

Media Release

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NEW REPORTS DISPELL MYTHS ABOUT INFORMAL TRADE

Local government can and should enable informal trade.

The South African Local Government Association (SALGA) and the Socio-Economic Rights Institute of South Africa (SERI) unveiled two new ground-breaking research publications to dispel persistent myths associated with informal trade in South Africa and clarify, often misunderstood, legal and constitutional roles of local government including municipal by-laws governing informal trade.

The first publication, **Informal Trade in South Africa: Legislation, Case Law and Recommendations for Local Government**, responds to the fact that municipalities have struggled to fully come to terms with the law relating to informal trade. The report unpacks court judgments which have substantially contributed to the rights of informal traders and identifies a range of legal principles governing the rights, duties and obligations of informal traders, law enforcement officers and local government. The report dispels a number of longstanding myths associated with informal trade, including the belief that the law does not grant protection to foreign nationals who participate in informal trade, that informal traders often act illegally or unlawfully while trading, and that the only regulatory mechanisms available to local government are the impoundment of traders' goods and the eviction or relocation of traders.

The second publication, **Towards Recommendations on the Regulation of Informal Trade at Local Government Level**, provides a set of recommendations to local government on how informal trade can be regulated in a manner that respects the rights of informal traders, and is just, humane and inclusive.

Unpacking the papers during the launch would be Senior Researcher at the African Centre for Cities (ACC), Caroline Skinner, SERI Director of Litigation, Nomzamo Zondo, with his colleague, Senior Research Associate, Michael Clark, General Secretary of the South African Informal Traders Forum (SAITF), Brain Phaaloh and SALGA Director of Economic Development, Charles Parkerson

In 2017, over 1.1 million South Africans worked as informal traders. Informal trade makes up a significant component of the economy and has an important role to play in addressing some of South Africa's most pervasive development challenges, including high levels of unemployment and poverty. With knowledge of the law, local government can alter their approach to informal trade by supporting and nurturing this essential sector while also boosting economic growth.

The research papers are the product of due diligence and hard work by the SERI, in collaboration with the SALGA and have been developed to assist municipal councils and local government officials in understanding their legal duties in relation to informal trade.

Local government has a crucial role to play in developing a supportive and facilitative regulatory and policy environment for informal trade. South Africa's Constitution confirms that local government has an obligation to facilitate economic development at municipal level and the two publications are expected to contribute significantly in respect of providing a better understanding of the legal and constitutional obligations of local government in formulating and implementing municipal by-laws governing informal trade while addressing developmental challenges, including poverty and unemployment.

For more information about the research launch, please contact:

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