



**CHALLENGES EXPERIENCED BY INFORMAL TRADERS IN CENTRAL DURBAN,  
KWAZULU-NATAL**

by

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## **ABSTRACT**

This research study aimed to investigate the challenges faced by selected informal traders in Central Durban, KwaZulu Natal, and their impact on economic growth. The informal sector in South Africa has the potential to alleviate unemployment but encounters various constraints, including limited capital; a shortage of qualified personnel; government policies; and high operating costs. There has been a surge in informal traders, with the South African government actively promoting entrepreneurship to address unemployment. The literature review explored the concept of the informal sector and the factors contributing to informal trading. The researcher adopted a qualitative approach, utilising structured interviews as the primary method of data collection. The research findings from the results will contribute to bridging the existing gap in literature by providing a comprehensive understanding of the challenges faced by informal traders and their implications for economic development. Ethical considerations such as informed consent and confidentiality were addressed throughout the research process.

**Keywords:** Informal traders, informal sector, government, economic development

## DECLARATION

I, **Lethiwe Fortunate Ntshangase**, hereby declare that:

- This dissertation is the reflection of my own work.
- I also confirm that work in this dissertation has not been submitted for examination or degree at any other University.
- The information used in this dissertation, published and unpublished, has been acknowledged and referenced.

I thus authorise the title and abstract of my thesis to be distributed to other academic institutions and students, as well as the photocopying and/or reprinting of my work, inter-library lending, and other uses.

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## **DEDICATION**

This dissertation is dedicated to my two beautiful babies: **Elethu Ntshangase and Nsika Ntshangase**, who always inspire me to do my best.

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# **1. CHAPTER ONE: INTRODUCTION AND OVERVIEW OF THE STUDY**

## **1.1 Introduction**

The research explores the challenges faced by informal traders in central Durban, KwaZulu Natal. Informal traders encounter various difficulties, including financial constraints and a lack of managerial skills (Skinner, Barret, Alpers and Rogan, 2021). This study aims to identify the challenges experienced by informal traders and to propose possible solutions to improve their situation. The root cause of the problem can be associated with the limited understanding of the specific challenges faced by informal traders in central Durban. While previous studies have examined the informal sector and its impact on economic growth (Kabonga, Zvokuona and Nyagadza, 2021), there is a research gap in terms of focus on the challenges faced by informal traders, specifically in Durban Central.

Therefore, this research seeks to bridge this gap and provide insights into the unique challenges faced by informal traders. The study is important as it addresses a pressing socio-economic issue that affects the livelihoods of a significant portion of the population who are not formally employed. Informal traders play a crucial role in the local economy, and understanding their challenges can lead to the development of targeted interventions and improved policies that will enhance their economic opportunities and overall well-being. Moreover, given the impact of the COVID-19 pandemic on the informal sector, it becomes even more imperative to investigate the challenges faced by informal traders and develop strategies to mitigate their impact (Skinner and Watson, 2021). The theoretical framework for this study will draw upon existing literature on the informal sector, economic growth, and policy opportunities and challenges.

## **1.2 Background to the study**

Informal traders in South Africa face several challenges that impact the growth of their businesses. According to Etim and Daramola (2020), the informal sector plays a significant role in the economic growth of South Africa. However, there are specific challenges that hinder the growth of informal traders. One major challenge is financial constraints. Many informal traders lack access to capital, credit facilities and financial resources to expand their businesses or invest in necessary equipment and inventory (Recio, 2021). Limited financial resources restrict their ability to grow and compete effectively in the market. Another challenge is a lack of

managerial skills. Kabonga, Zvokuomba and Nyagadza (2021) state that many informal traders lack formal business training and managerial expertise.

The lack of managerial experience hinders informal traders' ability to effectively manage their businesses, to make informed decisions, and to adapt to changing market conditions. Furthermore, the socio-economic exclusion of the informal sector from basic service provisions exacerbates the challenges faced by informal traders (Masuku and Nzewi 2021). Limited access to basic services such as sanitation, water and electricity can hinder their productivity and overall business growth. The COVID-19 pandemic has also had a significant impact on informal traders. Mashapure et al. (2021) highlight the socio-economic implications of the pandemic on women entrepreneurs in the informal sector.

The lockdown measures and restrictions imposed during the pandemic disrupted the operations of informal traders, leading to the loss of income and reduced economic activity. In addition to these challenges, the lack of state protection and inconsistent regulation for informal workers further compounds the difficulties faced by informal traders (Grossman 2021). Limited state support and protection leave informal traders vulnerable to exploitation, harassment, and unfair competition. These challenges have a direct impact on the growth of informal businesses in South Africa.

Having financial resources and management capacity is a key requirement for establishing and operating a business. Limited financial resources and managerial skills hinder the ability of informal traders to innovate, expand their operations, and compete with formal businesses. Socio-economic exclusion and the lack of basic services limit their productivity and overall business performance. Additionally, the COVID-19 pandemic has further disrupted the operations and financial stability of informal traders. Contemporary literature on informal traders in Durban lacks a comprehensive understanding of the challenges they face and their impact on the region's economic growth.

There is also limited research on the financial constraints faced by informal traders, including access to credit and capital. The literature also overlooks the lack of managerial skills amongst these traders and implications thereof for business performance. Additionally, there is a dearth of studies examining the overall impact of these challenges. Therefore, this research aims to bridge this gap by exploring the challenges faced by informal traders and their implications for economic prosperity.

### **1.3 Research problem**

The research problem lies in the limited understanding of the specific challenges faced by informal traders in Durban, KwaZulu-Natal. While previous studies have examined the informal sector and its impact on economic growth, there is a research gap in terms of focusing on the challenges faced by informal traders in this specific location (Zogli, Dladla and Dlamini 2021). This research aims to bridge this gap by exploring the challenges faced by informal traders in Durban.

### **1.4 Aim**

The aim of this study is to explore the challenges faced by informal traders in central Durban, KwaZulu Natal.

### **1.5 Research Objectives**

- (i) To identify the challenges faced by selected informal traders in central Durban, KwaZulu-Natal;
- (ii) To assess the impact of these challenges on informal traders in central Durban, KwaZulu-Natal; and
- (iii) To recommend strategies that can be used to alleviate the challenges faced by informal traders in central Durban, KwaZulu-Natal.

### **1.6 Research Questions**

- (i) What are the challenges faced by informal traders in central Durban, KwaZulu-Natal?
- (ii) How do these challenges impact the growth of informal businesses in central Durban, KwaZulu-Natal?
- (iii) What strategies can be used to alleviate the challenges faced by informal traders in central Durban, KwaZulu-Natal?

### **1.7 Research significance**

From a theoretical standpoint, this study enriches the discourse on urban economics and informal economies. It aligns with theories such as the "Dualistic Development Theory", which posits the co-existence of formal and informal sectors in developing economies (Acuto, Dinardi and Marx

2019). By examining the challenges faced by informal traders, this study contextualizes the informal sector within the broader framework of economic development. It contributes to the understanding of how informal trading is not merely a survival strategy, but also a complex economic activity that operates in tandem with the formal sector.

The social implications of this study are paramount as informal traders often operate at the margins of society. The research provides a platform to amplify the voices of these traders, shedding light on their struggles, aspirations and contributions to the local economy. By uncovering the challenges they face, such as a lack of access to basic services, eviction threats and social stigmatisation, the study underscores the need for inclusive policies that uplift vulnerable populations. The findings can empower advocacy groups, community organisations and civil society to advocate for better working conditions and social integration for informal traders.

From an economic perspective, the study's focus on the challenges of informal traders elucidates the role of the informal economy in local and regional economies. The informal sector is a significant source of employment and income for many individuals who lack access to formal employment opportunities. By identifying the obstacles impeding the growth and sustainability of informal businesses, such as limited access to credit, market competition, and regulatory barriers, the research informs policymakers and economic planners on how to harness the potential of the informal economy for sustainable development. It paves the way for policy interventions that foster an enabling environment for informal traders to thrive and contribute more effectively to the overall economy.

The policy implications of this study extend to both local and national levels. Local government authorities can benefit from insights into the challenges faced by informal traders, enabling them to design targeted interventions that provide basic amenities, legal recognition and protection against eviction. At the national level, the findings can influence policy formulation that recognizes the significance of the informal sector in economic diversification and job creation. Moreover, the research may lead to the formulation of inclusive policies that facilitate the transition of informal traders into the formal sector, ensuring better access to social, legal protection, training and financial services.

The primary beneficiaries of this study include informal traders themselves, who can leverage

the findings to advocate for their rights and better working conditions. Community organisations, NGOs and advocacy groups can utilise the research outcomes to design targeted programs that address the specific needs of informal traders. Local government bodies and policy-makers will gain insights into effective strategies to integrate informal trading into urban development plans. Ultimately, the broader society stands to benefit from informed policies that foster economic growth, social inclusion and poverty reduction.

## **1.8 Structure of the study**

This study comprises the following five chapters:

Chapter One outlines the introduction and background to the study. It discusses the research problem, objectives and the significance of the study.

Chapter Two examines the theoretical background and conceptual framework, aligned to existing literature. The overall purpose of this chapter is to present the literature associated with the study's aim, objective and problem statement.

Chapter Three discusses the research methodology employed, research design, research instrument, sampling, ethical considerations, reliability and validity and analysis of data.

Chapter Four presents the interpretation of data.

Chapter Five draws the conclusions of the study and makes recommendations for further research.

## **1.9 Chapter Summary**

In conclusion, Chapter 1 of this study has provided a comprehensive foundation for the research journey ahead. The introduction served to contextualise the study within the broader context of understanding the challenges faced by informal traders in central Durban, KwaZulu-Natal. It underscored the significance of investigating this subject, given the pivotal role of informal trading in the local economy and its implications for socio-economic development. The chapter further delved into the background of the study, highlighting the intricate interplay between the formal and informal sectors in shaping urban dynamics. The identification of the research problem emerged as a critical step, elucidating the gaps in knowledge and the pressing issues

surrounding the experiences of informal traders. This led to the articulation of the study's aim, which is to explore and analyse the challenges encountered by informal traders operating in central Durban KwaZulu-Natal. Through this aim, the study seeks to contribute valuable insights into the dynamics of the informal economy and its relationship with broader urban development efforts.

The research questions crafted in this chapter serve as guiding beacons, directing the inquiry towards specific facets of the informal trading landscape. These questions underscore the complexity of the issue, touching upon aspects such as access to resources; regulatory environments; and the socio-economic impact of informal trading. The chapter has established that the answers to these questions will not only enhance the understanding of informal trading but also inform potential policy interventions. The research objectives, derived from the research questions, outline the specific goals that will be pursued throughout the study. The research significance emphasised throughout the chapter highlights the broader implications of this study. Beyond its academic contribution to the understanding of informal economies, this research holds practical relevance for various stakeholders. The next chapter reviews literature relevant to the study.

## **2. CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The literature review chapter serves as a critical cornerstone within the research process, illuminating the landscape of existing knowledge and paving the way for deeper insights into the research problem. This chapter engages with the academic and scholarly work, offering a synthesis of pertinent literature to contextualise and inform the investigation. In this section, the fundamental concepts, necessity and objectives of the literature review within the broader study on the challenges faced by informal traders in central Durban, KwaZulu-Natal, will be explained.

A literature review, as defined by Sekaran and Bougie (2016), encompasses a systematic and comprehensive exploration of existing scholarly works, including articles, books, reports and studies that relate to the research topic at hand. This rigorous examination of prior research serves to establish the foundation for a comprehensive understanding of the chosen subject. Moreover, it provides an essential platform for situating the research within the existing scholarly discourse, identifying gaps and building upon established knowledge. Walliman (2021) underscores the significance of the literature review as a mechanism to synthesise, analyse and evaluate the body of knowledge relevant to the research, thereby informing and guiding the subsequent research steps.

The necessity of the literature review within the research study on the challenges faced by informal traders in Durban, KwaZulu-Natal, is multi-fold. It allows for the contextualization of the study objectives within the broader academic landscape. By engaging with prior research, the study can identify key concepts, theories and frameworks that underpin the subject of informal trading and its challenges (Ndaba and Reddy 2024). Moreover, the literature review provides a platform for the identification and validation of the research gap. It enables the researcher to pinpoint areas within the existing knowledge that require further exploration and empirical investigation. Furthermore, the literature review assists in refining the research questions and objectives by synthesising insights from past studies and helping to shape more focused and pertinent inquiries. Aligned with the study's objectives, the literature review will be guided by three primary aims.

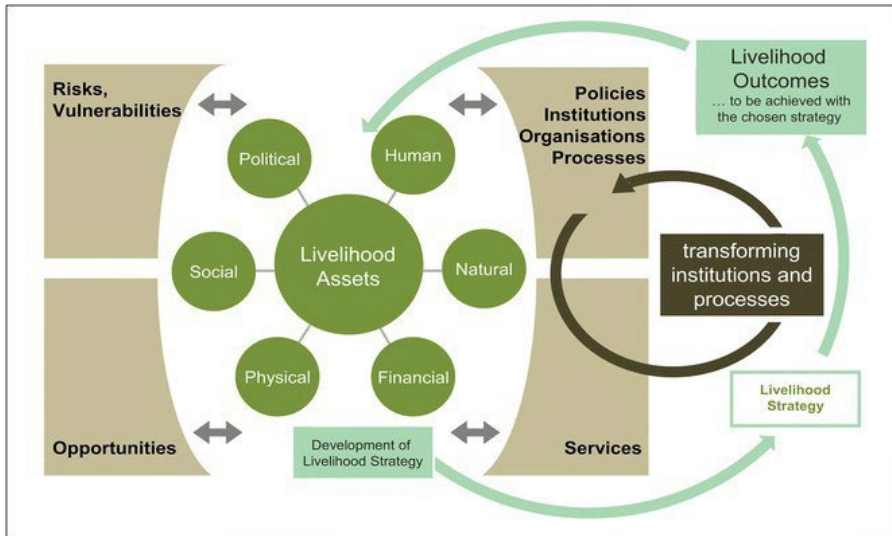
Firstly, the review will seek to identify the main challenges and constraints encountered by informal traders. This involves a comprehensive analysis of extant literature that sheds light on the array of obstacles faced by informal traders, such as limited access to resources, regulatory complexities, and non-conducive working conditions. Moreover, the review will assess the economic impact of these challenges on growth. By synthesising findings from prior research, the review will finally / ultimately contribute to understanding the consequences of informal trading challenges.

## **2.2 Theoretical Framework: The Livelihoods Approach**

The Livelihood approach, a comprehensive framework for understanding and addressing the challenges faced by individuals and households, has gained prominence in diverse contexts such as rural development, poverty reduction and sustainable livelihood enhancement. (Kamariah, Laksono and Savitri 2024). The concept of livelihoods encompasses the resources, strategies and capabilities that individuals deploy to secure their well-being and attain sustainable livelihoods (Quandt 2018). This approach recognizes the multifaceted nature of livelihoods, considering both material and non-material dimensions that influence individuals' lives (Chandra and Sao 2020).

A critical component of the Livelihoods approach is the recognition of livelihood assets, which include human, social, natural, physical and financial capitals (Fourie 2018). These assets collectively shape individuals' capabilities to access opportunities, manage risks and adapt to changes. The approach emphasises the dynamic interactions between these assets, the strategies individuals employ, and the external environment they navigate (Moreau and Garaway 2021).

The livelihoods approach resonates with the study's objectives, making it an appropriate theoretical framework. The approach aligns with the objective to identify the main challenges faced by informal traders. By analysing livelihood assets, strategies and vulnerabilities, the approach provides a comprehensive lens to explore the obstacles that hinder traders' ability to secure sustainable livelihoods (Arias 2019).



**Figure 1: The Livelihoods Approach.**

Source: Arias (2019)

Moreover, the approach facilitates the assessment of the economic impact of challenges on the growth of the region. Considering livelihood assets and strategies allows for understanding the broader implications of challenges on income generation, employment and economic dynamics (Wake and Barbelet 2020). In addition, the Livelihoods approach offers a structured framework to recommend strategies that alleviate the challenges faced by informal traders. By assessing existing livelihood assets and identifying external factors that constrain opportunities, the approach aids in formulating context-specific interventions (Ndhlovu 2018).

In this study, the Livelihoods approach will be operationalized through qualitative data collection and analysis. Qualitative methods such as in-depth interviews and focus group discussions will be employed to elicit traders' experiences, perceptions and strategies in navigating challenges (Quandt 2018).

The livelihoods approach also supports the triangulation of data sources, as qualitative insights can complement and enrich the findings, enhancing the overall validity and reliability of the study (Moreau and Garaway 2021). The framework's emphasis on individuals' agency and the strategies they adopt aligns with the study's focus on exploring traders' responses to challenges and their coping mechanisms (Arias 2019).

### **2.3 Informal traders: Concept and context**

The concept and context surrounding informal traders are central to understanding their role in economies and societies, particularly in regions like South Africa. The definitions of informal traders vary in the literature, each shedding light on different facets of their activities. Etim and Daramola (2020) characterise informal traders as individuals engaged in economic activities outside formal employment, often characterised by limited legal recognition and minimal access to social protections. Grossman (2021) emphasises the role of private governance and state interaction in shaping informal markets. Kabonga, Zvokuomba and Nyagadza (2021) specifically focus on young entrepreneurs in informal trading, highlighting their unique challenges and experiences.

In the South African context, informal traders are integral to the urban landscape, contributing significantly to the economy and livelihoods of many. Wegerif (2020) highlights the critical role of "informal" food traders in responding to food security challenges, particularly evident during the Covid-19 pandemic. Khambule (2020) explores the effects of the pandemic on the South African informal economy, revealing the vulnerabilities and limitations of the government's response. Kamete (2018) re-frames the integration of the urban informal economy in Southern Africa, arguing for a comprehensive approach that recognizes the complexities and potentials of informal trading.

In South Africa, informal traders are an integral part of the urban landscape, contributing significantly to livelihoods (Wegerif 2020). The effects of COVID-19 on South African informal traders emphasised the sector's vulnerability to shocks, necessitating adaptable responses (Khambule 2020). In contrast, the UK's informal traders navigate a different landscape. Kamete (2018) discusses the integration of the urban informal economy in Southern Africa, wherein formalisation and assimilation strategies differ from South Africa's context. In the UK, informal traders face distinct challenges stemming from stringent regulations and market dynamics, often struggling for recognition and space (Pezzano 2018).

Turning to India, the informal trading sector is characterised by its sheer scale and diversity. The country's informal traders encompass a vast array of goods and services, reflecting a complex interplay between the informal and formal economies. Musara and Nieuwenhuizen (2020) explored the emergence of entrepreneurial leadership within the informal sector, showcasing how

individual entrepreneurial orientation influences trading practices. Australia's informal trading sector presents unique features as well. Parappurathu *et al.* (2019:101) illustrates that the Australian context is characterised by a mix of formal and informal trading practices within markets, with local and global dynamics shaping these interactions. However, comprehensive research focusing exclusively on Australia's informal traders is relatively limited.

The contrast and comparative analysis of informal traders across these regions shed light on the contextual complexities that underpin their operations. The significance of this analysis lies in its potential to inform policy interventions and strategies for enhancing the livelihoods of informal traders. By recognizing the diverse challenges and opportunities that informal traders face, policymakers can tailor interventions that address region-specific barriers whilst also drawing on best-practices from other contexts. Moreover, such an analysis can foster cross-learning and knowledge-sharing, enabling stakeholders to adapt innovative approaches to their local contexts.

The informal economy in South Africa is characterised by a diverse range of activities, often conducted by marginalised groups seeking to earn a livelihood in the absence of formal employment opportunities. Pezzano (2018) delves into the governance modes of informal trading policies in Johannesburg's inner city, highlighting the challenges and nuances of integrating this sector. Musara and Nieuwenhuizen (2020) connect informal sector entrepreneurship to individual entrepreneurial orientation, showcasing the emergence of entrepreneurial leadership within informal trading contexts.

Statistics underline the substantial presence of informal traders in South Africa. According to the study by Etim and Daramola (2020), the informal sector significantly contributes to the economy, providing livelihoods to a considerable portion of the population. The COVID-19 pandemic has further underscored the importance of informal traders, as evident in studies like those of Wegerif (2020) and Khambule (2020), showcasing their adaptive responses to crises.

In the South African landscape, informal traders operate in diverse sectors such as street vending, small-scale manufacturing, and service provision. Their activities are shaped by a combination of necessity, lack of formal opportunities, and entrepreneurial spirit. These traders often face challenges related to limited access to resources, lack of legal recognition, and vulnerability to exploitation. Despite these challenges, informal traders demonstrate resilience and adaptability, often playing a crucial role in local economies and communities.

## **2.4 Challenges faced by informal traders**

Within the intricate landscape of South Africa's informal trading sector, a myriad challenges beset the individuals and communities engaging in this economic activity. As urban environments evolve and economic dynamics shift, the struggles faced by informal traders persist as a poignant reflection of broader socio-economic complexities. This section delves into a comprehensive exploration of these challenges, unveiling the multifaceted obstacles that impede the aspirations and well-being of informal traders across the nation. By navigating the intricate web of regulatory barriers, resource limitations, vulnerability to external shocks, lack of social protection and the shadow of stigmatisation, this section aims to provide a nuanced understanding of the adversities that shape the lives of South African informal traders.

### **2.4.1 Regulatory challenges**

Navigating the informal trading landscape in South Africa unveils complexities, compounded by regulatory barriers that significantly shape the experiences and prospects of traders. The interplay between policy frameworks, administrative processes and local governance intricacies has resulted in a range of challenges that impede the growth and sustainability of informal trading activities. This section explores into the multifaceted regulatory barriers that informal traders face in South Africa, drawing insights from a diverse body of literature.

Kabonga, Zvokumba and Nyagadza (2021) elucidate similar challenges faced by young entrepreneurs in Zimbabwe's informal trading sector, highlighting regulatory hurdles as a central concern. While South Africa's context differs, the parallels between the two nations underline the broader regional dynamics shaping the informal sector. Lê and Schmid (2022) propose that regulatory barriers can manifest as bureaucratic complexities that formal traders often encounter, ranging from obtuse permit processes to inconsistent enforcement.

The socio-economic repercussions of the COVID-19 pandemic resonate deeply within the informal sector, as noted by Mashapure et al. (2021) in their study on Zimbabwe's women entrepreneurs. South African informal traders also grapple with the ripple effects of the pandemic, with regulatory responses contributing to their vulnerability. The dynamic interplay between external shocks and regulatory restrictions highlights the need for adaptive policies that safeguard the livelihoods of traders.

Masuku and Nzewi (2021) offer a critique of the approach taken by the Buffalo City Metropolitan Municipality in South Africa, emphasising the socio-economic exclusion of the informal sector from basic service provisions. This exclusion, propelled by regulatory constraints, deepens the challenges faced by informal traders. The study underscores the importance of policies that acknowledge and integrate the contributions of informal traders into the urban fabric.

Recio (2021) examines the lessons that can be drawn from informal traders in Baclaran, Metro Manila, on how street routines can inform state regulation. The study's findings resonate with South Africa's informal traders, emphasising the significance of a nuanced understanding of traders' practices and needs for effective regulation. Such insights offer an avenue for refining regulatory frameworks that align with the realities of the informal sector.

The regulatory barriers faced by South African informal traders emerge as a pivotal dimension of their experiences, underscoring the need for tailored policy interventions. These barriers hinder traders' access to formal markets, perpetuate informality, and limit their potential for growth. The implications of regulatory constraints extend beyond economic considerations, impacting individuals' livelihoods, agency and well-being (Aragòn-Correa, Marcus and Vogel 2020). The South African government's approach to informal trading is pivotal in determining the sector's vibrancy and potential for socio-economic contribution

#### **2.4.2 Limited access to resources**

Limited access to resources emerges as a formidable challenge faced by informal traders in South Africa, intricately shaping their ability to thrive within the dynamic landscape of the informal sector. This challenge is not unique to South Africa as it resonates across various contexts, transcending national boundaries. As highlighted in studies from Zimbabwe Kabonga, Zvokumb and Nyagadza (2021) and Mashapure et al. (2021:1), resources serve as a cornerstone for entrepreneurship, enabling traders to procure stock, invest in infrastructure and adapt to market fluctuations. The inherent link between resource access and the viability of informal trading is echoed by Lê and Schmid (2022), who underscore the pivotal role of resources in strengthening entrepreneurial practices.

However, resource limitations are not solely confined to the acquisition of physical assets. Socio-economic implications brought about by external factors can exacerbate resource constraints. The socio-economic exclusion of the informal sector from basic service provisions, a phenomenon observed in South Africa (Masuku and Nzewi 2021), further exacerbates resource inequalities. This is mirrored in studies from Zimbabwe, where the Covid-19 pandemic amplified resource vulnerabilities amongst women entrepreneurs operating in the informal sector (Mashapure et al., 2021). Understanding the complexities of resource limitations requires an exploration of how street routines and entrepreneurial practices intersect. Recio (2021) illuminates how the daily routines of informal traders in Metro Manila offer insights into the challenges they face and the resource allocation strategies they employ. Similar insights can be gleaned from the context of South African informal traders, where access to resources is a critical determinant of their operational resilience and adaptability.

In the South African context, the challenges of resource limitations underscore the structural inequities that underpin the informal sector. These challenges resonate within broader discussions of informal economies in various African nations, reflecting the intricate relationship between economic opportunities and resource constraints. As Kabonga et al. (2021) delve into the challenges faced by young entrepreneurs in Zimbabwe, they reveal the interplay between limited access to resources and the aspirations of emerging informal traders. However, this connection is not confined to Zimbabwe alone as it echoes across borders and transcends geographic boundaries.

The multifaceted nature of limited resource access necessitates a nuanced understanding of its implications. The phenomenon extends beyond mere material scarcity to encompass barriers to financial capital, credit, formal banking services and access to technology. The study by Lê and Schmid (2022) exemplifies the importance of innovative research methods to capture the intricate dynamics of resource limitations, resonating with the need for a holistic examination of South African informal traders' struggles.

Limited access to resources remains a salient challenge faced by informal traders in South Africa, echoing similar struggles in Zimbabwe and beyond. The insights drawn from studies spanning different contexts emphasise the universal importance of resource access for entrepreneurial

practices within the informal sector. Understanding the multidimensional nature of this challenge is vital for crafting effective policies that bolster the resilience, growth and economic well-being of informal traders across diverse regions.

### **2.4.3 Vulnerability to external shocks**

Vulnerability to external shocks stands as a prominent and intricate challenge within the landscape of informal trading in South Africa. As illuminated by Aragón-Correa, Marcus and Vogel (2020), this challenge reverberates throughout the experiences of informal traders, shaping their livelihood dynamics, resilience and adaptive strategies. Kamete (2018) sheds light on the vulnerability of informal traders to external dynamics, highlighting how their economic activities are intertwined with broader urban transformations. DeVries (2018) further underscores the dangerous disconnect between perspectives, planning, policy and practice concerning informal traders in Durban, elucidating the complex interface through which external shocks impact the sector.

Mbatha and Koskimaki (2023) delve into the infrastructures of friendship amongst migrant street traders in Durban, revealing how social networks serve as crucial mechanisms to navigate vulnerabilities. Moreover, Mottiar (2019) adds depth to this discourse by emphasising everyday forms of resistance and claim-making amongst informal traders in Durban. These practices, as illuminated by Mottiar, (2018) emerge as strategies employed by traders to mitigate the effects of external shocks, further illustrating their agency in the face of adversity.

The gendered dimension of vulnerability amongst informal traders is explored by Bhoola and Chetty (2022), who investigated the experiences and perceptions of economically marginalised women food vendors in Durban. Their study unravels how the intersection of gender and informality magnifies the susceptibility of women traders to external shocks. This resonates with Ntuli's (2020) examination of black African women street traders in Durban, which highlights how the post-apartheid context intersects with external dynamics to create distinct vulnerabilities for women traders.

These insights collectively underline the intricate interplay between external shocks and the experiences of informal traders in South Africa. The literature elucidates that the vulnerability to

external shocks is not merely an abstract concept but a tangible reality that shapes the strategies, networks and aspirations of traders. As illuminated by Mbatha and Koskimaki (2023), informal traders forge infrastructures of friendship to foster resilience against shocks. Mottiar's (2019) exploration of resistance mechanisms reveals the active ways in which traders respond to challenges, further demonstrating their agency within a complex environment.

In essence, the challenge of vulnerability to external shocks encompasses a spectrum of nuanced experiences amongst informal traders in South Africa. The literature underscores the need for holistic policy approaches that acknowledge the dynamic interplay between macro- level forces and traders' livelihoods. As policy discourse seeks to address this challenge, it must embrace the multifaceted strategies, networks and practices through which traders navigate external shocks (Roberts 2023). The narratives presented in the literature not only highlight the vulnerabilities inherent in the informal trading sector but also showcase the ingenuity, resilience and agency that traders harness to weather these challenges.

South Africa's informal traders, enmeshed within urban complexities, grapple with a systemic marginalisation that is underscored by the pandemic's harsh realities (Kamete 2018). The repercussions of external shocks are acutely felt by informal traders who lack the safety nets of formal employment. The COVID-19 pandemic epitomised this fragility, as lockdowns and mobility restrictions resulted in severe disruptions to trade activities (Khambule 2020). A disjointed government response, plagued by limitations and pitfalls, exposed the depth of the challenge posed by external shocks (Khambule 2020). The modes of governance within the inner city of Johannesburg reflect the intricate balance between 'integration' and 'selective incorporation' in informal trading policy (Pezzano 2018).

The delicate interplay between formal and informal sectors and their vulnerabilities to external shocks necessitates a nuanced approach. The pandemic, while showcasing the vulnerabilities of informal traders, also underscored their resilience as they adapted and diversified strategies (Wegerif 2020). Central to understanding this vulnerability is the examination of the entrepreneurial orientation of informal traders. The emergence of entrepreneurial leadership within the informal sector showcases individual agency in navigating external challenges (Musara and Nieuwenhuizen, 2020). The adaptability and innovative responses of informal traders in the face of external shocks mirror their integral role in the socio-economic fabric (Musara and

Nieuwenhuizen 2020). The experiences of black African women street traders in Durban mirror the broader narratives of vulnerability within the sector (Ntuli 2020). This study unravels the intricacies of their experiences, highlighting how structural factors converge with external shocks to shape their livelihoods (Ntuli 2020).

The challenges of vulnerability to external shocks faced by South African informal traders intertwine with broader issues of economic inclusion, resilience and the role of governance. As the pandemic exposed the cracks in policies, the significance of understanding these challenges cannot be overstated. A multidimensional lens encompassing entrepreneurial orientation, structural dynamics and policy considerations provides a comprehensive grasp of this challenge. In navigating these vulnerabilities, the need for holistic policies, safety nets and adaptive strategies surfaces as a clarion call. The experiences of South African informal traders, mirrored across diverse studies, emphasise the imperative to acknowledge their contributions, challenges and resilience, urging the formulation of contextually sensitive interventions.

#### **2.4.4 Lack of access to capital**

Amidst the vibrant tapestry of South Africa's informal trading sector, the challenge of inadequate capital emerges as a central thread that intricately weaves into the narratives of traders striving to carve out livelihoods within this dynamic milieu. Extensive scholarship underscores the profound impact that a lack of capital exerts on the trajectories of informal traders, shaping their economic agency, resilience and prospects. Kamete (2018) delves into the intricate assimilation of the urban informal economy in Southern Africa, shedding light on the impediments that hinder access to financial resources for traders. The dangerous disconnect between perspectives, planning, policy and practice towards informal traders in Durban, as highlighted by DeVries (2018), accentuates the multifaceted challenges they face in attaining capital for business growth and sustainability.

Within this context, the experiences of migrant street traders in Durban provide a distressing lens through which to examine the constraints posed by lack of capital. Mbatha and Koskimaki (2023) underscore how the infrastructures of friendship formed amongst these traders serve as critical resources in overcoming financial limitations. This speaks to the ingenuity and resourcefulness that traders employ to navigate the absence of substantial capital for investment. Similar

sentiments resonate in Mottiar's exploration of everyday forms of resistance and claim making in Durban's informal economy (2019), highlighting how traders navigate constrained financial resources to assert their agency and economic aspirations.

The gendered dimensions of a lack of capital are also salient within South Africa's informal trading landscape. Bhoola and Chetty's (2022) study on economically marginalised women food vendors in Durban underscores how limited access to financial resources intersects with gender dynamics, shaping women traders' experiences within this sector. Additionally, Ntuli's (2020) examination of black African women street traders in Durban unravels the unique challenges they face due to historical inequities and limited financial resources, underscoring the complex interplay between race, gender and capital within the informal trading sphere.

The literature collectively highlights that a lack of capital hampers informal traders' ability to expand, innovate and adapt to changing market dynamics. This challenge reverberates across various stages of traders' entrepreneurial journeys, from the initial start-up to sustaining operations and seizing growth opportunities. Traders often grapple with acquiring sufficient capital to invest in stock, enhance infrastructure and withstand market fluctuations, thereby impeding their overall economic well-being and prospects (Kamete 2018; DeVries 2018; Mbatha and Koskimaki 2023).

The significance of this challenge extends beyond individual traders, resonating within broader socio-economic contexts. The limited access to capital perpetuates cycles of poverty and economic inequality, particularly amongst marginalised groups such as women and migrant traders (Bhoola and Chetty 2022; Ntuli 2020). Furthermore, the absence of capital constrains the informal sector's potential contributions to local economies, hindering its role in driving employment generation, income distribution and economic resilience (Mottiar 2019).

The lack of capital as a challenge faced by informal traders in South Africa is a critical facet that shapes the dynamics of this sector. The interplay of historical legacies, gender dynamics and policy contexts further amplifies the multifaceted nature of this challenge. The diverse insights drawn from scholarly works converge to unveil the profound impact that inadequate capital exerts on traders' agency, livelihoods and economic trajectories. Understanding this challenge is pivotal in formulating context-sensitive interventions that empower traders; enhance their access to

financial resources; and contribute to the broader socio-economic development of South Africa.

## **2.5 Impact of these challenges on economic growth**

The challenges faced by informal traders have far-reaching implications that resonate across economic dimensions, influencing the growth trajectories of nations and communities. As this review of literature unfolds, it becomes evident that the adversities encountered by informal traders hold the potential to reverberate throughout economies, shaping socio-economic landscapes and development pathways.

The linkage between the challenges faced by informal traders and their impact on economic growth is evident in studies from various contexts. Kabonga, Zvokuomba and Nyagadza (2021) illustrate the struggles of young entrepreneurs in informal trading, emphasising how limited access to resources, regulatory barriers and financial constraints hinder their ability to expand businesses. This scenario aligns with a broader narrative, wherein the absence of conducive conditions curtails informal traders' capacity to contribute optimally to the economy.

The socio-economic implications of the Covid-19 pandemic for women entrepreneurs in Zimbabwe's informal sector underscore the vulnerability of this segment to external shocks (Mashapure et al., 2021). The pandemic disrupted supply chains, reduced consumer demand and restricted mobility, affecting the income generation of informal traders. Such shocks highlight the interconnectedness of informal trading with broader economic activities, underscoring its susceptibility to external dynamics.

In South Africa, Masuku and Nzewi (2021) shed light on how the socio-economic exclusion of the informal sector from basic service provisions hampers its contributions to the economy. Informal traders' limited access to infrastructure, sanitation and other essential services impacts their ability to operate efficiently and contribute to local economic growth. This exclusion diminishes the sector's potential as a vibrant economic force.

The narratives of informal traders in Metro Manila, as presented by Recio (2021), unveil insights into the interplay between street routines and state regulations. Regulatory frameworks can

directly affect the operations of informal traders thus influencing their economic viability. Policies that hinder informal trading, such as restrictive licensing and eviction practices, not only impede traders' livelihoods but also curtail the sector's contribution to economic growth.

As this review of literature demonstrates, the challenges faced by informal traders resonate beyond individual struggles, encompassing wider economic implications. The inability of informal traders to access resources, navigate regulatory hurdles, and withstand external shocks limits their capacity to contribute meaningfully to economic growth. Moreover, the socio-economic exclusion of the informal sector from basic services further exacerbates the challenges faced by traders, hindering their economic potential.

The challenges confronted by informal traders possess a profound influence on economic growth. Across various contexts, these challenges hinder the sector's contributions, hindering its potential to be a robust economic force. The interconnections between regulatory frameworks, access to resources, external shocks, and socio-economic exclusion collectively underscore the necessity of addressing these challenges to harness the full economic potential of informal trading. As economies strive for inclusive and sustainable growth, understanding and mitigating these challenges emerge as imperatives that demand attention and action.

## **2.6 Conclusion**

In conclusion, the extensive exploration of literature on the challenges faced by informal traders and their impact on economic growth underscores the intricate interplay between individual struggles and broader socio-economic dynamics. This comprehensive analysis reveals a multi-faceted narrative where regulatory barriers, limited access to resources, vulnerability to external shocks, lack of social protection and socio-economic exclusion intertwine to shape the experiences of informal traders across diverse contexts. The literature unequivocally demonstrates that these challenges transcend mere obstacles for individual traders, extending their effects to impact economic growth at various levels.

The struggles faced by informal traders hinder their capacity to contribute optimally to local economies. Whether it is the impediments imposed by regulatory frameworks, the inability to

access financial resources or the susceptibility to external shocks like the Covid-19 pandemic, these challenges collectively limit the sector's potential to foster robust economic growth. The findings also underscore the inextricable link between informal trading and broader socio-economic systems. The exclusion of the informal sector from essential services inhibits its role as an economic engine, hindering the potential for inclusive growth. The interconnections between informal trading and state regulation, street routines and policy environments highlight the need for context-sensitive interventions that empower informal traders to navigate these challenges and contribute effectively to economic vitality. This synthesis of literature prompts a compelling call to action.

It highlights the importance of recognizing the resilience and economic significance of informal traders, despite the adversities they face. Addressing the challenges requires a nuanced understanding of their complex interactions, informed by cross-learning from various regions. Policies aimed at fostering economic growth must consider the unique needs of informal traders, ensuring their integration into broader socio-economic development frameworks. In essence, this literature review painted a vivid portrait of the challenges faced by informal traders and their ramifications for economic growth. The chapter that follows discusses the methodology used in this study.

### **3. CHAPTER THREE: RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The research methodology stands as the critical bridge between the theoretical underpinnings and the empirical exploration within this study. It serves as the compass guiding the research journey, delineating the path through which insights will be gleaned from theory and data (Köhler, Smith and Bhakoo 2022). The significance of the research methodology lies in its capacity to provide a systematic framework that ensures rigour, validity, and reliability in the pursuit of answering the research questions and achieving the study's objectives (Sekaran and Bougie 2016). At the heart of the research methodology lies the blueprint for how the study will unfold.

This chapter outlines the strategies, techniques, and approaches that will be employed to gather, analyse, and interpret data, thereby enabling a comprehensive understanding of the challenges faced by informal traders and their impact on economic growth. By adopting a robust research methodology, the study ensures that the empirical findings are not only meaningful but also credible, contributing to the overall body of knowledge in a well-founded manner.

The research methodology is not merely a technical aspect of the study; rather, it is reflective of the study's ethos. It shapes the lens through which the research questions are explored and answered. A well-constructed methodology not only ensures the alignment between research objectives and data collection methods but also guards against potential biases and inaccuracies (Walliman 2021). By providing a structured and transparent approach to data collection and analysis, the methodology enhances the study's credibility, allowing readers to assess the validity of the research process and conclusions drawn.

#### **3.2 Research paradigm**

A research paradigm serves as the foundational framework that shapes the philosophical underpinnings and methodological approach of a study. It guides researchers' perspectives, assumptions, and choices throughout their research journey. Paradigms provide a lens through which researchers interpret phenomena, construct knowledge, and generate insights.

Various research paradigms exist, each reflecting distinct ontological, epistemological and methodological orientations. These paradigms influence researchers' understanding of reality, the nature of knowledge, and the ways in which they approach inquiry. Examples of research paradigms include positivism, interpretivism, constructivism and pragmatism (Marvasti 2018). In this study, an interpretivist research paradigm was employed. Interpretivism is rooted in the belief that reality is subjective and socially constructed. Researchers adopting this paradigm seek to understand the meanings and interpretations that individuals assign to their experiences. Interpretivism aligns with qualitative research methods, focusing on context, complexity and the exploration of multiple perspectives (Dawson 2019).

The choice of an interpretivist research paradigm for this study is informed by its congruence with the research objectives. Given the study's focus on understanding the challenges faced by informal traders and their impact on economic growth, an interpretive approach allows for an in-depth exploration of traders' lived experiences and the complex dynamics that shape their realities. This paradigm recognizes the influence of social and cultural contexts on traders' perceptions and actions, offering a nuanced understanding of their challenges and contributions (Byrd 2020). The interpretivist paradigm's emphasis on subjectivity and meaning aligns with the qualitative nature of this study. As informal trading involves diverse and intricate socio-economic interactions, the interpretive lens allows researchers to capture the richness of traders' narratives, revealing the nuances that quantitative methods might overlook (Liamputtong 2020).

In applying the interpretivist research paradigm to this study, qualitative data collection methods were employed. In-depth interviews were utilised to elicit traders' perspectives, experiences and challenges. This facilitated the exploration of underlying motivations, contextual factors and the intricate interplay between challenges and economic growth. The analysis process involved coding, thematic analysis and constant comparison to uncover recurring patterns, themes and meanings within the data. This approach enabled researchers to interpret the collected data holistically, capturing the diversity of traders' voices and the significance of their experiences in shaping economic dynamics (Bougie and Sekaran 2019).

### 3.3 Research design

A research design serves as the blueprint that structures the entire research process, guiding the systematic exploration of research questions and objectives. It encompasses the plan, strategies and methods through which data will be collected, analysed and interpreted, ultimately shaping the study's framework and outcomes. Marvasti (2018) defines a research design as a comprehensive strategy that outlines the logical and systematic approach to conducting research, ensuring that the study is organised, coherent and methodologically sound.

Various research designs are employed in research endeavours, each tailored to the research questions, objectives and context. Examples of research designs include experimental, correlational, descriptive and case study designs (Dawson 2019). An experimental design involves the controlled manipulation of variables to establish cause-and-effect relationships. A correlational design seeks to identify relationships between variables. Descriptive designs aim to provide detailed accounts of phenomena. A case study design, the focus of this study, delves deeply into a specific case or phenomenon to gain in-depth insights (Byrd 2020).

In this study, a case study research design was employed. A case study design involves an in-depth examination of a single instance, bounded by its specific context, to gain comprehensive and contextualised insights (Bougie and Sekaran 2019). This design is appropriate for the current study due to its capacity to delve deeply into the challenges faced by informal traders and their impact on economic growth in the specific context of South Africa. A case study design aligns with the study's objectives by enabling an exploration of the intricate interplay between variables within a real-world context, contributing rich and nuanced findings (Liamputtong 2020).

The case study design is justified by its suitability for addressing complex research questions and capturing real-world dynamics. Given the multifaceted nature of the challenges faced by informal traders and their impact on economic growth, a case study design allows for an in-depth exploration of the nuances, context and interrelationships within this dynamic environment (Marvasti 2018). It enabled the researcher to understand the challenges from the perspectives of multiple stakeholders and to uncover the intricate ways in which these challenges influence economic growth.

The case study research design was employed in this study through a meticulous process of data collection, analysis and interpretation. The study selected a group of informal traders in Durban as the case, aiming to gain a comprehensive understanding of their experiences, struggles and contributions within the context of South Africa's informal trading sector. Data was gathered through in-depth interviews. These methods facilitated a holistic exploration of the challenges faced by informal traders and their implications for economic growth.

The case study design involved a systematic and iterative process of data collection, analysis and interpretation. The collected data was rigorously analysed using thematic analysis or content analysis techniques to identify patterns, themes and relationships within the data (Bougie and Sekaran 2019). The findings were triangulated and validated through secondary literature sources and perspectives to enhance the credibility and reliability of the study's conclusions (Liamputtong 2020).

### **3.4 Research approach**

A research approach serves as the overarching framework that guides the overall orientation and methodology of a research study. It encompasses the strategies, methods, and procedures employed to address research questions and achieve the study's objectives (Flemming *et al.* 2019). In essence, a research approach outlines the systematic path that researchers take to gather, analyse and interpret data, thereby shaping the study's design and outcomes (Marvasti 2018).

Within the realm of research approaches, several distinct paradigms are commonly employed, each characterised by its specific methodologies and philosophical underpinnings. The quantitative research approach focuses on the collection and analysis of numerical data, often aiming to establish patterns, relationships and correlations (Dawson 2019). The qualitative research approach, on the other hand, delves into the exploration of meanings, experiences, and contexts through methods like interviews, observations, and content analysis (Byrd 2020). The mixed methods research approach integrates both quantitative and qualitative methods to provide a comprehensive understanding of a research problem, enhancing the depth and breadth of insights (Bougie and Sekaran 2019).

In this study, a qualitative research approach was employed, which aligns with the study's aim to explore the challenges faced by informal traders and their impact on economic growth from the participants' perspectives. Qualitative research was deemed appropriate due to its capacity to capture rich, contextualised data that reflects the complexities of human experiences and behaviours (Liamputtong 2020). The focus on understanding the nuances of informal traders' challenges and their economic implications necessitated an approach that would allow for an in-depth exploration and interpretation of their viewpoints and contexts.

The qualitative research approach was implemented through a series of in-depth interviews and focus group discussions. This approach allowed for a deep exploration of the challenges faced by informal traders, enabling the collection of detailed narratives, personal experiences and perceptions. By engaging directly with the participants, the study aimed to unravel the multi-faceted dimensions of these challenges and their effects on economic growth. During the data collection phase, open-ended questions were posed to the participants, allowing them to share their experiences, emotions, and perspectives without constraints imposed by pre-defined response categories. These qualitative data were then systematically analysed using thematic analysis, a method that involves identifying recurring patterns, themes and meanings within the data (Dawson 2019). The analysis process involved coding the data, categorising emerging themes, and interpreting the significance of these themes in relation to the research questions.

The qualitative research approach proved valuable in uncovering the lived experiences and intricacies of informal traders' challenges, while also shedding light on the economic implications that emanate from these struggles. By embracing a qualitative lens, the study delved beyond mere quantitative indicators, revealing the personal narratives, emotions and socio-cultural contexts that influence informal traders' engagement in economic activities. Through this approach, the study aimed to contribute to a holistic understanding of the challenges and their broader consequences for economic growth.

### **3.5 Target population**

In research, a target population serves as the focal point of investigation, encompassing the specific group or individuals under scrutiny for a given study (Li and Song 2020). This concept aligns with the premise that research endeavours must be directed towards a particular group in

order to draw meaningful insights and conclusions (Marvasti 2018). The identification and delineation of the target population play a pivotal role in shaping the research scope, methods and overall applicability of findings.

Within the context of this study, the focus rested on selected informal traders in central Durban, KwaZulu-Natal. Informal trading constitutes a vibrant economic force within the region, reflecting a diverse array of individuals engaged in various trading activities. Statistics indicate that Durban, being a major port city and commercial hub, boasts a significant informal trading sector that contributes to local livelihoods and economic dynamics. This sector is characterized by its multifaceted nature, encompassing a wide range of goods and services offered in markets, streets and public spaces (Shounyane 2021).

The informal trading landscape in Durban is reflective of larger trends observed within South Africa and beyond. Informal traders often operate on the margins of the formal economy, navigating a complex interplay of regulatory frameworks, access to resources, and market dynamics. Their contributions to local economies are substantial, fostering employment, income generation and the provision of goods and services to communities (Senyo 2023:154- 184).

Within this context, the target population for this study was delineated as informal traders located in the northern region of Durban. With approximately 2 300 informal traders forming the core of the target population, this study sought to delve into the challenges faced by these traders and their subsequent impact on economic growth. The selection of this specific population was driven by the need to narrow the research focus, enabling a more in-depth exploration of the experiences, perspectives and contexts that shape the livelihoods of informal traders in this region.

### **3.6 Sampling**

According to Campbell *et al.* (2021: 652-661) sampling is a fundamental aspect of research that involves selecting a subset of individuals, units or cases from a larger population in order to gather insights and draw inferences about the whole. It serves as a pragmatic solution to the logistical and resource constraints of studying an entire population, facilitating the process of data collection and analysis (Marvasti 2018). Sampling approaches can be broadly categorised into probability and non-probability sampling, each offering distinct advantages and limitations

to researchers (Dawson, 2019).

Probability sampling methods involve a random selection process, ensuring that every member of the population has an equal chance of being included in the sample (Grimmett and Stirzaker 2020). This enhances the generalizability of findings to the larger population and supports statistical inference (Bougie and Sekaran 2019). Common probability sampling techniques include simple random sampling, stratified sampling and cluster sampling, each tailored to specific research contexts and objectives (Liamputtong 2020).

In contrast, non-probability sampling methods do not rely on random selection and do not guarantee an equal representation of all population members. These methods are often employed when probability sampling is impractical or when specific characteristics of the population need to be emphasised (Byrd 2020). Non-probability sampling includes techniques such as convenience sampling, purposive sampling, snowball sampling and quota sampling, offering flexibility and feasibility in data collection (Dawson 2019).

For this study, the researcher opted for a non-probability sampling approach due to the nature of the research objectives and the specific context of informal traders. Non-probability sampling was chosen to intentionally target individuals who could provide valuable insights into the challenges faced by informal traders in South Africa's, Durban central. Within non-probability sampling, several approaches could have been employed, each with its own rationale and implications.

One of the non-probability sampling approaches that the researcher could have chosen is convenience sampling. This method involves selecting individuals who are readily available and accessible, making it a practical choice for exploratory research (Liamputtong 2020). However, convenience sampling might introduce selection bias, as it may not represent the diversity within the population of informal traders.

Alternatively, the researcher could have opted for snowball sampling. In this approach, initial participants are identified and then asked to refer to other potential participants. This method is particularly useful when studying hard-to-reach populations or when the researcher seeks individuals with specific characteristics or experiences (Byrd 2020). Snowball sampling,

however, can result in a limited scope of diversity, as participants tend to refer to others who share similar traits.

In this study, the researcher chose purposive sampling as the non-probability sampling approach. Purposive sampling involves selecting participants based on specific criteria relevant to the research objectives (Dawson 2019). In this case, the researcher intentionally selected 10 informal traders to provide rich insights into the challenges faced by traders in South Africa. This approach was deemed suitable because it targeted participants with first-hand experience and expertise in the subject matter, enhancing the depth and authenticity of the data collected (Marvasti 2018).

### **3.7 Data collection instrument**

Data collection is a fundamental phase in the research process and is integral to the pursuit of gathering information to address research questions and achieve study objectives. It involves systematically obtaining relevant data from various sources, enabling researchers to explore, analyse and draw meaningful conclusions (Marvasti 2018). In this study, data collection was executed through interviews, a qualitative research method that offers depth and context to the exploration of challenges faced by informal traders and their impact on economic growth. Data collection approaches encompass a range of methods that researchers can employ to gather information. Two prominent methods, focus groups and observations, offer distinct advantages. Focus groups facilitate group discussions to explore shared experiences, attitudes and perceptions, fostering rich insights (Dawson 2019). Observations involve the direct observation of participants' behaviors and interactions within natural settings, shedding light on nuanced aspects often left unspoken (Byrd 2020).

In this study, interviews were selected as the primary data collection method due to their ability to delve deeply into the experiences and perspectives of informal traders. Interviews involve a structured interaction between the researcher and participants, enabling the extraction of qualitative data through conversation (Bougie and Sekaran 2019). Interviews can be categorised as structured or semi-structured, each with distinct characteristics. Structured interviews involve pre-determined questions asked in a consistent manner of all participants, aiming to maintain uniformity and control in responses (Liamputtong 2020). On the other hand, semi-structured interviews employ a flexible approach, with predetermined open-ended questions guiding the

conversation whilst allowing for a spontaneous exploration of emerging themes (Dawson 2019).

Semi-structured interviews were selected for this study. This approach was deemed appropriate as it offered a balance between structure and flexibility, enabling the exploration of pre-defined research objectives whilst also allowing participants to elaborate on their experiences, opinions and nuances. Semi-structured interviews facilitated in-depth discussions, allowing informal traders to express themselves freely; offer insights beyond the pre-defined questions; and provide context-rich narratives that could enrich the study's findings (Liamputtong 2020). Semi-structured interviews were conducted by employing a pre-determined set of open-ended questions, whilst also allowing for additional queries to be posed based on participants' responses. This approach facilitated consistency in exploring pre-defined themes while enabling flexibility to explore unforeseen perspectives that emerged during conversations. The open-ended nature of semi-structured interviews encouraged participants to share narratives, experiences and viewpoints that might not have surfaced in a more structured approach (Dawson 2019).

### **3.8 Data analysis**

Data analysis is a pivotal stage in the research process, involving systematically examining collected data to extract meaningful insights and draw conclusions (Mezmir 2020:15-27). This phase transforms raw data into comprehensible findings, enabling researchers to address research questions and fulfil study objectives (Marvasti 2018). For qualitative researchers, data analysis entails a nuanced exploration of textual or visual data to identify patterns, themes, and meanings that underlie participants' experiences and perspectives (Dawson 2019). This process employs various approaches, each offering distinct techniques and outcomes. In this study, the thematic analysis approach was employed to analyse qualitative data.

Thematic analysis is a qualitative data analysis technique that involves identifying, analysing and reporting patterns (themes) within data (Bougie and Sekaran 2019). It provides a structured yet flexible approach to uncovering the complex meanings embedded in textual or visual data (Liamputtong 2020). This approach transcends surface-level interpretations, delving into the underlying narratives, concepts and interpretations present in the data. Thematic analysis is particularly suitable for exploring the diverse challenges faced by informal traders and understanding their impact on economic growth. Moreover, thematic analysis was chosen as the

data analysis approach due to its compatibility with the research objectives and the qualitative nature of the collected data. Thematic analysis offers a systematic way to identify and interpret patterns within qualitative data, enabling a comprehensive exploration of the challenges faced by informal traders and their implications for economic growth. By employing thematic analysis, the study aimed to identify recurring themes that capture the essence of the challenges and their multifaceted impacts, providing a deeper understanding of the complex dynamics at play.

The process of thematic analysis involved several steps. Initially, the collected qualitative data, including interviews and observations, was transcribed and familiarised with to immerse in the content. The data was then systematically coded, identifying meaningful units that represented different aspects of challenges and their impact on economic growth. These codes were subsequently organised into themes, which encapsulated broader patterns and concepts present within the data. Throughout this process, attention was paid to ensure that the identified themes were coherent, distinct and representative of the data. The themes were further refined and reviewed, with constant reference to the original data to ensure accuracy and alignment.

The thematic analysis approach was chosen for its flexibility, allowing the research to adapt to the complexity and richness of the data whilst remaining structured and systematic. In addition, this approach provided the opportunity to uncover both anticipated and emergent themes, ensuring a comprehensive exploration of the challenges and their implications. By employing thematic analysis, the study sought to provide a nuanced, contextually grounded understanding of how the challenges faced by informal traders reverberate within the realm of economic growth.

### **3.9 Ethical considerations**

The study adhered to ethical considerations such as informed consent, confidentiality and privacy of the participants. The researcher obtained informed consent from the participants before data collection, ensuring that they understood the purpose and nature of the study. Confidentiality was maintained by using pseudonyms and securely storing the data. The researcher also sought ethical approval from the relevant institutional review board to ensure that the study met ethical standards. Data will be kept on a password protected computer and will be deleted 5 years after the research is completed.

### **3.10 Conclusion**

In conclusion, the methodology chapter served as the methodological compass that guided this study's pursuit of understanding the challenges faced by informal traders and their impact on economic growth. The meticulous selection and application of research methods, coupled with the deliberate choice of thematic analysis as the data analysis approach, ensured a rigorous and comprehensive exploration of the research objectives. The research methods adopted were strategically aligned with the study's qualitative nature and research questions, enabling the collection of rich and contextually grounded data.

The utilisation of in-depth interviews and observations facilitated the capture of the diverse perspectives and experiences of informal traders. These methods were underpinned by ethical considerations, ensuring that the rights and confidentiality of participants were upheld throughout the research journey. The chapter that follows presents the data and the interpretation thereof.

According to Sürücü and Maslakçı (2020), ensuring research trustworthiness involves multiple components. Credibility was maintained by using multiple data sources and member checking. Dependability was achieved through clear documentation and an audit trail during the research. Confirmability was ensured by keeping researcher biases in check, and transferability was established through thick description and diverse participant selection. In this study, the researcher conformed to the levels of trustworthiness as highlighted in the literature.

## 4. CHAPTER FOUR: PRESENTATION AND INTERPRETATION OF DATA

### 4.1 Introduction

The data analysis chapter serves as a pivotal segment of this study, encapsulating the systematic and rigorous examination of the gathered qualitative data. This chapter stands as a conduit through which raw data is processed, distilled and interpreted to unearth the nuanced array of challenges confronting informal traders. The ensuing analysis seeks to delineate the intricate relationship between these challenges and their implications for economic growth. This chapter commences by outlining the structured procedure employed to analyse the data. It elucidates the methodologies and techniques utilised to identify recurring themes and patterns within the dataset. This analytical phase entails a methodical dissection of the information collected, aimed at discerning the underlying narratives, insights and viewpoints expressed by the study participants. A central tenet of this chapter is the rigorous adherence to a systematic approach, ensuring both the reliability of the findings and ethical accountability to the research participants. By adhering to prescribed procedures and fostering transparency, the analysis strives to lend credibility to the interpretations drawn from the empirical data. This meticulous treatment of data echoes the study's commitment to scholarly rigor and integrity.

### 4.2 Demographic information of participants

**Table 4.2: Gender Distribution of Participants**

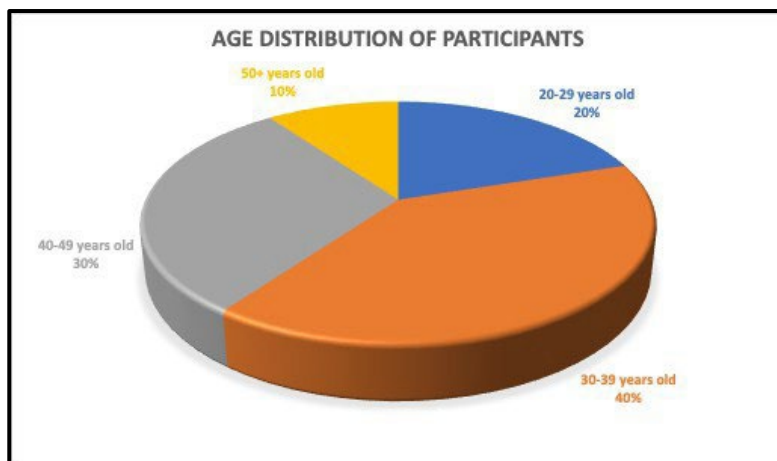
<b>Gender</b>	<b>Number of Participants</b>	<b>Percentage</b>
Male	5	50%
Female	5	50%
Total	10	100%

Source: Author's own table

The participants were evenly split by gender, with 50% being male and 50% being female. This balanced representation ensures a comprehensive exploration of the challenges from diverse gender perspectives.

### 4.2.1 Age

The age distribution of participants encompasses a range of age groups. The largest proportion fell within the 30-39 age group (40%), followed by the 40-49 age group (30%). Participants aged 20-29 and 50+ constituted 20% and 10% of the sample, respectively. The diverse age composition ensures insights from various life stages and experiences. The researcher noted that people's preferences and behaviours change as they age, influencing their contribution towards the study. The selection of the age group will also assist in future studies to determine which age group to consider for the research.



**Figure 4.1: Age Distribution of Participants.**

Source: Author's own diagram

### 4.2.2 Years in Informal Trading

The participants' years in informal trading exhibit a varied distribution. The highest percentage (30%) falls within the 1-5 years category, followed by the 6-10 years category (30%). The 11-15 years and 16+ years categories each account for 20% of the sample. This distribution ensures insights from traders with differing levels of experience. From the distribution of the years of experience with informal trading, one can deduce that informal trading is easily accessible to the beginners and not easy to maintain with longer periods of time.

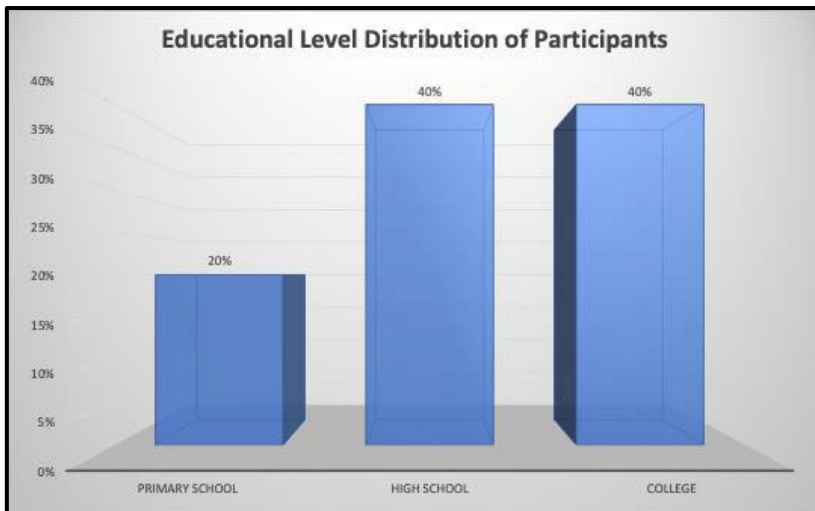
**Table 4.2: Years in Informal Trading Distribution of Participants**

<b>Years in Informal Trading</b>	<b>Number of Participants</b>	<b>Percentage</b>
1-5	3	30%
6-10	3	30%
11-15	2	20%
16+	2	20%

Source: Author’s own table

### **4.2.3 Educational Level Distribution of Participants**

The participants represent diverse educational backgrounds. Participants with a high school education form the largest group (40%), followed by those with a college education (40%). Participants with primary school education constitute 20% of the sample. This distribution captures insights from various educational levels within the informal trading sector. According to AlDhaheri (2024), youth aged 15-24 years and 25-34 years continue to have the highest unemployment rates. This is evidenced by school and college participants constituting the highest number of informal traders.



**Figure 4.2: Educational Level Distribution of Participants**

Source: Author’s own diagram

### 4.3 Thematic analysis

The thematic analysis from the raw data is presented and discussed below.

#### 4.3.1 Lack of access to financial resources

The challenge of a lack of access to financial resources emerged prominently from the data analysis, shedding light on the significant challenges faced by informal traders in acquiring the necessary funds to support and grow their businesses. This theme underscores the critical role that financial resources play in sustaining livelihoods within the informal trading sector.

Participants consistently voiced their struggles with limited access to funds, which hindered their ability to invest, expand and navigate the dynamic market environment. One participant (P5) stated: *"I have big plans for my business, but I can't get a loan to make them happen. Banks see us as risky, so we're stuck with whatever little we can save."*

Another participant (P2) echoed this sentiment as follows: *"Without enough money, it's hard to keep up with trends and demands. We can't afford to innovate or try new things because we're always worried about making ends meet."* Such sentiments vividly reflect the financial constraints that restrain the growth and innovation potential of informal traders.

Another participant (P8) mentioned: *"I had to borrow from friends just to buy more stock. Banks won't even talk to me because I don't have formal documents."*

Participant P4 also expressed that: *"When I needed funds to expand, I explored microfinance, but the interest rates were astronomical. It's like they want to keep us trapped."*

Due to a lack of access to mainstream financial resources, informal traders fell victim to predatory lenders. P1 stated: *"Every time we need to invest, it's a struggle. We're forced to rely on money lenders who charge ridiculous interest rates."*

The lack of access to financial resources also perpetuates a cycle of vulnerability, making informal traders more susceptible to economic shocks. A participant (P10) shared: *"When there's a sudden drop in sales or a price hike, I can't adapt quickly. I don't have a safety net to fall back*

*on.*" This sentiment underscores the profound impact of financial instability on informal traders' ability to weather unforeseen challenges.

Furthermore, participants expressed a sense of frustration over the absence of tailored financial services that cater to their unique needs. As one participant (P6) stated, "We're not like big businesses. We need loans with flexible terms, not rigid structures that don't fit our reality." This sentiment underscores the mismatch between the available financial services and the specific requirements of informal traders.

The theme of lack of access to financial resources reveals the complex web of challenges that confront informal traders as they strive to access the capital necessary for sustenance and growth. The direct quotes from participants vividly illustrate the struggles they face in obtaining loans, investing in innovation and navigating a financial landscape that often excludes them. This theme underscores the urgency of developing financial solutions that are attuned to the unique circumstances of informal traders, ensuring their equitable access to resources that can catalyse their economic empowerment and contribute to overall economic growth.

#### **4.3.2 Market Competition and Saturation**

The challenge of market competition and saturation emerged as a salient and poignant aspect within the findings of this study, shedding light on the challenges that informal traders encounter within the competitive landscape of their trade. This theme delves into the intricate dynamics of market dynamics, where participants consistently articulated their struggles in navigating a saturated environment with fierce competition.

Participants revealed the daunting reality of contending with numerous traders offering similar goods and services. One participant (P3) remarked: "*It's a struggle to stand out in a sea of similar products. Every corner seems to have someone selling what I'm selling.*" This sentiment underscores the pervasive nature of market saturation that can lead to reduced profit margins and limited customer engagement.

Another participant (P5) stated: "*Getting customers' attention is harder than ever. Everyone's trying to sell something, and customers are spoiled for choice. It's tough to convince them why*

*they should buy from me."*

Participant (P9) also remarked that: *"I used to make good money, but now I'm barely breaking even. There are too many of us selling the same thing, driving prices down."*

Participant (P7) stated: *"Finding a good spot to set up is like a battlefield. The best spots are taken, and if you're not visible, you might as well not exist."*

The theme underscores the financial pressures that arise due to fierce competition. Participants expressed concerns about maintaining their livelihoods when profit margins are thin and expenses are high. As one participant (P6) shared: *"It's frustrating because I have to keep prices low to compete. But then, I struggle to cover my expenses and take care of my family."*

Moreover, the competition often transcended individual traders, extending to the broader challenges related to accessing prime trading locations. Participants recounted challenges in securing suitable spaces to set up their businesses. A participant shared: *"Landlords charge high rents for good spots, and we're left with less visible places that don't attract customers."*

This aspect reveals how competition extends beyond trading goods to acquiring strategic locations that can enhance visibility and customer traffic.

In conclusion, the challenge of market competition and saturation uncovers the complexities of informal trading within a densely competitive environment. The direct quotes from participants poignantly capture their struggles to differentiate themselves, attract customers and maintain viable profit margins. The theme illuminates the multifaceted challenges of competition, encompassing product differentiation, customer engagement and access to prime trading locations. In the context of economic growth, this theme highlights the need for strategies that address market saturation, fostering an environment where informal traders can thrive and contribute to a more dynamic and resilient economic landscape.

#### **4.3.3 Regulatory and legal barriers**

The challenge of regulatory and legal barriers emerged as a pivotal aspect of the challenges faced by informal traders, shedding light on the intricate web of bureaucratic hurdles and legal ambiguities that impede their entrepreneurial endeavors. This theme underscores the pivotal

role that regulatory frameworks and legal structures play in shaping the experiences and livelihoods of those engaged in the informal trading sector.

Participants expressed their frustration with navigating complex regulatory processes, which often involved obtaining licenses, permits and adhering to various compliance measures. One participant (P2) stated, "*Getting a license to operate is a nightmare. The paperwork, the fees – it's all so overwhelming. I just want to focus on my business, not drown in bureaucracy.*"

Another participant (P8) echoed this sentiment, stating: "*I feel like we're always looking over our shoulders, afraid of being shut down for some violation we didn't even know existed. The rules keep changing, and it's hard to keep up.*" These direct quotes mirror the sentiment of exasperation and uncertainty that stems from the intricate regulatory landscape.

Participant (P1) added: "*Even finding a suitable location is a struggle. The zoning laws, the permits – it's like we're constantly fighting battles just to keep our businesses running.*"

Participant (P5) noted: "*The lack of clarity in the rules is a major headache. We're never sure if we're doing things right, and that fear of penalties is always there.*" Another participant (P4) said: "*We want to contribute to the economy and society, but the regulations make it feel like they don't want us to succeed.*"

The theme of regulatory and legal barriers encompasses not only the administrative complexities but also the potential for harassment and exploitation. Participants recounted instances where they felt targeted due to their informal status. One participant (P6) shared: "*We're an easy target for bribes and extortion by Metro Police because we're not seen as legitimate. It's frustrating and disheartening.*"

Furthermore, the lack of recognition of informal traders within the regulatory framework exacerbates their vulnerability. A participant (P10) highlighted: "*We're not protected by any labour laws. It's like we don't exist in the eyes of the law because every morning when Metro Police is patrolling, we are up and down running like criminals.*" This sentiment underscores the deep-seated consequences of regulatory exclusion.

In conclusion, the challenge of regulatory and legal barriers highlights the complex challenges that confront informal traders as they grapple with labyrinthine regulatory structures and legal

ambiguities. The direct quotes from participants provide poignant insights into their experiences, reflecting their struggles with obtaining licenses, adhering to compliance, and facing potential harassment. This theme underscores the urgent need for streamlined, transparent and supportive regulatory frameworks that empower rather than hinder informal traders. By addressing these barriers, policymakers can create an environment that nurtures the growth and contributions of the informal trading sector to economic development and social well-being.

#### **4.3.4 Economic stagnation**

Economic stagnation as a result of the challenges that informal traders face stands out prominently amongst the findings, reflecting the challenges that informal traders face in achieving growth, innovation and sustainable economic progress within their businesses. This theme encapsulates the struggles that participants articulated as they grapple with various factors that impede their ability to thrive and contribute to their local economies.

Throughout the interviews, participants mentioned that their experiences of economic stagnation are often rooted in the difficulty of breaking free from existing patterns of operation. One participant (P4) highlighted: *"The challenges that we face can even make sure that the local economy doesn't do well look now we're stuck doing the same things day in and day out. It's hard to explore new avenues when the people at the top are blocking us from growing the economy."*

Similarly, another participant (P9) shared: *"I've been selling the same products for years. There's no space to grow when we're competing with others who are selling similar things because see there is no growth here. And no growth means that the city can't benefit from jobs or taxes we can contribute here."*

Participant (P1) added: *"We don't have a forward-thinking municipality here and the economy is never growing because we are just side-lined here. So, we don't have the luxury of taking risks or experimenting. If something fails, we might not recover from it. So, we stick to what's safe."*

Participant (P3) stated: *"I'd love to expand my business, but I'm not sure how because when the little guy has no support the economy in this place is not going to be big. There's a lack of guidance and support to help us grow so how can you ask us to contribute to the growth of the*

*economy that's keeping us at the bottom."*

The constraints on productivity within the informal trading sector emerged as a significant barrier to economic progress. Participants detailed challenges related to limited resources, poor infrastructure, and the absence of systems to streamline their operations. One participant (P2) shared: *"We waste so much time dealing with basic things like water and electricity. It takes away from the time we could spend improving our businesses."*

Another participant (P7) added: *"We don't have access to technology or tools that could make things more efficient. So, we're forced to do things manually, which eats into our productivity."* These accounts reflect how productivity constraints impede informal traders from optimising their operations and seizing opportunities for growth.

The impact of economic stagnation and productivity constraints reverberates beyond individual businesses. Participants discussed how these challenges contribute to a broader sense of stagnation within the informal trading sector, with a ripple effect on local economies. One participant (P5) stated: *"When businesses like ours struggle, it affects the whole community. We can't hire, we can't invest, and that holds everyone back."*

In summary, the issue of economic stagnation and productivity constraints encapsulates the challenges that prevent informal traders from realising their full economic potential. The direct quotes from participants serve as poignant reminders of the hurdles they encounter in pursuing innovation, growth and prosperity within a competitive and resource-constrained environment. This theme underscores the urgency of addressing these constraints to unlock new avenues for economic progress, not only for individual traders but for the broader communities they serve. Efforts to enhance productivity, provide targeted support, and create an enabling environment could pave the way for a more vibrant and dynamic informal trading sector that contributes to sustained economic growth.

#### **4.4. Conclusion**

In culmination, the thematic analysis of the challenges faced by informal traders has illuminated the multifaceted nature of their struggles within the complex fabric of informal economies. The themes of "Lack of Access to Financial Resources" and "Economic Stagnation and Productivity

Constraints" provide a comprehensive understanding of the hurdles that hinder their growth, innovation and economic contributions. The theme of "Lack of Access to Financial Resources" underscores the dire need for equitable access to financial services tailored to the unique circumstances of informal traders. Direct quotes from participants vividly illustrate the limitations they face in securing loans and investment capital. This theme emphasises the urgency of developing financial solutions that foster economic empowerment and stability within the informal trading sector. Conversely, "Economic Stagnation and Productivity Constraints" illuminates the challenges of breaking free from established routines and grappling with fierce competition. The direct quotes from participants underscore the struggles they encounter in pursuing growth, innovation and efficient operations. This theme underscores the importance of fostering an environment that nurtures innovation, streamlines operations, and nurtures a spirit of entrepreneurship. Together, these themes paint a rich picture of the challenges that undermine the potential of informal traders. The direct quotes from participants infuse authenticity and depth into the analysis, underscoring the voices of those directly impacted by these challenges. The next chapter concludes the study and provides some recommendations.

## **5. CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The aim of this study was to explore the challenges faced by selected informal traders in central Durban, KwaZulu-Natal. The thematic analysis highlights the urgent need for holistic interventions that address the systemic issues hindering the growth of the informal trading sector. Solutions must encompass targeted financial support, capacity-building initiatives and policy frameworks that recognize the contributions and potential of informal traders. This analysis serves as a clarion call for collaborative efforts to create an enabling environment that empowers informal traders to overcome their challenges, pursue sustainable growth and contribute significantly to economic development. This chapter discusses the conclusions from the literature and the thematic analysis.

### **5.2 Conclusions from the literature findings**

The comprehensive review of existing literature has shed light on the intricate landscape of the challenges encountered by informal traders. The literature review indicates that informal traders across various regions, such as South Africa, Zimbabwe and the Philippines, face common barriers that hinder their growth and sustainability. The lack of access to financial resources emerged as a consistent challenge, limiting traders' ability to invest, innovate and expand their businesses. Moreover, regulatory hurdles and inadequate infrastructure were recurrent themes, underscoring the need for tailored policies and improved support systems.

The literature also emphasises the significance of understanding the intricate interplay between informal trading and broader socio-economic dynamics. The analysis of economic exclusion and limited access to basic services further highlights the vulnerability of informal traders and their marginalised status within the broader economic ecosystem. Furthermore, the literature underscores the potential of the informal sector to contribute significantly to local economies and create employment opportunities.

### 5.3 Conclusions from the primary data

The primary data collected through in-depth interviews with informal traders in central Durban, KwaZulu-Natal, has revealed a tapestry of challenges that resonate with, and often mirror, the findings of existing literature. Participants consistently highlighted the lack of access to financial resources, with quotes illuminating their struggles to secure loans and invest in their businesses. This mirrors the themes uncovered in the literature review and underscores the immediate need for financial interventions tailored to the informal trading sector.

Furthermore, the interviews provided insights into the lived experiences of traders facing economic stagnation and productivity constraints. The participants' narratives illuminated how the absence of innovation, coupled with intense competition, hampers growth and innovation. The direct quotes from participants vividly capture the intricate balance between survival and expansion within the informal trading sector. Moreover, the interviews unveiled the intricate linkages between informal trading, economic growth and community well-being. Participants shared how their businesses impact local economies and contribute to livelihoods. These first-hand accounts underscore the significant role that informal traders play in shaping the socio-economic fabric of their communities.

### 5.4 Recommendations to Policy-Makers and Local Government

(i) ***Financial Inclusion Initiatives***: Develop and promote tailored financial products for informal traders, including micro-loans and savings options, to bridge the gap in accessing capital for business growth and innovation.

(ii) ***Simplified Regulatory Frameworks***: Streamline licensing and permit procedures for informal traders, ensuring transparency, fairness and ease of compliance to reduce legal barriers.

(iii) ***Capacity Building Programs***: Establish training programs that enhance traders' business acumen, digital literacy and marketing skills, empowering them to navigate competitive markets and adapt to changing trends.

(iv) ***Market Diversification Support***: Introduce platforms that facilitate market access beyond

local borders, allowing informal traders to explore new customer bases and opportunities for growth.

(v) ***Entrepreneurial Support Centres***: Establish community hubs that offer business advisory services, mentorship and networking opportunities, fostering a supportive ecosystem for informal traders.

(vi) ***Recognition and Integration***: Recognize the informal trading sector as a vital contributor to the local economy and integrate their perspectives in policy-making to ensure a holistic approach that addresses their unique challenges.

### **5.5 Recommendations for Future Research**

Future research can conduct a mixed methods approach to explore and investigate the challenges faced by informal traders in Durban. Future research can also undertake a comparative study across different municipal areas in KwaZulu-Natal to explore the challenges faced by informal traders.

### **5.6 Limitations of the Study**

Despite its valuable insights, this study is limited in scope by its focus on a specific region, central Durban, which may not fully capture the diversity of the challenges faced by informal traders in other contexts. Additionally, the small sample size of interviews might not encompass the entire spectrum of experiences within the sector. Lastly, while efforts were made to ensure a comprehensive thematic analysis, subjectivity in interpretation could influence the identification of themes to some extent.

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## 7. List of Appendices

### Appendix 1: Ethics clearance



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21 December 2023

Ms L F Ntshangase  
26 Newbury Drive  
New Germany  
3610

Dear Ms Ntshangase

#### CHALLENGES EXPERIENCED BY INFORMAL TRADERS IN CENTRAL DURBAN, KWAZULU-NATAL

I am pleased to inform you that Full Approval has been granted to your proposal.

The Proposal has been allocated the following Ethical Clearance number **IREC 249/23**. Please use this number in all communication with this office.

Approval has been granted for a period of **ONE YEAR**, before the expiry of which you are required to apply for safety monitoring and annual recertification. Please use the Safety Monitoring and Annual Recertification Report form which can be found in the Standard Operating Procedures [SOP's] of the DUT-IREC. This form must be submitted to the DUT-IREC at least 3 months before the ethics approval for the study expires.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the DUT-IREC according to the DUT-IREC SOP's.

Please note that any deviations from the approved proposal require the approval of the DUT-IREC as outlined in the DUT-IREC SOP's.

It is compulsory for a student or researcher to apply for recertification on an annual basis. The failure to do so will result in withdrawal of ethics clearance. It is the responsibility of the researcher and the supervisor to apply for recertification.

Please note that you are required to submit a Notification of Completion of Study form together with an abstract to the DUT-IREC office on completion of your study.

Yours Sincerely

Prof J K Adam  
Chairperson: DUT-IREC

## Appendix 2: Letter of information



### LETTER OF INFORMATION

**Title of the Research Study:** Challenges experienced by Informal traders in central Durban, KwaZulu Natal

**Principal Investigator/s/researcher:** Lethiwe Ntshangase/ Master of Business Administration

**Co-Investigator/s/supervisor/s:** Prof. Rawjee, Doctrade and Dr. Jugmohan, Doctrade

The research problem lies in the limited understanding of the specific challenges faced by informal traders in Durban, KwaZulu Natal. The research focuses on exploring the challenges faced by informal traders in Durban, KwaZulu Natal. Informal traders encounter various difficulties, including financial constraints and a lack of managerial skills (Skinner, Barret, Alpers & Rogan, 2021). This study aims to shed light on these challenges and their impact on the economic growth of the region. By identifying the challenges and understanding their underlying causes, the research aims to contribute to the development of effective strategies and policies to support informal traders and enhance their contribution to the local economy.

Good Day, How are you?

I am a student at DUT doing research for my Masters in Business Administration.

I would like to invite you to participate in the research aimed at exploring the challenges faced by informal businesses.

Research is a systematic search or enquiry for generalized new knowledge.

You can ask as many questions as you wish because it is important that you fully understand the study. You are entitled to discuss the study with your family and friends, and you are under no obligation to commit it at this stage. For this purpose, a copy of the Letter of Information document will be given to you to take home.

The research problem lies in the limited understanding of the specific challenges faced by informal traders in Durban, KwaZulu Natal. While previous studies have examined the informal sector and its impact on economic growth, there is a research gap in terms of focusing on the challenges faced by informal traders in this specific location. This research aims to bridge this gap by exploring the challenges faced by informal traders in Durban, KwaZulu Natal, and their impact on the economic growth of the region.

recommend strategies that can be used to alleviate the challenges faced by informal traders. Interviews will be utilised as the primary data collection method due to their ability to search deeply into the experiences and perspectives of informal traders.

You will be asked to share your views on twenty questions.

You should please answer freely and honestly. The interview will take you approximately fifteen (15) minutes.

There are no risks associated with this study. The research may be terminated early in particular circumstances namely Non-compliance, illness, adverse reactions, etc. You are entitled to withdraw from the study at any time should you wish to do so. The research may be terminated early in particular circumstances, that the researcher may, under certain circumstances, decide to withdraw you from the study.

**Benefits:** N/A

**Remuneration:** N/A

**Costs of the Study:** N/A

**Confidentiality:** All your information will remain confidential. Responses will be kept electronically in a file that is password protected and discarded after five years.

**Results:** Results obtained will be analysed and a report will be compiled.

**Research-related Injury:** N/A

**Storage of all electronic and hard copies including tape recordings:** At the end of the study, Responses will be kept electronically in a file that is password protected and discarded after five years.

**Persons to contact in the Event of Any Problems or Queries:** Please contact me, the researcher (083 585 3223), my supervisor (Dr Jugmohan) (031 373 6841) or the DUT-Institutional Research Ethics Administrator on 031 373 2375. Complaints can be reported to the Acting Director: Research and Postgraduate Support on [researchdirector@dut.ac.za](mailto:researchdirector@dut.ac.za)



## INCWADI YEMINININGWANE

**Isihloko:** Izingqinamba ezibhekene nosomabhizinisi abahweba ngokungenamcikilisho

**Umcwani:** Lethiwe Ntshangase/ Master of Business Administration

**Ophethe ucwani:** Prof. Rawjee, Doctrade and Dr. Jugmohan, Doctrade

Ucwani lubhekiswe ekucubunguleni Izingqinamba ezibhekene nosomabhizinisi abahweba ngokungenamcikilisho e Thekwini KwaZulu Natali. Abahwebi babhekana nezingqinamba ezibandakanya ezezimali, ukuncintisana, imithetho yezwe lonkana. Lolucwani lubhekeke ukuthi lubalule lezingqinamba nenghloso yokusiza ekwenzeni ncono ezomnotho zaseThekwini.

Sawubona, unjani ?

Ngiwumfundi wase DUT, ngenza izifundo zami ze Masters in Business Administration. Ngizothanda ukukumema ukuthi ubambe iqhaza kulolucwani olubheke ekucubunguleni Izingqinamba ezibhekene nosomabhizinisi abahweba ngokungenamcikilisho e Thekwini KwaZulu Natali.

Ungabuzi imibuzo ofisa ukuyibuzi ngokungasabi. Uvumelekile ukuxoxisana nomndeni nomangabangani ngalolucwani. Uzonikezwa incwadi yokuthi uyoyicubungula kahle ekhaya mayelana nalolucwani.

Nizobuzwa imibuzo engamashumi amabili engizocela ukuba uphendule ngokungasabi nangokwethembeka. Lemibuzo ilandelana kanje:

Lemibuzo izohatha ngaphansi noma ngaphezulu kwemizuzu elishumi nesihlanu.

Abukho ubungozi obuphathelene nalolucwani. Umcwani unelungelo lokumisa ucwani ngezizathu ezingahambisani nolucwani.

**Imikomelo:** Ayikho imikomelo ephathelene nalolucwani

**Okuyimfihlo:** Yonke imininingwano yabazibandakanya kucwani iyogcinwa iyimfihlo.

**Imiphumela:** Imiphumela iyocwaniwa ebese kushicilelwa umbhalo.

**Ubungozi obulindelekile:** Abukho

**Ukugcinwa kwemiphumela:** Ekupheleni kwalolucwani, imiphumela iyogcinwa ngokuphephile ikhiyeliwe nakucompthi ivekelekile.

**Abantu abangathintwa mayelana nemibuzo** (Dr Jugmohan), (031 373 6841), umphathi wocwani (031 373 6841) noma DUT-Institutional Research Ethics umlawuli ku 031 373 2375...Izikhalo zingabhekiswa ku Director obambile: Research and Postgraduate Support ku [researchdirector@dut.ac.za](mailto:researchdirector@dut.ac.za)

**Appendix 3: Consent letter**



**CONSENT**

**Full Title of the Study:** Challenges experienced by Informal traders in central Durban, kwaZulu Natal.

**Names of Researcher/s:** Lethiwe Ntshangase, Prof. Rawjee, Dr Jugmohan

**Statement of Agreement to Participate in the Research Study:**

- I hereby confirm that I have been informed by the researcher, Lethiwe Ntshangase about the nature, conduct, benefits and risks of this study - Research Ethics Clearance Number: IREC 249/23,
- I have also received, read and understood the above written information (Participant Letter of Information) regarding the study.
- I am aware that the results of the study, including personal details regarding my sex, age, date of birth, initials and diagnosis will be anonymously processed into a study report.
- In view of the requirements of research, I agree that the data collected during this study can be processed in a computerised system by the researcher.
- I may, at any stage, without prejudice, withdraw my consent and participation in the study.
- I have had sufficient opportunity to ask questions and (of my own free will) declare myself prepared to participate in the study.
- I understand that significant new findings developed during the course of this research which may relate to my participation will be made available to me.

_____	_____	_____	_____
<b>Full Name of Participant Thumbprint</b>	<b>Date</b>	<b>Time</b>	<b>Signature/Right</b>

I, Lethiwe Ntshangase herewith confirm that the above participant has been full informed about the nature, conduct and risks of the above study.

<u>Lethiwe Ntshangase</u>	<u>24.08.2023</u>	_____
<b>Full Name of Researcher</b>	<b>Date</b>	<b>Signature</b>

_____	_____	_____
<b>Full Name of Witness (If applicable)</b>	<b>Date</b>	<b>Signature</b>

_____	_____	_____
<b>Full Name of Legal Guardian (If applicable)</b>	<b>Date</b>	<b>Signature</b>



**ISISHicilelo**

**Isihloko:** Izingqinamba ezibhekene nosomabhizinisi abahweba ngokungenamcikilisho

**Umcwani:** Lethiwe Ntshangase/ Master of Business Administration

**Ophethe ucwani:** Prof. Rawjee, Doctrade and Dr. Jugmohan, Doctrade

**Isishicilelo sokungenela ucwani:**

- Mina ngiyavuma ukuba ngaziswe umcwani u Lethiwe Ntshangase mayelana nokuzibandakanya kucwani- Research Ethics Clearance  
Namba: [IREC 249/23](#),
- Ngiyitholile incwadi mayelana nokuzibandakanya kucwani.
- Ngiyazi ukuthi imininingwano yami emayelana neminyaka nobulili izogcinwa iyimfihlo.
- Niyavumelana nokuthi imiphumela yalolucwani icubungulwe ngecomputha.
- Ngikakwazi ukuhoxa noma inini kucwani.
- Ngibe nethuba eliningi lokubuza imibuzo mayelana nocwani.
- Ngiyazi ukuthi imiphumela emisha engavela ngalolucwani ngokwaziswa ngayo.

\_\_\_\_\_

**Full Name of Participant**

\_\_\_\_\_

**Date**

\_\_\_\_\_

**Time**

\_\_\_\_\_

**Signature/Right  
Thumbprint**

Mina, Lethiwe Ntshangase ngiyaqinisekisa ukuthi umuntu ozozibandakanya kulolucwani wazisiwe ngobungozi obubandakanya ucwani.

Lethiwe Ntshangase

24.08.2023

*lfntsh*

\_\_\_\_\_

**Igama lomcwani**

\_\_\_\_\_

**Usuku**

\_\_\_\_\_

**Sayina**

\_\_\_\_\_

**Igama lafakazi**

\_\_\_\_\_

**Usuku**

\_\_\_\_\_

**Sayina**

## Appendix 4: Gatekeeper letter



### OFFICE OF THE CITY MANAGER

1st Floor, City Hall  
Dr Pixley KaSeme Street, Durban, 4001

PO Box 1014, Durban, 4000 Tel:  
0313112130, Fax: 0313112170

[www.durban.gov.za](http://www.durban.gov.za)

30 January 2024

To whom it may concern

### **RE: REQUEST FOR PERMISSION TO CONDUCT RESEARCH ON INFORMAL TRADERS IN THE CITY OF DURBAN**

EtheKwini Municipality acknowledges that Ms Lethiwe Ntshangase (10636851), is a student registered for the degree of Master of Business Administration in the Faculty of Management Sciences at the Durban University of Technology. Her dissertation is on "*Challenges experienced by Informal traders in central Durban, kwaZulu Natal*", a study aims to explore the challenges faced by the informal traders in central Durban, KwaZulu- Natal. The study intends to recommend and provide strategies that can be used to alleviate the challenges faced by the informal traders and improve the economy of the city.

To achieve the outlined aim of the study, the Municipality understands that Ms Ntshangase will collect data from the informal traders in central Durban, KwaZulu Natal. The participation of informal traders is voluntary. The University has a responsibility to ensure that data collected is confidential and cannot be traced to any individual. Upon the completion of the study, the Municipality may request the final research report for its use.

We support and grant permission to conduct this research at eThekweni Municipality.

Sincerely

Dr Collin Pillay : Program Manager

## Appendix 5: Interview guide

Demographic	Response
Gender	Male <input type="checkbox"/> Female <input type="checkbox"/>
Age	<20 years <input type="checkbox"/> 21-25 years <input type="checkbox"/> 26-30 years <input type="checkbox"/> 31-35 years <input type="checkbox"/> 36-40 years <input type="checkbox"/> >40 years <input type="checkbox"/>
Years as an Informal Trader	<1 year <input type="checkbox"/> 1-3 years <input type="checkbox"/> 4-6 years <input type="checkbox"/> 7-10 years <input type="checkbox"/> >10 years <input type="checkbox"/>

### Questions

1. How did you become involved in informal trading in Durban?
2. Can you describe the type of products or services you offer as an informal trader?
3. What are the primary challenges you face as an informal trader in Durban?
4. Have you encountered any financial challenges in running your informal business?
5. Could you tell me more about your experiences with accessing capital or credit for your business?
6. Are there specific difficulties you've faced in terms of managing your business effectively?
7. How do you adapt to changing market conditions and customer demands?
8. What obstacles have you encountered regarding to bylaws and regulations by the city?
9. Has the COVID-19 pandemic impacted your informal trading business in Durban? If so, how?
10. Are there any legal or regulatory challenges you've faced as an informal trader?
11. Have you ever experienced harassment, exploitation, or unfair competition in your line of work?

12. How do you perceive the level of state support and protection for informal workers in Durban?
13. Can you describe any instances where you felt vulnerable or unprotected due to your status as an informal trader?
14. Have you sought assistance or guidance from informal trader associations or organizations in addressing your challenges?
15. What strategies have you employed to overcome the challenges you face as an informal trader?
16. How do you envision the future growth and sustainability of your informal trading business?
17. Have you participated in any training programs or received support aimed at enhancing your entrepreneurial skills?
18. In your opinion, what role does the informal sector play in the economic growth of Durban?
19. Are there any specific policies or changes you believe would positively impact the lives of informal traders in Durban?
20. Is there anything else you would like to share regarding your experiences and challenges as an informal trader in Durban?

Ucwaningo	Impendulo
Ubulili	Owesilisa [ ] Owesifazane [ ]
Iminyaka	20 noma ngaphansi [ ] 21-25 [ ] 26-30 [ ] 31-35 [ ] 36-40 [ ] Ngaphezu kwa 40 [ ]
Iminyaka njengosomabhizinisi	Ngaphansi konyaka owodwa [ ] 1-3 [ ] 4-6 [ ] 7-10 [ ] >10 [ ]

#### Questions

1. Waqala kanjani ezamabhizinisi e Thekwini?
2. Ungachaza ukuthi uhlobo luni lwebhizinisi okwenzayo lapha eThekwini?
3. Iziphi izingqinamba osuke wabhekana nazo ngengoba wenza lomsebenzi?
4. Zikhona izingqinamba kwezezimali osuke wabhekana nazo selokhu waqala ibhizinisi?
5. Ngicela wenabe mayelana nezingqinamba zokuthola imali yokuqala ibhizinisi owabhekana nazo?
6. Iziphi izingqinamba osuke wahlangabezana nazo ekuphatheni ibhizinisi lakho?
7. Umelana kanjani nezimakethe ezishintshashintshayo kanye ezidingo zamakhasimende akho?
8. Iziphi izingqinamba osuke wahlangabezana nazo mayelana nemithetho kamasipala weTheku?
9. Ikhovidi-19 ibe nawo yini umthelela ebhizinisini lakho lapha eThekwini? Uma kuwu yebo, kanjani?
10. Ibuphi ubunzima osuke wabhekana nabo mayelana nemikhawulo njengosomabhizinisi?
11. Usuke wabhekana nokuhlukumezeka usasebenza kulekibhizinisi, noma ukungaphadhwa ngokulingana nabanye ozakwenu?

12. Uzizwa uvikelekile njengosimabhizinisi eThekwini?
13. Ungenza umzekelo lapho wazizwa ungavikelekile khona njengosomabhizinisi eThekwini?
14. Usuke wacela usizo emahovisi amakhulu ezohwebo mayelana nebhizinisi lakho?
15. Ikuphi osuke wakuzama ukumelana nezingqinamba obhekene nazo kulelibhizinisi?
16. Uyakubona ukukhula esikhathini esiphambili kwibhizinisi olenzayo?
17. Usuke wathola uqeqesho noma wathola uxhaso mayelana nokukhulisa ibhizinisi lakho?
18. Ngokubona kwakho, ibhizinisi olenzayo linamthelela muni kwezomnotho eThekwini?
19. Zikhona izinqubomgomo noma ushintsho obona ukuthi kungasiza ekukhuliseni ibhizinisi lakho lapha eThekwini?
20. Kukhona okunye ongathanda ukukhuluma ngakho mayelana nosuke wabhekana nakho njengosomabhizinisi eThekwini?

**Appendix 6: Intention to submit**



**Notice of Intention to Submit Dissertation / Thesis for Examination**

Faculty	Management Sciences				
Department	Business School				
Qualification for which student is registered	Master of Business Administration				
Offering type	Full time registration	X	Part time registration		
Prior qualification	PGDIP in Business Administration				
Student Surname	Ntshangase	Student No.	16636851		
First Names	Lethiwe Fortunate	Title (Mr, Ms)	Ms		
Postal Address	26 Newbury Drive, New Germany, 3610				
Tel (W)	Tel (H)	Cell	Fax	e-Mail	
		0835853223		mthiyaneletty@gmail.com	
Title of Dissertation/ Thesis	ADDRESSING CHALLENGES FACED BY INFORMAL TRADERS OPERATING IN CENTRAL DURBAN			Full	
				Partial	x
				Dissertation/Thesis	
Supervisor	Dr S Jugmohan				
Position	HOD	Present Qualifications	PHD		
Tel (W)	Tel (H)	Cell	Fax	e-Mail	
				seanj@dut.ac.za	
Co-Supervisor	Prof V Rawjee				
Position	HPD	Present Qualifications	PHD		
Tel (W)	Tel (H)	Cell	Fax	e-Mail	
				rawjeeve@dut.ac.za	
I wish to submit my dissertation/thesis for examination on:			November 2024		

Signed: \_\_\_\_\_ Date: 11.09.2024  
Student

Signed: \_\_\_\_\_ Date: 12/09/2024  
Supervis

Signed: \_\_\_\_\_ Date: 16/10/2024  
Co-Sup

Signed: \_\_\_\_\_ Date: 25 September 2024  
HoD

*The HoD must ensure that Examiners are appointed before submission of dissertation / thesis.*

Routing	Student		Supervisor		HoD		Faculty Officer		
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## Appendix 7: Submission of dissertation



### Submission of Dissertation/Thesis for Examination

Faculty	<b>MANAGEMENT SCIENCES</b>			
Department	<b>DUT: BUSINESS SCHOOL</b>			
Qualification for which registered	<b>MASTER OF BUSINESS ADMINISTRATION (MBA)</b>			
Offering type	Full time registration	N/A	Part time registration	<b>X</b>
Prior qualification	Post Graduate Diploma in Business Administration			

Student Surname	Ntshangase		Student No.	16636851	
First Names	Lethiwe Fortunate		Title (Mr, Ms)	Ms	
Postal Address	26 Newbury Drive, New Germany, 3610				
Tel (W)	Tel (H)	Cell	Fax	e-Mail	
N/A	N/A	0835853223	N/A	mthiyaneletty@gmail.com	
Title of Dissertation/ Thesis	<b>CHALLENGES EXPERIENCED BY INFORMAL TRADERS IN CENTRAL DURBAN, KWAZULU-NATAL</b>			Full	N/A
				Partial	X
				Dissertation/Thesis	

Supervisor	Dr S. Jugmohan			
Position	HOD		Present Qualifications	D.PHIL
Tel (W)	Tel (H)	Cell	Fax	e-Mail
N/A	N/A	0847277009	N/A	seanj@dut.ac.za
Co-Supervisor	Prof V.P. Rawjee			
Position	HOD		Present Qualifications	D.PHIL
Tel (W)	Tel (H)	Cell	Fax	e-Mail
0313735277	N/A	N/A	N/A	seanj@dut.ac.za

I hereby grant the abovementioned student permission to submit his/her dissertation/thesis for examination.

Signed: \_\_\_\_\_ Date: 10/10/24 YES  NO

(Supervisor)

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ YES  NO

(Co-Supervisor)

Signed: \_\_\_\_\_ Date: 10/10/24

(HoD)

Routing	Student	Supervisor	HoD	Faculty Officer
---------	---------	------------	-----	-----------------

## Appendix 8: Editors' letter

### APPENDIX 6: LANGUAGE EDITORS' CLEARANCE LETTER

#### EDITOR'S LETTER

Researchers Beyond-Borders (PTY) LTD  
Umhlanga, Durban  
South Africa  
7 October 2024

To whom it may concern

Editing of Masters Dissertation: Lethiwe F. Ntshangase (Student number -16636851)

**Title of dissertation:** Challenges experienced by informal traders in central Durban, KwaZulu-Natal.

This letter serves as confirmation that the aforementioned dissertation has been language edited.  
Any queries may be directed to the author of this letter.



Regards

Maleni Pillay  
Researchers Beyond-Borders  
[consult@researchersbeyondborders.com](mailto:consult@researchersbeyondborders.com)  
[www.researchersbeyondborders.com](http://www.researchersbeyondborders.com)

## Appendix 9: Turn it in the report

### L Ntshangase Mini Thesis

#### ORIGINALITY REPORT

10%

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STUDENT PAPERS

#### PRIMARY SOURCES

1	Mukondeleli Angelina Ramasimu, Ntsieni Fitzgerald Ramasimu, Tshilidzi Eric Nenzhelele. "Contributions and challenges of informal traders in local economic development", Corporate Governance and Organizational Behavior Review, 2023 Publication	1%
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