For over 10 years, the African Centre for Cities (ACC) at the University of Cape Town has focused on urban food security. This research has consistently shown the importance of the informal economy in the urban food system, and particularly in the food security of poorer households. Three key research projects inform this brief, the earlier work carried out by the African Food Security Urban Network (AFSUN), and recent findings from the Consuming Urban Poverty (CUP) project and the Hungry Cities Partnership (HCP). This brief summarises findings relevant to informal economy advocates and researchers, in the hope of bolstering their work with additional evidence.

During the CUP project over 2,200 households and 1,200 food retailers were interviewed (between April 2016 and February 2017) in three secondary cities: Kisumu, Kenya; Kitwe, Zambia; and Epworth, outside Harare, Zimbabwe. In addition, nearly 4,500 traders were mapped as part of a retailer census in these cities. This extends and builds the evidence base generated through the over 6,400 household food security surveys conducted in low-income neighbourhoods of 11 Southern African cities by AFSUN in 2008/2009. AFSUN’s research was done in Blantyre, Malawi; Cape Town, Johannesburg and Msunduzi in South Africa; Gaborone, Botswana; Harare, Zimbabwe; Lusaka, Zambia; Manzini, Swaziland; Maputo, Mozambique; Maseru, Lesotho; and Windhoek, Namibia. This brief draws the findings from these interviews and surveys as well as other research, including that done by the HCP on informal food retail in Cape Town Kingston (Jamaica), Maputo, Mexico City, Nairobi (Kenya) and Nanjing (China).

Despite rapid supermarket penetration, informal food retail remains prevalent across the continent. It is a key source of employment, particularly for women. This brief highlights myths about the role of informal operators and challenges they face in production, distribution and consumption of food, and the governance of informal trade. It counterposes these myths with research evidence generated by the ACC and its associates. These are notions/statements that we have encountered – some implicit but many explicit – in our research, policy and advocacy work.

**Production**

**Myth: Urban food insecurity is due to insufficient food being produced, so policy focus should be on bolstering food production**

Research shows:

- Food is available in all the cities researched, food availability was not the problem.
- Formal and informal food traders use multiple local, national and international networks to ensure that food is available.
- Food insecurity is rather the result of the ability to purchase foodstuffs, which depends on income, the price of food and the location of food outlets.

**Myth: Urban agriculture is currently an important source of informal income generation and should be a focus of policy attention**

Research shows:

- Those who do grow their own food very seldom produce surplus to sell.
  - The CUP research found that less than 2% of households that grew food, sold the surplus they produced.
  - The AFSUN findings were similar, with the exception of Blantyre, where interviews were done in a peri-urban area.
  - Emerging work from the HCP research found similar figures.
- Livestock-keeping for income generation is even less prevalent. For example, in Cape Town, less than one percent of surveyed households reported keeping any livestock.
The prevalence and importance of urban agriculture is relatively low in poor urban communities. While these practices should be supported, they are unlikely to be a significant new source of income or informal livelihoods.

**Distribution**

**Myth:** Supermarket expansion inevitably displaces informal food retailers, since supermarkets satisfy all consumer needs\(^1\)

Research shows:

- Rapid supermarket expansion is indeed a reality, especially in Eastern and Southern Africa, and further expansion is expected in the rest of Sub-Saharan Africa. In many contexts however, formal and informal retail co-exist.
- The AFSUN research found that 79% of interviewees purchased from supermarkets, with most respondents reporting shopping at supermarkets once a month. In CUP cities, most interviewees reported patronising supermarkets. They were then asked what proportion of their food was purchased there – in Kisumu only 14% of respondents got more than half their purchased food from supermarkets, and in Epworth and Kitwe only 7% and 4% respectively.

**Myth: Low-income consumers prefer purchasing food in supermarkets**

Research shows:

- Nearly all households in the three surveyed CUP cities patronised the informal food economy. In Epworth this was as high as 79%, with over 50% doing so every day. In Kisumu and Kitwe over 70% of households purchased food from informal outlets more than 5 days in a week.
- 70% of households interviewed in AFSUN reported normally sourcing food from informal outlets. Nearly one-third (32%) said they patronised the informal food economy almost every day and nearly two-thirds (59%) did so at least once a week.

The existing evidence suggests that there was a pattern of bulk-buying staples from supermarkets and relying on the informal food economy for other foodstuffs.

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\(^1\) Block and Kouba (2006) for example, state that supermarkets are perceived as outlets with high quality, affordable goods, and variety; while Reardon and Hopkins (2006) suggest that supermarkets aid in increased food distributional capacity.

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\(^2\) This view that is often articulated in local government policy discussions about street vendors, justifying reduction in numbers.

**Consumption**

**Myth: Supermarkets stock better quality, cheaper food than informal retailers**

Research shows:

- Low-income households purchase food more frequently due to lack of, or unpredictable, income, lack of refrigeration and/or storage space, and using public transport or taxis, which limits quantities that can be transported.
- In addition, the urban poor continue to choose to source food in the informal sector, due to:
  - Convenient location. Informal food traders are often located at commuter points and mapping of informal food outlets shows how evenly distributed they are through urban settlements. Consumers thus do not have to incur additional transport costs to purchase food.
  - Appropriate quantities. Informal food retailers often “break bulk”, selling products in small quantities, which might be more expensive per unit, but is more affordable to the urban poor.
  - Credit. Informal food traders often offer credit, making it possible to buy food without cash in times of shortage.

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\(^2\) This view that is often articulated in local government policy discussions about street vendors, justifying reduction in numbers.
Myth: Food sold and/or made on the street is liable to be unsafe, due to being prepared under unhygienic conditions

Research shows:

- Levels of bacteria in street food have been measured in many urban areas across the continent. The results show that the prevalence of bacteria in street foods varies from high to low.³
- This research also shows that street food vendors can and do produce safe foods.
- A decisive factor in this is the extent to which traders have access to basic infrastructure (water and toilets) and trading infrastructure (shelter, tables and paved surfaces). This suggests that the more informal traders are incorporated into urban plans, the safer the food they sell.
- Training is also shown to be an important factor in securing low bacterial counts.⁴
- From a nutritional intake perspective, a review of 23 studies⁵ assessing the daily energy intake from street foods in adults ranged from 13% to 50%, and in children from 13% to 40%. Similarly, they calculated that street foods contribute significantly to the daily intake of protein, often 50% of the recommended daily allowance (Steyn, et al., 2013: 1).

Myth: Street vendors buy and sell illegal products

- All traders interviewed in the CUP research were able to offer very clear information on the sources of the food items sold in their outlets, and even contact details. These foods were sourced from a wide variety of places, often through formal middlemen, supermarkets, other traders and formal suppliers, or municipally-controlled city wholesale markets.
- Traders were very particular about quality and expressly chose not to sell poor quality goods.
- For many traders, food that was reaching the end of its shelf life was reported to be taken home and consumed by the trader, their family or wider network.
- Traders interviewed in the CUP surveys argued that if any illegal goods were on sale at their stores, they were not aware of this and that focus should be directed at the formal wholesalers who sold them the goods.

Governance

Myth: Informal food vendors engage in deliberate practices to avoid inspections and compliance with licensing requirements

Research shows:

- Not all traders operate with a formal trading licence. A number of respondents reported trading without a licence; 21% in Epworth, 16% in Kisumu and 39% in Kitwe. In Kitwe, however, traders at the municipal market sites said that they did not need a specific trading licence and that they instead pay daily fees. In all cities, the majority of informal food traders did have some sort of licence to operate their businesses.
- Despite this, law enforcement practices were questioned, with 39% of traders in Epworth saying that inspections were not done in accordance with their understanding of the law. In Kisumu this figure was 47% and in Kitwe 24%.

Myth: Informal food vendors don’t pay taxes

- The CUP research found high levels of permit payment and payment of other related taxes, including value-added tax. In Epworth and Kitwe, for example, 82% and 85% of traders respectively reported paying some form of permit or city tax. Over 60% of traders in each of the CUP cities reported paying VAT.
- Ease of payment to officials was a critical factor. Traders who could pay daily permits to officials while at their point of trade or to market officials reported far greater tax-payment compliance.

Conclusion

Informal food traders are key enablers of food access and food “utilisation”, and contribute to the stability of the urban food system. Compared to the formal sector, the informal food sector is significantly more adept and better equipped to respond to the needs of the poorest urban residents. Informal food retailers apply a number of innovative strategies (offering credit, bulk breaking, par-cooking, longer hours, etc.). Such strategies mean that they play a central role in enabling food access – and as a result improve food security – for the urban poor.

To find out more, see the following food security project websites:

African Food Security Urban Network

The African Food Security Urban Network (AFSUN) aims to improve the knowledge base of the dimensions and causes of urban food insecurity in Africa. AFSUN surveyed low-income neighbourhoods in 11 Southern African cities.

⁴ The World Health Organisation (WHO) and Food and Agriculture Organization (FAO) guidelines are good resources for improving the health and hygiene standards of informal retailers.
⁵ The majority of these studies were conducted in Africa – Kenya, Nigeria, Ghana, Benin, Mali, South Africa, Uganda, Burkina Faso.
Consuming Urban Poverty

The Consuming Urban Poverty project focuses on governing food systems to alleviate poverty in secondary cities in Africa. Research has been conducted in three secondary cities in three countries: Kisumu, Kenya; Kitwe, Zambia; and Epworth, Zimbabwe.

Hungry Cities Partnership

The Hungry Cities Partnership focuses on the relationships between rapid urbanisation, informality, inclusive growth and urban food systems in the global South. Research has been conducted in Bangalore, India; Cape Town, South Africa; Kingston, Jamaica; Maputo, Mozambique; Mexico City, Mexico; Nairobi, Kenya; and Nanjing, China.

References and further reading


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