

4TH EDITION



# Informal

TRADERS NEWSLETTER



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# Editor`s note



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Despite informal trade being the lifeblood of the economy and the biggest employer of Beitbridge, the sector still faces challenges that require the attention of stakeholders. Informal traders operate in unfriendly trading spaces where they are often vulnerable to the drastic measures adopted by authorities to deal with surging number of informal traders in the streets such as the destruction of informal traders` market places and the confiscation of their wares.

CYDT in partnership with the Bulawayo Vendors and Traders Association conducted a women cross border traders roundtable meeting that discussed progress and challenges experienced by informal traders. The roundtable saw CYDT launching a policy that highlights the significance of informal trade by outlining its benefits which are; contributes to the national GDP, produces a large share of consumer goods, particularly those bought by middle and low income groups, represents a potential source of capital goods and provides a training ground for entrepreneurship which are reasons enough for local authorities to support the informal trade sector. The roundtable also provided an opportunity to discuss the need to formulate a border charter that will help improve behaviour at the border and ensure that the rights of women informal traders are fully recognised by border officials. The full details of this roundtable meeting are found in this newsletter.

This newsletter has an article that proposes strategies to deal will the challenges faced by informal traders. The following are the strategies outlined; local authority introduces health and safety guidelines amidst COVID 19 pandemic, government provides informal traders with capital, local authority sets aside economic viable trading spaces, informal traders associations as a mechanism for collective action, participation and representation.

In era that requires the utilization of new technologies, this newsletter shows how the organisation adopted the use of podcasts to spread awareness on the challenges faced by informal traders as well as advocates for the development of more informal traders associations in Beitbridge.

# Informal Traders Policy-Supporting Beitbridge's informal traders



Informal trade is the main source of employment and the pillar of the Beitbridge economy. It has prevented young men from engaging in criminal activities and increased the number of young independent women.

The sector has ensured food security and fulfilled every parent's dream to send his or her children to school. It has kept Beitbridge alive and vibrant, a key reason the local authority must recognise its existence and protection.

The outbreak of the COVID 19 in Zimbabwe has decimated the livelihoods of informal cross border traders whose operations were

affected when borders were closed to the general public since 2020 up to February 2022. With lack of social and economic support from authorities especial the government, many informal traders slipped into extreme poverty which raised alarm on the need for policies that enhance the protection of the informal trade sector.

After engaging informal traders from Beitbridge in several digging deeper meetings that were implemented by Community Youth Development Trust, the organization documented the grievances



outlined by traders and came up with a policy that addresses informal traders' concerns.

The main problem addressed by the policy is the issue of trading spaces. Informal traders operate outside the formal regulatory framework despite the sector becoming the biggest employer in the context of Zimbabwe of which there is no clear and comprehensive localized policy framework that can be referenced to when addressing informal traders' grievances or charging them for operating illegally.

The policy underpins the importance of informal trade by outlining its benefits which are; contributes to the national GDP, produces a large share of consumer goods, particularly those bought by middle and low income groups, represents a potential source of capital goods and provides a training ground for entrepreneurship which are reasons enough for local authorities to support the informal trade sector.

It then buttresses the need to adopt friendly steps and strategies of dealing with the informal trade sector by the government, for instance, it highlights that authorities must not be dismissive, punitive and restrictive

when addressing the concerns of informal traders. In other words, the paper reminds authorities that informal traders are human beings who also must be engaged properly instead of adopting harsh tactics to deal with them.

The paper further introduces regulatory controls which can be adopted by local authorities to solve issues affecting the informal sector, these are; land use policy, zoning policy, health standards, regulating and registering business, basic infrastructural facilities, establishment and governance of municipal markets.

The paper recommends that, there is need for the local authority to develop a policy framework that will give guidance on relationship building and interactions with the informal sector so as to foster a more regulated and smart informal economy in Beitbridge as well as the need to conduct awareness raising and sensitization of informal traders on relationship building, existing lines of communication at local authority level and other government ministries.

# Recommendations to improve operations of informal traders

Due to their “informal” status, informal traders miss out on many opportunities and benefits enjoyed by formal workers, for instance, the employee rights enjoyed by formal workers such as getting pensions and leave-days are not enjoyed by informal traders. Informal trade is less protected in Zimbabwe as a result, informal traders continue to be subjected to harsh treatment by authorities.

Since most of them operate in undesignated trading spaces, they are vulnerable to the usually drastic and forceful measures adopted by the government and local authorities to deal with informal traders such as the destruction of informal traders’ market places and the confiscation of their wares.

The grievances of informal traders have been worsened by the presence of COVID 19 which has forced local authorities and the government to further close spaces used by traders in the name of mitigating the spread of COVID 19. Such actions have affected livelihoods especially in Beitbridge where the informal trade sector is also the backbone of the economy.

Despite operating in an unfriendly working environment, the sector has helped thousands

escape poverty in Beitbridge. It is in this regard, the following outlines some of the recommendations that could provide a win-win situation for both informal traders and authorities.

## **Local authority to introduce health and safety guidelines amidst pandemics**

Due to limited access to trading spaces, informal traders operate in congested spaces. These spaces leave traders vulnerable to diseases like COVID 19 and Influenza that are airborne, hence the need for the local authority to put in place health and safe guidelines to be observed by informal traders. Government intervention can help improve working spaces and infrastructure of the informal economy, such as trading markets, in a way that enhances social distancing.

## **Government to provide informal traders with capital**

Many women have an interest in informal cross border trading, however, they have no capital to carry out their plans. The government can set aside enough funds for women and men who want to venture into the informal trade business.

## **Set aside economic viable trading spaces**

To ensure that the services of informal traders are sustainable, there is an urgent need for the local authority to allocate economic friendly spaces for informal traders. In our conversations with informal traders, we found out that traders have specific areas in mind which the local authority should consider. Therefore, it is also important that the local authority engages informal traders before allocating trading spaces for informal traders. Informal traders' performance and competitiveness will be promoted through the creation of trading spaces that were also approved by the informal traders.

### **Establish Informal traders associations as a mechanism for collective action, participation and representation**

Informal traders require representation and participation to ensure that their concerns are successfully communicated to authorities. Informal traders' associations are good intermediaries between informal traders and authorities. There is need to have more of these associations from local to national level which will ensure that the concerns and voices of traders are well represented in decision making spaces.

## **Beitbridge Trading Spaces: In conversation with informal traders, local authority**



Realizing the struggles experienced by informal traders to access economic viable trading spaces in Beitbridge, Community Youth Development Trust conducted a Vendors Podcast episode that looked at the trading spaces used by informal traders and what can be done to develop spaces that will meet the demands of informal traders. The following is a written record of the conversation. The host posed Questions (QN) to two informal traders namely Elvis Ngulube (EG) and Phathutshedzo Yvonne

Dube (**PYD**), and a Senior Environment Health Officer, Pio Muchena from Beitbridge Town Council (**Mr Muchena**).

**QN:** Are you aware of the laws you are supposed to follow in your working environments?

**EN:** Yes, I'm aware of the laws I must observe to avoid getting in trouble with the local authority. I'm aware that I should be registered with the council to be able to conduct my trading activities.

**PYD:** As an informal trader, what I should know is that my business is really not protected by the law, however, I should make sure that my services are environmental friendly, that is, whatever I sell should not pollute or make the environment dirty. The prices of goods I sell must also not be high.

**QN:** Considering what you have just said, are you aware that the places you operate in, must have the approval of the Beitbridge Municipality that acts in accordance with town planning?

**EN:** Honestly, I was not aware of that. I just thought as an informal trader, one just locates at spaces that attract public attention, usually congested spaces to set up a stand there and sell their wares.

**QN:** This question is directed to Mr Muchena. Does the Beitbridge Municipality have spaces specifically set aside for informal trade activities?

**Mr Muchena:** We have these united points for vending. At each business centre, in which we have more than seven of them, we have an area allocated for markets; be it vegetable market, flea market or grocery market. So yes, we have places allocated for trading activities.

**QN:** We are aware that traders usually target spaces that have many people and are economical viable, so as informal traders what recommendations can you suggest to the town planners in terms of allocating traders' spaces that are friendly to your needs?

**PYD:** I suggest that the town planners set aside spaces that are close to many people such as taxi ranks, truck stops and bus stops.

**EN:** Our Shopping centre is called Mashavire Shopping Centre, then behind Mashavire, there is a place called Speed Market; it's a space between shops and residential areas. So if traders are allocated places like this speed market space, it will make it easy for traders to attract their customers.

**QN:** Mr Muchena, what criteria do you use to allocate trading spaces for informal traders, and do you involve traders in the making of these decisions?

**Mr Muchena:** it's impossible to have sites that will be appreciated or accepted by all informal traders, however, we ensure that the

allocated places have enough basic needs like water and facilities like toilets. There are of course strategic spaces where two or five vendors can be allowed to conduct their businesses after engaging the local authority first.

## Women Cross Border Traders Roundtable: Prioritising the interests of women in informal trade



Fulfilling cultural and conventional roles of motherhood and being housewives has paused a lot of challenges for women informal traders in Beitbridge who without fail have to cross into South Africa on a daily basis to buy goods for resale. Failure to cross

into South Africa means the whole family going hungry.

As mothers, women have the task of choosing to leave their babies behind or cross the border with them which has its own risks especially under the prevailing COVID 19 conditions.

CYDT in partnership with the Bulawayo Vendors and Traders Association conducted a women cross border traders' roundtable meeting that discussed progress and challenges experienced by women when conducting their activities since the reopening of land borders in Zimbabwe.



Women cross border traders were grateful for CYDT trainings that capacitated them with knowledge and skills to conduct their activities effectively and according to the accepted standards at the border.

“As informal traders we now know our rights as a result of the trainings on informal traders` rights conducted by CYDT. We have knowledge on where to get paper work done from meetings with ZIMRA and other key stakeholders. Meetings made possible by CYDT have helped forge good relations between stakeholders, duty bearers and women informal cross border traders,” Ettah Mangena said.

Mangena said there are still grey areas that still make their operations difficult such as harassment by authorities at the border.

“We are still being asked for bribes for doing nothing wrong hence we need another engagement with the immigration department to further discuss the requirements of cross border trading, and be able to hold border officials to account. There is also need for clarity on the payment of grocery fee, for instance, groceries less than R1000 are free yet we have to pay for

cooking oil separately, is cooking oil not part of groceries?” a concerned Mangena asked.

Other informal traders said they face difficulties when trying to report fraudulent cases at the border as most of the times, border security concentrates on COVID 19 tests and passports which is the area they get bribes.

The roundtable saw CYDT launching a policy paper on informal traders while there was also a discussion to formulate a border charter that will help improve behaviour at the border and ensure that the rights of women informal traders are fully recognised by border officials.

Cross-border trade contributes immensely to the country’s Gross Domestic Product (GDP) as well as provides food security. Women are significant players of this economic exchange. Therefore, it is imperative that authorities ensure their protection so they are able to conduct their operations without any challenges.

Creating an enabling environment for women cross border traders is key to facilitating human development and growth that goes beyond women’s immediate communities to the country as a whole.

## Informal trade-Understanding challenges Faced and coping mechanisms



Over the years, Zimbabwe's economy has reached rock bottom, with millions of people living in abject poverty sparking massive exodus to neighboring countries in search of greener pastures.

With only a few people employed, the birth and rise of informal trade was experienced. Presently, informal trade is a leading substantial source of livelihood across the country. In Beitbridge, the town separating Zimbabwe and South Africa, majority of people including youth and women survive on buying goods in South Africa to resale them in Zimbabwe.

While the sector has proved its potential in sustaining communities, the people involved in informal trading continue to operate in harsh conditions that have made their struggle for survival tough and rocky.

From the need of economic viable trading spaces to poor existing legal frameworks, informal traders face many challenges that urgently require the government and stakeholders to develop practical strategies of improving the services of informal traders.

Due to lack of trading spaces, informal traders are always at loggerheads with the local authority that usually deploys its

security officers to raid informal traders' wares alleged to be operating in areas that are not designated for trading activities.

The Municipality that is responsible for keeping the town clean conducts these raids to try and force traders off the streets in the process affecting livelihoods.

The real problem is not informal traders but the lack of trading spaces, hence if the local authority allocates friendly spaces where traders can operate and make profits, informal traders will not be scattered across the streets.

At the moment, informal traders are selling their wares in junctions, ranks and other spaces that attracts public attention. There is need for the local authority to urgently engage informal traders on the allocation of trading spaces that are economic friendly.

Informal traders cannot afford to keep losing their wares to local authorities who confiscate their goods during sudden raids. An engagement between the local authority and informal traders will help avoid conflicts and solve the problem in a civilized manner. Informal traders are neither barbaric people nor criminals, they are human beings whose rights matter. It is the responsibility of the council to avail trading spaces that will match the needs of informal traders.

Informal traders often lament the slow response of authorities to the grievances raised by traders, for instance, they say it took almost two years, since the outbreak of the deadly Coronavirus pandemic and the enforcement of the national lockdown, for the government to take into consideration the proposal by cross border traders to open land borders.

Before the eventual reopening of land borders in February 2022, cross border traders had been lobbying the government to reopen land borders to the fully vaccinated travelers and those who would have tested negative for Coronavirus within a stipulated period of time, however, the government was slow in taking into consideration these recommendations which demonstrated lack of prioritisation of informal traders grievances by authorities.

The slow reaction of the government on the need to reopen land borders affected cross border traders who ended up using their savings as hunger pounced on them while their services were completely shut down. Many cross border traders have no capital to kick start their operations since the reopening of land borders in Zimbabwe. A swift reaction of the government could have prevented such from happening.

The need for legal frameworks that fully capture the needs of informal traders is also a step that must be taken by authorities. The organisation with the help of informal traders

has been lobbying for the development of policies that will ensure compliance by authorities to fulfil their mandate





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