Support services to informal traders

Message of Support to the National LED Conference 2017

Ndoda Ntlikiti
Chairperson
Eastern Cape Informal Traders Alliance (ECITA)
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Understanding the Informal Trading
Trading which encompasses all jobs which are not recognized as normal income sources, and on which taxes are not paid
Types of informal trading

• Street vending
• Spaza shops
• Small scale/household farming enterprises
• Small scale/household confectioners and fast food
• Household grass cutters
• Village stores
• Tyre services
• Car washers
Types of informal trading

• Family enterprises – e.g. clothing production, motor mechanics, small scale repairs
• Mobile vendors – oomathenga-ethingisa
• Informal workers on the street
• Informal Contractors
• Informal trading artisans
• Meat cutters, tent renters, mobile toilets and mobile fridges
• Rural passenger transport
Characteristic features of informal work

• Lack of or Poor Business Infrastructure;
• Lack of or poor business management skills;
• Lack of access to finance;
• Lack of support – business and otherwise;
• Lack of protection from authorities;
• Lack of protection from natural forces (mostly adverse weather conditions);
• Lack of protection in the event of non-payment of service fee; and
• Unsafe working conditions and the absence of social benefits such as pensions, sick pay, COID and health insurance.
Purpose of informal trading

Decent sustainable employment (Survival)
ILO’s definition of decent work

It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.
Challenges

• Victimisation by local authorities
• Unfair municipal by-laws
• Lack of policies on regulation of informal trade
• Lack of physical infrastructure – vending trolleys, shelters, storage
• Lack of non-financial support services – training, counselling, mentorship
• Lack of access to tailor-made financial support
• Lack of access to information
Non-Financial Support

• Training
• Business counselling
• Business advice
• Business mentorship
• Information
• Marketing opportunities
Financial support

• Grants
• Revolving soft loans
• Savings Schemes
• Other financial services
Social benefits and Social Protection

• Protection from municipal police and SAPS raids
• Dialogue
• Favourable by-laws (inclusive of our rights)
• Maternity benefits
• UIF
• COID
• Pension Fund/Retirement Fund
Infrastructure Support

- Storage facilities
- Vending trolleys
- Marketing Facilities
- Shelters
- Production Equipment
- Suitable working equipment/tools
Co-operative Development Centres
Or Local CDAs

Co-ops
Informal Traders
DFIs
Municipalities
• Development Finance Institutions

• Provincial Government

Municipalities And Municipal Agencies

Co-ops

Informal Traders

Traditional Authorities

• National Government

• International Agencies