

The informal economy: progress & policies

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The 'informal economy'

- Diverse, fluid, hidden yet deeply interlinked with 'formal' economy → difficult to define & capture
- Over 2.5 m people work in the informal sector = 17% of workforce in 2014 (Rogan and Skinner, 2017)
- Contributes approximately 7 – 12% of GDP
- Often essential to marginalised groups (women, foreigners, low-skilled, poor)
- Important to wider society (economic buffer, space of entrepreneurialism, outlet for formal products, social and environmental impacts)
- Creates negative impacts & hazards → **need for governance**

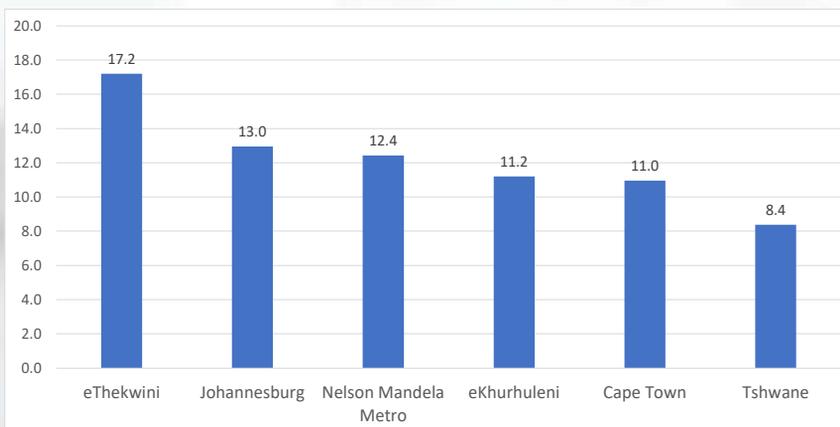




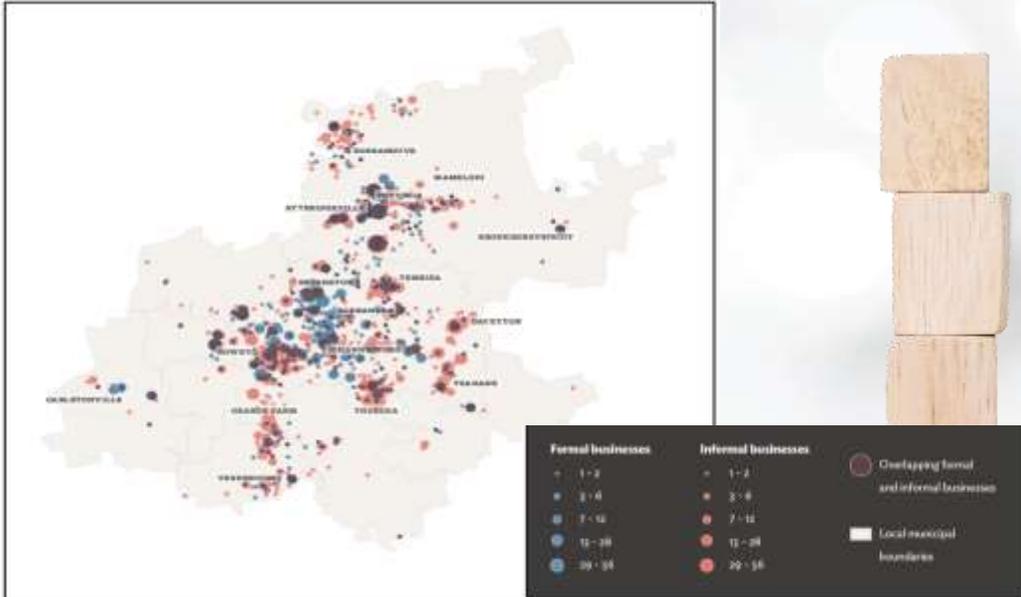
Informal enterprises in Delft, Cape Town; Source: Suraya Scheba, 2017

Uneven geography across city-regions

Percentage share of informal sector employment in total employment by metro (excluding agriculture) (2014)



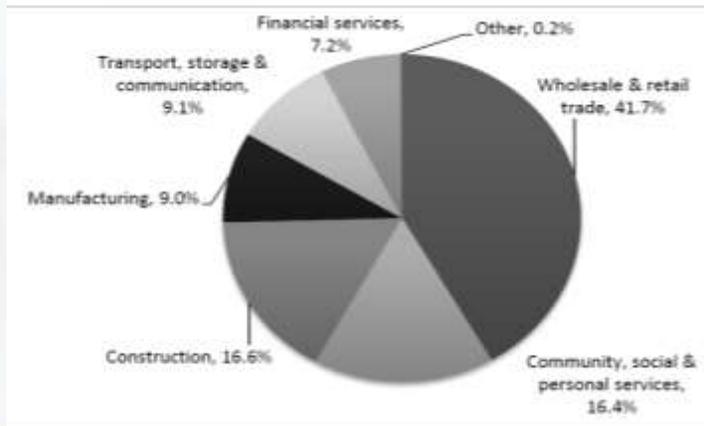
Uneven geography within city-regions



Source: Quality of Life Survey, 2015; GCRO Map of the Month: February 2017

Distribution across various sectors

Distribution of total non-agricultural informal sector employment across standard industry categories (2014 Q3)



Source: Rogan and Skinner, 2017

Policy vs practice

- Growing policy support - “Township economies”
- But ambivalence in practice

Repressive
(urban cores)

Developmental

Laissez faire
(peripheries)

“World Class City” – restrict informality
Lack of participation in planning
Enforcing by-laws & regulations
Limited infrastructure and support
Inconsistencies, poor coordination
Harassments, evictions, confiscations
Relocations

Warwick Junction?
Dreyer Street at Cavendish?

Tolerate and neglect (except shebeens)
Insufficient investments in
infrastructure & public services
Limited access to markets → saturation
& competition
Individual harassment, bribery
Insecurity, crime & informal
arrangements
Constraining regulatory framework



Developmental approach

- Formal **recognition**, support & security
- **Participation** in planning & urban governance
- **Investments** in infrastructure and public services
- Business **support** and effective bureaucracy
- **Conducive** regulatory environment
- Spatial integration to foster linkages & **connectivity**
- **Place-based** solutions & integrated urban management



Transformative research

- Improve basic understanding: the diverse nature, trends, needs, opportunities and challenges of informal enterprises
- Interrogate policy & (local) governance practices to understand persistence of exclusion / disempowerment
- Identify strategies of creating positive change and institutionalising a developmental approach
- Contribute to place-based solutions that enhance access to the city
- Strengthen promising formal-informal linkages



Potential of creative tourism

- Creative tourism has potential role in reshaping township tourism
- Cultural resources has potential for opening pathways out of poverty by spreading the benefits of urban tourism to peripheral areas
- Avenues exists for catalysing direct economic opportunities; upgrading physical township spaces; and offering alternatives to voyeuristic tourism
- Creative tourism is associated the 'new tourist' interested in active learning experiences (Richards and Wilson, 2006)



Tourism stats at a glance

Foreign arrivals	8.9 mil (2015)		10.0 mil (2016)	
Top provinces (share of foreign visitors 2016)	Gauteng- 35%	West Cape 13%	Limpopo 12%	Mpumalanga 12%
Cultural, historical and heritage activities (2016)	Americas – 45.1%	Europe – 39.1%	Asia and Aus – 22.3%	Africa Air – 15.9%
Foreign visits Soweto (15% of Gauteng visits)*	645 845 (2016)	Foreign visits to CT's townships (25% WC visits)*		392 089 (2016)
Domestic trips	24.5 mil (2015)		24.3 mil (2016)	
Domestic VFR (2016)	60-70%	VFR travel far outnumber foreign visits to townships: 'informal economy' (Rogerson and Mthombeni, 2015)		

Source: South African Tourism data (2017)

*Proportions based on old estimations



Current township tourism

- Developed as an urban tourism niche market since 1994; Soweto and Cape Town's townships (Langa, Gugulethu and Khayelitsha) are most visited
- A form of poverty and heritage tourism i.e. 'struggle' heritage
- The typical township tour: mainly international visitors to anti-apartheid struggle sites and spaces of poverty
- Township tourism is often regarded as voyeuristic; local residents benefit little; local entrepreneurs face barriers in terms of sustaining tourism operations



What is creative tourism?



Rationale

1. Creativity, based on cultural resources, is often integral to urban tourism and placemaking strategies
2. From a Southern perspective, townships are not merely places of poverty, but also has a certain dynamism, vibrancy, resourcefulness and creativity (Choplin, 2016; Pieterse, 2011)
3. Perceived latent international and domestic visitor demand for cultural tourism and leisure consumption; the current township tourism mix is limited; and cultural resources under-utilised (Booyens, 2010; George and Booyens, 2014; Rogerson and Mthombeni, 2015)



Examples and further research

Examples:

- unique visitor experiences based on music and performance art, visual arts and crafts, traditional healing, local food, storytelling, aesthetics i.e. dwellings, and street art
- multi-purpose cultural centres and tourism precincts
- cultural events promoted international and domestic visitors

Research needed:

- Mapping the supply of creative forms of tourism
- Interrogating the demand
- Considering spatial planning and creative placemaking
- Understanding cultural expressions and representations
- Outlining public policy responses

