ABSTRACT
Urban governance in many cities of the global South is subject to two dynamics. The first is a process of neoliberalisation, consisting of an emphasis on business principles to manage public assets; the quest for cost recovery; and forms of privatisation or delegation of management of specific spaces or services. The second is a process of democratisation, where participatory planning and governance, decentralisation and the quest for locally-adapted and responsive solutions to urban issues, are characterising public discourses.

These two dynamics mark the management of markets, as profit-making spaces of trade often occupying public spaces and considered a key function of cities. All the stakeholders involved in market governance need to sustain themselves and their institutions through revenues or income. Terms such as participation and empowerment can become a rhetoric used to mask revenue objectives and co-opt traders into meeting them. Through the case studies of Midrand and Bree markets in the City of Johannesburg, the research argues that traders are participating in market governance, through representative collectives, without clarity over what they are participating in. They have been convinced to participate by other stakeholders that have their own potential interests. It is argued that in a sector where traders are struggling to survive, an ambitious drive for participatory management should be welcomed. It is, however, concerning that its focus is overwhelmingly on economic empowerment, with limited attention to the development of political capabilities. Only if the latter is brought to the fore, will the entanglements between neoliberalisation and participation actually lead to the democratisation of market governance.

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TRADER PARTICIPATION IN THE GOVERNANCE OF MARKETS IN JOHANNESBURG: THE CASES OF BREE AND MIDRAND MARKETS

EXECUTIVE SUMMARY

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TO QUOTE THIS DOCUMENT:

1. INTRODUCTION

Urban governance in many cities of the global South is subject to two dynamic processes. The first is a process of neoliberalisation, consisting of an emphasis on business principles to manage public assets; a quest for cost recovery; and forms of privatisation or delegation of governance of specific spaces or services. The second is a process of democratisation, where participatory planning and governance, decentralisation and the quest for locally-adapted and responsive solutions to urban issues, are characterising public discourses. These two dynamics mark the management of markets, as profit-making spaces of trade often occupying public spaces and considered a key function of cities.

The research was based on case studies of Midrand and Bree markets as pilot projects towards trader participation in market management in Johannesburg. The executive summary firstly reflects on the entanglements between the process of neoliberalisation and participation. It becomes evident that despite various critiques, the process of neoliberalisation should not be disregarded for its democratisation potential. An overview is then provided of the stakeholders involved in market governance with special reference to the collectives through which traders participate. The fourth section analyses the proposed management models that could represent market management going forward. Relevant issues with the process of market governance transformation are subsequently identified. The fifth section concludes that all stakeholders involved in market governance need to sustain themselves and their institutions through revenues or income. Given the neoliberal context within which many of these markets are located, the need for revenue is even more pronounced. Terms such as participation and empowerment can become a rhetoric used to mask revenue objectives and co-opt traders into meeting these. As a result, the lines between participation and neoliberalisation become entangled and blurry.

2. NEOLIBERALISATION AND PARTICIPATION: BLURRED LINES AND ENTANGLEMENTS

Participation is viewed as a form of democratisation in its ability to promote active and informed citizenry. It is a process through which the state can become subject to public scrutiny and existing power structures can be challenged (Williams, 2004). Contemporary discourses on market governance in the global South are, however, similarly marked by contexts of neoliberalisation. In its ideal form, neoliberalism implies “the belief that open, competitive, and unregulated markets, liberated from all forms of state interference, represents the optimal mechanism for economic development” (Brenner and Theodore 2002: 351). Neoliberalisation promotes privatisation, partnerships and therefore forms of participation - towards decreasing the role of the state. On the other hand, neoliberalisation holds an economic rationality of cost recovery and financial autonomy that pervades market management. Williams (2004: 563) makes reference to “participation as subjection” to describe the manner in which participation draws citizens into a process that in fact makes them subject to a power structure or instrumental in meeting their cost-recovery objectives. Participation can thus be instrumentalised to shift responsibilities such as cost-recovery from the state to participants. Participatory discourses are often utilised by the state to fill in the resource gaps caused by neo-liberal motivated budget cuts (Miraftab 2004). People are then made to believe that they are contributing towards the improvement of themselves and their environment while the authorities are benefiting from their free labour.

Brenner and Theodore (2002), however, confront the manner in which neoliberalism has been considered as a synonym to capital globalisation and is often a target for anti-capitalistic debates. They argue that neoliberal market-orientated reforms are context-dependent phenomena of which the neoliberal ideology has misrepresented the effects (ibid.). Within such a perspective, neoliberalisation could lead to “openings for more progressive, radical democratic reappropriations of city space” (ibid.: 377). Larbi (1999) is also of the opinion that neoliberalisation should not be disregarded as some of the fundamental principles could hold benefits for selected sectors. Given a context of trader participation in market governance the work of Williams (2004), who
argues that the democratisation element of participation can be preserved if it promotes the development of political capabilities, becomes relevant. We, therefore, need to focus on the extent to which participation develops participant’s ability to alter and manipulate rules, develop new rules, influence social preferences and secure resources (ibid.). Such political capabilities would aid in the power shift participation was initially intended for. It can be said that while trader participation in market governance could represent a form of co-option, their demands for the management of ‘their’ market also corresponds to a very strong claim, coming from traders themselves. We cannot discard too quickly the democratic and participatory dimension of such a claim.

3. MARKET GOVERNANCE AND TRADER PARTICIPATION

Markets are spaces that bring together a wide range of stakeholders. These stakeholders can be divided into three categories representing authorities, private sector service providers and trader collectives.

Since its restructuring along New Public Management principles in the late 1990s- early 2000s, the City of Johannesburg appoints external Municipal Owned Entities for the management of market functions. New Public Management in South Africa arguably forms part of the neoliberalisation of urban governance. When externalising management functions to Municipal Owned Entities, these were expected to operate at a profit for the relevant department to meet their targets. In 1999, the Metropolitan Trading Company (MTC) was established as a Municipal Owned Entity for the management of markets in the City of Johannesburg. The MTC reported at the time directly to the Johannesburg Department of Economic Development (DED) (Bénit-Gbaffou, 2015). The MTC failed to meet its mandate as a self-sustainable entity, due, in particular to a lack of profit (Bénit-Gbaffou, 2015). As a result, the governing body was suspended and its functions subsumed under the Johannesburg Property Company (JPC). Currently, the public entities responsible for markets are thus the JPC, DED and the Johannesburg Department of Transport (DoT). The JPC, overseen by the DED, is responsible for the management of the markets while the DoT is involved in the management of the taxi rank.

In the past, private service providers have been appointed by the JPC to conduct functions such as cleaning and security. While this may be true, traders have recently mobilised against such appointments by physically preventing the operations of such private service providers and subsequently claiming the market space as their own.

In Midrand and Bree markets, traders participate in market governance through four collectives (e.g. groups of traders who share membership or affiliations to the collective through common interests):

- The market committees, currently working in conjunction with the JPC management, are the main collective through which trader’s participation in the markets takes place. It is the collective recognised as representatives of traders by both the DED and JPC. The main functions performed by the committees included organising traders, communication between traders and authorities, dispute settlement and managing traders’ complaints as well as business and funeral support. The normal procedure is for traders to elect the committee members as their representatives. Such elections have, however, taken on a rather informal approach.
- The second collective: volunteer groups, was initiated as a result of traders’ demands for management functions. These collectives have taken over cleaning and security functions in the hope of being rewarded permanent employment opportunities should management positions be awarded the third collective, cooperatives.
- Cooperatives were established with the objective of tendering for market management functions. Trader cooperatives can be considered the least inclusive of the different collectives - membership is voluntary but at a financial cost. This is especially a problem in markets such as Bree and Midrand where low affordability levels are evident.
The market committees rely to a large extent on the support of the fourth collective, the South African Informal Traders Forum (SAITF) as a regional trader organisation. Bree and Midrand market committees are affiliated with SAITF and consult them on issues in the markets. Membership to SAITF comes at a cost but the organisation supports all traders in the markets regardless of whether they are members. Bénit-Gbaffou (2016: 4) is critical of the manner in which authorities and various NGO’s will hastily discredit organisations for “lacking continuity, legitimacy, representativeness and strategic vision”. Trader organisations provide traders with much-needed guidance and support when confronting authorities. SAITF is, for example, the driving force behind traders’ mobilisation and the recent demands for management positions in Bree and Midrand markets.

Each of these collective agencies has different internal dynamics at play. The market committees, volunteering groups and cooperatives have membership limited to the markets and therefore frame their claims on a local level. There is considerable overlap in membership between these collectives and in some instances, their appointment has been subject to irregular procedures. They, nonetheless, co-exist well in the markets. SAITF, on the other hand, operates on a regional scale and their objectives for markets forms part of their overall vision for markets in the metropole.

4. MARKET MANAGEMENT REFORMS ENVISIONING “EMPOWERMENT” AND ISSUES WITH THE PROCESS OF MARKET GOVERNANCE TRANSFORMATION

Traders have for a long time been voicing their complaints through formal channels such as management meetings or via market committee members. A lack of response has rendered these channels dysfunctional and traders have consequently resorted to other means of participation such as abstaining from rental payments and the physical blockage of service providers into the markets. Such mobilisation efforts in part succeeded in pressurising authorities to take new management models into consideration.

The content of the proposed partnership management models is discussed below, and is by no means fixed nor stabilised; it is in fact heavily contested. Two “models” are being conceptualised by two different stakeholders:

- The regional trader organisation involved, SAITF, has created their own cooperative based management model which they were mobilising traders for. SAITF indicated that the model could be used and quoted but should not be distributed, as there were fears that the DED may want to use the model to get other organisations to challenge it. The model is represented as Model 1.
- In 2016, the DED, JPC and DoT were working together towards the development of a new management model. This is the second management model (Model 2) which was still being developed at the time of the research.

Table 1 provides a summary of the two management models as well as the perspective of the former MTC CEO. The latter is based on previous experience with similar partnership models being implemented and places what can be considered as feasible into perspective.

<table>
<thead>
<tr>
<th>MODEL 1 (SAITF): Mother cooperative model</th>
<th>MODEL 2 (DED): Incentives for traders</th>
<th>MTC PERSPECTIVE: Based on previous experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUNCTIONS</strong></td>
<td><strong>Managing of certain services</strong></td>
<td><strong>Two functions:</strong></td>
</tr>
<tr>
<td>Rental collections, some marketing, cleaning, security and soft maintenance.</td>
<td>(main concern is to divide functions between taxi operators and traders).</td>
<td>i. Outsource cleaning and security</td>
</tr>
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<td></td>
<td></td>
<td>ii. Rental collections</td>
</tr>
<tr>
<td><strong>FORMAT</strong></td>
<td><strong>A mother cooperative comprising of committee members will take over management. They will work closely with other cooperatives in the markets.</strong></td>
<td><strong>Not yet known but opposed to cooperative management. It will create governance systems in which only a few groupings stand to benefit.</strong></td>
</tr>
<tr>
<td></td>
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<td><strong>In previous models, the only feasible approach was through cooperatives.</strong></td>
</tr>
</tbody>
</table>
MODEL 1 (SAITF): Mother cooperative model

1. Income through service provision.
2. Pay cooperative members a stipend and pay cleaning and security staff.
3. Approach external private companies which the JPC can step into agreements with - Retrieve a percentage of the profits.

MODEL 2 (DED): Incentives for traders

A possibility is incentives such as reduced market stall rentals for all traders.

MTC PERSPECTIVE: Based on previous experiences

Previous lessons learned:
1. Markets cannot operate without CoJ subsidies.
2. Need to look at alternative avenues such as advertising and ring-fencing those budgets.

REVENUE

<table>
<thead>
<tr>
<th>EMPOWERMENT</th>
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</thead>
<tbody>
<tr>
<td>1. Empowerment through cooperatives and reinvesting part of revenues into markets.</td>
</tr>
<tr>
<td>2. Mother cooperative to channel business opportunities to other product related cooperatives.</td>
</tr>
<tr>
<td>3. The approach has potential to lead to self-mobilisation through seeking contracts with external formal companies.</td>
</tr>
</tbody>
</table>

Empowerment to all. Not yet known how but reduced rentals for all traders or similar incentives are possibilities.

Empowerment to all is not possible - In previous models a company or cooperative consisting of traders took over management. Although empowerment to all was envisioned through employment opportunities to the family members of traders, it proved not to be feasible.

Table 1: Summary of the key proposed market management models that will include facility users.

It becomes apparent that “empowerment” has become a term used by all the stakeholders involved in the proposed reforms to market management. There is, however, a predominant focus on economic empowerment above the social, political and collective dimensions thereof. Miraftab explains:

“Participation and empowerment are treated as independent of the structures of oppression, and simply processes by which programs foster individuals’ sense of worth and esteem. This individualization inherently de-politicizes the notion of empowerment, often reducing it to individual economic gain and access to resources, and leaving the status quo unchallenged” (Miraftab, 2004: 242).

Within the context of the research, political empowerment is of particular importance as such capabilities could aid traders in formulating demands that could meet their further needs. A measurement of political empowerment becomes a manner to evaluate if the empowerment envisioned is intended to drive radical change, or to sedate citizens to meet authority’s objectives. Given these realities, the research further identifies three principal matters of concern.

A. Secrecy and a lack of clarity

Despite the predominant focus on economic empowerment, the contradictory manner in which the proposed management models envision empowerment, distinctly illuminate a context in which information is not shared and negotiated among traders, their representatives and authorities. While the DED stated that they were in the process of developing their model, SAITF was not presenting their model publicly, even to its constituency. The confidentiality surrounding the provisions of the model clearly illustrates mistrust towards the DED but also within SATIF itself. Such a context is not conducive for substantive negotiation and broad participation. The end result is that the lack of transparency from SAITF shows a lack of political (and possibly technical) confidence that might be detrimental to its ability to negotiate a good deal for traders and to mobilise them for the model. Although information and transparency are key to participation the research understands that there are sensitive politics involved. However, the current approach could see more being lost through secrecy than an approach that promotes meaningful negotiations.

B. Market management finance – a complete lack of information and accountability

The second matter of concern is that despite the predominant focus on economic empowerment there is a lack of documentation on the financial management of the markets. Market have been known to be heavily subsidised up to the value of 70%. The remainder of the funding had to be collected from rentals from formal
traders, informal traders, taxi operators, independent bus operators and office space; the sale of water and electricity; indoor and outdoor advertising; and other sources such as gas sales. The revenue of the individual markets was not ringfenced despite being allocated individual budgets. Based on these dynamics it was argued that without CoJ subsidy the facilities will collapse. Consequently, the main implication for traders is that if they want to take over the overall management of the markets budgets could possibly have to be ring-fenced. Without such an approach, any profits would be absorbed into the City's overall budget. It can further be said that the markets will still be reliant on subsidies or it will result in a scenario where profits are absorbed into the deficit of market rentals. This is especially evident given that both markets were operating at a deficit. At no point during the research was it indicated that any of the participants were aware of such dynamics which makes the feasibility of their models questionable.

c. Traders co-opted into meeting revenue objectives

The research reveals that in the past, the real motivation behind the MTC partnership management models was to reduce resistance to rental payments and improve the overall collection. A similar case study conducted in Owino market in Kampala showed that although the authorities gave in to trader’s participatory demands, this was done with the hope of increased revenue collection (Gombay, 1994). Such objectives dominated management processes to such an extent that measures were taken to replace the committee when these were not achieved (ibid.). Midrand and Bree markets could see a similar reality unfold if traders should be appointed subject to certain clauses such as total rent collected for the payment of services. In this regard, it is necessary to acknowledge that the actions and discourses of both the authorities and SAITF can be understood in two directions: one represents the interests of traders and the other their own concerns. In both cases, their own interests could be to meet their own financial objectives. If the latter should be true, traders appointed into management positions could become co-opted into meeting revenue objectives and as a result become more focussed on functions such as collecting rentals than mobilising against them. If SAITF’s objective should be aimed at revenue collection rather than the needs of traders, they could also influence traders to become co-opted. Such realities would contribute to further divisions within market governance rather than the democratisation thereof.

5. CONCLUSION

“Empowerment” has become a term used by all stakeholders involved in the proposed reforms to market management. For most stakeholders, it relates to financial or economic gains and often a form of individualisation. There is not sufficient attention given to political empowerment. The lack of transparency illuminates a context in which information is not shared and negotiated among traders, their representatives and authorities. This is not only a methodological issue for the research but also a political one for traders. Through the case studies of Midrand and Bree markets in the City of Johannesburg, the research argues that traders are participating in market governance, through representative collectives, without clarity over what they are participating in. The absence of the most basic information - on how much managing and maintaining the market costs; how much is gained in revenues from various sources (including trader rentals)- is reflecting how limited this participation may be. The lack of transparency around the content of management models further creates a context in which traders are not equipped to make informed decisions, negotiate the position and consequently form part of decision-making. It seems that they have been convinced to lobby for participatory management by other stakeholders that have their own potential interests, without understanding what that entails, except a vague possibility of enrichment. It is argued that in a sector where traders are struggling to survive, an ambitious drive for participatory management should be welcomed. It is, however, concerning that its focus is overwhelmingly on economic empowerment, with limited attention to the development of political capabilities. Only if the latter is brought to the fore, will the entanglements between neoliberalisation and participation actually lead to the democratisation of market governance.
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