

The Informal City: Rethinking the Urban Informal Sector in Harare

Executive Summary

In Zimbabwe, the informal sector is a major player in the economy as it contributes an estimated 48% of the Gross Domestic product (GDP) and an estimated 42% of the total national employment. In Harare, current statistics indicated that the informal sector contributes 58% of employment, with an estimated 50 000 informal traders requiring trading space. The informal sector in Harare manifest in the form of flea markets, social markets, home industries and guarded car parks. Contemporarily, there is serious contestation for space between the ever-increasing informal traders and human traffic, a development that has triggered several conflicts between the former and the municipality. While the informal sector contributes immensely to the urban economy of Harare, if not regulated and properly planned for, it can as well immensely affect the sustainable set-up of the city. It is therefore of paramount importance to foster an integration of the informal sector into a sustainable urban set-up.

Introduction

This policy brief outlines the need for Harare City Council to urgently plan for, and create a vibrant informal sector enterprise that embraces the City's vision of being a world class city by 2025. On the backdrop of a continuously declining formal sector, it is critical to consider integration of the informal sector into city development as the sector has become a magnetic pool of livelihood for the majority city dwellers. The Local Authority should thus embrace the incorporation of the informal sector as this guards against its degradation in various parameters while at the same time preventing unfair competition to the formal counterparts.

The objective of this brief is to advocate for the provision of adequate trading space for the informal sector by Harare City Council. While Harare has a noble vision to be a world class city by 2025, it is prudent for it to provide sustainable trading spaces with all necessary ancillary infrastructure and allocate them in a fair and equitable manner to all the applicants. The Local Authority should administer the informal sector in a manner that enables it to realize maximum revenue to be used for new markets development as well as exploring opportunities conducive to the consolidation and expansion of existing services. In the process, the City Council should support value addition using environmentally compliant technologies (green economy).

An Overview of the Informal Sector in Harare

The effect of increased urbanization has been, and continues to be, a fundamental change in the socio-economic environment of human activities, through new forms of employment, economic activity and lifestyle. The informal sector has become ingrained in the urban development matrix of Harare, although it continues to experience all sorts of challenges. This is due to lack of reality-oriented plans and effective municipal policy implementation by the Local Authority.

Despite the lack of a proper definition, the urban informal sector accounts for a big part of urban employment at 58% in Harare just as in many primal cities in the developing world. Informal trading activities in the City of Harare have not been incorporated adequately in the land use framework of the city. Traders trade from insecure contested spaces. In most cases the trading spaces utilized by informal traders lack adequate infrastructure facilities, and are often inadequate to accommodate the high demand.

Plate 1: Harare Vendors selling vegetables and fruits along street pavements



In Harare, some of the informal sector covers trades in flea markets, social markets, home industries, guided car parks and vending in the CBD. A major problem associated with informal activities, particularly vending in the CBD, is the conflict of land-use between these activities and the designated uses, resulting in running battles between the informal traders and the municipal policy. In the process, the cityscape has seriously been compromised, underlining the urgent need to sustainably integrate the informal sector into the current urban set-up in a way which enhance the city's health and aesthetics.

The Informal Sector and Urban Sustainability

Sustainable Development gained its fame from the 1987 Brundtland Commission Report which stated it as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. In this spirit, spatial planning in Harare attempts to meet space needs for activities but its rigidity presents a lot of challenges from the emerging and ever-changing urban economy which calls for innovative approaches that embrace the current economic realities.

A thriving urban small-scale and informal sector has long been recognised by development analysts not only as one of the ‘indigenous’ characteristics of developing countries, but also as a prosperous and significant sector to the economy. The urban informal sector contributes to urban development in multiple ways, such as generating employment for an expanding urban workforce as well as providing much needed flexibility and innovation in the economy. In the absence of social welfare benefits, the urban informal sector also serves as an informal and natural mechanism of social protection. As long as the modern formal employment sector falls short of providing the much-needed jobs for the ever-increasing urban populations, the informal sector will be here for a long time.

It is against this background that Harare City Council need to rethink and erase its motivated blindness that has kept it frozen in the past stringent municipal policies. The current approach should be anchored on the creation of vibrant and smart informal sector enterprises that embraces value addition and beneficiation for sustainable urban economic growth and development.

Why Integrating the Informal Sector in the Urban Set-Up?

As in many developing cities, the informal sector has proved to be the engine for urban economic growth. It brings with it the following benefits:

- Facilitation of a wider economic inclusion and equitable distribution of wealth;
- Infusion of the much needed entrepreneurial spirit within communities;
- Employment creation;
- Poverty eradication and a source of livelihood;
- Flexibility and innovative capacity to generate new business with minimal capital

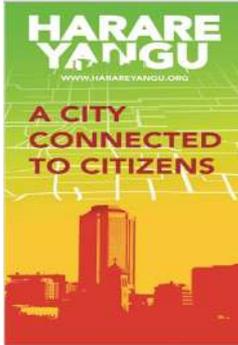
However, while it is estimated that over \$3 billion is currently circulating in the Zimbabwean informal sector, some of the players within the sector are not answerable to Local Authority as they thrive on chaotic governance without being taxed. Since they operate on ‘informal’ sites without ancillary infrastructure and not registered, the players face a major challenge in accessing funds which are necessary to facilitate growth and formalization of their businesses.

Rather than seeking to eliminate the presence of the informal sector, urban planning should seek to accommodate this important component of urban economies. There is need to recognize the positive role played by the informal sector and urban informal development at large. Required also is adopting revisions to policies, laws and regulations to facilitate informal-sector operations and also strengthening the legitimacy of planning and regulatory systems. The forcible eviction of informal sector activities in the name of urban order and cleanliness only relocates the problem and even exaggerates the conflicts between urban authorities and the informal sectors. From an urban environmental perspective, many of the problems associated with the informal sector are not attributes inherent to the informal sector but manifestations of unresponsive urban planning itself. This brings the conclusion that sustainable urban development is hinged on the integration of the informal sector into the urban setup.

Policy Recommendations

If the prevailing situation as regards the informal sector continues unchecked, the city of Harare continues to suffer from economic, social and even environmental problems. It is thus recommended to:

- Incorporate informal activities into the current city and regional planning legislation and tools. This implies a more “generous” provision of informal stalls and areas in layout plan preparation and development. The current legislation favors setting aside parcels of land for the development of Home Industries (SMEs), however, the areas are not adequate enough to house the exponentially growing informal wing.
- Develop multi-task infrastructure which could ensure that informal players can use the infrastructure earmarked for other activities for certain periods. An example would be the use of some streets for vending on weekends for instance what used to be done in Park Street.
- Resort to a more inclusive approach to the incorporation of the informal sector. Inclusiveness, which should preferably make use of technology (e-inclusion), should facilitate the participation of the target population in design and decision making. The council should make use of meetings, suggestion boxes, newspapers, notices and consultations to form a platform of communication with the target population. This is justifiable by the fact that most places created for informal activity, for instance the Coca Cola area have not been fully utilised. This raises questions linked with the appropriateness of such areas in line with informal players’ needs and demands.
- Properly enforce the laws governing the activity of informal players on the part of the municipal council. Most areas designated for Home Industries have been converted to residential areas due to political affiliations coupled with poor enforcement on the part of the council.
- Addressing the major constraints in the informal sector which include an enabling environment, investment and finance, promotion problems, enterprise culture and training will be a major milestone in rewarding and formalizing the informal sector.
- Provide basic infrastructure such as access roads, market shades, factory shells, ablution facilities, water and electricity were necessary.
- Explore opportunities conducive to the consolidation and expansion of existing services.
- Ensure access to markets and new markets development.



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