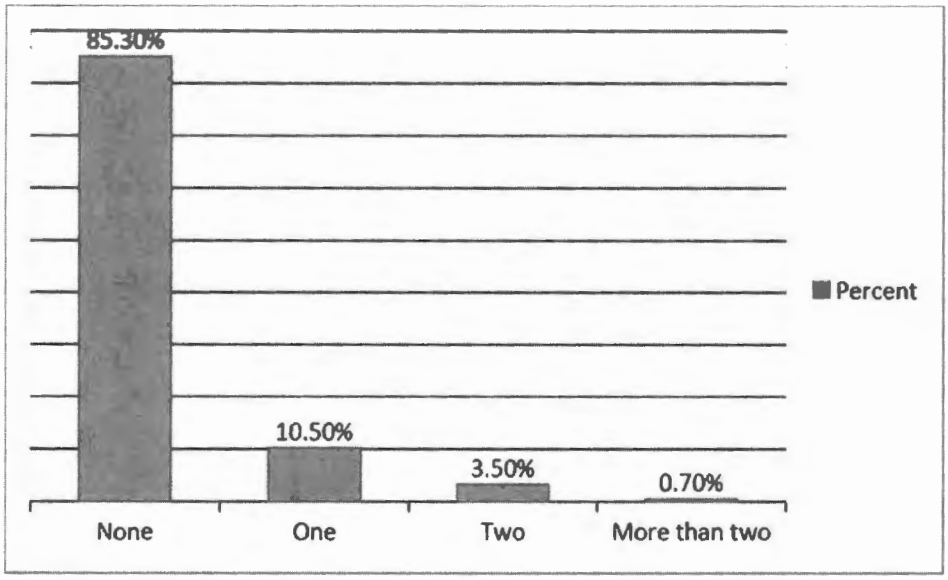
After the identifying the types and discussing why vendors in the MLM vend their types of food, the question arises as to how street food vending impacts on poverty, livelihoods and unemployment in the area. The below demonstrates the impact of street food vending.

**Table 5. 9: The impact of street food vending**

| Impact of street food vending | Frequency | Percent |
|---|---|---|
| Jobs | 143 | 35.7% |
| Skills | 72 | 18.0% |
| Income | 129 | 32.2% |
| Food security | 19 | 4.7% |
| Health | 13 | 3.2% |
| Education | 11 | 2.7% |
| Other | 14 | 3.5% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

Information in Table 5.9 indicates that 35.7 percent of respondents reported that street food vending is instrumental in job creation, followed by respondents that revealed that street food vending provides income that influences positively on poverty, livelihoods and unemployment 32.2 percent. Only 2.7 percent of respondents reported that education acquired through food trade influenced employment, livelihoods and poverty, as compared to 18.7 percent of respondents that revealed skills such as bookkeeping, communication and accounting skills acquired from the business promote growth of the trade. On the other hand, 4.7 percent of respondents indicated that street food vending provides food security that reduces poverty, followed by those that reported health as an impact 3.2 percent. The impact on other areas such as housing and taxation were reported by 3.5 percent of respondents. The figure below demonstrates the proportion of vendors with employees.




Source: Field Research in the MLM 2017

**Figure 5. 6: Proportion of vendors with employees**

As indicated in the literature review, street food vending plays a crucial role in poverty reduction through job creation especially among the poor in the world generally, and in some parts of South Africa like Limpopo, Western Cape and Gauteng. The study was interested to find out the number of people employed by street food vendors in the MLM. As indicated in Figure 5.6 the

majority of respondent 85.3 percent reported they have not managed to employ any one as compared to 10.5 percent that revealed they had one employee. On the other hand, only 0.7 percent of respondents reported employing more than two employees, followed by those that employed two employees 3.5 percent. This is an indication that street food vending is creating jobs not only for vendors but also for others. Therefore, it is clear that street food vending as an informal sector can contribute towards generating employment like the formal sector if encouraged by government and other stakeholders such as DEDT, MLM and SEDA.

During focus group discussions, participants and officials from the DEDT, MLM and LED (during interviews) also reported that street food vending impacts on job creation, poverty reduction and livelihoods in the area. The following sub-section provides more insight into this issue.

### 5.4.1 Job creation

During focus group discussions, most of the participants as well as interviews with the officials from the MLM, DTI and SEDA revealed that street food vending is creating jobs for not only participants but also other people who would otherwise be unemployed. This has contributed to the improvement of their livelihoods. The participants went on to explain that street food vending gives them the ownership of their livelihood through self-employment. This has enabled them to be self-reliant in taking care of their basic needs. This can be seen in the following statements of participants:

"*Being your own boss...you don't need to worry about layoffs, corporate downsizing, or a bad boss*". (Female vendor aged 42).

*"I make my own hours and have the freedom to make final decisions about business management"*. (Male vendor aged 39).

*"Self-employment through street food vending has enabled me to have the ability and more confidence to survive and thrive regardless of the situation of the country"*. (Male vendor aged 40).

*"I am divorced alone and not working. Why sit alone at home, bored? Involving myself in street food vending provides me the opportunity to be self-employed. I do not have any other business activities to enhance my income".* (Female vendor aged 45).

*"The business is good because I was unable to find a job at the time and divorced, street food trade helped me to become independent to make money and be self-reliant.* (Male vendor aged 42).

*"This business is giving me the satisfaction in life through employment. I never knew life could be this tough. I had a happy childhood with my caring mother and loving father, who were daily wage labourers. I was the third child in the family. I have two brothers and one sister. I discontinued studies after grade nine as my family did not have the ability to support my education".* (Female vendor aged 37).

*"Being self-employed, I can save a lot of money and can choose the retirement plan that works best for me".* (Male vendor aged 38).

*"When you work for yourself; you're in control of your own destiny. The money that you generate through the business impacts your livelihood positively".* (Female vendor aged 39).

*"I'm sick and tired of working for other people. I wanted to start my own business and be in control".* (Male vendor aged 37).

Participants further revealed that street food vending gives them a sense of dignity through ownership of the business therefore, a reduction in the incidence of poverty in the area. One participant stressed:

*"Through the business my life has been better. People who see me working on the street think am suffering however, I am almost equal to a software engineer".* (Female vendor aged 33).

Participants further reported that street food trading create job not only for people who are retrenched from the formal sector even those seeking for jobs. As one-participant claims:

*"Since I lost my job in the mine, street food vending enables me to be self-employed. With this business poverty is a thing of the past".* (Male vendor aged 47).

Another one revealed:

*"The government is corrupt because whenever they employ people they look for their close relatives. Since I was sacked...I have been searching for a job for a long time to no avail. I decided to start this business that assists me to be self-employed".* (Male vendor aged 34).

Participants went on to say that, they have been able to provide permanent and temporary employment to others in the business and this leads to poverty reduction. According to the participants, street food vending generated job opportunities for a number of people most particularly school dropouts. This has helped to lessen the crime rate in the area most particularly theft. Excerpts from participants provide proof for these claims:

*"Through the business I have been able to employ more than two people who dropout from schools".* (Female vendor aged 38).

*"I bring a great deal of value to the community. I provide them with something they need, which is employment".* (Male vendor aged 40).

*"I have one employee working for me. The salary earned by this employee is used to support her and the family".* (Male vendor aged 41).

*"The fresh vegetables I sell have made me to start a garden and provide the opportunity for me to buy gardening tools like shovel, watering can and pesticides. I have employed two people working for me, and the employee's livelihoods solely depend on me".* (Male vendor aged 37).

*"I have one temporary worker when the need arises I call him and pay him soon after the work is accomplished".* (Female vendor aged 36).

*"I have undergraduate students working for me part-time. They need the money to pay their rent and fees in the universities".* (Male vendor aged 44).

Nevertheless, it was further established that some participants preferred employing relatives. Some of the relatives were employed on a permanent basis and others were only there on an apprenticeship basis until they have enough knowledge, skill and money to start their own business, or get employment in the formal sector. One participant stressed:

*"I preferred employing a relative than wage labourer since it acts as a tactic to protect knowledge-base and hence restrict competition. It is easier to apply social controls over labour when they are within the moral unit of family.* (Male vendor aged 37).

Although street food vending is not recognized and seen as illegal in the area, the sector helps in unemployment reduction in the Mahikeng Local Municipality.

However, a small proportion of participants revealed that the street food sector does not create jobs for them and others. These participants were of the view that challenges such as street vending policy and bylaws (Nuisance Act), shortage of finance and credit and difficult labour laws were some of the reasons they do not employ others since it prevents them from generating enough income to employ people to assist in the business. One of the participants-female aged 42 indicated:

*"I cannot employ anybody to run the business for me since the income made is very low".*

Another one said:

*"I do not see any reason of employing some one since my children sometimes run the shop for me, especially when they are on school holidays".* (Male vendor aged 39).

From the above, it can be said that street food vending (an informal sector) like the formal sector can be very beneficial in creating jobs not only for vendors but other people if the sector can be encouraged by the government and local municipalities through the reduction of over regulation. This will reduce poverty and improve livelihoods in the North West Province at large and MLM in particular.

### 5.4.2 Income

Street food vending contributed highly in generating income that helps in poverty reduction in the MLM. During focus group discussions, most of the participants as well as interviews from the officials of the MLM and DTI indicated that street food vending enabled participants to generate income and provide an opportunity to expand the business. Further, participants reported that the income made from street food vending is used to supplement family income and improve wellbeing. This can be seen in the following statements of participants:

*"When I started this business my capital was not enough, but as the business grew the income I made grew as well to the point that my business acquired self-sustainability".* (Female vendor aged 45).

*"I got married at the age of 19; I had to manage on my own. My husband is a cleaner. His earnings were insufficient to take care of the family; I was forced to go out for work. I have a son and a daughter. Until about three years ago, life was manageable. However, after my husband had a stroke life turned upside down for the children and me. He had to stay indoors as he was not able to do any physical work. I settled for street food vending as a vegetable vendor which provided me income to cater for my family since I cannot find work in the formal sector".* (Female vendor aged 39).

*"I started the business with R800 and when business is good in a month I can make R6000 after my expenses".* (Male vendor aged 40).

*"People preferred buying street food because prices are usually negotiated and in most cases credits are granted to customers".* (Female vendor aged 42).

*"The income made from street food vending is far more than the grant I receive from the government. These grants are inadequate to meet basic needs, even if the women receive child support grants of R310 per month for a child under the age of 18".* (Female vendor aged 43).

*"I started trading following a divorce, as a means of personal survival. I was deemed old for my previous job in the hotel industry so I decided to start selling cooked food which provides the income needed to support myself and to escape boredom".* (Female vendor aged 40).

*"The business provides me with income; this has enabled me to expand the business. I do not only to sell maquinya (Fat cake), menoto (chicken feet), atchar, and polony but also beef stew, pap and rice".* (Female vendor aged 38).

*"I earned more than some government and private sector employees since i do not pay for vending site and my business is not taxed".* (Male vendor aged 35).

Participants, mostly women, claimed that a small proportion of the income made from the trade, is saved in stokvels (society savings or investment) and some participants invest their savings in formal financial institutions. The money can also be used for various activities; it can be loaned to other people who are not involved in street food vending. Stokvels can play an essential role in increasing access to finance for people that cannot obtain loans from banks. However, in most cases according to the participants the savings are given only to members of the stokvels. One of the participants-female aged 32 stressed:

*"From the business, the income generated I save R150 every day. This income saved from SFV sometimes is use to pay employees, purchase or import stock from the formal sector and support my family in time of hardship".*

Participants further revealed that street food vending enabled them to generate income that is used to carter for the needs of children. Participants indicated the following statements as evidence:

*"The business enables me to save R1000 in a bank every month". This is very helpful because I use the savings at the end of the year to further my daughter education".* (Male vendor aged 38).

*"I make substantial amount of income from street food vending to take care of the children since my husband who works in a big city in Gauteng does not longer send me money to carter for the children".* (Female vendor aged 42).

*"I am not supported financially by anybody.....this business provides me with enough income to cater for the children and my sick uncle.* (Female vendor aged 37).

*"We make income from the trade...our husbands do not provide us with money even though they are working. We have to take care of the children and support the family".* (Female vendor aged 45).

However, a lesser proportion of participants indicated that the insecure nature of some of the business especially perishables like vegetables, affects the income generated from the business. The participants indicated that the income generated from the business is far too little for survival if the size of the family in the household is considered. In addition, according to participants the money has to be used for some necessities like grocery, electricity, water, clothing, transport and many more. Further, participants stated that the income that they receive in the business is usually used to buy ingredients, to pay for transportation and for the assistants, and to pay security guards to protect their goods. The little income they earn also is used to find a safe place where they can put their products or goods when they go home. Therefore, poverty continues to increase in the area. The proof is demonstrated in the following statements made by participants:

*"The income I generated from the business is too little to take care of my basic needs nevertheless; I am forced to continue the trade since there is no alternative jobs".* (Male vendor aged 40).

*"We do not get enough income from the business to support ourselves and the families, and we do not have any other alternative source of income".* (Female vendor aged 35).

*"We do not make enough income at times but as long as we can put bread on the table we would not vacate the business".* (Female vendor aged 39).

*"We augment our income through spouse's salaries and parents' pensions. The low income earned in the business is merely a means of keeping our busy.* (Male vendor aged 41).

Participants further revealed that the listeria disease outbreak influenced negatively on the income of those trading in processed meat such as polony. This reduces SFVs livelihood since consumers are discouraged to purchase street food hence a reduction in profit. One of the participants-male aged 46 revealed that… since the outbreak of listeria disease, consumers are afraid to buy my food as a result I do not make profit. Hunger will kill my children and me if there is no help elsewhere. These participants further revealed they have to look for another way to survive.

It can be concluded from the above that, as an informal sector, street food trade as the formal sector has the potential to open a window of opportunity to vendors, to generate income that otherwise would be difficult to earn if supported by the government via helpful policies. In addition, street food vending has the ability to offer to the poor the opportunity to share more equally the income available in the economy, thus, a reduction in income inequality.

### 5.4.3 Skills

During focus group discussions, participants and interviews from the LED, MLM and DEDT officials reported participants had gained informal and formal skills through their practical involvement in street food vending. According to participants, skills obtained in the business are very important since they increase efficiency of the business, enable people to make loans and manage their finances effectively. They help in expanding their businesses, increasing the profit and decreasing the cost of operation that allowed them to run a cost-effective business. For instance, profit maximization and cost minimization. Specific skills which participants claimed were acquired through food vending included communication, bookkeeping, business planning, accounting, food preparation, safe handling of food which helps them to function better in the street food sector and lead to poverty reduction. In addition, these skills help participants to expand and run their business to its fullest potential. Extracts from the focus group discussions provide evidence for these claims:

*"Before starting this business I did on-the-job training with someone I worked with for four years. There I acquired skills such as communication, record keeping, problem solving and business planning which help me to improve the size of the business".* (Male vendor aged 43).

*"Communication skills I learnt from the trade improve my relationship with the customers. Communication with customers and among vendors is seen as an important element of effective business; as well as an opportunity for social connectedness and as a means of fostering positive relationships between traders, and with their customers".* (Female vendor aged 41).

*"Communication skills learnt were used by us to solve and negotiate problems; to learn and teach from each other and to pass on experience and wisdom in their vending spaces and community".* (Female vendor aged 42).

*"Communication skill I gained from the business is great. What I enjoy the most, I think is talking to the customers. I mean talking to so many people; you see I enjoy doing that.*" (Male vendor aged 37).

*"Some of us acquired skills through on-the-job training which has provided us with opportunities in the sector to start our own businesses".* (Female vendor aged 38).

*"I learnt new skills from other vendors through the use of observational learning. I just watched people doing it and then I did it. You know what, you can learn from others...*" (Male vendor aged 39).

*"Accounting skills obtained through street food vending by traders help in keeping track of all income and expenditure during the month".* (Female vendor aged 37).

*"Skills learned from the business such as accounting enabled me to save money to cater for family matters and pressing needs. This skill enables me to handle and outsmart competition and also in negotiating with customers and suppliers".* (Male vendor aged 39).

*"With the accounting skill obtained in the street food vending...am able to have a part-time job in the formal sector which helps me to earn additional income to support my family".* (Male vendor aged 36).

*"Bookkeeping skill learned from the business allows me to keep a good record of cash flow and taxes paid. I can say I am self-employed".* (Female vendor aged 46).

*"I started my own business with the skill learned from other traders and also the skills helped me in adapting techniques used to make a sale, adjusting to seasonal change and respond to competition. This helps me to improve my livelihood".* (Male vendor aged 38).

By starting the street food trade and saving small amounts of money, food vendors take risks, which enhance the entrepreneurial abilities of the poor. The entrepreneurial skills of street food traders are well demonstrated by one of the participants who said:

*"The business is dignifying. I can earn money by myself. No one will look down upon me. Through the trade, I am independent. I am my own boss. I have money to pay for my house rent and to spend each day".* (Female vendor aged 36).

Street food vending enables food vendors to acquire a range of entrepreneurial and managerial skills for the growth of the business. One of the participants-male aged 34 claims:

*"Through street food trade, I acquired managerial skill which makes my businesses to flourish superbly and increase my living standard. Acquisition of managerial skill provides a solid platform for entrepreneurship and business survival".*

Another participant revealed:

*"I have been able to provide training or apprenticeships to people who would otherwise have remained unemployed or might have engaged in criminal activities. They used the managerial skills obtained from the street food vending to improve their livelihood".* (Female vendor aged 36).

Nevertheless, a small proportion of participants stressed that they have not acquired any skills from the business. According to them they have not receive any formal training such as in business planning and food safety and hygiene to enable them to operate their businesses to full potential. Therefore, this hinders their business from growing.

It can be concluded, that street food vending provides vendors with the opportunity to acquire communication, managerial, business planning, accounting, bookkeeping skills that can be very instrumental in improving the efficiency of the business. These skills can also be used to obtain

employment in the formal sector, which may lead to an improvement in the living standard. This attests to the fact that SFV as the formal trade if encouraged by the local authorities and government will promote skill develoment.

### 5.4.4 Education

Education provides the necessary skills and knowledge that can help businesses and economies to flourish since it increases vendor's capabilities in doing business. Education enables street food traders to be more productive and efficient in carrying out tasks that require critical thinking therefore, a growth in the sector. During focus group discussions and interviews with MLM and SEDA officials, it was reported that participants acquired formal and informal education from the trade that leads to the development of human capital. These enabled participants to expand their trade and livelihoods. Further, participants revealed that they have been able to enhance their education through the business, which allows them to manage the trade efficiently. This can be seen in the following statements made by participants:

*"The education obtained from the business made some of us to understand market risk profiling, financial planning and funding".* (Male vendor aged 40).

*"I can now take proper decisions on profit and loss in the business with education acquired from the business. By understanding how street vending activities work, I also learned how to make inventive choices in handling their own scarce resources, such as time and money in the business".* (Female vendor aged 39).

*With knowledge acquired I now understand street vending requirements like registration, street vending policy and bylaws unlike before".* (Female vendor aged 38).

*"With education acquired through the business I can now understand rules, written instructions, bylaws as well as information that could help us improve our businesses".* (Female vendor aged 32).

*I am an orphan with no support; street food vending enables me to further my education".* (Male vendor aged 20).

Participants went ahead to explain that the education acquired enriches their understanding of the business. According to them education raises their creativity, productivity and promotes technological advancement and entrepreneurship in the business. Further, participants went on to reveal that education plays a very essential role in safeguarding social and economic progress and improving income of vendors. Participants also explained that they have been able to send their children to school through the business and this helps in improving the size of the business through accountability and bookkeeping. Excerpts from participants provide confirmation for these claims:

*"Using the business to send children to school reduces unemployment and poverty as well as criminal activities in the area". Education acquired by the children improves knowledge and helps to enhance accountability therefore, business growth".* (Female vendor aged 41).

*"Although my welfare may not seem to have improved after I engaged in the business, I had managed to educate my children".* (Female vendor aged 39).

*"My lifestyle has not changed much now since involving in the trade. Nonetheless, all my kids are educated. I am very satisfied".* (Male vendor aged 40).

In addition, participants reported that acquisition of knowledge enabled them to manage their health properly and run the business without failure. Education helps improve the knowledge of food intake hence good health. One participant put it:

*"Education helps us to improve our food intake not only by raising our incomes and spending on food but also by encouraging some of us to make better health choices thus increase life expectancy".* (Female vendor aged 38).

Participants further reported that education allowed them to utilize skills and knowledge, and to look after their health that improves wellbeing. One participant-male aged 43 claim... *"Knowledge accumulation influences street food trade performance and competitiveness via better health".*

However, a small number of participants reported they have not acquired education through SFV and this is hindering the growth of their business hence livelihoods. According to participants, challenges such as harassment and confiscation of food items and utensils by municipal authorities prevent them from accumulating more income that affects their livelihoods. Nevertheless, these participants still believe that education and training is dynamic for the success of their businesses. According to the participants, they regret dropping out of school and this prevented them from performing better in their business.

It can be concluded from the above, that education obtained through the business can enhance productivity directly by uplifting the quality of labour if the sector is encouraged by the government and the municipality. Education is critical to improve sales, most importantly in a rapidly changing economic environment where technology increasingly plays a significant role.

### 5.4.5 Housing

The growth of street food vending activities leads to the increase of demand for housing in the area. Participants during the focus group discussions reported that they pay rent for the houses they occupied from the income generated from the business although some of the housing conditions are precarious. Participants also revealed that some have managed to build houses such as bricks, muds or shacks from the money generated from street food vending. Participants further explained that some of the houses they have built are rented out in order to make additional income to support their families. As one participant put it:

*"I own a house and rented it out for R500 per month, that house when fully occupied will put R6000 per year back into my account. Also, earning rent assists me to have additional money which can be used to invest elsewhere, whether it is saving towards buying a house or investing in the stock market".* (Female vendor aged 42).

Another one stressed:

*"Renting out a house provides the landlord/landlady with a direct income flow. Those monthly rent payments can go straight into the landlords account, sometimes offsetting expenses for the month".* (Male vendor aged 37).

Participants further indicated that street food vending also leads to the growth of informal dwellings in the area like shacks. Other dwellings like shacks, rooms and even larger properties may be rented out informally to food vendors. As one of the participants-female aged 43 claims:

*I live with more than five children...I have rented this single room at R600 a month; I can now afford to pay the rent every month from the money I generate from selling food in the street. This gives me peace of mind since I know I have shelter for me and my children".*

Another participant said:

*"My family relies on the income I make from the street food sale, the money is not enough to cater for our needs but we manage to pay rent".* (Male vendor aged 38).

Participants also revealed that with the money generated from the street food trade some vendors are building houses which provide them with additional income to improve their livelihoods in the area. As one participant put it:

*"They have grown impatient waiting for government's promise of Reconstruction and Development Programme (RDP) housing so the money realized from the business is used to build houses".* (Female vendor aged 42).

From the above, it can be concluded that street food vending provides money to cater for accommodation needs of vendors and their families. Furthermore, the informal and formal housing that has been rented out provides income into households involved in street food vending activities in the area.

### 5.4.6 Health

People engaged in the street food sector are poor, vulnerable, and live and work in difficult conditions, which make them susceptible to many infectious and chronic illnesses. Street food vendors in most cases spend a higher proportion of their income on health care than the better off. Thus, the health of street food traders is precariously poised, as their living and working conditions are a precipitating factor for ill health and their burden of expenditure on health care is disproportionately high in relation to their earnings. However, with the income generated from

street food vending some participants stressed they can now access better hospitals than before, which enabled them to improve livelihoods. Participants made the following statements as evidence:

*"We use a significant amount of our profit in providing for the health care of our families in the private sector since they provide better services than public sector".* (Male vendor aged 40).

*"The business enables us and our children to have access to better health which helps in the smooth management of the business".* (Female vendor aged 38).

*"I am able to meet the cost of health services after engaging in food vending activities than the situation I was facing before engaging in food vending activities".* (Female vendor aged 43).

*"Despite the fact that I am not a member of medical aid schemes, my business made it possible for me to meet the medical needs of my family".* (Male vendor aged 36).

*"Although public hospitals in the country are free, health is still a problem, these days my trade helps me a lot. The money I make from the business enables me to buy medicine and to go for surgery. Without street food vending households would suffer economic hardships through poor health".* (Female vendor aged 29).

However, a number of participants revealed their health situation has not improved since they started the business. According to these participants, lack of recognition from the government and municipal authorities in the area prevent them from generating enough income to improve their health hence wellbeing. Participants went on to explain that since their income is low they are reluctant to join insurance schemes, as they do not subscribe to the notion of paying for services they might not use. The following statements were made by participants:

*"Street food vendors enjoy little protection against illness and without social security since most vendors do not qualify.* (Female vendor aged 37).

*"Due to the poor organization of the street food sector makes it difficult to provide social security to traders as premiums will be difficult to determine as incomes vary on a monthly basis. Consequently, vendors have to transact on a cash basis for their medical needs. Street food*

*traders spending a substantial part of their incomes on health care reduce their livelihoods".* (Interview with official)

*"Although the EHP has the mandate to prosecute offenders around the sale of unpleasant food as well as what can be considered as an unwholesome food, they often harass vendors and demand bribes".* (Male vendor aged 41).

### 5.4.7 Taxation

Tax money spent correctly through expenditure in development projects will help improve livelihoods in the area. Government and local authorities spending on development projects such as schools, healthcare, higher education, and roads will generate long-term growth and benefits not only in the MLM in particular but also the country at large. However, during focus group discussions, participants and SEDA, MLM, LED and DTI officials (during interviews), it was revealed that most participants do not pay tax or any kind of permits in the MLM. This can be seen as a challenge to local authorities although; it provides benefits to some participants. Participants indicated the following statements as proof:

*"We are not paying tax since the income made from the business per annum is less than R70, 000 although the authorities allowed us to conduct our business that is the reason the sector is seen as illegal as a consequence we are being harassed by the municipal authorities. Paying taxes will reduce profit, hence a reduction livelihoods".* (Female vendor aged 40).

*"If local authorities ask me to pay tax I would prefer to move from place to place since I do not see the necessity of being taxed by the authorities".* (Male vendor aged 37).

*"Paying permit place a higher burden on me since I am poor. I will spend a greater percentage of my income than higher income earners".* (Female vendor aged 36).

*"I would not pay taxes even when I have the money, this is my country. I am supposed to enjoy it".* (Male vendor aged 32).

Furthermore, one of the participants-female aged 38 indicated that she had not bothered to register her business since she knew that in Mahikeng food regulators do not ask for a license.

But she agreed that if she were vending in cities like Johannesburg, Durban, Pretoria and Cape Town, it would be different. She explains that in Mahikeng they do not give us problems at all. If it were e in other cities, they would be asked to pay for the permits. One participant-female aged 45 said:

*"Since I started operating about five years ago, no food regulator has visited my place to question me about my business".*

However, a few number of participants and some of the officials indicated that vendors are expected to pay tax to the authorities on the grounds that, it will permit the local authorities and government to provide basic infrastructure such as refuse removal, electricity, security, roads and water to areas where their business are conducted. Participants further revealed that since the places they use for business is not theirs that is belongs to the authorities (government), it is right to pay for them in the form of tax. In addition, tax money can also be used to create jobs in the area. As one participant put it:

*"Taxpayer's money helps pay for programs that support lower-income and middle class citizens, while also contributing to the basic services that all taxpayers have equal access to".* (Male vendor aged 25).

Another participant revealed:

*"My business is registered and I always pay tax because it is important for one to express his civil responsibility".* (Female vendor aged 37).

Despite of the comments given by street food vendors regarding the importance of taxation to the economy of the country, most of the food vendors in the study do not pay tax. Street food trading is a source of income through taxes or any kind of permits to the local and state government, even though; a larger number of vendors do not pay taxes. This demonstrates that recognition of street food vending in the area by providing helpful policy by the government will generate revenue like the formal sector.

### 5.4.8 Food security

Street food vending is considered as one of the mechanisms for ensuring household food security in South Africa in general and MLM in particular hence wellbeing. Street food trade increases household incomes and this enhances the ability of food vendors to purchase food provisions for their households. Availability of food enables household to reduce malnutrition and mortality most particularly children in the area (FAO, 2011: 7). During focus group discussions, participants revealed the street food trade allowed them to be food secures which contributes to poverty reduction. The following statements made by participants demonstrate the evidence:

*Street food vending enables some of our households to have access to food as compared to before engaging in the business".* (Female vendor aged 44).

*"Although I have large household to support through this business, hunger is now a distant thing my household can eat three times a day".* (Female vendor aged 35).

*"Some of us can afford two meals a day something we could not earlier".* (Male vendor aged 39).

*"At first food was a problem but now it is not. This business allows me to have money for food during difficult times. So I can say the trade helped me to put food on the table".* (Female vendor aged 39).

*"My household hunger is experienced less frequently than in households that do not engage in the trade". Street food vending plays some role in averting recurrent hunger.* (Female vendor aged 33).

*"This business has allowed me to generate income for food during difficult times....we sometimes eat from the business food especially when business is bad....as such my family do not go hungry".* (Male vendor aged 48).

*"I am able to make informeal decisions about food choices since I now have variety to choose from".* (Female vendor aged 37).

*"With the availability of food through the business I do not see any reason to migrate to big cities to look for a job to support myself".* (Male vendor aged 36).

*"The business allowed some of us to have enough nutrition every day to remain active and healthy. This allows me to conduct the trade with ease".* (Female vendor aged 40).

*"The business prevents us from missing meals most particularly our children. Reduction in the quantity and quality of food intake arising from financial constraints results to vulnerability to illness and undernourishment, hence continuous poverty".* (Male vendor aged 35).

*"With the income generated from street food vending I now consume significantly more calories and this prevent undernourishment. Also, through the trade I have been able to provide affordable and nutritious food to my family members".* (Female vendor aged 36).

However, a number of participants reported that street food vending has not enabled them to be food secure. According to the participants, street food trade has not changed their consumption patterns but it allowed them to maintain the same level of food consumption they had before involving in the business. This is because of lack of access to finance, credit, and harassment from the municipal officials. One participant-female aged 45 claims:

*"I can say that there has been no change in my food consumption but what I can say is that the business enabled me to maintain the standard of living I had before I was retrenched".*

From the above, it can be said that street food trade enabled vendors to provide food adequately to their family. The business also allowed traders to have access to nutritious food at all times which meets their dietary needs for an active and healthy life. Access to affordable and reliable food reduces starvation and contributes to high living standard.

## 5.5 INCOME ACCRUING FROM FOOD VENDING BUSINESS ACTIVITIES

Income generated from a business enable people to stay, attracts others or to discontinue the trade. To understand how income was generated further from the business, this study inquired about the level of profit being made. Table 5.10 below presents the breakdown of profit made and figure 5.7 shows the levels of monthly profit.

**Table 5. 10: Breakdown of profit made**

| Make profit | Frequency | Percent |
|---|---|---|
| Yes | 385 | 96.0% |
| No | 16 | 4.0% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

The majority of the respondents surveyed reported they make profit from the street food trade 96.0 percent, and the rest 4.0 percent revealed they did not make profit from the business. The fact that most of the respondents reported they made profit is the reason they are able to manage business smoothly for over a long period.

In the focus group discussions, participants reported they are generating profit from the trade that permitted them to accumulate income from the business and this reduces poverty incidence in the area. Participants went on to explain they were able to make profit to cover their living expenses despite the present economic climate in the country. The profit generated from the business is the incentive that keeps them engaged in street food vending activities. According to participants, street food vending can only expand and gain strength if it earns profit. Profit generated from the business is necessary for the continuity of the trade. This can be seen in the following statements made by participants:

*"My brother, let me be honest with you. I am making profit from this business. I have been in this business for quite some time now and I am satisfied. With dedication, determination and prayers, you will succeed in any environment in this world".* (Male vendor aged 39).

*"I am satisfied with the profit generated in this business. In street food trade, you need to be serious and smart. Unlike those who are unserious and lazy, always complaining that business is bad".* (Female vendor aged 37).

*"We make profit since most of us operate without licenses or permits, we do not pay tax.* (Female vendor aged 36).

*"I am new to this employment. Before this, I was a domestic worker. But I find this trade more profitable and respectable".* (Male vendor aged 40).

*"I have been able to generate profit from this business and it has made me confident and proud of the trade. I call on other people to embrace street food trade".* (Male vendor aged 39).

*"I have been able to generate profit from this business since I always ask my customers about how they feel after buying my food. Whether they like it or not I then focus on the benefits that they gained from consuming the food. In addition, I always encourage my customers to come back more often. This improves sales performance".* (Female vendor aged 34).

However, a small number of participants reported they do not generate any profit from the business as a result there is no improvement of their livelihood. According to them lack of knowledge and skills on SFV, poor infrastructure such as shelter and the lack of support from SEDA are the reasons they are not making any profit from the business. Participants also claim that the reason they do not make profit is due to the presence of the shopping centres. As one participant put it:

*"I am affected by the presence of the mall despite the fact that sometime I give my customers credit in order to keep them.....although this is not good for the business. Look at the book it has the names of people who still owe me. We believed this was a very good strategy to fight competition from the malls, however, it is not working because people refuse to pay".* (Male vendor aged 42). Further, participants cited the fact that some of the operators in the malls also utilize similar strategy to keep their clients, for instance the usage of thank you cards to keep customers happy. One of the participants-female aged 46 broke down into tears when asked how she was coping and whether she was satisfied with her current, profit earned from the business. She indicated: *"I am a grandmother taking care of my orphaned grandchildren and I am struggling to make ends meet with no support from the government. Look at what I am selling these days I get very little income. This constant struggle to make ends meet has had an adverse effect on my health; I am now dependent on medication".*

Another one said:

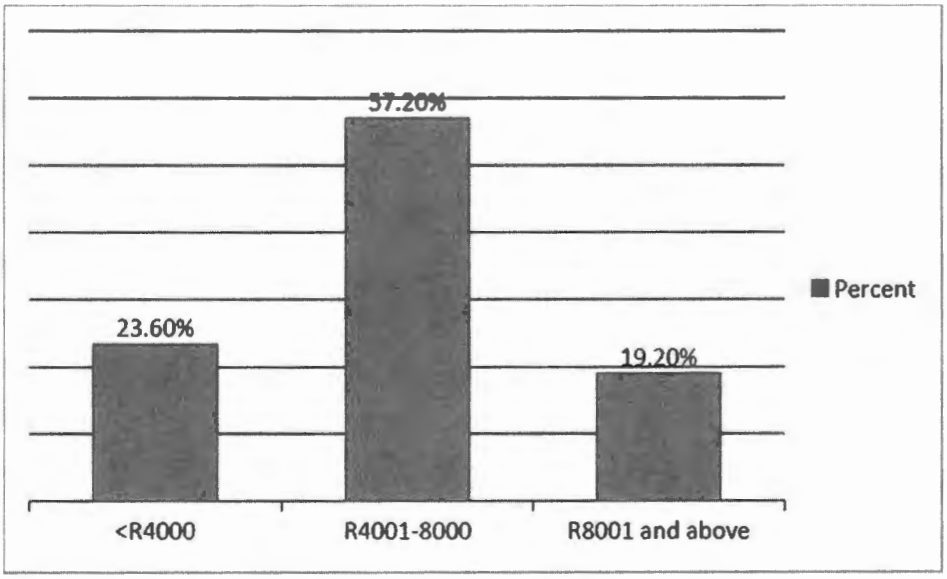
*"There was a time I spend my little profit generated from the business. My father was very sick for a long-time, unfortunately, he eventually died. I just started the business from a loan I secured from a friend. I have to survive".* (Female vendor aged 38).

Some participants further reported that they continue to stay in the trade since they do not have any other means to survive. Participants indicated the following statements as confirmation:

*"Let me tell you bro, this is only job I got....leaving it would be disastrous for me and my children".* (Female vendor aged 38).

*"Things are hard in this country.....this is the only source of income for me leaving it is like committing suicide".* (Male vendor aged 37).

*"Where can I get a better job, I am not educated like others...I do not want to be idle, this is the only job I have".* (Female vendor aged 44).




Source: Field Research in the MLM 2017

**Figure 5. 7: Levels of monthly Profit**

A question was asked to find out the level of profit made by vendors in a month. More than half of the respondents 57.2 percent reported they made R4001-8000 profit a month, followed by

respondents that made <R4000 profit 23.6 percent. On the other side, 19.2 percent of respondents indicated they made more than R8001 profit a month. The fact that more than half of the respondents made profit of between R4001-8000 from the business is an indication that street food trade is creating employment hence, an improvement in the well-being of vendors. The profit generated by more than half of the respondents is far higher than the upper-bound poverty line of 2015 used by the South African government that is R992 per person per month.

In the focus group discussions, most of the participants reported they made profit ranging from R4001-8000 from the trade to support households; a few participants made less than R4000 or more than R8001 a month, respectively. According to participants, the profit made enabled them to accumulate income that allowed them to concentrate more on the business that improve their socio-economic well-being. The profit generated leads to self-reliance and helps in the reduction of some of the participant's dependency on government packages such as social grant. Quotations from the focus group discussions provide evidence for these claims:

*"Conducting street food vending every month I am sure of taking home more than R5000 since I have a good relationship with my customers. Imagine the amount of income I can accrue from the business in a year".* (Female vendor aged 38).

*"I make a cool R700 profit on a good day working around the offices in Mmabatho*". (Male Vendor aged 35).

*"I make an average of R250 profit a day and up to R400 when business is good".* (Female vendor aged 40).

*"Some of us sell food items which give us a profit of not less than R300 a day, when business is good we make more profit".* (Female vendor aged 40).

*"Although I sell food items like dumpling I make more than R150 profit a day, imagine how much I can make in a month if the business is supported by the municipal authorities. I would accumulate enough money that I can use to take care of my household. It is very good".* (Male vendor aged 41).

*"I have been in the street food trading for about 5-10 years. I have managed to accumulate income from the profit generated from the business and used it to build a house for my family".* (Male vendor aged 43).

*"The profit I make now in this trade is enough for me to run the family. Now I am the sole breadwinner of my family and waiting for my son, who is in the university, to complete his studies and take over the mantle from me".* (Female vendor aged 39).

*"With the profit I generate from this trade my confidence in spending is higher than before".* (Male vendor aged 28).

*"With the kind of income accruing from the profit generated in the business I am not going to look for a job in the formal sector".* (Female vendor aged 37).

Participants went on to explain that they have been able to generate profit from the business because they do not pay taxes. Participants added that profit generated from the business is essential for the growth and survival of the trade. One of the participants-female aged 37 claims:

*"If street food vending does not make sufficient profit it will not stand the growing competition from others".* Some of the participants stressed they use the accrued income generated to run the business smoothly. Participants provide the following statements as proof:

*"We use the accrued income to employ someone temporarily to assist in the business".* (Female vendor aged 39).

*"I used the accrued income from profits to increase the salaries of my employees".* (Male vendor aged 43).

*"Accruing income from the business I used it to meet future eventualities. Street food vending is subject to many uncertainties and risk like an increase in competition, changing customer preferences and changing government policies. In such instances the accumulated income is employed to meet those negative business difficulties in order to maintain decent standard of living".* (Male vendor aged 49).

*"I used the accumulated income from the business to start a vegetable and poultry farm and I sell chicken to the community to supplement my household".* (Male vendor aged 41).

Interviews with some of the officials confirm that accumulated income impact positively on the confidence of the traders. Participants obviously feel better about their energy, time and financial investment in operating the business.

However, a number of participants indicated that the profit made in a month is not enough to accumulate income from street food vending therefore a reduction in livelihoods in the area. They were of the opinion that lack of formal training in food safety hygiene hampered their business to accumulate income. The participants further revealed that due to lack of demand by consumers and competition from new traders there was an overall drop in consumer demand resulting in lower profits. Participants also claim that the absence of very important infrastructure like transport, accommodation and day care centers for their kids pose as a serious challenge to SFV as a result this reduces accrued income since vendors use money generated for the to pay these services.

Participants stressed they do not make enough profit due to harassment from the municipal authorities. Street food traders often operate on the fringes of the law. They are often associated with criminal activities and are consequently subjected to harassment. One participant-female aged 38 said:

*"Since I started the business, municipal authorities often harass me and sometimes it leads to confrontation".*

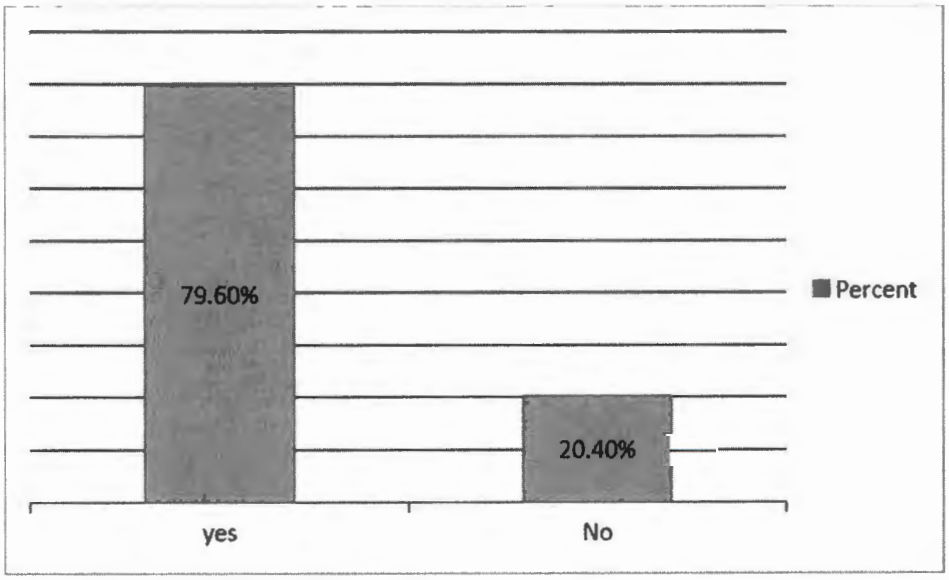
Participants further reported that the unwillingness of banks and SEDA to assist them with working capital and credit is reducing profit margins in the business therefore, livelihoods. As one participant put it:

*"The refusal by banks to lend money without collateral prevents them from increasing the size of their businesses and employing other people. Also, suppliers have power over street food traders by not providing discounts because the traders purchase products in small quantities".* (Male vendor aged 41).

From the above, it is evident that street food vending in the MLM provides the platform for vendors to generate and accrue profit, which is very crucial for the business to thrive for a long period. This attests to the fact that street food vending has the potential to make a significant contribution to the economy.

## 5.6 CONTRIBUTION OF STREET FOOD VENDING TO POVERTY REDUCTION

After inquiring about the income accruing from the business, the next question was posed to determine street food vending contribution to poverty reduction among vendors in the MLM. Figure 5.8 below demonstrates improvement in socio-economic status.




Source: Field Study in the MLM 2017

**Figure 5. 8: Improvement in socio-economic status**

The information in Figure 5.7 reveals that the majority 79.6 percent of respondents reported that street food vending is improving the socio-economic status of vendors in the area. However, a number of respondents reported that street food has not improved their socio-economic status 20.4 percent. They were of the view that challenges such as business location, lack of recognition of SFV activities by the government and local authorities and the outbreak of the listeria disease had contributed to the reduction in their income. Consequently, they are unable to further their

education and have access to better health services that affects the growth of the business negatively. The table 5.11 below presents contribution to respondent's well-being.

**Table 5. 11: Contribution to respondent's well-being**

| Contributing to well-being | Frequency | Percent |
|---|---|---|
| Yes | 311 | 76.6% |
| No | 90 | 24.4% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

The majority of respondents participating in street food trade said they have improved their well-being 76.6 percent. Street food vending improved the capabilities, assets and activities that enable vendors to cope and recover from stress and shocks in times of distress. However, 24.4 percent of respondents indicated that their well-being has not improved. In fact, the respondents were of the view that the challenges such as family responsibility and lack of communication between SFVs and local authorities act as a buffer to make a living, meet their consumption necessities, manage the difficulties and worries in the business, engage with new opportunities, protect existing or pursue new lifestyles. The table below presents how profit was used by vendors.

**Table 5. 12: How profit was used by vendors**

| Profit made, how to spend it | Frequency | Percent |
|---|---|---|
| To expand the business | 47 | 11.8% |
| Children education | 117 | 29.2% |
| Storage facilities | 23 | 5.7% |
| To buy landed property | 21 | 5.2% |
| To pay for rents, transportation and electricity | 35 | 8.7% |
| To buy cloths, meat and television | 32 | 8.0% |
| Use it to support households | 103 | 25.7% |
| To buy livestock's | 23 | 5.7% |
| Total | 401 | 100 |

Source: Field Study in the MLM 2017

The information in Table 5.12 indicates that 29.2 percent of respondents reported they spend the profit on children's education, followed by those that revealed they spend it to support households 25.7 percent. Only 5.2 percent of respondents indicated they spend it to buy landed property whilst 5.7 percent spend it on storage facilities. Table 5.12 further revealed that 11.8 percent of respondents reported they spend profit to expand the business as compared to 5.7 percent that indicated they spend it to buy livestock such as goats, pigs, sheep, donkeys and cattle. On the other hand, 8.0 percent of respondents reported they used the profit to buy clothes meat and television sets whilst 8.7 percent indicated they spend it to pay for electricity, transportation and rent. In fact, this situation is an indication that street food vending is reducing the incidence of poverty in vendor's households in the area.

The income and employment generation opportunities offered by the street food sector provides a very important role in poverty reduction among street food vendors in the area. This is manifested through the number of people employed and the income made from the businesses.

During focus group discussions, the majority of the participants and key informants reported that street food vending is improving socio-economic status and well-being among vendors in the area through the income, skills and employment generated from the trade. This can be seen in the following statements of participants:

*"The business allows me to support my family. I realized there is little use for education; I could earn a living without having to study for years and improve my living condition. I studied till grade 11 in Mahikeng, where I was born and raised. I am the youngest in my family and when I saw my elder brother running his own business as a vegetable seller, I decided to become one".* (Male vendor aged 36).

*"We can afford to meet some of the basic requirements like furthering our education and sending some of our children to school, buying groceries for the family and cover our rent with the income made from the business".* (Female vendor aged 30).

*"We can afford to pay a visit to some of our distant relatives, something we couldn't do before, and also afford cellular phones. Cellular phones ease communication with our customers; therefore, they contribute towards an increase in income".* (Female vendor aged 38).

*"In some cases, the street food trade has enabled us to afford a few luxuries like cars. Some of us use these cars to transport our stocks and the children to school. This has empowered us economically".* (Male vendor aged 37).

*"The business assists me to pay transportation, water and electricity bills and even enabled me to support the poor, most particularly the vulnerable women and children in the area".* (Female vendor aged 38).

*"The trade enabled me to meet some of the basic necessities like clothes, paraffin, detergents, water bills and cooking oil".* (Male vendor aged 32).

*"The income we earned from the business allowed us to solve our daily difficulties regarding education, housing, health, food, transport. Our lives are better than those of the unemployed".* (Female vendor aged 36).

*"With daily profits I generated from the business running from R200 to R250, I am able to pay house rent and support my son in secondary school".* (Female vendor aged 38).

*"Some of the vendors were able to construct better houses and furnish them to match urban housing standards. These houses are well equipped with gadgets such as radio, television and telephone sets being bought from income made from the trade".* (Interview SEDA official).

Further, participants indicated that the street food trade helps in the acquisition of assets such as landed property and livestock that leads to asset and wealth accumulation. This is an indication that street food vending is promoting economic empowerment among vendors in the MLM. Extracts from the focus group discussions provide evidence for these claims:

*Street food vending has enabled some of us to acquire landed property that can be used to cultivate food and build houses which can also be rented out to generate additional income".* (Male vendor aged 36).

*"I have been able to purchase landed property through the business although very small".* (Female vendor aged 40).

*"Some of us could afford the purchase of landed property leading to improved infrastructure at home and better quality of life as opposed to those who are not working".* (Female vendor aged 41).

*"The business enabled some of us to acquire livestock' such as cattle, sheep, donkeys, pigs and goats that can be sold and obtain additional income to cover for our basic needs".* (Male vendor aged 40).

*"Acquiring assets such as livestock allowed us to improve our nutritional level, which contributed to good health and improves the household economy. The business has also expanded our capabilities in providing food for our family.* (Female vendor aged 41).

*"The cattle I own provide milk for my household and some is sold to community members at affordable price".* (Male vendor aged 41).

*"Cattle are an indicator of wealth and play a critical role in producing manure that is very important nutrients in farming. I have been able to generate wealth through direct use or hire as the draught power to those who do not have them accruing, also earning income in the process".* (Male vendor aged 43). This is an important contribution to poverty reduction, as urban and rural food insecurity is one of the growing effects of poverty, especially in South Africa in general and Mahikeng Local Municipality in particular. In addition, increase in income through the business benefits vendor's children particularly through health care, diet and clothing. Participants most particularly the women expressed a strong desire to continue to participate in street food trade, due to the financial gains and its contribution to poverty reduction. According to them, street food vending has a positive impact on poverty reduction, as it is not only empowering them economically and socially, but it is helping them to escape discrimination in the community. The women further stated that they are now more respected in their households and communities, and they have inspired others to pursue street food trade. One of the participants-female aged 49 stressed "*.....through the business we are not only seen as breadwinners but also household's providers. Street food vending enhances the confidence levels of vendors, since you feel a sense of economic independence by being able to take care of your family by earning income".*

However, a small number of participants revealed that street food vending has not contributed to poverty reduction in the area. According to the participants, street food trade is still regarded as an illegal activity in the area, and vendors are seen as criminal. As a result, they are often harassed by the police and municipal authorities at their workplace. They are forced to pay bribes. At times, food vendors pay bribes ranging from R20 to R200 of their income to the police or municipal authorities. Further, participants reported that vendors are often seen as drug traffickers, prostitutes and criminals. Therefore, they are often harassed by local authorities. Participants further revealed that jealousy among street food traders often distort their ability to work collectively and ultimately influence their ability to increase or maintain their income levels. However, according to these participants due to economic climate of the country, they are forced to remain in the business since jobs are hard to get.

## 5.7 CHALLENGES EXPERIENCED BY STREET FOOD VENDORS

Table 5.13 addresses the challenges affecting traders in the area.

**Table 5. 13: Challenges experience of respondents**

| Challenges | Frequency | Percent |
|---|---|---|
| Shortages of working capital and credit | 138 | 34.6% |
| Harassment and confiscation of food items by municipalities officials | 33 | 8.2% |
| Street vending policy | 9 | 2.2% |
| Business location | 16 | 4.0% |
| Lack of demand | 11 | 2.7% |
| Family responsibility | 11 | 2.7% |
| Insecurity | 33 | 8.2% |
| Lack of skills and knowledge | 48 | 12.0% |
| Difficult labour laws | 17 | 4.2% |
| Lack of communication between street food vendors and municipal officials | 37 | 9.3% |
| Lack of infrastructure such as water, sanitation, storage facilities and shelter | 33 | 8.2% |
| Other | 15 | 3.7% |
| Total | 401 | 100 |

Source: Field Research in the MLM 2017

From the Table 5.13 shows that 34.6 percent of respondents reported working capital and credit as the major challenge faced by street food traders in the MLM, followed by lack of skills and knowledge 12.0 percent. The Table also reveals that 8.2 percent of respondents reported harassment and confiscation of food items and utensils as a concern plaguing vendors as compared to lack of communication between street food traders and municipal officials 9.3 percent. Table 5.13 further indicates that 8.2 percent of respondents reported insecurity as a challenge that affects vendors in the MLM. On the other side, 4.0 percent of respondents revealed business location as a challenge plaguing vendors as compared to only 2.2 percent who indicated that street vending policy is a problem. Some 4.2 percent of respondents reported difficult labour laws as a concern that affects vendors whilst 2.7 percent indicated family responsibility as a challenge.

Although the street food sector has been reported to play a pivotal role in providing many households with a better livelihood in the area, street food vending faces many challenges that are restricting growth, profitability and sustainability of the sector and further preventing people to rise above poverty. Participants, MLM and SEDA officials reported that the difficulty to borrow money from financial providers such as the commercial banks was a serious challenge affecting the business. According to participants, banks often refused to provide them with credit since they lacked business skills, were a high-risk group and lacked collateral. Therefore, they struggle to employ others to assist with the business. Further, the participants went on to reveal that although SEDA is supposed to assist street food vendors it prefers to help small businesses instead. According to participants, they are often seen as criminals by SEDA officials. This preference affects their income level from the business negatively. One participant stressed:

*"Lack of capital and credit prevent us to expand our business, this reduces our profits.* (Male vendor aged 37).

Another one claims:

*"Majority of us vendors' businesses were self-financed when starting their business. We often borrowed money from friends, relatives or the stokvels (society savings or investment). This*

*leaves us with huge debts and as a result, it reduces profit margin therefore leading to continuous suffering among vendors in the area".* (Female vendor aged 39).

Skills and knowledge of street food vendors are very essential since they could enhance SFVs' skills and understanding of certain requirements and thereby motivate vendors to comply with street food regulations. However, food vendors are faced with lack of skills on food safety, business skills; personal and environmental hygiene as a result these have a negative impact on the socio-economic status of vendors in the area. In the focus group discussions, participants including the EHP reported that the lack of skills and knowledge hampered street food vending activities in the area and impact negatively on the livelihoods of street food vendors in the MLM. As one official put it:

*"Honestly, when it comes to knowledge and training on food safety, personal and environmental hygiene, and safe cooking methods we have not been honest with the street food vendors. We have not done any training and when we do, we only include a few street food vendors. Once in a year we are supposed to organize health education programme for food vendors, where we educate them on the need to prepare food under strict hygienic conditions, this has not been the case Also, we do not train vendors because of the poor organization and registration of street food vendors. A good training and knowledge of food safety, personal and environmental hygiene contribute to the enhancement of the food sector".*

Another participant-male aged 38 said:

*Some of the officials have more responsibility and jurisdiction by virtue of the fact that they are present and visible in the field and have the capacity to contact vendors more easily than other stakeholders have.*

Another official revealed:

"*When it comes to the food vendors, the final decision is with us. We are on the ground; we go to the people, so we know. Even though the training on food safety for food vendors provides very useful information we used a top down approach, where the SFVs views are not considered".*

Participants further went on to explain that lack of knowledge and skills of some municipal officials is persisting since the lack the necessary training and knowledge to inspect street foods effectively.

Harassment and confiscation of food items and utensils by municipal officials was another challenge affecting street food vendors in the area. Participants and officials from the MLM, LED and SEDA indicated that harassment and confiscation of food items and utensils hampered the growth of the street food sector in the MLM. Interview with an official revealed:

*"Any persons, who carry on any lawful trade or occupation without being in possession of a license as required by the municipality, commit an offence and eviction takes place. This is done to safeguard the cleanliness of the area. To do business in busier locations, vendors need to pay more money ranging between R500 to 1000. If they refuse to pay, vendors are asked to leave the place, are harassed or get their commodities confiscated by the police.*

Another official interview confirmed…according *to the MLM bylaws, vendors are not permitted to trade near municipality buildings, heritage or historical spaces and churches. When the church protested about the traders, according to the bylaws the vendors had to be evicted from the space, regardless of how long they had been trading for.*

Harassment and confiscation of food items by municipal authorities has the potential to increase the incidence of poverty, as vendors are not able to get money out from the business to improve their lives, thus hindering the improvement of the well-being of the people in the area. Quotations from participants provide confirmation for these claims:

*"The municipal officials give me a hard time. I have to pay R 70 every week to them and sometime they seize my food stuffs".* (Female vendor aged 38).

*"Municipal authorities regularly take bribe before letting us sit here ...municipal authorities are not the only ones I have to bribe, even the police and the security guards take money from us to let us sell in this spot".* (Female vendor aged 40).

*"Municipal authorities often harass me claiming I need a license to operate, how can such a small trade like this one, run with a license. Even when I am willing to take a license it will be a long process....they might even ask me for kickback to get one".* (Male vendor aged 41).

Participants also, revealed that with food items and utensils confiscated, vendors had to pay excessive fines to get them back. When they try to collect their food items and utensils, they often found that it was missing. One participant aged 40 claims…they have taken my stuff. It is about three times now. Municipal authorities collected two bags of potatoes; they ask me to pay R200, for the bags of potatoes. Routine and indiscriminate harassment of vendors by municipal authorities and the police in the area leads to conflicts between the street food vendors and the municipal officials therefore, a reduction in revenue generated from the trade since food vendors would not be able to continue with their trade.

Lack of communication between street food vendors and municipal officials was another challenge affecting food operators in the MLM as reported in the FGDs as well as MLM and SEDA officials. This has made most of the street food vendors not formalize their business through licensing and registration as this reduces revenue earned by the municipality through taxes to improve infrastructures in the area. One participant-male aged 42 stress…..formalizing a business through licensing and registration may protect food traders from harassment and the confiscation of goods.

Insecurity as a challenge hinders the expansion of the street food sector in the area as reported by participants. This was adding significant cost of doing business, as a result street food vendors were afraid to expand their trade. Participants and the officials from the MLM, DTI and SEDA reported that participants were victims of safety. According to participants they are faced with theft of stocks, food items, pick pocketing, rape and shop break-in. This has made some street food vendors to hire private security to protect their goods. Participants went on to report that they are helpless when confronted by criminals. Participants made the following statements:

*"When I came here I was using gas to cook, one day when I turned away to fetch water they stole my gas cylinder. Moreover, since then I have been struggling to cook. There is nothing that I could do about it".* (Female vendor aged 39).

*"You can't sell in the night in the area, there was this girl selling kota, she was attacked by two men and all her money taken. They walk past and grab your stuff and run away".* (Male vendor aged 46).

*"I close my business early every day because I am afraid of being harassed by thieves and drunken men. We are trying to work together to protect ourselves from criminals since the police can't protect us".* (Female vendor aged 38). Access to security, the officials from MLM and DTI argued, would enhance street food vending ability to perform better in the sector therefore, and this would contribute to a reduction in poverty incidence in the area.

Lack of infrastructure such as water, sanitation, storage facilities and shelter was also another challenge that street food vendors were facing in the MLM. In Participants as well as the officials of the MLM reported that vendors were exposed to extreme temperatures, wind, rain and extreme sunshine. This had a negative impact on business as all trading stopped when it rained. Extracts made by participants provide the evidence:

*"When it is raining, I don't have shelter here. I had a tent that goes over my food, but it is broken".* (Female vendor aged 39).

*"When the rain comes it is difficult, and the sun is too much for my head. When it rains I have to cover my food with plastic. At times, the weather is so hard that we lose money if it rains".* (Male vendor aged 40).

*"I am living a poor life because I have to sell whether it is raining or not, whether it is winter or not, I am seeking another jobs but I cannot find any. This is a struggle, and I don't know how long can endure it".* (Female vendor aged 36).

*"Many of us also trade in polluted environments which exacerbate conditions such as allergies, asthma, chronic bronchitis and tuberculosis In these areas where trading is conducted, we face the risk of dizziness, sore throats, eye irritation, colds and coughs and tightness of the chest".* (Male vendor aged 41).

*"Most of the vendors are susceptible to ill health due to the lack of shelter, exposure to the weather elements and other stressful life conditions".* (Interview with official)

Participants went on to explain that poor services such as water, toilets, storage facilities and electricity make sustainable business activities in the area difficult. Very often, there are also no toilets in close proximity of vendors' stalls because they have to abandon their stalls to find a public toilet, trading stops resulting in a loss of income. One participant-male aged 39 said:

*"I am here on the street the whole day, one can barely find public toilet to use and even if there is one you will never find it clean and there is no detergent to wash hands after using toilet...I cannot carry soap in my pocket all the time...restaurants also do not let us use their toilets".*

Participants further revealed that due to poor sanitation like lack of toilet facilities and refuse disposal in the area, they fall sick and this reduces income since they are force to stop trading. Participants also explained that storage facilities like a safe place where they can put their utensils or goods when they go home were a concern. They usually squeeze their goods and utensils in containers such as phone booth containers or in some formal shops whereby they have to rent for safekeeping.

Difficult labour laws as a concern, were also raised by traders in the area, this reduces employment creation. In the focus group discussions, participants reported that they are victims of difficult labour laws, which make it difficult for them to employ someone to assist with the business. According to participants, difficult labour laws tend to restrict street food trading rather than facilitating them. Difficult labour laws can cause an increase in income vulnerability, limit trading participation and constrain expansion of the business. One of the participants-male aged 40 revealed that...South African labour laws make it very difficult to fire an employee if the business is no longer doing well. That is why I do not employ any one to help run the business.

Street vending policy was seen as another concern affecting the street food sector in the area. During the FGDs and interviews with an official, it was revealed that the street vending policy formulated to control and regulate the operation of street food trade in the area was affecting traders negatively. In addition, the municipal bylaws, most especially the Nuisance Act that stipulates that all vendors using mokhuku (shack) as a shelter in running the business should be

removed in the area are not friendly to vendors. The demarcation of certain areas where the trade should be done was also another challenge plaguing vendors. One of the participants-male aged 42 revealed that...Municipal authorities carry out demolitions of shelters, confiscation of food items and utensils; and sometimes remove some street food vendors from where they operate. The strict and oppressive rules, terms and conditions of carrying out a business in the street food sector are so frustrating that it becomes an extra load for vendors hence; they are forced to avoid formal regulations and procedures. In addition, difficult street vending laws like (Business Act and Meat safety Act) including bylaws such as the Nuisance Act create stress, prevent any innovative strategy and suppress productivity in the trade. Furthermore, over- regulation of street food vending often creates conflict between the municipal, government officials and street food traders. Consequently, some of the street food vendors do not register their businesses and prefer operating illegally reducing the flow of revenue through tax, permits and fees in the economy that can be used to finance development projects like roads, schools and hospitals in the MLM.

Lack of demand was raised by participant as another challenge in conducting street food vending in the area, which restricts growth of the business. During focus group discussions, participant's revealed lack of demand is affecting their income negatively as consumers usually abstain from buying due to the unhygienic method of preparing and improper ways of serving the food since traders lack the training on food safety and preparation. Participants went on to explain that street foods always lack proper temperature and could attract flies and other pests. Also, some participants reported that due to the distance of their workplace, they find it difficult sit and eat. According to participants some food is hard to eat on the go, while some standard street-food is easily portable, like kota (bread, potato chips and polony), and fat cakes, some foods are better eaten sitting down. Some participants sell beef stew, pap or rice, pounded beef (tshotlo) and boiled meat, gravy and salt (mukwetjepa) from their trolley or trucks. While these foods may be tasty, they are not necessarily easy to walk and eat at the same time due to distance to the workplace. Participants further indicated during certain times of the year there is a lack of demand, thus a reduction in income. As one participant put it:

*"Lack of income during the January period where parents have to send their children to school reduces the demand of street food. That period we suffer a lot in the business".* (Female vendor aged 32).

Another participant stressed:

*"During holidays when the school children are gone, we suffer terribly since there is nobody around to buy".* (Male vendor aged 38).

The participants went on to explain that underperforming and stagnant economy contributed to the rising unemployment hence lack of income to demand of street food. Instead of the government and the local authorities engaging with street food vendors on how to revive the economy, municipal authorities instead, target food vendors.

Business location was also raised as a challenge to conduct business in the MLM. The use of public, private, family and squatter space in Mahikeng by vendors often results to eviction by the municipal officials or the owners of the space. Participants and MLM and LED officials indicated the lack of good business locations affects the livelihoods of vendors negatively. One of the participants claims...the Mahikeng Local Municipality are reluctant to organize spaces such as market stalls within street food vendors' site of preference. The bylaws introduced by the MLM to demarcate certain areas where trading should be done is creating problem. According to participants relocating traders to areas where business is slow and not busy will reduce their income, hence livelihoods. One of the participants-male aged 38 confirms...moving vendors from point A to B is problematic...look around and see this is a busy corner; so many people are passing here. I make a lot of money here. So when evicted I am condemned to eternal poverty.

Family responsibility also affects participants adversely as this reduces income generated and growth of the business therefore, continuous increase in poverty incidence. Participants, including the SEDA and MLM authorities also indicated participants are victims of family responsibility. Family responsibility most particularly for women was a challenge plaguing vendors in the area. Apart from trading, women spend more time cooking, cleaning and looking after the children and other members of the households. Family responsibility of looking after the children and other family members prevent them from working longer hours and reduces income. As one participant put it:

*"I am looking after my grandchild. I have to bring her to work every day because I do not have money to take her to a crèche. She sits in this tomato box and during the day, she plays here".* (Female vendor aged 39).

Another one said:

*"My husband is very sick at home.....I have to manage the business and also take care of the children".* (Female vendor aged 40).

Competition from other vendors and high presence of malls were also raised during the focus group discussions as another concern for vendors in the area. According to participants due the high presence of malls and competition from other vendors, they are forced to sell their products at low prices, which in turn lead to low profits. One of the participants-female aged 41 stresses…these malls are killing my business I sell spinach, but people preferred to buy it from the malls. Sexual abuse among women was another challenge faced in the business. Participants especially women were afraid to trade in the night and in isolated areas to avoid being sexually abused. In addition, one of the participant-female aged 43 claims that…when women go out at night to sell is very dangerous since women are very vulnerable some men want to take advantage. Further, participants were victims of xenophobic attacks and this prevents growth of the sector. One participant-female aged 40 indicated…..that it is perceived threat, which leads to nationals resorting to violence and exclusion in an attempt to protect their job and weak economy from foreigners. Another participant-female aged 40 stressed…*the South Africans are jealous of us....they do not like us, they say you come to take our money and jobs.* Another participant-male aged 30 revealed... *when there is xenophobic attack, both South Africans and foreign nationals suffer.* As a result, this reduces profit margin and hinders the growth of the street food sector in the area. Participants went on to explain that during xenophobic attacks, some vendors particularly the foreign nationals are not able to carry on with their trade due to fear and theft of the stocks.

Perishability of food such as vegetables and fresh tomatoes was another challenge raised by participants plaguing vendors in the area since there are goods that need refrigeration. Participants who sell goods that need to be stored in refrigerators are faced with a serious

problem as this reduces their income. They are compelled to sell their goods at a cheaper price to avoid their goods being rotten. Participants and some officials went on to explain that most vendors do not pay tax or any kind of permits in the MLM. Participants went on to explain that they are not protected by the government and labour unions in the country. The government and local authorities regard vendors as criminals rather than a sector that contributes to job creation and poverty reduction.

## 5.7 SUMMARY

The chapter discussed the findings of socio-economic and demographic profiles and views of participants and respondents. The study shows that the majority who partake in food vending in the MLM were females as compared to males. In addition, it was established in the chapter that the majority that participated were 36 years or more. The chapter also identified the types of food sold by vendors and the reasons why traders vend a particular type of food in the area. Traders vend various types of food in the area that provide income to support themselves and the family. Furthermore, the chapter presented the findings of the main objective of the study, which was to scrutinize the impact of street food vending on poverty and unemployment in the Mahikeng Local Municipality. Participants and respondents acknowledged that street food vending is very instrumental in job creation, income, food security, health, skills, housing, taxation and education. This has led to reduction of poverty and unemployment in the area. These also, improves vendor's livelihood since they can expand the business with revenue accumulated from the trade. Furthermore, the chapter presented the research findings of street food vending contribution to poverty reduction. Street food vendors attest that SFV provides the income for them to purchase livestock such as goats, sheep and cattle that can be sold to generate additional income that helps in poverty reduction. The business also enabled vendors to afford better medical health, pay rents, pay electricity bills, transportation and their children to school. However, in spite the fact that street food vending is instrumental in poverty reduction through skills provision, employment creation and income in the area, nevertheless, street food vending activities are plagued with many challenges such as lack of working capital and credit, harassment from municipal authorities, insecurity, street food vending policy, poor relationship between street food vendors and local authorities. Vendors are also faced with challenges like disease contamination (Listeria), lack of demand, business location and poor infrastructures such

as shelter, storage facilities and sanitation. In addition, vendors experience difficult labour laws, lack of training and knowledge and xenophobia as demonstrated in the chapter. These challenges if not addressed will continue to distort the growth of street food vending in the area hence, continuous increase of poverty and unemployment in the MLM. The next chapter presents the discussions of the research findings supported with literature.

## CHAPTER SIX: DISCUSSION OF THE RESULTS OF FINDINGS

### 6.1 INTRODUCTION

The chapter discusses the findings of the study that emanated from the objectives of the study that was to describe the socio-economic profiles of street food vendors and investigate the impact of street food vending on poverty, livelihoods and unemployment in the MLM. This chapter further discussed findings of the types of food sold by vendors and the contribution of street food vending to poverty reductions. Lastly, the chapter presents the discussion of results and findings of the challenges facing street food vendors in the area.

### 6.2 SOCIO-ECONOMIC PROFILES OF STREET FOOD VENDORS

The study found that 69 percent of the people who took part in the study were females. Females tend to dominate the street food sector in the MLM. Street food vending provides a source of livelihood for a large number of women in the area since it is an easy-to-enter business. In addition, street food trading requires relatively small capital to start and contributes significant income and employment to women. Further, women engaged in street food vending since they can balance work with other responsibilities like taking care of children and family members. Moreover, women got involved in street food vending due to socio-economic factors such as failure to secure formal employment due to lower education and skills. This study is in line with studies conducted by Mengistu and Jibat (2015: 34), in Africa for instance, Benin, Chad, and Mali women accounts for over 85 percent of food vendors outside agriculture. High number of women engaged in SFV corroborates section 4.3 in Chapter 4. The research further found (Figure 5.1) that 31 percent of males have started seeing the importance of the street food sector. The relatively smaller number of men involved in street food vending in the Mahikeng Local Municipality might be because the street food trade provides them with employment opportunities. In addition, street food trading enabled them to generate profits, which helped them to take care of their families and therefore, contribute to poverty reduction. This finding supports FAO (2016a: 4) study conducted in Ghana that revealed that street food vending is mainly a sector run by women, which is in high poverty pocket areas of the city and near schools. The study showed that 67.7 percent of women and 32.3 percent were men in street food vending in Ghana.

In terms of the age groups, the study revealed (Table 5.1) that 75.3 percent of those involved in street food vending were 36 years or more and their participation in street food vending reflects the contribution the sector has in generating employment, skills and income therefore, contributing to poverty reduction in the area. In the survey, the age groups 31-35 years (14.2) percent and 30 years or younger was also reported in this study. The small number of youth involved in the street food trade might be that they do not see the importance of the sector in generating employment and income to them. However, this finding indicated that street food vending activities serve as employment and income opportunities since they involve all age groups in the area. The findings of this study is not consistent with the study conducted in Central Asia region, where it was found that the majority of female traders involved in SFV were aged between 30 to 39 years and are often older than their male counterparts (Nataraj, 2012: 2). Nevertheless, the finding was in support of the study conducted by Mengistu and Jibat (2015: 16), in Addis Ababa, Ethiopia, that indicated that street food vending activities involve youth, adults and some of the elderly people (both women and men).

In regards to educational level, the study found that nearly half of street food vendors 44.5 percent lack formal education (Table 5.2). Those who had grade 1-4 made up 32.2 percent, while those who had grade 5-8 made up 17.2 percent. This situation suggests that street food vending, accommodates vendors who lack formal education and provides them with income, thereby increasing street food traders potential to reduce income inequality and poverty. In addition, the study revealed that a number of vendors had acquired diploma (1.0) percent, grade 9-12 (4.2) percent and degree (1.0) percent. Street food vendors obtaining some level of education such as matric, diploma and degree, constitute a major asset to conduct training programs on various aspects of personal, environmental and food safety and hygiene for them. In addition, this finding indicates that street food vendors incorporate all level of education of people. This finding is in line with the study conducted in Accra, which reveals that 94 per cent of the street food vendors were women with minimal education. Further, Tregenna's (2012: 45) study argued that many people in South Africa, particularly those who are unemployed and with a minimum level of education, are forced to explore opportunities such as street food vending in the informal sector that could reduce their household vulnerability. Since the formal sector tends to employ educated workers, informal sector tends to employ uneducated people because low qualifications are required.

Table 5.3, shows that more than half were single (50.6) percent, married (24.7) percent, co-habiting (13.7) percent, divorced (5.7) percent and widowed (5.3) percent indicating that street food vending plays a key role in absorbing people that are married, divorced, widowed and co-habiting. Street food vending in the MLM acts as a vehicle and safety net for food vendors who are single to generate income. It also provides the platform for vendors that are married, divorced, widowed and co-habiting to be employed. This study is consistent with studies conducted in Limpopo that revealed that of those who were involved in street food vending 41 percent were married, 38 percent were single, 13 percent were divorced and 8 percent were widowed were involved in street food vending (Mathaulula *et al.,* 2017:14). In both instances, those who were either married or single made up more than 70 percent of the street vendors. This is consistent with studies conducted elsewhere. For instance, a study conducted in Democratic Republic of Congo revealed 73.35 percent of people most particularly those that were married, single and widowed rely solely on street food vending activities for livelihoods for their households. Also, In Asia, for instance, Thailand, Bangkok, most of the enterprises, 82 percent are owned and operated by women that were married, divorced, widowed and single (Cress-Williams, 2001: 109; Etzold, 2014: 1; World Bank, 2016b: 12; Gender energy research programme, 2016: 24).

Table 5.3, demonstrates less than R1000 per month (78.0) percent, between R1001-2000 per month (14.0) percent, R2001-3000 (5.0) percent, R3001-4000 (2.0) percent and R4001 and above (1.0) percent. Street food vending is an opportunity for people to supplement their income since it requires less capital investment to enter the business. Street food vending also provides a platform for people in the MLM seeking for formal jobs but could not find any to make a living. This study is in agreement with studies conducted elsewhere. For instance, a study conducted by Tomlins and Johnson, (2010: 2) which acknowledged that street food vending ensures food security for low-income urban populations and provides a livelihood for a large number of workers who would otherwise be unable to establish a business. Furthermore, according to studies conducted by Yasmeen and Nirathron's (2014: 17) in Bangkok, street food vending ensures a livelihood for new generations of less privileged people.

Table 5.4 shows that most of the vendors lived in brick houses (88.0 percent) and fewer percentages lived in mud houses (9.2 percent) and shacks (2.8 percent). The study shows that

vendors engaging in street food vending in the MLM lives in various type of houses like bricks, mud and shack houses. Further, the study shows that most of the traders (88.0) percent might use the money generated from the trade to live in brick houses. This finding was further elaborated in sub-section 6.4.4. This finding is in line with studies conducted elsewhere. For instance, ILO (2016: 23) report in South Asia, found that workers in the informal sector lived in different types of houses such as bricks, bamboo (kutcha) and wood. In addition, a study conducted in Democratic Republic of Congo revealed that most of the people engaged in the street food trade lived in wood and brick houses (Iyenda, 2001: 233).

Table 5.5, shows the majority South Africans (92.9 percent), Zimbabwe (1.5) percent, Botswana and Nigeria (1.0) percent, DRC and Swaziland (0.2) percent, Mozambique (1.2) percent, Cameroon (0.4) percent and other (Pakistan and Somalia) (0.8) percent were involved in street food vending in the area. South Africans and migrants from different countries who fail to find jobs and better livelihood opportunities are absorbed by the street food vending. Street food trading represents cultural integration and larger societal acceptance of different varieties of food in the area. This shows that street food vendors are not discriminated by the South Africans in terms of their class, caste or migration status. It is only the quality of food and general acceptability of the food that makes them acceptable. Street food vendors from different nationalities often are involved in selling food belonging to their own region. This reflects an acceptance by the larger society of different types of food. This study corroborates studies done by Stats SA (2013: 13) in Eastern Cape in 2012, which reveal that 29 percent migrants from countries like Nigeria, Sierra Leone, Lesotho, Zimbabwe, Pakistan, Cameroon, and Ghana were using street food vending as a means of livelihoods. In addition, migrant within the province (Gauteng) 64 percent indicated that the street food trade enabled them to generate income. Further, a study conducted by Yasmen and Nirathron (2014: 20) found that different nationalities from Burma, Vietnam and Mongolia migrated to Thailand, Bangkok to seek a better livelihood through street food vending.

In relation to ethnic groups, the study revealed that different ethnic groups in the MLM are involved in the street food vending. This is illustrated in Figure 5.2. The Tshwana are in the majority (89) percent, Venda (3) percent, Swazi (2) percent and Tsonga (1) percent. Ethnicity influences the nature and assortment of street food in the MLM. This study is not in line with

Timirat (2012: 129) study conducted in Addis Ababa, Ethiopia, which shows that SFV activities were dominated by Gurages and Silte ethnic groups. However, Edima *et al's* (2014: 34) study corroborates and point out that the Street Food Sector in the Metropolitan Areas of a Cameroonian City, Yaounde, acknowledged that up to 60 percent of vendors who dominated the business were from the Ewondo ethnic group.

In terms of number of people living in a household, this study indicated that more than half of street food vendors lived with more than five people (54.6) percent and a few number with three to four (34.7) percent and those who lived with less than two people made up 10.7 percent. Large members living in a household might provide additional assistance such as labour to the business hence growth. In addition, members living in households might engage in street food vending to sustain themselves and their dependents. This finding supports street food vending studies done elsewhere. Street food vending contributes significantly in meeting some low income groups basic needs and generating employment opportunities for people most particularly women with large families (Roever and Skinner, 2016: 5). Further, a study conducted by Stats SA (2013: 13) in the Eastern Cape in 2012, reveal that 64 percent of migrants within the province (South Africans) indicated that the street food trade enabled them to generate income. This income was used to support their families, and 76 per cent of vendors acknowledged that street food vending enabled them to take care of their family of more than two.

The study also found that the majority of vendors that participated were Christians (93.5) percent, Pagans (4.3) percent and Muslims (2.2) percent. Religious affiliation of the vendors is important because some religions prohibit the consumption of some type's food or the way it is processed. Pork for instance is forbidden in Muslim religion and animals have to be slaughter according to a precise ritual. This study therefore illustrates that street food vending provides an opportunity for vendors in different religious connection to make a living, and to move out of poverty. This study is consistent with a study done by Nataraj (2012: 2) in India showing that people from different religious backgrounds are involved in street food vending. It revealed that about 75 percent of the total street food vendors were Hindus, 23 per cent were Muslims, and around one (1) percent were Christians.

## 6.3 TYPES OF FOOD SOLD BY STREET FOOD VENDORS IN THE AREA

The findings of the study indicate that vendors deal with various types of food to generate income. As illustrated in Table 5.8, vendors trade in food such as beef stew, porridge, salad, gravy and vegetables (15.0) percent. Vendors also vend food like chicken stew, pap or rice (13.7) percent, grilled chicken pieces, pap or rice (7.5) percent, fat cakes (magwinya), menoto (chicken feet), polony or atchar (7.0) percent, beef intestines (malamogodu) (6.2) percent, spinach and cabbages (6.2) percent, beet root (1.7) percent, kota (bread, potato chips atchar and polony) (3.9) percent and other (2.7) percent. This finding is consistent with section 4.3 in Chapter 4. This finding is also in line with studies conducted by Kalyani (2016: 2) who posits that in Vietnam, 31 percent street vendors are engaged in vegetable vending, 45 percent are fruits vendors, 14 percent are dealing with beverages. Cardoso *et al.* (2014: 56) study found that in Latin American countries like Colombia, vendors sell street food such as arepas (morsels), bunuelos, champas (corn and milk) and cholados (condensed milk and fruits). Furthermore, in Argentina, vendors trade in food such as choripan (barbecue), empanades (beef and stew), pizza, milanesa (chicken breast) and asado (grilled beef). The trade of various types of food enables vendors to offer variety in their businesses that puts them in a better position to attract customers.

### 6.3.1 The reason vendors sell a particular type of food

Figure 5.5 demonstrates high turnover (33.7) percent, cheaper (29.4) percent, convenient (18.0) percent easy to transport (8.7) percent and other (10.7) percent as the reasons vendors involved in street food vending in the MLM. The quality of street foods handling and safety has resulted to doubt and poor attitude for street food consumption; this has led many consumers to choose to buy street food from a known vendor. Personal relationship to consumers seems to be one of the decisive factors why food vendors sell a particular type of food. In addition, high turnover from the trade encourages some vendors to stay and attract other people to engage in the business. The high turnover made in the business helps to sustain the business and improve well-being in the area. This finding is in line with a study conducted in Cameroon, Edima *et al.* (2014: 18). It found that in Yaoundé, personal trust and high turnover enabled some vendors to trade in fried dough, roasted or fried plantain (dodo), roasted plums, meat (roasted, fried or boiled), fish (roasted, fried or boiled), bread and baton (fermented cassava roll), coco yams, yams, plantains and fufu and eru.

Convenience that is, the availability and accessibility of street foods in short distance and time has helps boost the business in the Mahikeng Local Municipality. Street food vendors are accessible and consumers can always find one within reasonable distances and this is time saving (MLM, 2014: 4). Furthermore, street food is cheaper to prepare by vendors and less expensive for the customers. The low cost of street food vending encourages vendors to stay and expand the business. In addition, consumers patronize the business since it is relatively less expensive to purchase street foods. This study is in line with street food vending studies done elsewhere. For instance, Haleegoah *et al.* (2015: 67) found that in Ghana at national level due to it being convenient and less expensive to purchase, 35 percent of consumers patronized Koko every day, 28 percent eat Waakye twice a week, while 26 percent consumed Kenkey once a week. In terms of nutritional value, street foods give the opportunity for customer to select from variety of local dishes in the area. Street foods provide important daily nutritional requirements since food traders' utilized appropriate ingredients and methods of preparation (Haleegoah *et al.,* 2015: 67). This finding supports the FAO (2016b: 13) study conducted in Thailand, which revealed that vendors sold cooked food such as sour soup, beef soup, boiled vegetable soup, fish kidney noodles, shrimp and papaya salad. These types of food sold attract many people to consume the food due its nutritious value and freshness, and the fact that there is a variety of foods to choose from the traders. Taste was another reason raised by SFVs for dealing with a particularly type of food. Street food taste very good since it is similar to home cooked foods, people from all the classes and income group have a special love for street food because of its deliciousness and varieties (Edima *et al.,* 2014: 18). Cardoso *et al.* (2014: 56) states that in Latin American countries like Colombia, vendors sell varieties and tasty street food such as arepas (morsels), bunuelos, champas (corn and milk) and cholados (condensed milk and fruits.

## 6.4 STREET FOOD VENDING, POVERTY, LIVELIHOODS AND UNEMPLOYMENT

This section discusses the impact of street food vending on poverty, livelihoods and unemployment in the MLM.

### 6.4.1 Contribution to job creation

Street food vending serves as a vehicle for the creation of jobs not only for vendors but also for others to reduce poverty in the area. The study found that street food vending has been very instrumental in creating self-employment and employment to other people in the MLM. As

demonstrated in Table 5.9, job creation (35.7) percent. Street food vending plays a crucial role in reducing unemployment by creating jobs. This has contributed to the improvement of vendors livelihoods in the MLM. It was also portrayed during focus group discussions, interviews with MLM and SEDA officials and the survey Figure 5.6, self-employed (85.3) percent which indicate that the majority of vendors were self-employ through the business. Self-employment through street food vending enables vendors to be more confident and self-reliant resulting to improved livelihoods. Furthermore, the study indicates that street food vending provides permanent and temporary employment to others although little as demonstrated in Figure 5.6. Street food vendors acknowledged employing one employee (10.5) percent and some reported two employees (3.5) percent while some food vendors admitted employing more than two employees (0.7) percent. In addition, in the focus groups discussions, the finding indicates street food vending contributed in generating employment to other people. These people otherwise would have been unemployed. The salaries and wages earned by these employees are used to support their family, contributing to poverty reduction in the area.

As a source of employment, street food vending can also help to address challenges such as economic movement like preventing people from migrating to other areas in search of jobs. Street food vending jobs are easy to start and the obstacles to entry around education, income and training are little in comparison to the formal sector. In addition, the street food trade provides the platform for vendors to participate in social networks and develop a sense of pride for being able to contribute financially to their families. Further, by generating employment, street food vending act as vehicle in achieving the sustainable development goals of eradicating poverty and extreme hunger, promoting gender equality and empowering women. This finding is equally consistent with Kalyani's (2016: 2) work on organised sector in India labour force, who argued that street food vending in Bangalor plays a fundamental role in terms of providing employment opportunities to a large segment of the working force in the country and contributes to the national product significantly. Gani's (2016: 21) study also acknowledged that street food trading provides job opportunities especially for the unskilled and foreigners in Nigerian cities such as Lagos, Abuja and Enugu and people earn a living from streets trading. Herrera's (2011: 201) research on street food vending in Latin America point's to the fact that in countries such as Peru, Ecuador and Venezuela, street food vending constitutes about four (4) percent of the total employment, which translate to about 280,000 vendors.

However, this finding is not in line with the Dualist view that argues that the informal sector including SFV comprises minimal activities distinctive from formal sector that act as a safety net and provide income for the poor in times of crisis. The formal sector alone cannot offer enough jobs for a growing labour force in the economy therefore, informal jobs arise to provide transitory employment for workers unable to find opportunities elsewhere (Hart, 1973: 56; ILO, 2003: 16). The theory pays little attention to the link between the formal and informal sector by stating that there are only few or no links at all between the two sectors (ILO, 2003: 16). The contribution of SFV as part of the informal sector to the economy through job creation demonstrates that the street food sector if encouraged through favorable policies is as important as the formal sector. This stresses the importance that, a link exists between the two sectors. In other words, there is relationship between the informal trade and formal sector in the economy (ILO, 2016: 7). Link is the connection between two things, especially where one affects the other (informal and formal sector). In addition, although the SFS in the informal sector is considered inferior to the formal sector, it absorbs people unable to find formal jobs. Even those retrenched from the formal sector turn to street food vending for employment. Due to the importance of the street food sector in the economy by providing employment for the poor therefore, there is a need for the two sectors to coexist.

### 6.4.2 Income generation and skills development

The findings indicate that street food vending constitutes a source of income, which contributed enormously to the economic and social life of vendors as illustrated in Table 5.9 income generated from the trade (32.2) percent. Street food vending has become a cornerstone for vendors to generate income to supplement family income and improve livelihoods. Some of the proceeds made from the business are saved in the informal and formal banks. The savings can be used for various activities like furthering education and sending children to schools. In addition, the savings can also serve, as loans to other people who are not involve in street food vending activities. Saving is future consumption, a vital part of an economy. It is also equal, in the long term, to investment. The proportion of income that is not spent in the current period will be spent in a later one, enabling investment and driving total demand in the future. Furthermore, the income made from SFV is used to purchase or import the stocks from the formal sector that expand the business. The street food sector as part of the informal trade does not function in isolation from the formal sector. Some of the income generated in street food vending is saved in

the commercial banks in the formal sector. In addition, goods sold by the street food traders are acquired from reputable shops in the formal sector. The dualist view (Hart, 1973: 56; ILO, 2003: 16), opines that there is few or no link between the formal and informal sector including street food vending. However, this finding attests that there is a link between both sectors since the informal sector in particular generates income for SFVs. In addition, some proceeds generated from the informal sector are saved in commercial banks (formal sector). This finding is also consistent with studies conducted elsewhere. For instance, Roever and Skinner's (2016: 5) study on informal food retail in Africa, highlighted the crucial role street food vending plays in generate income in African countries such as Ghana, Mali, Ivory Coast, Democratic Republic of Congo, Nigeria and Kenyareveals that 35 percent of vendors in those countries acknowledged that street food vending enabled them to generate income. In addition, people engagement in street food vending in Zimbabwe increases household incomes and boosts the ability of street food vendors to purchase food provisions for their households in times of economic misery (Kachere, 2011: 14; Tawodzera *et al.,* 2016: 33; Zimbabwe Government, 2017: 1).

In terms of accruing income from the business, the findings reveal that street food vending is a source of livelihoods to vendors as it provides the platform to accumulate income through profits generated from the trade. As illustrated in focus group discussions and in the survey in Table 5.10 (96.0) percent profit generated from the street food trade. The findings further reported that in the survey in Figure 5.7 more than half of street food vendors made R4001-8000 (57.2) percent a month, less than R4000 profit (23.6) percent and more than R8001 profit (19.2) percent. Similarly, in the focus group discussions, most of the participants reported that they made profit ranging from R4001-8000 from the trade to support households; a few numbers of vendors made less than R4000 and R8001or more a month. This profit generated by the more than half vendors is far higher than the upper-bound poverty line of 2015 used by the South Africa government, which is R992 per person per month that means the income made help tremendously in poverty reduction in the area. The profit made is the reason the business is still thriving for all these years and can be utilise to employ more people and uplift the salaries or wages of the employees. Increase in employment may leads to the reduction of crimes such as bank robbery, house breaking, rape and car hijacking and pick pocketing in the area. The accrued income is essential for the growth and survival of street food vending in the area. Accrued income from profit generated may provide a sole source of income that vendors rely on. The

accumulated income may also be use to provide for themselves and their families. Income accrued from business increases the financial position and the value of the trade. Accrued income generated from the business can increase the cash reserves and make the business attractive to possible creditors and investors. Income accrued in the street food vending can be invest in new equipment and supplies that leads to more profit in the future hence poverty reduction.

In addition, income accumulated makes the trade more tempting to creditors and banks, and provides potential access to loan funds for the growth of the business. Accruing income from the business improve confidence of the trade, this can implant greater sense of security and faith in vendors and employees. Accumulated income generates more investment that in turn creates more employment. This in turn will generate more incomes thus create more demand for street foods therefore, livelihoods. Profit is a benchmark that tests the efficiency of a business. The success of street food vending can be judged by the extent the business can accrue income. The accrued income from the business can be used to meet future emergencies like increase in competition, changing customer preferences and changing government policies. This study is equally consistent with Cohen (2015: 34) paper on women and the urban street food trade in Africa and Asia found out that 50 percent of street food vendors in Bogor, Indonesia made daily net incomes in the range of 1,700 to 3,100 rupiah (Indonesian currency), an income that is about twice the daily wage of construction workers. Also, FAO (2006: 16) scoping report on the Informal Food Sector in South Africa, Mali, Rwanda and Senegal, found that street food vending employs over 60,000 people out of that number 35, 000 were women in Bamako and has an annual turnover of over US$100 million, with annual profits of US$24 million.

Skills acquired in street food vending enable vendors to improve the growth of the business and livelihoods in the MLM. Skills such as communication, bookkeeping, business plan, accounting, food preparation, handling and safety acquired through the trade help vendors to function better in the street food sector and leads to poverty reduction as demonstrated in the focus group discussions, and in Table 5.9 (18.7) percent skills acquired from the food trade. Skills learned in the business increases effectiveness of the trade, help vendors to acquire loans and its management. They also help in expanding the businesses, increasing the profit and decreasing the cost of operation that is, profit maximization and cost minimization. Skills acquired from the

trade are also used in outsmarting competitors that enable the business to last long. Skills acquired in areas like marketing and bookkeeping are all-necessary to sustain a business over time. The dualist recognized the function of the street food trading (informal sector) in the economy merely as a passive one. According to the dualist view, SFV (informal sector) would disappear with time. Nevertheless, the contribution of SFV (informal economy) to the economy through skill development demonstrates that street food vending if supported through positive policies is as important as the formal sector. This demonstrates that there is a link between the two sectors since these skills can also be used to obtain employment in the formal sector. This study is also consistent with the Roesel's (2014: 68) work in Ghana on food safety and the informal market, which found that street food vending employ up to 60 percent people in some African cities like Bamako, Nairobi and Addis Ababa. The sector also makes a significant contribution to gross national income, skills and food processing output, as well as a significant portion of total nutrient intake. Also, studies conducted in Accra, Ghana, reveal that women engaged in street food vending generate income and acquire bookkeeping skills that enable them to improve their livelihoods (Tomlins and Johnson, 2010: 13; Alexander *et al.,* 2011: 102).

### 6.4.3 Education and health

The findings indicate that education acquired via the business impact positively on poverty reduction since it provides vendors with human capital. Education provides skills necessary for successful running of business activities that improve growth of the business contributing to poverty reduction. Education plays a significant role in the development and advancement of the working life of vendors not only in informal sectors but also in the formal sector. As illustrated in Table 5.9 (2.7) percent education acquired through the business and in the focus group discussions and discussions with SEDA official, education acquired through street food vending was seen as a factor that influence livelihoods and poverty reduction in the MLM. Education can reduce social injustice and poverty by providing vendors with resources and opportunities for upward social mobility and social inclusion. In other words, education obtained via the SFV provide an opportunity for vendors to acquire and learn skills used in playing an eloquent role in society. Social exclusion is a great loss at the individual and societal levels.

However, the lack of education often hinders vendors from participating in training relating to street food vending therefore, limiting the growth of the business. The acquisition of education

provides knowledge, which is probably the most real investment that can allow vendors to generate income and obtain better understanding of new and improved business technologies. Education helps create a host of positive benefits for vendors like better nutrition, health, birth spacing, lower infant and child mortality. In addition, education can enable vendors to understand street vending legal requirement that boost the growth of the sector and formalization of the business. The role played by SFV (informal trade) to the economy through provision of education demonstrates that street food vending if supported through positive policies is as important as the formal sector. The eduction obtained can be use to gain employment in the formal sector. This provides an understanding that there is a link between the two sectors contrary to the dualist theory. In addition, the findings support Stats SA (2016: 12) report in Tshitale/Hlanganani, Limpopo that indicates that 35 percent of food vendors were able to support their children from their street food income in respect of their basic needs such as education, clothing and food. Street food vending also contributes substantially to household food spending, education and provides an income to many female-headed households (Etzold, 2014: 12).

Health is important for human wellbeing and happiness. Better health contributes positively to economic progress since it enables people to live longer and be more productive as illustrated in Table 5.9 (3.2) percent of health acquired from the trade in the MLM. Food vendors reported better health helps in influencing livelihood in the area. Health like education is among the basic capabilities that gives value to human life. The study showed that vendors spend a proportion of their income on health care because it serves as a major driver for street food vending activities and poverty reduction. Better health can improve vendor's performance in the business and growth. Poor health directly reduces reasoning potential and indirectly undermines vending through absenteeism and insufficient attention to the business. Better health has a positive and significant influence on total output of the trade. Street food vendor's productivity is boosted by increasing not just their physical capabilities, such as endurance and strength, but also increasing their mental abilities, such as cognitive functioning and reasoning ability that improve growth of the business (Alexander *et al.,* 2011: 102).

Healthier vendors improve productivity and are able to generate more income since they work longer hours. Good health increase vendor's ability to save and the motivation to save. Increased savings lead to increase investment, vendors will have access to more finance and their incomes

will rise. This study does not corroborates Njaya (2014: 23) study which states that the income generated from the sector was too little to provide better health to these informal workers. However, the study was consistent with the study conducted in Cape Town that found that 42 percent of traders had chosen to engage in informal trading as a result of not having or losing a job. Also significant in this study was that informal sector provides an opportunity for traders to generate additional income for the poor that were used to improve their health (The City of Cape Town, 2012: 4).

### 6.4.4 Housing

The high presence of vendors in the area leads to the increase in the demand of housing in the MLM. This leads to the erection and repair of houses that may likely involve the recruitment of more workers hence jobs creation and income generated. Housing (bricks, mud and shack) provides the platform of having more income; this accrual of wealth does have wider economic effects in increased consumption and savings. In addition, housing offers vendors with stability in managing the business without failure (MLM, 2016: 14). As demonstrated in the focus group discussions and interviews with MLM and LED officials and similarly in the survey in Table 5.9 (3.2) percent of housing in the MLM, food traders reported housing influence livelihood and poverty in the area positively. Renting a house provide the possibility of vendors living in an area where the business is been conducted. This reduces the problem of transportation. In addition, owning a house provides long-term benefits of equity, refuge and impending growth in personal wealth. Further, owing a house becomes a legal property, which allows the vendor a greater freedom in its use without restrictions. More so, the house generates income from renting out the property to others (Kachere, 2011: 14). The income made from the can be used to support family or invest in other businesses. Furthermore, owing a house ensures repayments are made on time can improve credit profile of the owner. In other words, paying a monthly bond payment by vendors on time increases the credit score. The dualist regards the role of the informal sector in the economy as passive one. According to the dualist view, the street food sector will disappear with time. However, the influence of SFV to the economy via housing demonstrates that the sector if supported through progressive policies will continue to play a vital role in poverty reduction. This demonstrates that there is a link between the two sectors since the income made can be use to purchase houses in the formal sector. In addition, this findings support (WB, 2017: 13) study in Dhaka, Bangladesh that indicated that around 97,000 hawkers

sell food snacks, fruits and beverages on the streets and thereby provide a living and income for approximately 418,000 people. The study further revealed that vendors have access to better housing with the income generated from the business. In addition, Malungisa, (2015: 34) work on the informal trade in SADC, reveals that in Namibia, informal sector contributes 44 percent of employment that enabled informal traders to build houses.

However, the growth of housing most particularly informal housing and population can put a strain on local infrastructure. If this is not met with adequate investment, the area can suffer high economic costs. This is in line with Rasameolina (2015: 10) study conducted in Madagascar, which found that the high presence of vendors leads to the demand of housing in the area. This creates problems to the government and local authorities as urban planning become difficult to handle.

### 6.4.5 Taxation

The findings reveal that street food vendors do not pay tax or any kind of permits in the area as illustrated in Table 5.9 (3.5) percent of taxation and in the focus group discussions and interviews with the officials of MLM, DTI and SEDA. Participants reported that they are not paying taxes or any kind of permits in the business. The legalist view explains some of the reasons when they argue that the informal sector is comprised of micro-entrepreneurs who choose to run informally in order to avoid the costs, time and effort of formal registration (De Soto, 2000: 32). This improves their profits and leads to poverty reduction and livelihoods. In addition, since most of the vendors are not paying taxes or any kind of permits to the authorities, this prevents the provision of basic infrastructure such as refuse removal, electricity, security, roads, health care, schools and water to areas where the businesses are conducted (MLM, 2014: 6; ILO, 2016: 32). The findings corroborates the studies conducted in Accra that acknowledged that 94 percent of the street food vendors were women with minimal education; 75 percent of them do not pay taxes, and most of the women involved in street foods belong to vendors' associations (Tomlins and Johnson, 2010: 13; Alexander *et al.,* 2011: 102). In addition, ILO (2016: 23) report in South Asia reveals that approximately, 79 percent of women workers and 21 percent of men workers are engaged in the informal sector. These workers in the informal sector lived in different types of houses such as bricks, bamboo and wood and do not pay taxes or any kind of permits.

The study also reported a small number of participants revealed paying taxes could uplift the development of schools and road maintenance and therefore, facilitates easy movement of goods. Furthermore, taxes collected can be employed for development projects, which will increase the creation of jobs in the area. Taxation raise the require revenues to meet expenditures in the country at large and MLM in particular. Taxes are measures taken by the government to regulate and control with the objective of swaying the pattern of production, consumption, distribution and production. Tax money paid by vendors can be used to help pay for programs that support lower-income and middle class citizens in the country at large and MLM in particular (MLM, 2016: 12). The importance of tax payment by a few vendors demonstrates the existence of a link between the two sectors as postulated by the dualist theory, if encouraged by the government through the provision of favourable policies to SFVs.

### 6.4.6 Food security

Street food vending is considered as one of the mechanism for ensuring household food security in the MLM in particular and South Africa in general, and contributing to poverty reduction (Statistics South Africa, 2016: 9). The study indicates that street food trade increases household incomes and this enhances the ability of food vendors to purchase food provisions for their households in times of distress. Availability of food enables the households of traders the opportunity to grow, store and process needed food therefore, livelihoods (FAO, 2016a: 12). In the focus group discussions, interviews with the MLM official and the survey in Table 5.9 (4.7) percent of food security, food vendors reported they were food secure and this influence positively on livelihoods and poverty reduction in the area. Food security in vendor's households lessens malnutrition and starvation most particularly among children since it reduces hunger. Hunger incurs huge economic cost and loss of productivity. Hunger also results to higher incidence of disease and continuous helplessness of people especially children. Street food vending provides vendors with daily energy and protein that enable traders to run the business smoothly. Food insecurity has a negative impact on poverty alleviation and inequality in the area. Reduction in the quantity and quality of food intake arising from financial constraints results to vulnerability to illness, hence continuous poverty (Fellows and Hilmi, 2011: 1). This study is in line with Kachere (2011: 14) study that emphasise that people involved in street food vending in Zimbabwe to secure household food. The engagement in street food vending increases household incomes and boosts the ability of street food vendors to purchase food provisions for their

households in times of economic misery. Fellows and Hilmi (2011: 1) research on selling street and snack food in developing countries, postulate that street foods offer economic opportunities for low and middle class people to earn income and be food secure, most especially women.

## 6.5 CONTRIBUTION OF STREET FOOD VENDING TO POVERTY REDUCTION

Figure 5.7 in Chapter 5 shows that the majority of food traders (79.6) percent consider street food vending to play a significant role in poverty reduction. The same sentiment was expressed during focus group discussions. In addition, street food vending plays an important role in boosting the well-being of food vendors as established in the FGDs and in the survey in Table 5.11 (76.6) percent. Street food vending empowers vendors most particularly women and liberates them economically and socially. Women role in SFV increases income, which changes the balance of power within the household and the community. This increases women confidence in discussions for community decision making which affect their lifestyles. Further, street food vending expands vendor's capabilities in providing food, housing and better health for themselves and their family in time of hardship that reduces hunger. Through street food trading, vendors could afford to pay a visit to some of their distant relatives with the income generated from the business and also afford cellular phones to ease communication with their customers and friends as supported by (FAO, 2006: 16; Roever, 2014: 34).

Street food vending provides a platform for vendors to meet some of their requirements as demonstrated in Table 5.13. As the table show, 29.2 percent reported that SFV enabled them to send their children to school, 11.8 percent revealed they were able to expand their business while 25.7 percent indicated they were able to support their family. In addition, through the business vendors were able to buy landed property (5.2) percent. Some admitted they were able to buy clothes, meat and television (8.0) percent and to pay for electricity, transportation and rents (8.7) percent while some were able to purchase livestock's (5.7) percent as illustrated in Table 5.13. This increases vendor's economic and social independence. Interviews with the DEDT official confirms that vendors were able to purchase landed property and livestock such as goats, donkeys, pigs and sheep with additional income made from the business therefore, a reduction in poverty incidence in trader's households. This finding is not in line with the dualist view. The finding provides an understanding that the street food trade plays an impotant role in poverty reduction like the formal sector if supported by the municipality and government. This stresses

the link between the two sectors therefore; there is a need for both sectors to coexist. This finding also corroborates SFV research done elsewhere where it was revealed that the street food sector contributes to poverty reduction by ensuring food security for low-income urban populations and provides a livelihood for a large number of workers who would otherwise be unable to establish a business (Tomlins and Johnson, 2010: 2). Also, in South Africa, in 2014 street food vending employ more than 60, 000 people, this are those do not have skills and provide the opportunity to them reduce poverty (Skinner and Haysom, 2016: 9; AFSUN, 2016: 6; DTI, 2016: 5).

## 6.6 CHALLENGES EXPERIENCED BY STREET FOOD VENDORS

Table 5.13 shows that (34.6) percent, traders were facing shortages of working capital and credit as a challenge. The same sentiment was expressed during the focus group discussions and interviews with some officials. Vendors do not have access to working capital and credit as a result this hinders growth of the sector as traders are often regarded as a deterrent to socio-economic development and a blockage to sustainable development. In addition, the lack of working capital and credit reduces vendor's income levels and continuous increase in poverty. This is a serious threat to vendors in the area since capital is needed to pay for business location, employees and security to ease sales and buy stocks. Further, vendors reported that banks and SEDA's refusal to assist traders both financially and technically is reducing growth of the sector as vendors are often ignored. This has compromised food security and poverty reduction in the MLM. This study supports Gile and Preston (2010: 67), study in Latin America. For instance, in Ecuador, Peru, Bolivia and Venezuela due to challenges in accessing credit, finance, new technologies, and properly coordinated support in the SMMEs and informal sector, they fail to grow. In Africa, for instance, Bobodu (2010: 34) study in Ethiopia, Eritrea and Togo found that 65 percent of street food vendors complained bitterly that due to the lack of capital and access to credit they are not able to expand their businesses from the microenterprise stage to the medium enterprise and subsequently the large enterprise.

Table 5.13 in Chapter 5 shows that (12.0) percent of food traders reported lack of skills and knowledge as a challenge affecting traders in the area. The same sentiment was expressed during interviews with an official and focus group discussions. Lack of skills and knowledge on street food vending activities limit the understanding of certain requirements on SFV activities and thereby making it very difficult for vendors to agree with street food regulations as well as the

registration and formalization of trade. This makes it difficult for street food traders to improve productivity, have decent working conditions and make an impact on the economic development in the area. This finding supports ILO's (2016: 23) study in Asia and in Latin American countries Venezuela, Uruguay and Chile where it was found that street food vendors lack business skills such as book keeping and knowledge about food hygiene that prevented them from expanding their business and improve their income. In addition, Cichello's (2005: 26) study revealed that in Brazil and Mexico, the lack of knowledge, technical, business and entrepreneurial skills deter informal street food vendors from effectively conveying the opportunities of their informal businesses to financiers.

Also, the study reveals that harassment and confiscation of food items and utensils (8.2) percent by municipal officials was another challenge affecting street food vendors in the area which contributed to a reduction in income as illustrated in the survey in Table 5.13. During FGDs and interviews with an official, the same feeling was articulated. Harassment and confiscation of food items and utensils by municipal authorities had the potential to increase the incidence of poverty, as vendors are not able to get money from the business to improve their lives thus compromising human capacity-building and sustainable development. The harassment and confiscation of food items and utensils also results to the loss of possible revenue through vendor's registration, money from permits or taxes since vendors may prefer to operate without licenses or to discontinue trading. This might compromise vendor's income and formalizations of the business in the area. As a result, this restricts the growth of street food trade in the MLM. This finding confirmed studies conducted elsewhere in relation to street food vending. For instance, Sun *et al.* (2012: 106) studies in Asia and Latin America, found that, several food vendors reported that confiscation of their merchandise by police and municipal officials undermined their ability to repay loans, obtain license, permit and meet household needs. In Accra, Ghana, Harare, Zimbabwe, Mbabane, Swaziland, Lusaka, Zambia and Johannesburg, informal traders including food vendors have often faced harassment and their goods confiscated in various 'operations' by local authorities designed to 'sweep' cities clean of street traders (Iyenda, 2001: 24; Cleopas, 2014: 34; Mathye and Maliwichi, 2015: 284).

In addition, Table 5.13 demonstrates that (8.2) percent food traders reported lack of infrastructures such as water, electricity, toilets, sanitation, storage facilities and shelter as a

challenge which hinder growth of the business in the MLM. Interview with an official and focus group discussions also provide the same sentiment. The lack of infrastructure is detrimental to business growth and adds significantly to the cost of doing business. The study is consistent with the findings in Gauteng, Limpopo and Eastern Cape, where it was recognised by all street food traders that the problems that they face include the absence of shelter, sanitation and transport (Tshuma and Jari, 2013: 256). In Kwazulu Natal, food vendors also reported lack of infrastructure like storage facilities; water, toilets, electricity and child care facilities. As a result, vendors spend extra amount of money to take care of the problems. In countries like Colombia, Ecuador, Venezuela and Paraguay, Mitullah (2003: 67) similarly revealed that street food traders work in very unfriendly environment lacking basic infrastructure such as water, shelter and sanitation and childcare facilities.

Also, Table 5.13 (4.2) percent of food traders indicated that difficult labour laws as a challenge prevent them from employing someone to assist with the business. The same sentiments were expressed during focus group discussions. Labour laws protect employment relationships between employer and employees. It also provides basic conditions of employment such as wages. Difficult labour laws hampered income, job creation and livelihoods in the area and growth of the sector. In addition, it generates an increase in income susceptibility, limit the involvement of traders and restrain vendors from accumulating income in the business. This study supports Tomlins and Johnson (2010: 17) work in countries such as Argentina, Venezuela, Ecuador and Uruguay. It found that the absence of appropriate labour laws caused an escalation of taxation rates, decrease in income for vendors, limit trading participation and prevent the growth of food enterprises. Additionnaly, in South Africa, labour laws have been found to be a significant regulatory obstacle (OECD, 2015: 10) to business growth, particularly when it comes to laying off staff. Small business owners including informal sector and street food vending acknowledged that once they have employed workers, the law makes it difficult for them to lay the workers off if the business can no longer afford to keep them or if they prove to be unproductive (Cohen, 2005: 34: Ndabeni and Maharajh, 2013: 5).

Further, Table 5.13 demonstrates that (2.2) percent, of vendors reported street vending policy as a challenge affecting their business negatively therefore, a reduction in income. During FGDs and interview with an official, the same views were provided. The street vending policy coupled

with the MLM bylaws (Nuisance Act) formulated to control and regulate the operation of street food trade in the area are not friendly to vendors since they are too strict for vendors. For instance, business is done only in areas provided by the municipality, any offenders face eviction. This often results to poor relationship between street food vendors and municipal and government officials therefore, a reduction in livelihoods.

The strict and excess rules become a burden for vendors to bear as a result they are forced to avoid formal regulations and rules and prefer operating illegally. This reduces the flow of revenue through tax, permits and fees in the economy. A reduction of street vending rules, zones and taxes could help the street food sector flourish. This research is in line with the legalist view (de Soto, 2000: 32). The legalists also argued that a hostile legal system leads the self-employed people that are the informal traders (food vendors) to operate informally with their own informal extra-legal norms. These traders turn to illegal methods not to act against society or by choice, but to survive (Chen, 2011: 14). The legalist view further provides the understanding that the street food sector fails to grow due to the excessive rules and regulation imposed by the government and the municipal authorities. The finding is also consistent with street food vending studies conducted elsewhere. For instance, Misati's (2010: 34) study in Kenya, found that street food vendors have non-transparent policy and legal-regulatory environments that govern businesses. As a result, vendors are harassed by police, demanding bribes and some vendors are abused physically. These practices tend to take place in urban policy environments that do not define a role for the informal sector. FAO's (2016b: 16) study in Ghana, acknowledged that no comprehensive and detailed guidance of what is required in order to start a street food vending activity is given by the government and the municipalities.

Table 5.13 shows that (8.2) percent of street food vendors reported they were victims of insecurity. The same feelings were expressed during focus group discussions and interview with some officials. This adds more strain to their business since they need additional income to pay private security to protect their food items and utensils. Additionally, insecurity leads to the loss of food items and this compromises employment creation and livelihood in the area. Insecurity limits vendor's involvement in the trade and growth of the sector. The study supports Sun *et al.* (2012: 107) study in Asia and Latin America, which affirm that approximately 60 percent of food traders in Bangladesh stated that they were affected by some sort of criminal activity in the

market place. Sun *et al.* further states that criminal activities occurred during busy times when stalls are filled with people and this makes it difficult for food vendors to manage the influx of customers and guard their stalls. Also, in an economic survey conducted in South Africa in 2015, the OECD found that high crime was forcing SMMEs most particularly street food vending to wind out of business or increase security spending ( MLM, 2014: 12; OECD, 2015: 11) The increased spending on security has a ripple effect on the overall cost of doing business.

Table 5.13 demonstrates that (4.0) percent, vendors reported business location as a challenge that has the potential to increase the incidence of poverty in the MLM. The same sentiments were raised during FGDs and interview with an official. The locations that vendors often take up to run their business are usually influenced by accessibility to sell their food items to customers. In addition, business location is seen as the best instrument to improve vendor's involvement in SFV in the area in order to ensure sustainability. However, this was a challenge afflicting vendors since the location occupied are usually contested by municipal authorities. This often results to forceful eviction by the local authority leading to confrontation between the municipal authorities and vendors therefore, a reduction in their standard of living. This study confirms Joseph's (2011: 45) study that found that, street food vending is mostly unregulated trading that takes place in public spaces such as streets, sidewalks, bridges, pavements. The use of public space both physically and socially by street food traders has become the subject of intense contestation. Studies conducted in Latin American countries such as Argentina, Uruguay and Venezuela and African countries like Cameroon, Ghana, Mali, Ethiopia, Nigeria and South Africa, it was found that street food vendors often occupy urban space for their livelihood. This always results to eviction by the police and municipal officials because they are considered as illegal encroachers upon public space (Roever and Skinner, 2016: 23; Vanek *et al.,* 2017: 67).

The study found other challenges facing vendors in the area during the focus group discussions and from officials from the DTI, MLM, SEDA and LED. This includes competition from other vendors and high presence of malls. They are forced to sell their products at low prices, which in turn lead to low profits. Sexual abuse among women was another challenge facing the street food sector. Vendors most particularly women are afraid to trade in the night and in isolated areas to avoid being sexually abused. This reduces profit since they use the money to hire private security. In addition, participants were victims of xenophobic attacks. As a result, this reduces

profit margin and hindered the growth of the street food sector in the area. During xenophobic attacks, some vendors particularly the foreign nationals refuse to carry on with their trade due to fear and theft of the stocks. Poor hygiene and spread of disease like listeria contamination of food was also a concern to participants. This is reducing SFVs livelihood since consumers are discouraged to purchase street food hence a reduction in profit. Perishability of food such as vegetables and fresh tomatoes was another challenge raised by vendors. Participants that sell goods that need to be stored in the refrigerators are faced with a serious problem of their goods being rotten. They are compelled to sell their goods at a cheaper price to avoid their goods being rotten. Not paying taxes was another challenge raised by vendors and officials. Most participants explained that they do not pay tax or any kind of permits in the business in the area. This prevents the provision of basic infrastructure such as refuse removal, electricity, security, roads, health care, schools and water to where the businesses are conducted.

## 6.7 SUMMARY

This chapter described the socio-economic profiles of street food vendors in the study that reveals that female vendors dominated the business in the area. The study also indicated that the age group 36 years or more were the majority and most of the vendors were South Africans in the study. The trade is dominated by Christians and more than half five (5) or more people lived in a household. The chapter further indicated that vendors deal in various types of food like red meat pieces (grilled), pap or rice and cold drinks, potatoes, fresh tomatoes, pumpkins, kota (bread, potato chips and polony), fresh, boiled, roasted or dried maize (mealies) called dikgobe or kabu. Vendors also deals with traditional foods like pounded beef (tshotlo), boiled meat, gravy and salt (mukwetjepa) the grave is called moro wa dinaledi, sorghum (mabele) breakfast tin porridge (motogo wa mabele) or thick porridge and meat (bogobe jwa mabele) that generate employment, income and contributes to poverty reduction. The chapter also described the impact of street food vending on poverty, unemployment and livelihoods. Street food vending provides vendors with income, better health, employment, food security, housing, skills and taxation that are very instrumental in reducing poverty hence livelihoods. The chapter further indicated that through street food vending, traders were able to accumulate income that is used to sustain the business and pay employees. Street food vending is very pivotal in poverty reduction as the trade enables vendors to buy landed property, livestock, send children to school and to pay water, electricity bills and transportation. Finally, the chapter discussed the challenges such as lack of

working capital and credit, harassment and confiscation of food items, street food vending policy, lack of infrastructure and lack of skills and knowledge. These challenges are affecting vendors negatively, which is likely to lead to, continuous unemployment and poverty in the area. The next chapter of this thesis presents a summary of the findings, conclusions and recommendations.

# CHAPTER SEVEN: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

## 7.1 INTRODUCTION

This chapter summarises the findings of the study and provides conclusions and recommendations based on the objectives of the study. This chapter concludes the thesis by drawing out the findings of the research presented throughout the study.

## 7.2 SUMMARY OF THE FINDINGS

### 7.2.1 Socio-economic and demographic profiles of vendors

The study indicates that most of the vendors that participated in the study in the MLM were females. Females (69) percent dominate the street food sector in the MLM. The study also reported a relatively small proportion of males (31) percent that are involved in the SFV in the MLM. The majority of women and a small fraction of men engaged in street food vending in the Mahikeng Local Municipality is because the business provides them with income and employment opportunities. In terms of the age groups, majority of the traders that participated in the study were 36 years or more (75.0) percent. The study also revealed a small number of street food vendors belonging to the age groups 35 years or younger. The participation of these age groups in street food vending reflects the contribution the sector has in generating employment, skills and income therefore, contributing to poverty reduction in the area. In regards to educational level, the study found that nearly half of street food vendors (44.5) percent lack formal education. This situation suggests that street food vending, accommodates vendors who lack formal education and provides them with income. Educational level acts as a stimulus that promotes the growth of street food vending in the area. The study further revealed a small fraction of food vendors has acquired diploma (1.0) percent, grade 9-12 (4.2) percent and degree certificates (1.0) percent.

In terms of marital status, the study found that more than half vendors (50.6) percent that participated were single and a small proportion were married, divorced, widowed and co-habiting. Street food vending is seen as mechanism vending for vendors who are single to generate income. It also acts as a vehicle and safety net for vendors that are married, divorced, widowed and co-habiting. The study also indicates that majority of vendors (78.0) percent earned less that R1000 per month and few numbers received R1001- 4001 and above. People with low

income use street food vending to supplement their income such as social grants and spouse salary since it requires less capital investment to enter the business.

In terms of types of house lived in, the study indicates that majority of street food vendors (88.0) percent lived in brick houses, a small proportion lived in mud houses and shacks (Mokhuku).. The study found that in terms of nationality most were South Africans (92.9) percent who took part in the study. The study also reported a relatively small proportion of other nationalities like Mozambique, Lesotho, Cameroon, Nigeria, Zimbabwe and DRC. South Africans and migrants from different countries who moved in to the country and cities in search of jobs and better livelihood opportunities are absorbed by the street food vending when they cannot find jobs in the labour market.

In relation to ethnic groups, the study revealed that majority were Tshwana, (89.0) percent with a small numbers of Swazi, Zulu, Tsonga, Venda, Boers or English and Ndebele. Ethnicity influences the nature and assortment of street food in the MLM since these foods are prepared and consumed based on local tradition and knowledge. In terms of members living in a household, this study indicates that more than half of street food vendors (54.6) percent lived with more than five (5) people and in a few cases with less than two people. Members living in households engaged in street food vending to sustain themselves and their dependents. In relation to religious affiliation, the study indicates most of the vendors (93.5) percent were Christians, and small proportions were Pagans and Muslims. Religious affiliation of vendors is important because some religion bars some food or the way they are processed. Pork for instance is forbidden in Muslim religion and animal has to be slaughtered according to a precise ritual. This study illustrates that street food vending provides an opportunity for vendors with different religious connection to make a living.

### 7.2.2 Types of food sold by vendors and reason vendors sell a particular type of food

The study indicates that vendor's trade in various types of food as already discussed in Chapter 5 section 5.3. In terms of why vendors sell a type of food, this study demonstrates high turnover (33.7) percent, cheaper (29.4) percent, convenient (18.0) percent easy to transport (8.7) percent and other (10.7) percent as the reasons vendors engaged in street food vending in the MLM. Social bond to a known vendor seems to be one of the decisive factors why food vendors sell a particular type of food. In addition, high turnover from the trade attracts other people to engage

in the business. High turnover also made in the business helps to sustain the business and improve well-being. Further, street food is cheaper to prepare by vendors and less expensive for the customers. The low cost of street food vending encourages vendors to stay and expand the business.

### 7.2.3 Impact of street food vending on poverty, livelihoods and unemployment

The study found out that street food vending impact positively on livelihoods, unemployment and poverty through the following;

#### 7.2.3.1 Contribution to job creation and income generation

The study found that street food vending has been very instrumental in creating self-employment and employment to other people in the MLM. This has contributed to the improvement of vendors livelihoods in the MLM. These people otherwise would have been unemployed. This attests to the fact that the street food sector creates jobs like the formal sector. The contribution of street food vending to the economy through job creation proves that the SFS if encouraged through favorable policies is as important as the formal sector. This stresses the importance that, a link exists between the two sectors contrary to the dualist theory. In terms of income, the study indicates that street food vending generate income for vendors that contributed enormously to poverty reduction in the area. Street food vending has become a cornerstone for vendors to generate income to supplement family income and improve livelihoods. Some of the proceeds made from the business are saved in the informal and formal banks. This shows that, a link exists between the informal sector and the formal sector. The savings can serve as loans to other people who are not involved in street food vending activities. Further, the study indicates that street food vending is a source of livelihoods to vendors as it provides the platform to accumulate income through profits generated from the trade. Additionally, the study found that majority of the vendors is generating profit from the street food trade. The study further reported that more than half of the vendors made R4001-8000 (57.2) percent a month. The accrued income made is the reason the business is still thriving for all these years and can be utilise to employ more people and uplift the salaries or wages of the employees. This shows that the street food sector (informal sector) is as important as the formal economy in accruing income if it can be supported by the government and the municipalities.

#### 7.2.3.2 Skills development and health

The study found that skills acquired in street food vending enabled vendors to improve the growth of the business and livelihoods in the MLM. Vendors gained skills such as communication, bookkeeping, business plan, accounting, food preparation, handling and safety, which help vendors to function better in the street food sector and leads to poverty reduction. These skills can be used to gain employment in the formal sector hence a reduction in poverty incidence in the area. This attests that there is a link between the two sectors contrary to the dualist views. In relation to health, the study reveals that street food vending is very instrumental in promoting better health that helps in influencing livelihood in the area. Better health contributes positively to economic progress since it enables people to live longer, be more productive, and save more in the business. Health is among the basic capabilities that gives value to human life. Healthier vendors improve productivity and enough income since they work longer hours.

#### 7.2.3.3 Education and housing

The study found that education acquired through the business plays a significant role in the development and advancement in working life of vendors not only in the informal sectors but also in the formal sector. Education obtained via the SFV provide an opportunity for vendors to acquire and learn skills used in playing an eloquent role in society in promoting livelihood and job creation. In terms of housing, the study indicates that the high presence of vendors leads to the demand and growth of housing in area. This leads to the erection and repair of houses that may likely involve the recruitment of more workers, and therefore contributing to job creation. The study also found that the high presence of street food vendors in the area leads to the growth of informal housing and population and this can put a strain on local infrastructure. If this is not met with adequate investment, the area can suffer high economic costs.

#### 7.2.3.4 Contribution of street food vending to poverty reduction

The study found out that SFV plays a crucial role in promoting socio-economic status of vendors therefore, poverty reduction. In addition, the study indicates that street food vending is instrumental in propelling livelihoods in the area. Street food vending empowered vendors most particularly women and liberates them economically and socially. This increases women confidence in discussions for community decision making which affect their lifestyles. Street

food vending also provide a platform for vendors to meet some of their requirements like sending children to school, expand the business, buy landed property and livestock's. This increases vendor's economic and social independence in the area thus poverty reduction. The finding provides an understanding that the street food trade plays an impotant role in poverty reduction like the formal sector if supported by the municipality and government. This stresses the link between the two sectors therefore; there is a need for both sectors to coexist contrary to the dualist theory. In terms of food security, the study indicates that street food vending enabled vendors to be food secure and this influence positively on livelihoods and poverty reduction in the area. Food security in vendor's households lessens malnutrition and starvation most particularly among children since it reduces hunger. Street food vending provides vendors with daily energy and protein that allowed them to run the business smoothly.

### 7.2.4 Challenges experienced by vendors

Shortage of working capital and credit was reported as a major challenge hindering SFV activities in the MLM therefore, an increase in poverty incidence. Lack of access to working capital and credit reduces livelihoods and growth of the sector in the area. Additionally, the study found that lack of skills and knowledge is a concern in street food vending activities. This makes it difficult for street food traders to improve productivity, decent working conditions and have impact on the economic development in the area. The study further found that harassment and confiscation of food items and utensils by municipal officials was another challenge for vendors in the area. These increases the incidences of poverty, as vendors are not able to get sufficient money from the business to improve their lives thus compromising human capacity-building and sustainable development.

The study found that the lack of infrastructure such as water, electricity, sanitation, storage facilities and shelter are a challenge that vendors were facing in the business. These make sustainable street food vending activities in the area almost unbearable therefore, continuous increase in food poverty among vendors' households in the MLM. In addition, the lack of infrastructure is detrimental to business growth and adds significantly to the cost of doing business. In terms of difficult labour laws, the study reveals that difficult labour laws as a challenge in the area as they prevent vendors from employing someone to assist with the business. Difficult labour laws also create income susceptibility and limit expansion of the

business. The study also found that street vending policy coupled with the MLM bylaws (Nuisance Act) are a challenge plaguing traders in the business. This often results to poor relationship between street food vendors and municipal and government officials. Strict and over regulation of the street food sector results to vendors preferring operating illegally as postulated by the legalist theory. The study indicates that street food vendors were victims of insecurity; this adds more strain to their business since they need additional income to pay private security to protect their food items and utensils. Further, the study indicates that business location was a challenge afflicting vendors in the area. Since the locations occupied are usually contested by municipal authorities leading to confrontation between municipal authorities and vendors.

## 7.3 CONCLUSIONS

Street food vending is seen as a mechanism for income, skills, food security and most especially employment creation and livelihoods for vendors in the area. Female vendors were the majority that dominated the street food sector in the MLM. Most of the vendors had limited formal education and the age 36 years or more were the majority that was involved in the business in the area. Most of the street food vendors were South Africans and majority lived in brick houses. Socio-economic profiles like income, ethnicity, educational level, marital status, nationality and religious affiliation were very instrumental in influencing street food vending activities in the area. Ethnicity influences the nature and assortment of street food in the MLM since these foods are prepared and consumed based on local tradition and knowledge. Religious affiliation of vendors is important because some religion bars some food or the way they are processed. Street food vendor's deals in various types of food such as red meat pieces (grilled), pap or rice and cold drinks, potatoes, fresh tomatoes, pumpkins, kota (bread, potato chips and polony), fresh, boiled, roasted or dried maize (mealies) called dikgobe or kabu. Vendors also trade in traditional food like pounded beef (tshotlo), boiled meat, gravy and salt (mukwetjepa), sorghum (mabele) breakfast tin porridge (motogo wa mabele) or thick porridge and meat (bogobe jwa mabele).

Taste, freshness, nutritional value, turnover, convenience was the reasons vendors vend the type of food in order to make profit. High turnover from the trade promotes growth of the business and attract other people to engage in the business. Street food vending generated income, employment, food security, good health, education, taxes, housing and skills in the MLM. These were very instrumental in promoting livelihoods and poverty reduction in the area. This shows

that the street food sector (an informal sector) is as important as the formal sector in creating jobs, skills and income if supported by the government and local authorities through helpful policies. Street food vending is a source of livelihoods to vendors as it provides the platform to accumulate income through profits generated from the trade. This promotes a smooth running of the business therefore, growth of the sector. Street food sector also play a crucial role in promoting socio-economic status of vendors and the business is influential in propelling livelihoods of traders in the area. Some vendors were able to acquire assets such as livestock and landed property from the profit made from the business that contributed to poverty reduction. Street food vending empowered vendors most particularly women and liberates them economically and socially. However, the street food sector is plagued with challenges such as lack of working capital and credit, competition, business location, harassment and confiscation of food items and utensils, street vending policy and lack of infrastructures. Vendors also face challenges like listeria contamination, insecurity, family responsibility, xenophobia and difficult labour laws. These challenges reduces profit made and hindered livelihoods and poverty reduction among vendors in the area.

## 7.4 RECOMMENDATIONS

The following recommendations are based on the findings of this study. It is anticipated that these recommendations may be used as guidelines for the government, local authorities and other stakeholders engaged in the street food sector to ease the challenges plaguing vendors in the MLM in particular and South Africa in general.

### 7.4.1 Working capital and credit

From the study, it was evident that lack of working capital and credit was a challenge affecting the performance of street food vending activities in the study area. To offset the challenge this study recommends that both government and other stakeholders involved in SFV activities should ensure that street food vendors in the study area should be provided with credits and/or soft bank loans in the long-term to promote the growth of the sector. Rigid banking requirements like providing collateral before a loan can be obtained, and high interest rate need to be relaxed to enable vendors to have an opportunity to acquire financial assistance and be given a fair chance to prove themselves. In that regard, the government should act as collateral for vendors to secure the loan from banking institutions. The study also recommends that government, local

authorities and other stakeholders should initiate an informal sector (SFV) support agencies approach since many business support agencies like SEDA targets only small businesses in the informal sector of the economy and ignoring the SFS in particular and informal sector in general. Linking the informal economy and SFS strategies within the small businesses mandate resulted to the informal sector being overshadowed and overlooked. Therefore, the challenges of the street food sector keep increasing rather than decreasing and this could lead to a rise in continuous unemployment and poverty in the area. An informal sector support approach can contribute more in the development of the street food sector in particular and the informal sector in general by reducing the challenges. Also, the pooling stokvels savings (stokvels in the area merging their contributions together) from the street food sector in particular and the informal sector in general and redirecting them towards the financing of productive business activities could transform them into viable community-based investment and financial services enterprises. The stokvels sector could become a small-scale capital market through which street food vending in particular and the informal sector as a whole with demonstrable growth potential could raise financing.

### 7.4.2 Business location

The study also revealed that business location for vendors is a concern as this reduces livelihoods for vendors. This study recommends that the other stakeholders involved in the street food sector and government should ensure that permanent business location for street food vendors be allocated. Vendors will be able to manage their business smoothly. The study also recommends that the designation of vending areas must be achieved through a consultative participatory process with the vendors in long-term. This will ensure that the designated trading areas are sufficient and pragmatic for existing demand for the type of foods sold by vendors. This also may reduce harassment and confiscation of food items and utensils and poor communication between municipal authorities and vendors. The informal business sites should be strategically placed to allow access to market and basic infrastructure facilities such as toilets, water, shelter, crèche, electricity and buildings. Since there is a need for the government and the local authorities to improve conditions, under which street food is sold as stated in the Constitution of 1996 Section 26 and 27. The provision of business location and better infrastructures will help to minimize the challenges and reduce the conflict between street food vendors and local authorities in the area thus an improvement in livelihoods.

### 7.4.3 Street vending policy

This study also found that street food vending policy was a challenge affecting street food traders in the area. Regulation of street food vending activities is needed, but strict and over-regulation should be avoided for street food vending to thrive. The study recommends the government and the municipal authorities should implement a helpful policy and legislative frameworks including MLM bylaws that promote and provides a better atmosphere for earning livelihoods through the street food trading. The study also recommends that both the government and local authorities should ensure and facilitate an easy regulation of street vending activities in the area. This can be achieved by amending and repealing obstructive laws through consultation with SFVs and creating suitable laws that legitimize trading zones for the growth of the SFS. Also, amending and repealing obstructive laws such as the bylaws might increase vendor's registration and licensing in the MLM.

### 7.3.4 Lack of knowledge and skills

The study reveals in Table 5.13 that (12.0 percent) of food vendors, in Chapter 5 reported lack of knowledge and skills in SFV activities as a concern in the area and this reduces growth and employment creation in the sector. Vendors also are faced with the competition from the malls. Therefore, this study recommend that both government and other stakeholders involved in street food vending should ensure that vendors are well fortified with basic knowledge and skills related to marketing. This can be achieved through conducting a regular market fairs, seminars and workshops. Furthermore, they can assist vendors by using media platforms to advertise their food items through community radio as this can reduce lack of demand. Information accessibility should be of priority as most street food vendors might use it to expand the business. This can be done by organising workshops to educate the vendors on how to use the market. Additionally, conducting seminars and workshops for vendors will enable them to understand certain requirements in relation to SFV safety, handling, environmental and personal hygiene.

Furthermore, the Environmental Health Practitioner should be well trained in street food cooking methods such as food storage and handling, as well as preservation practices. These officers should also be trained to obtain knowledge in identifying critical points of possible contamination for the various food types prepared and sold in the area, like the case of the listeria outbreak as noted in Chapter 5 sub-section 5.7. These will go a long way in making food

regulations more effective and ultimately, in enhancing the safety of street vended foods. The training of the Environmental Health Practitioner or other stakeholders involved in SFV should also be well train with the knowledge of how their own perceptions may affect the quality of their interaction with street food vendors. Open communication and interaction between stakeholders involved in SFS with traders will enable vendors to understand the importance of registration and licensing. This will reduce harassment of vendors in the area and leads to growth. It is also recommended that the micro educational approach to education be encouraged alongside the macro approach since the micro approach often promotes dialogue and the exchange of ideas between stakeholders and street food vendors. Micro educational approach means a trainer working with small groups of SFVs for a short period. Meanwhile, macro educational approach a trainer develop lessons plan for over a period. Macro educational approach is usually done in lecture format for an extended period. This can curtail xenophobic attacks on foreigners in the MLM in particular and South Africa at large. In addition, this can help amend the difficult labour laws in the country that prevent vendors to employ someone to assist in the business. Furthermore, macro educational approaches should be made participatory and involve more discussions to improve the exchange of ideas among government, local authorities and street food vendors.

### 7.4.5 Vendor association

The study also recommends that vendors should establish an association to enable them to have more powers to influence the decision making process of street vending activities in the MLM. In addition, vendors association would enable traders to afford legal representatives to negotiate the problem of harassment and confiscation of food items. Vendor representative association would enable traders to recruit members in their associations to advocate for self-compliance amongst its members. The formation of vendors association might allow traders to initiate self-driven reforms to explore growth opportunities in the business. Better organisational skills would help street food traders to engage with mainstream businesses from a position of greater strength and thus develop linkages that are more advantageous. This study further recommends that vendor association should be reinforced via cooperation with organization and international bodies in order to augment their capability to represent vendors. Connecting with other street food vending (informal sector) and international organizations like Wiego and StreetNet International will provide vendor associations with information on, how to negotiate strategies.

Such information could be used to increase vendor's participation in SFV and improve the efficacy of this association in discussing with stakeholders.

### 7.4.6 Street food sector recognition

This study recommend that there is a need for a recognition (change of attitude) of the SFS that is, it should be seen by the government, local authorities and big businesses as sector that provides job creation and income generation. Additionally, the SFS should be given necessary supports like the formal sector for it to thrive. Street food vendors are often seen as the target of crackdown since they are usually considered criminals (Afele, 2006: 32). This may reduce strict and over-regulation of the sector hence, a reduction of poor communication between vendors and local authorities in the area. The street food vending and the informal economy represent untapped resources and modes of businesses that local government can tap into to meet their development goals such as job creation. Also, the government and local municipalities should established institutional structures since there is none in the MLM to manage specifically street food vending in particular informal economy in general (MLM, 2016: 13). Municipal authorities and government should create forums for communication between the informal traders (SFVs) and formal traders as this will enhance a smooth management of the sectors thus employment and growth of the sectors.

### 7.4.7 Further research

The study recommends further research could be designed to investigate the impact of xenophobia in the informal sector (street food trade) in MLM in particular and South Africa in general. This might enable the government to understand the significant contribution migrants are making in the country. The study also found that in Chapter 5, a relative small number of young people were involved in street food vending in the MLM. The study therefore, recommends further research should be conducted to find out the factors preventing young people to involve in the informal economy (SFS) in the area. Further, a comparison on the impact of street food vending on poverty, livelihoods and unemployment with those from different geographical areas should be conducted. As this will assist, street food sector in particular and the informal sector in general and government agencies to fully comprehend the dynamics of street food vending and understand the impact the sector are contributing in the country. This will assist the government to develop an integrated approach to street food vending

specifically and informal sector development as a whole. This will enable the government to respond effectively to the aspiration and needs of street food vendors in the MLM, North West Province and South Africa at large.

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**APPENDIX ONE**

## INDIVIDUAL QUESTIONNAIRE

Dear Respondent,

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

**Mark a cross(X) on the statement that suits you.**

### SECTION A: DEMOGRAPHIC DATA

1. Gender

| | |
|---|---|
| Male | |
| Female | |

2. Age group

| | |
|---|---|
| <20 | |
| 21-25 | |
| 26-30 | |
| 31-35 | |
| 36-40 | |
| 40+ | |

3. Marital status

| | |
|---|---|
| Single | |
| Married | |
| Widowed | |
| Co-habitation | |
| Divorced | |

4. Educational level

| | |
|---|---|
| No schooling | |
| Grade 1-4 | |

| | |
|---|---|
| Grade 5-8 | |
| Grade 9-12 | |
| Diploma | |
| Degree | |

5. Income level

| | |
|---|---|
| <R1000 | |
| R1001-2000 | |
| R2001-3000 | |
| R3001-4000 | |
| R4001+ | |

6. Members live in a household

| | |
|---|---|
| 1-2 | |
| 3-4 | |
| 5+ | |

7. Type of house live in

| | |
|---|---|
| Brick | |
| Mud | |
| Shack (Mokhukhu | |

8. What is your nationality?

| | |
|---|---|
| Botswana | |
| Cameroon | |
| Democratic Rep of Congo | |
| Lesotho | |
| Mozambique | |
| Nigeria | |
| South Africa | |
| Swaziland | |
| Zambia | |
| Zimbabwe | |
| Others | |

9. If others specify.....

10. If South Africa, ethnic group

| | |
|---|---|
| Sesotho | |
| Tshwana | |
| Xhosa | |
| Zulu | |
| Ndebele | |
| Venda | |
| Swazi | |
| Tsonga | |
| Sepedi | |
| Afrikaans (Boers and English) | |
| Others | |

11. Religious affiliations

| | |
|---|---|
| Christian | |
| Muslim | |
| pagan | |

**SECTION B: RESPONDENTS VIEWS**

12. Is the business registered?

| | |
|---|---|
| Yes | |
| No | |

13. Who own the land the business is operating on?

| | |
|---|---|
| Public | |
| Private | |
| Family | |
| Squatter | |
| Other | |

14. If other specify.....

15. Do you pay any kind of levies at your trading location?

| | |
|---|---|
| Yes | |
| No | |

16. Why do you operate as a street food vendor in the informal sector?

| | |
|---|---|
| Only source of income | |
| It is highly profitable | |
| To be self-employed | |
| Has not fulfilled minimum requirements for registration to operate as a street food vendor | |
| To avoid registration and taxation fee | |

17. How long have you operated the business (Years)?

| | |
|---|---|
| <1 year | |
| 2-3 years | |
| 3+ | |

18. Do you think socio-economic profile such as nationality, ethnicity, income, education and religion influence street food vending?

| | |
|---|---|
| Yes | |
| No | |

19. What type of food do you sell?

| | |
|---|---|
| Red meat pieces (grilled), pap or rice and soft drinks | |
| Chicken pieces (grilled), pap and rice | |
| Chicken pieces (boiled), pap or rice and soft drinks | |
| Chicken stew, pap or rice | |
| Beef stew and porridge, salad, gravy and vegetables | |
| Spinach and cabbages | |
| Cow heels (Tlhakwana) | |
| Potatoes | |
| Fresh tomatoes | |
| Pumpkins | |
| Boiled or dried maize | |
| Kota (Bread, chips and polony) | |
| Dumpling (Man-made bread) | |
| Beef intestines (Malamogodi) | |
| Beetroot | |
| Fat cake (Magwinya), polony or atchaar | |

| | |
|---|---|
| Other | |

20. If other specify.....

21. Why do you sell this type of food?

| | |
|---|---|
| Cheaper | |
| Easy to transport | |
| Turnover is high | |
| Convenient | |
| Other | |

22. If other specify.....

23. What are the impact of street food vending on unemployment, livelihoods and poverty?

| | |
|---|---|
| Jobs | |
| Skills | |
| Income | |
| Food security | |
| Health | |
| Education | |
| Other | |

24. If other specify.....

25. Do you think street food vending is creating job?

| | |
|---|---|
| Yes | |
| No | |

26. If yes, the number of employees

| | |
|---|---|
| None | |
| One | |
| Two | |
| More than two | |

27. Do you make profit from street food vending?

| | |
|---|---|
| Yes | |
| No | |

28. How much profit do you make from street food vending a month?

| | |
|---|---|
| <R4000 | |
| R4001-8000 | |
| R8001+ | |

29. The profit made, how do you spend it?

| | |
|---|---|
| To expand the business | |
| Children education | |
| Storage facilities | |
| To buy landed property | |
| To pay for rents, transportation and electricity | |
| To buy cloths, meat and television | |
| Use it to support the household | |
| To buy livestock's | |
| Other | |

30. If other specify.....

31. Do you have alternative source of income?

| | |
|---|---|
| Yes | |
| No | |

32. If yes to Q31, do you benefit from the following?

| | |
|---|---|
| Old aged pension | |
| Disability grant | |
| Child support grant | |
| Grant in aid | |
| War veterans | |
| Care dependency | |

33. Do you think street food vending is improving your socio-economic status?

| | |
|---|---|
| Yes | |
| No | |

34. Do you think the profit made from selling street food is improving your livelihoods?

| | |
|---|---|
| Yes | |
| No | |

35. Have you received any training on street food vending?

| | |
|---|---|
| Yes | |
| No | |

36. What are the challenges you face in this business?

| | |
|---|---|
| Shortages of working capital and credit | |
| Harassment and confiscation of food items by municipalities officials | |
| Street food vending policy | |
| Family responsibility | |
| Lack of demand | |
| Xenophobic attack | |
| Insecurity | |
| Lack of training and knowledge | |
| Difficult labour laws | |
| Lack of communication between street food vendors and municipal officials | |
| Lack of infrastructures such as water, sanitation, storage facilities and shelter | |
| Other | |

37. If other specify.....

38. What suggestions can you make to improve street food vending in the area?

.....

.....

.....

.....

Thanks for your cooperation

**APPENDIX TWO**

## FOCUS GROUP QUESTIONNAIRE

Dear participants

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. Describe the socio-economic profile of the following;

A) Marital status, income level, educational level, religious affiliation, nationality and ethnic group

2. Do you think nationality, education, income, religion and ethnicity influence street food vending?

3. What type of foods do you sell? List all

4. Why do you sell this type of food?

5. Can you explain if the types of food sold enable you to generate enough income?

6. Can you explain the impact of street food vending on poverty, livelihoods and employment creation?

7. How does street food vending improve socio-economic status of vendors in the area?

8. Are you making profit from street food vending? If yes the profit, how do you spend it?
9. In which ways is street food vending improving your livelihoods?

10. Do you have alternative source income? If yes explain

11. Do you receive any training on street food vending?

12. What are the challenges facing street food vending?

13. How are the above challenges affecting poverty reduction, livelihoods and job creation in the area?

14. Are you facing any harassment from government and municipal officials?

15. Do you pay any kind of levies where your business is located? If yes what kind

16. In your own opinion what can be done to improve street food vending as an informal sector in the Mahikeng Local Municipality?

Thanks for your co-operation

**APPENDIX THREE**

## FOCUS GROUP QUESTIONNAIRE

Dear participants

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. Describe the socio-economic profile of the following;

A) Marital status, income level, educational level, religious affiliation, nationality and ethnic group

B) Do you think nationality, education, income, religion and ethnicity influence street food vending?

C) What type of foods do you sell? List all

D) Why do you sell this type of food?

E) Can you explain if the types of food sold enable you to generate enough income?

F) Can you explain the impact of street food vending on poverty, livelihoods and employment creation?

G) How does street food vending improve socio-economic status of vendors in the area?

H) Are you making profit from street food vending? If yes the profit, how do you spend it?

I) In which ways is street food vending improving your livelihoods?

J) Do you have alternative source income? If yes explain?

K) Do you receive any training on street food vending?

L) What are the challenges facing street food vending?

M) How are the above challenges affecting poverty reduction, livelihoods and job creation in the area?

N) Are you facing any harassment from government and municipal officials?

O) Do you pay any kind of levies where your business is located? If yes what kind

P) In your own opinion what can be done to improve street food vending as an informal sector in the Mahikeng Local Municipality?

Thanks for your co-operation

**APPENDIX FOUR**

**INTERVIEW QUESTIONS FOR OFFICIAL (DEPARTMENT OF ECONOMIC D EVELOPMENT AND TOURISMS)**

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. What is your role in street food vending in the Mahikeng local Municipality?
2. Do you think socio-economic profile like nationality, education, religion and ethnicity influence street food vending?
3. Do you decide the type of food sold by street food vendors? Please explain
4. In your opinion what are the impact of street food vending on job, livelihoods and poverty in the area?
5. Do you think street food vendors are making profit from the business?
6. Are there any legal and policy frameworks (By laws) that promote street food vending in Mahikeng local Municipality?
7. Are there any supports for street food vendors by the Department of Economic Development and Tourism to encourage street food vending?
8. Do you think street food vending helps in improving socio-economic profile for vendors?
9. What are the challenges facing street food vendors?
10. What is the relationship between the Department of Economic Development, Tourism, and street food vendors?
11. In your own opinion, what are some of the solutions that can be implemented to facilitate street food vending in the area?

Thanks for your co-operation

**APPENDIX FIVE**

**INTERVIEW QUESTIONS FOR OFFICIAL (DEPARTMENT OF TRADE AND INDUSTRY DEVELOPMENT AND TOURISM)**

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. Can you please describe your role in street food vending in the Mahikeng local Municipality?
2. Do you think socio-economic profile like nationality, education, religion and ethnicity influence street food vending?
3. Can you explain if there is other support for street food vendors giving by the Department of Trade and Industry?
4. Do you decide the type of food sold by street food vendors? If yes why
5. In your opinion what are the impact of street food vending on job creation, livelihoods and poverty the area?
6. How does street food vending improving socio-economic status for vendors?
7. Do you think street food vendors are making profit from the business?
8. Are there any legal and policy frameworks (By laws) that promote street food vending in Mahikeng local Municipality?
9. Do you think street food vendors are harassed by government and municipal officials?
10. What are the challenges facing street food vendors?
11. In your own opinion, what are some of the solutions that can be implemented to facilitate street food vending?

Thanks for your cooperation

## APPENDIX SIX

## INTERVIEW QUESTIONS FOR ENVIRONMENTAL HEALTH PRACTITIONER

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

Thanks for your cooperation

1. Are there legal and policy frameworks to facilitate street food vending in the area?
2. What are your contributions to street food vending in the area?
3. What are the challenges facing street food vendors in the area?
4. Can you explain the impact of street food vending on job creation, livelihoods and poverty reduction?
5. Do you think street food vending helps in job creation, livelihoods and poverty?
6. Do you provide any training to food vendors? If yes how
7. Do you think street food vendors are making profit from the business?
8. Do you decide the type of sold by street food vendors?
9. Are there rules and regulations that street food vendors should follow? Please explain
10. Do you collect any fine from street food vendors who do not abide by the rules? Please explain
11. Are there any additional supports you offer to street food vendors?
12. What can be done to improve street food vending Mahikeng local Municipality?

**APPENDIX SEVEN**

**INTERVIEW QUESTIONS FOR MAHIKENG LOCAL COUNCIL OFFICIALS**

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. What is your contribution in street food vending in Mahikeng local Municipality?
2. Do you provide infrastructure to street food vendors? Please explain
3. Do you influence the type of food sold by street food vendors?
4. Do you harass street food vendors?
5. What are the challenges facing street food vendors in the area?
6. What are the impact of street food vending on job creation, livelihoods and poverty?
7. Do you think street food vending helps to improve the socio-economic status of street food vendors?
8. Do you think street food vendors are making profit from the business?
9. Do you think socio-economic profile like nationality, education, income; ethnicity and religion influence street food vending?
10. What are the mechanisms and strategies that are there to promote street food vending? Please explain
11. Do you allocate spaces to street food vendors for their business?
12. Do you collect any kind of levies for the space?
13. What can be done to improve street food vending in Mahikeng local Municipality?

Thanks for your co-operation

## APPENDIX EIGHT

## INTERVIEW QUESTIONS FOR LOCAL ECONOMIC DEVELOPMENT OFFICIAL

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. What are the challenges facing street food vendors in the area?
2. Do you think street food vendors are making profit from their businesses?
3. Please explain your contributions in street food vending in Mahikeng local Municipality
4. Are there any additional supports you offer to street food vendors?
5. What are the different ways street food vending can affect job creation, livelihoods and poverty? Please explain
6. Do you think street food vending is improving the socio-economic status of vendors?
7. What are the mechanisms and strategies that are there to promote street food vending?
8. Do you think socio-economic profile like nationality, education; income and ethnicity affect street food vending?
9. What can be done to improve street food vending in Mahikeng local Municipality?

Thanks for your co-operation

**APPENDIX NINE**

**INTERVIEW QUESTIONS FOR SMALL ENTERPRISE DEVELOPMENT AGENCY OFFICIAL**

The aim of this questionnaire is to seek your comments, in the gathering of data focusing on the impact of street food vending on poverty and unemployment in the Mahikeng local Municipality. Your input will facilitate the exercise of generating data for the improvement of street food vending in MLM in particular and South Africa as a whole. Rest assured that your opinion would be treated confidentially.

1. What are your contributions in street food vending in Mahikeng local Municipality? Please explain
2. Are there any additional supports you offer to street food vendors?
3. What are the impact of street food vending on job creation, livelihoods and poverty?
4. Do you think street food vending helps in job creation, livelihoods and poverty reduction?
5. What are the challenges facing street food vendors in the area?
6. Do you think street food vendors are making profit from their businesses?
7. Do you think socio-economic profile like ethnicity, education, nationality and income influence street food vending?
8. What can be done to improve street food vending in Mahikeng local Municipality?

Thanks for your co-operation