

# FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION

*(Incorporating Fish Hoek, Clovelly and Sun Valley)*

~~Central Circle, Fish Hoek 7975~~

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Heritage Western Cape: Conservation Body

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SUBJECT: PRELIMINARY REVIEW OF THE INFORMAL TRADING BY-LAW<sup>1</sup>

DUE: 20 APRIL 2021

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The Fish Hoek Valley Ratepayers and Residents Association's (FHVRRA) comments relating to the Review of Informal Trading Policy by the City of Cape Town are informed by:-

1. The “informal Economy” Wikipedia<sup>2</sup> and associated references attached
2. The Informal Trading Policy (2009) and Amendments (2013) of the City of Cape Town
3. FHVRRA ratepayers and residents (individuals and businesses) experiences of the implementation of the City's Informal Trading Policy in Fish Hoek

## Preamble

### Clause 1.2

FHVRRA agrees with clause 1.2 of the Preamble as being consistent with the modern concept under SIDA<sup>3</sup> that “The informal economy is enduring; suitable regulation and policies are required”.

We also agree with International Labour Conference of June 2001 that, “The fundamental challenge posed by the informal economy is how to integrate it into the formal economy. It is a matter of equity and social solidarity. Policies must encourage movement away from the informal economy. Support for exposed groups in the informal economy should be financed by society as a whole”.

However, our experience of the existing policy in Fish Hoek is that our ratepayers and businesses are subsidising competitors who not only supply identical goods and services but also counterfeit and illicit goods and services. This implies that in economic terms, rather than adding utility for the society as a whole, the policy merely amounts to another handout rather than a hand up, albeit perhaps tempered by being made to individuals displaying entrepreneurial effort.

Due to informal trading, *inter alia*, many of our residents regard Main Road and the station precinct, where most of the formal businesses are situated as an incipient urban slum.

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<sup>1</sup> <https://openbylaws.org.za/za-cpt/act/by-law/2009/informal-trading/eng/>

<sup>2</sup> “The Informal Economy”, Wikipedia, [https://en.wikipedia.org/wiki/Informal\\_economy](https://en.wikipedia.org/wiki/Informal_economy)

<sup>3</sup> SIDA, “The Informal Economy Fact Finding Study”, Department for Infrastructure and Economic Cooperation, Sweden 2004

### Clause 1.3

FHVRRA believes that an objective of “conducive to the growth of businesses in the informal sector” should be replaced by the SIDA objective, “work to improve working conditions and increase efficiency and production” and the objective to integrate the informal economy into the formal economy.

Perpetuating and growing the existing informal economy will lead to economic decay.

### Clause 1.4

To date the City has failed to find “ a balanced relationship between the informal and formal trading sectors in order to promote social and economic development within a well-managed municipal area” as stated.

### Clause 5 -

No matter how sound a policy, success or failure lies in efficient implementation.

### Clauses 5.3.1, 5.3.2 , 5.3.4.3 & 5.3.4.4

The By-Law sets the framework for area trading plans which include terms and conditions (clause 5.3.1) and “the manner in which social and economic development will be promoted” (clause 5.3.2)

However, the City has failed to meet its legal obligations regarding general management in clause 5.3.4.3 and specifically business support and development services in clause 5.3.4.3.4. None of the Fish Hoek informal traders interviewed said that they had received any relevant support or services from the City.

In this regard a 2014 study by Women in Informal Economy Monitoring (WIEGO)<sup>4</sup> proposed governments , “deliver the urban infrastructure necessary to support the informal economy, including running water and toilets, street lights and regular electricity, and adequate shelter and storage facilities.”

### Clause 5.5

Where “[a]ny person shall be entitled to request that the City considers the adoption of a trading plan”, we would have thought that the City also takes note of the community's demands to adjust an area trading plan to fit its purpose. We were ignored.

### Clause 6 - Public Participation

“Consult” should be defined as, “seeking information or advice in order to understand and modify the policy to be acceptable to all relevant parties”.

### Clause 6.8

The public participation process in developing the current informal trading policy for Fish Hoek was particularly unsatisfactory. Not only was the process inefficiently managed, but the various stakeholders were consulted independently and the results of these consultations were never published. Consequently, we propose clause 6.8 be amended to read that a report detailing the content and the outcome of all consultations with stakeholders will be published prior to enactment of any policy.

### Clause 6.9

A “reasonable period” as stated in clause 6.9 needs to be defined as our experience was an invitation for comments from Deon X Louw on 10 February 2020, but Council didn't

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4 Roever, Sally, “Informal Economy Monitoring Study, Sector Report: Street Vendors”, WIEGO 2014

ratify (item C 09/12/20) until 3 December 2020. To most of us, this seems an unusually long time.

#### Clause 7 & 15

We object to clauses 7 and 15 in their entirety. These back door clauses circumnavigate public participation.

#### Clause 8

##### Clauses 8.4.2 and 8.5B

These clauses are so abused that they might as well be removed.

#### Clause 8.6.6.2

The City really needs to enforce this clause regarding trading in illegal goods, which we assume also includes stolen and counterfeit goods.

#### Clause 9

All three handbag informal traders in Town Square on Main Road have said that they rent from the same person, to whom they pay R1,000 per month.

#### Clause 18 - Enforcement

Examples abound of how clauses 11 to 13 of the current policy have been ignored or violated without any redress in terms of this clause.

#### Clause 11.3.3

Obstructing pedestrians in their use of a pavement is not being monitored by the City. The same three mentioned informal traders overflow the painted bay, thus preventing wheelchair traffic. On any day pre-Covid-19, two wheelchairs can be seen on Fish Hoek's Main Road permanently.

#### Clause 11.3.7's

"Obstruct[ing] the visibility of a display window of business premises" is not being adhered to in that the trading plan placed a trading bay near the front of Warren's Pharmacy without the owner's consent. That trading bay is often not leased, but still is upsetting in its disdain for this By-Law.

#### Clause 12.2.1

Many of the Informal Trading Containers in Bayside Bazaar, aka Bazaar Square, did have overnight occupants.

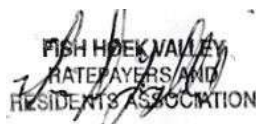
#### Clauses 13.1.1 & 13.1.2

The City is not monitoring the trading sites which are often an untidy mess and contain rubbish.

## Summary

In conclusion, we would like to see:-

- The objective of the policy being to convert informal traders to formal traders;
- The City actually providing “business support and development services” so that informal traders can become formal traders;
- The City at least providing public toilet / ablution facilities, electricity, lighting and storage facilities;
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- The City considers a centralised model for locating informal traders;
- This By-Law define “consult” as proposed; and
- The City monitor the informal traders properly and enforce the regulations with visible policing by the City's Law Enforcement.

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