

# Interactive dialogue with informal sector stakeholders

## Building resilience and opportunity in the informal sector in Mpumuza “Sweetwaters”: the importance of innovation and learning

*How can we shift trajectories in the informal sector towards building financially viable and sustainable businesses? How can innovation and learning help informal businesses respond to challenges related to the COVID-19 crises?*

**Tuesday, 30 March 2021**

**Zoom link**

*Hosted by: Human Sciences Research Council*

The informal sector is important for livelihoods opportunities and in providing low-income households with access to affordable food options, and other services, which will become even more important during and post-COVID-19.

In South Africa, enterprise informality is long term in nature. Many informal businesses survive due to the ability to adapt to meeting the needs of the markets they serve, typically low-income households. Innovation is thus key to the resilience of informal businesses.

A concern is that, despite operating for several years, many informal businesses remain necessity-driven, with uncertain levels of income, and do not contribute significantly to employment growth in the local area. Policy emphasis also tends to be on formalisation. At the same time, informal business owners report challenges in accessing government support programmes and micro-credit options, lack of adequate infrastructure for trading, and so on.

*How can informal businesses, through their learning and innovation activities, shift trajectories onto more promising business evolution pathways?* This is an important question to address as we develop strategies to mitigate the impact of COVID-19.

Finding solutions to some of the challenges requires working with a range of role-players, including education and training organisations; research organisations; NGOs and community-based organisations (CBOs); local, provincial and national government responsible for implementing innovation and local economic development strategies, and formal and informal businesses.

**This event presents recent research exploring the potential for building local capabilities for innovation in informal businesses in Mpumuza (“Sweetwaters”).** A second aim is to connect key role-players to discuss and propose possibilities for building financially viable and sustainable micro-enterprises in the informal sector, through unlocking business evolution pathways that are more promising for building resilience and growth opportunity as informal businesses respond to the challenges of the COVID-19 epidemic.

The workshop is organised as part of a research project, the Innovation in the Informal Sector (IIS) project, measuring innovation in informal businesses in South Africa. The project is funded by the national Department of Science and Innovation (DSI).

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## PROGRAMME

**Facilitator: Dr Glenda Kruss**

09:30-09:40	<b>Welcome and introductions</b>	Dr Glenda Kruss, HSRC
09:40-10:00	<b>Keynote</b>	Rosheda Muller, South African Informal Traders Alliance (SAITA)
10:00-11:00	<p><b>Session 1: How can we shift trajectories in the informal sector towards building financially viable and sustainable businesses?</b></p> <p>Presentation: <i>The State of Innovation in the Informal Sector of Sweetwaters</i> (10-12 mins)</p> <p>Presentation: <i>Affordable Internet for Rural South Africa</i> (10-12 min)</p> <p>(5 mins each)</p> <ul style="list-style-type: none"> <li>• Discussant 1: Thubelihle Zondi, Mpumuza Traditional Council</li> <li>• Discussant 2: Prof. Michael Rogan, Rhodes University</li> <li>• Discussant 3: Zamokuhle Thwala, Agricoool</li> </ul> <p>Question and Answers: (15-20 mins)</p>	<p>Dr Nazeem Mustapha, HSRC</p> <p>Prof. Alastair van Heerden, HSRC</p>
11:00-12:00	<p><b>Session 2: How can we promote innovation in informal businesses, towards building resilience?</b></p> <p><b>Breakaway groups</b> <i>How can linkages between key stakeholders be strengthened?</i> Consider:</p> <ul style="list-style-type: none"> <li>• learning and training organisations,</li> <li>• NGO's and community-based organisations,</li> <li>• local, provincial, and national government</li> <li>• formal businesses</li> <li>• informal businesses</li> </ul> <p>Group allocation (5 mins) Discussion (30 mins) Report back (20 min – 3-5 min per group)</p>	All Group facilitators
12:00-12:10	<b>Break</b>	
12:10-12:40	<p><b>Session 3: Responses from policymakers</b></p> <p><b>How can policies be shifted towards promoting the informal sector as a learning domain?</b></p> <p>(5 - 7 min each)</p> <ul style="list-style-type: none"> <li>• Discussant 1 – Mhlengi Ngubane, KZN Dept of Economic Development, Tourism and Environmental Affairs</li> <li>• Discussant 2 –Kanyiso Kay Walaza, Local Economic Development Policy &amp; Practice, Cogta</li> <li>• Discussant 3–Busi Ntuli, Dept of Science and Innovation</li> </ul>	Dr Glenda Kruss, HSRC
12:40-12:55	<b>Discussion</b>	
12:55-13:00	<b>Closing</b>	Dr Il-haam Petersen, HSRC