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SUPERMARKETS, STREET TRADERS AND SPAZA SHOPS:

SPATIAL DETERMINANTS OF FORMAL RETAILERS' IMPACT ON INFORMAL MICRO-ENTERPRISES IN PHILIPPI, CAPE TOWN

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February 2019

DST-NRF CENTRE OF EXCELLENCE IN FOOD SECURITY RESEARCH REPORT SERIES

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SUMMARY

There is growing concern around the impact of formal retailers and supermarkets, in particular on marginalised urban communities in developing countries. In post-apartheid South Africa, corporate investors and large-scale supermarket businesses have sought to make inroads into the township economy to capture a share of the food market which was historically served by micro-enterprises and informal street traders. This food system shift is evident in the establishment of many new shopping malls and retail outlets within township geographies. In response to the rise of supermarkets, questions have been asked about how formal retailers have impacted on informal food businesses as well as household food procurement decisions?

This report aims to investigate the impact of formal retailers on informal micro-enterprises through a case study in Philippi East township, Cape Town. The cases focuses on a high street precinct which encompasses a number of formal food retailers and supermarkets. The precinct is unique in its high concentration of formal retailers of food, including wholesalers and supermarkets. As such, the precinct presents a useful vantage to consider the implications of the formal retail businesses on opportunities for micro-enterprises in respect of market space and business opportunities. Since we focus on a spatial domain, the research uses a socio-spatial methodology which includes geospatial mapping, the diagramming of market spaces, a census of street traders, a household survey within a local residential area, qualitative interviews and photography.

The research has five main findings: First, there are few food based informal micro-enterprises operating from the high streets in the precinct, in absolute numbers and relative to other traders. Second, although shopping malls and formal retailers stimulate business opportunities for street trading in spatially adjacent nodes, food trading micro-enterprises are few in number and spatially marginalised in these nodes. Third, the most dynamic street food businesses sell take-aways and prepared cooked meals and operate in nodes which are spatially independent of the malls / formal retailers. Fourth, spaza shops remain an important component for household supply and have succeeded to withstand the price discounting practices of supermarkets within the precinct, despite their close proximity of these outlets. Fifth, much of the business competition occurs horizontally between businesses operating at the same scale, whereas the competition between large and micro-enterprises is muted, with spatial logics fulfilling an important influence in limiting the competitive reach of large retailers. We now provide additional insights on these five main findings.

Supermarkets are the main supply of household food (in value terms), with residents spending about one third of their food purchases at one of three outlets. We found notable differences in the strategies of the lowest income households and higher income households. Whereas the lowest income households tend to conduct a single monthly bulk shop, usually from one supermarket, high income households shop more frequently from different sources. Retail nodes support and hinder business opportunities for informal traders in complementary and contradictory ways. The high pedestrian footfall into these nodes presents good opportunities for street trading, though the trader's occupation of these sites is precarious and unsupported. In the residential context, informal traders utilise a range of strategies (innovative, adaptive and unique) to remain an important source of food for households, ensuring that food is spatially accessible, relatively affordable and culturally responsive.

KEYWORDS: Informal Micro-Enterprises, Street Trade, Supermarkets, South Africa

ACRONYMS

BRT	Bus Rapid Transit
CoCT	City of Cape Town
LSM	Living Standards Measure
RDP	Reconstruction and Development Programme
SLF	Sustainable Livelihoods Foundation
UWC	University of the Western Cape

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MAPS, CHARTS, TABLES AND FIGURES

1. INTRODUCTION

Before the "supermarket revolution" (Humphrey, 2007), township residents in South Africa relied solely on procuring food from a combination of informal businesses and "outshopping" – the practice of patronising shops outside of one's residential area (Strydom, 2011). Since the end of apartheid, the rapid transformation and corporatisation of the food system has resulted in the dramatic increase in the number of supermarkets within township geographies (Greenberg, 2010; Battersby & Peyton, 2014). The informal trading of food is an important component of the informal economy which ensures the livelihoods of many South Africans (Petersen, Charman and Kroll, 2017). Skinner & Haysom (2016) argue that informal supplies are still more important to poorer, less food secure households. In their research on food insecurity in Cape Town, Battersby, Marshak and Mngqibisa (2016:6) found that whilst both food secure and insecure households access food from informal sources, food insecure households were more reliant on informal sources. According to Stats SA (2017), between January and March 2017, approximately 2,681,000 people worked in the informal sector as either workers or entrepreneurs. In terms of food access, many people rely on the convenience of shopping from informal traders and the informal food markets are estimated to make-up 32-45% of the South African food system (Greenberg, 2010; Greenberg, 2016). Informal food vending entails micro-entrepreneurial activities in the retailing of fresh foods, take-aways, beverages and groceries which collectively accounts for up to 50% of all township informal businesses (Petersen, Charman and Kroll, 2017:3). While township informal traders still supply a significant portion of households with food (Skinner & Haysom, 2016), there is concern that (new) supermarkets will impact negatively on informal traders and hence food security.

The corporate food sector dominates the South African food system. As a result of the "supermarket revolution", by 2010 68% of all food retail was accounted for by the formal sector, 97% of which was made up by four large retailers: Shoprite, Pick n Pay, Spar and Woolworths (Battersby, Marshak & Mngqibisa, 2016:1). The relative contribution of formal and informal retailers in townships settings still requires further investigation, despite important research (Battersby, 2011:30-32) which indicates that all households are partially reliant on supermarkets. The uneven distribution of formal retailers (including supermarkets) in these communities means that accessibility to the corporate food system varies across neighbourhoods and between townships. Three of the major supermarket groups (Shoprite, Pick n Pay and Spar) have made major inroads into the township food economy. A fourth role-player in the township retail economy is the American corporate Walmart, which acquired a controlling share of the retailer Massmart, which in turn owns Jumbo Cash and Carry stores (Trade Intelligence, 2016). These formal retailers are characteristically situated within shopping malls which are generally positioned on the township urban fringe (though close to high streets) where land is available for development.

Supermarkets are able to offer more affordable food items than informal traders because of their "ability to achieve economies of scale and control supply chains" (Battersby & Watson, 2018: 154). The size and vertical control within their supply chains has both positive and negative outcomes for

food accessibility. On the one hand, supermarkets can increase financial accessibility to the poor because they can lower the prices of food and bring stability to supply, whilst providing consumers with transparency and product integrity (as a result of regulator pressures). Battersby & Peyton (2014) argue that much of the research on the impact of supermarkets on food security in low-income urban areas focuses on the question of financial accessibility (in other words the affordability of food), whereas questions of physical accessibility (which these scholars understand as proximity, rather than the micro-context situations we describe in this study) are frequently ignored. In the context of the spatial legacy of apartheid (where poor neighbourhoods were situated away from the historic commercial centres), physical access to food is essential for ensuring food security. On the other hand, civil society activists are concerned that while supermarkets have lowered the cost of food, they are also increasing the risk of health-related diseases by providing calorie-dense, unhealthy food (Battersby & Watson, 2018:153). A further criticism relates to the role of shopping malls (in which supermarkets are situated) as a spatial device for the entrenchment of corporate control within food systems.

With the advent of both fast-foods and supermarkets, the food system has undergone a transition which, as a consequence of the shift to unhealthy foods, has resulted in an increase in diseases such as obesity, diabetes and micro-nutrient deficiencies, which in themselves represent forms of (hidden) food insecurity (Battersby & Watson, 2018). In townships, there is concern that supermarkets are displacing informal traders through direct competition and strategies of spatial exclusion (Battersby & Watson, 2018), though the research evidence is thin and ambivalent. The concern is that should food retailing micro-enterprises diminish in scope and scale, the impact on food accessibility might be detrimental as many people are reliant on the convenience (and other benefits) of shopping from informal traders. The pioneering research by Ligthelm and Risenga (2006) in Soshanguve Township (Gauteng Province) had a more uncertain conclusion on this issue. Whilst the authors identified evidence of a process which they characterised as the “cannibalisation of existing small businesses” with the rise of “new shopping malls” and the gravitation of consumers away from small business towards larger businesses, they also found that niche markets and strategies could enable informal micro-enterprises to withstand competition and changing consumer preferences (2006:59-60). Ligthelm and Risenga (2006) found that proximity was an important consideration in mitigating the supermarket impact, with those businesses situated closest to the formal retailers found to be more severely impacted than similar micro-enterprises situated furthest away.

In KwaMashu Township (KwaZulu-Natal), Madlala (2015) investigated this finding and found, contrastingly, that the spatial dimensions of the supermarket impact on small grocery shops (hereafter spaza shops) were geographically nuanced. Some of those shops situated in close proximity actually derived new benefits (more customers; greater accessibility to sources of supply), whereas those situated slightly further away were negatively impacted, more severely. Battersby & Watson (2018:153) would concur, noting that supermarkets create opportunities for certain traders. The inter-connectedness of the informal and the formal food sectors has been recognised in a range of studies (Crush & Frayne, 2011; Battersby & Watson, 2018).

These inter-connections go beyond relationships of supply (the most commonly referred to aspect), and include spatial relationships of opportunity, the exchange of knowledge and innovations, and collaboration in business strategies. The latter topics have been less thoroughly researched.

The aim of the research is to advance the understanding of the impact (negative and positive) of supermarkets on informal micro-enterprises and consumers in a low-income urban area within a South African township. We have applied a spatial lens to this question, focusing on a particular case site and within the site on the spatial influences on food retailing businesses, including the relationships between different retailers in function and institutional form. Our case site in Philippi East, Cape Town, presents an opportunity to examine the connections between the formal and informal food systems at multiple levels (or gradients), including the neighbourhood level, the high street level and micro-context. The case site is a precinct wherein there exists an uncharacteristic concentration of formal retailers. Within the precinct, our central concern is the high street, since research by Charman & Petersen (2015) has shown that the high street contains the greatest diversity of micro-enterprises and broadest range of opportunities for informal food service businesses. These street based businesses are also situated in close proximity to formal retailers within the case site which, uncharacteristically for the township, occupy both freestanding sites and positions within shopping malls situated along the high street. Whilst the geographic scope of the paper extends to the neighbourhood level, we have broadened the spatial focus to understand the consumer responses of households situated within walking distance of the high street.

Here, our concern is to understand where consumers undertake food purchases and thereby gain insights into the opportunities and constraints of informal micro-enterprises with respect to the formal retailers situated in the surrounding area. The main informal food business situated within these neighbourhoods are spaza shops, whose sector has undergone substantial change over the past decade. This subject of the transformation of the spaza sector from micro-enterprises run by South African entrepreneurs to a market now controlled by much bigger enterprises run by non-South Africans has been extensively researched (the process of transformation was originally described in Charman, Petersen and Piper, 2012).

The current paper does not seek to re-assess this process of transformation (see Gastrow & Amit, 2015, for a defence of the transformation; and Petersen, Thorogood, Charman, & Du Toit, 2019, for a rigorous counter, which raises serious concerns with informality unconstrained) or the implications of the dominance of larger businesses on food security. We include spaza shops within the scope of analysis in respect to understanding consumer shopping decisions and/or the connections / conflict between spaza shops and formal retailers in general. Through a spatial lens, the paper seeks to offer a comprehensive understanding of specific retail dynamics of informal micro-enterprises in the context of the (increasing) dominance of formal retail businesses. We seek to understand, moreover, how these dynamics are shaped by consumers' shopping decisions, the influence of retailer hubs and the collective strategies of other traders, including their self-

organisation on the high street. Our spatial lens enables us to highlight how relationships of space and place influence (enable and constrain) opportunities for informal micro-enterprises.

No prior research, to our knowledge, has investigated the micro-context of the formal-informal food retailing relationship in scope and depth from the perspectives of the informal traders and their clients (the shoppers). In this respect the paper charts a new frontier.

The paper is structured in the following order. First, we describe the research site. We then discuss the research methodologies and the data analysis process. The findings are presented in three subsections, firstly, we examine the spatial distribution of formal retailers, secondly, we examine high street traders, identifying clusters and investigating the relationship to formal retailers, finally, we examine spaza shops situated within residential areas in the precinct. Finally, in our discussions, we consider the implication of the research findings in terms of our central question of the spatial determinants of supermarket impact on informal micro-enterprises.

2. METHODOLOGY

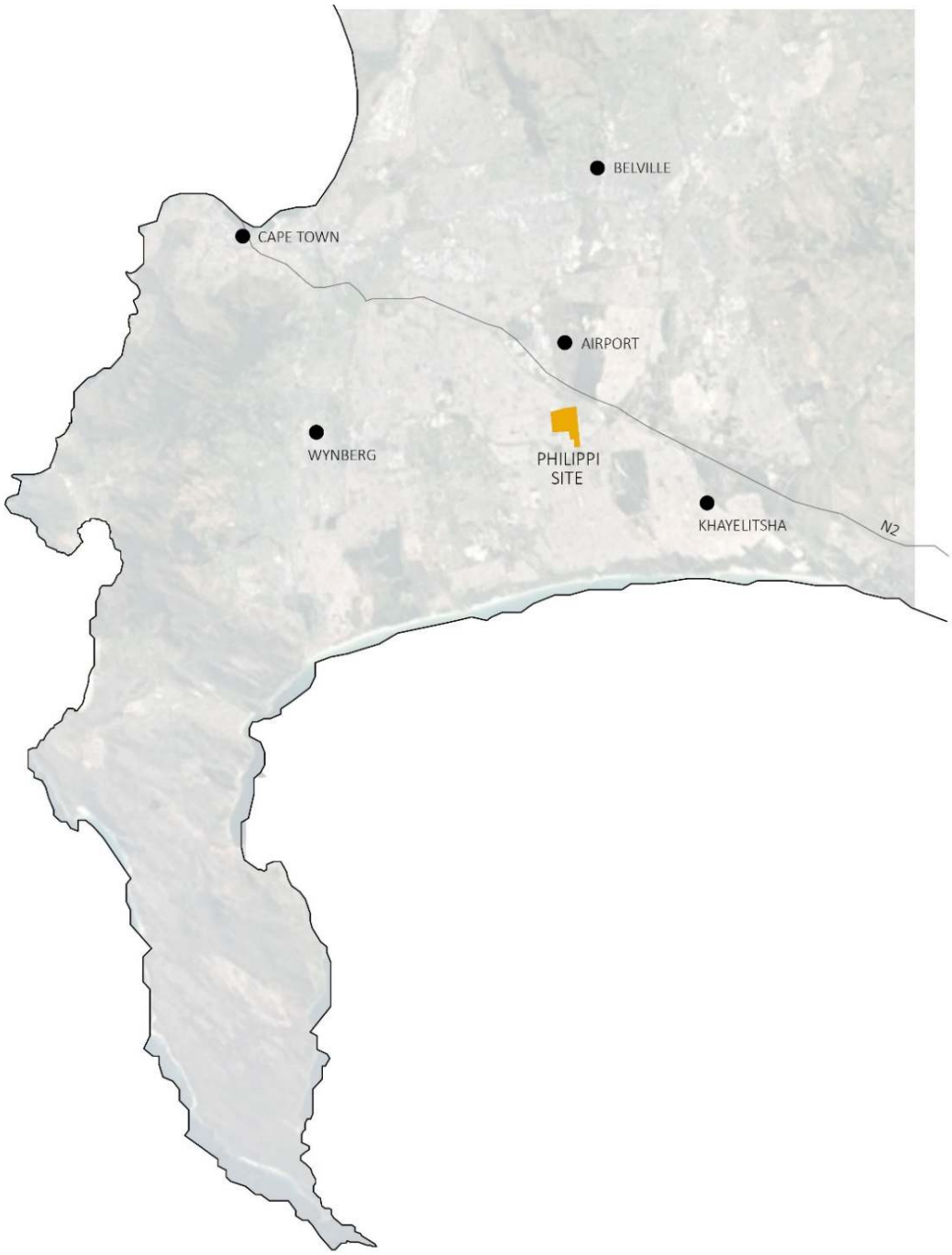
2.1. CASE SITE

The case site is the former industrial area of Philippi East, located approximately 22km from central Cape Town (**see Map 1;** the geographic area is shaded in yellow). The site is defined by four major roads – Govan Mbeki, New Eisleben, Sheffield and Stock Roads (**see Map 2**) – all of which are earmarked for future MyCiti Bus Rapid Transit (BRT) development. These four major roads serve as high streets and accommodate numerous informal traders who make use of the public road reserves and sidewalks to conduct their business. Bristol Road, Protea Road and the public land adjacent to the Joe Gqabi bus terminus area (southern portion of the site), were also included in the scope of the research. Within the site there are a number of land uses, which include formal Reconstruction and Development Programme (RDP) residential settlements; informal settlements; agricultural sites; civic and institutional buildings; three major shopping malls each with their own large supermarket; a number of individual retailers; and four different wholesalers. At the time of writing, a new mall, Junction Mall, is under construction and will contain a Pick n Pay supermarket and Boxer cash and carry among many other corporate retailers. The new mall is positioned between Bristol Road and Goven Mbeki Road, and borders New Eisleben Road.

To consider the impact of supermarkets on food systems and informal traders in low-income urban areas, this precinct offers an interesting case due to the unusual extent of formal (and informal) food retailing activity. In enterprise terms, the site thus accommodates business competition in both vertical (large vs small) and horizontal dimensions (large vs large and small vs small). Within the composition of businesses, we identified three large supermarkets and another four grocery wholesalers, whilst on the high street there are 109 street traders selling food items as well as many spaza shops located within the residential areas. As a township site, the precinct includes a low-income urban population, residing in formal and informal settlements. These residents have close

access to the range of retailers and thus it can be argued that there are no apparent spatial barriers to food access from an area level perspective.

Map 1: Site location



CAPE TOWN METROPOLITAN MAP

Map 2: Site parameters

AREA OF STUDY | **1:7500**

2.2. RESEARCH METHODS

The research was conducted over a three month period in 2017 and a one month period in 2018 by a highly experienced team of field researchers. At all times, the team included a community liaison. A modified "small area census" approach was used to survey all the street traders operating on the four high streets and two feeder roads. The small area census approach (Charman, Petersen, Piper, Liedeman and Legg, 2015) focuses on a small area within a larger township in which a census of all business activities is carried out, including a survey of businesses and the recording of geospatial and socio-spatial data (using photographs, sketches and drawings). To investigate consumer activities on the high street and within formal retail nodes, the researchers utilised qualitative methods such as observation and unstructured interviews with business owners and shoppers, whilst inspecting products / packaging / flyers and infrastructural set-ups. We conducted detailed interviews with a sub-section of the informal businesses. As we needed to understand both the shopping trends of consumers residing within the precinct as well as the role of residentially based spazas in the precinct food system, the researchers undertook a household survey and a business survey within two residential settings. The dataset from the street trader survey and household consumer survey can be made available to researchers upon request.

Across methodologies, the central framing to the research is the spatial dynamic, from the area-level to the local-level. We have used a range of methodologies to analyse data, visualise findings, and illustrate particular dynamics. Maps are used to convey the spatial findings (s**ee Map 3** for summary of the research methods); these show: i) the cadastral footprint of formal retail businesses and hence both area and position within the precinct, ii) the precise geolocation of informal micro-enterprises, illustrating distributions, position and providing a comparative lens, iii) the spatial boundaries of the household survey. The researchers used photographs to record products, illustrate infrastructure types and set-ups and to show relationships in terms of business size, customer interactions and connections / disconnections between micro-enterprises and formal retailers.

The core methods utilised in the project were:

- A **street trader survey** which took place in 2017 and included questionnaires and geo-spatial data of 378 informal traders, 109 of which were selling food. The street trader survey only looked at traders operating on public land (sidewalks and road reserves) along the major roads in the precinct. The survey data was organised into a spreadsheet which categorised traders according to their goods or services. A wide range of information was included in the data set, such as the owners' details, the type of infrastructure used and the perceived impact from supermarkets.

- A series of 20 in-depth, **qualitative street trader interviews** with a targeted group of food traders. Interviews were conducted according to a set questionnaire. The interviewed traders had all been surveyed previously and were selected for this second round of research on the basis of their participation in one of the four most common types of food trading:

braaied (barbequed) pork, braaied chicken gizzards, fruit and vegetables and fast/cooked food (which include sit down meals, such as meat stews).

- The questionnaire included questions relating to competition from supermarkets, synergies or learnings between traders and formal retail, their sourcing of stock, and their strategies to stay competitive. When quoting these interviews, the participant is referred to by the business type and reference letter, for example Braaied Meat A.

- A **household consumer survey** with 118 household heads in the residential areas of Better Life (a formal RDP settlement) and Phola Park (an informal settlement). **Map 4** illustrates the location of these settlements in relation to the three malls, all of which are within walking distance. The map indicates the walking pathways from the settlement to the three supermarkets. Within these blocks, the researchers sought to survey every house (with an available household head) in each street. The survey comprised both qualitative and quantitative questions, wherein the researchers sought to understand household sources of income; shopping decisions from supermarkets, spazas and informal traders, including spending and frequencies of shopping; attitudes towards product brands; and the use of saving and survival strategies such as buying hampers, borrowing and participating in *stokvels (community based savings schemes, which may include a collective retail aspect)*. We analysed the data according to household income, dividing the survey population into three income cohorts: the non-poor (households with above R7500 monthly income) (17%), middle income households (having a monthly income of R2500-R7499) (49%) and lower income households (having a monthly income below R2499) (26%). Whereas the non-poor tend to have stable wage employment, earning more than the minimum national wage of R3700 per month, lower income households include those that subsist on social grants alone. To quote the consumer responses, the text refers to the consumer reference number, for example Consumer 1.

- Six in-depth **qualitative interviews** (using a questionnaire) with owners of all of the spaza shops located within Better Life and Phola Park research sub-sites. Spazas typically operate from private residential plots rather than sites on the high streets. The researchers investigated (through interviews, social-spatial studies and mapping) those spaza shops situated within the same neighbourhood as the household survey. These comprised 12 spaza shops, two of which were operated by immigrant entrepreneurs. The researchers managed to conduct six full in-depth discussions, all of which were with South Africans. The other six spaza owners were unable to be interviewed for the following reasons: 3 shops refused to participate in the research (one South African, one Somali and one Bangladeshi), one spaza shops was primarily a game shop selling little in the way of food items, one shop was a very small start-up, and one was primarily a shebeen (a business selling liquor illegally). The questionnaire was based on the tool used to conduct the interviews with street traders.

- An **observational ethnographic analysis** of formal retailers including supermarkets, wholesalers and fast-food outlets. Instead of interviewing formal shop owners, the research team spent three days observing retail dynamics, pricing strategies and consumer practices within formal shops. The focus was on understanding ways that formal retailers directly compete with informal food traders.

- A **hamper price comparison** of standard "10kg" food hampers comprising maize meal, white flour, white rice, white sugar and cooking oil. Through observations in the field, it became clear that a number of wholesalers, supermarkets and spaza shops were selling hampers comprised of the same food items. Different brands were used by different retailers which, in turn, influenced the price of the hamper. Thus, in order to understand the implications of brands and pricing strategies for hampers, the different hamper configurations and prices were compared by collecting advertising pamphlets from the different formal and informal retailers for a single time period (last week of the month).

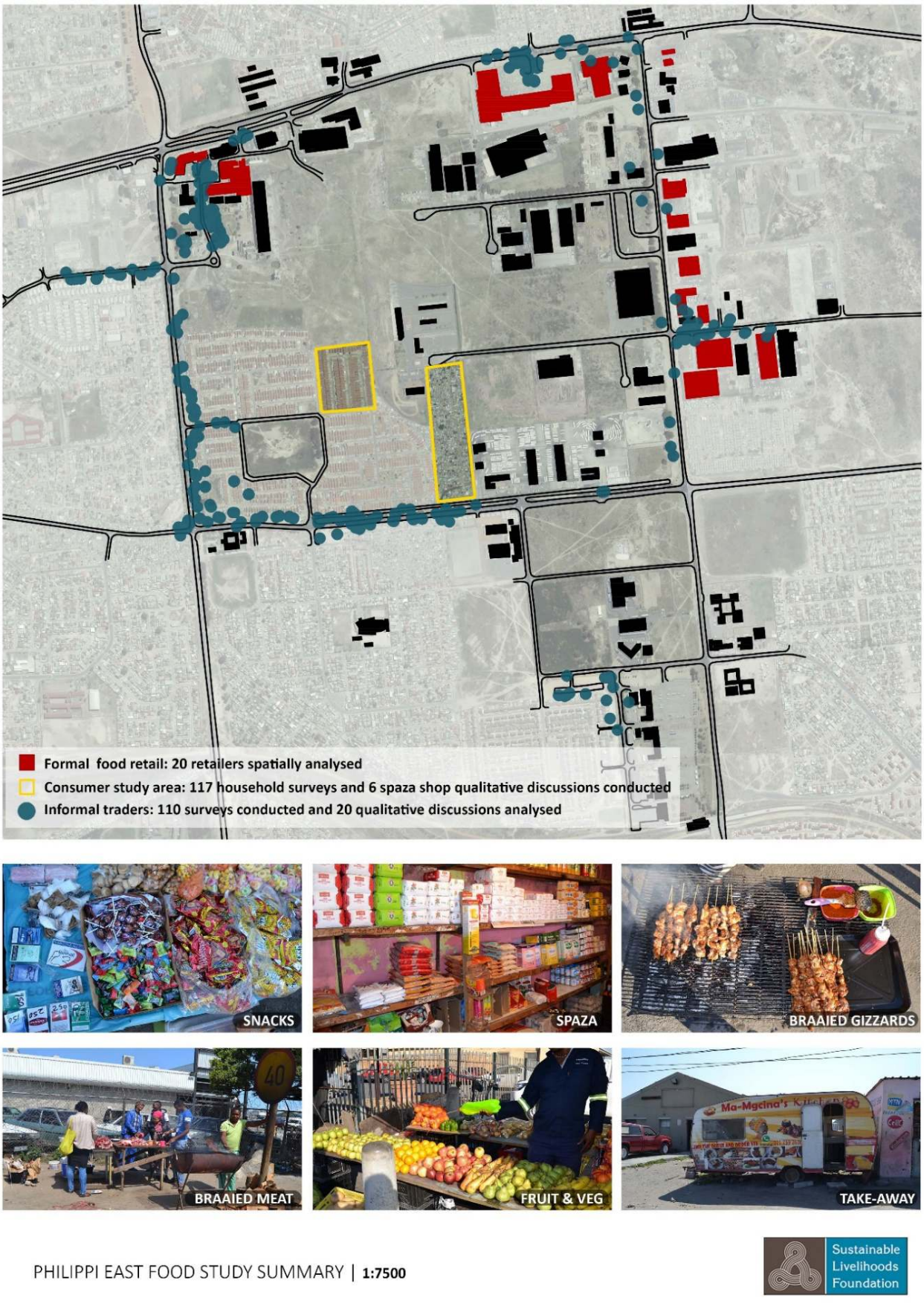
- A **movement analysis** of informal *amaphela (meaning cockroach, as in scurrying)* taxis and pedestrians within the precinct to understand the major movement routes. Pedestrian movements were mapped by counting pedestrians along certain routes within half-hour periods. *Amaphela* taxi ranks were observed and mapped and researchers interviewed taxi drivers to understand taxi dynamics, routes and prices.

- A **spatial analysis** of both formal and informal food dynamics in the area. Maps were generated from the GPS coordinates of informal businesses which were then analysed to understand the spatial patterns of trading locations and clustering patterns of certain informal business types. Maps of formal business were created by observational research in the field. A series of 1:1000 detailed maps of the three main supermarket nodes were generated through observations, GIS data and Google Earth imagery (including historical maps) to understand the spatial relationship between formal and informal business. The pedestrian movement map was developed through observations in the field.

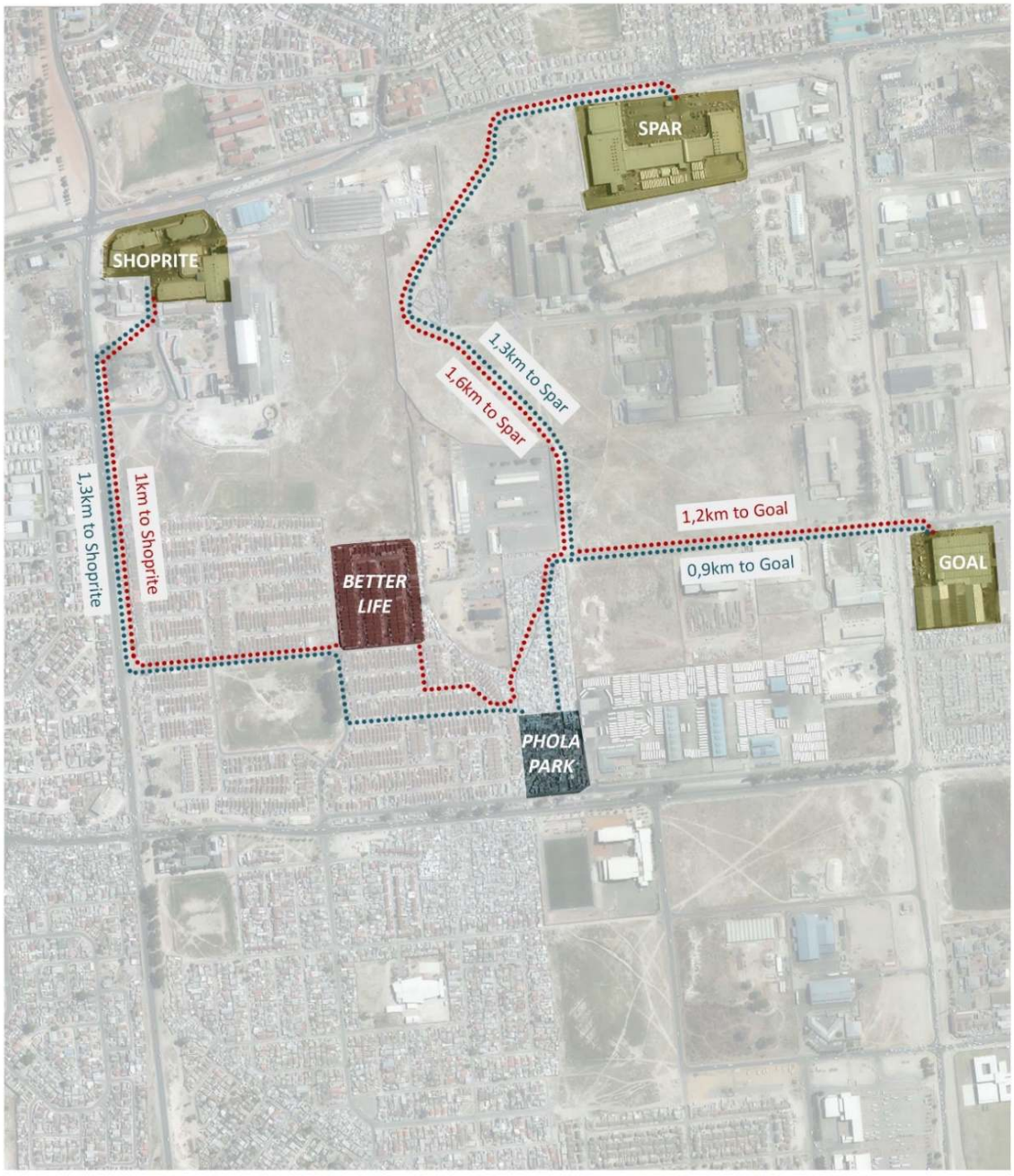
The combination of qualitative and quantitative methodologies permits us to triangulate results and understand business relationships in both vertical and horizontal dimensions. Although our core objective was to investigate the spatial dimensions of the Philippi East food system, the richness of the data enables us to present findings and draw conclusions with respect to the food security implications of this system.

All maps, charts and photographs were provided by the Sustainable Livelihoods Foundation.

Map 3: Spatial summary of research methods



Map 4: Consumer study location



3. SUPERMARKETS AND FORMAL RETAILERS

3.1. SPATIAL DYNAMICS

The Philippi East study area is unique in its concentration of multiple formal food retailers and wholesalers within a walkable area of roughly 1km^2 **(See Map 5)**. There are three large supermarkets, each located within a mall environment which support a variety of fast-food outlets, clothing stores and banks. The position of the malls are indicated with a yellow circle. The maps show the relative importance of the formal food retailers relative to non-retailers. The three malls are Shoprite Centre **(See Map 6)**, Philippi Plaza **(See Map 7)** and Goal Centre **(See Map 8)**, home to a Shoprite, a SuperSpar and Goal supermarket, respectively. The emergence of the retail precinct can be traced using GoogleEarth maps. In 2002, when the first maps were introduced, there were few retail activities within the precinct, neither formal nor informal, apart from the independently owned wholesalers situated on Stock Road. By 2009, the Shoprite mall had been established and the neighbourhood of Better Life (RDP housing) had been established on the corner of New Eisleben and Sheffield Roads. The first informal trading structures are identifiable along Sheffield Road. By 2014, the structure of the formal retail economy had substantially expanded with the establishment of the Philippi Plaza Mall, the opening of the Goal Supermarket and Jumbo Cash & Carry. The scale of informal trading, as evident in trading structures, was comparatively small. The latest 2018 maps highlight the profound land use changes (through informal occupations) and the expansion in street trading activities, especially in specific nodes (see below).

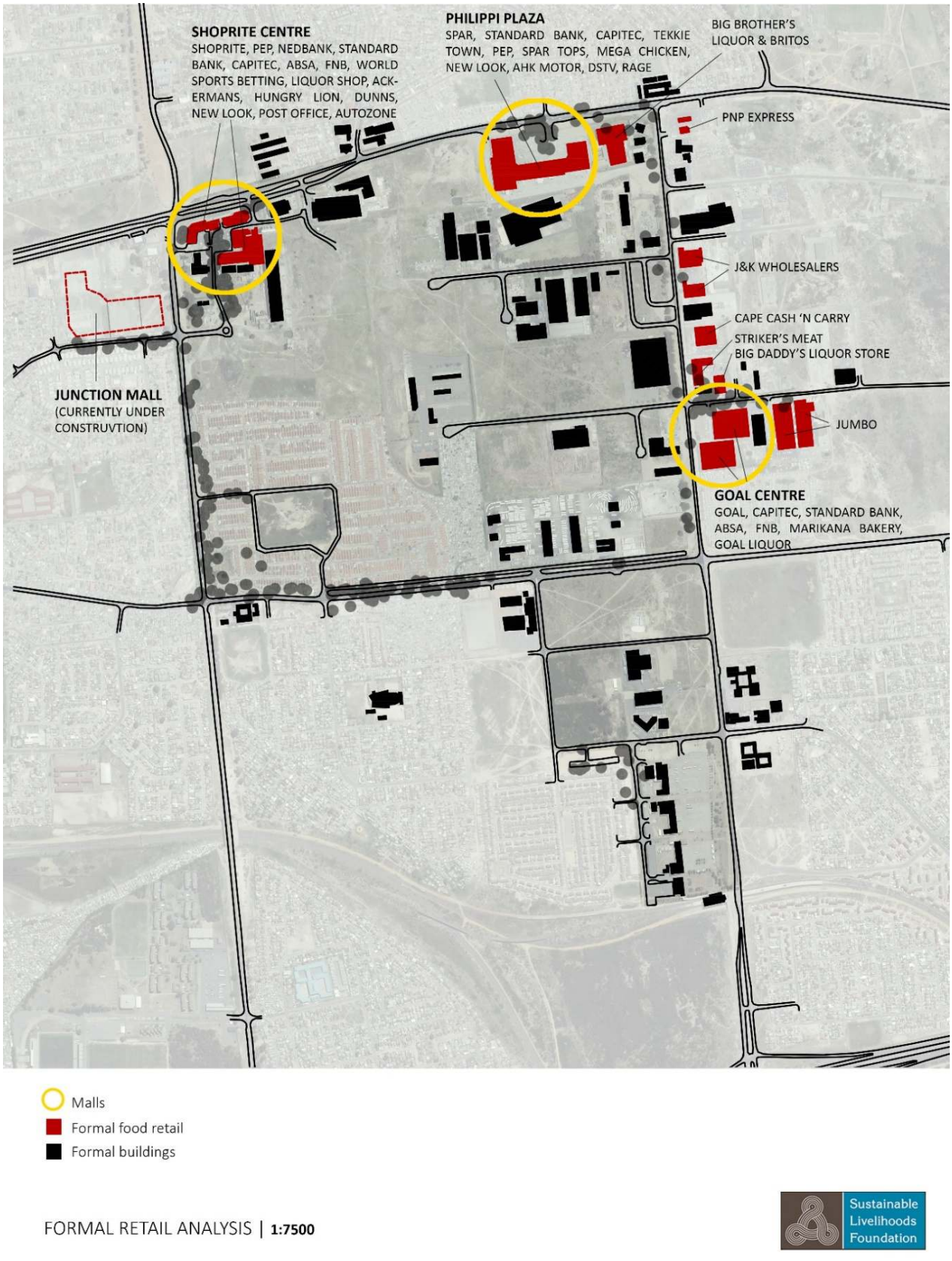
Each of the precinct malls has at least two fast food outlets and a liquor store. The malls are hubs of retail activity in the precinct. Outside of the malls, the precinct also has two large butcheries, two liquor stores and a Pick n Pay Express store attached to a BP petrol station. In addition, the precinct accommodates an equally significant wholesale supply system. Three independent wholesalers/cash and carries are located long Stock Road: J&K, Cape Cash & Carry and Goal Cash & Carry; and a fourth is located on Protea Road: Jumbo Cash & Carry, which is owned by Massmart/Walmart. These four wholesalers provide the stock for the many informal traders and spaza shops. A fourth retail centre adjacent to Shoprite, to be known as Junction Mall and indicated in outline, is in the process of construction and will contain a Pick n Pay supermarket and Boxer Superstore (also owned by Pick n Pay).

Formal retail in the precinct shows the dominance of the corporatized food system, with three large national corporations – Shoprite, Pick n Pay and Spar – and a multi-national fourth – Massmart, spatially dominating the food and liquor market. **Maps 6 – 8** show the degree to which corporatized business concentration occurs in Philippi East, such as in the Shoprite centre where Shoprite Holdings controls food (Shoprite), liquor (LiquorShop) and fast food (Hungry Lion). In Philippi Plaza, Spar owns a supermarket (SuperSpar) and a liquor outlet (Spar Tops). Market concentration also occurs with the independent retailers; for example, Goal owns Goal supermarket, Goal wholesaler, Goal Liquor and Striker Meat Wholesaler, all within the same vicinity. In maps 6-8, product sectors are indicated with colour codes, and using this device, the maps contrast the range of sectors within

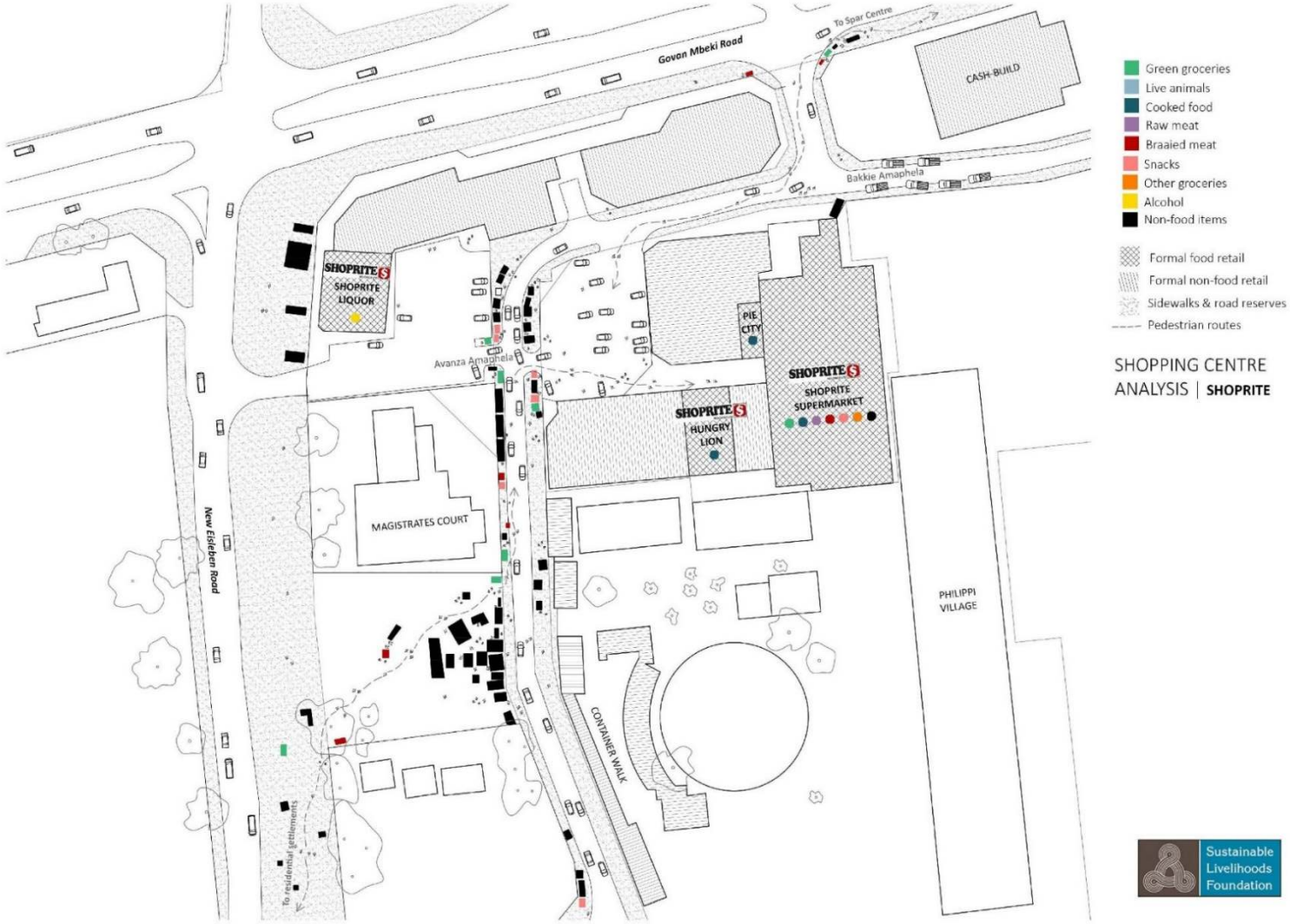
supermarkets against those present within street trade. Within these nodes, supermarkets have no competition from informal micro-enterprises in the sale of alcohol, raw meat and other grocery items (grains, sugar, frozen meat, tins etc.). The street trade competition is limited to green grocers, businesses selling cooked and braaied meat and snacks (chips and sweets).

According to the literature, there are two dimensions of accessibility to food that ensure food security: financial accessibility and physical accessibility. The Philippi East precinct presents an interesting case where there is physical access (within walking distance) to a range of supermarkets and retailers. **Map 9** shows the main pedestrian routes within the precinct, most of which lead from the residential areas to the Goal mall or Shoprite mall. In addition to being able to walk to three different supermarkets, residents also have the option of making use of the *amaphela* taxis which concentrate outside the supermarkets. At the Goal mall **(Map 10)**, two types of informal taxis – Cressidas and Avanzas – have organised themselves into unofficial "ranks" to offer consumers with shopping bags transport home for around R6. Shoprite mall **(Map 11)** has a less organised *amaphela* rank than Goal but nonetheless has many taxis waiting outside for shoppers. Philippi Plaza, though difficult to access, has a large parking forecourt which taxis can utilise. The street environment surrounding Philippi Plaza is unsafe for pedestrians. Seen from the street level, the threat of crime in combination with vehicle congestion (and poorly designed street infrastructure) and transport costs present possible accessibility barriers for residents to access these food retailers.

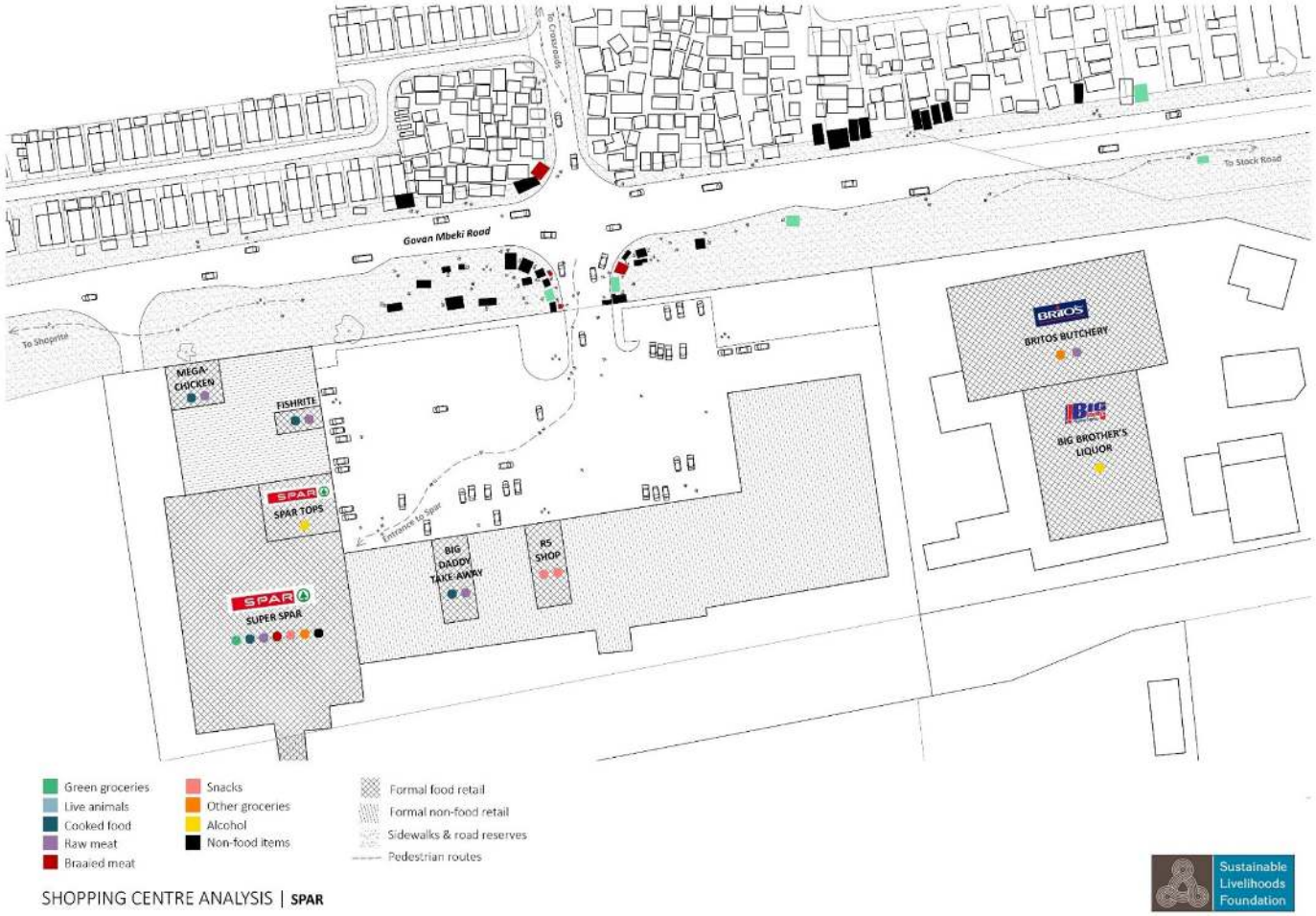
Map 5: Formal retail analysis



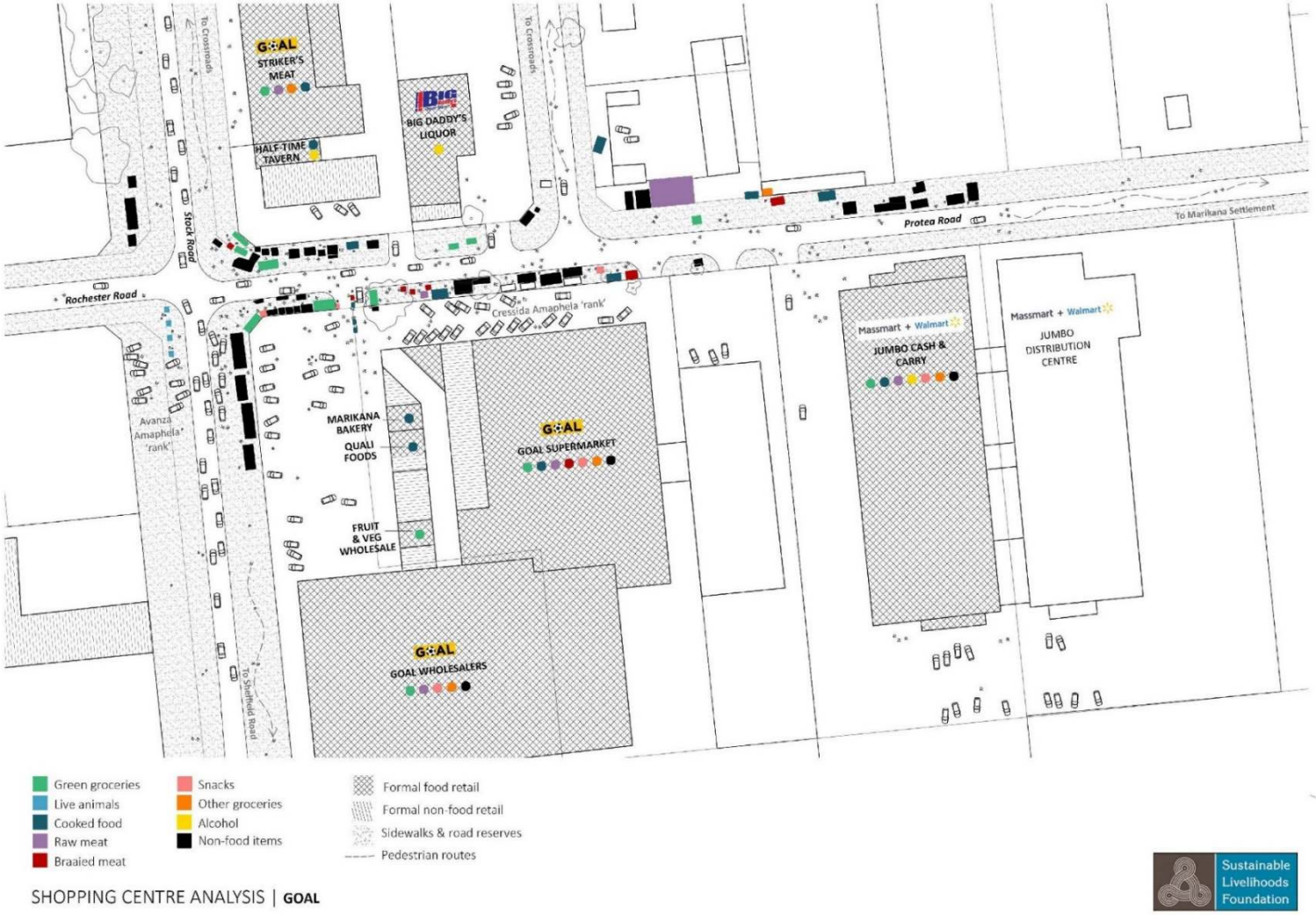
Map 6: Shoprite spatial analysis



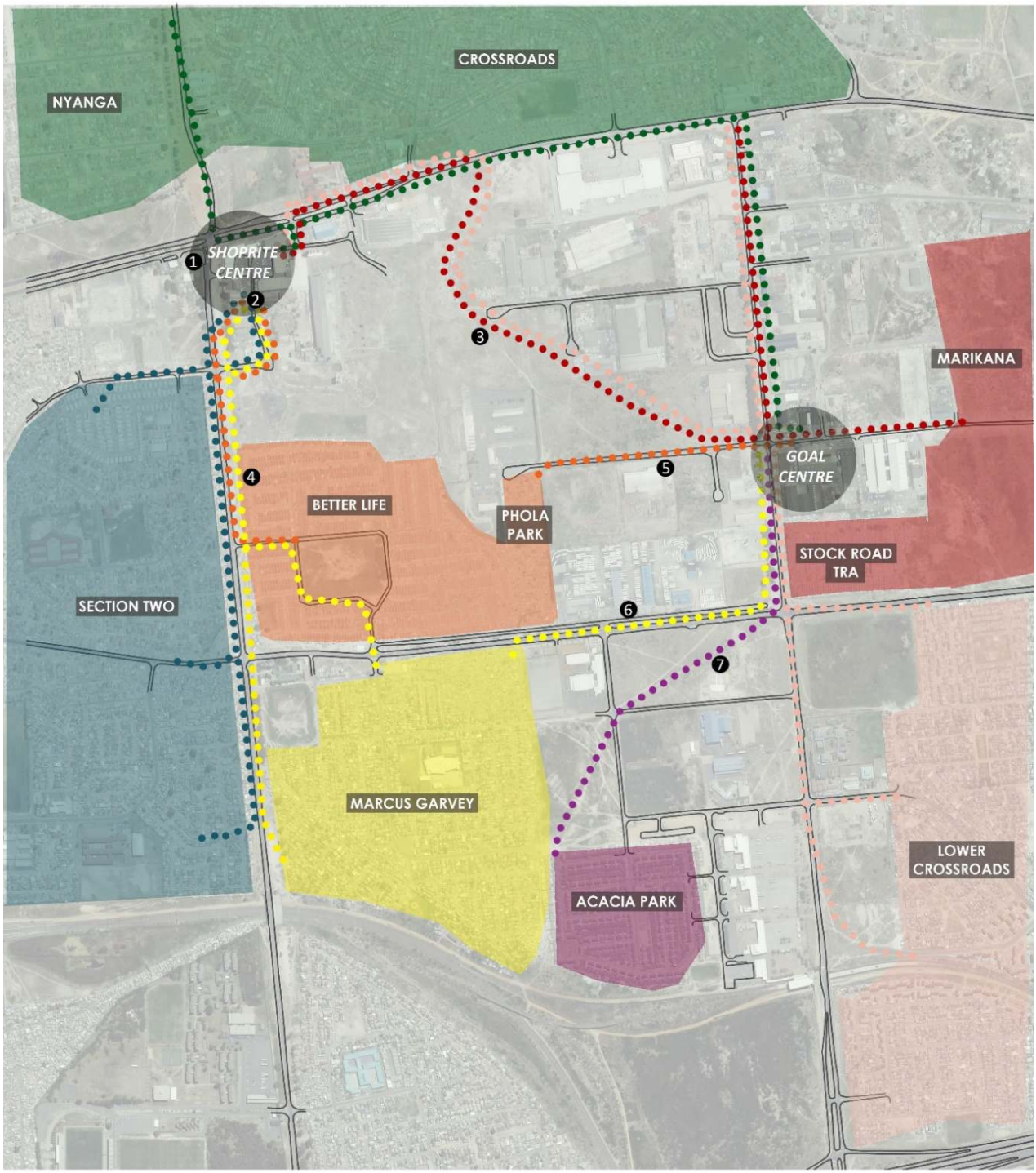
Map 7: Philippi Plaza spatial analysis



Map 8: Goal spatial analysis



Map 9: Pedestrian activity analysis



● **PEDESTRIAN COUNT (midday, weekday)**

1 9 pedestrians in 15 min
2 268 pedestrians in 15 min
3 25 pedestrians in 15 min
4 146 pedestrians in 15 min
5 40 pedestrians in 15 min
6 27 pedestrians in 15 min
7 11 pedestrians in 15 min

PEDESTRIAN MOVEMENT | **1:7500**

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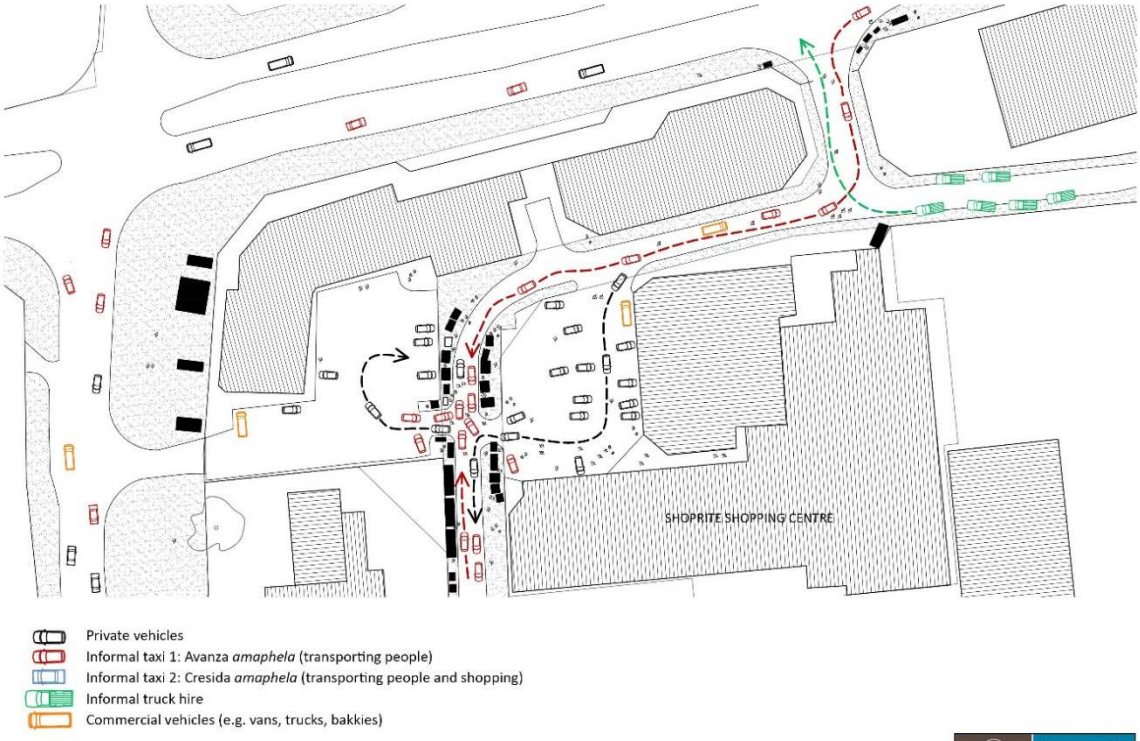
Map 10: Goal vehicle access (top)

Map 11: Shoprite vehicle access (bottom)

PROTEA ROAD TRAFFIC ANALYSIS | **1:1000**



SHOPRITE NODETRAFFIC ANALYSIS | **1:1000**

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3.2. RELATIONSHIP WITH INFORMAL FOOD TRADERS

There is a complex and interconnected relationship between formal food retail and informal food traders. On the one hand, street traders benefit from the footfall which the formal businesses attract, whilst sourcing stock and by learning certain pricing and retail strategies from formal businesses. On the other hand, street traders are disadvantaged by the competition that supermarkets present through their ability to lower food prices and thus attract more customers.

In spatial terms, the relationship between informal and formal retail is most complex outside the entrances to the malls. Informal traders undoubtedly benefit from the pedestrian activity that the malls (and importantly, the supermarkets) attract, which translates into purchasing opportunities. Yet traders are spatially excluded from the confines of the malls. In defiance of mall owners and municipal by-laws, the traders occupy sites on public land outside the boundary where they tend to cluster towards entrances **(see Figures 1 and 2)**. This spatial concentration can be seen at all three mall entrances. Within the tight spatial confines of these informal markets, there is a specific ordering of informal businesses. Food traders selling fruit and vegetables, braaied chicken gizzards and snacks are located close to the entrances to the malls. These types of food business require minimal infrastructure and space, are highly mobile and offer ready-to-eat convenient snacks. Street businesses with larger spatial requirements, such as those selling cooked food or braaied red meat, are located further from the mall entrance.

Goal sustains the largest and most diverse informal food market, with a number of fruit and vegetable traders, braais, take-aways, butchers and traders selling snacks **(see Map 8)**. Shoprite is home to a large number of informal traders, but only a small percentage sell food **(see Map 6)**. There is a much lower number and variety of informal food traders at the entrance to Spar **(See Map 7)**. Most of the foods obtainable from street traders can also be obtained from formal retailers. Sellers of fruit and vegetables and snacks, in particular, are in direct competition with supermarkets. The researchers found evidence of formal businesses competing with braaied meat and cooked food traders for a share of the township cultural food takeaway market. An example of this is Shoprite's selling of braaied meat in kiosks outside the supermarket or the selling of culturally significant foods, such as sheep heads and chicken gizzards.

There are much lower concentrations of traders outside the wholesalers. Instead, the relationship between traders and wholesalers is one of supply linkages. J&K, Cape Cash & Carry, Goal Wholesaler and Jumbo Cash & Carry are all used by street traders and spaza shops in Philippi East to buy stock in bulk. Spaza shops, in particular are found to have contractual connections with the wholesalers in the precinct. We discuss this relationship in greater detail in our analysis of spaza shops in the following subsection.

Figure 1: Street traders cluster around the entrance to Philippi Plaza.

Figure 2: Street traders cluster outside the Shoprite centre.

Source: Sustainable Livelihoods Foundation.

3.3. CONSUMER INFLUENCES

Supermarkets dominate the food system in Philippi East: consumers spend significantly more per month on food from supermarkets than food from informal traders and spaza shops. **Table 1** shows that consumers obtain 65% of their food in value terms from supermarkets and 35% from informal businesses (18% spazas and 17% street traders). Spaza shops and street traders account for R802 (35%) of food spending per month, whereas supermarkets account for R1458 (65%). The great majority of households purchase food from supermarkets in the precinct.

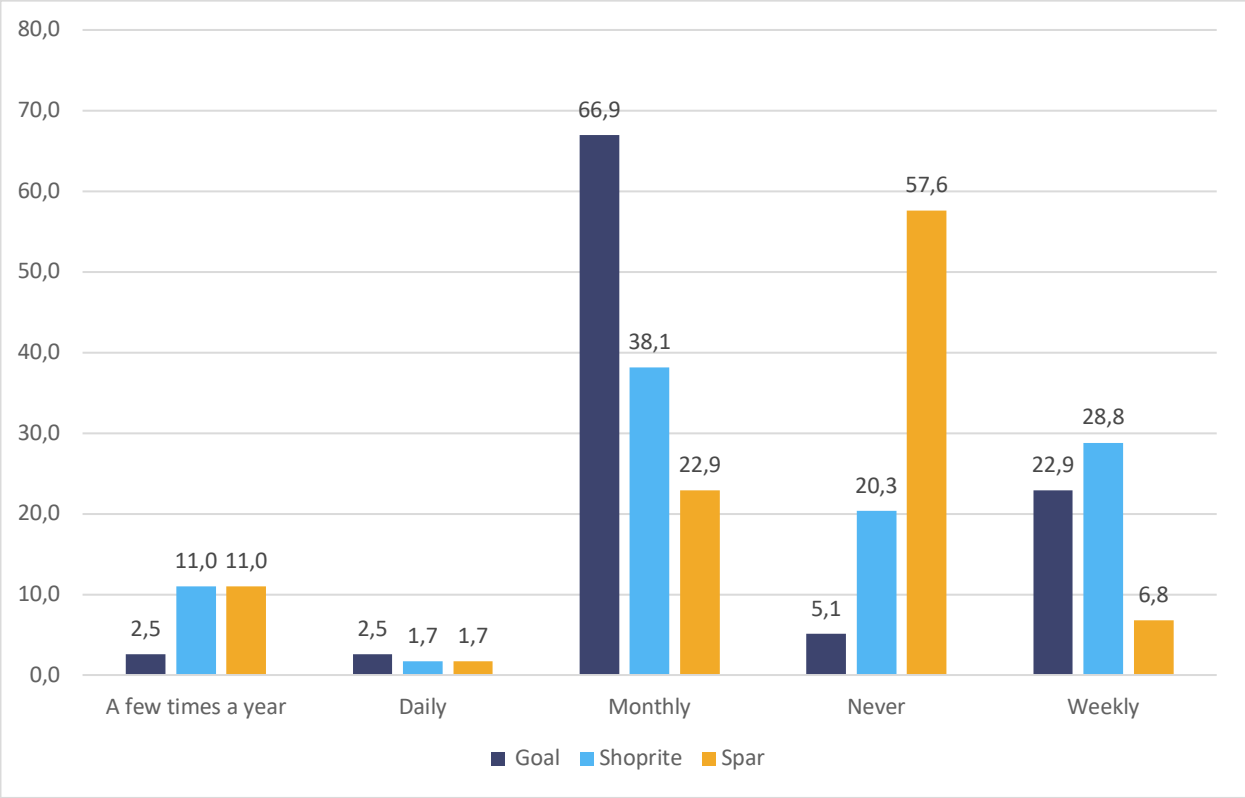
Table 1: Household spending at supermarkets, spazas and street traders.

	SUPERMARKET	SPAZA	STREET TRADER
AVE. SPENDING (pm)	R1458 (65%)	R410 (18%)	R392 (17%)
AVE. FREQUENCY	Monthly	Weekly	Weekly

Of the three supermarkets, Goal, an independently owned supermarket, is the most popular amongst the surveyed households. Of the 118 households surveyed, 95% shop at Goal, 80% shop at Shoprite and 42% shop at Spar. Only one interviewee did not shop from any of the three Philippi East supermarkets because he preferred to "outshop" in Mitchell's Plain. On average, households spend R1458 per month on food from supermarkets. Higher-income shoppers are more likely to buy fast food from the malls when doing their shopping.

A key shopping pattern is the practice of monthly bulk shopping. In our analysis of household shopping preferences, see Chart 1, we found that amongst those shopping at Goal, 66% shop monthly and 24% shop weekly; amongst those who shop at Shoprite, 38% shop monthly and 28% shop weekly; and amongst Spar shoppers, 22% shop monthly and 57% shop weekly. Monthly bulk shopping is a particularly important strategy for low income households. In contrast, higher earning households shop more frequently from a wider range of supermarkets instead of relying solely on a single bulk shop. Mainly those households in the higher income group report shopping at Spar.

Chart 1: Frequency of shopping at Philippi supermarkets (proportional responses by store) n=118.



Another indication of the practice of monthly bulk shopping is the purchasing of month-end food hampers. The hamper is a standard combination of food items that includes: white rice, refined maize meal, white flour, white sugar and cooking oil. A hamper typically contains each of these items in either 5kg or 10kg quantities (with cooking oil at 750ml or 2l). Around the end of each month (to coincide with payday and the issuing of social grants), Goal and Spar sell these items in hampers, while Shoprite sells these items individually on "special" (in other words discounted). Product brands play an influential role in the pricing of these hampers and the price is significantly reduced if a no-name or poorly established brand is used. Often sugar and cooking oil are the two items where brand value is substituted in order to reduce the hamper cost. Spekko (rice), Sasko (flour) and White Star (maize meal) are most consistently used in the composition of the hampers sold in supermarkets. Vegetables are also sold by Spar and Goal in "combos", usually of potatoes, onions, carrots and butternuts. We found that 74% of all households purchase food hampers from supermarkets with 63% of these shopping purchasing hampers on a frequent (monthly) basis. As one might suspect, higher income groups purchase hampers significantly less frequently than poor households.

The qualitative explanations given for supermarket preferences emphasise the importance of monthly bulk buying. When asked, "Why do you shop at Goal?" the most common answers are about affordability, proximity and the monthly hampers and specials. Many participants also mention Goal's wholesale prices and the fact that one ***"can find everything you need"*** (Consumer 11). The minority of respondents who do not shop at Goal, claim that the quality at Goal is poor.

For the majority, in contrast, the appeal of Goal as a shopping destination lies in its ability to offer cheap food in bulk quantities in close proximity to Better Life and Phola Park.

In the case of Shoprite, respondents said it offered products of good quality (including freshness), sells items cheaply in *smaller quantities* and has a wide range of items and services (such as paying for DSTV). Interestingly, many interviewees used Goal as their reference point when explaining why they shop at Shoprite, such as "***I only go (to Shoprite) for additional items that I couldn't get from Goal***" (Consumer 55) or, "***We look for prices and quality and we compare with Goal***" (Consumer 47). Many participants also explain that they only go to Shoprite in response to advertised specials, which usually occur at the month-end.

For the 20% of households who do not shop at Shoprite, the two explanations given are that Shoprite is expensive and far away. However, as illustrated in **Map 4**, in the case of Better Life residents, Shoprite is actually closer than Goal, and for Phola Park households, Shoprite is only 400m further. Similarly, the large portion of interviewees who do not shop at Spar claim that unaffordability and physical distance are the biggest reasons. Some participants report that the high crime in the area around Spar is a deterrent. For low income consumers, Spar is perceived as a less-desirable shopping destination: "***I have never thought of going there***" (Consumer 34), "***I do not see a need to shop at Spar***" (Consumer 13), and "***I just don't like to***" (Consumer 62). For those consumers who do shop at Spar, their rationale is influenced by the need to obtain particular items, or in response to advertised specials, or because of "***certain items not at Shoprite and Goal***" (Consumer 15). Around one third of high-income consumers shop monthly at Spar. For these shoppers, the comparative attractiveness of the supermarket lies in the perceived quality and freshness of food items (especially meat).

4. STREET TRADERS

4.1. SPATIAL DYNAMICS

The research identified and surveyed 378 traders. We found that 109 operated food businesses (**See map 13)**. The map shows the relationship between traders selling food (fresh as well as takeaways) and non-food items (black dot vs red dot respectively). The spatial distribution of the identified businesses show that the shopping mall hubs are of equal importance for both categories of street trader. In absolute (total number) and relative (food vs non-food) terms, the food traders are concentred on New Eisleben and Sheffield Roads in distinct hubs, neither of which is spatially connected to the Shopping malls. In the map legend, we have categorised the food traders into eight groups, with three categories making up 95% of these businesses. These three categories are: cooked food, braaied meat, and green grocers. We have not placed the legend symbols on the map because the scale would render the symbols illegible. The most common food businesses are cooked food or fast food (32%), followed closely by meat braaing (31%), which includes the braaing of red meat or chicken feet or gizzards. The next most common food business is the selling of fruit and vegetables (24%). There are a small number of traders selling snacks and sweets (6%) and an even

smaller number selling raw meat or live animals (5%); however, some of the meat braaiers also sell raw meat, especially “fifth quarter meat” or tripe. **See Chart 2** for the distribution of all types of informal street traders, including food traders.

Map 12: The location of food and non-food street traders: Source: Sustainable Livelihoods Foundation

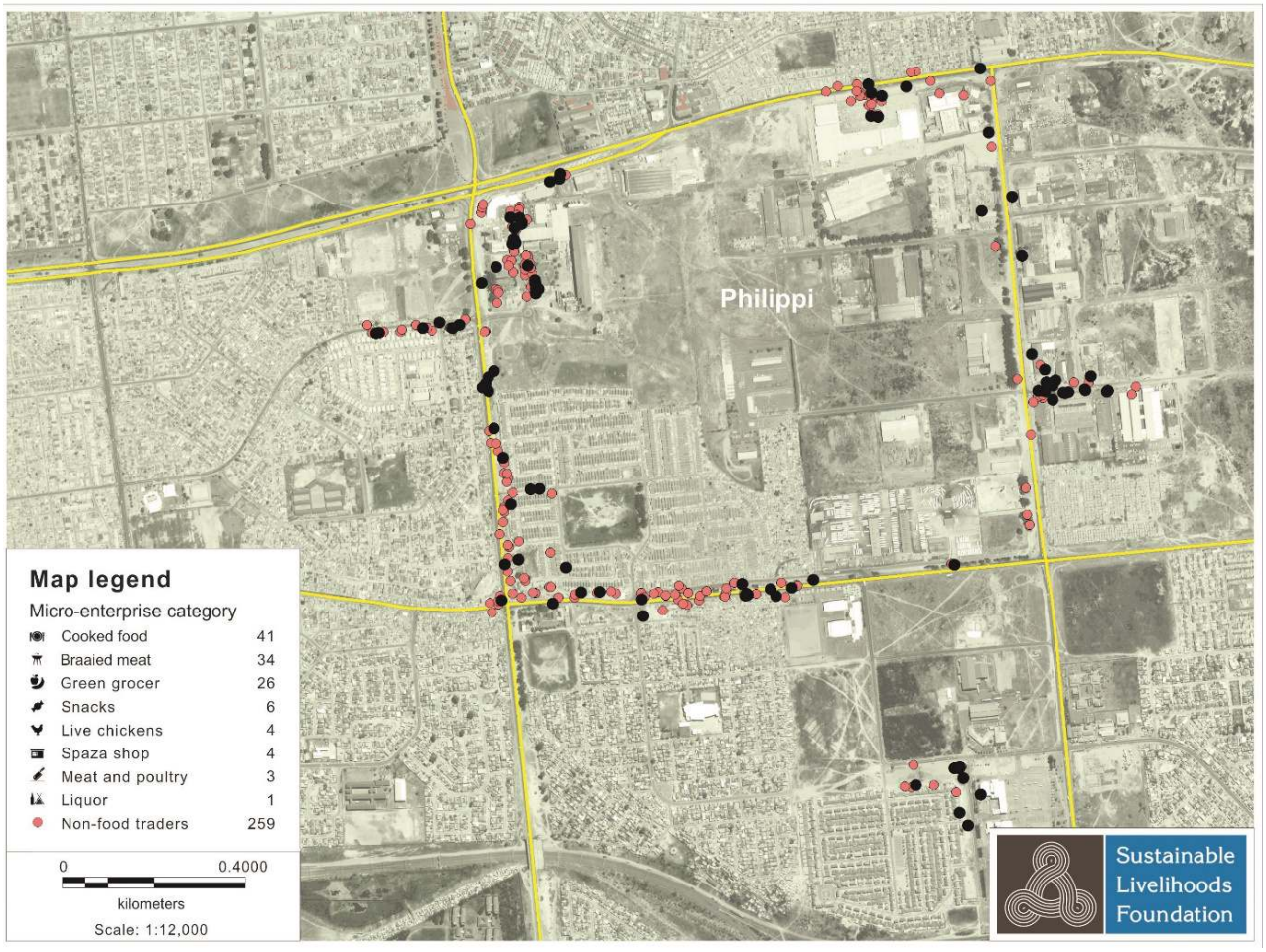


Chart 2: Distribution of street trades by enterprise categories. Source: Sustainable Livelihoods Foundation

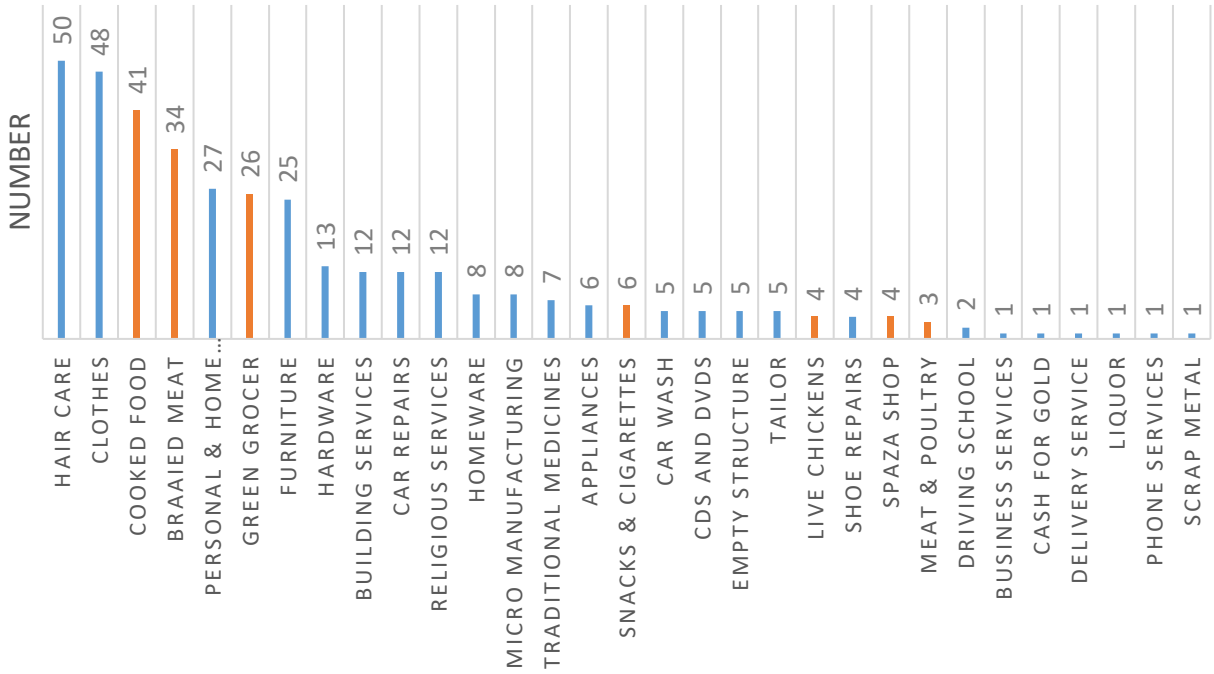


Chart 3: Food micro-enterprises by gender. Source: Sustainable Livelihoods Foundation

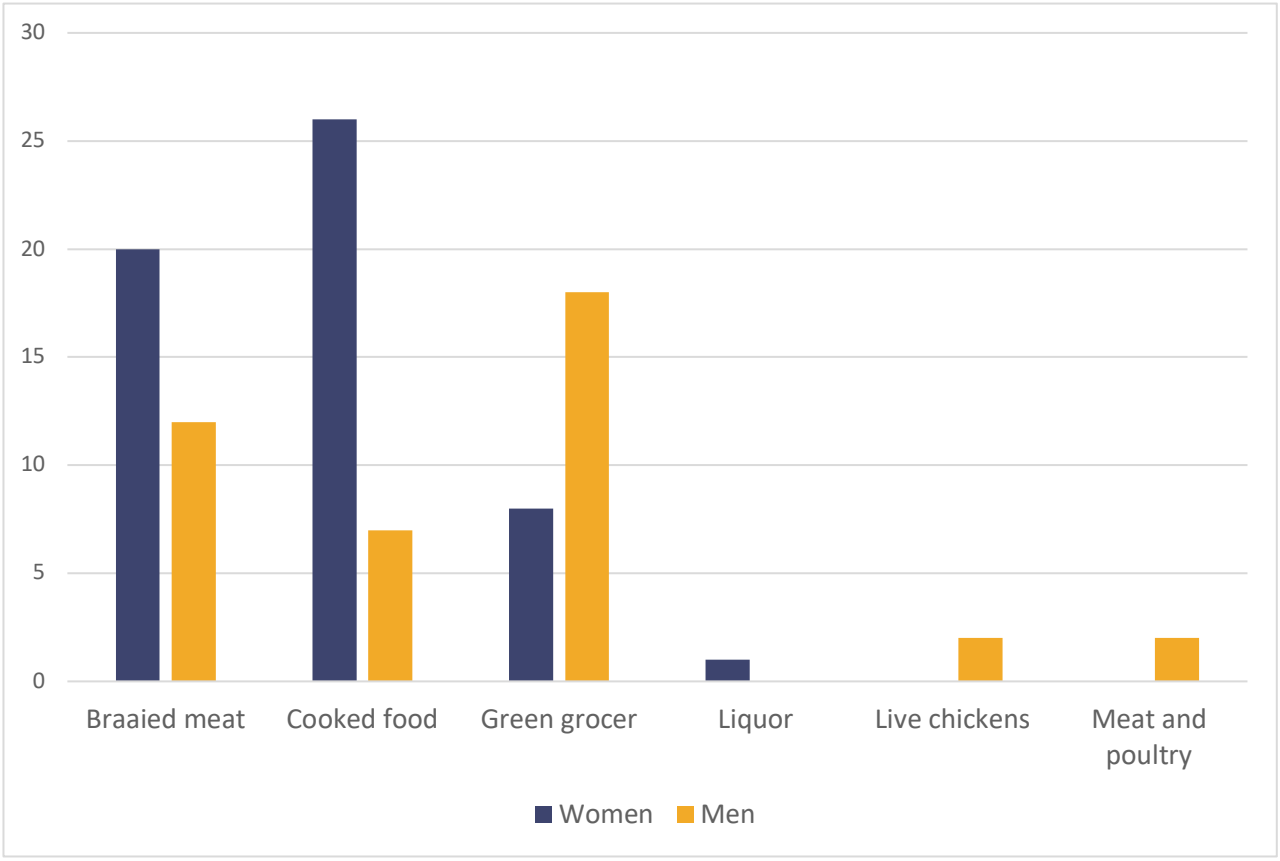


Chart 4: Food micro-enterprises by nationality. Source: Sustainable Livelihoods Foundation

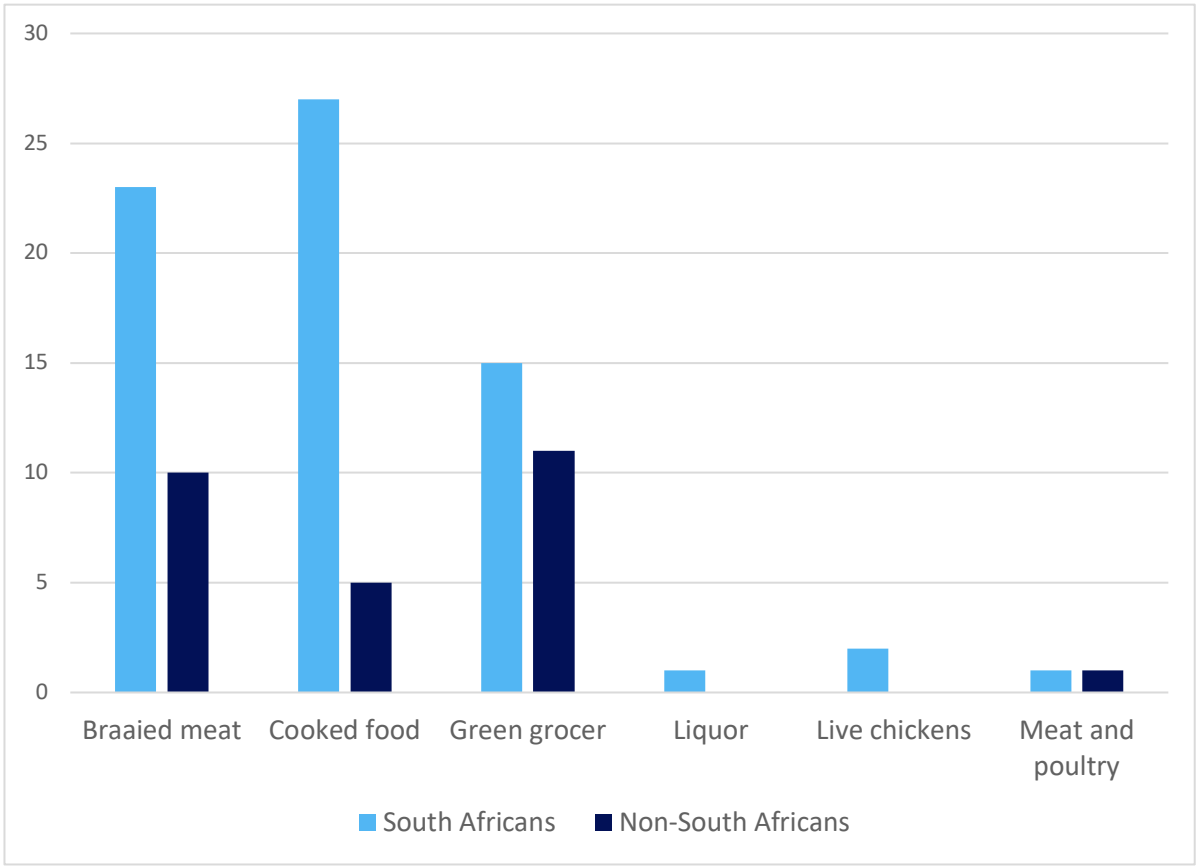
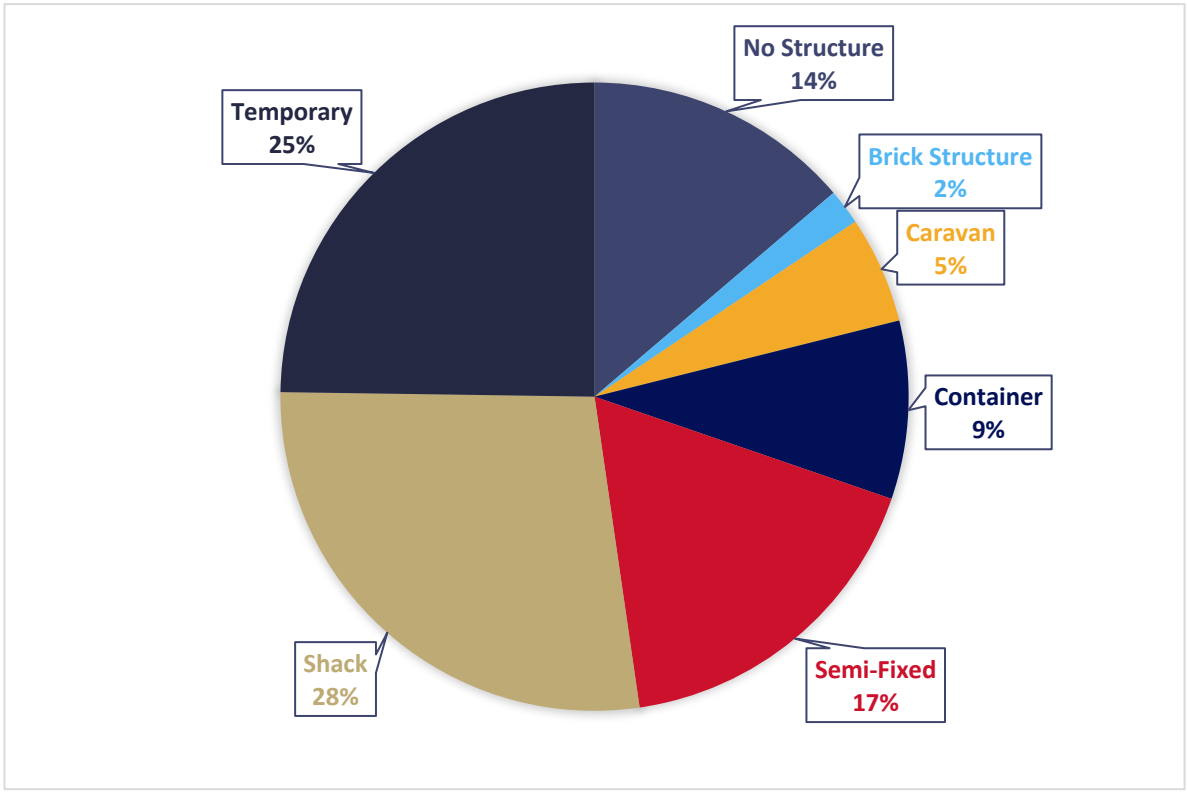


Chart 5: Micro-enterprise trading structures. Source: Sustainable Livelihoods Foundation



In terms of gender, women predominate cooked food businesses, whereas men predominate the green grocer segment (see Chart 3). Both genders are engaged in selling braaied meat. The women entrepreneurs have, on average, been in business for longer than men (6.4 years vs 5.3 years) and have traded for a slightly longer timeframe from the same site within the precinct (4.6 years vs 4.2 years). The average age of entrepreneurs in both genders is 39 years old. There are important differences in the profiles of South African and non-South African street-based business owners. First, the non-South Africans have been in business for a much shorter period (2.5 years on average) and traded within the precinct for short time (1.4 years on average). Second, the immigrant entrepreneurs are younger in age, on average, (34 years old vs 42 years old) and operate predominately in the street braai and green grocer market segments, as shown in Chart 4. Third, South Africans are numerically dominant in the cooked-food segment where food service businesses respond to distinct cultural food niches (in contrast to street braais which have a more universal appeal). Thirteen traders reported paying rent to operate from their structure or spatial position within the precinct.

The street-based businesses operate from a range of structures, as shown in Chart 5. In spatial terms, the traders who operate within the retail nodes operate without structures or utilise temporary structures which are assembled on a daily basis, such as a gazebo, simple table or moveable braai stand. The absence of structures and the use of temporary structures are strategies utilised in response to the spatial constraints within these nodes (tend to be small) as well as the insecurity of the traders land use rights, since the businesses are situated on street pavements in contravention of street trading by-laws (see SLF/PEDI, 2017). The pork braaiers on New Eisleben road use semi-fixed structures, wherein poles have been embedded into the ground to support an overhanging canopy and to secure the traders informal claim to operate from the particular street position. Cooked food businesses generally operate from shacks, containers and caravans, though the research also included two businesses operating from brick structures.

4.2. COMPETITION

The formal retailers and shopping malls have enhanced business opportunities for informal street traders who indirectly benefit from the passing pedestrian traffic and concentration of shoppers within these retail nodes. Competition from supermarkets is a concern for certain street traders, although some respondents claim to be unaffected or even to benefit from their (relatively) close proximity to formal retailers. We asked all 109 informal businesses to comment, in an open-ended question, on whether the shopping malls influenced their businesses. We received 78 responses, which we then categorised into 3 response orders: strongly positive (41%), strongly negative (2.6%) and neutral (56.4%). Although this finding suggests that the retail nodes within the precinct are perceived as an economic opportunity rather than constraint, most of the traders commenced trading after the establishment of malls (indeed we know that there were few street traders on the precinct high street subsequent to these developments).

For meat braaiers and gizzard braaiers, the range of retailers provides them with a wider selection of products and price competition. The pork braaiers on New Eisleben Road report that their businesses are thriving, ***"I chose this business (because) it's fast to make money on, and I enjoy***

it…I am not impacted by the supermarkets – we are trading on a different style from them… We offer a good service and quality foods," (Braaied Meat A). Another respondent said: ***"Malls do not affect us negatively. Even though some supermarkets try to do braai, their meat is way too expensive to attract customers. In fact, malls bring more customers to us and we also replenish at Striker if we run out of supplies on a busy day,"*** (Braaied Meat D). The meat braaiers experience competition from each other more than from supermarkets (horizontal rather than vertical) and must therefore make sure their product is of a consistently high quality and is well priced. Our observations indicate that the braaied meat businesses are well patronised and appear to be generating good profits, ***"On good days it's over 250 people coming to my braai"*** (Braaied Meat D), and Braaied Meat E claims to make at least R1000 per day in profit on a quiet day.

The pork braaiers are not dependent on the foot traffic because they have succeeded in creating a spatial destination in their own right. This pork braai node attracts customers from across the city, most of whom arrive by car. The gizzard braaiers, in contrast, are highly dependent on the activity that malls bring and are mostly located at the entrances to the malls. Braaied Gizzard B, who is situated at the entrance to Shoprite, explains, ***"I had to look for a busy place that would have many people walking in the streets so that I could get more customers"***. Braaied Gizzard C, who works outside the Goal, iterates this, ***"After spending their money in the Goal centre they use the change to buy the gizzards to munch on their way home"***. Chicken gizzard braais are a relatively new type of food business, a concept introduced into the precinct (from Gauteng) by Zimbabwean traders. The overheads are lower than in the pork braai sector and the gizzard traders have greater spatial flexibility, using portable and smaller braai stands. Braaied Gizzard B described an incident where Shoprite started selling braaied gizzards at a discounted price but stopped trading when the gizzard traders, with the help from members of the community, protested and boycotted Shoprite. This case indicates the intention of Shoprite to constantly expand its market share, encroaching into traditional township foodservice. Over the past year, much (horizontal) competition has arisen between the gizzard braaiers situated outside the malls, a development which highlights the fragility of informal markets to overtrading. Braaied Gizzard A described how she used to make R2000 in profit per day when she was the only trader selling braaied gizzards, but now, due to competing gizzard businesses, she only makes between R500 and R600 a day. The business of Braaied Gizzard C was struggling: ***"The market has drastically changed and we have taken a big knock. There are so many people doing the same business close to each other. Competition has become so tough"***.

The informal fast food businesses situated within in the precinct sell a range of foods which reflect cultural preferences and styles. In general, these foods differ from the fast-foods obtainable at the malls and in supermarkets. As Fast Food A reports, ***"The business is able to make much profits – especially on weekends and month ends… I do not get affected by corporates because I do different foods from the one they are doing. Most of times I cook traditional foods"***. But these businesses are impacted by formal retailers, both directly and indirectly, in ways that enhance and detract opportunities. As we have already noted, supermarkets have sought to enter the market for traditional take-aways by selling items such as *amagwinya*. Fast Food D, who also sells amagwinya, exclaims, ***"They are tripling what I am doing. You can't compete with a brother when you are a***

baby!". Yet for some of the food traders situated close to the malls, including those operating from the Philippi Village, the employees working in the mall provide a client base. As Fast Food E reported, her main customers ***"… are females from local banks working in the Shoprite mall complex, like Nedbank and Capitec staff come there daily for breakfast and lunch".*** Selling traditional or cultural cooked foods permits micro-entrepreneurs to differentiate their products from competitors and corporate fast-foods.

There are small clusters of fruit and vegetable traders situated outside the malls. Although they sell products obtainable within the mall, and hence compete directly with supermarkets, the business offers a qualitatively different service. In price terms, the street traders struggle to compete, as Fruit and Vegetable E states, ***"the Goal supermarkets does affect us, people buy from them saying Goal is cheaper than us"***. In comparison to the meat braaiers, profits can be low, as Fruit and Vegetable D explains, ***"We do make profits in the stand but sometimes it comes slowly like in middle of the month,"*** and Fruit and vegetable C, ***"I mostly surviving on weekends in these times, or from people going to or from work. In the middle of the month at times we only working for capital and money to go stock again"***. We noted that there was no price competition between traders. It was also noted that the majority of green grocers are from Lesotho, who, we learned from informal discussions, use their social capital to work together, as Fruit and Vegetable E explains, ***"There is another Basotho stand, same as us, next to us, but we do not fight them – if they do not have something or a stock we do borrow them and they can pay us later"***.

4.3. ADAPTIVE STRATEGIES

Street traders adopt a variety of trading strategies to give them a competitive edge. As we have pointed out, there are clear spatial distribution strategies of informal food trading, with nodes of activity where a certain type of food is sold. The best example of this is the cluster of pork braaiers located along New Eisleben Road **(see Figure 3)**. Fruit and vegetable businesses and braaied gizzard businesses are positioned around entrances to the supermarkets **(see Figure 4)**. Cooked food businesses have relatively complex spatial requirements, which typically require that the business operates from a structure.

The food traders within the mall node operate in conditions of extreme spatial limitations, having to share space with other traders and pedestrians; partly for this reason, merely a few businesses have tables and chairs to enable sit-down eating. In the case of Goal, a couple of fast food caravans are situated on the adjacent street verge, but such spatial opportunities are absent in other nodes. The "Container Walk" at Philippi Village (a container complex) accommodates a number of fast food outlets, whose businesses benefit from the close proximity to Shoprite mall. Away from these nodes, we identified a loose concentration of food sellers along Sheffield Road, operating from shacks and situated in between the hair salons which agglomerate in this particular locality. Whereas the businesses in Sheffield Road draw on the synergies of the other street businesses, some fast food traders have positioned themselves in a particular area to target pedestrian flows rather than locational advantages.

For example, Fast Food A situated the business at the entrance road to Marikana informal settlement: ***"people go to work and from work, so then they will buy food from me"***. Spatial strategies extend to the virtual realm. Hence traders have established WhatsApp groups with their customers to let them know about specials and menu changes. Fast Food C provides a regular update service and also has an active Facebook page where she advertises her business.

The street businesses selling cooked and braaied food place a significant value on the cultural distinctiveness of the product to maintain a competitive advantage. As Braaied Meat E explains, ***"People in the township enjoy pork and so the malls and fast food joints like Hungry Lion can never touch me as they do not specialise in that kind of kasi [township] food"***. Some pork braaiers claim that their use of unique spices gives them an edge, ***"my pork is affordable and fresh and what makes me different is my spice is very nice"*** (Braaied Meat C), while other braaiers use discounting strategies such as Braaied Meat E, ***"I do the 'pasella' piece where a customer gets a free piece for every R50 that they spend"***.

At each stand, traders set-out their meat out on a table so that customers can choose exactly which piece they want to purchase. Some traders, such as Braaied Meat D, have started accepting advanced orders by phone. For all traders, trading times are flexible according to the busyness, ***"We start at seven in the morning and the time to close will depend if it's busy,"*** (Braaied Meat B). We learnt that a group of traders had worked together in sourcing meat and on one occasion they boycotted the supplier (a farm) until the farmer agreed to drop his prices. All the pork braaiers interviewed sell pork chops at a variety of prices to suit different needs, starting at around R5 for a chop, ***"Pork varies from R10, R20, and R30. We also sell R5 pieces since we want to accommodate the poor people and school children,"*** (Braaied Meat A).

Fruit and vegetable sellers provide households with relatively affordably priced and conveniently located sources of fresh produce. Although many households buy vegetables monthly in bulk from supermarkets, the food traders allow households to continue eating fresh produce after their bulk produce has run out. They also offer pedestrians a very healthy, convenient and cheap snack that can be eaten on the move or taken to school or work. Many fruit and vegetable traders keep a bottle of clean water behind the stand to clean the fruit and vegetables with in case customers want to eat it immediately.

Figure 3: Along New Eisleben Road, pork braaiers have established a unique destination.

Figure 4: Traders selling fruit & vegetable and braaied gizzards, situated closest to malls.

Source: Sustainable Livelihoods Foundation

4.4. CONSUMER INFLUENCES

The extent to which households purchase street food varies by product. Fruit and vegetables and braaied meat are purchased by 78% of households. Fruit and vegetable businesses are frequently patronised: 70% of households purchase on a weekly basis and 21% on daily basis. This does not mean that street traders provide the bulk of supplies. On the contrary, it seems that most households conduct bulk purchases of certain fresh produce from supermarkets (such as onions and potatoes) and rely on the street traders for small amounts of "top-up" fruit and vegetables: ***"I buy only a few items, when my veg from Goal has finished"*** (Consumer 26). In purchasing from street traders, consumers considered the price of smaller quantities to be cheaper, whilst recognising the convenience from shopping locally: ***"Maybe I want to buy only one apple, therefore I won't go to Shoprite for it"*** (Consumer 20). The proximity of traders and the affordability of small amounts are especially relevant for fresh produce as it has a very limited shelf-life, requiring consumers to constantly replenish items, an important consideration for households who do not own a fridge and need to consume fresh produce very soon after it is bought **– *"Sometimes it is too expensive at the big shops because you need (to buy) this veg every day"*** (Consumer 18).

Our analysis of the consumer data found that higher earners (>R7000 pm) purchase street braaied meat more frequently. For households with disposable income, street food is considered to be a unique fast-food that satisfies a particular craving. Interviewees spoke about their ***"craving for braaied meat***" (Consumer 26), the fact that they ***"love the taste"*** (Consumer 102), and choose it ***"for a change"*** (Consumer 57), or to ***"indulge when I have money"*** (Consumer 71). Some interviewees also noted the convenience of street food, saying they purchase it ***"when I feel lazy to cook"*** (Consumer 37), and ***"it's a quick and easy meal"*** (Consumer 81), while others emphasise the cultural importance of street braaied meat as ***"township lifestyle"*** (Consumer 38).

Despite its popularity, only 50% of households purchase informal fast foods. Some said that they "***prefer my own cooking"*** (Consumer 3), some felt ***"it's a waste of money"*** (Consumer 16) and some interviewees felt that the food was unhygienic or unhealthy. It is unsurprising that within the lowest income group, a high portion of the respondents don't buy fast food at all. In contrast, a comparatively higher proportion of low-income groups buy raw meat from street traders than the middle and upper tiers, and purchase it more frequently. Some prefer buying offal (tripe) from street traders because it is considered to be fresher than products from supermarkets. The slaughtering of animals on the street, which occasionally happens, appeals to certain shoppers: ***"Because it's slaughtered live in front of us so we are certain of what meat we buy,"*** (Consumer 10). Tripe is much demanded and, like braaied meat, is associated with a particular craving, ***"we buy it sometimes if we craving for it"*** (Consumer 93), ***"the family loves offal"*** (Consumer 37), and ***"I like tripe and it's only available at the street traders"*** (Consumer 16). The majority of high-income earners (70%) and middle- income earners (64%) never buy raw meat from traders, believing that the meat is unhygienic, unappealing, unsafe or of poor quality. They prefer buying meat from supermarkets or formal butcheries. In the words of the interviewees: ***"The streets are not right. You don't even know how do they keep it clean. It's just not for me"*** (Consumer 27).

Many participants also suggest that they do not trust the meat traders: ***"It is hard to tell if what you buy is what they say it is"*** (Consumer 99), and ***"I don't trust them at all"*** (Consumer 55).

5. SPAZA SHOPS

5.1. SPATIAL DYNAMICS

Spaza shops sell identical food products to those found in supermarkets, only in smaller quantities **(Figure 5)** adapted to the cash flow specificities of their clients. Spazas essentially operate as tiny 'satellite' supermarkets. In addition to groceries, some shops sell small amounts of fresh fruit and vegetables, though the spatial arrangement and architecture of most shops in the research site are not conducive to product inspection with customers unable to browse or inspect products prior to purchasing. In some cases, transactions occur through a small window which, in turn, limits the visual connection between the shopper and stock. We identified 12 shops situated within the study area; see **Map 12**.

The number of shops within these settlements is unsurprising and confirms to the spatial logic in which spazas are positioned within neighbourhoods (Charman, Petersen & Piper, 2012), with each shop aiming to serve a narrow geographic niche market, which usually extends in scope for one or two streets surrounding the shop. In a survey of spaza shops within the broader Browns Farm area (of which the precinct abuts), Charman & Petersen (2015:25) found that there were 1.29 spaza shops per 100 households. Since the shops are situated in close proximity to people's homes, the transaction costs of shopping at spazas are lower relative to supermarkets (as consumers do not have to pay for taxis).

Most shops trade for longer hours than supermarkets, staying open in the evenings until 9pm or 10pm to accommodate residents who require top-up shopping. Transactions are cash based and no receipts are given (which means, on the downside, that there is no traceability to transactions). The most common food items bought from spazas are bread, milk and cool drinks, while other frequently purchased items include tea bags, soup, frozen chicken pieces, sausages, dry and tinned foods and snacks, such as sweets, chips and biscuits.

Spaza B sold a range of products for, in his words, 'school lunch boxes' which include a juice (R7), a Taxi chocolate biscuit (R1), a polony slice (R1), a cheese slice (R2) and half a loaf of bread (R6.50). Spaza shops are the sole suppliers of (illegal) cigarettes and some of the shops (especially those run by South Africans) sell liquor products (mostly illicitly). Although the selling of alcohol without a license is illegal and could result in the spazas getting arrested, prosecuted, fined or imprisoned, this high-risk strategy gives spazas a competitive edge in the absence of formal bars and taverns.

5.2. CONSUMER INFLUENCES

Households in the precinct purchase from spaza shops on a regular basis: 74% of households report that they buy food items from spaza shops, whilst 25% buy food from spazas daily and 29% weekly.

Households report spending on average R410 on food from spazas per month, with most purchases undertaken to buy small quantities of "top-up" or "emergency" items. Many respondents describe how they mainly use spazas when they run out of basic food items which they refer to as "top-up" shopping. Just under one third (27%) of households do not shop at spazas; this is due to the perception that spazas are more expensive than supermarkets. The respondents gave two other reasons people oppose shopping at spazas: one is that some food items are thought to be past the expiry date, a second is that some consumers think that the spaza shops do not stock a large variety of items or brands.

There is a debate on the role of consumer credit in the spaza business model. Whilst certain researchers emphasise the importance of credit in improving accessibility to food (Cook, 2012; Battersby & Peyton, 2014), others found that credit is only afforded to select customers, such as old age pensioners (Charman, 2012). Our research found that the provision of credit is indeed highly restricted: 9% obtain credit "often", 13% obtain credit "sometimes", and 78% say that they "never" obtain credit. Consumers within the lowest income group (below R2500 pm) are more likely to obtain credit from spazas, though our research confirms the cautionary note that credit is restricted to customers with a lower risk profile (such as female pensioners). Some spazas say that as a matter of principle they don't allow credit because, in the words of Spaza B, ***"you [your business] can die quick"***.

Food hampers are obtainable from some of the spaza shops. Given the close proximity of the residential areas to supermarkets, we were surprised to find that 38% of households purchase hampers from spaza shops instead. The main reasons for this shopping practice, we learnt, was that the hamper prices from spazas and supermarkets are considered to be comparable in price and quality of products and the spaza hampers were preferred since the shoppers could simply carry the heavy hamper home and thus avoid having to paying for a taxi if purchasing from a supermarket. It is important to note that respondents said that they would make their purchasing decision on the basis of advertised hamper prices and would only buy from spazas if the hampers were either cheaper or matched in price.

5.3. COMPETITION

The consumer survey data confirms that spaza shops in Philippi East are generally not under threat of eradication by large supermarkets. Spatially, spaza shops and supermarkets operate at different levels, with spazas responding to consumers' needs at the most local level. The mapping of spaza shops (**see Map 12**) illustrates the locational proximity of spaza shops. Supermarkets attract customers from a much larger area and are located further from residential areas and closer to major roads. Thus in spatial terms, there is little competition between the spaza shops and supermarkets in the precinct. Through our qualitative discussions with spaza shop-keepers, we heard that supermarkets were nevertheless impacting on their businesses through discounting (price competition). The shop-keepers we interviewed claimed that their business were operating before the establishment of Shoprite and Goal, the two supermarkets that present the greatest perceived threat (Spar is not perceived as a threat). Spaza A felt that Shoprite is the biggest

competitor to their business, Spaza D is most concerned about Goal, while Spazas B and E claim that all the large retailers' present competition.

For Spaza D, the competitive threat from Goal became a concern when they ***"flooded the settlement with flyers showing low prices"*** which affected the business badly. The spaza sector responded by constantly monitoring Goal's prices. Spaza E expressed concern with the supermarkets' marketing strategies and low prices, ***"the big supermarkets are using all forms of marketing to up their sales and this is giving small businesses a big challenge."*** While Spaza E claims, ***"there is nothing we can do to challenge the big supermarkets"***, he also says ***"it's both a benefit and a cost to have these supermarkets around – it is a big benefit because we do not have to go far for stock and we do not have to spend a lot on transport to bring the stock as Goal, Jumbo and J&K are walkable".***

Spaza E feels that the biggest competition is from other spaza shops in Phola Park rather than supermarkets because, as spazas, they sell much smaller quantities of what supermarkets sell (and are therefore targeting a different type of shopping need), ***"There is no way of regulating prices in Phola Park. Each one puts their own mark-up price because as shop owners we don't buy from the same suppliers."*** Spaza A in Better Life reported that to mitigate competition between spazas, some of the shop-keepers had an informal system of price-fixing, ***"if one shop was cheaper, the shop-keepers would then call a meeting with the competitor and request them to rectify their prices"***. In support of this claim, Spaza B (also in Better Life) reports that there is little competition ***"because we stock at the same places and have the same specials"***.

Map 13: Locations of spazas referred to in consumer survey. Source: Sustainable Livelihoods Foundation

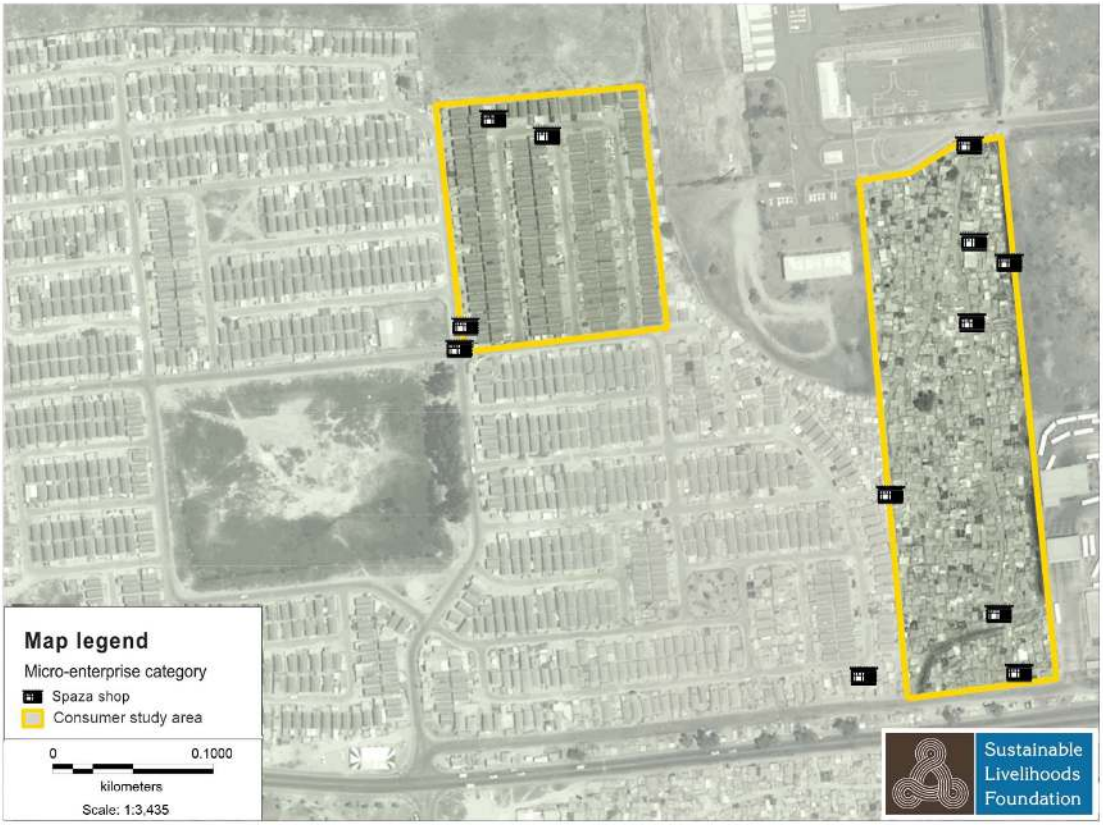


Figure 5: Spaza shops sell a similar range of foods to supermarket.

Source: Sustainable Livelihoods Foundation

5.4. SUPPLY LINKAGES AND SYNERGIES

Spaza shops have adapted to the encroaching corporate food system and show considerable resilience. One strategy that enables spaza shops to remain competitive is the strengthening of links between the shops and formal retailers, particularly in relation to the sourcing of stock and thus, notably, the wholesalers. Within the precinct, spazas shops can access three supermarkets, four wholesalers and two large butcheries. A close relationship between some spazas shops and wholesalers has emerged. These spazas are not merely sourcing stock from formal retailers, but are engaged in partnerships with the formal retailers. We first identified this relationship in 2013 when undertaking research in Sweet Home Farm (personal communication, A. Charman), with the arrangement identified in other sites. In terms of these partnership 'agreements', the wholesaler produces a flyer each month of the product / price specials obtainable from a particular store. The name of the store is included on the flyer. It is interesting to note that the legal identity of the supporting wholesaler is obscured behind scheme names such as 'Super 11' (for Jumbo) or 'Super Rainbow Stores' (Cape Cash and Carry) as found in the site. The flyers present consumers with a legally binding offer which is valid for a specific time frame; usually one week. There is thus a clear contractually binding relationship between the spaza shop and the wholesaler wherein the latter operates as an agent for those products and prices listed within the flyer. The agency relationship is focused on the selling of month-end hampers and specials by spazas.

Spaza owners engaged in these partnerships reported that the wholesaler prints out 200 to 300 pamphlets monthly, advertising the hampers and specials **(See Figures 6-7)**. The pamphlets always advertise the price of two different sized hampers (5kg and 10kg) and a variety of individual items on special. In the case of Spaza B and E, who partner with the same wholesaler, the pamphlets are identical, except for the spaza name in the top right corner. All the hampers contain the same five items sold in supermarkets. As with supermarket hampers, the overall price is determined by the different brands used and it is often less popular brands of sugar and cooking oil that are used to bring down the overall price. Generally, the prices of hampers from spazas (those within an agency like arrangement) are very competitive and often cost less than the equivalent hampers at Goal, Spar and Shoprite. The price data of hampers from 5 sources of supply is shown in Annex 1. Each spaza independently sources its stock, with the different shop-keepers procuring stock from a range of suppliers. Spaza A gets stock from Cape Cash and Carry who gives them 300 flyers a month to sell hampers. Spaza A sells around 20 hampers per month. Spaza B and E buy stock from Jumbo (owned by Massmart/Walmart) who gives them around 200 flyers a month and they each sell around 15 hampers a month. Both spazas also buy stock from other wholesalers, including Goal and J&K but obtain their hampers (and specials) from Jumbo. For Spazas D and E, since Goal is seen as a major competitor, the shop-keepers first conduct a price check before purchasing the hampers so as to ensure that their hamper prices are no more than R15 higher than at Goal (to offset the cost of a taxi that customers would have to pay). Spaza D mostly buys stock from Goal but also uses J&K, Jumbo and Cape Cash and Carry. It is not clear whether Spaza D gets pamphlets from a wholesaler. Spaza C is the only spaza that doesn't sell hampers (because staple foods are not their main seller). The operator gets his stock from a variety of places including (informal) wholesalers in Mitchell's Plain, Epping Market, and County Fair in Epping.

Figure 6: The front of two identical 'agency' pamphlets.

Figure 7: The back of two identical advertising pamphlets.

Source: Sustainable Livelihoods Foundation

On the whole, the spaza entrepreneurs seem confident that their survival is not directly under threat by supermarkets. As Spaza D explains, ***"The role of the Spaza is to provide a service, a great convenience, and when I close for two hours to do purchases, the people complain. I don't go to bed without R2000 from the shop daily."*** Spaza E explains, ***"The spaza is more than just providing a service. It's about building relationships – this is what keeps customers coming. It is also about convenience – the big shops close early and spaza shops then play an important role for township residents."***

6. DISCUSSION

The Philippi East precinct illustrates the extent to which the corporate food sector can penetrate township environments in South Africa. Our case site presents an example of an area in which there are low spatial barriers to access formal sector food retailers (in both relative and absolute terms), a situation which is atypical in the township economy where residents are often spatially disconnected from such businesses. The high occurrence of supermarkets and formal food retailers within the precinct creates an important retail hub of food, attracting shoppers (and traders purchasing stock) from the wider-Cape flats region. In theory, the Philippi precinct should provide excellent opportunities for informal micro-enterprises due to the high volume of shoppers within the precinct and the potential for spatial exposure along the high streets that crisscross the site, connecting disparate communities to the north and south, east and west.

With this geospatial framing, the core objective of the research was to understand how the agglomeration of formal retailers within the precinct has impacted on local informal businesses (and household procurement decisions) in complementary or contradictory ways, producing positive or negative outcomes. To address this research question, we have applied a spatial lens to understand some of the mechanisms which shape and impact business opportunities for micro-enterprises. This framing has enabled us to characterise the spatial distribution of micro-enterprises along the high-street; to document street business strategies including infrastructural responses; to identify concentrations and clusters of business activities in nodes and, in turn, to explore spatial influence on business activities within these nodes; and to investigate household purchasing decisions and thereby the linkages between households and grocery retailers / street traders at both the neighbourhood level (down to the micro-context) and area level (the Philippi precinct). Whilst the study area might be regarded as non-characteristic of township settings, which limits the degree to which our results in their entirety are generalizable, the specific spatial influences we have identified and analysed are broadly relevant to other township settings.

The research has five main findings: First, there are few food based informal micro-enterprises operating from the high street, in absolute numbers and relative to other traders. Second, although shopping malls and formal retailers stimulate business opportunities for street trading in spatially adjacent nodes, food trading micro-enterprises are marginal within these spaces. Third, the most dynamic street food businesses sell take-aways and prepared cooked meals and operate in nodes spatially independent of the malls / retailers.

Fourth, spaza shops remain an important component for household supply and have succeeded to withstand the price discounting practices of supermarkets within the precinct, despite their close proximity of these outlets. Fifth, much of the business competition occurs horizontally between businesses operating at the same scale, whereas the competition between large and micro-enterprises is muted, with spatial logics fulfilling an important influence in limiting the competitive reach of large retailers. We now provide additional insights on these five main findings.

6.1. UNDER-PERFORMING INFORMAL ECONOMY

On the high streets within the precinct we identified 378 informal traders, 109 (29%) of which were selling food (including grocery items, fruits and vegetables, snacks including sweets, beverages, takeways and cooked-foods). The low occurrence of food retailers is surprising, given the role of the precinct as a centre for food retailing and the expectation that around 54% of all township micro-enterprises are engaged in food related activities (Petersen, Charman & Kroll, 2018). Just over two thirds of the micro-enterprises (69%), moreover, are engaged in selling braaied meat or cooked meals, activities in which the majority are spatially disconnected from the formal retail businesses and situated in independent nodes. It is clear that the concentration of formal retail businesses within the precinct has not engendered inclusive business opportunities for street based micro-enterprises to trade in food products. In other words, the relationship between formal retailers and street traders does not foster economic inclusivity in the relationship between formal retailers and street traders. It is important to note that we found no evidence (from visual data and qualitative interviews) of informal micro-enterprises going out of business as a result of competition from the large retailers. The traders that operate within the nodes adjacent to the formal retailers commenced trading in these sites as a consequence of the establishment of the formal retailers.

We can merely speculate on why the Philippi precinct high streets are under-performing as an informal market. One reason might relate to the absence of enabling infrastructure in public spaces along the high street, such as shelter, storage for goods and access to water and electricity. Another reason might relate to the insecurity of land use rights within public space which, for example, discourages traders from establishing fixed infrastructure and investing in (better) trading facilities. Possibly the main reason might relate to the corporate control within the greater food system, wherein informal traders are simply unable to access upstream supplies (from factory or farm gate for example) and/or can only access products on substantially inferior terms / prices which would render the business non-competitive against large retailers and supermarkets.

Finally, the relatively low numbers of food retailers might reflect an ‘entrepreneurial’ problem, with South African entrepreneurs slow to appreciate the market opportunities and less willing than immigrant entrepreneurs to embrace risk and experiment with new products. It is telling that many of the street-braais and food retailers operating within the retail nodes are recently established businesses, operated by immigrant entrepreneurs. This is a topic which requires further research.

6.2. RETAIL NODES OF MARGINALISATION

We studied the spatial dynamics of business activities in three nodes, using geospatial maps, photographic visual data, architectural drawings of the retail footprint, parking set-up and traffic movements, along with qualitative interviews and ethnographic observations.

The three nodes are situated outside the shopping malls which house the three major supermarkets: namely, Shoprite, SuperSpar, and Goal. These nodes accommodate a range of informal micro-enterprise activities, including transport services in the form of sedan taxis. In each node, the informal micro-enterprises are spatially segregated from the shopping malls, situated outside the perimeter fence of the mall on the street pavements. In these street positions, most of the traders occupy trading stands in contravention of the CoCT by-laws on street trading (these are detailed in the Sustainable Livelihoods Foundation, 2018 report). Stands are situated as close as possible to the path of pedestrian movements with the result that much of the sidewalk is occupied with trading stands. The pedestrian routes connect nearby neighbourhoods such as Phola Park and Better Life to the malls, though shoppers travelling from further afield tend to access the malls by taxis or private cars. No trading is permitted within the grounds of the malls. In case of the Goal mall, a concession has been afforded to informal taxis (the Cressida sedans) to operate from the parking lot since access to public transport is essential for consumers when conducting bulk shopping.

We have argued that the street traders within these nodes are spatially marginalised in the sense that, first, their rights to trade within the nodes are insecure, second, none of the malls have accommodated micro-enterprises within the design, third, there are no public facilities for street trading, and fourth, the street space is highly congested and contested between street traders (themselves), taxis / shopping and pedestrians.

There are few micro-enterprises selling food within these nodes. This reflects both the spatial constraints outlined above and the challenge to compete with formal businesses (including supermarkets) on price terms. Within the nodes, we identified two groupings of food traders: on the one hand, traders selling a combination of fruits and snacks, on the other hand, traders selling take-away foods, especially braaied meats. Both groups are adept at responding to spatial cues at the most local level, operating businesses from small area stands ($1m^2$) and positioning their business within the pedestrian corridors.

Street traders have to engage a highly flexible business approach and infrastructural set-up. Fruit and snack traders sell similar products to those obtainable in supermarkets, though they are able to sustain their businesses through selling smaller quantities (at lower unit price points) and by providing a more convenient service to shoppers departing from the mall on their outbound journey. In the case of chicken gizzard braaiers, apart from one incident where Shoprite tried to compete directly with this product, there is no direct (horizontal) competition with the formal retailers, though competition between traders has reportedly increased as new entrants have set up businesses within the node.

6.3. AUTONOMOUS NODES OF INFORMAL FOOD SERVICE

The research identified spatial clusters of micro-enterprises selling braaied pork and cooked food along New Eisleben Road and Sheffield Road respectively. Important food trading nodes have emerged in these two sites. The two nodes are spatially independent (and separate) from the formal retail nodes and attract a unique customer base, which includes destination shoppers, residents of adjacent residential settlements and pedestrians. The traders self-created these business nodes in contravention of City of Cape Town (CoCT) by-laws and have no legal access to public infrastructure and utilities nor tenure security.

Unlike the retail nodes where non-food traders predominate, the New Eisleben and Sheffield nodes are characterised by the agglomeration of micro-enterprises selling specific food products (braaied meat and cooked meals). The traders have devised strategies for managing competition amongst each other (such as using unique spices, building relationships with customers etc.), to benefit from the node effect of creating a destination where customers are afforded access to a particular food service from diverse businesses.

Traders selling braaied meat sell a product steeped in cultural significance (via the open fire) and responsive to consumer taste preferences. As indicated, these traders experience greater competition from each other than from formal fast-food businesses. Some pork braaiers also sell raw meat, often the innards or offal. Most braaied meat traders buy their stock from supermarkets and wholesalers within the Philippi East area. A small number of braaied meat traders buy live animals from farms outside of Cape Town. Cooked food traders sell specific products that speak to cultural preferences and satisfies a particular craving. For the most part, cooked food traders do not feel threatened by supermarkets as there remains demand for the uniqueness of their products.

Although we found evidence of supermarkets encroaching into traditional food markets, we learnt that shoppers prefer informal suppliers. In the case of the Philippi container mall, the cooked food traders provide meals to the pedestrians on route to and returning from the mall as well as the employees working in businesses in the malls who prefer traditional meals. This case highlights the importance, from a land development perspective, of ensuring the inclusion of business opportunities for informal foodservice within malls.

6.4. SPAZA RESILIENCE

Spaza shops are positioned in close spatial proximity to households and are therefore distributed throughout residential settlements. Spaza shops sell similar (though much fewer) items to the supermarkets. In the context of supermarket price discounting and the fierce competition amongst the formal retailers for monthly purchases of food staples, we anticipated to find evidence of a negative impact on spaza shops. Our research sites (in which we conducted qualitative interviews with spaza shop-keepers and the household consumer survey) were located within walking distance from the supermarkets. We found that households access 65% of their food (in value terms) from supermarkets positioned within the precinct.

The establishment of formal retailers has therefore minimised outshopping and the associated transaction costs, such as transport, and potentially resulted in a loss of business to spaza shops, though evidence is not conclusive. We can confirm that affordability is a major determinant of people's shopping choices, with the survey data showing that people are highly sensitive to market trends and make shopping decisions in response to the price competition between retailers. We found no evidence of spaza shops in the research sites which had closed down as a consequence of supermarket competition. Although some of the shop-keepers spoke of a loss of business from price discounting, all of the shops we surveyed appeared to be sustainable.

We identified three businesses strategies which have enabled these shops to remain profitable. The first is their spatial position close to households, extended trading hours and selling 'top-up' items, a finding which has been widely reported.

The second is their embrace of informality to enhance competitiveness through, for example, the sale of illicit products (contraband cigarettes, pharmaceuticals etc.) which are unobtainable from supermarkets, or the illegal sale of liquor products which would otherwise require a specific licence. These strategies have also been previously reported. The third strategy (which, in contrast, has not been well documented) is the development of an 'agency' relationship with large formal wholesalers. We have argued that these relationships between wholesalers and spaza shops constitute a legal agreement to collaborate in business, with binding commitments on both the supplier and seller. As a result, spaza shops serve as agencies, on-selling the products specified in each monthly special, as indicated on a pamphlet which is produced by the wholesaler and distributed within the community.

The wholesalers wield power in this relationship as these businesses determine the brand, composition of the hamper, set the price and specify which other products are to be promoted, thus placing pressure on the shop-keeper to stock certain items/brands. Such 'agency' relationships have enabled the spaza shops to access food hampers and other high demand items at a sufficiently low costs to enable the shops to compete with the discounting strategies in supermarkets. The shops have no influence in the configuration of the hampers. It is worth restating that all of the identified spaza shops which had entered into these 'agency' relationships were South African run businesses. Without such relationships, South African spaza shops have (historically) struggled to compete against immigrant run shops through price discounting, in part because most South African spaza shops are much smaller businesses and in part because South African shop-keepers have comparatively weak networks and don't collaborate in collective purchases.

A final point in our consideration of spaza resilience is the subject of credit. Whilst many studies claim that credit is an important benefit provided by spaza shops, our research found the majority of spaza consumers are unable to access credit.

6.5. COMPETITION

Within the precinct, there is price / product competition both amongst formal retailers (horizontal) and between formal retailers and informal micro-enterprise (vertical). The evidence indicates that the horizontal competition amongst retailers has had a greater impact on food affordability (through altering price and quality), than the vertical competition which is spatially constrained. The formal sector businesses are preeminent. As already noted, households situated in the precinct spend 65% of their monthly food budget at supermarkets and whilst street food businesses and spaza shops receive around 35% of household food expenditure, these informal businesses obtain most of their supplies from formal retailers. This means that supermarkets benefit at multiple points in the food supply chain. We have noted that there are few informal micro-enterprises selling food within the three main retail nodes. The greatest competition within the precinct does not occur between large and micro enterprises (or businesses position at different vertical points within the food system value chains), but between businesses of the same kind (and hence similar value chain characteristics). The informal micro-enterprises compete within narrow or circumscribed nodes. As these nodes are spatially disconnected, the braaiers situated outside shopping malls have no competitive relationship to the pork braaiers situated within a node on New Eisleben Road.

Within the retail nodes, the markets can become saturated through over-trading and are, in any case, vulnerable to direct competition from retailers. Formal businesses compete at the wider precinct level. Residents access these businesses via pedestrian pathways and motor vehicles, especially the informal taxis. One business, Goal supermarket, has recognised the need to accommodate informal taxis within the shopping system through providing taxis with a dedicated parking bay outside the store entrance.

The supermarkets in Philippi compete for customers. One of the main competitive strategies is the promotion of monthly specials. These strategies target poorer households who typically undertake a bulk shop at the month-end, which often includes purchasing a food hamper. The non-poor shop more frequently from different retailers. Apart from gaining price discounts on select items, it is questionable whether poor households benefit from supermarket competition since most report that they purchase their food supplies from the same retailer on month-end. Furthermore, it should be noted that price factors alone do not determine shopping strategies. The Philippi case shows that the accessibility to food retailers is subject to considerations at the micro-context, such as safety (the absence of crime or opposite situation), the availability of public transport (or absence thereof) and the range of complementary services provided within nodes, to list some of the variables we identified. When households take into consideration these micro-context factors, their range of shopping options narrows, so whilst residents have access to multiple formal retailers there remain barriers to accessing the competitive advantages.

A further obstacle to benefiting from supermarket competition pertains to the subject of product / price comparability. Though all the supermarkets promote monthly product specials, the products under promotion are often for different brands (and potentially non-comparable qualities) and thus shoppers are unable to assess the comparative values in these specials. This finding seems to be applicable to food hampers. We recommend additional research on this topic.

Despite the dominance of formal retailers in household food baskets, there remains demand for informally supplied foods. Residents continue to support informal businesses. These businesses are spatially situated along sidewalks and street verges, thus they are accessible to residential areas. These informal businesses tend to operate at times of peak demand, including times when formal retailers are closed, in the early morning and late evening. And finally, informal businesses remain competitive through selling food in forms and formats which are relevant, affordable and culturally different to corporatized retail.

7. CONCLUSION

Our research shows that spatial factors have a strong influence on the business opportunities for informal businesses within township shopping precincts that accommodate formal food retailers and supermarkets in particular. The research examined one such precinct which, whilst possibly unique in its concentration of large size food retailers, relates to the situation of high street shopping malls which now exist in most townships.

We utilised a range of spatial lenses to examine food-retailing business and consumer practices at multiple levels, including the area wide level, defined by four high streets, and the higher resolution of the micro-context level of street based traders who operate outside the entrances to shopping malls. This methodological approach enabled us to investigate precise spatial influences. Whilst some of these influences have been noted in prior studies, our research provides detailed evidence to substantiate our claims and interrogate existing arguments within the literature. The evidence comprises geospatial mapping, diagrams of market spaces, a qualitative census of street food traders, a survey of 100 households who reside within the precinct boundaries, and qualitative interviews with street food traders in a range of sub-sectors and photographs.

Over the past decade, the township food retail economy has been most profoundly influenced, at the area wide level, through the expansion of large shops and supermarkets, and at the neighbourhood level, through the dominance of immigrant shop-keepers who now operate business which are much larger than the historic spaza shops that pioneered the emergence of neighbourhood businesses. Whilst these economic processes have impacted on both consumers and street trading micro-enterprises, the nature of the impact is a subject of considerable debate. The supporters of supermarkets and larger spaza shops argue have argued that consumers have gained through the resulting improvements to food affordability and food accessibility, including having access to a more diverse range of foods. The detractors have argued that these larger businesses have each, in their own way, impacted on smaller competitors, forcing some out of business altogether. Our findings suggest an alternative, more nuanced, outcome of losses and opportunities.

We have highlighted five specific spatial determinants of the impact resulting from the consolidation of large retailers within the precinct. First, there are few food based informal micro-enterprises operating from the high streets, in absolute numbers and relative to other traders. On this point we

conclude that formal food retailers shut out opportunities for micro-enterprises. Second, although shopping malls and formal retailers stimulate business opportunities for street trading (especially benefiting non-food traders) in spatially adjacent nodes, food trading micro-enterprises are comparatively few in number and spatially marginalised in these nodes. This is potentially an outcome of inappropriate spatial planning and design, though the relatively low participation of micro-enterprise food retailers across the precinct suggests that fair competition is unattainable, apart from in the case of traders selling snacks, fruit and vegetables. Third, the most dynamic street food businesses sell take-aways and prepared cooked meals and operate in nodes which are spatially independent of the malls / formal retailers. There are weak synergistic relationships between these nodes and the retail developments. Fourth, spaza shops and street traders remain an important (though diminishing) component for household food supply, providing around 35% of household foods (in value terms). Our site includes several spaza shops operated by South African entrepreneurs who have successfully withstood the price discounting practices of supermarkets and larger spaza competitors within the precinct, despite their close proximity of these outlets, through forming into contractual arrangements with wholesalers to access products at competitive prices within reliable supply systems.

Fifth, much of the business competition within the precinct occurs horizontally between businesses operating at the same scale, whereas the competition between large and micro-enterprises is muted, with spatial logics fulfilling an important influence in limiting the competitive reach of large retailers.

Within our case site, formal retailers dominate the sale of food to consumers and the supply of food products to micro-enterprises. This is not to discount the resilience within the informal sector. There is evidence, in business strategies, of how micro-enterprises have succeeded to (re-)calibrate their businesses to withstand competition and/or benefit from formal retailers. The concentration of retailers within the precinct has fostered new opportunities for informal micro-enterprises, both within and outside of the corporatized food system. Yet, given the social and economic imperative of creating opportunities for township entrepreneurs, we need to pose the question whether micro-enterprises could fulfil a more extensive and/or qualitatively different role in supplying food under a more favourable policy environment? If so, what would constitute an enabling environment in terms of specific policy levers? These are questions that require further research and investigation. Our focus on specific micro-contexts presents a starting point for such an enquiry.

The strategically intended spatial exclusion of micro-enterprises from all of the shopping malls within the precinct suggests that better inclusion could be achieved through spatial planning instruments and participatory design which aims to include small businesses within malls as the end goal. Similarly, the autonomous functioning of street braai nodes and supply linkages outside the corporatized system presents an opportunity that should be nurtured (and protected, as in our case) through sensitive planning, supportive design and enterprise development support actions. Lastly, the supply linkages between the spazas and wholesalers shows how large businesses are able to align with informal micro-enterprises to extend supply chains into markets outside of regulatory controls. Whilst these supply relationships may simply pass price discounts onto consumers, and thereby enhance accessibility for some consumers, they might also reduce the autonomy of shops in product choice and business practices.

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ANNEX 1: HAMPER PRICE DATA

Table 2: Hamper price check for Malume Spaza and Ntlantla Spaza
Hamper: **R381**

ITEM	BRAND	QUANTITY	INDIVIDUAL PRICE
Sugar	Econo	10kg	116.00
Maize Meal	White Star	10kg	65.00
Rice	Spekko	10kg	98.00
Cake Flour	Sasko	10kg	77.00
Cooking oil	Econo	2L	30.00

Table 3: Hamper price check for eJonini Spaza
Hamper: **R384** + R5 free airtime

ITEM	BRAND	QUANTITY	INDIVIDUAL PRICE
Sugar	Best Choice	10kg	114.99
Maize Meal	White Star	10kg	64.99
Rice	Spekko	10kg	99.99
Cake Flour	Sasko	10kg	78.99
Cooking oil	D'Lite	2L	29.99

Table 4: Hamper price check for Goal
Hamper: **R459.95**

ITEM	BRAND	QUANTITY
Sugar	Selati	10kg
Maize Meal	White Star	10kg
Rice	Spekko	10kg
Cake Flour	Sasko	10kg
Cooking oil	Pan	2L

Table 5: Hamper price check for Spar

Hamper: **R339.95**

ITEM	BRAND	QUANTITY
Sugar	Savemor	10kg
Maize Meal	White Star	10kg
Rice	Allsome	10kg
Cake Flour	Spar	10kg
Cooking oil	Pan	2L

Table 6: Hamper price check for Shoprite

*The data reflects the individual prices of items sold on special as Shoprite does not sell hampers.

Individual items: **R499.91**

ITEM	BRAND	QUANTITY	INDIVIDUAL PRICE
Sugar	Huletts	10kg	149.99
Maize Meal	White Star	10kg	79.95
Rice	Spekko	10kg	129.99
Cake Flour	Sasko	10kg	109.99
Cooking oil	Crown	2L	29.99