

Update on Recent Developments in the Warwick Junction: Thousands of Street Traders' Livelihoods at Stake

eThekweni Municipality plans to build a large Mall¹ in the primary transport node in Durban – the Warwick Junction. This will negatively impact on, if not destroy, the livelihoods of as many as 8000 street and market vendors and an internationally recognized best practice of street trader management and support. Current proposals fly in the face of the ANC manifesto commitment to sustainable livelihoods. This document details the background of the case and calls for pressure to be brought to bear on the eThekweni Municipality to fundamentally reconsider current plans.

These plans will impact on up to 100 000 people living in poorer parts of Durban

The site for the proposed mall is the Early Morning Market (EMM). This fresh produce market was established in 1910 and is a listed building. There are nearly 800 traders who sell their produce from here; some of them are third and fourth generation traders. These traders supply other informal traders throughout the city and are thus an important part of the city wide fresh produce distribution chain. By month end these traders will be moved to temporary accommodation. The new site is out of the way, has no facilities and there is not enough space to accommodate all the traders. A further 185 traders around the site will be displaced.

The City claims that all these traders will be accommodated once the mall is built. The development includes spaces for 180 traders² and according to the Deputy Mayor there will be 30 barrows inside the mall. It is clear that in the current plans there are nowhere near enough spaces for the 985 traders in need of it; let alone the negative impact the mall will have on the remaining traders in Warwick Junction.

Even if all of these traders were given space, any trader, formal or informal, will tell you that their business depends on passing feet. The proposals will result in the redesign of the area ensuring that the current foot traffic, estimated at 460 000 commuters a day, is directed past the formal rather than the informal traders. This will seriously impact on the viability of *all* street and market traders in the Junction.

Research shows that for every trader on the street there are between 6 and 25 people depending on their income. Unlike the profits of the large formal retailers and property developers, the profits from these very small businesses support households located in poorer parts of the city. It is estimated that between 70 000 – 100 000 household members, many of them already extremely vulnerable could be negatively impacted upon³.

¹ This is the first of a four phased plan. Phase 1 will deliver 20 000 m² of formal retail space. By phase 4 this will increase to 50 000 m².

² Stated in the City's Public Notice of 26 February 2009.

³ Research in the area by the Health Economics and HIV/AIDs Research Division interviewed traders in September 2003 and June 2005. During the time lapse household sizes had dramatically increased due to HIV/Aids.

The proposals threaten an international best practice of street trader management and support

In 1995 the City established the Warwick Junction Urban Renewal Project. This area based management initiative has become a model of how to manage, support and provide infrastructure for street traders. Over the years the project has received a number of awards most recently in 2008 the UN Habitat / Dubai International Award for Good Practice and was nominated in 2007 for the IBM Award for Good Governance. The city's interventions in the period between 1995 and 2005 that led to this international recognition are documented in the book *Working in Warwick*.

The City did not consult traders but presented them with a fait accompli

The City previously had a track record of continuous negotiations with traders in this area. And yet in this case the first consultation about this new Mall was held on February 18, even though construction is meant at that point to commence in early June. There were a further two meetings where traders were presented the same plans. Although there was time for questions, most of these were left unanswered. Traders argue they were not consulted but instead presented with a fait accompli.

Due process has been flouted – there is no heritage permit, no environmental impact assessment and no call for expressions of interest when the land was released

There are a number of further serious problems with this process.

- The City has not secured a Heritage Permit to demolish this listed building. In fact, AMAFA the heritage committee has refused permission.⁴
- The environmental impact assessment (EIA) that was done was for a site over the railway lines, which bears no relationship to the current site. No new EIA has been conducted despite the fact that the site has changed. The original EIA in fact identifies the Early Morning Market is an element of 'particular interest and quality' in the area.
- There was no call by the City for expressions of interest when this valuable public land was to be released.
- There was no public tendering process.

This is privatization of valuable public asset that currently sustains 1000's of livelihoods

The site for the proposed new mall is public land that currently plays an important role in sustaining 1000's of livelihoods. By the city's own admission only 25% of the

⁴ Heritage legislation protects not only the buildings but 'intangible heritage' that stems from the practices of those who lived or in this case traded in the place in question. On these grounds it is very unlikely that AMAFA will agree to this plan.

development's investors are people of African origin⁵. Analysis of the ownership shows that rather than being broad based and involving a variety of local stakeholder groups, it is made up predominately of already well heeled BEE partners.

Research shows that the informal traders supply commuters with cheaper goods

The city claims that this development is good for commuters. Research done by the School of Development Studies at the UKZN compared the prices of 53 products including fresh produce, toiletries, clothes and shoes, hardware and fast foods. The prices of these products were compared to the precise equivalent in a range of formal retail outlets. On average the cost charged by the formal retailers was 76% more expensive than the exact same product sold by informal traders in Warwick. The differences were particularly acute in fresh produce which were 112% and 122% more expensive in the Buxtons and Umlazi Spars respectively. (Spar will be the anchor client in the new Warwick Mall.) Informal traders do not have the overheads nor the huge profit imperatives of the formal retailers. They provide commuters with cheaper products in appropriate quantities.

The city has used violence to suppress legitimate opposition

City Police have used disproportionate force on protesting traders. On the night of 6 June traders, staging a legal sit in, were tear-gassed. On the morning of June 15 rubber bullets were used on protesting traders injuring a number of people including elderly women traders. These incidents were aired on national television and radio.

The proposal is particularly inappropriate in the context of a recession characterized by huge job losses

This is happening in the context of a global recession that has hit South Africa hard. According to Statistics South Africa a total of 208,000 jobs were lost in the first three months of 2009. Almost two thirds (143 000) of these jobs were in retail. KZN of all provinces has been most hard hit. This intervention by the city stands to significantly exacerbate the job crisis in this province.

Shopping malls across the globe are in trouble. 23 % of shopping malls in the US are under currently under threat of going out of business⁶ and South African shopping malls are under pressure⁷. In a recession there is not pent up spend. Research commissioned by the developer states:

While retail in Warwick is predominantly informal in nature the development of a formal retail centre will compete directly with the existing retail in the CBD.⁸

⁵ Sutcliff, M. Mercury, Thursday, June 4, 2009.

⁶ <http://www.nuwireinvestor.com/articles/shopping-malls-struggling-to-get-by-53072.aspx>,
<http://www.busrep.co.za/index.php?fSectionId=972&fArticleId=4789301>.

⁷ <http://www.busrep.co.za/index.php?fSectionId=972&fArticleId=4789301>.

⁸ Urban-Econ, Warwick Mall Retail Investigation Prepared for Warwick Mall (Pty) Ltd, November 2008, p.42.

Given the implications for the inner city of this development this is very short sighted of the city council.

There are alternative transport solutions

The City claims that this proposal will solve transport problems in the area. The City however has never presented the transport plan for the precinct for public comment, so the perceived problems and whether a mall will address these have not been interrogated.

The mall includes a taxi drop off facility for South bound taxi's on the roof. The original plan was to locate the taxi facility combined with some formal retail on the adjacent rail corridor. This original proposal, if designed in consultation with the current informal traders, could enhance the area and reduce taxi congestion. The Early Morning Market site is not only culturally and historically insensitive, but would mean commuters no longer have access to cheap fresh produce and street traders operating throughout the city will not have an accessible wholesale market. In addition to the rail corridor there are a number of alternative sites and transport solutions that would not threaten the livelihoods of so many.

The disproportionate pedestrian fatalities in the area are of concern to all role players. The new flyovers that are currently under construction will divert unnecessary traffic from the area making it much safer for pedestrians.

There is significant opposition to the current plans

There is a groundswell of support against the current proposals. In early June COSATU vowed that municipal workers will march in solidarity with informal traders. The SACP is also opposed to these plans. They have come together with traders organizations under the international alliance of street trader organizations or StreetNet's campaign 'World Class Cities for All'.

In conclusion all agree that there is need for investment into this district. As matters of priority there needs to be more ablution facilities and a more effective crime prevention strategy. In the past decade the City demonstrated its commitment to continuous upgrading in the Warwick area with the traders and commuters at the heart of decision making. The current proposals are completely inappropriate and seriously threaten thousands of livelihoods. The eThekweni Municipality needs to seriously reconsider these plans.

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