Operational challenges of informal trading: A case of Mbare Mupedzanhamo Flea Market in Harare, Zimbabwe

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Abstract

Informal trading has been in existence since time immemorial. In Zimbabwe, the phenomenal growth of informal trading is deeply rooted in the economic policies which government pursued especially after the first decade of political independence in 1980. The Economic Structural Adjustment Programme (ESAP) from 1991 to 1995 ushered in a new era on the economic landscape, with trade liberalisation being an integral cog of the programme. This opened up the economy, inviting competition against locally produced products. Restructuring ensued across economic sectors, leading to retrenchments. The informal sector became a natural reservoir for the majority of those people who were retrenched from the formal sector. The debilitating economic conditions which obtained in the years preceding the adoption of a multi-currency regime in early 2009 led to further a contraction of the formal sector. Those deposited involuntarily in the informal sector are facing a raft of challenges among them, increased competition, depressed consumer demand and lack of proper working infrastructure. For survival, they resort to using both conventional and unorthodox strategies. The purpose of this study was therefore to examine the operational challenges which the traders in the clothing flea market business were facing.

Key words: informal sector, challenges, survival strategies, flea market

INTRODUCTION

The world over, be it in developed or developing countries, economic activities can be broadly categorized into two; formal and informal sector. There has been long recognition of the existence of the informal sector dating back to the 1940s and 1950s. Lewis (1954) highlighted the dualism of the two sectors in developing economies. Structurally, the two were treated as two apparently distinct and unconnected sectors operating side by side. Their characteristics were a mirror opposite of each other. The formal sector was characterised by, for example, efficient methods of production; capital intensive, regulated activities, tax paying enterprises, protection of workers and stable incomes for workers. On the other hand, the informal sector operated outside the realm of official regulatory frameworks. Workers in the informal sector are not registered, regulated or protected under the labour legislation and social protection. Therefore, this diminishes their ability to defend their fundamental rights and at the same time, exposes them to all sorts of vulnerability and abuses (International Labour Organisation, 2002b).

Literature on the informal sector is abounding. However, there is a high degree of incoherence and inconsistency on the definition, nature of activities, scope and measurement tools for the informal sector (UNDP Zimbabwe, 2010). Invariably, such differences have led to erroneous policy formulation and implementation for the informal sector. Modernization theorists argued that as economic development takes places, the informal sector will be decimated as the demand for labour in the formal sector will also increase. A study done in Kenya (ILO, 1972) demonstrated the opposite. The informal sector did not wither; on the contrary, the level of economic development was outstripped by the increase in demand for labour in the formal sector. This dis-equilibrium gave greater impetus to the growth of the informal sector. In Latin American countries, there was actually a boom in the size of the informal sector in the 1980s (Zimbabwe UNDP, 2010) because of the downsizing of the public sector. A similar scenario was witnessed in Zimbabwe when there was a fundamental policy shift through the adoption of the International Monetary Fund economic reforms in the early 1990s. For instance, one of the key targets for Economic Structural Adjustment Programme was a reduction of the civil service by 25% by 1995 (Zimbabwe Human Development Report, 1998). The question is; where were these people going to be employed?
De Soto (2000) proffered a different explanation to the growth of the informal sector. The excessive burdensome government regulations and registration requirements both in terms of time expended and costs act as barriers to formalization of operations by enterprises and ultimately indirectly encourage traders to operate informally. This argument is buttressed in Zimbabwe. According to World Bank Doing Business Country Tables (2009), it takes 96 days to consider an investment in Zimbabwe against a regional average of 32 days and 12 days for selected developed countries. The cost (percentage of income per capita) for doing business in Zimbabwe was 432.70USD against a regional average of 32.78USD. Such factors, among a host of others, promote informality. Becker (2004: 26) contends that the more complex and unfavourable the institutional framework is, the greater becomes the incentive to remain informal.

Studies done in South Africa contradicted the distinct separation of the two sectors; formal and informal. Horn, Xaba and Motala (2002) found out that there were direct linkages between the two. South African firms in the formal manufacturing sector were important suppliers of goods to the informal street, whilst producers of fruit and vegetables supplied both sectors. The linkages in the Zimbabwean context are varied. The informal sector acts as an employer, provider of inputs, buyer of finished products, distributor and retailer of different goods for and from the formal sector. These linkages are extended further to the labour force as noted by Schneider and Enste (2000). From an employment point of view, at times the distinction between the formal and informal sectors becomes blurred as people work in the formal sector while at the same time engage in informal economic activities.

Table 1.1 gives a synopsis of the grim picture of some of the macro-economic indicators from the time Zimbabwe obtained independence up the time just before the adoption a multi-currency regime in early 2009. By inference from these figures, one would authoritatively say the unemployment rate reached over 90% during the crisis period (2000 to 2008). Reliable estimate figures up to 2008 could not be obtained. Average annual GDP growth rate (4.3% to -5.7%), employment growth rate (1.9% to -7.5%) and formal employment (12.2% to 7.0%) have shown a continuous decline from 1980 to 2006. The sustained downward trend on the three variables above, inversely explains the growth of the informal in Zimbabwe.

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<td>Formal employment (% of population)</td>
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ZIMBABWE'S INFORMAL SECTOR

Studies on the informal sector in Zimbabwe, have suffered the fate of inadequacies and unreliability of authentic statistical data in the determination of its size and multitude of its activities or operations. The 9.3% unemployment rate reported by the ZimStat, formerly the Central Statistical Office (CSO) in 2004 is far too low compared to the trend projected in Table 1.1. This official figure is ironically low against a backdrop of a cumulative decline in GDP of minus 37 percent between 1998 and 2006 (UNDP, 2010). During the same era, there were massive closures of enterprises and workforce downsizing to add on to those retrenched during ESAP. At independence, the informal sector only accounted for 10% of the total labour force because of the inherited economy which controlled rural to urban migration (Kanyeze, 2003). The growth of the economy was not commensurate with the creation of job opportunities in the urban areas and this gave impetus to the growth of the informal economy. The ILO/SATEP (1986/87) and the Gemini (1991; 1998) studies, confirmed that there was a sustained increase in the employment rate in the informal sector which averaged 6% per annum.
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No comprehensive studies have been conducted since 1998 to give a broader configuration of the informal sector. However, studies by both Chiripanhura (2001) and TARSC (2003) suggest the continued growth of the informal sector in Zimbabwe. This is hardly indisputable in the context of the economic meltdown which most people bear testimony to, before the dollarisation of the economy. This grim picture demonstrates that, for Zimbabwe, the informal sector is there to stay, until and unless a fundamental structural policy shift is adopted to stimulate investment and growth of the formal sector.

FLEA MARKETS
Flea markets are generally characterised by low barriers to entry, relatively low capital requirements and product homogeneity which in turn promotes a high likelihood of new entrants in the market. It is a place where a hotchpotch of merchandise is sold. The quality of goods is highly variable and can include very inexpensive used items as well as finer antiques and new products as well. Unlike the established traditional retail chain clothing shops which do not offer bargains, a flea market is often a great place to find bargains. Maisel (1974) has characterised the flea markets as an action scene. Goffman (1967) explored the experiences of both buyers and sellers in flea markets in terms of pricing, trader consumer search bargaining dynamics. There has been a proliferation of these flea markets all over the country, in the city centres, residential areas as well as rural service centres (growth points) as people seek any possible means of eking out a living. The sprouting of these markets could be inextricably linked to the economic meltdown which preceded the consummation of the inclusive government in 2009.

There are permanent and seasonal flea markets. Those that are permanent in nature take place inside large covered buildings with numerous individual shops, stalls and galleries to accommodate. Some of these indoor flea markets allow the owners to lock up their wares at the end of each trading day in order to eliminate the cumbersome process of packing and unpacking at the end of each day of sales. Seasonal flea markets are periodic in nature, usually conducted on open spaces and may be run only during weekends.

PURPOSE OF THE STUDY
The overall aim of this article is to establish, examine and expose the challenges being confronted by informal traders in the Mbare Mupedzanhamo Flea Market in Mbare high density area.

RESEARCH OBJECTIVES
The specific research objectives of the study were:

• To examine and expose the operational challenges which flea markets were experiencing;
• To establish the Harare City Council (HCC) views about the flea markets in Harare;
• To make suggestions on how the challenges being faced by flea market could be mitigated.

RESEARCH QUESTIONS
• What are the operational challenges being faced by clothing flea market?
• What challenges, if any, are being faced by the HCC in dealing with flea markets?
• What should be done for the smooth operations of the clothing flea markets?

RESEARCH HYPOTHESIS
The underlying hypothesis of this study is that the in the clothing retail flea market business are facing and continue to face a plethora of challenges for their survival.

METHODOLOGY
The point of entry to studying the Mbare Mupedzanhamo Flea market was through the internal political committee within the flea market. The committee is made up of 102 members and it acts as "gate keepers"
into the flea market premises. After getting permission, the committee assisted in sensitising the traders within the flea market of the researcher's presence during data collection.

SAMPLING AND SAMPLE SIZE
According to the Harare City Council's Department of Housing and Community Services, the official registered population size of informal traders in the Mupedzanhamo flea market complex was 1,560. A total of twenty respondents (20) were purposively sampled, of which twelve were females and eight were males. In addition, views on the operations of flea markets in Harare were also solicited from three officials, purposively sampled, in the Harare City Councils Department of Housing and Community Services.

QUESTIONNAIRE ADMINISTRATION
An open-ended questionnaire was administered on a face-to-face basis with respondents who were purposefully sampled. The questions were asked in the Shona language and then responses transcribed into English for analysis. The questions covered centred on the following broad categories:

- Procurement challenges
- Marketing challenges
- Infrastructural challenges
- Survival strategies

Market walk throughs at different times on separate days, complemented the open-ended interviews. Market walk throughs are a form of raw data collection through observation where the researcher moves around observing the practices of the subjects under investigation without asking any questions. Valuable information was gathered through observation from the market walk throughs. Before the commencement of the interviews, verbal consent was obtained from the respondents. The interviews were then conducted in a secluded place in order to avoid distraction and maintain confidentiality and privacy during the discussion. Where quotations are made in this article, no actual names were included in order to protect the identity of the respondents.

FINDINGS
The findings are presented according to the main thematic areas which this study sought to achieve as highlighted above. Almost all the interviewed respondents had something to highlight regarding the challenges militating against the smooth conduct of business in the informal clothing retail sector.

PROCUREMENT CHALLENGES
Traders in the flea market business sell an assortment of wares. This study mainly concentrated on those traders who predominantly sell clothing as their core business. The bulk of the clothing stuff sold in the Mbare Mupedzanhamo flea market consisted of second hand clothes which were imported from neighbouring countries, namely; Mozambique, Zambia and South Africa. Some traders indicated that they were sourcing their wares from as far afield as Tanzania and the Democratic Republic of Congo.

The challenges relating to the procurement of the wares into the country were many and varied. The predominant challenge which was cited was the lack of adequate financial resources. The crippling liquidity crisis currently bedeviling the economy had also not spared in the informal sector. This is what a 45 year old woman had to say in so far as limited financial base is concerned for most flea markets;

My brother, we are living from hand to mouth in this kind of business. The margins we are making are very small thereby leaving us with very little money for restocking. Everyone is struggling to make ends meet and trying to borrow from a person who is in more or less in the same predicament as you, is a futile exercise. Banks are a non-starter on the other end.
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There was also a very high risk of being mugged in a foreign country. Because of their thin financial pockets the traders were trying as much as possible to serve every dollar and in the end, some of them were sleeping in open places or verandas of shops thereby exposing themselves to thieves. Apart from the risk of losing their hard earned money, they could also lose the whole consignment during transit.

Before the adoption of the multi-currency regime in 2009, sourcing of second hand clothes from neighbouring countries to sell in the flea markets was an arduous task. Transactions in foreign currency were illegal and yet for most informal traders, foreign currency was only available in the parallel or black market as it was popularly known. This is what a 35 year old man who has been in the flea market business for almost ten years had to say;

My friend, sourcing foreign currency was a nightmare before the Inclusive Government. Getting foreign currency was like discovering a gold mine. There was also a very high risk of losing the foreign currency if you were caught by the law enforcement agents and you fail to declare the source. Such a scenario created a fertile ground for rampant corruption. You had to grease the palms of the police to avoid unnecessary harassment. Currently, the good thing is that, that aspect of having to account for the source of foreign currency has evaporated because the substitution of the Zimbabwean dollar with other currencies. The beauty about the multicurrency regime is that there is some semblance of stability and certainty.

Notwithstanding the liquidity crunch, paradoxically, the multi-currency regime had brought some stability in the pricing system with regards to making business decisions. This is the view held by almost all of the respondents who participated in the study.

The other challenge faced by informal traders in sourcing goods from neighbouring countries, which was also closely linked to foreign currency shortages, was the high fees charged by government to acquire relevant travel documents. As if that was not enough, there was a lot of congestion at the Registrar's offices where these documents were processed. One had to wake up as early as three o'clock in the morning to secure a place in the queue for people to be served on a particular day. To get a passport within a day, the charge was $318.00; in three days it was $253.00 and in six weeks it was $53.00. These figures were beyond the reach of many, especially informal sector traders who were struggling to eke out a living. Confronted with such a predicament where they did not have the requisite travel documents, informal traders resorted to using undesignated entry points. There were risks associated with such a course of action. One could be arrested by law enforcement agents from both the country of origin and host country if one was caught without proper travel documents. There was also the danger of being attacked by thieves and in worst cases, scenarios by wild animals. This was what a distraught single mother had to say in connection with the frustrations of getting travelling documents:

If your travel document expires, then you are in deep trouble. The bottlenecks at the passport office in Harare are just horrible, to say the least. Some of us are left with no option at times, but just to travel without proper documents. Whilst we are fully aware of the grave consequences if one is to be caught, what else can one do if that is our only source of livelihood (selling second hand clothes)? It is worth taking the risk; otherwise your kids will die of hunger.

Those traders who used the legal entry and exit routes when buying goods to resell in the country expressed serious concerns relating to the time they took to have their goods cleared by immigration officials especially at the Beit Bridge border post. The cumulative time on either side of the border, which one could take before being cleared by the two customs and immigration departments, stretched beyond twelve hours as indicated by one informal trader. It therefore, meant that productive time was lost because of the processing bottlenecks at border posts. The chances were also high of the goods could also being confiscated by customs and immigration department if they were beyond the stimulated amounts. For each item, the limit is six units. The duty which the traders paid at the ports of entry was also viewed as exorbitant. The high duty charged adversely impacted on their profit margins.
For those informal traders who were importing goods from Tanzania, travelling by public transport to and from that destination took at least six days. At times they used haulage trucks (which are popularly known as magonyeti) to ferry their wares from these source markets. Those frequent and prolonged disconnection periods from a family set-up had its own temptations and problems apart from being energy sapping. Some women narrated of ordeals they were subjected to both verbal and sexual abuse in the sources markets. and some became victims sexual demands. A middle aged man who had sourced wares from Tanzania twice had this to say:

To tell you the truth, my friend, I can safely say that, most women who are in this business of importing clothes for resale are prostitutes. I am sorry to say this. They have second husbands in these source markets that take care of them during their shopping escapades. Mind you, they will be trying to save every dollar by any means necessary. They use uncouth language and you would not believe that back home these same women are purportedly viewed by society as morally good wives. Personally, I would never allow my wife to engage in this trade based on what I have witnessed.

Whilst the above account might sound to be an isolated incident, it however brings to the fore some of the tacit social vices associated with the frequent movement of informal traders to and from different source markets. The exposure to temptation was high. In view of the HIV and AIDS scourge, there was it therefore presents the challenges of both contracting the virus and spreading it to spouses to their husbands back home.

The other challenge which the informal traders cited relating to sourcing of their merchandise was to do with foreign exchange risks. Currently the predominantly used currencies in Zimbabwe are the American Dollar and the South African Rand. Depending on the source market, the conversion rates were at times injurious to the informal traders.

MARKETING CHALLENGES
Marketing or operating challenges were those challenges which informal clothing retail traders came across within their working environment. The greatest challenge was the stiff competition that obtained in the trading arena. The competition typically resembled a perfectly competitive type of a market where there was product homogeneity and many suppliers of that same product. The fact that they were buying their wares from the same source markets, at more or less the same prices, diminished factors which a single trader could leverage on in order to gain competitive edge. Apart from the numerous traders in the business, the closeness of the stalls within the trading complex naturally intensified the competition for customers. The trading space was very small, making it very difficult for the traders to properly attractively display their merchandise. The other serious threat came from those that were operating illegally outside the Mupedzanhamo flea market complex.

The other challenge which was highlighted was that, the customers had very low disposable incomes and as such they always bargained for very low prices on almost each and every item being sold by the traders. In some instances, the traders ended up selling the items at cost. One trader had this to say:

Most of our clients come from very poor backgrounds and they do not want to part easily with their hard earned money easily. They will always negotiate for low prices fully aware that if you do not reduce your price they will always try your neighbour. Our mark-ups are therefore very small. The prices at which we sell similar products within this complex therefore become market determined.

Just like in any other business, there were cycles in terms of demand for products that were sold in the flea markets. For January and February, the sales figures were depressed mainly because of the financial commitments associated with the festive period. Most customers would not have fully recovered financially thereby negatively impacting the flea market business. The other compounding factor to depressed sales during this period was the issue of school fees.
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The exact location of the stall within the complex was also a factor with regards to customer attraction. There were customers who did not have the patience of moving around the whole complex comparing prices, so those stalls closer to the entry and exit points had an added advantage because of their easy accessibility over those that were a distance from the entry gates. The stalls were allocated on a permanent basis, as long as one was up to date with their rentals. In the flea market business, there was a lot of commonalities with respect to the products sold and where they were sourced from, leaving the traders with very few variables to control for their advantage.

During election period, there were times when business in the flea market would grind to a halt. If the ruling party (ZANU PF) was having rallies in Mbare, then flea the market was forced to close until after the rallies were over. There was also a mandatory one dollar fee collected from each stall towards these rallies. Other instances where the market was closed, was when there was a burial of a national hero. One disgruntled trader had this to say:

> There is nothing that we can do because we want to survive. But I feel it is a bit unfair for us to be forced to pay a dollar if there is a rally for a certain political party. How about if I am a supporter of another party? Even to shut down for some hours because a national hero is being buried at the National Heroes Acre is not fair.

INFRASTRUCTURAL CHALLENGES

Most of the traders interviewed bemoaned the dilapidated state of infrastructure they were operating under. Their major concern was the asbestos roofing sheets covering the complex which had portions which were perforated. To make matters worse, the whole trading area was not completely roofed. A trader whose stall was not covered cried foul pointing at the leaking roof:

> I had to improvise to cover the leaking roofs using plastics and tents otherwise my merchandise would be drenched. It is pointless to report to council because it will take forever to attend to such issues. Unotongoona yekutamba wega kuti zvimwe (you just have to devise your own workable plan of action in view of the circumstances). I wish the council could do more to improve the physical infrastructure of this complex.

The wooden stalls, from which the traders were trading from, were makeshift structures which needed constant repairs. Within the trading arena, there were no permanent cubicles where the traders could keep their merchandise over-night. It meant that the traders had to pack their merchandise every evening to and from cloak rooms for safe keeping overnight. Such an arrangement presented two ancillary expenses on the part of the traders. They had to hire people with home-made hand-drawn scotch carts (vania Jega as they were popularly known) to carry their merchandise to and from the cloak room, daily, in addition to paying the security guards who looked after the stuff over-night. That exercise of packing and unpacking the merchandise daily was described by traders as cumbersome and all that was because of the physical operating infrastructure which was not user friendly.

When the market was opened for trading in the late 1990s, it had only two entry and exit gates. Three more gates have since been opened after the traders raised the issue of safety in the event of fire breaking out.

HARARE CITY COUNCIL’S VIEWS ON MBARE MUPEDZANHAMO FLEA MARKET

Whilst there were several flea markets dotted in the Central Business District (CBD) of Harare, ironically, the only officially recognised one was the Mbare Mupedzanhamo flea market. Of all the markets that were under the direct control and administration of the council, Mbare Mupedzanhamo was the biggest. Within the same complex, there were two distinct groups of traders. There were those who were in the business of trading clothing (who constituted the majority) whilst the other group was engaged in trading an assortment of handcrafts and traditional medicines and herbs. An official in the Harare City Council (HCC) Housing and Community Services Department categorised the flea markets in Harare as follows:
There were three main types clothing flea markets in Harare. Category one consisted of those markets which were directly under the administration of the council, in other words they paid levies to council every month. The second category comprised of those flea markets that were privately owned, where a building is partitioned into small cubicles which were then rented out to different traders. On this category, the council only ensures that proper procedures had been followed and approval given in terms of conversion of office buildings into flea markets. The last category was where the informal traders sprouted at places they deemed convenient for them to trade. This category was a hot-potato for HCC. Because of the politics of the day, it was very difficult for council to decisively deal with the last category.

Those traders that were operating within the Mupedzanhamo complex were supposed to abide by the trading conditions laid down by council. Below is a set of 12 conditions which every trader within the Mupedzanhamo flea market premises was obliged to abide by:

1) No alcoholic beverages, beer or wines should be permitted in or around the premises.
2) No trader shall trade from outside the premises of his/her allocated stall as indicated on the official receipt.
3) Traders must strictly operate on the stall allocated as reflected on the receipt.
4) Traders must produce on request a valid receipt for the day reflecting the date and stall number.
5) No trader shall be permitted to operate outside the premises.
6) No stall shall be allocated to a trader on a permanent basis.
7) No dangerous weapons shall be permitted such as knives, guns, etc in the market.
8) The markets shall be open from 7.00am to 7.00pm daily.
9) No vehicle shall be allowed in the market.
10) Proof of sources of goods (receipts) will be required for imported goods.
11) Imported goods (receipts) required as proof of sources of foreign currency.
12) Action will be taken against breaching the above conditions.

When one closely looks at these trading conditions, there was flagrant violation of some of these conditions. Some of the conditions had also been overtaken by events. On one hand, the council had not progressively revised the conditions to keep pace with current political dynamics and on the other hand, it had also failed to effectively enforce some of the conditions. Conditions six, ten and eleven, were outdated. Prior to 2005, the HCC was allocating the stalls daily on a first-come-first served basis. That meant that the stall holders were not entitled to the stalls permanently. Because of the administrative work involved with daily allocations of stalls, it was resolved to allocate them on a permanent basis as long as the tenants were remitting the stipulated monthly charges to council. Conditions one, two and five were brazenly not being adhered to at all.

A council official noted that conditions which were easy to enforce were three, four, seven and eight. Council was receiving on average, an excess of sixty thousand American dollars every month from Mbare Mupedzanhamo in rentals. There were a total of ten council workers (seven municipal police and three responsible for the amenities) who were stationed at the flea market complex. These council employees worked hand in glove with the political committee which had a total of 102 members drawn from different political administrative cells of the ruling party, (ZANU PF) who were also stationed within the flea market. The two structures jointly maintained order within the flea market. The committee decisively (instant justice) dealt with all reported cases of theft that occurred within the flea market and as a result of that, cases of theft from customers had been drastically curtailed since the political committee was set up around 2000. In addition, the committee acted as an arbiter if there were any disputes among the within the complex. The committee had powers to suspend the guilty party from trading in the complex for up to a maximum of seven days.

Each trader paid about forty dollars per month directly to council. The council carried some sporadic spot checks at least twice a week within the complex to check whether the traders were up to date with their
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monthly rentals. Failure to produce authentic receipts of rental payments resulted in the wares being confiscated by council. The council periodically engaged with the political committee on issues of mutual interest to both parties, like improvements on the premises and review of rentals. The working relationship of the two groups was cordial as reported by both council officials and representatives of the political committee.

The challenge which the council faced in dealing with the informal traders was to do with overcrowding which then invariably exerted a lot of pressure on council in terms of provision of basic services. For instance, there was only one ablution facility within the Mbare Mupedzanhamo flea market complex which catered for an excess of one thousand five hundred people. In addition to that number, there were also customers, in their hundreds, who visited the busy market on a daily basis. Such a situation is untenable even though there were dedicated council cleaners for the ablution facilities. Through observation, from the market walk throughs conducted by the researcher within the complex, the level of overcrowdedness remained a cause for concern to council. Basic hygienic and sanitary conditions were compromised.

The collection of heaps of garbage generated daily also posed a challenge to council whose fleet of garbage vehicles was inadequate. The rentals which the traders were paying were not commensurate with the services they expected council to provide. When probed to explain why the council was not levying the traders viable rates, one the officials had this to say:

There is always fierce resistance from (even the committee members) the traders when council proposes to raise the rentals. The irony is that they expect better service delivery from council and at the same time they are not prepared to pay for those services. In any case, for council to raise the rentals, the process is bureaucratic. A lot of consultation takes place with several stakeholders.

Another challenge on the part of the local authority was to reign in on those illegal traders who were operating outside the Mbare Mupedzanhamo flea market complex. Whilst it is the responsibility of the Harare City Council (HCC) municipal police to remove these, since they were not paying anything to council, there were fears of reprisals and political labelling. Mbare is a political hot bed and as such, any decisions to be made by council had to be well calculated and weighed within the context of the politics of the day.

Resources permitting, the future developmental plans for the HCC with regards to the current Mbare Mupedzanhamo flea market, was to build a more spacious flea market mall next to the Chishawasha flats.

CONCLUSION AND DISCUSSION

In his national budget statement of 19 December 2013, the Minister of Finance and Economic Development alluded to the fact that the old economy is dead and a new economy has emerged. This aptly captures how the economic landscape in Zimbabwe has evolved over the past two decades. The old economy where the formal sector was the engine for economic growth and development has been severely crippled by a litany of challenges which include perceived unsound government economic policies, illegal economic and political sanctions, lack of foreign direct investment and investor confidence and political uncertainty. According to the CSO (2008), the average annual GDP growth declined from 4.3% (1980-1990) period to a negative 5.7% during the (2001-2006) period whilst employment growth fell from 1.9% to a negative 7.5% during the two same periods. The contraction of job opportunities in the formal sector inevitably gave impetus to the phenomenal growth of the new economy (the informal sector).

Virtually, for almost every main stream economic activity, there was a parallel informal activity to it. Clothing flea markets have sprouted in all urban centres as well as rural growth points, posing a serious market share threat to established retail chain clothing stores. The majority of those in the clothing flea markets business came into being as a result of the limited options available to them to eke out a decent living. Some had been retrenched from the formal sector whilst others had never had the opportunity to see the window of formal employment. The entry barriers into this type of business were low and that had significantly contributed to an influx of entrants into the business. The traders were not finding it easy to keep afloat.
because of the intensity of the competition. The sheer numbers of the traders concentrated within the Mupedzanhamo flea market complex and the homogeneity of the merchandise being sold, escalated the level of competition.

From the findings, it could be noted that the informal traders were experiencing a myriad of challenges in the whole chain of conducting their business. They faced problems in the procurement of their merchandise like the risk of the goods being stolen, delays at the ports of entry, punitive duties by Zimbabwe Revenue Authority (ZIMRA) and the searches they were subjected to during transit by the Zimbabwe Republic Police (ZRP). Because of the bribes they paid along the way, it meant that their profit margins were negatively affected. The physical infrastructure, in which the traders were operating from, left a lot to be desired. The lack of proper stalls/structures where the traders could lock up their wares at night was also of great concern to the traders. They ended up incurring additional expenses of hiring people to carry the wares to and from the trading complex. All these and other factors were militating against the smooth operations of the traders in the flea market business.

The notion by Sandberg, Robinson and Pearce (2001) that if small businesses were to succeed, they should be in possession of written strategic plans which charted the direction of their businesses and coordinates action in order to achieve the set goals, did not hold in the flea market business. For most owner-managed businesses, like the in the informal sector, strategic formulation and decision making was based on pragmatic intuition rather than on academic principles (Ennis, 1998). Academic background had no concrete direct positive correlation with success in the clothing flea market business. Whilst being erudite would be a plus to an informal trader, that alone did not guarantee success in the informal sector.

RECOMMENDATIONS
To mitigate some of the challenges the informal traders were encountering in the procurement of their goods, they should form some syndicates. The advantage of such syndicates being that it would reduce the frequency of individuals visiting the source markets, as they would be taking turns. Economies of scale could also be enjoyed when the goods were bought in bulk. In addition, the vendors should try and differentiate their merchandise as much as possible. This would diminish the ferocious direct competition which obtained in flea market complex.

The HCC should do more in revamping the physical infrastructure where the informal were currently operating from. The council should expeditiously construct more spacious and up to standard flea market complexes where more people could be accommodated. This would relieve the existing pressure on the Mupedzanhamo flea market. A possible panacea to illegal street vending was for all relevant stakeholders to provide the vendors with alternative places where they could conduct their business. Incessant harassment was not the remedy.

There was a lot of potential in the informal sector in so far as employment creation is concerned. Central government, through the Ministry of Small to Medium Scale Enterprises and Cooperative Development, should capacitate organisations like Small Enterprise Development Corporation (SEDCO) which could then advance concessionary loans to traders in the informal sectors. Since banks were treating these informal traders as a risky group because they lacked collateral, they were reluctant to given them loans.

REFERENCES


