



MASTER'S PROGRAMME IN URBAN MANAGEMENT AND DEVELOPMENT

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**Towards Incorporating the Urban Informal Economic
Sector in City Development by Local Authorities:
The Case of Chisokone Market in Kitwe, Zambia**

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Summary

The urban informal sector in the Zambian cities, like other cities, has been growing rapidly. The emergence and growth of the informal sector in Zambia is related to factors of rapid urbanisation, non-improvement of formal employment levels and reduction of jobs in the formal sector through retrenchments following adoption of the Structural Adjustment Programme. An estimation of 81% of the urban labour force in Zambia is engaged in the informal sector (Living Conditions Report, 2004). The sector's contribution towards GDP by 2000 was 48.9% (Schneider, 2002). The informal sector in Zambia is often accompanied by problems of poverty, insecurity of land tenure, lack of institutional support.

Employment in the urban informal sector in Zambia is more of a need rather than a choice considering the imbalance of demand and supply of labour. The excess labour moves into this sector as a result of push factors with the main objective of surviving. The informal operators' ability to generate income for survival is to a greater degree dependent on the extent to which they are incorporated in the fabric of urban development.

In the Zambian cities, including Kitwe, there exists a continued hostile environment between the formal and informal city. Considering that the informal sector is no longer regarded as a temporal phenomenon, this interface critically demands for improved urban governance with a view of incorporating informality in city development. In this context, this study aims to assess the interaction of actors in dealing with incorporation of informality in Kitwe. The study's objective is to understand the prevailing interaction between the local government, market association and informal traders of Chisokone market in Kitwe and to recommend what would be the appropriate approaches of collaboration among actors and of incorporating informality. An explorative study was used and in-depth interviews as well as focus group discussion were adopted as research instruments.

The results of the study indicated that the status of weak governance system that prevails on the interactive alliance of actors on the dimensions of informality has laid grounds for hostile encounters between the formal and informal city. Exclusive strategic decision making and policy formulation were identified as major shortcomings of city governance. This is accompanied by restrictive regulations that ignore principles of equity and the importance of interactive relationship towards socially constructed city development on the interface of informality.

Findings indicated that in the process of incorporating informality, there are incentives that tend to drive or restrain change that may occur. The major restraining forces that create continued status quo at Chisokone market include; conflicting interests, lack of political will, mistrust and diverse objectivity among actors, corruption and bureaucracy. Amidst these restraining forces, the local government's realisation on the need to incorporate informal activities in city development provides an appropriate starting point.

The analysis revealed that incorporation of informality is a governance issue. This calls for policy interventions by the government aimed at improving governance systems and structures towards attaining a level of incorporating informal activities in the urban life.

The study recommends that the decision to legalise the market should be based on sound principles of governance while considering formality trade-offs as a focal point in the whole process. The local government should encourage the use of public debates for consensus decision making with concerned stakeholders. A sustaining and agreed upon governance structure ought to be formulated by actors from which their roles and responsibilities will be clearly stipulated. Government should enhance inclusive policy formulation. The component of ambiguous representation of the traders' association in the management of markets ought to be revisited for smooth implementation of governance systems in addressing issues of informality at Chisokone market. At institutional level, inclusive planning and implementation processes should be adopted by the local government as effective measures in the processes of licensing, taxation, market upgrading and mobilisation of Business Development Services and credit facilities.

Key Words: *Informal Economy, Incorporation, Actors, Interaction, Governance*

Dedications

This thesis is first and foremost dedicated to the almighty God who rendered support and guidance throughout this course.

Secondly, I am pleased to dedicate this thesis to my entire family-

My dear husband, Mr Mwiya Songolo, for the encouragement and inspiration. Thank you for being so supportive. To my lovely children Makazo and Mwiya, thank you for your endurance during my absence for twelve months. This is for you. I am also pleased to dedicate this thesis to my mother, Ms Mary Chabalengula, who rendered her support by taking care of my children. May God richly bless you all.

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Abbreviations

AZIEA	-	Alliance for Zambia Informal Economy Association
BDS	-	Business Development Services
CETZAM	-	Christian Education Trust of Zambia
CSO	-	Central Statistic Office
CBD	-	Central Business District
CEEF	-	Citizen Economic Empowerment Fund
FNDP	-	Fifth National Development Plan
GDP	-	Gross Domestic Product
GRZ	-	Government Republic of Zambia
IHS	-	Institute for Housing and Urban Development Studies
ILO	-	International Labour Organisation
NGOs	-	Non Governmental Organisations
PRSP	-	Poverty Reduction Strategic Paper
PPP	-	Public Private Partnership
SAP	-	Structural Adjustment Programme
SDP	-	Sustainable Dar es Salaam Project
SKP	-	Sustainable Kitwe Programme
UNDP	-	United Nations Development Programme
ZANAMA	-	Zambia National Marketeers Association
ZRA	-	Zambia Revenue Authority

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CHAPTER ONE: INTRODUCTION

1.1 Research Background

The establishment and growth of urban informal sector in Zambia is related to a number of factors. In Zambia, the background of the urban informal sector may be traced as far back as the colonial era. Historically, the discovery of Copper on the Copperbelt, its subsequent mining activities and the construction of the rail line across the country attributed to economic factors that pulled people from their inherit rural life during the colonial era. The establishment of the Copper Mines in Zambia and the continued demand for copper resulted in expanded requirements for cheap labour which consequently increased migrant labour into urban areas. As the migrants were regarded as temporal residents in urban areas by the colonialists as noted by Mashamba (2005), provision of services was subsequently temporal and inadequate. This led to the development of informal activities by residents in the quest of providing goods and services that the colonial government did not provide (Hansen 1997).

In the post colonial era when Zambia attained its independence in 1964, the removal of travel restrictions of Africans from rural areas added to the already rapid urban population growth. Suffice to mention that in 1969 cities in Zambia experienced higher population growth rates compared to the national population growth rate. While the national population growth rated at 2.5%, the population of Lusaka had grown by 13.4%, Ndola by 9.5% and Kitwe by 8.4% (Department of Town and country planning, 1981). The continued urbanisation resulted in excess supply of labour and mismatch between increased population and provision of services and utilities. The imbalances between demand and supply of labour have continued to today. The increased supply of low- skilled labour in cites leads to expansion of the urban informal sector as the formal sector has limited capacity to absorb job-seekers. The informal sector is thus observed as the entry point to the city for migrants who leave their villages with the hope of availing themselves of an urban income higher than incomes from agricultural activities.

Additionally, the factor of declining economic performance following the fall in the world market of copper prices in the 1970s led to the adoption of Structural Adjustment Programme under which a reduction in real wages in the formal sector through retrenchment of employees so as to cut down on operating costs was experienced (Ranis and Stewart, 1999). In the absence of social security system, the majority of the retrenched people in Zambia were compelled to get engaged into self-employment in the informal sector as an alternative source of income.

Further, factors of economic growth without corresponding formal employment growth also attribute to the causation and expansion of urban informal sector. It may be argued that an increase in the national economic growth rate does not automatically result in the movement of workers from informal sector to formal sector. In Zambia despite an increase in the GDP growth rate of 6% experienced in the 1990s after privatisation of state owned enterprises, increased levels of unemployment were still recorded due to non-poor improvements in the formal employment levels and income distribution as observed by Becker (2004).

An estimation of 81% of the urban labour force in Zambia is engaged in the informal economy of which 59% are involved in trading (Living Condition Report, 2004). The World Bank estimates that the informal economy in Zambia contributed 48.9% towards GDP by 2000 (Schneider, 2002). The informal sector comprises of households or urban residents with common roots of abject poverty, insecurity of land tenure, lack of institutional support, and illiteracy. This sector is also associated with poverty.

The Poverty Reduction Strategic Paper (PRSP) which was drawn in response to the scourge of urban poverty in Zambia stipulates measures of attaining sustainable economic growth under which government's intention to support people working in the informal sector has been covered (Government of Zambia 2002). This includes the development of market infrastructure, facilitation of micro credit schemes, provision of technological and market information.

However, in the Zambian cities, including Kitwe, there exists a continued hostile encounter between the formal and the informal city. This interface critically demands for improved urban governance systems with a view of incorporating informality in urban development. It is in this regard that this research aims to assess the interaction of actors between government and the informal traders in dealing with incorporation of informality in Kitwe.



Pic 1: Traders at Chisokone Market in Kitwe Source <http://www.flickr.com/photo/justinqian>

1.2 Problem Statement

In Kitwe, most informal traders operate from Chisokone market, which is non-gazetted and is located in the heart of the city. Currently, the market consists of approximately 9000 marketeers (War on Want Report 2007). It is also referred to as a regional market as it accommodates traders from surrounding towns and neighbouring countries due to geographical factors of the city's central location. Despite its significance, incorporation of the urban informal sector in the area of trading in city development has not yet gained matching response in Kitwe.

The accelerated growth of the informal sector and the physical expansion of the market have brought controversy among urban managers. The market is perceived to be operating outside the legal frame work and several attempts have been made by the local authority to demolish it based on its illegal existence, environmental degradation and conflicting land use planning. However, this move has acquired antagonistic views in the city based on protection of workers in the informal sector and improvement of livelihood of the urban poor. It's in this regard that the market has remained unmanaged and without services for years now. Currently, traders are operating in highly precarious and insecure conditions. Critical problems being experienced by traders include harassment from authority agencies, overcrowding, lack of security and public services such as water, sanitation, electricity and shelter. Some traders opt to sleep at the market at night to guard their goods and it is from this aspect that the market is also referred to as an emerging informal settlement (Taylor 2006). The stalls are made of wood and paper hence resulting in regular fire outbreaks. Thus, health and security standards have been compromised. Ultimately, the urban informal sector has continued receiving hardly any policy intervention despite its significance in urban economic development.

1.3 Research Objective

The research seeks to understand the prevailing interaction among the local government, market association and informal traders of Chisokone market in Kitwe and to recommend what would be the most appropriate approaches of collaboration among actors and of incorporating informality.

1.4 Research Questions

- How do the local government, market association and the informal traders interact?
- Why has incorporation of informality at Chisokone market been difficult?
- What do the actors consider would be the most appropriate approach for incorporating informality?

1.5 Research Variables and Indicators

In an attempt to answer the above raised research questions, variables and indicators were identified (see details in Annex 1). In analysing how the local government, market association and the informal traders interact, a combination of two theories of governance and informality were used from which variables and indicators were developed. The variables of informality identified were: legality of the market and business, land occupancy, local taxation, support and harassment. The indicators of governance encompassed the level of **participation** of actors in affairs of legalising the market, process of licensing, urban planning, taxation and BDS programmes; **equity** and fairness of actors in accessing information, equal provision of services and application of rules; **decentralisation** under which the level of devolving responsibilities concerning the dimension of informality to the lowest tiers of government has been assessed; **accountability and transparency** indicators include the presence and frequency of consultative meetings, publicity of reports and open administrative procedures; the indicators of **efficiency** assessed the effectiveness at which processes and institutions produce results; and indicators of **security** included presence of threats based on lack of trading permits, forced evictions due to lack of tenure security and incidences of closure of businesses or confiscation of goods.

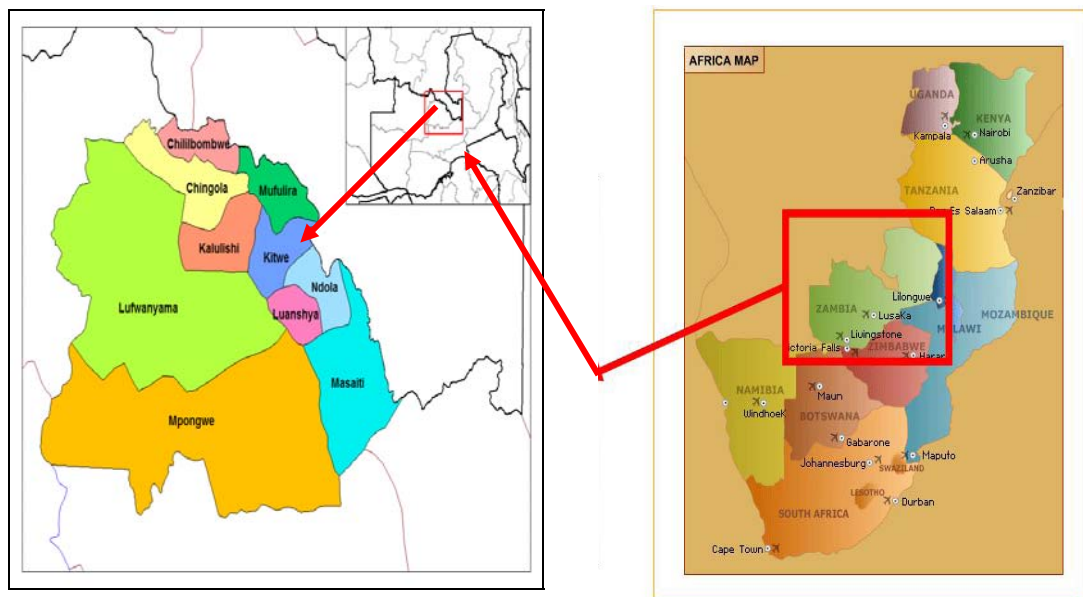
In assessing reasons as to why incorporation of informality at Chisokone market has been difficult, dilemmas of conflicting incentives on variables of usage of urban space, legality of the market, taxation and corruption were identified under which indicators such as cost of formalisation, legitimacy to occupy urban land, constraining factors of evicting those who pay and interests of actors were assessed.

In an attempt to answer the third question on what the local government and informal traders consider to be the most appropriate approach for incorporating informality, the variable of approaches of incorporating informality was identified under which indicators of selected incentives for formalisation, flow of events in the process of incorporation, lead actor and duration of incorporating informality were used.

1.6 Description of the Research Area

The research area is Chisokone market situated in Kitwe, Zambia's second largest city. The city of Kitwe has an estimated population of 388,648 people (CSO 2000). Since the colonial era, mining of copper and cobalt has been the major economic base of the city of Kitwe until recently when the Copperbelt province in Zambia has experienced mine closures following privatisation policies and the global financial crisis. Among the adverse effects of mine closures on the city's welfare include unemployment, infrastructure decay and urban poverty which rates at 68% (FNDP 2005). In Kitwe, the majority of the informal traders operate from Chisokone market which is centrally located in Kitwe's Central Business District. Chisokone market originated as a small vegetable shop in the 1930s which has expanded in physical terms as a non-gazetted market place and its coverage area is approximately 8 hectares (80,000m²).

Figure 1: Orientation of Map of Africa, Zambia and Kitwe



Source: <http://www.africaimpact.com/Africa/map>

1.7 Scope of the Study

The city of Kitwe like other cities in Zambia has been experiencing challenges of unemployment. As redeployment into the formal sector has been slow as observed by Kazimbaya-Senkwe (2004), the unemployed and the retrenched increasingly get engaged in the informal economic activities for survival. In an attempt to manage the growth of the informal sector in the city, the local government has sought mechanisms of controlling the environment in which informal traders operate from based on existing local authority regulations. The scope of the research therefore is confined to the interaction among the local government, market association and informal traders of Chisokone market on dimensions of legality of the market, taxation, land occupancy, support and harassment.

1.8 Organisation of Thesis Chapters

This thesis is structured into five main chapters. The first chapter outlines the background of the informal sector in Zambia and presents its significance in addressing challenges of unemployment and urban poverty. This chapter also covers the problem statement, the objective of the study, research questions as well as the scope of the study. The preceding chapter discusses the conceptual and theoretical framework that guided the research and outlines the literature review. Chapter three highlights the research methods implored in meeting the research objective and provides a framework used in analysing and evaluating findings of the research. The fourth chapter gives field work results while conclusions and recommendations are presented in the final fifth chapter.

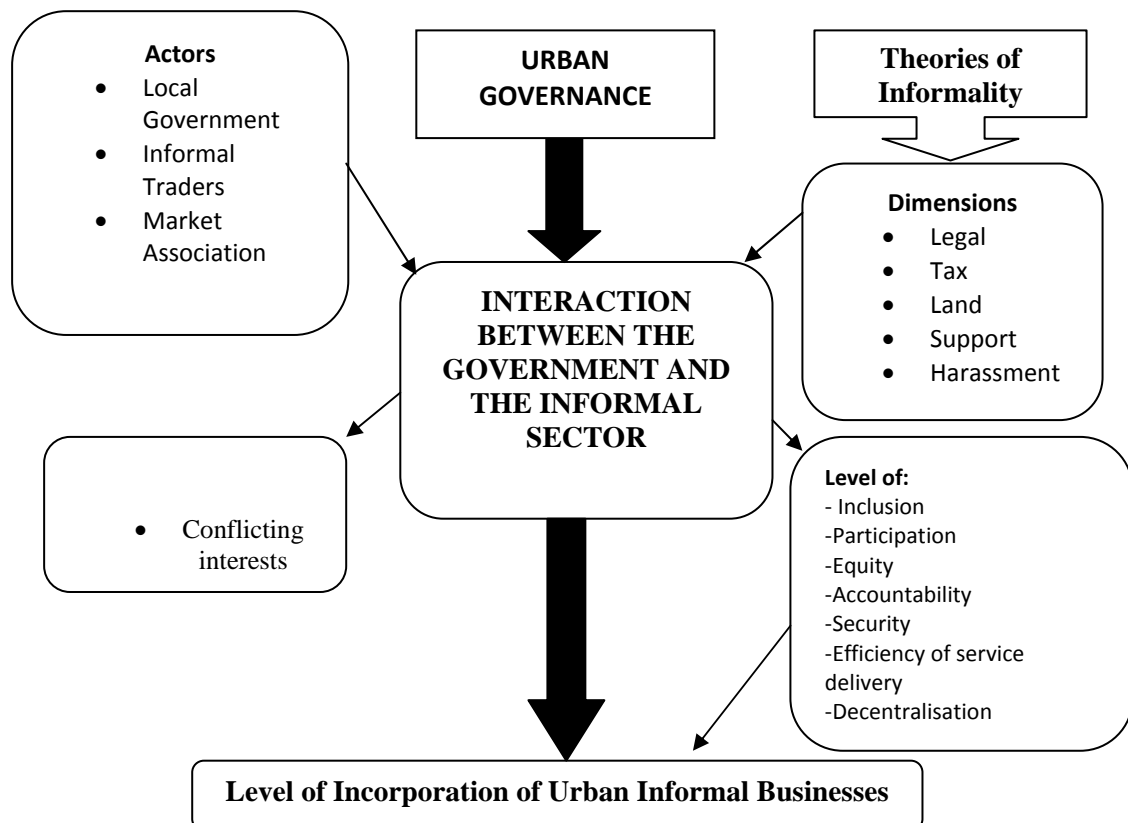
CHAPTER TWO: LITERATURE AND THEORY

2.1. Introduction

This chapter defines essential concepts implored in this research and outlines the theories used. It also presents the literature review and related case studies.

This study implores the concept of urban governance as well as the concept of informality viewed from dimensions of legal status, land or work place, taxation, support and harassment. Additionally, the study outlines related theories of the ILO-PREALC approach and the Legalist Approach of De Soto. The conceptual framework reveals the importance of urban governance in the interaction of actors on the dimensions of informality as it stimulates participation, equity, security, accountability, sustainability and decentralisation which are essential in attaining a level of incorporation of informality. Thus urban governance is key and means towards eliminating hostile environments between the formal and informal city and in resolving conflicting interests among actors. Inclusive strategic planning is a fundamental tool of urban governance as its absence perpetuates conflicts.

Figure 2 : Theoretical and Conceptual Framework Diagram



Source: Developed by Author

2.2 Informality

Considering that the concept of informality embodies a broad set of activities in its heterogeneity sense, its description among scholars has been difficult as observed by Alasyad (2004). However, the definition of informal sector may be traced in the work Keith Hart (1973) who makes a distinction between formal and informal sector with regard to the type and size of employment and compliance with government regulations in view of tax payment, occupancy of urban land as work place, location, and registration. He further asserts that the informal sector constitutes an engagement of the urban poor in petty capitalism as a substitute for wage employment to which access is denied.

2.2.1 Definition

The term informality is conceptualised to entail a status of labour that lacks working conditions, recorded payments and is also considered as illegal though it acts as a survival strategy in response to real market forces according to De Soto (1989). This phenomenon presents initiatives deployed by the urban poor for their livelihood and displays precarious conditions under which they operate.

Hansen (2004) introduces the informal city which denotes the extra-legal and unregistered economic activities in contrast with the formal city whose urban space is controlled by rules and regulations of city government. The researcher thus assumes a meeting point of both formal and informal city at the interface of readjusting regulatory framework in response to the widening boundaries of informality particularly in cases that are considered legitimate by the concerned actors.

In addition, ILO (2004a) identifies themes of insecurities, poor working conditions and vulnerability in the informal economy with realisation that most workers possess no social security and social protection from government or their employers. It has also been recognised that lack of rights and protection derive inequalities and vulnerability of informal traders and underpins governance strategies being advocated for. To this end, ILO (2004a) notes that though the informal workers provide low cost inputs of global production systems, they are excluded from benefits and opportunities of globalisation as well as access to markets and services. Hence making the potential for growth unrealised.

It is in this regard that under the 'Decent Work Agenda' ILO (2004a) advocates for strategic objectives that enhances the coverage and effectiveness of social security and protection for all. This includes the promotion of standards and rights at work for informal operators.

The neo-liberal's perspective on the informal economy in the Third world cities as ascertained by De Soto (1989) stresses on its potential to create employment and growth. In adoption of this view, both World Bank and ILO advocates for support of the informal sector under the theme of curbing exploitative work conditions and insecurity that dominates the informal economic activities. This is in an attempt to find an alternative perspective in 'in-formalization' approach that reconsiders the expansion of informality activity as part of the response of the formal economic crisis as noted by Meagher (1995).

In addressing the interface of failure of the existing governance systems to cope with the challenge of urban growth and informality, Hansen (2004) points out that the responsibility vests with the informal operators and their government to strengthen the interaction under which ways of incorporating the informal city into city urban governance and management may be attained.

2.2.2. The ILO-PREALC Approach

The ILO-PREALC approach involves assertions that affirm the failure of the industrialised development in the generation of sufficient employment and that the informal sector acts as a refuge for surplus labour. This approach observes the emergence and existence of the dualistic form of employment that comprise the formal (modern) and informal sectors. In accordance with Rakowski (1994), this theory attributes the causation of informality to the implementation of the Structural Adjustment Programmes (SAP) in developing countries whose effects includes the growth of the informal sector as a response to challenges of unemployment. In Zambia, the implementation of the Structural Adjustment Programme in the 1980s marks a critical factor in increasing the number of street and market vendors in that the accompanied processes of privatisation and restructuring of the public sector constituted retrenchments of labour force. Hence, this resulted in the shrinking of the formal economy and substantial increase in the number of those informally employed (Skinner 2008).

Additionally, Trebilcock (2005) presents an overview that the informal economy in developing countries absorbs workers without work and income and asserts that their entry into the sector is not voluntary but out of the need to survive. The researcher also documents that the informal economy is an incubator for business potential which could only flourish if certain obstacles could be eliminated and advocates for its recognition, registration, social protection and labour legalisation. For instance in Zambia, where the employment legal status of informal traders is ambiguous, operators least enjoy their fundamental rights and their work places are undefined, unauthorised, unsafe and with precarious conditions (Rakowski 1994).

This theory further classifies the heterogeneity of the informal economy in terms of size of business, type of employment, way of doing things and organisation under which family firms and self-employment of low level capital have been identified. Rakowski (1994) finds that the ultimate outcomes of these informal activities include low productivity, low incomes and survival based strategies.

The ILO-PREALC approach structuralises the underground economy through its advocacy for integration of informality into the local, regional and international economies. This demands for transitional change of institutional, social and legal conditions through interactions of actors and re-organisation of the informal economy in the quest to enhance collective representation of informal operators, social protection and elimination of social exclusion.

2.2.3 The Legalist Approach (Hernando De Soto)

The legalist approach under De Soto's theory affirms that informality is a survival strategy of the poor in the poverty economy. It is recognised that attributes of excessive legal and bureaucratic processes form critical factors in the causation of informality as well as a detrimental factors to its development. In his theory, De Soto stresses that informal activities serve as a safety valve for societal tensions and that the informal operators are forced into extra - legality and poverty due to discriminatory state regulations considering that they possess no property rights (Bromley 1990). This assertion is based on the principle that the existence of informality arise when the means are illicit and the ends are licit.

In contrast with the PREALC approach, De Soto's theory is in conformity with the Structural Adjustment prescriptions under which deregulation and liberalisation of the economy are advocated. This approach views the informal sector to comprise of creative people and as a spontaneous response to the state's incapacity to provide basic needs to the impoverished majority. Further, the legalist approach considers the informal operators as the backbone of the nation's economy that risks their assets in daily transactions yet it provides vital services and enhances the nation's human resources.

To this end, this theory advocates for the promotion of informal trading and entrepreneurs. It also calls for the organisation of the market vendors with a view of deregulation, de-bureaucratisation and simplification of administrative procedures as presented by Bromley (1990). De Soto's theory assumes accelerated legalisation as a solution to squatting and illegal occupancy of public land by informal traders.

2.3 Dimensions of Informality

2.3.1 Conceptualizing the Legal Status and Informality

The concept of informality as derived by De Soto (1989) refers to informal activities that lack a legal status and constitute the underground economy. This phenomenon is based on assumption that the informal operators avoid regulations and do not comply with existing government laws. In general, the informal operators are considered to conduct their work in unauthorised environments based on their failure to comply with laid down regulations hence making them ineligible to access services and resources from the government. Suffice to mention that these regulations cover a wider range of aspects such as land use in relation to the occupancy of state land and tenure systems, licensing and registration in view of business establishment, and taxation. Sethuraman (1997) classifies regulations pertaining to informality as outlined below:

- Land use / zoning regulations which includes land transactions and acquisition of security of tenure.
- Business establishment and operation regulations which constitute registration, location, licensing and tax obligations.

- Labour related regulations which deal with working conditions and environments. These regulations also constitute trade unions, market associations, legal minimum wages and closure of businesses.

Scholars however, have different views and perception concerning non compliance of set regulations. Whereas De Soto attributes this illegality to high bureaucratic and excess legal procedures of the state, Sethuraman (1997) acknowledges the high illiteracy levels among the informal operators, lack of awareness and also as a deliberate move to avoid incurring costs.

Further, while illegality has been attached to informality, Van Schendel (2006) reveals a different perception of informality as viewed by the informal operators who regards it to be licit which entails activities that are socially perceived right despite operating without official permission. Hence implying that the means may be illicit but the ends are licit as also echoed by De Soto (1989). While the official authority view informality as irregular and illegal, the informal operators perceive their activities as legitimate, normal and that the authority is not functioning to expectation. He further asserts that this transition of illegal but licit to legal status requires corresponding transition of illegal activities among government officials in the area of corruption and bribes towards good governance.

UN-Habitat (2005) assert that incorporation of the informal economy creates long term goals for health and safety reasons and provides better public management however, attempts to regulate the informal economy prematurely causes marginalisation and more poverty. Rather the local governments are urged to consider actions that incorporate, tolerate and support the informal economy. It is also in this regard that Sethuraman (1997) suggests the need to review regulations that have an influence on the informal sector so as to reflect the current reality.

2.3.2 Informality and Land Use Planning

In view of the above, De Soto's theory depicts the importance of accelerated legalisation in harmonizing the interface of illegal land use or squatting of informal traders on public land (Bromley 1990). Arising from the fact that the growth of the urban informal sector is also accompanied by confrontations over the usage of urban space in which the local authorities have responded in various ways that reflect their perception on how informality in cities ought to be governed and harnessed based on their capacity to meet these responsibilities. Hansen (2004) points out that the economic success of informal operators is based on appropriation of urban space for their activities which is usually not negotiated with the authorities. As such urban space constitutes a dynamic field of interaction for economic, political and social processes between the local authority and informal operators towards improving urban management and governance system.

In the case of Kitwe, the informal operators occupy the public space which is considered unauthorised. The emergency of the market in the central location of the city emanates from its competitive advantages and proximity to sources of inputs, demand for their outputs and public facilities such as access roads though accessibility to public services such as water and sanitation by informal traders is limited.

While the urban space for traders in Kitwe is limited and overcrowded, the market of Chisokone occupies a non – gazetted piece of land. This entails that traders lack tenure of security and it is within the power of the municipal authority to ask them to vacate the area.

However, eviction attempts by the local authority have yielded no result and have been opposed by the informal traders who regard their possession of the site as a legitimization of their occupation of land. Hansen (2004) points out that actors no longer perceive this occurrence to prompt evictions but as a symbolic expression of possession of urban space. This denotes the formation of new spatial models associated with new public space regulations as perceived by diverse informal operators based on their continued existence.

Johnson (1997) defines urban planning as being the process of decision making and implementation of urban land use in accordance to social and economic policies. Thus, in this view Kusakabe (2006) refers to incorporation of informality in urban planning as the accommodation of the informal economic activities in urban space and issuance of rights to sell to informal traders. This entails adoption of new approaches to urban planning that are inclined to practices of inclusion of the informal sector. While this interface is associated with legal status, its approach should be viewed from the perspective of urban planning as a fundamental entity in establishing how the informal traders occupy public land and their compatibility in city planning. In this regard, the concept of informality is viewed to be an integral part of urban life.

In the similar view, Sethuraman (1997) confirms a critical role that land plays as business premises in raising the income of the informal traders. He argues that the supply- side intervention would continue yielding limited results unless the physical environment is made conducive. This translates that access to proper premises and physical location determines the income prospects and opportunities for investment. Non-recognition by government of these inter-relationships leads to marginalisation of the informal sector. Further, these assertions denote the need for interaction that ensures physical integration into mainstream development through recognizing the existence of the informal sector and adapting city planning approaches. This is based on the principle that involve trade-off between equity and efficiency in that though allocation of urban space and infrastructure for the informal sector entail less efficient use of land in inner cities (where land accrues more value), it results in improved incomes for the urban poor. Implementation of these strategies however requires appropriate transformation of legislations concerning land use planning and pricing of related services.

2.3.3 The Interface of Urban Informal Sector and Local Taxation

The major responsibilities of the municipalities in Sub-Saharan African cities are regulating and maintaining urban markets. The municipalities are empowered under law to collect market fees from traders in the designated markets. Generally, these market fees are a principle source of municipal income as pointed out by Stren (2006). Currently, in many African cities, the tax obligation has also been extended to informal traders despite their non- possession of market licenses and permits.

However, market vendors complain of depleted capital due to payments of high fees. This has contributed to street vending as payment of taxes can easily be dodged. Chen (2004), asserts that costly and excessive regulatory environment by the government upon informal operators makes conducting business in developing countries difficult and burdensome.

Essentially, non-accountability of the local authority to the informal traders on the levies paid has perpetuated tension between actors in the informal sector. Whereas the local government attributes its failure to provide adequate public services and infrastructure in the markets to subsidised sub – economic rates paid by traders, the informal traders perceive this interface to poor urban management and under-declaration of collected levies to the local authority by responsible council officers (War on Want Report 2007).

However, Trebilcock (2005) observes that within the unregistered and unregulated environment of informality, most informal operators do not pay taxes thus posing unfair competition to other enterprises and also deprive government of public revenues. Consequently, this leads to limitations of government in the extension and provision of services.

2.3.4 Harassment, Evictions and the role of the Police agency

This section reviews the response of government to informal trading with regard to harassment and evictions. The dynamism of government response to informal trading varies from place to place and constitutes different application of policy, planning and governance. The occurrences of harassment and evictions emanate from the processes of inclusion and exclusion within the urban development framework.

The empirical evidence of state response to informal trading in Zambia is revealed by Hansen (2004) 'study on 'Reconsidering Informality' under which the case of the largest event of violent and eviction of street and market vendors has been discussed. This was the occurrence in which in 1999, the government of Zambia through the Ministry of Local Government in conjunction with state police embarked on a programme to clean-up cities and towns from all forms of informal trading. The role of the police and security forces in this interface may be viewed as an instrumental agency in carrying out evictions, destroying property such as illegal stalls, beating and arresting individual who resist orders. This programme was firstly implemented in the city of Lusaka and was later extended and spread to other parts of the country inclusive of Kitwe city on the Copperbelt province. The activities of this programme include razing and demolishing of temporal and unauthorised markets by the authority. Suffice to mention that harassment and evictions are ongoing and municipal agents have remained hostile. In this view, Hansen (2004) attributes the major factor that influence evictions and harassment of informal traders to frequent change of leadership in local authorities accompanied by inconsistent approaches towards addressing this interface hence making it particularly fluid. Muchimba et al (2004), documents inconsistent government strategies in addressing urban informality in Zambia with reference to the formation of the 'vendors desk' at State House between 1991 to 2001 whose existence ceased following change of government.

Researchers noted that the vendor's desk performed coordination roles between government and informal operators; however no policy or regulation was formulated.

In a similar view, Kamunyori (2007) argues that harassment and tensions that prevail between the state and informal operators emanates from the negative perception of informal activities by cities in the developing countries. The researcher asserts that informal activities usually regarded as 'non modern' and as a distraction to the foreign investors. Thus their removal implies attained beautification of cities and development. It is from this context that Robinson (2002) introduces the notion of the 'world class cities' and its implication on policy and urban planning practices. This is the context in which developing countries have upheld foreign investments at the expense of local informal activities which have gone unrecognised despite their contribution to urban economic development. Robinson (2002) documents that the imagination of world class cities by urban managers has posed limitations on planning of future cities as urban realities are not reflected.

2.3.5 Support – Business Development Services and Credit Facilities

Business Development Services and credit facilities are fundamental for improved productivity, income and working conditions among the informal operators. According to ILO (1998), the majority of jobs being created in the informal sector require concerted actions in the aspect of training and credit facilities in addition to institutional support. Researchers assert that the informal sector is usually associated with low-paid employment as well as poor working conditions and encompasses unrecorded, unregulated and unrecognised petty or small scale activities. These invisible activities fall outside the fiscal net and thus the production processes in the informal sector rely heavily on working capital as opposed to fixed capital. Researchers further evidenced that informal operators mobilise their working capital through borrowing from friends and relatives and commence their businesses with very minimal capital. ILO (1998), documents that the provision of training and credit facilities would not only reduce risks of exclusion for informal operators but also make a difference in increasing skills and overcoming traps of low incomes. Researchers note that although workers in the informal sector score lowly in the skills hierarchy, they possess talents which would be triggered through provision of information, technological advise, business management skills, book-keeping and access to tools and credit facilities. The failures of most Business Development Services were attributed to bureaucratic attitudes of the service providers, use of unfamiliar terminologies and tendencies of regarding beneficiaries as inferior. ILO (1998) warns that Business Development Services designed in the absence of institutional support and in isolation of credit facilities risk remaining unexplainable.

At Chisokone market in Kitwe, the Business Development Services and credit facilities are rendered mostly by the civil society organisations such as Pride Africa, Christian Education Trust of Zambia (CETZAM) and Alliance for Zambia Informal Economy Association (AZIEA).

2.4 Conceptualising Urban Governance

In this study, the concept of urban governance was adopted to analyse the interaction of actors on key dimensions of informality.

Halfani (1997) defines governance as an institutional framework within which the civil public realm is managed. Whereas Stoker (1998) conceptualises urban governance as the action, system or manner of governing under which the boundary between organisations and sectors becomes permeable. The researcher ascertains the essence of governance as the interactive relationships between and within government and non – government forces. In a similar view, the United Nations Development Programme (UNDP 1997b) holds that governance is a mechanism, processes and relationship through which citizens and groups articulate their interests, exercise their obligations and mediate their differences.

These assertions derive a shift from the tradition of government whose implementation of plans and policies dominate state monopoly towards a partnership model where outcomes of policies are dependent on the interactive between actors in achieving a consensus. Hence governance takes place in a polycentric system of actors considering that no single stakeholder is legitimate to direct social change. As a concept, governance recognises that power exists inside and outside the formal authority and institutions of government and that decisions are made based on complex relationships between multi-actors with different priorities. It is in this regard that UN-Habitat (2001b) defines governance as:

“The sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens.”

This definition thus derive that consensus ought to be socially constructed through alliances, compromises and coalitions. Further, UN-Habitat holds that urban governance is the key and means to a well managed and inclusive city. It is also recognised that inclusive strategic planning and decision making processes are essential tools of urban governance and sustainable cities. The major success of the paradigm of inclusive city would be the incorporation of normative goals into not only rules and regulations of authority but also approaches behaviour and attitude.

To this effect, attainment of consensus in dealing with incorporation of informality where urban governance constitutes interactive alliances is best demonstrated in the case of Dar-es Salam in Tanzania and Durban in South Africa as elaborated in Boxes 1 and 2.

Incorporation of informal traders in Tanzania was made possible following government’s adoption of new approaches to urban planning that are inclined to practices of inclusion of the informal sector (Skinner 2008). A review of the Dar es Salam Master Plan by the city council in collaboration with the United Nations Development Programme reconsidered principles of participatory and dialogue with informal traders through negotiations in the quest of identifying their needs and priorities. As Dobson and Skinner (2007) explain, planning by multi-stakeholder collaboration and negotiation based on the dynamism of the concerned informal trading results in a style of management and interaction that resolves urban

management issues such as dissipated conflicts among actors. This case further stresses the importance of informal trader organisation in enabling a collective voicing of demands and accessing municipal services. In Dar es Salam, an umbrella organisation that represents informal traders is also empowered to identify public space for business activities besides duties of lobbying and bargaining.

Box 1: Incorporation of Informal Traders in Tanzania

In Dar-es Salaam, by the early 1990's, street traders had been issued licenses and were allowed to operate. Nnkya (2006:88) states that 'street trading in the CBD is well managed and trader associations have good relations with the city authorities. Nnkya (2006) identifies the 1992 Sustainable Dar-es Salaam Project (SDP) as a turning point from the state's previous approach of trader repression. This project, a collaboration between United Nations agencies and the state, identified petty trading as a key issue. By the mid-1990's, as a direct consequence of the SDP, a Working Group on Managing Informal Micro-Trade was established. This group identified constraints street traders faced and made numerous recommendations.

An example of their interventions was the development of 24 types of steel shelves for street traders to display their goods. This was a design solution that addressed health concerns of authorities particularly with food traders but also facilitated the cleaning of public space. Standardising tables can also lead to a more orderly aesthetic. Another consequence of the SDP was the Guidelines for Petty Trade adopted by the City Commission in 1997 which set out the framework for managing street trade. Nnkya does however point out that there are implementation inconsistencies - with management being haphazard in parts - and that while some are included, others most notably women traders are not. This was particularly the case in the more lucrative trading sites in the CBD. In comparison to many other cities in African overall, he argues, Dar-es Salaam has created an enabling environment for street traders.

Source: Adapted from Skinner (2008:16)

The case of Durban in South Africa as illustrated in Box 2 indicates the importance of established associations for informal traders as an essential platform for interaction. Essentially, this case presents an adoption of a more tolerate approach of the informal economy by the government.

A practical policy measure in addressing the interface of incorporating informality in South Africa involves the adoption of the Informal Economy Policy by the local authority in 2001 in recognition of the sector's relevance to the economic development of the city (Skinner 2008). Similarly, like in Dar es Salam, an inclusive approach to planning designs and management of urban space for informal traders was adopted.

Box 2: Formulation of Informal Economy Policy in South Africa

In last years of apartheid the South African government adopted a more tolerant approach to the informal economy. During the transition to democracy the 1991 Business Act was promulgated. This legislation disallowed local authorities from restricting street trading. This led to a dramatic increase in these activities in all South African cities and towns. Although during the 1990's a range of legislative measures were introduced that allowed regulation, local authorities were forced to grapple with the new reality of street traders. Although there has been recent harassment of traders in Durban, there was a period when Durban's approach was identified as progressive. A particularly innovative approach has been adopted in the inner-city district that contains the main transport node – the Warwick Junction. On an average day the area is estimated to accommodate 460,000 commuters, and at least 5,000 street traders. In 1996 the city council launched an area based urban renewal initiative.

In careful consultation with traders, trader infrastructure was established. For example nearly 1000 traditional medicine traders were accommodated in a new market and corn-on-the-cob sellers and those cooking and selling the Zulu delicacy, boiled cows heads were provided with tailor-made facilities. Through this, the Project piloted an economically informed, sector by sector approach to supporting street traders. In parallel with infrastructure development there was a focus on improving management of the area. The area-based team established a number of operational teams to deal with issues as diverse as curb side cleaning, ablution facilities, child-care facilities and pavement sleeping.

In 2001 the local authority in the city – the eThekweni Municipality – adopted an Informal Economy Policy. This policy acknowledged the informal economy as an important component of the city's economy and, drawing on some of the lessons learned from the Warwick Junction Project, suggested a number of management and support interventions. This was an attempt to standardise a progressive approach across the city. Like Dar es Salaam, the approach developed suggests inclusive approaches to design, planning and management of public space for street traders are possible.

Source: Adapted from Skinner (2008:16)

2.4.1 Indicators of Good Governance

In discussing indicators of governance, principles and norms of governance which form the basis for operationalisation are reviewed simultaneously as identified by UN-Habitat (2001b). (See annex 2).

In this research, the indicators of urban governance have been used to study the interaction of actors in dealing with incorporating of informality.

2.4.2 Actors

Urban governance constitutes a whole range of actors and institutions of which their interaction and relationship determine the outcome of what happens in cities. In this study, actors comprise of government agencies such as the local government as well as the police, the civil society that includes the NGOs and market association and the private business sector under which the informal business sector is categorised.

2.4.2.1 The Role of the Local Government

In the urbanised world, most African cities are rapidly growing and experiencing expansion of the population base. Challenges being experienced by local governments include among others weak local revenue generation, inadequate services, unemployment and poverty. Stren (2004) observes that while local government faces these challenges, in-formalisation by urban society has been in motion in all aspects of the local economy. This denotes that *informal initiatives emerge when the formal structures cannot supply a service*. However, it is recognised that local governments ought to find better ways of engaging with dynamics of in-formalisation in their cities within the legal, formal and democratically reprehensive local structures. These assertions concerning the local government's engagement with informality focus on the need for them to search for new arrangement of governance towards strengthened alliance and interaction with informal operators. This is in the quest to salvage some level of public trust and resolving street battles among actors in the informal sector. In this search for a better 'fit' within the interaction between the formal local government structures and the informal city therefore demands for a governance approach which encompasses political representative, regular interaction and allocation of services for which local government are responsible.

As the municipalities gain authority and influence through decentralisation, their clientele towards poverty and marginalisation requires development of pro-poor policies as ascertained by Stren (2004). Though this is important, it is outside the scope of this study.

Further, the principle of engagement in urban service provision raises issues of pricing for the services provided and requirements for outsourcing of core functions of the local government in response to financial deficiencies. However, this impetus calls for sound financial management mechanisms alongside with demand driven service extensions as reported by Freire and Stren (2001).

In addition, considering that informality in African cities is likely to continue in the near future, Stren (2004) urges local governments to support the development of the urban informal sector by reaching out to associations for informal operators so as to capture their financial and political support as well as addressing their requirements.

2.4.2.2 The Role of the Market Association

Sethuraman (1997) recognises an instrumental role played by associations in provoking a change in issues that affect them in the process of being integrated in the mainstream economy. The market association bargains and represents informal traders in negotiations with the local government. The presence of an association makes it easier for the local government to communicate and administer policy measures to informal traders as it deals with a group rather than individuals in the informal sector. It is in this regard that Sethuraman (1997) assumes the need of government to promote the development of associations and strengthening their capacity in leadership, negotiation skills, organisation management and conflict resolution. This includes their collective bargaining role and provision of a platform under which constraints that affect the incomes and productivity of informal traders are dealt with. This denotes that the absence of market associations inhibits focused formulation of policy measures that concerns the informal sector.

However, the efficacy of government's failure in recognising and legalising market associations still remains vague. Market associations are either not covered by legislation or poses inherent weakness in the management of their affairs as observed by Sethuraman (1997). Hence this results in little impact exerted in influencing policy change. In the city of Kitwe in Zambia, the largest market association that governs the affairs of Chisokone market also referred to as the Zambia National Marketeers Association (ZANAMA) was established in the late 1990s by the Alliance for Zambia Informal Economy Association (AZIEA). AZIEA is an NGO whose main aim includes advocating for recognition and protection of workers in the informal sector. Among the tasks of the Zambia National Marketeers Association includes ensuring accountability of the local government and voicing demands of the market vendors. However, the interaction of the association with the government has been confrontational characterised by harassment and stigmatisation from the authority. Though the market association tend to be vocal whenever conflicting issues arose; it is not officially structured thus making its operations difficult. In essence, the government is in favour of discouraging its operations and existence from the market in the quest of attaining harmony and avoidance of retraining forces in the implementation of policy measures.

2.4.2.3 The Role of NGOs

Characterised within the civil society, the Non-Governmental Organisations (NGOs)'s major role include social mobilisation and interpretation of empowerment policies centred on building capacities of beneficiaries. Their interests constitute external support. NGOs possess political power which forms the basis for negotiations and influence as noted by Babington et al (2007). Suffice to mention that like market associations, NGOs may be formally or informally constituted and operate outside the direct control of government.

Devas (2004) observes that NGOs often counterweight the government and that they are essential in attaining good governance and pro-poor policies. However, the scholar further notes that since the civil society often contain a variety of groups with different interests and objectives, their concerns may not encompass the interface of equity or the poor.

2.5 Incorporating Informality

Considering that the informal economy constitutes the majority of the labour force in cities of developing countries, it is predicted that the expansion of this sector is likely to continue as assumed by Skinner (2008).

As such assertions of researchers suggest that state response to informal trading requires a transition from violent and sustained harassment to a more inclusive and integrated approach. In this view De Soto ascertains the relevance of inter-linkages between ideas, local conditions, intellectual environment and global support which are responsible for drawing attention away from exclusive economic factors towards inclusive role of institutions and their interaction in urban economic development.

Chen et al (2002) asserts that this approach demands understanding of the heterogeneity of the informal economy in the quest of developing appropriate policies geared to exploring sector specific constraints. In this view, Rakowski (1994) assumes the heterogeneity of the informal economy under which three classifications of the sector have been identified. These include subsistence –self employed (the survival and poverty economy), subordinate businesses and dynamic micro and small enterprises. Although all the identified categories share the common denominator of emergence and nature such as economic restructuring as the factor of expansion, level of flexibility and exploitation, they possess distinct approaches of intervention with regard to formulation of policies of inclusion and interaction levels. This translates that while some informal operators just make enough to survive, the dynamic entrepreneurs have lucrative businesses and poses substantial capacity to overcome marginalisation as noted by Roever (2005).

The notion of subsistence oriented entrepreneurship presents an understanding of low productivity nature of vending and how this commence has remained ungovernable based on its unprofitability. Unlike the dynamic entrepreneurs, subsistence informal operators lack influence and power over government policy that favours concessions as such protest activities have been used as a tool by vendors to oppose measures which are not favourable to them. In Zambia, market vendors, spearheaded by the market association, have on several occasions protested and demonstrated in response to government's threats to evict them from their workplaces. Hence a conflicting interaction between the market vendors and the government has perpetuated as the informal operators lack an alternative for voicing their demands besides confrontations.

Based on the scope of this research where the subsistence – self employed and subordinated businesses in relation to the local authority form the unit of analysis, the assessment of incorporating informality in urban development is confined within these two concerned categories of informality.

2.5.1 Reasons for Incorporating Informality

There exist various reasons as to why incorporation of informality is increasingly becoming advantageous. Moser (1994) notes the significant role of subsistence/petty commodity sector within the capitalist mode of production in maintaining low cost of labour production. She assumes that informal traders (street and market vendors) are part of the capitalist production and distribution process and thus advocates for their recognition and grassroot intervention. The relevance of urban spatial planning has also been recognised in supporting and inhabiting informal traders. This is based on the notion that informal traders provide the urban residents, especially the urban poor, with goods and services in appropriate forms and quantities hence contributing to the functioning and competitiveness of cities as ascertained by Skinner (2008).

Additionally, this assertion denotes that though the incomes of the informal traders are generally low, their contribution towards local revenue collection and local economies are considerable. Hence the emphasis on the need to balance interests of actors using the public urban space in the process of incorporating informality. Further, the process of incorporating informality requires innovative approaches towards urban management, policy and planning that seek to enhance development of informal activities as observed by Skinner (2008).

UN-Habitat (2005) recognises the significance of the informal sector with regard to its direct contribution to poverty reduction through providing for the large proportion of the population and thus asserts that supporting informality leads to social development. In the similar view, Kucera et al (2005) recognises the need for decent work for workers in the informal sector under which the simultaneous pursuit of objectives of employment and income opportunities, fundamental rights at work, social protection and social dialogue are considered essential. This assertion advocates for inclusive policies in urban economic development with focus on addressing social protection, employment and income opportunities for informal workers. In this interface, Kucera et al (2005) predicts that the challenge of endeavouring to reduce informal employment by improving formal employment in the midst of deep recession is inevitable and thus suggests optimal labour regulations that upholds social protection programmes in incorporating informality.

The creation of facilities and provision of services for informal traders represents the extent to which they are incorporated in urban management and planning. These facilities might include market shelter, access roads, sanitation, water, electricity and management services. Subsequently, Kamunyori (2007) adds that market vendors would be willing to pay for taxes in return for guaranteed services in the environment where the interaction with the local government has been strengthened.

Similarly, licensing may be used as a tool of incorporating informality where the market vendors are obliged to obtain the right to operate. This is based on the principles of better management of urban space through site allocation and licensing as affirmed by Skinner (2008).

2.5.2 Formalisation verses Incorporation

Although the demarcation line between the two terminologies of formalisation and incorporation seem to be fluid, their difference is inevitable. The dictionary definition of formalisation describes it as making something official or legitimate by the observers of proper procedures where as incorporation is defined as the act of combining something already in existence into an integral whole (Houghton's The Free Dictionary, 2000). Within the context of informality, Kappel and Ishengoma (2006) view formalisation as referred to institutionalisation of the informal sector alongside total compliancy of laid down government regulations while incorporation of informality constitute some formality trade-offs based on equity and governance approaches.

De Soto (1992) observes higher entry and operating costs of formalisation with regard to registration procedures, burdensome taxes, unaffordable labour regulations and time consumed in filling out government forms under which he explains that the opportunity costs of informality in this regard tend to be lower than formalisation costs in the current regulatory environment in developing countries. Thus he advocates for reduced entry and operating costs by searching for inexpensive approaches through which to enforce compliance with government regulations. In a similar view, Morrison (1995) asserts that incorporation of informality enables operators meet part of the social contributions instead of not complying at all or closing up their businesses which in turn perpetuates poverty and unemployment. Thus in incorporation of informality, making a decision on what ought to be done is more of a governance issue.

2.5.3 Supportive Response from Government and the International Community

With realisation that the informal sector is unlikely to disappear in the foreseeable future with regard to increasing employment and people's incomes in developing countries, Sethuraman (1997) affirms tolerance towards its recognition by governments and international agencies. Sethuraman (1997) asserts a major response of national authorities and donor community for resource support of the informal sector based on World Bank's realisation of failure of development benefits to trickle down to the poorest and vulnerable groups in society under the *target group oriented development approach*. The objective of this approach was to encourage the informal operators to participate in the development process and making development more equitable.

Further, within the theme of 'A Better Investment Climate for Every One', the World Bank (2005) recognises the essential role played by the informal sector in job creation and advocates for government's improvement of investment climate in the Third World in addressing challenges of unemployment and poverty. In accordance with the World Development Report of 2005, the World Bank (2005)'s assertions are that policies of government are key determinants in moderating investment climate and influencing appropriate approaches to regulation, security of property rights, taxation, provision of infrastructure and stimulating good urban governance.

In this regard, the World Bank presents parameters of government's support in the development of the informal sector as presented in Table 1.

Table 1: Government policies and behaviours and investment decisions

	Factors that shape opportunities and incentives for firms to invest	
	Government has strong influence	Government has less influence
Costs	<ul style="list-style-type: none"> • Taxes • Regulatory Burdens, Red tapes • Infrastructure and finance costs • Labour market regulation 	<ul style="list-style-type: none"> • Market determined price of inputs • Distance to input and output market • Economies of scale and scope associated with particular technology
Risks	<ul style="list-style-type: none"> • Policy predictability and credibility • Microeconomic stability • Rights to property • Contract enforcement • Expropriation 	<ul style="list-style-type: none"> • External shocks • Natural disasters • Supplier reliability • Consumer and competitor responses
Barriers to competition	<ul style="list-style-type: none"> • Regulatory Barriers to entry and exit • Competition law and policy • Functioning finance markets • Infrastructure 	<ul style="list-style-type: none"> • Market size and distance to input and output markets • Economies of scale and scope in particular activities.

Source: World Development Report, 2005

2.5.4 Dilemmas: Conflicting Incentives in dealing with Formalisation of Informality

This section reveals the interaction between the government and the informal traders who have set up fixed locations for their commercial activities. This eventuality creates a public policy interface that demands for government's intervention. As such, the government attempts to provide policy measures in the context of regulating vendors and mitigating externalities that accompanies illegal occupancy of urban space.

In this view, Roever (2005) reveals incentives that arise in the interaction of actors in dealing with incorporation of informality. The scholar reports that from the perspective of informal traders compliance with regulation provides legitimacy for them to claim their rights of occupying urban space and thus restrains government from evicting them. Similarly, regulation protects vendors from potential competitors especially those located in prime strategic commercial areas.

Whereas, on the part of government, regularisation and charging of taxes in exchange for usage of urban space connote generation of substantial local revenues while licensing provides control mechanism of avoiding crowding of informal operators in strategic areas. In a similar view, Roever adds that payment of taxes justifies evictions in cases where taxes are evaded and that licensing and registration aids enforcement of policies and controls entry of new informal traders. Suffice to mention that a favourable policy concession progressively influence compliance with regulation and

reduces administrative costs by the local government as it provides the impetus for vendors to enforce procedures themselves as noted by Roever (2005). This entails that incorporation of informality by use of regulation presents strong incentives to both the informal traders and the government. However, there are conflicting incentives that both parties experience in the implementation of regulation and incorporating of informality. In the foremost, although regulation creates legitimacy of the right to occupy the urban space, it attracts excessive costs hence making its implementation unrealised as affirmed by Roever (2005). This assertion thus explains the continued negotiations and conflicts based on the terms of incorporating informality as they are also subjective to notions of political changes.

Further, the dilemma that the government faces in this scenario is such that acquisition of the right to use urban space by informal traders through payment of taxes denotes future resistance in any policy measures that conflict with the concerned rights. The work of Roever (2005) outlines the interaction between informal traders and the government under the theme ‘*incentives for and against formalisation*’ as presented below in Table 2.

Table 2: Incentives for and against Formalisation

Issue	Government Officials		Vendors	
	Incentive for	Incentive against	Incentive for	Incentive against
Taxation	<ul style="list-style-type: none"> -Generates revenues -Legitimise expulsion of those who fail to pay 	<ul style="list-style-type: none"> -Legitimise vendors claim of rights -Constrains ability to expel those who pay. 	<ul style="list-style-type: none"> -Legitimise claims of rights to occupy streets -Constrains ability of state to expel those who pay 	<ul style="list-style-type: none"> -Imposes monetary costs -Does not guarantee rights to occupy
Licensing and Authorisation	<ul style="list-style-type: none"> -Facilitates clientelism, vote buying - Facilitates enforcement of related regulations 	<ul style="list-style-type: none"> -Generates administrative costs -Legitimise vendor claim of rights to occupy streets -Constrains ability to expel those who have recognition 	<ul style="list-style-type: none"> -Legitimise claims of right to occupy streets -Constrains ability of state to expel those who have recognition 	<ul style="list-style-type: none"> -Can impose monetary and bureaucratic costs if licence is required -Implies requirements to comply with regulation
Inducements and concessions	<ul style="list-style-type: none"> -Facilitates cooperation, enforcement of agreements -Fosters stability 	<ul style="list-style-type: none"> -Constrains policy -Legitimise vendors claim of right to occupy streets -Constrains ability to expel vendors covered by agreements 	<ul style="list-style-type: none"> -Creates potential for better policy -Establishes channel for voicing demands -Legitimise claim of right to occupy streets 	<ul style="list-style-type: none"> -Limits autonomy for base association -Cedes negotiating authority to Federations -Requires cooperation across organisations

Source: Roever (2005:8)

To this end, urban scholars assert that a shift of perception and inclusion of informal traders into urban planning remains a critical challenge if creative conflict resolution among actors and improved management of informality are to be attained. It is in this regard that Bromley (2000) documents that regulating informal traders requires interaction practices between the government officials and vendors. Thus the institutional dynamics involved in the collective action to inclusive planning demand for informal trader organisation and change of policy and legislation by government (Skinner 2008).

Both formal relations of urban development and informal ties which links civil society into a single system of relations such as the market traders association in Zambia provide valid platforms for exploring social problems, conflicts and disagreements. However, this action requires mutual trust and new ways of regulating informality in the quest to improve quality of life as pointed out by Misztal (2000). She adds that only a balanced relationship between informality and formality of interactional practices can secure a more potential solution to the current problems of coordination, solidarity and innovation.

2.6 Conclusion

The overview of literature presented in this chapter hinges on enabling incorporation of informality in city development based on dimensions of legal status, land occupancy, local taxation, harassment and evictions, and support. The theoretical and conceptual framework formed the basis of analysis under which the concept of urban governance has been adopted as an essential instrument in the interaction of actors within the public realm and in resolving conflicting interests in dealing with incorporation of informality. The main consideration in applying urban governance is that it stimulates norms of participation, equity, security, efficiency, accountability, decentralisation and sustainability which are required in enabling incorporation of informality. The phenomenon of incorporation has also been distinguished from formalisation under which incorporation is associated with governance approaches that are appropriate in resolving dilemmas of actors in dealing with conflicting incentives of formalisation. In summary, this study argues that urban governance is key towards eliminating hostile environments between the formal and the informal city and in enabling incorporation of informality.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides research methods, processes and instruments implored for data collection, analysis and presentation. It stipulates the research type used, the unit of analysis covered and the sources of data. Chapter three also presents the sampling techniques, reliability and validity of the research as well as the limitations.

3.2 Research Type

An exploratory study was applied as a research type and used a case study. The essence of undertaking an exploratory study was that it would allow provision of more information needed to give a better comprehension of the nature of the phenomenon under review.

3.3 Unit of Analysis

The study's units of analysis covered local government officials, informal traders and market association at Chisokone market who are affected by factors underpinning urban informal sector development.

3.4 Sources of Data

Data in this research was collected from both primary and secondary sources.

Primary data was collected through conducting in-depth interviews among all categories of respondents i.e. the local government officials, informal traders and market association. This included carrying out focus group discussions among informal traders and observations. These research instruments were intended to foster discussions and probing for more information in the quest of understanding the prevailing interaction of actors in dealing with incorporation of informality. The formulation of the interview guides was based on a combination of theories of informality and principles of governance with a view of exploring the underlying role of the governance process in studying the interaction of actors on key dimensions of informality (legal status, taxation, land, support and harassment).

In this study, the in-depth interviews conducted involved 4 officials from different departments of the local government, 4 market association leaders and 11 informal traders. A focus group discussion was also conducted with 7 informal traders. As an explorative study, this research aimed at exploring and describing the interaction of actors in dealing with incorporation of informality in Kitwe in the quest to answer the questions presented.

Secondary data was sourced from relevant documented literature. These included by-laws, books, articles reports, internet, journals and legislations such as the Town and Country planning Act, Market Act and Lands Act of the Republic of Zambia. The review of literature provided empirical data on theoretical and conceptual basis where guidance and analysis of this research was based.

3.5 Sampling Techniques

The techniques implored for sampling respondents from the unit of analysis in this research was purposive sampling. Purposive sampling applied to the market association leaders, informal traders and local government officials with specific experiences in specified fields of operation.

3.6 Research Instruments

Research instruments used to obtain data included in-depth interviews in all categories of respondents while focus group discussions and observations applied to informal traders. Table 3 outlines the research instruments used for each category of respondents based on the type and nature of the study.

Table 3: Sampling Techniques and Research Instruments

Category of Respondents	Sampling Technique	Research Instrument
Local government officials	Purposive sampling	In-depth interviews
Market Association Leaders	Purposive sampling	In-depth interviews
Informal traders	Purposive sampling	-In-depth interviews -Focus group discussion (Administration of questionnaires) -Observations

According to Greenbaum (1993), focus group discussions essentially provide an exploratory approach designed to elicit new insights and information about a topic of interest. It is appropriate for generating research hypothesis and stimulating new ideas that may be useful in diagnosing the problem and providing appropriate interpretation of research results.

Considering the extensive exploratory nature of this research, both focus group discussion and in-depth interviews were used as instruments to identify key problems and opportunities that actors experienced in the interaction with each other. The instrument of focus group discussion was used as a way of getting new insights from respondents. The instrument of in-depth interviews was used as it provided secure and confidential conversations with respondents by means of a thorough designed interview guides which encompassed crucial topics in question. In-depth interviews also gave exhaustive and valid knowledge about the respondent's experiences and opinions which could not be obtained in a group interview due to the sensitivity nature of the study. As such, elements of building trust and familiarisation prior to conducting in-depth interviews were considered to be of great importance by the researcher.

3.7 Data Analysis and Presentation

This research used qualitative data and qualitative type of analysis. Qualitative data constituted opinions, perceptions and facts of respondents from discussions and open ended questions. Qualitative data was analysed by means of descriptive and narrative methods.

3.8 Reliability and Validity

The term reliability as defined by Black (1992) entails consistency in obtaining same results upon repeatedly measuring the same variables on different occasions.

Reliability involves consistence and quality measurement of data collected with minimised biasness and errors. In order to ensure reliability of data in this research, the designing of the interview guidelines comprised careful structuring of questions based on avoidance of yielding different meanings. The technique of interviewing different levels of respondents i.e. the local government officials, the market association leaders and the informal traders provided an opportunity to triangulate data by means of asking different questions yet seeking similar information. As such this assumed reliability of data collected from respondents.

The validity of the research sought to justify the logical and comprehensive coverage of instruments used to measure abstract concepts under study. Besides defining key concepts and observations, the study aimed to ensure construct validity of variables by enhancement of appropriate tools in designing the interview guide based on relevant theories applied in this study.

3.9 Motivation for Selection of the Study Area

There were two major reasons of selecting Kitwe as a city of study for this research. Firstly, Kitwe is one of the most urbanised cities on the Copperbelt province where the growth of the urban informal sector is envisaged to continue. Due to its dependency on mining as an economic base, the city of Kitwe is adversely faced with an intermittent closure of the mines with an increase of retrenched who seek refuge in the informal sector as an alternative source of income. It in the city of Kitwe where the largest market on the Copperbelt known as Chisokone is situated and most informal traders conduct their businesses at the same market.

Secondly, the selection of Chisokone Market as an area of interest for this case study follows its long standing conflicts of formalisation by the government and perpetuated status quo of being unmanaged. Hence providing a strategic location of studying the interaction of actors through use of governance process with a view of reconsidering the urban informal sector as part of the urban life in city development.

3.10 Limitation of the Study

The researcher experienced limitations in the availability of empirical data on incorporation of informality in city development which posed challenges in analysing this interface. Other limitations included time constraints as building of trust and familiarisation of the researcher among respondents in readiness for in-depth interviews and focus group discussions required sufficient time.

CHAPTER FOUR: RESEARCH FINDINGS AND ANALYSIS

4.1 Introduction

This chapter presents findings from field work and data analysis that meet the information needs and the objective of assessing the interaction of actors in dealing with incorporation of informality in Zambia. It also provides a basis for improved policy making that is centred on the utilisation of urban governance in addressing the theme of informality in city development. As a recap, the research questions of the study were:-

1. How do the informal traders, market association and the local government interact?
2. Why has incorporation of informality at Chisokone market been difficult?
3. What do the actors consider would be the most appropriate approach for incorporation of informality?

Based on the above outlined objective and research questions, data was analysed under three parts. Part I presents an analytical framework of the interaction of actors on the dimension of informality based on indicators of urban governance. Part II reveals dilemmas and difficulties of incorporating informality in Kitwe. Part III presents proposed appropriate approaches of incorporating informality as suggested by the local government, informal traders and the market association.

4.2 Description of Roles of Actors in the Unit of Analysis

The unit of analysis in this study comprised of the local government, market association and the informal traders. The roles and networking of actors may be described as outlined below:

The **local government** is an autonomous corporate entity and is constituted under the Local Government Act of 1991 of the laws of Zambia. This Act stipulates 63 functions of the local government which can be broadly categorised as management of: public amenities that encompass markets and stalls, public health, public order, sanitation and drainage, community development among others. With focus on public amenities, the local government is mandated to manage markets and provide essential infrastructure and public services as prescribed in the Market Act of 2007. The council also has the legal powers to raise or generate revenues required to finance the provision of services. Its major sources of revenues include property tax, trading licensing, market fees and other charges. In Kitwe, the management of public amenities is performed by the department of Community, Environment and Health Services of the local government. The subsidiary of market functions involve establishment of council offices within markets with a view of enhancing collaboration and communication channels between actors. Chisokone market, despite its illegal status, consists of a fully fledged council office which is managed by a market master accompanied by cashiers who collect levies and council police who maintains order and ensures security. The market master monitors and supervises council operations in the market. The cashiers collect levies from traders and remit the collected funds to the council on a daily basis. Currently, garbage collection is the sole service provided by the authority.

The largest **market association** in Kitwe also referred to as the Zambia National Marketeers Association (ZANAMA) was established in 1999 with an aim of bargaining and representing informal traders in matters concerning victimization, voicing demands and inclusive policy formulation. As a trader association, ZANAMA is a legal entity registered under the Registrar of Society of Zambia whose operations are governed by a constitution. The association comprises of elected members headed by the association president and its major objectives include the following:

- To protect and promote interests of traders.
- To negotiate with the local government on issues of levies, services harassment and security.
- To facilitate training programmes that enhances understanding of policies and improvement of businesses among traders.
- To lobby and advocate for favourable laws that promote the informal economy.

The association has established offices and conducts its operations within the market. Its activities include voicing the demands of marketeers through negotiations, collection of membership fees and facilitating provision of public services which are currently not provided by the local authority such as water, sanitation, and cleaning. The association is also engaged in illicit activities such as collection of market stand charges, allocation of trading space within the market and establishment of cells where defaulters are remanded. Thus forming a dual functionalism of representation and policing. This has raised conflicts as the local authority considers these illicit activities to be interfering with council operations.

Informal traders are business people whose activities are normally placed outside the framework of government regulation, taxation and permits of occupancy of land. At Chisokone market, there are approximately 9000 informal traders engaged in various economic activities ranging from petty trading to small scale trading enterprises. The traders regard trading as their source of livelihood as it provides them with employment and income. Traders are obliged to pay taxes for usage of space they operate from in form of levies to the local authority. Other payments they are committed to include membership fees and market stand charges that are paid to the market association. Ideally, their businesses are also supposed to be taxed by the Zambia Revenue Authority though this move was intervened by the association. Among the challenges faced by traders include poverty, lack of legal ownership to trading space, and undefined platform for voicing their demands. As a result, they have become victims of circumstances for occupying non-gazetted urban land.

Findings from the survey show that there are currently no structured official relations among the local authority, market association and the informal traders. It was evident that though the market association claim for a representation role, its interest is to have full control of the market. It can be argued that there is rivalry between the local authority and the market association. The local authority perceives marketeers as clients while the market association claim they are legitimate members of the association.

A split between the marketeers could thus be inevitable since there are those in favour of the local authority and those for the association.

As regards policy, the Zambian government recently enacted the statute instrument called the Market Act No. 7 of 2007 putting forward new approaches of managing markets through management boards and discourages operations of the traders' associations within the premises of the market. This policy eliminates the functions of the associations and stipulates the composition of the management board to consist of representatives from government ministries, local authority, marketeers, consumers and community. This was affirmed by the local authority in the following remarks:

“Based on the repealed Market Act of 2007, associations are not allowed to operate within the markets and have no legal powers to grant any rights to land within the market.”

On the other hand, the market association stressed the following view:

“Lack of inclusive policy formulation and decision making is one of the most frustrating situations. Mostly decisions made concerning the informal sector are usually imposed on informal operators. That is why achievement of these policies becomes difficult. Our wish was to be included in the formulation of the new Market Act”

In Kitwe, although sensitisation programmes on the formation of management boards for markets have been on-going, delayed implementation of this policy could be attributed to the association's resistance to leave the market to be run under a market board.

4.3 The Interaction of Actors in dealing with Incorporation of Informality

This section provides an analytical framework of the interaction of actors based on dimensions of informality and as gauged under the principles of governance. Table 4 outlines a block analysis as indicated below:

Table 4: Interaction of Actors Analytical Framework

Dimensions of informality	Principles of Governance						
	Participation	Equity	Decentralisation	Efficiency	Transparency and accountability	Security	Sustainability
Legality	--	--	--	--	--	--	--
Land	--	--	- +	--	--	--	--
Taxation	- +	- +	--	--	--	--	--
Support	- +	--	- +	--	- +	- +	- +

Legend: -- Very low - + Moderate ++ Effective

4.3.1 Legality of the Market and Businesses

Chisokone market originated in the colonial era as a small building used for vegetable trading by the colonialists. This building was inherited by the city administration in the post colonial era and marks the only legal structure within the vicinity of Chisokone market. As the population of Kitwe increased due to urbanisation and as the formal employment sector continued to downsize its labour force through retrenchment after liberalising the national economy, the alternative form of survival was informal trading which put pressure on Chisokone market thereby accelerating street vending. Consequently, Chisokone was made to extend its perimeters illegally to the surrounding urban land which was initially zoned for commercial investments as shown in the picture below.



Pic 2: Operations at Chisokone Market Source: <http://www.flickr.com/photo/justinqlan>

The establishment and growth of Chisokone as a non-gazetted market, is in contrast with the Market Act No. 7 of 2007 of the laws of Zambia which provide that the local authority, with the approval of the Minister of the Local Government and Housing, may establish markets and issue licences or permits to pedlars, hawkers, marketeers or any other category of licence as may be prescribed for the purpose of operating in a market.

Although Chisokone market meets the basic criteria required for market establishment such as its good location, presence of access roads, availability of minimum infrastructure and adequate traders, the problem of legality is on account of it being a non-gazetted market. Despite its state of being illegal, all traders at Chisokone market are compelled to pay market levies towards usage of space and delivery of services. It is a requirement by the local authority that traders who own stalls should pay for trading licences which are renewable annually. It can be argued therefore that the act of collecting levies and licensing charges by the local authority indirectly suggests

legalisation of the market's existence. The survey noted the prevalence of irregular consultative meetings between traders and the authority regarding licensing.

Further, the informal traders cited the absence of publicity of resolutions on legitimisation of the informal sector hence making accessibility of legal information difficult. It was found, through interviews with informal traders, that there was minimal accessibility to decision making processes on affairs of licensing, registration and market legalisation hence causing an inequitable and unfair regulatory framework.

It was also learnt that there exists a very low level of decentralisation in licensing and market legalisation as costs for licenses are determined by the Ministry of Commerce Trade and Industry. Legalisation of Chisokone market has attracted national discussions because the market association has stronger allies with the central government than the local government.

The informal traders also argued that the process of licensing and registration procedure was quite long for it takes more than 3 months for their applications to be reviewed by the authority thereby rendering the process to be inefficient.

The survey indicated that the level of transparency and accountability in the process of licensing and registration has been compromised by inadequate provision of access to information by the authority due to irregular open consultations with informal traders. This has perpetuated conflicts as sources of information are widely based on rumours.

The survey indicated that forced evictions due to failure of acquiring licensing or payment for market stands has posed severe sense of insecurity among informal traders hence affecting their livelihood base.

It was disclosed that the absence of inclusive decision making in permit processing and market legalisation does not assure sustainability of regulations on licensing being enforced by the authority.

Table 5: Interaction of Actors Analytical Framework - Legality

Dimensions of informality	Principles of Governance						
	Participation	Equity	Decentralisation	Efficiency	Transparency and accountability	Security	Sustainability
Legality	--	--	--	--	--	--	--

Legend: -- Very low - + Moderate ++ Effective

4.3.2 Land Occupancy

Land plays a critical role as business premises in raising the income of the informal traders. Hence access to proper physical location determines investment opportunities and income prospects. Hansen (2004) argues that the economic success of informal operators is based on appropriation of urban space for their activities. Thus urban space forms a dynamic field of interaction for not only economic but also political and social processes in resolving hostile encounters among urban actors towards improving urban management and governance systems. As it has already been alluded to, informal trading at Chisokone market is confronted by problems of squatting and

occupancy of a non-gazetted piece of land. In an event where traders lack tenure of security, it is within the powers of the local authority to evict them from the area at any given time.

During the course of this research, it was learnt that the local authority had from time in memorial demarcated Chisokone area into plots zoned for huge commercial investments. The local government had regarded the emergence of the informal sector as temporal and could only permit temporal structures for trading stalls. It is in this view that the informal trader remarked that:

“It seems the government had anticipated that the urban informal sector would one day just disappear like that. For as long as the formal sector continues to downsize its labour force, this is unlikely to happen.”

On several occasions, evictions of informal traders by the local authority from Chisokone market, in preference of foreign commercial investment, has yielded no results and has been opposed by informal traders who regard their possession of the site as a legitimate. This was attributed to their prolonged existence at the area and payment of levies for usage of space according to them.

According to a focus group discussion, some informal traders, claimed to have conducted business in Chisokone market for over 15years. When asked as to why Chisokone market was the place of preference for trading, it was learnt that the market boasts of competitive advantages such as good location, high demand for products and easy accessibility to public facilities such as roads, banks etc.

It must be noted that though attempts have been made by the local authority to hold public hearings on the proposed commercial investments at Chisokone area, there is lack of consensus among actors on the zoned land use. As one trader remarked during the focus group discussion:

“...being informed and being involved are two different things. I believe public hearings or viewing of publicised plans at the council are meant to let us know what the council has already decided for the residents. Being involved means planning together as stakeholders.”

This entails that the traders, as actors, felt excluded in practices of urban planning. In light of this, it can be argued that marginalisation of informal traders in urban planning and decision making suppresses sustainability of human and economic development. Respondents also mentioned that participation is key in promoting transparency and accountability in the process of land provision and service delivery.

The survey conducted reflected a moderate decentralisation with regard to the provision and regulation of services within the market as most public services were managed by the marketeers themselves. This was affirmed by the local authority that all infrastructure and services at Chisokone market like water, electricity, sanitation and shelter were managed by traders except for collection of solid waste from strategic disposal points as a sole service being provided by the local government.

However, observations at the market by the researcher revealed risks that traders and buyers are exposed to arising from poor installation of electric cables and sewer pipes on account of overcrowding and poor infrastructure development. It was learnt that as a result of the absence of fiscal decentralisation, the local government lacks the capacity that would enable adequate provision of services in the market.

Plans under the Department of Community, Environment and Health Services revealed council's intention to source partnership from the private sector towards improvement of infrastructure and services of Chisokone market. This was affirmed in the following remarks:

“The hazardous conditions that prevail at Chisokone market do not only affect traders operating from there but also all the masses of people who buy goods from the same market. It is within the obligation of the local government to ensure that urban public health is harnessed. As such the local authority was advocating for public private partnership for efficient and effective delivery of services for the market of Chisokone.”

According to data collected, traders at Chisokone market were found to be prone to insecurities from victimization and harassment by authority agencies by virtue of occupying a non-gazetted piece of land. The focus group discussion with informal traders showed that marketeers conducted their businesses on alert of being evicted or relocated. Based on the notion that Chisokone market is non-gazetted, most stands and stalls are temporally structures. Picture 3 below shows part of Chisokone market with makeshift stands as temporal structures. Arguably, the informal traders are against council's recommendation for erection of temporal structures because they are prone to fire outbreaks. Box 3 affirms the constraint of fire out-breaks experienced by informal traders at Chisokone market.



Pic 3: Traders conducting business in the open space Source: <http://www.flickr.com>

According to (UN-Habitat 2003), the urban poor regardless of their social-economic status have the right to life, freedom and safety, thus insecurity tends to further their marginalisation in society.

Box 3: Prevalence of Fire Out-Breaks at Chisokone Market

Chisokone market in Kitwe gutted again

By ALEX NJOVU

OVER 500 makeshift stalls at Kitwe's Chisokone Market were on Monday destroyed after a fire swept through part of the market.

It took fire fighters from the Kitwe City Council about an hour to extinguish the blaze that started around midnight.

Zambia National Marketeers Association chairman Elvis Nkandu and acting Kitwe City Council town clerk, Monica Mwanza confirmed the incident.

Mrs Mwanza said she suspected that the fire could have been caused by amber from a brazier that was left unattended by some people who sleep in the market.

"Only section D of the market has been gutted. I think the fire was caused by amber from a brazier that was left unattended to by some people who sleep in the market," she said.

Mrs Mwanza said the council would put in place measures aimed at averting fires at the market.

She said some of the

measures would include sensitising traders to stop sleeping in the market and avoid storing inflammable substances in their stalls.

Mrs Mwanza said the fire had caused misery to the traders and their families, adding that most of them would have to struggle to restart their businesses.

Mr Nkandu said most of the gutted stalls did not contain any merchandise and commended the fire brigade for the quick response.

He, however, said one of the stalls which contained fabric was destroyed and that the owner collapsed at the sight of her stall on fire.

"We will certainly help the woman. It is the obligation of our association to help our members who are in need," he said.

Mr Nkandu said the only way to avoid fires was to construct permanent structures.

Recently, Kitwe's Nakadoli Market was gutted.

Source: Zambia Daily Mail, August 13th, 2008

Table 6: Interaction of Actors Analytical Framework – Land Occupancy

Dimensions of informality	Principles of Governance						
	Participation	Equity	Decentralisation	Efficiency	Transparency and accountability	Security	Sustainability
Land Occupancy	--	--	- +	--	--	--	--

Legend: -- Very Low - + Moderate ++ Effective

4.3.3 Local Taxation

The mandate of collecting taxes or levies in markets by the local government is enshrined in the laws of Zambia. The Market Act No. 7 of 2007 under section 9 provides that any person intending to sell goods in any market shall be obliged to pay fees/levies as may be prescribed by the local authority with the approval of the minister. This policy adds that failure to pay levies amounts to an offence liable to payment of a fine or even imprisonment.

The revenues generated from payment of taxes are meant for service provision in the market among other uses.. As mandated under law, the local government is obliged to ensure provision of services and infrastructure as well as securing trading places for traders. Besides acting as a principle source of revenues for the local government, an interview with the informal traders affirmed that payment of taxes also legitimizes their occupancy of urban land and accessibility of public services. Hence forming a reciprocal support between the actors. Additionally, payment of market stand charges to the market association legitimizes traders for membership and entitlement to market stands whereas the market association generates revenues for its operation. This dual system of paying tax compels traders to petition and complain over depleted working capital. A chat with informal traders noted the following remarks:

“We are oppressed by double payments demanded by council tax collectors and those from the market association. Sometimes failure of meeting these payments amounts to confiscation of goods and eviction warnings.”

However, realisation of the objective of streamlining systems of taxation requires participatory involvement of concerned actors in decision- making process.

An interview with the market association revealed an attained level of inclusive decision making in determining costs of levies paid by market traders. This was after the market association successfully negotiated with the local authority for the reduction of increased market levies from K1000 to K500. This achievement however arose from a confrontational interaction between actors as confirmed in a story narrated by the market association:

“An attempt of the local government to raise levies paid by the marketeers initially from K250 to K1000 prompted the association to command traders not to comply with new levies considering that the increment was unaffordable. This led to the arrest of the market association leaders and marketeers were forced to pay the new fees by the police agency, failure to which amounted to being arrested. It is from such confrontational events that the local government resorted to consultative decision making in the aspect of levies. These successful negotiations marked one of the achievements of ZANAMA.”

Although this liaison concerning the reduction of levies signalled sustainability of tax systems, it also signified a prevalence of unclear relation between taxes paid and services being provided.

The prevalence of inefficient revenue collection systems has adversely affected the revenue base of the institution. According to the local authority, the current collection efficiency of taxes from market stands at 43 percent of the estimated income. When asked why the authority experienced under-collection of revenues from the market, the following challenges in the interaction of tax collection between the local government and informal traders were cited:

(a) Refusal of paying levies by traders on account of none receipt of corresponding services and infrastructure in the market. This was confirmed by the informal traders' remarks:

“Our understanding is that the fees we pay are supposed to go towards the provision of public services such as water, electricity, cleaning of the market etc. Most services available in this market are provided by us except for garbage collection from the main dumping site.”

Rosengard (1998) documents that taxpayers are willing to pay if they understand why they have to pay and if they are connected to specific services of the local authority.

(b) Rebellion to pay levies by traders as a way of displaying displeasure. An interview with the market association had the following remarks:

“There are various ways in which we show our displeasure concerning certain regulations. Sometimes we hold peaceful demonstrations or simply influence traders not to pay levies.”

(c) Prevalence of insincere and corrupt council revenue collectors. An interview with the local government revealed that

“...council tax collectors had formed a cartel in taking care of their own interests and were engaged in under-hand submission methods of the collected revenues. However the authority is seeing to it that these practices are eliminated”

The survey also revealed no presence of accountability of resources in the interaction among the local government, market association and informal traders on the dimension of taxation.

Further, there is no policy or legislation that mandates the market association to collect fees or revenues from traders and this has contributed to continued conflicts and tensions among actors.

Table 7: Interaction of Actors Analytical Framework – Local Taxation

Dimensions of informality	Principles of Governance						
	Participation	Equity	Decentralisation	Efficiency	Transparency and accountability	Security	Sustainability
Local Taxation	- +	- +	--	--	--	--	--

Legend: -- Very low - + Moderate ++ Effective

4.3.4 Supportive Programmes

Support of the informal traders with respect to rendering of Business Development Services and credit facilities focuses on development aimed at improving entrepreneurship with a view to increase employment opportunities and income levels among informal operators. An interview with the market association indicated that an NGO called Workers Education Association of Zambia (WEAZ) in collaboration with the Alliance for Zambia Informal Economy Association (AZIEA) provides training to traders centred on reducing constraints that they encounter. Among the activities done include improving acquisition of business information, management of business and book-keeping as well as strengthening capacity and understanding on the processes of policies and their effects on the informal economy. The market association remarked the following:

“Considering that illiteracy levels were also high in this market, capacity building of traders through Business Development Services helps them to interpret and understand policies that affect their operations.”

It was also revealed that the Alliance for Zambia Informal Economy Association provides credit facilities in form of soft loans to traders which are facilitated by the market association. Findings indicate that 25 percent of the traders at Chisokone market have participated in the Business Development Services. Though assessment of the quality of the BDS programmes offered is very important, it was not within the scope of this study. Among the challenges cited in the provision of supportive programmes include inadequate funding and high interest rates.

The views obtained from the informal traders indicated that distribution of Business Development Services is currently not equitable as only traders from Chisokone B (section) had benefited. Accessibility to information concerning Business Development Services is not adequately spread as most traders interviewed were not aware about it.

The responsibilities involved in the process of delivering Business Development Services are delegated to the market association by NGOs for management hence connoting some enhanced level of decentralisation.

The survey also revealed that disbursement of micro credits and facilitation of education programmes was dependent on the availability of resources hence affecting the efficiency of the BDS.

Further, the absence of justification on the interest rates accrued by the market association on the soft loans offered compromises the level of transparency and accountability.

An interview with the informal traders indicated that loans may be obtained without any form of collateral hence implying risks of security on the part of the lender and unsustainability of programmes

Table 8: Interaction of Actors Analytical Framework – Support

Dimensions of informality	Principles of Governance						
	Participation	Equity	Decentralisation	Efficiency	Transparency and accountability	Security	Sustainability
Support	- +	--	- +	--	- +	- +	- +

Legend: -- Very low - + Moderate ++ Effective

4.3.5 Summary

In summary, the foregoing analysis presented the status of weak governance that prevails in the interactive alliances of actors on the dimensions of informality in Kitwe. The major cited shortcomings of city governance include exclusive strategic decision making and policy formulation in resolving urban problems and diverse interests of urban actors that affect the urban informal sector development. This is coupled with stiffened conditions of rules and regulations that ignore principles of equity and the importance of interactive relationship towards socially constructed city development on the interface of informality. Further, non-realisation of informality as a governance issue has perpetuated conflicts and tensions among the local authority, market association and informal traders.

4.4 Dilemmas: Conflicting Incentives and Difficulties of Incorporating Informality in Kitwe

This section attempts to assess conflicting incentives that arise in the interaction of incorporating informality and hinder positive transitional change from taking place. Roever (2005) affirms that in the context of regulating informal traders and mitigating externalities that accompanies informality, there arise *incentives for* and *incentives against* formalisation based on conflicting interests of actors that eventually create a status quo. The survey conducted identified incentives for and incentives against formalisation that have attributed to the continued status quo at Chisokone market in Kitwe (see Annex 3 on the identified incentives, segmented according to actors respectively).

From the perspective of informal traders, compliance with rules and regulations raises *incentives for* such as acquisition of claim of rights to occupy urban land and protection

from victimization and harassment from authority agencies. This entails application of total regulation with regard to entry, licensing, registration, acquisition of tenure security and remittance of taxes to both the local government and central government through Zambia Revenue Authority. A focus group discussion with informal traders recognised that although regulation creates legitimacy and provide social protection of informal traders from victimisation, it attracts excessive costs and bureaucratic procedures that withdraw informal operators from venturing into the notion of compliance. In the foremost, the respondents compared the process of entry that demands formal application to the council for trading space within the market, a process that they claimed usually takes long to be reviewed against the easy way based on social ties.

Judith Longo, a 54 year old vegetable trader narrated how she started trading at Chisokone market:

I started trading when I was 31 years old at Luangwa market in the suburbs. Business there was low. My aunty who traded at Chisokone market had indicated that she was relocating to a different neighbouring town. So I decided to take up her stand in Chisokone and shifted my business for better sales."

Conflicting interactions in formalising provision of public services are reflected in the remarks of Danny, a 25 year old man trading at Chisokone who said that:

"I sell video tapes. Before coming to Chisokone, I rented a small shop down town for my business. Besides paying rent, I also paid bills for water and electricity. I could not make profits from my business. I found myself looking for credits to sustain it. My friend advised that I join him at Chisokone market. Although profits are minimal because I pay market levies daily, I can at least afford feeding myself because I no longer pay rentals and bills."

It was evident that conflicting incentives in formalising occupancy of land and provision of public services emanated from differences in the agendas of actors. Although traders aspire to gain legitimacy of right to occupy urban space, they showed unpreparedness regarding paying costs attached to formalisation. The attributes cited for not paying these costs include high poverty levels, as the majority are survivalists, bureaucratic procedures and corruption.

On the part of the local government, regularisation and charging of taxes in exchange of usage of urban space connotes generation of substantial local revenues and provide control mechanism of organising informal operators in strategic areas while registration would aid enforcement of policies and control of new entry of informal traders. The dilemma that arises in this instance includes forfeiting strategic developments that are likely to accrue more financial benefits to the institution. This was observed from the local authority's point of view that for many years now it has experienced resistance from informal traders to vacate Chisokone area to pave way for huge commercial investments. As an institution, they are constrained with ability to expel traders who have been legitimized by paying taxes and are registered through licensing. This was affirmed in an interview with the local government in the following remarks:

"Chisokone market is located on the prime land of the city. That is the only parcel of land remaining in the Commercial Business District (CBD). It is planned that by

putting up quality investment on that land such as a shopping mall would not only provide the council with more revenues but also beautify the city.”

This assertion gives an explanation that informal activities are being considered undesirable in cities. Robinson (2002) affirms that in the developing world, the notion of *world class cities* imposes substantial limitations on planning and imaging the future of cities.

The survey also noted that in an event where the local authority formalises improvement of Chisokone through provision of infrastructure and public services, there arise favourable incentives such as enhanced public health and justification for evicting those who fail to pay taxes. However, notable conflicting incentives such as additional costs required to carry out the improvement encountered resistance from traders to allow developmental works based on mistrust which perpetuated the status quo. This has also been attributed to lack of political will in the implementation of city developmental programme as quoted in the following remarks during an interview with the Department of Planning:

“The council has already identified a transitional trading place to accommodate traders during construction works and improvement of the market. The problem is that traders consider this project as a strategy the council is using in chasing them from the market. Above all, there is no political will”

The repealed Market Act No. 7 of the laws of Zambia introduces the use of Management Boards in the running of markets. It bars associations from operating within markets. The stipulated composition of the Management Board includes representatives from government ministries, local authority, consumer, community and 3 elected marketeers. This policy provides that the names of the proposed representatives shall be subject to approval or rejected by the Minister of Local Government and Housing.

An interview with the market association indicated that though the process of selecting representatives seems to be inclusive, subjecting names of the proposed board members for approval by the Minister makes the whole process un-democratic. To this end, the market association in Kitwe has refuted instructions to leave the market. The association believes that the legislation was formulated intentionally to eliminate their existence. This conflict has adversely affected the coordinating mechanisms and implementation of the new regulation in the formalisation process hence leading to a status quo. In the absence of political will, eviction of the association from the market in Kitwe has been difficult.

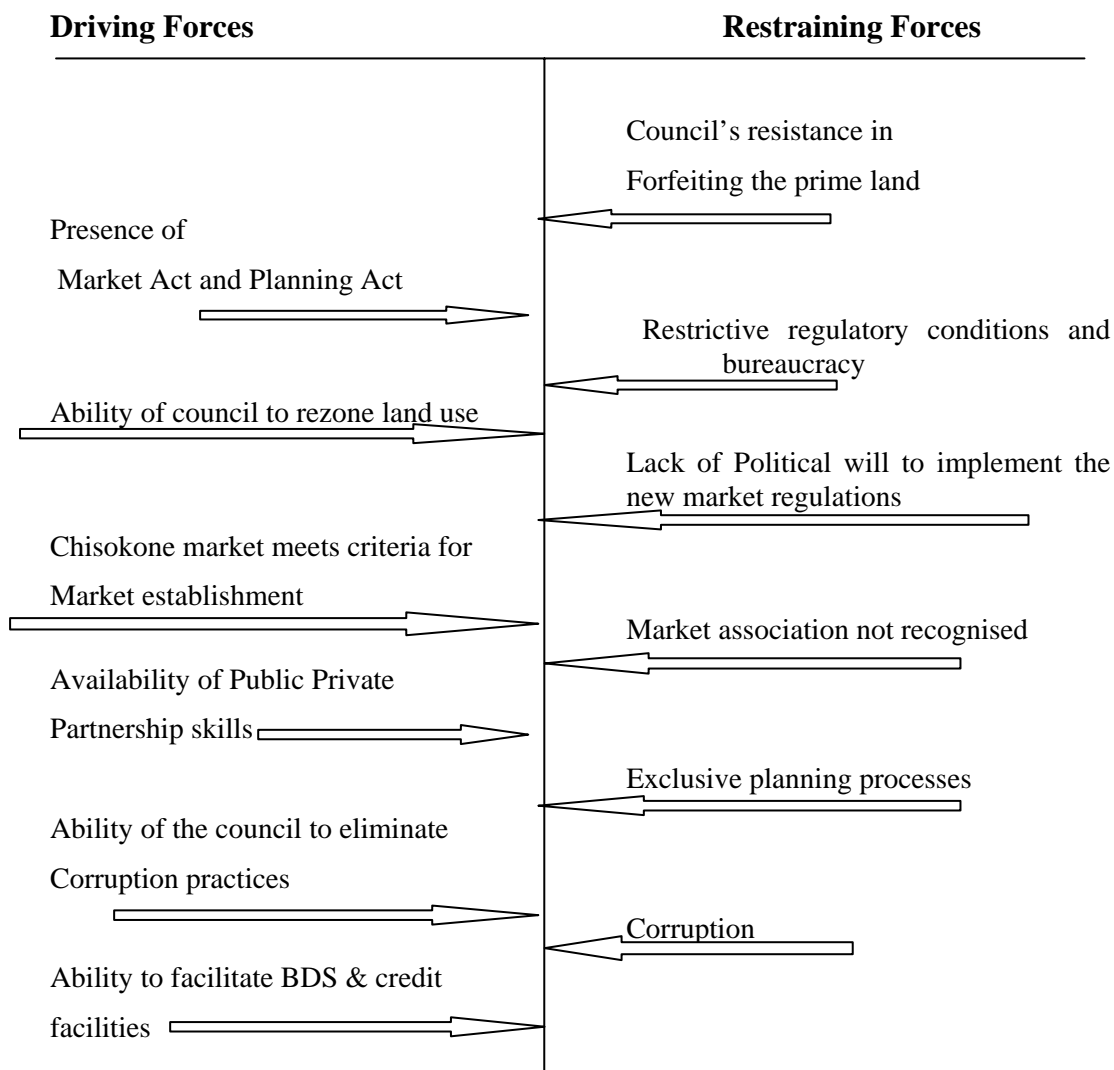
The survey identified corruption as a strong incentive against progressive change in the formalisation process of informality. According to Skinner (2008), creation of facilities and provision of services for informal traders represents the extent to which they are incorporated in urban management and planning. An interview with the Department of Community, Environment and Health Services recognised that high corrupt practices involving under – hand submission methods of collected taxes amongst council tax collectors had contributed to council’s failure to provide services at Chisokone market hence impeding change from happening. It can be argued that conflicting interests do not only exist between institutions but also within institutions.

4.4.1 Strengths and Weaknesses of Incorporating Informality

This section presents findings on the strengths and weaknesses of the process of incorporating of informality. In this analysis, the study adopted and used the Force Field Analysis technique so as to determine the driving and restraining forces that influences or impedes change that may occur in the process.

Figure 3: Force Field Diagram

Vision: Incorporation of Informality in City Development



Source: Author

The **driving forces** promote change while **restraining forces** maintain the status quo. The model of force field analysis presented above is built on the notion that in the process of incorporating informality, there are both forces that drive and forces that restrain change. These forces are indicated by the arrows. The longer arrows represent stronger forces. The strength of the arrows was determined by allocating a score to

each of the forces. A numerical scale of 1 to 10 was used where 1 represented the extremely weak force and 10 the extremely strong force.

The presence of legislations such as, the Town and Country Planning Act governs guides and empowers the local government to rezone land use and non-gazetted areas to meet desired usage. This provides an opportunity for a non-gazetted area such as Chisokone to be rezoned from commercial plots to market usage. As mentioned earlier, council's resistance to legalise the market despite its ability to do so, is centred on the fact that Chisokone area is the only prime land remaining within the CBD. The survey revealed that Chisokone market meets basic requirements for market establishment such as its good location, good accessibility, and presence of adequate traders and availability of minimal infrastructure. These factors provide an opportunity for Chisokone to be regularised and incorporated in city development. Prior to passing of the decision to legalise the market, no meaningful progress may be attained hence posing a restraining force in the process of incorporating informality. This eventually would affect the willingness of the private sector to invest in improving the market amidst uncertainties of its legalisation.

The interviewee also explained that bureaucratic procedures discourage them from proceeding with application to entry, registration, licensing, planning as well as taxation. According to the focus group discussion with informal traders, one trader had attempted to register his business and possess a trading licensing. While the other two members of the group indicated that they had registered their businesses in the initial stage and stopped complying along the way. The explanation given to this eventuality was that the majority of traders owned informal assets that do not qualify to be used as collateral for obtaining credits or loans. Thus it can be argued that restrictive regulations contribute to generation of informality.

The survey indicated that lack of political will in the implementation of market regulation and developmental projects at Chisokone market has attributed to the delays in the formation of management board and execution of improvement works by the authority.

The practices of exclusive planning processes have attributed to weak governance and tend to maintain the status quo at Chisokone market. This is coupled by non-recognition of the market association in the regulatory system that has led to mistrust among actors and continued antagonism.

4.4.2 Summary

This analysis showed that there exists incentives, those in favour and those against realisation incorporation of informality that have caused dilemmas and difficulties in the process of incorporating informality. Findings further identified restraining forces that have caused continued status quo at Chisokone market. These include resistance of the council to legalise the market, bureaucratic procedures, lack of political will in the implementation of the new market regulation, corruption, exclusive planning processes, and non-recognition of the market association.

4.5 The Most Appropriate Approach of Incorporating Informality

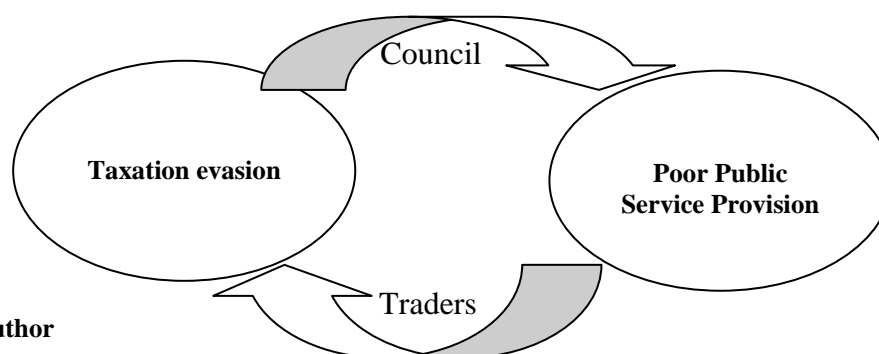
Although the data obtained from the survey indicate that all categories of respondents interviewed accede to have informality formalised, there is a variation in the perception on what ought to be formalised and what not. Findings revealed that the local authority had already formalised taxation while formalisation of legality of the market and land occupancy was pending. It was evident from the survey that informal traders and the association preferred formalisation of land occupancy, service provision and support as opposed to taxation and licensing.

4.5.1 Taxation versus Provision of Services

From the perspective of the local government, taxation was considered to be the most preferred incentive for formalisation. Considering that fees paid by market traders form one of the key revenue streams for the local government, formalisation of taxation was perceived as a determinant and requisite for provision of better public services. Subsequently, failure to provide public services was attributed to non-compliance or evasion of taxes by informal operators.

The informal traders, during focus group discussion, identified improvement of land, through provision of public services and infrastructure as prerequisite. They claimed that enhanced provision of services had the ability to improve working environment for workers in informal sector and aid reduction of risks to health. During the interviews, the traders indicated that receipt of public services provided the determination for their willingness to pay taxes. This eventually forms a conflicting vicious circle as indicated in fig 4.

Figure 4: Taxation versus Provision of Services



Source: Author

Findings showed that traders at Chisokone market would mainly be willing to pay taxes in return of immediate adequate services. Meanwhile, the local authority noticed that the taxes paid by the traders were too meagre to meet the cost of service provision. This assertion denotes that in reality, the service of garbage collection at Chisokone market is mostly subsidised by the authority. This was confirmed by the local government in the following remarks:

“Poor provision of services at the market is a manifestation of payment of sub-economic rates for taxes by traders. Taking into account the exercise of garbage collection, it gobbles a lot of financial resources which are mostly subsidised by the authority”.

Trebilcock (2005) documents that within the unregistered and unregulated environment of informality, most informal operators do not pay taxes thus posing unfair competition

to other enterprises and also deprive government of public revenues. Consequently, this leads to limitations of government in the extension and provision of services.



Pic 4: Collection of piles of garbage at Chisokone market by the local authority Source: War on Want Report, 2007.

To this end, the traders revealed that simplification of complex and multi-step procedures as well as lowering costs of formalisation would be the most appropriate approach. The local government noted that revenues tend to increase as the tax base gets broadened to capture to capture informal activities. Eventually, increased revenues create provision for better quality public services for marketeers. However, it must be noted that increased revenues does not guarantee better public services as claimed by the market association leader in his explanation that:

“...the larger percentage of revenues collected is usually not ploughed back into the market for better services.”

The interviewees highlighted that building up on the existing services in the market would be cheaper and more appropriate for the authority. Findings showed that a phased plan of executing construction and rehabilitation of Chisokone market was already prepared and a transit trading place for marketeers had already been sourced.

4.5.2 Land and Process of Regularisation of the Market

Regarding land occupancy and improvement, the survey found out that the problem of Chisokone market being non-gazetted was a paramount issue which was regarded as a prerequisite in the process of incorporating informality. Although legalisation of the market has not been decided by the local authority, their willingness and realisation of the importance of doing so, provides a good starting point in the process of incorporating informality. This was affirmed in the following remarks by the local government:

“Considering the growth of the urban informal economy in Zambia and Africa as a whole, continued denial of informal traders to have access to occupancy of urban land would entail throwing them back on the streets hence retarding efforts for poverty reduction. Since the disappearance of the informal economy is not likely to happen, creation of fair regulatory framework through removal of barriers to tenure security and incorporation of this sector in city development would be appropriate.”

An interview with the local authority indicated that rezoning or change of land use from commercial plots to urban market usage would be an appropriate approach in resolving conflicting land use planning and allowance of incorporating informality as part of the urban system. As a planning authority, the local government is empowered by the provisions of section 18 of the Town and Country Planning Act CAP 283, to modify approved development plans upon approval by the Minister. Legality of the market would then follow through acquisition of Certificate of Title for the market by the local government. The market establishment can then be effected by the local authority governed by the Market Act No. 7 of 2007.

It was observed from the survey that Chisokone market meets minimal criteria required for market establishment such as good location, easy of accessibility, availability of adequate traders and minimal infrastructure.

However, the survey indicated that although there exists some attained level of understanding on the importance of rezoning Chisokone area by the local authority, counteractions on this opinion by some officials within the institution, who consider the area to be prime land, have caused difficulties in coming up with a decision.

4.5.3 Governance Approaches

Findings revealed that use of governance approaches in the process of incorporating informality was essential. As noted by Kappel and Ishengoma (2006), incorporation of informality constitutes governance approaches and formality trade-offs based on equity whilst formalisation was viewed to refer to institutionalising of the informal sector alongside total compliance of laid down government regulations which are hardly afforded by the survivalists. This translates that incorporation of informality enables informal operators meet part of the required contributions rather than not complying at all. In citing the case of Danny, an informal operator who resorted to evasion of compliance in the quest of sustaining his business, it can be argued that this dilemma emanated from the absence of governance system that would necessitate some trade-offs and enable him meet part of the required payments than absconding completely. The survey indicated that adoption of governance approaches would facilitate principles of equity, participation, accountability, efficiency and security.

The enactment of the National Decentralisation Policy (2002) in Zambia was aimed at achieving a democratically and decentralised elected system of governance through transparent and open decision making, implementation process and effective participation in the administration of local affairs. To this end, findings availed that the fundamental challenge in an attempt to incorporate informality in Kitwe's city

development process has to do with urban governance. The survey suggests that in the process of incorporating informality, the presence of conflicting interactions between actors reflects existence of weak urban governance systems that cannot be overlooked in the process of incorporating informality.

The informal traders indicated that regularisation of Chisokone market as their work place will increase the ability to improve their business investment, raise their income prospects as well as ensure sense of security. The respondent showed their willingness to partner with other stakeholders in the entire process of incorporation and improvement of the market. Traders indicated that their participation in this programme would help reduce mistrust and that their contribution would help quicken execution of works required. These assertions were confirmed in the following remarks:

“Once we are accorded legitimacy to operate from this market, we will have sense of belonging and ownership towards renewal and development of Chisokone. We are ready to partner with the local government in all dimension of this interface if need be. The ability of erecting our own stalls in which we operate from and management of public services clearly demonstrates our willingness to have the market improved. With legalisation, there will be no more fears of being evicted or relocated. There will also be sanity with regard to harmonising collaborations between us and the authority agencies.”

4.5.4 Ensuring Right of Property Ownership through Licensing

Findings indicated that licensing was regarded as an inclusion tool as it provided the informal traders with the right to operate. It was also recognised that licenses were used to secure trading space for business activities and ultimately secured source of livelihood for informal traders. From the perspective of the local authority, findings revealed that licensing provided control over management of public space and maintained standards put in place by the government. It was recognised that licensing at Chisokone market was linked to fire protection, public health through collection of solid waste, building standards of market stalls and laws on type of businesses that discourages sale of alcohol within the market.

4.5.5 Increased Entrepreneurship: Business Development Services and Credit Facilities

Findings reflected that enabling entrepreneurship development for operators in the informal sector required intervention on policy, enterprise and institutional levels. According to literature, entrepreneurship development required policy interventions in the aspect of providing an enabling environment and integration of entrepreneurship programmes (ILO 2007). The survey showed that a variety of programmes on entrepreneurship development had been conducted by the civil society at Chisokone market. Notably, supportive programmes were rendered by Pride Zambia, CETZAM, and AZIEA among others. Considering that marketeers at Chisokone market constituted a large population, the traders suggested that development of linkages between government institutions and themselves with a view of increasing

accessibility to the Citizen Economic Empowerment Fund would supplement efforts of the civil society.



Pic 5: Trading operations at Chisokone market

4.5.6 Management of the Market

Findings on who should be the lead actor in the process of incorporating informality indicated that the local government ought to lead as a responsible institution for regulating and management of urban markets. However, the market association leaders had reservations on this as confirmed in the following remarks:

“Considering that the Zambian economy has been liberalised, traders themselves should be accorded a chance to run and manage their respective markets. Alternatively, an independent board comprising of representatives of the concerned actors and a neutral individual ought to be established.”

Data obtained from interviews with the local authority indicated that the policy measures stipulated in the Market Act of 2007 provided an appropriate approach for the management of markets. They added that the proposal of adopting management boards to run the markets would enhance sanity and harmony in the way actors interact in markets. Findings showed that since this policy had been counteracted by the fact that market association believed the Act was enacted specially to eliminate their existence and operations.

The conflicting interests of actors pertaining to management of the market pose dilemmas in resolving governance issues in that disagreements on representation would result in failure to accede to and comply with decisions made by the management board. It was evident that not until claims by the market association are taken into consideration, no governance issue would be solved.

4.4.7 Conclusion

This chapter presented realities on the interaction of actors with regard to incorporating of informality in city development. The first part of the chapter revealed a very wide discrepancy between what constitutes urban governance and what is obtaining on the ground. The depicted weak urban governance system on the dimension of informality presents un-conducive ways of interactions that prevail among the local government, informal traders and the market association. The chapter also reviewed incentives that cause dilemmas and difficulties in the incorporation of informality based on conflicting interests, corruption and absence of political will. Essentially, it is worth noting that incorporation of informality is not that easy in an environment with weak urban governance such and where political will does not exist.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Chapter five seeks to conclude the study and presents the actual position of the research questions that were posed in chapter one. In this chapter, a recap is made on all the other previous chapters, which make up the whole study thereby coming up with conclusion and necessary recommendations with a view of directing measures that are needed in attaining a level of incorporation of urban informal businesses in Kitwe's city development.

5.2 Recapitulation of the Study

This study aimed at assessing the interaction of actors among the local government, the informal traders and market association in dealing with incorporation of informality in Kitwe based on dimensions of legality, land occupancy, taxation, support and harassment. The foundation laid in the first chapter brought forth the fact that the continued imbalance between demand and supply of labour in Zambia has subsequently resulted in the growth of urban informal sector whose causes hinge on rapid urbanisation, adoption of the Structural Adjustment Programme and non-promotion of formal employment amidst economic growth. Though the proliferation of informality and vending became significantly vivid during implementation of the Structural Adjustment Programme in Zambia, its genesis dates as far back as pre-independence era. It was also depicted that currently, an estimation of 81% of the urban labour force in Zambia is engaged in the informal economy. This study pointed out that despite the heightened scope of informality and its considerable contribution towards GDP and poverty reduction, hostile encounters between the authority agencies and informal operators have continued in the Zambian cities including Kitwe. It was realised ultimately that the urban informal sector received less policy intervention hence posing persistence struggle on survivalist traders on a variety of fronts.

Conceptually, informality was realised to entail a status of labour that lacks protection, recognition, registration and is considered illegal as its economic activities are deemed to be in contrast with the formal city's rules and regulations. The theories of the ILO-PREALC and De Soto's Legalistic approach were found to be relevant in explaining the theoretical essence of moving towards institutional transitional change that fosters accelerated legalisation, de-bureaucratisation, deregulation and simplification of administrative procedures in the management of informality and resolving hostile environments in the urban realm. Essentially, the concept of urban governance was adopted in this study as a key instrument in analysing the interaction of actors under which incorporation of informality in city development may be attained.

5.3 Reflection on Research Findings and Conclusion

In this study, an attempt was made to answer the main three questions; how do the informal traders, market association and the local government interact? Why has incorporation of informality at Chisokone been difficult? What do the actors consider would be the most appropriate approach for incorporation of informality? In-depth interviews and focus group discussion were used for purposes of gaining insights that provided answers to these questions.

Findings disclosed that the effectiveness of participation of informal traders and market association on matters concerning legalisation process of the market and licensing was very low. It was found that no consultative meetings were held on which legality issues could be discussed. The study also found that exclusion decision making in practices of urban planning prevailed. Knowledge on strategic developments that took place in the city was based more on informatively rather than participatory. Findings however revealed an attained participatory agenda in taxation in which the market association successfully negotiated a reduction in market levies with the local authority. Participation of traders in Business Development Services rated at 25 %. On an overview, the study found that inclusion decision making and policy formulation on the dimensions of informality in Kitwe was minimal. This situation denotes the absence of enabling structures that empowers actors to effectively participate in social and economic processes that would support their livelihood.

Equity pertained to fairness in accessing information, application of rules and equal provision of services. The study indicated that accessibility and publicity of information on informality dimensions was difficult. This was attributed to the existence of unequal and unfair regulatory frameworks. Equal application of rules was depicted on taxation in which all traders are made to pay the same amount of money as market levies. The distribution of BDS was found to be inequitable as only traders from a specified section of the market had benefited. Generally, the study revealed poor accessibility to city information and inequitable decision making processes.

The application of decentralisation process by actors indicated that its implementation has been slow. It was noted from the survey that although the local authority is considered to be an independent corporate entity, it lacks full autonomy on a variety of fronts notably land administration. The absence of fiscal decentralisation was identified as a constraining factor for provision of services and infrastructure in public amenities. An effort of devolving responsibilities to the lower levels was depicted in areas where BDS programmes and management of services in the market were facilitated by traders.

Problems of accountability were reflected in the conflicting interaction among actors over justifications of taxes paid against services provided. Furthermore, lack of accountability by actors on their responsibilities contributed to tensions in their interactions.

The efficiency at which processes and institutions (actors) produced results was found to be minimal. The prevalence of bureaucratic procedures in the aspect of revenue collection, licensing, registration and land administration affirmed this incidence. This was identified as one of the pushing factor into informality and corruption. Streamlining and simplification of regulatory systems, taxation and land acquisition procedures is still awaited.

The interaction of actors on issues of security across the dimensions of informality indicated gaps on fronts of forced eviction threats, lack of tenure security and marginalisation of informal operators. It was recognised that the development of urban informal sector is often accompanied by problems of illegal land occupancy and squatting on urban space. This eventually causes conflicting land use planning hence posing insecurities of threats of evictions or relocations. Exclusion of informal activities in urban planning processes was found to be the major contributing factor to

insecurities. Thus accelerated legalisation of Chisokone market would aid elimination of insecurities.

In conclusion, the status of weak governance that prevails in the interactive alliances of actors on the dimensions of informality in Kitwe forms the basis of hostile encounters between the formal and informal city. The major cited shortcomings of city governance include exclusive strategic decision making and policy formulation in resolving urban problems and diverse interests of urban actors that affect the urban informal sector development. This is accompanied by stiffened conditions of rules and regulations that ignore principles of equity and the importance of interactive relationship towards socially constructed city development on the interface of informality. Further, non-realisation of informality as a governance issue has perpetuated conflicts and tensions among the local authority, market association and informal traders.

The process of incorporating informality is often challenged by strong incentives that tend to drive or restrain change that may occur. Factors that restrain inclusiveness and maintain the status quo at Chisokone market include conflicting interests, resistance to legalise the market, corruption, bureaucratic procedures, lack of political will and weak governance systems in place. This requires intervention at all levels of government and policy level.

To sum-up, incorporating informality is a governance issue. The characteristics of urban governance constitute core principles that promote inclusiveness of cities. The exclusion of informal activities in urban life on dimensions of land, regulation, taxation and supportive programmes reinforces poverty. Thus strengthening and adoption of governance principles of participation, equity, efficiency, security, accountability, decentralisation and sustainability would aid conflict resolution, inclusiveness and poverty alleviation.

5.4 Recommendations

The significance of the urban informal sector in the process of urbanisation and functioning of cities cannot be over emphasised. The problems associated with the growth and management of the informal sector among the urban actors require immediate attention. Conflicting interactions among actors at Chisokone market are a manifestation of un-accommodative planning processes and weak governance systems within the urban realm. It is from this perspective that the government should develop policies aimed at improving urban governance systems and structures with a view of incorporating urban informality in city development.

Considering that incorporation of informality is a governance issue, there is no one way of realizing governance norms and no actor possesses the best solution or method of resolving urban conflicts. It is therefore recommended that the decision to legalise the market or not should be based on sound principles of governance while considering formality trade-offs as the focal point in the whole process. The council should introduce the use of public debates for consensus decision making with concerned stakeholders. It is however worth noting that if the local government decides not to legalise the market, this would attract both economic and political unrest.

In governing the informal economy, a sustaining agreed upon governance structure should be formulated by actors under which their roles and responsibilities shall be precisely stipulated. The governance structure will also foster creation of formal relations among actors and provide a platform from which matters such as the mandate for tax collection will be resolved. It is further being recommended that the role of the market association be clearly defined to avoid interference into the roles of the local authority.

Government should enhance inclusive policy formulation through consultations of concerned actors. The component of ambiguous representation of the traders' association in the management of markets ought to be revisited. This would help in smooth implementation of governance systems in addressing issues of urban informality at Chisokone market. At institutional level, inclusive planning and implementation processes ought to be adopted as effective measures in incorporating informality. The informal operators and the association should be accorded chance to actively participate in decision making and implementation processes of licensing, taxation, market upgrading and mobilisation of Business Development Services and credit facilities.

A large percentage of the market levies and taxes collected by the local government should be ploughed back into the market community. The consequent effect of this act will not only meet the provision of services needed by the marketeers but also promote transparency on the part of the local authority.

Although drastic change may not be realised in the short-run, adoption of urban governance approaches sets good grounds for incorporating informality and elimination of hostile environment between the formal and informal city.

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ANNEXES

Annex 1: Operationalisation of the Research Variables

Research Questions	Variables	Indicators	Data Source
1. How do the local government, market association and the informal traders interact?	Legal Status	<ul style="list-style-type: none"> • Resolved legal status of the market • Level of participation of actors on affairs of legalising the market • Form of tenure security offered • Procedures of market legalisation • Resolutions on legitimising the informal sector • Identified economic viability of the market • Participatory licensing • Equitable provision of licences • Process of license acquisition and registration • Level of licensing transaction costs • Accessibility to information on licensing • Subsidiary in determining license costs • Attitude of civil servants • Enforced rules on non-compliance • Presence of mediators for traders at risk of forced eviction • Participatory registration process • Equitable registration • Level of cost for registration • Enforced rules for non registration • Presences of delegated 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>
	Taxation	<ul style="list-style-type: none"> • Participatory decision making on tax collection • Level of equity in tax collection • Adopted procedures for paying tax • Rate of tax paid • Delegated responsibilities in tax collection • Form of reciprocal support among actors in taxation • Identified challenges in tax collection • Enforced rules for non compliance • Presence of mediators for traders • Rate of taxes not collected from the market • Identified viability of the market • Level of publicity of financial report 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>
	Land	<ul style="list-style-type: none"> • Participatory urban planning and prioritisation of services • Inclusive strategic development • Level of equity in land and property rights • Accessibility to information on land acquisition • Level of transaction cost for land acquisition • Presence of legal framework to minimize transaction cost for informal traders • Presence of land reserved for informal traders • Removal of barriers to tenure security • Enforced rules for illegal land occupancy 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>

		<ul style="list-style-type: none"> • Formulated strategies addressing abuse persons without tenure security • Provision for civil servants to make decisions on land delivery • Level of integration of land use planning and poverty reduction strategies • Legislation dealing with illegal land occupancy • Form of tenure security for market traders • Knowledge on services entitled • Form of services offered • Level of equity in accessing services • Existence of partnership in service delivery • Attitude of civil servants towards delivery of services 	
	Support	<ul style="list-style-type: none"> • Level of participation of actors in BDS • Level of equity in accessing BDS • Number of BDS beneficiaries • Activities of BDS available • Presence of policies encouraging BDS • Channel of communication between actors • Usage of consultative meetings and public hearings • Established feedback mechanisms • Form of decision making on operation regulations of the market 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>
	Harassment	<ul style="list-style-type: none"> • Resolved by-laws permitting harassment for offender in the market • Accessibility on information on harassment application • Formulated strategies in avoiding human conflicts and forced evictions • Presence of mediators for informal trader at risk of forced evictions • Established security of livelihoods 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>
2. Why has incorporation of informality in Chisokone been difficult?	<p>-Land use</p> <p>-Legality</p> <p>-Taxation</p> <p>-Corruption</p>	<ul style="list-style-type: none"> • Provisions of the city development plan. • Regulations on market establishment • Right of occupancy • Formalisation costs • High cost of infrastructure and services • Interests of actors from the market 	<p>Interviews with local government and informal traders</p> <p>Review of by-laws</p>
3. What do the actors consider would be the most appropriate approaches for incorporating informality?	Approaches of incorporating informality	<ul style="list-style-type: none"> • Priority dimensions of incorporation • Flow of events in incorporation • Lead actor • Duration of incorporating informality 	Interviews with local government and informal traders

Annex 2: Principles and Indicators of Urban Governance

Principles and Norms of Governance	Indicators of Governance
<p>Participation: Empowerment of citizens so as to enable them participate effectively in decision-making processes.</p>	<ul style="list-style-type: none"> - Promotion of participatory decision making & fair election - Establishment of an ethic of civic responsibilities among citizens - Usage of city consultations, public hearings, inclusive strategic development, survey and council meetings.
<p>Equity: Equal access to decision making processes and to necessities of urban life.</p>	<ul style="list-style-type: none"> - Accessibility to decision making processes, priority setting of infrastructural development and resource allocation. - Promotion of equitable inheritance of property and rights for land - Removal of barriers to tenure security and credit facilities - Creation of fair regulatory framework
<p>Decentralisation: Subsidiary of resources and authority to closest and appropriate level for efficient and cost effective delivery of services</p>	<ul style="list-style-type: none"> - Constitutional framework for delegating responsibilities & Powers. - Adoption of local legislation that empowers the civil society. - Support and fiscal transfers from central government. - Established systems for protecting financially weaker councils
<p>Efficiency: Efficient delivery of public services and promotion of local economic development under which cities uphold sound financial management. This principle also includes enablement of the private sector and communities to formally or informally contribute to the urban economy.</p>	<ul style="list-style-type: none"> - Established partnerships with civil society and private sectors in the delivery and regulation of public services. - Promotion of innovation and management contracts of delivering public services. - Development and implementation of fair regulatory and legal framework that encourages minimize transaction costs and legitimize the informal sector.
<p>Transparency and Accountability: Stakeholder understanding of local government and to who is benefiting from actions and decisions. It also entails access to information concerning laws and public policies. Participation of citizens is key in promoting transparency and</p>	<ul style="list-style-type: none"> - Provision of access to city information - Regular, open and organised consultations of citizens on city affairs - Publicly disseminated annual reports - Creation of public feedback mechanism such e-communication - Established code of conduct of public officials - Removal of administrative and procedural incentives for corruption through simplifying

<p>accountability.</p>	<p>local taxation and permit processing systems. - Establishing of practically enforceable standards of accountability and service delivery e.g. auditing and procurement systems.</p>
<p>Security: This principle presents that every individual has the inalienable right to life, freedom and security of person. It views insecurity as an element which furthers marginalisation and poverty. Thus cities have an obligation in avoiding human conflicts, forced evictions and natural disasters as well as fostering social mediation and cooperation among stakeholders.</p>	<ul style="list-style-type: none"> - Promotion of tenure security by recognising a variety of forms legal tenure and mediation for people at risk of forced eviction. - Establishing security of livelihoods through appropriate legislation and access to education, training, employment and credits. - Creation of culture diversity and peace awareness Formulated action plans and strategies addressing abuse of persons - Formulation of local emergency plans and raising risk awareness - Establishing of integrated emergency management plans
<p>Sustainability: Balanced social, economic and environmental needs of present and future generation.</p>	<ul style="list-style-type: none"> - Promoting city consultative processes on environmental planning - Existence of forestation programmes - Integrating urban poverty reduction strategies into urban development plans - Citizen participation in economic life of the city.

Annex 3: Dilemmas and Difficulties of incorporating informality in Kitwe

Table 10: Incentives for and against of formalisation

	Local Government		Informal Traders		Market Association	
Issue	Incentive for	Incentive against	Incentive for	Incentive against	Incentives for	Incentive against
Legality	<ul style="list-style-type: none"> -Generates revenues through licensing and registration -Justifies evictions when taxes are evaded -Aids policy enforcement for illegal occupancy of land -Mechanism for overcrowding control 	<ul style="list-style-type: none"> -Constrains ability to expel those who pay and have recognition -Legitimizes trader's claim of rights to occupy land -Resistance of traders to vacant the place in future policy measures. -Subjective to political changes -Generates administrative costs 	<ul style="list-style-type: none"> -Legitimizes claims of right to occupy urban land -Constrains ability of local government to expel those who have recognition 	<ul style="list-style-type: none"> -Can impose monetary and bureaucratic costs if licence is required -Implies requirements to comply with regulation -Controls new entry of informal traders. 	<ul style="list-style-type: none"> Legitimizes claims of right of existence in the market. -Constrains ability of local government to expel those who have recognition 	<ul style="list-style-type: none"> -Removal of control over marketeers. -Reduced power. -Reduced financial benefits.
Land Occupancy	<ul style="list-style-type: none"> -Economic viability of letting land to informal trades 	<ul style="list-style-type: none"> - Costly provision of services 	<ul style="list-style-type: none"> -Legitimizes heritage to rights of land and property -Improved services and risks to health 	<ul style="list-style-type: none"> -Increased costs of land transaction and acquisition -Increased levies due to improved services. 	<ul style="list-style-type: none"> -Legitimizes heritage of rights to occupancy of land within the market 	<ul style="list-style-type: none"> -Reduced control over allocation of land to marketeers

			-Increased investment and income prospects			
Taxation	-Generates revenues -Legitimizes expulsion of those who fail to pay	-Legitimizes informal trader's claim of rights to urban land and operations. -Constrains ability to expel those who pay.	-Legitimizes claims of rights to occupy urban land -Constrains ability of local government to expel those who pay	-Imposes monetary costs -Does not guarantee rights to occupancy of land despite payments of taxes -Implies need to comply with regulation	-Improved taxation system among member of association	-Abolished collection of fees by market association. -Reduced financial benefits through charges for market stands.
Corruption	-Improved regulatory framework -Improved revenue collection system - Facilitates cooperation, enforcement of agreements -Foster stability	-Accountability on resources and services -Reduced personal financial gains by council tax collectors -Requires cooperation across organisations	-Reduced bribes -Removal of dual payments -Increased incomes -Creates potential for better policy - Establishes channel for voicing demands	-Removed negotiation for payments	-Improved revenue collection system	-Reduced personal financial gains by association leaders -Reduced power -Reduced control and management of the market. - Limits autonomy for base association

Annex 4: Market Act Extracts

<i>Markets and Bus Stations</i> [No. 7 of 2007 159]	
GOVERNMENT OF ZAMBIA	
ACT	
No. 7 of 2007	
Date of Assent: 12th April, 2007	
An Act to provide for the establishment and regulation of markets and bus stations; to provide for the establishment of management boards for markets and bus stations; to repeal and replace the Markets Act, 1937; and to provide for matters connected with or incidental to the foregoing.	
[13th April, 2007]	
ENACTED by the Parliament of Zambia	Enactment
PART I PRELIMINARY	
1. This Act may be cited as the Markets and Bus Stations Act, 2007, and shall come into operation on such date as the Minister may, by statutory instrument, appoint.	Short title and commencement
2. This Act shall not apply to a place situated on land owned, leased or lawfully occupied by any person that is primarily used for the supply of goods to persons employed by that person on that land.	Application
3. In this Act unless the context otherwise requires— “ area ” means the area under the jurisdiction of a local authority; “ bus service ” means a service for the provision of passenger transport to the public; “ bus station ” means a place designated by a local authority as a regular terminal stopping place for buses but does not include a bus stop; “ bus stop ” means a place on a bus route designated by a local authority as a regular short-term stopping place of buses for the boarding and disembarking of passengers from buses;	Interpretation

THE MARKETS AND BUS STATION ACT, 2007

ARRANGEMENT OF SECTIONS

PART I

PRELIMINARY

Section

1. Short title and commencement
2. Application
3. Interpretation
4. Establishment of markets and bus stations
5. Control and management of markets and bus stations
6. Unauthorised markets and bus stations
7. *Designation of market streets*
8. Demolishing, reconstructing, abolishing, closing or moving of markets and bus stations
9. Fees, stallage, and levy
10. Inspectors of markets
11. Entry into markets and bus station by inspector
12. Issues of licences and permits

PART II

MANAGEMENT BOARDS

13. Establishment of management Boards
14. Composition of management board
15. Business plan and management Lease
16. Functions of management board
17. Seal of management board
18. Tenure of office and vacancy
19. Proceedings of management board
20. Committees of management board
21. Allowances of members
22. Disclosure of interest
23. Prohibition of publication of, or disclosure of information to unauthorised persons
24. Immunity of members of management board and staff
25. Staff of management board

PART III

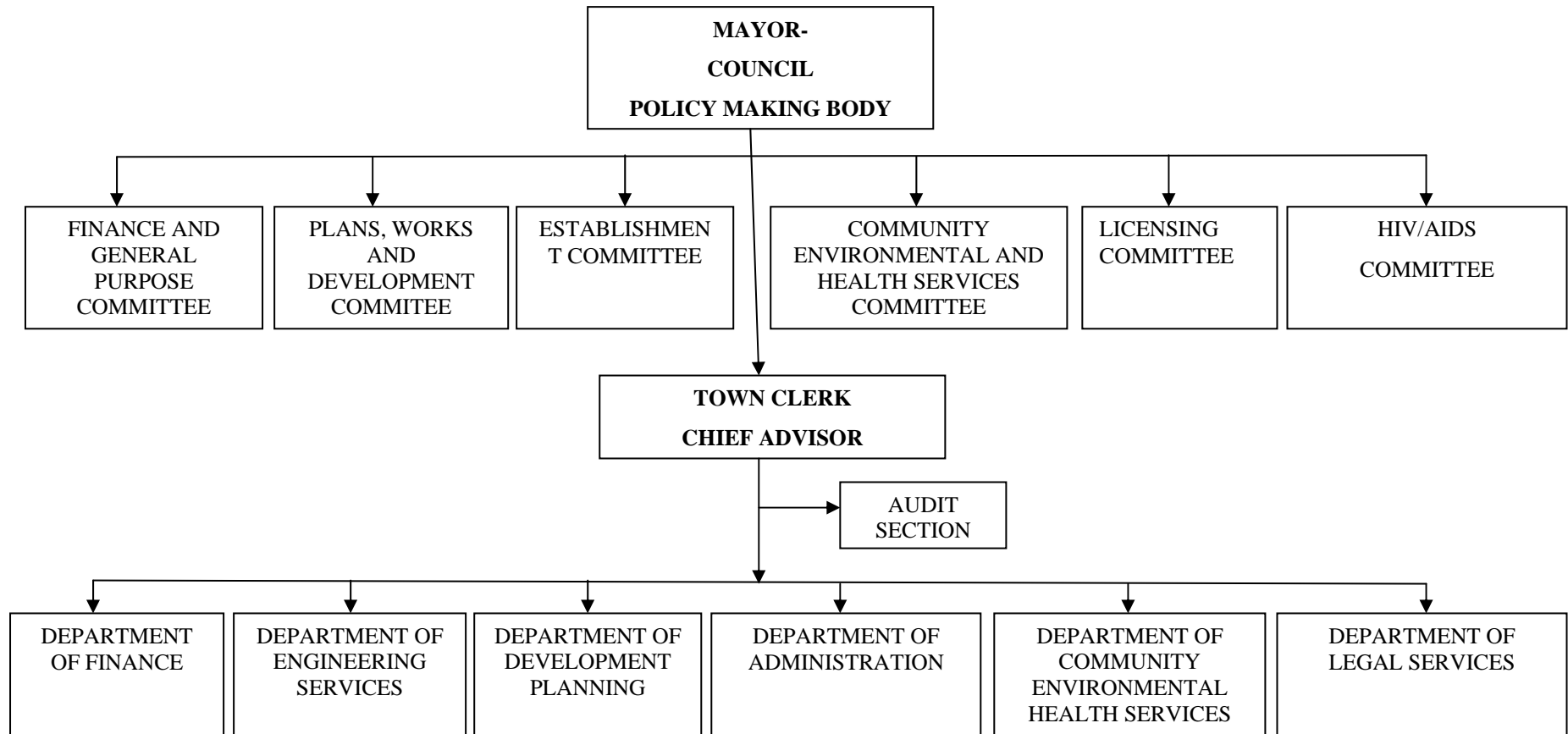
FINANCIAL AND GENERAL PROVISIONS

26. Moneys to be paid into fund of local authority
27. Funds of market management board
28. Budget
29. Financial year
30. Accounts
31. Annual report
32. National Market and Bus Station Development Fund
33. Regulations and by-laws
34. Repeal, savings and transitional provisions

SCHEDULE

*Copies of this Statutory Instrument can be obtained from the Government Printer,
P. O. Box 30136, 10101 Lusaka. Price K5,750 each*

Annex 5: Organisational Structure for Kitwe City Council



Source: Kitwe City Council

Annex 6: Interview Guides

INTERVIEW GUIDE FOR THE LOCAL AUTHORITY DEPARTMENT OF DEVELOPMENT PLANNING

Name of the Respondent

.....

Position

.....

PART I: Interaction of Actors

1. Who does the zoning of land use?
2. Are the actors empowered to participate effectively in decision making processes of urban land administration?
3. What is the level of inclusion of actors in strategic urban development?
4. How equitable is inheritance of property and rights for land?
5. Is the land delivery system fair?
6. Do actors have access to information concerning land acquisition?
7. What are the transaction costs involved in land acquisition?
8. Does the legal framework encourage minimized transaction costs for the informal sector?
9. Does the city master plan include working places for informal traders?
10. What is the procedure involved for land acquisition?
11. Is the land delivery system open and simplified?
12. Are there established enforceable stands of accountability in land delivery?
13. What are the barriers of securing land tenure?
14. What are the consequences of conducting business without tenure security?
15. Who mediated for traders at risk of forced evictions for operating on illegal land?
16. Are there any formulated action plans and strategies addressing abuse of persons without tenure security?
17. Do civil servants make decisions over state land?
18. Is land use planning integrated with urban poverty reduction strategies?
19. What policies deal with illegal land occupation?
20. What form of tenure security is offered to market traders?

21. Who are the actors involved in the provision of infrastructure and services in the market?
22. Do actors participate in the prioritization of what services are provided in the market?
23. Do people know what kind of services they are obliged to receive?
24. What kind of services is provided in the market?
25. Is accessibility to market infrastructure and services equitable?
26. Are there any partnerships between actors in the delivery and regulation of public services?
27. What kind of innovative contracts exist in the delivery of public services?
28. What are the interests of your organisation in Chisokone market?

PART II: Dilemmas of Formalisation

29. What are your incentives for formalisation with regard to following?
 - Costs of formalisation
 - Rights of land occupancy
 - Maintaining high construction standards
 - Cost of market infrastructure and services
30. What are the strengths of formalisation?
31. What are the weaknesses of formalisation?

PART III: Approaches for Incorporating Informality

32. In your opinion, should traders at Chisokone market be formalised?
33. In which of the following dimensions would you want to formalise them? Please state in order of priority.
 - Legality
 - Land Occupancy
 - Taxation
 - Support
34. How do you intend to achieve this?
35. Who should take the lead?
36. How long do you think this process might take?

**INTERVIEW GUIDE FOR THE LOCAL AUTHORITY
DEPARTMENT OF FINANCE**

Name of the Respondent

.....

Position

.....

PART I: Interaction of Actors

1. Who are the actors involved in collecting market tax?
2. What is the level of participatory financial management of actors?
3. Do actors have equitable access to decision making process on taxation?
4. How efficient is the procedure for paying taxes?
5. Who determines levels of taxes?
6. What are real rates of taxes paid by traders?
7. Are there any delegated responsibilities concerning taxation?
What percentage does market taxation contribute to local revenues?
8. What reciprocal support exists between actors with regard to taxation?
9. What challenges are involved in tax collection?
10. What are the consequences of not paying tax?
11. Who mediates for traders for failure of paying taxes?
12. What is the rate of taxes not collected from the market?
13. What is the financial viability of the market?
14. What is the level of publicity of financial reports?
15. What policies govern market taxation?
16. What are the interests of your organisation in Chisokone market?

PART II: Dilemmas of Formalisation

17. What are your incentives for formalisation with regard to following?

- Costs of formalisation
- Rights of land occupancy
- Maintaining high construction standards
- Cost of market infrastructure and services

18. What are the strengths of formalisation?

19. What are weaknesses of formalisation?

PART III: Approaches for Incorporating Informality

19. In your opinion, should traders at Chisokone market be formalised?

20. In which of the following dimensions would want to formalise them? Please state in order of priority.

- Legality
- Land Occupancy
- Taxation
- Support

21. How do you intent to achieve this?

22. Who should take the lead?

23. How long do you think this process might take?

**INTERVIEW GUIDE FOR THE LOCAL AUTHORITY
DEPARTMENT OF LEGAL SERVICES**

Name of the Respondent

.....

Position

.....

PART I: Interaction of Actors

1. Who are the actors involved in market licensing?
2. What is the level of participation of actors in the provision of licences and permits?
3. What form of decision making is involved in the provision?
4. Is provision of market licences equitable?
5. What administrative procedures are involved in the acquisition of licences?
6. What is the real cost of transaction in licensing?
7. How long does processing of licences take?
8. How open and organised is citizen consultation on affairs of licensing?
9. Do informal traders have easy access to information on licensing?
10. Who determines the cost of licenses?
11. What is the altitude of civil servants dealing with issuance of licensing?
12. Do civil servants make decisions of affairs of licensing?
13. What are the consequences of operating without a license?
14. Who mediates for traders at risk of forced evictions due to lack of licenses?
15. What is the current legal status of the market?
16. Who are the actors involved in the legalisation of the market?
17. What is the level of participation of actors in affairs of legalising the market?
What form of legal tenure is offered to market traders?

18. What are administrative procedures in legalising a market?
19. How long does it take for the market to be legalised?
20. Are bye-laws and council resolutions concerning the issue of legalising the market publicised?
21. Does the legal framework encourage legitimization of the informal sector?
22. What are the economic benefits of legalising the market?
23. What are the interests of your organisation in Chisokone market?

PART II: Dilemmas of Formalisation

24. What are your incentives for formalisation with regard to following?
 - Costs of formalisation
 - Rights of land occupancy
 - Maintaining high construction standards
 - Cost of market infrastructure and services
25. What are the strengths of formalisation?
26. What are weaknesses of formalisation?

PART III: Approaches for Incorporating Informality

27. In your opinion, should traders at Chisokone market be formalised?
28. In which of the following dimensions would want to formalise them? Please state in order of priority.
 - Legality
 - Land Occupancy
 - Taxation
 - Support
29. How do you intent to achieve this?
30. Who should take the lead?
31. How long do you think this process might take?

**INTERVIEW GUIDE FOR THE LOCAL AUTHORITY
DEPARTMENT OF COMMUNITY, ENVIRONMENT AND HEALTH
SERVICES**

Name of the Respondent

.....

Position

.....

PART I: Interaction of Actors

1. Which actors are involved in market registration?
2. Does the market have a register for traders?
3. Do actors have access to registration information?
4. What are the criteria used for trader registration?
5. Is this criteria agreed upon by all actors?
6. Are there any costs involved for registration?
7. Is the system of registration fair and equitable?
8. What are the consequences of not being registered?
9. Are there any delegated responsibilities stipulated in the register?
10. What policies govern registration of market traders in Zambia?
11. Who provides Business Development Services in the market?
12. What is the level of participation of actors in BDS?
13. Is the provision of Business Development Services equitable?
14. What is the percentage of BDS beneficiaries in the market?
What policies encourage access to education, training, employment and credit for traders?
15. What are the communication channels between actors?
16. How often are consultative meetings and public hearings held with informal traders for social dialogue?
17. Are there established public feedback mechanisms such as e-communication for actors?

18. Who determines operating regulation of the market?
19. How participatory is decision making on market operational regulations?
20. What are the interests of your organisation in Chisokone market?

PART: Dilemmas of Formalisation

21. What are your incentives for formalisation with regard to following?
 - Costs of formalisation
 - Rights of land occupancy
 - Maintaining high construction standards
 - Cost of market infrastructure and services
22. What are the strengths of formalisation?
23. What are the weaknesses of formalisation?

PART: Approaches for Incorporating Informality

24. In your opinion, should traders at Chisokone market be formalised?
25. In which of the following dimensions would want to formalise them? Please state in order of priority.
 - Legality
 - Land Occupancy
 - Taxation
 - Support
26. How do you intent to achieve this?
27. Who should take the lead?
28. How long do you think this process might take?

INTERVIEW GUIDE FOR THE MARKET ASSOCIATION LEADER

General Questions	Name: Duration in leadership: Year when association was formed: Legal status of the Association: Number of Members: Core Activities:	
Research Questions	Variables	Questions
How do the Local government, market association and the informal traders interact?	Legal status	<p>What is the current legal status of the market?</p> <p>Who are the actors involved in the legalisation of the market?</p> <p>What is the level of participation of actors in affairs of legalising the market?</p> <p>What form of legal tenure is offered to market traders?</p> <p>How long does it take for the market to be legalised?</p> <p>Are bye-laws and council resolutions concerning the issue of legalising the market publicised?</p> <p>What are the economic benefits of legalising the market? Are the traders registered or have any form of licence?</p> <p>Who are people responsible for licensing?</p> <p>Do you participate in matters concerning provision of licenses?</p> <p>Is the system for licensing fair?</p> <p>How much do traders pay for a license?</p> <p>How long does it take to process licences?</p> <p>How open and organised is citizen consultation on affairs of licensing?</p> <p>Do you have easy access to information on licensing?</p> <p>What is the altitude of civil servants dealing with issuance of licensing?</p> <p>Do civil servants make decisions of affairs of licensing?</p> <p>What are the consequences of operating without a license?</p> <p>Who mediates for traders at risk of forced evictions due to lack of licenses?</p>

	Taxation	<p>Who are the actors involved in collecting market tax?</p> <p>What is your level of participatory financial management of actors?</p> <p>Do actors have equitable access to decision making process on taxation?</p> <p>How efficient is the procedure for paying taxes?</p> <p>Who determines levels of taxes?</p> <p>What are real rates of taxes paid by traders?</p> <p>Are tax levels equitable?</p> <p>What reciprocal support exists between actors with regard to taxation?</p> <p>What challenges are involved in tax collection?</p> <p>What are the consequences of not paying tax?</p> <p>Who mediates for traders for failure of paying taxes?</p>
	Land	<p>Are you empowered to participate effectively in decision making processes of urban land administration and strategic urban development?</p> <p>How equitable is inheritance of property and rights for land?</p> <p>Is the land delivery system fair?</p> <p>Do you have access to information concerning land acquisition?</p> <p>What are the transaction costs involved in land acquisition?</p> <p>Does the legal framework encourage minimized transaction costs for the informal sector?</p> <p>Is the land delivery system open and simplified?</p> <p>What are the barriers of securing land tenure?</p> <p>What are the consequences of conducting business without tenure security?</p> <p>Who mediated for traders at risk of forced evictions for operating on illegal land?</p> <p>Who are the actors involved in the provision of infrastructure and services in the market?</p> <p>Do you participate in the prioritization of what services are provided in the market?</p>

		<p>Do traders know what kind of services they are obliged to receive?</p> <p>What kind of services is provided in the market?</p> <p>Is accessibility to market infrastructure and services equitable?</p>
	Support	<p>Who provides Business Development Services in the market?</p> <p>What BDS activities are conducted in the market?</p> <p>What is the level of participation of traders in BDS?</p> <p>Is the provision of Business Development Services equitable?</p> <p>What is the percentage of BDS beneficiaries in the market?</p> <p>What are the communication channels between actors?</p> <p>How often are consultative meetings and public hearings held with informal traders for social dialogue?</p> <p>Are there established public feedback mechanisms such as e-communication for actors?</p> <p>Who determines operating regulation of the market?</p> <p>How participatory is decision making on market operational regulations?</p>
	Harassment	<p>What form of harassment do informal traders experience?</p> <p>Is information on enforcement through harassment accessible and known by informal traders?</p> <p>What obligations does the market association have in avoiding human conflicts and forced evictions among traders?</p> <p>Are informal traders entitled to any rights against insecurities?</p> <p>Who mediates for informal traders against harassment?</p>

<p>Why has incorporation of informality in Chisokone been difficult?</p>	<p>-Land use -Legality -Taxation -Corruption</p>	<p>What are your incentives for formalisation with regard to following?</p> <ul style="list-style-type: none"> • Costs of formalisation • Rights of land occupancy • Maintaining high construction standards • Cost of market infrastructure and services <p>What are the strengths of formalisation? What are the weaknesses of Formalisation?</p>
<p>What do the actors consider would be the most appropriate approach for incorporation of informality?</p>	<p>Approaches of incorporating informality</p>	<p>In your opinion, should traders at Chisokone market be formalised? In which of the following dimensions would want to formalise them? Please state in order of priority.</p> <ul style="list-style-type: none"> • Legality • Land Occupancy • Taxation • Support <p>How do you intent to achieve this? Who should take the lead? How long do you think this process might take?</p>

INTERVIEW GUIDE FOR THE INFORMAL TRADERS

General Questions	Names of Respondents Duration of doing business: Economic activities done: Reasons of operating from Chisokone:	
Research Questions	Variables	Questions
How do the Local government, market association and the informal traders interact?	Legal status	<p>What is the current legal status of the market?</p> <p>Who are the actors involved in the legalisation of the market?</p> <p>What is the level of participation of actors in affairs of legalising the market?</p> <p>What form of legal tenure is offered to market traders?</p> <p>How long does it take for the market to be legalised?</p> <p>Are bye-laws and council resolutions concerning the issue of legalising the market publicised?</p> <p>What are the economic benefits of legalising the market?</p> <p>Are your businesses registered or have any form of licence?</p> <p>Who are people responsible for licensing?</p> <p>Do you participate in matters concerning provision of licenses?</p> <p>Is the system for licensing fair?</p> <p>How much do pay for a license?</p> <p>How long does it take to process licences?</p> <p>How open and organised is citizen consultation on affairs of licensing?</p> <p>Do you have easy access to information on licensing?</p> <p>Who determines the cost of licenses?</p> <p>What is the altitude of civil servants dealing with issuance of licensing?</p> <p>Do civil servants make decisions of affairs of licensing?</p> <p>What are the consequences of operating without a license?</p> <p>Who mediates for traders at risk of forced evictions due to lack of licenses?</p> <p>How open and organised is citizen consultation on affairs of licensing?</p>

	Taxation	<p>Are you involved in the collection of market tax?</p> <p>What is the level of participatory financial management of actors?</p> <p>Do actors have equitable access to decision making process on taxation?</p> <p>How efficient is the procedure for paying taxes?</p> <p>Who determines levels of taxes?</p> <p>What are real rates of taxes paid by traders?</p> <p>Are tax levels equitable?</p> <p>Are there any delegated responsibilities concerning taxation?</p> <p>What reciprocal support exists between actors with regard to taxation?</p> <p>What challenges are involved in tax collection?</p> <p>What are the consequences of not paying tax?</p> <p>What is the level of publicity of financial reports?</p>
	Land	<p>Are you empowered to participate effectively in decision making processes of urban land administration</p> <p>Is the land delivery system fair?</p> <p>Do you have access to information concerning land acquisition?</p> <p>What are the transaction costs involved in land acquisition?</p> <p>Does the legal framework encourage minimized transaction costs for the informal operators?</p> <p>Is the land delivery system open and simplified?</p> <p>What are the barriers of securing land tenure?</p> <p>What are the consequences of conducting business without tenure security?</p> <p>Who mediated for traders at risk of forced evictions for operating on illegal land?</p> <p>Do civil servants make decisions over state land?</p> <p>What form of tenure security is offered to market traders?</p> <p>Do you participate in the prioritization of what services are provided in the market?</p> <p>Do you know what kinds of services you are obliged to receive?</p> <p>What kind of services is provided in the market?</p> <p>Is accessibility to market infrastructure and</p>

		<p>services equitable? What is the altitude of civil servants towards delivery of services?</p>
	Support	<p>Who provides Business Development Services in the market? What BDS activities do you receive? Is the provision of Business Development Services equitable? What are the communication channels with other actors? How often are consultative meetings and public hearings held with informal traders for social dialogue? Who determines operating regulation of the market? How participatory is decision making on market operational regulations</p>
	Harassment	<p>What form of harassment do you experience? Are you entitled to any rights against insecurities? Who mediates for you against harassment?</p>
Why has incorporation of informality in Chisokone been difficult?	<p>-Land use -Legality -Taxation -Corruption</p>	<p>What are your incentives for formalisation with regard to following?</p> <ul style="list-style-type: none"> • Costs of formalisation • Rights of land occupancy • Maintaining high construction standards • Cost of market infrastructure and services <p>What are the strengths of formalisation? What are the weaknesses of formalisation?</p>
What do the actors consider would be the most appropriate approach for incorporation of informality?	Approaches of incorporating informality	<p>In your opinion, would you like to be formalised? In which of the following dimensions would want to formalise them? Please state in order of priority.</p> <ul style="list-style-type: none"> • Legality • Land Occupancy • Taxation • Support <p>How do you intent to achieve this? Who should take the lead? How long do you think this process might take?</p>

