

Proposed Policies and Mechanisms for Integrating Informal Economy into Comprehensive Land Use Planning in Egyptian Cities



Mohamed Ibrahim Mostafa Mostafa* , Hend Al-Abbasy , Sally Mahmoud Ali Mohamed 

Department of Urban Planning, Faculty of Urban and Regional Planning, Cairo University, Giza 12613, Egypt

Corresponding Author Email: mohamed_ibrahem@cu.edu.eg

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ABSTRACT

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In many countries, informal economies have been successfully managed, and effective plans, mechanisms, and procedures have been implemented to include these activities in urban areas. In Egypt, there is a wide gap between this goal and the competence of the different applied mechanisms in dealing with informal markets, economies, and its activities. This paper aims to propose policies and mechanisms that shall guide the planning process in Egypt, by amending the shortcomings in the currently implemented mechanisms and understanding the reasons for their emergence and their spatial arrangement. The research hence includes analysis for problem evolution and investigates successful policies and mechanisms in selected countries (India, China, and Algeria) in an attempt to highlight their shortcomings and potential amendments. These mechanisms will be tested through a structured interviews with Egyptian stakeholders comprising experts in planning, economy and decision makers, and in the light of the interviews results and outcomes this paper will present a list of proposed mechanisms. A comparative analysis has shown that Prospective mechanisms and policies will include legislative, planning, design, financial, management, and control mechanisms that if coherently combined can help integrating the informal economy in Egypt to achieve a successful inclusion and preventing problems related to these markets in urban areas and better regulate of these areas in future cities planning.

1. INTRODUCTION

In the urban environment, city authorities and planners consider informal economy activities undisciplined, as well as an inability of the official policies and rules to achieve the desired urban development patterns. The informal economy has emerged in urban areas and spread rapidly in cities since land use plans were unable to meet the needs of the growing population. As a result of traditional planning methods, informal economic activities have been unable to address the challenges associated with them and their spatial effects have been ignored. These methods failed to meet the requirements and needs of the population, which has been reflected in many urban areas, therefore, it is essential to take a step towards comprehensive and progressive approaches to integrate different forms and functions of informal economies and markets into urban development.

The majority of urban workers in developing countries work in the informal economy. Many cities are actively destroying urban informal livelihoods and exclude them from participating in cities and they face daily street evictions and harassment by local authorities. Thus, many organizations of urban informal workers are calling for policies to support of their livelihoods and protect their lives [1].

The informal economy occupies a major position in the structure of urban communities, its presence causes many

problems for the development of urban communities. Most of informal workers operate outside the reach of government regulations and protection and excluded from economic opportunities. Informal economy has many reflections on other aspects in urban areas such as informal housing, unemployment, poverty and social marginalization and other urban and social challenges [2].

Ongoing trends indicate that the non-agricultural informal economy is expanding in urban areas, especially in countries experiencing rapid urbanisation [3]. Informal employees in formal enterprises, accounts for more than half of non-agricultural employment in most of the world's 'developing' regions, and considerably more in those regions amid their urban transitions: 82 per cent in South Asia, 66 per cent in Sub-Saharan Africa, 65 per cent in East and Southeast Asia [4].

Urban spaces are co-produced and shared by different groups of people in society. As emergent and constantly evolving systems, cities reflect the complex interaction among the various forces that shape their construction, and are sites where various agents struggle to share in the benefits of urban agglomeration [5].

The purpose of this research is to provide an understanding of informal economic activities in Egyptian cities and endeavors to embody them into urban planning procedures and take advantage of them in order to create a coherent city planning. The research attempts to understand the informal

economy in urban cities and communities and to deduce efficient policies and mechanisms from international experiences that help control its growth and function.

There is a lack of comprehensive policies for integrating the informal economy markets into the planning process in Egypt. Thus, it is essential to identify informal economy activities and determine their characteristics, their relationship with organizational and legislative laws that control land use, as well as their economic, social, and legal aspects in order to develop mechanisms for determining the compatible approaches to integrate of informal economy activities into the land use plans of urban cities and communities.

The research reviews definitions and sizes of the informal economy in Egypt, the relationship between the informal and the formal economy to shed the light on the shortcomings in the Egyptian context. It reviews and analyzes the applied policies and mechanism in some of the international and Arab

experiences that have succeeded in in dealing with the informal sector. The research propose effective policies and mechanisms that shall help policy makers and urban planners in Egypt to adjust and amend current urban rules and regulations in an effort to create coherent sustainable urban cities with an inclusion of these informal economy activities in different Egyptian urban communities and to prevent the growth of the informal sector in the Egyptian cities.

2. METHODOLOGY

The research methodology is based on different methods that were used, including analysis of problem evolution, international and local case studies and conducting a structured interview as shown in Figure 1.

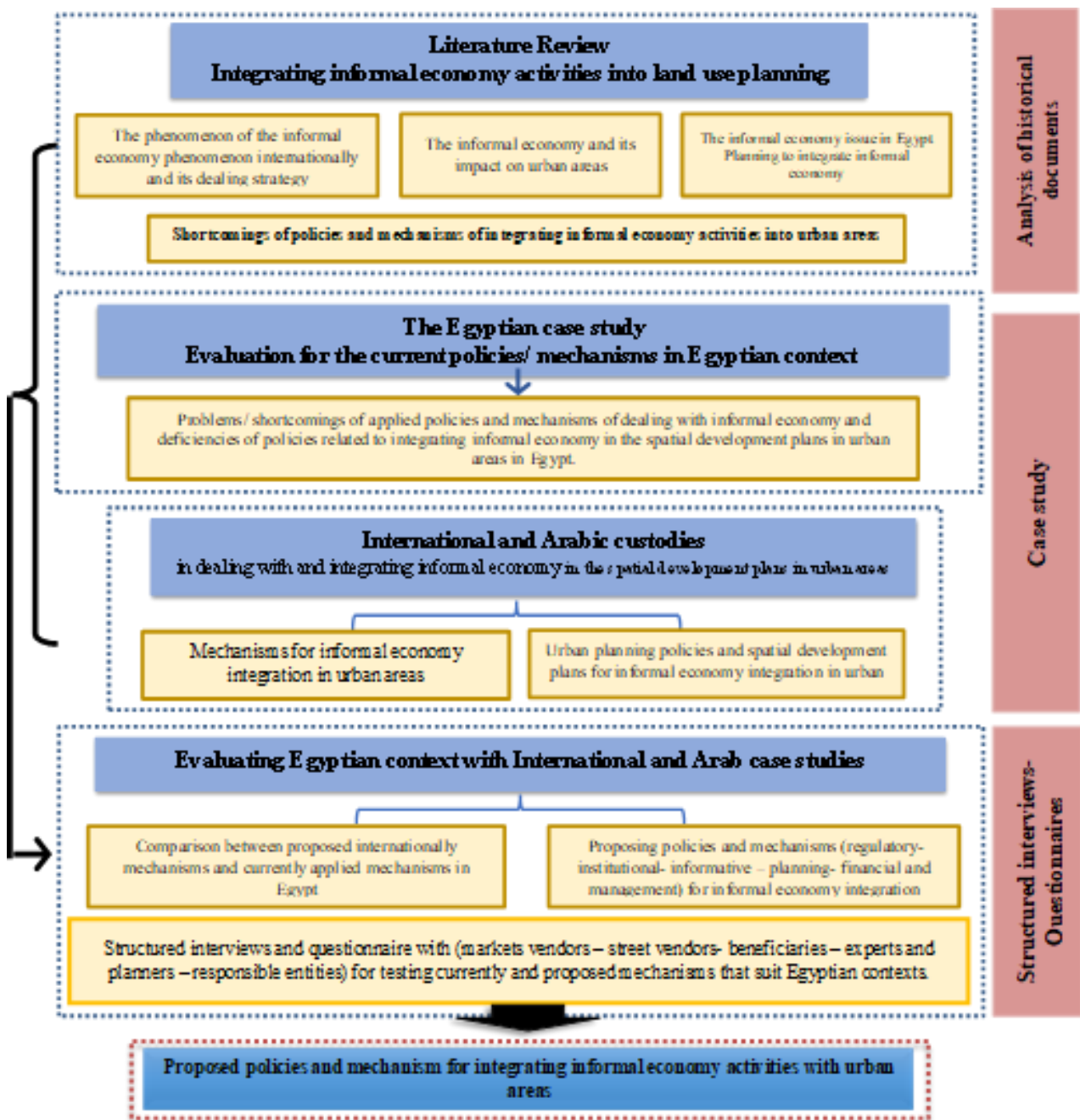


Figure 1. Research methodology and methods

The methodology of this research is based on a variety of methods, including literature analysis, case studies, conducting structured interviews, and questionnaires with experts. The methodological framework is divided into three parts. The first section reviews the literature on the informal economy as a global phenomenon and applied strategy for integrating it spatially into land use planning. The research addresses the issue of the informal economy and the planning to clarify the shortcomings of currently applied policies and mechanisms for integrating the informal economy into urban development. While the second section reviews case studies in Egyptian cities, followed by case studies of international and Arab experiences in dealing with informal economies and mechanisms for integrating them into "spatial" development plans. The third section includes an evaluation of the Egyptian case through a comparison with international and Arab experiences, in addition to proposed policies and mechanism deduced from conducting structured interviews and questionnaire with experts, planners, market vendors, street vendors, beneficiaries, and concerned authorities to evaluate the compatibility of proposed policies and mechanisms with the Egyptian context. Eventually, the research ends up with recommendations and final results.

3. LITERATURE REVIEW

3.1 Definitions of the informal economy

The informal economy is an international widespread phenomenon, according to the International Monetary Fund it includes activities that have market value and would add to tax revenue and GDP if they were recorded [6]. It's also known as informal sector or grey economy [7] because is neither taxed nor monitored by any governmental authority although its significant portion of the economies in developing countries [7].

According to UN-Habitat, informal economy comprising all units, activities, and workers not categorized under any judiciary regulation, and its output doesn't include in a nation's regularized economy [8]. It consists of goods and services which are produced in the shadow, avoiding taxes and government regulations, but are legal [9]. According to the International Labor Organization, the informal sector accounts for about a third of low- and middle-income countries' economic activity and around 15% in advanced economies [6] (as shown in Figure 2). Thus, addressing informality is essential to reduce poverty worldwide.

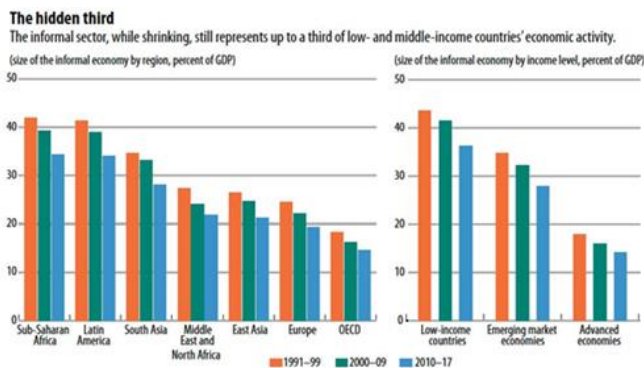


Figure 2. Evolution of informal economy by region and by income level
Source: Reference [6]

Informality in the context of urban planning was defined in the early 1970s by W. Arthur Lewis to refer to unplanned business establishments, due to its role in regulating social and environmental aspects of the built environment [8]. Thus, spaces that are used for informal activities suffer from formal control in terms of planning, design, and regulation. Such spaces can be defined as larger areas comprising informal or spontaneous housing, economic, and/or social spaces to which occupants have no legal claim [8].

3.2 Definitions of the informal economy

The informal economy is a global phenomenon, where informal economic activities coexist with formal economic activities in all world countries but in various ratios. The highest ratios are found in developing countries and the lowest in developed countries. According to the International Labour Organization, more than 2 billion adults, or about 60% of the world's labor force, work in the informal economy [10].

Although the informal economy has often been thought of as consisting merely of residual or temporary activities, it is a substantial contributor even to major world economies [8]. According to the United Nations in 2006, more than a billion people around the world already utilize informal spaces in their daily routines, a number growing by an additional million people per week [8]. In spite of the fact that the informal economy is often perceived as merely a residual or temporary activity, it contributes significantly even to the major world economies [8]. Globally, more than a billion people use informal spaces every day, a number that is growing by one million people per week according to the United Nations in 2006 [8].

According to a conducted survey by the International Monetary Fund on 158-member country over a period of 25 years (1991-2015), the average size of the informal economy in these countries is about 32.5% of the GDP in the formal economy, while this ratio has gradually decreased from about 34.8% in 1991 to 30.7% in 2015. While in Arab countries, data show that the average ratio of the informal economy in Egypt, Morocco, Lebanon, and Algeria is the largest relatively; it reaches 34.3%, 34.1%, 31.6%, and 30.9%, respectively [10].

A study by Al-Feki [10] and Darwish [11] discussed the relationship between informal and formal economy showed that with the evolution of economic thought, there has emerged a new perspective of the relation between informal and formal economies based on the existence of complementary linkages and influential interrelationships between them. The informal economy offers the gap of total production, absorbs excess labor, and alleviates poverty and low living standards among some social groups. In light of this integrative relationship, it has become necessary to regulate and integrate informal economy, either fully or partially, especially after the growing role of governments in economic activity and their responsibility of achieving this harmony between the formal and informal economies. The study by Darwish [11] shows that the informal economy plays a significant role in sustainable development and can contribute to social and economic justice. The study states that achieving economic sustainability through informal economy can be achieved through creating self-help local or regional community economies. Thus, cities should encourage gradual integration of informal economy of low-income people and city plans should provide areas and spaces for informal economy activities but with compatible policies for integrating

it in city formal economy without any discrimination for informal vendors. Cities should enforce labor laws. This will help to protect the rights of informal workers and ensure that they are treated fairly [11].

The Bellagio International Declaration of Street Vendors was signed in 1995 in Italy. This declaration marked a changing stage in the vendors' movement at international level, it called governments to formulate unified laws and national policies for street vending and to include them within the urban development policies and standards of living [12]. As a result of the declaration, Street Net, an international alliance of street vendors, was established in 2002. The target of this alliance was to work on street vending policies and legislation for the benefit of the socioeconomic rights of street vendors, especially in Africa [12]. The study by Al-Feki [10] argues that countries around the world face two choices in dealing with the informal economy. The first choice is to fully or partially integrate the informal economy into the formal economy while the second choice is to achieve an integration and coordination between governing policies of informal economic policies and the formal economy. The study by Al-Feki [10] argues that countries around the world face two choices in dealing with the informal economy. The first choice is to fully or partially integrate the informal economy into the formal economy while the second choice is to achieve an integration and coordination between governing policies of informal economic policies and the formal economy. The study concludes that the choices depend on the nature and extent of the informal economy in a given country. If the informal economy is limited and comprising of self-employed individuals and small businesses such as the case in developed countries, then it is better to have an integration between the two economies. While in developing countries where the informal economy is widespread, it is better to have a gradual integration for informal economy into the formal economy till they reach to a full integration [10].

In the case of Egypt, the informal economy is estimated about 40% of the country's GDP. Which means that informal economy is a large and widespread that will lead to distortions in the Egyptian economy, such as high unemployment, low wages, and limited access to credit. Hence, the Egyptian government should turn to gradual integration of the informal economy into the formal economy. This policy should focus on ensuring social services for informal workers such as education, healthcare, and social security. In addition to financial loans and insurance and protecting their rights. This policy may help reducing poverty and unemployment in Egypt and enhance the local economy.

3.3 The informal economy and its impact on urbanization

The informal economy is part of a broader phenomenon that has existed in the economies of developing and emerging cities, which has recently been called "informal urbanization." that refers to urban transformations that take place beyond the formal state frameworks and mechanisms [13]. Informal urbanization is the invasion of public spaces by squatters to build houses and/or conduct small economic activities. Types of activities and spatial aspects must be combined in the classification. When planning and developing an urban area, it is essential to integrate the needs of local residents into long-term land allocation decisions. We can distinguish between four types of informal economy activities by focusing on spatial dimensions [14], including (informal economic activity

at home, street informal economy workers, fixed sales/business activities outside the home, craft activities outside the home) [14]. By understanding the spatial dimensions and location preferences of informal economic activities, states, experts and planners can develop more effective policies to support informal economic activity and mitigate its negative impacts.

Urban retail systems throughout the world are characterized by street trade. Street vendors provide a variety of goods and services in convenient and accessible locations and provide an essential service to the poor by offering low-cost goods in small quantities [15]. City authorities and planners consider informal economy activities which occupy space in the urban environment as an unregulated activities and do not adhere to policies to achieve desired urban development patterns [16]. However, informal workers demand access to legal urban places in order to secure their livelihood, while land use plan policies have not been able to address these needs and have not contributed to the integration of these activities in order to achieve sustainable development in many areas.

3.4 The informal economy issue in Egypt

Egypt suffers from a large ratio of informal sector, according to the Tax Committee of the Federation of Egyptian Industries in 2018 about 60% of the output of the formal economy was generated by the informal economy. And according to government estimates, it is equivalent to about 40% of the formal economy's output in 2020/2021. The number of small and medium enterprises in this sector is four times that in the formal economy [10]. It has been estimated that approximately 84% of small businesses are not officially registered [11].

The informal economy in Egypt is characterized as a large entity consisting mostly of private sector units consisting of medium, small, and micro enterprises, most of which are not subject to the official supervision of the state, whether in terms of their organization or their product quality. There are many forms of this business, including street vendors and some random market stores, mobile restaurants, and food trucks, as well as some unlicensed factories in residential areas, as well as real estate assets traded under unregistered contracts, represent approximately 90% of these assets [10]. About 54% of informal economy in Egypt are depending on manually work as the use of technology in these enterprises would be high cost for them [17]. Most of the workers lack professional skills as they migrated from rural areas and most of them are non-educated and disqualified [18].

The most significant reasons behind the spread of the informal sector are the cost increase of social insurance, the complicated labor market legislation, high unemployment rates, migration from the villages to cities, and the decline in the role of the state in employment, as well as poverty, illiteracy, poor health status, and economic pressures in Egypt [19]. In addition to the inability of informal economy to cope with rapid and expensive technological developments due to limited skills of informal workers so they prefer traditional unsophisticated and inexpensive methods of production [10].

One of the major challenges of informal economy is transforming into a legal sector in states economics to create a sustainable economic development. The informal sector is characterized by a small size and a low level of organization [19]. Developing an integrated strategy for the Egyptian economy is challenging due to the difficulty and inaccuracy

estimation of the informal sector size. Moreover, there is no representation for the informal sector in the gross local product or in economic indicators such as national income and unemployment [19].

One of the recommendations of The Egyptian Sustainable Development Strategy in 2030 is that the state should provide greater efforts towards integrating the informal economy into the formal economy and work on reducing informal transactions through developing mechanisms for integrating it, including preparation of comprehensive databases, provision of incentives and legislation, and creation of representative agencies for them. The state should endeavor to contain this dangerous phenomenon by removing all obstacles that stand in the way of its efforts [10]. The strategy also established policies for economic development that include financial, monetary, and investment policies, as well as operating and supporting the transition of the informal sector to the formal economy [19]. The ministry has launched a number of programs and projects aimed at transforming the sector at the macro and sectoral levels as informal sector can contribute to the achievement of economic development goals [19]. As a result, the process of integrating the informal economy into the formal economy has become one of the most important axes of the structural reform program in Egypt. An initiative that was launched by the Egyptian government in 2021 to begin work at the beginning of the year 2021/2022 and to last for three years [10].

3.5 Planning for integrating the informal economy

In recent years, notions toward the informal economy have been partially changed. According to the National Urban Policy (NUP), one of the goals of promoting urban economic development is to integrate the informal economy into urban planning and development. Such as providing recognition and support for informal enterprises, ensuring that urban planning accommodates informal economy activities, building and developing the operational capacities of informal economy enterprises, and improving financing for informal enterprises. As well as making urban planning more responsive to the informal economy. There is a need to integrate planning legislation, zoning standards and regulations, and provisions that protect and facilitate informal economic activity, as well as the involvement of small businesses in the informal economy into the urban planning process, while identifying industrial and commercial properties in strategically selected locations and providing basic facilities and services to informal economies.

Up till now, the government does not currently have a set of urban planning policies, spatial development plans, or specific mechanisms for integrating informal economy activities into urban areas. Consequently, the research seeks to reach an integration of informal activities that occupy spatial space into land use planning through urban planning policies, spatial development plans, and other mechanisms into the urban environments.

4. THE EGYPTIAN CASE STUDIES

In Egypt, informal markets still govern this activity and contribute to its spread. A number of laws and legislations have been enacted in order to control these projects, the most recent of which was Resolution No. 414 of 2009 concerning

taxed of micro and small projects, the content of which emphasized small projects' importance to the national economy. The shortcomings of this decision include that it did not achieve the principle of social justice and the social and economic dimension, as it excluded seven categories of small businesses [20].

According to the Informal Areas Development Fund, there were about 1,099 informal markets with 305,592 selling units. In terms of the spatial distribution of informal markets in Egypt, Cairo Governorate is at the forefront of governorates that suffer from this phenomenon, as it contains 134 markets, representing 12% of the total number of markets in the country [21].

The following part of the research reviews some informal economic activities that occupy spatial space, including markets (random and replacements markets) and initiatives, as one of the state's strategies for integrating the informal economy into the formal economy.

4.1 Markets

4.1.1 Random markets (Meit Okba Market)

In this case, the government limited its role to just provide technical and administrative support and codifying the market situation that has existed for decades and recognizing it as a successful pattern of markets produced by both the seller and the buyer. Officials of the district have decided to keep the original place and form of the market due to lack of market areas and the inability to create a new market. There was also a popular pressure and political pressure to keep vendors on the original market. Families and vendors were also entrusted with the responsibility of implementing the plan [22].

1) The governing factors of emerging Meit Okba Market

The market was established to meet the needs of the economic segments in Meit Okb area by offering low prices and high-quality goods, especially vegetables and fruits that also met the needs of higher-level segments (residents of the Mohandiseen area). One of the factors that affected the appearance of the market was that the seller and workers' residential areas are originally from Meit Okba so the close distances between their residential areas and market have encouraged many of them to work at the market [22].

2) First: Market situation before development

The original market location, "the current Meit Okba Market," has not changed significantly from its old location, which dates back dozens of years. Vendors displayed their goods on the ground in a vacant plot of land that is currently the Meit Okba Youth Center. As a result of the decision of building the youth center in 1976, a wall was built to surround the plot of land, and vendors were no longer permitted to stay and sell their goods at the same place [22]. Thus, the vendors began to occupy the area along the wall of the youth center, each in the place of his choice and agreement with the others, vendors-built nests made of tin and other readily available materials.

As for the type of goods sold, the market offers a wide variety of products. According to Figures 3 and 4, most of the market activities are focused on selling vegetables, fruits, meat, and fish, with some other diverse activities such as ready-made clothes, perfumery, detergents, and others, albeit in small quantities (mixed market).



Figure 3. Informal economy in Meit Okba market
Source: Reference [22]

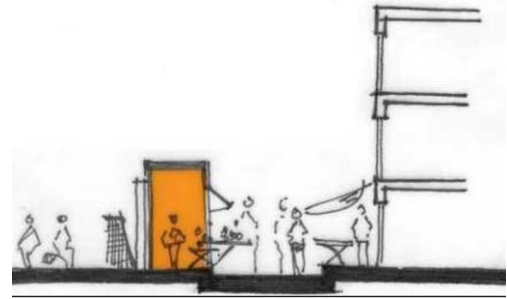


Figure 6. Street section after developing the market
Source: Reference [22]

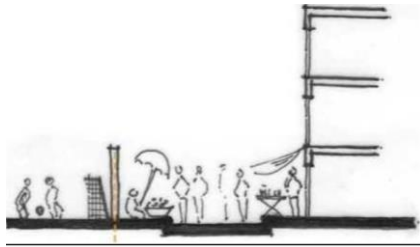


Figure 4. Cross-section of the street before the development of the market
Source: Reference [22]

3) Second: The market situation after the development process - (the evolution of development idea)

The development process was conceived as a result of the dissatisfaction of the Youth center clients with the uncivilized state of the market and the unsuitability of that situation being adjacent to the youth center. Instead of removing the vendors and moving them to another location, this has been a process to legalize their status and develop the market's structural condition. At that time, the decision was made to retain the vendors in accordance with the development of the market situation. In order to stay in the market, vendors had to complete their units' within a specific period of time.

The design consisted of building two brick walls with specific dimensions and heights with a concrete roof covered the walls. The bakkies (selling units) were built in the same location as the original vendors, along the wall of the youth center. In Figures 5 and 6, the Meit Okba market is shown in relation to the official shops around the Youth Center [22].



Figure 5. Location of the Meit OKba market and the Youth Center and the official shops
Source: Reference [22]

The government's procedures for dealing with the market: In order to develop and organize the market, the state provided technical and administrative support. It was decided to preserve the location and structure of the original market. The market space was limited and the ability to create a new market was demanding financial funds, so the people and vendors themselves cooperated and implemented the task assigned to them by the officials to achieve the lowest cost as possible comparing to similar cases achieved by the government.

Resources and funding sources: Vendors agreed to work together in order to complete the required work. A group of five or six sellers was formed to carry out the building work and pour the concrete roof for all the market units at once to reduce costs. It cost more than two thousand pounds per unit, and some of the sellers had to borrow money to cover these costs. The vendors became tenants of the district administration's sales units after legalizing their situation, and each of them pays a small annual licensing fee.

Obstacles: Since the establishing of the market units and vendors have been waiting for the government to provide electricity to their units. Additionally, the state is still seeking mechanisms and solutions for informal markets, especially in urban areas. Currently, there is no specific, repeated method of dealing with these markets and how they can be developed. The Meit Okba market and many similar markets can therefore be studied and analyzed when considering the development of other markets in the future [22].

4) The advantages/reasons of success

The Meit Okba experience is considered one of the most successful local experiences in governmental procedures that can be followed to deal with informal markets, as the experience leveraged the community's accumulated experience and benefited from the community's existing assets, rather than ignoring and wasting them. In the Meit Okba market, vendors who had been practicing this business for years were the best suited to arrange, organize, and manage it based on their experience and knowledge of its workflow mechanisms.

In order to retain vendors and sellers, it was necessary to develop the structural status of the market. Instead of removing the vendors and moving them to another location, the government focused on providing technical and administrative support only and assigned the responsibility for implementing development operations to vendors themselves within a specific timeframe.

Vendors and sellers borne all the construction fees and those who are unable to afford the cost borrowed money to cover it. Once the situation has been legalized, vendors rented sales

units from the district administration and pay annual licensing fees in addition to the monthly rent [22].

4.1.2 Alternative markets (New Boulak market in Boulak Abu Al-Ala)

The Cairo Governorate established the Boulak Abu Al-Ala market on New Boulak Street years ago at a cost of hundreds of thousands of pounds in the heart of one of Cairo's most prosperous commercial areas. This project was one of the relocation projects that had been launched by local government in Egypt to relocate and formalize the street vendors [12]. The government worked on evacuating hawkers and informal vendors from central Cairo to another spaces outside the main commercial areas in Cairo [23]. The State has created a hypothetical model of what should be a market (Boulak Abu Al-Ala). In terms of legal status, organization, or architectural design, have been done without consultation with the real stakeholders, whether sellers or buyers. The State has not only implemented this perception but also invested public funds in the project until it was completed.

The new market design and movement paths did not provide opportunities for all vendors to offer their goods to market customers equally. The closed design of the market also separated it from its outer surroundings and the active commercial movement around it on surroundings streets. This new design is contrary to what is known in popular and traditional street-open markets, which give vendors and visitors a sense of market continuity and give buyers the opportunity to pass through the majority of market units as they walk down the street. The design of the new Boulak Abu Al Ala market prompted the vendors to leave it and return to the bedding of the street again, where the buying and selling movement is more popular and has a wider exposure. As a result, most stores in the new market were closed, wasting the public money invested in them and contributing to the problem of street congestion with vendors again as shown in Figure 7.



Figure 7. New Boulak market in Boulak Abu Al-Ala
Source: [23]

4.2 Initiatives

The current general approach in Egypt is to integrate the informal economy into the formal economy as part of Egypt vision 2030 [19]. And work to find solutions to the problem of random food carts scattered on Egyptian Street. The project "Egypt Street" is the first new experience implemented by the Cairo Governorate to assemble small youth projects in urban form by providing them with the legal framework when vending in the street with fast food carts [24]. Egypt's Fair Trade Fair experience has also seen a focus on training informal handmade workshops' owners, to improve their production and marketing of their products [25].

4.2.1 The initiative of "Egypt Street"

The Egypt Street Project is one of the most prominent small

projects launched by the Government to support projects that provide employment opportunities for youth. The project adopted by the heads of cities in urban communities, through the rationalization of conditions of informal youth working on the street with fast food and drinks. The Administrative Supervisory Authority and the Cairo Governorate allocated a nine-car licensed area for young people named Egypt Street to support and support small and micro-enterprises for youth, so they do not have to be part of the unemployment segment. The Government seeks to implement the "Masr Street" project in a large number of governorates, major cities and new cities [26] as shown in Figure 8.



Figure 8. Street 306
Source: Reference [27]

4.2.2 Initiative of "Providing sidewalks for special needs and disability challenging people"

The Cooperation Protocol between the participating authorities aims at setting up street sidewalks in the Zamalek and Maadi districts in Cairo for the benefit of special people so as to facilitate their movement and all their daily activities and to be self-reliance without the need accompanying people during their movement in the street, in order to facilitating their effective and positive integration into society. The Ministry of Local Development welcomes the expanded implementation of this initiative in a number of other Cairo districts and other governorates in cooperation with civil society institutions and large corporations. Major companies in Egypt have a main role to play in expansion their community responsibility programs and activities, as well as the role played by community and civil work organizations and NGOs, all these complement the Government's efforts to provide a dignified life for all Egyptian people in all governorates [28] as shown in Figure 9.



Figure 9. Facilitated pavements in new projects
Source: Reference [28]

The process of transforming the informal sector in small and medium enterprises in Egypt remains limited and is based on the registration of activity as an ultimate objective, thereby expanding the tax base; In Egypt, the Government therefore sought to facilitate registration mechanisms while working on the organization of the microfinance mechanism. However,

provided funds were not sufficient incentive, which ensure the importance of reorienting the incentives system to achieve a successful transition for formality.

Market development is also achieved either by relocating and redesigning it without paying attention to the cultural and social determinants of the buying and selling movement, or by conducting behavioral studies of existing shopping prior to market redesign or removal. The efficiency of movement paths were ignored in some new designs so that vendors have not equal opportunities to expose their goods, also some functional and environmental aspects are not taken into account in terms of the provision of services such as clean toilets for vendors and shoppers, decent storage of goods to prevent damage, or environmental management systems for the various tailings of markets. Moreover, markets lack some community regulation aspects that allow the formation of vendor associations or unions that protect their rights and provide them with the necessary support they need.

These alternative markets proved to be an unsustainable option to address the needs of the street vendors. Nowadays, the alternative public markets witness waves of rejection and/or abandonment that threaten economic losses due to spending money on unused market buildings. In addition, financing manufacturing of mobile food cars and providing them to youth through credit facilities contributes to jobs creation for youth to support entrepreneurship with maintaining the environmental civilization aspects in cities. It seeks to bring together the creations of young entrepreneurs and fast food and other activities, which also helps to provide job opportunities and create safe recreational spaces for families and individuals which will gain the confidence of the community and provide healthy and affordable food options

with high quality and this will increase the level of community participation and maximize confidence in Egyptian products and raise the slogan of (Made in Egypt).

5. INTERNATIONAL CASE STUDIES

This part is a study for selected international case studies (India, China, and Algeria) that represent diverse patterns of informal economy and different applied policies to deal with it. This part embodies an analysis for the applied mechanisms and policies for integrating informal economy activities in urban spaces and urban areas and their effectiveness in balancing informal economy activities and fulfillment of their needs in the light of urban planning policies and mechanisms.

Selection of these experiences is based on some criteria that consider diversity of cities contexts and different informal markets patterns and activities, and the applied mechanisms in each country to implement these policies, in addition to the spatial diversity of these countries. Also, because there are similarities between these countries and Egypt in some problems facing urban spaces related to informal economy activities and their invasion for important locations in cities and their effect on congestion and many other problems caused by informal economy activities.

According, countries like (India, China, and Algeria) were selected. This is in order to identify the lessons learned from them to come up with proposals for reform mechanisms, improve current policies, and link them to the national urban plans. And the possibility of implementing these different mechanisms in a manner commensurate with the specificity of the Egyptian case.

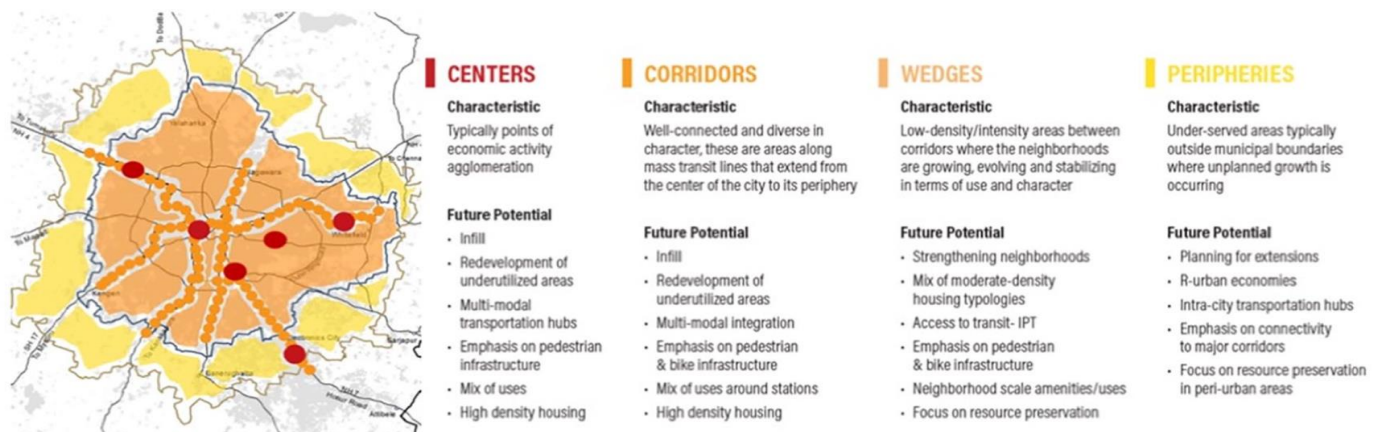


Figure 10. Economic centers, corridors, wedges, and peripheries in Bangalore

Source: [8]

5.1 India

Street vending and other informal activities in India are major part of the informal economy In India, according to The International Monetary Fund the informal economy represent more than 8% of the global gross domestic product (GDP) which make India the fifth largest economy in the world. City of Bangalore, represent the third largest population in India, more than 70% of its population work in the informal economy [8] city population lack basic needs and suffer from severe poverty as around 45% of the people in a source need for jobs [29]. That made residents of the city work for informal activities and occupied urban spaces without any regulations

or legal framework neither planning, design nor regulations controls [30].

Informal economy activities in India usually occupy uncontrolled spaces such as elevated expressways, unused land near railway tracks, and areas close to polluted canals [31]. Some factors also play an essential role in location occupation such as accessibility, visibility, presence of natural resources and exposure [32]. Informal economies usually dominate four types of markets: centers, corridors, wedges, and peripheries [33]. Street vendors lack access to adequate facilities or infrastructure; thus, they move to surrounding areas of to the city and villages and agricultural areas to trade

their products and return to their villages after selling their products as shown in Figure 10.

Reasons of Failure: The project faced some shortcomings because vendors had not have the needed exposure for their goods inside the new building comparing to their exposure on streets, as a result, the vendors leased out their shops in the building to other vendors or sellers to make extra income through rent and went back into the streets to vend their goods.

Krishna Rajendra Market: This market is located in the core area of Bangalore, it was built in 1997 in a form of three-story building was intended to create an organized legal environment supporting excellent retail and wholesale markets, the building comprising 21 shell roofs ambitiously designed to allow every stall to be lit by sunlight. Some vendors who sell their products by carts and bicycles do not have a permanent location, thus some still set up shop in the same location every day. Figures 11-13 shows the type of informal activity typical for that particular location [8].



Figure 11. Active hawkers on a weekday, K. R. Market building
Source: [8]

The new market faced some challenges but the state were working to overcome these challenges as follows:

As for visibility and exposure, which represent the most important factors in the business for street vendors, which pushed Municipal authorities to present sufficient and clearly designated spaces zoned for vending, directly in the layout plans of the market area.

One of the challenges that faced the market was congestion thus Municipal authorities separated vehicular and pedestrian paths. The rest of the streets in the periphery of K. R. Market left for vending. This design solution also prevented traffic congestion during early morning hours caused by trucks being loaded and unloaded.

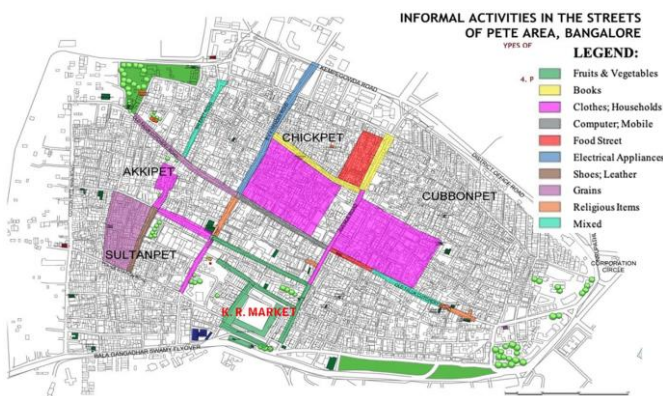


Figure 12. Types of informal activities in the Pete area
Source: Reference [8]

In addition to that, government provided basic facilities and infrastructure to ensure a clean environment on the streets and provided vendors with greater social, physical, and business security. The old market building was amended in a way that allowed to provide a large space for users, adequate for the

3,000 current vendors in addition to being able to accommodate a big number of new vendors [8]. Moreover, municipal authority designated specific areas vending zones or no-vending zones and designation of loading/unloading spaces in addition to timing restrictions on loading/unloading processes besides other vending-related activities [8].

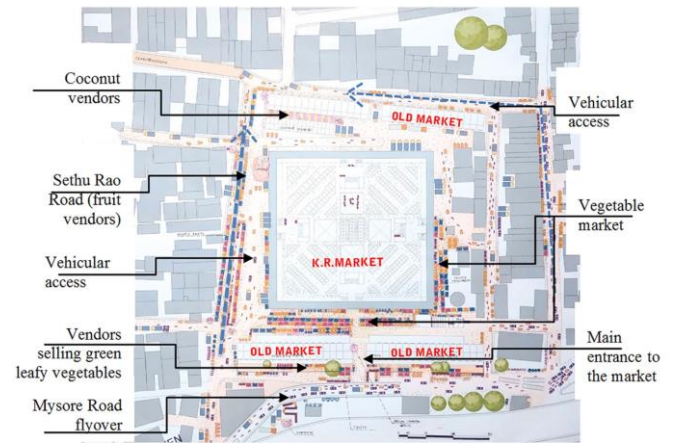


Figure 13. The current conditions at and around K. R. Market
Source: Reference [8]

5.2 China-a case study of Guangzhou

The State regulatory practices in China are characterized by what we call historical and geographical contradictions, which indicate policy inconsistencies, which fluctuate between soft and difficult methods over time, and a combination of contradictory regulatory mechanisms that have been applied in different urban spaces [34]. The role of the State was to understand the informality and shift the attention to the relationship between the State and informal practices. The State's practice evolved from a theoretical ground for understanding the regulation of street sales in the Chinese context. It is essentially said that the way the State organizes street sales is an integral part of its responses to the overall objectives of urban policies that have been shaped in national and global contexts) [34]. Rules and policies on street sale are neither consistent nor uniform in time and place. Rather, they are constantly formed and manipulated to the extent that they serve the overall goals of urban policies and development under different historical circumstances [34].

Informal employment and street vending in China: China has witnessed a rapid growth in informal urban employment in recent decades. The proportion of informal urban employment in total urban employment increased from 1990 to 2010 to 90.7 million people, a net increase of 13.6%. In 2010, the number of informal workers stood at 114 million, almost half of all officially employed people. According to a local survey, 8.8% of residents in floating urban areas make a living by selling on the streets. Informal employment in Guangzhou thus contributes to Chinese urbanization by absorbing a proportion of the rural labor force and alleviating urban unemployment and poverty problems [34].

Street vendor and selling in streets: Workers seek to escape exploitative working conditions and farmers try to supplement their meagre gains from farming by moving to cities in busy seasons due to the general rural poverty caused by the unequal development strategy. Street sales are found in Chinese cities as a way for disadvantaged migrants to survive and improve

their standard of living [34]. However, the way in which street sales are regulated in practice is not based on law and stated policy objectives but is determined by the needs of the city image improvement strategy [34].

Harmonious Society Project is an ideological tool for maintaining social stability to sustain economic growth [34]. In order to balance the needs of maintaining social stability and securing an attractive image of the city, the authorities developed a new political approach called shudujiehe by the end of 2010, allowing street vendors to sell and work in some specific areas of the city while completely preventing them from "important areas" to strike a balance between the appearance of the city and people's livelihoods [34]. On the permitted locations, the government established kiosk for street vendors and these markets were supervised and organized and financially supported by the municipalities. Vendors can apply for kiosk through online urban management system that provide cleaning, lighting and other needed services for them, in return, vendors must comply to authorities rules that organize type of goods, market opening time and paying the rent [35].

Revival of street vendors in Chinese cities (the first generation of street vendors since economic reform) was facilitated by a series of reform policies initiated by the state, particularly the introduction and promotion of individual business. As street vending eased employment pressure, blocked city commodity shortages, and renewed China's urban economy.

5.2.1 Examples of street vendors' sites and activities



Figure 14. Site 1. The Yaotai village
Source: Reference [36]



Figure 15. Site 2. Yide road
Source: Reference [36]

Site 1. The Yaotai Village: The village of Yaotai is located in the inner suburb of Guangzhou where the main transport arteries cross. This relaxed spot brings together vibrant business activities and attracts a large number of rural immigrants. About 60 wholesale large and small markets, these markets sell different types of goods throughout the village. About 100 street vendors occupy these streets or gather around MTR exits and bus stations. These are strategic sites that have access to a large number of potential customers

on urban streets and at the same time are convenient for them to escape when chengguan appears or legal visits [36] as shown in Figure 14.

Site 2. Yide Road: Yide Road extend from Renmin Road in the east to Haizhu Square in the west. It is one of the densest wholesale market groups in the city. Wholesale markets for clothing, accessories, fashion, dry fruits, toys and festival decor supplies line the street. Moreover, a children's park in the eastern end and Haizhu Square, the business center of this area, on the western end, the road is in a popular location for street vendors. Moreover, Shisanhang Road, where wholesale clothing and fashion markets are concentrated, is located on the west of Yide Road. The bus stop on Yide Road west is one of the largest access points to Shisanhang Road, therefore dozens of street vendors gather around the bus stop [36] as shown in Figure 15.

5.3 Algeria

Algeria is among the countries that suffer from the phenomenon of the informal economy, due to the changes that the Algerian economy has undergone, such as the application of open economy policies, as well as the political and security situation during the last period of the twentieth century [37] where informal activities appeared in most economic sectors, and became high percentages of the activities of each sector [38] to reach its peak of 42% in 2003, and then decline slightly by an estimated 34.2% a year 2006 [38]. Thus, the informal economy in Algeria is constantly growing, as a result of many crises it has gone through, which have had a significant negative impact both economically and socially on Algeria [38].

The size of the informal economy in Algeria has increased to meet the needs of individuals, such as providing jobs and meeting basic needs [38]. It is concentrated in the agricultural sector, the construction sector, public works and informal commercial [39], the overlap between the formal and informal market is also widespread in the Algerian labor market, as in many jobs that workers in public administrations and public economic institutions are engaged in jobs in the informal market in parallel with their jobs [39]

The Algerian authorities have taken a number of measures and procedures aimed at formularizing the informal economy trying to integrate it with formal economy in order to avoid the negative repercussions on the national economy [38]. These procedures related to improving the business climate and reducing informal transactions by reducing the informal market, developing competition, adopting a strategy in the field of combating corruption and fighting bribery. Also, established support structures and strategies for the promotion and development of small and medium institutions [39].

The state in Algeria also has provided a number of incentives represented in enabling activists in this informal sector, such as granting them soft loans, facilitating licensing procedures, reducing fees and taxes for informal economy institutions, and providing some incentives by the government, such as reducing social insurance for workers by up to 50% for specific periods, reforming the tax and customs system and keeping pace with global developments. To further activate the role of the oversight agencies and strengthen the role of the security agencies in assisting the oversight agencies in their role in preventing erroneous practices, and to develop and activate the legislative and regulatory frameworks to eliminate informal trade [38].

As for reducing the informal market, public authorities, in cooperation with local authorities, have included land and empty spaces in a regulated framework that complies with the legislation in force, including:

- An accurate count of the places at which informal commercial activities taking place at the entrances to the buildings, alleyways, squares and large spaces, parking lots, mosque surroundings, inside and outside organized markets, passenger terminals).
- Estimate the space of informal spaces.
- Determining most important informal business activities in practice and the nature of marketed products.
- Statistics and identification (if possible) of interventions engaged in informal business activities. If this is not possible, estimate the number of interventions active daily at these locations.

Upon completion of these operations, the municipal people's councils are required to undertake actions with the aim of:

- Evacuation of unofficially occupied spaces with support from national security if needed.
- Incorporate, according to available possibilities, interventions at the level of these places into legitimate commercial spaces after their registration in the commercial registry.
- Strictness in dealing with traders who own display boxes inside covered markets and prefer to display their goods in their surroundings, these procedures also can be taken with the participation of professional and consumer protection associations.

6. RESULTS OF COMPARING THE INTERNATIONAL EXPERIENCES WITH THE EGYPTIAN CASE-STUDIES

As for common applied legislative policies and mechanisms, all countries (India, China, and Algeria) focused on developing legal frameworks for small enterprises and providing all necessary facilities for vendors to regulate their situation and formulating laws to preserve public spaces. Algeria added mechanisms related to offer diversity in the applying and utilization systems for different street workers.

Prominent common effective institutional policies and mechanisms that have been applied in (India, China, and Algeria) such as effective studying for the sale activities, dealing with the informal economy activities in collaboration with consultants and preparing a national map to allocate each informal activity. Algeria developed enterprises' operational skills in the informal economy while China integrated geospatial portal for data base to make decisions for policies of dealing with such activities.

India, China and Algeria, focused on encouraging small developers and presented different incentives and facilities for them to boost their business. As for transaction policies and planning and design process they considered site preferences in land allocation decisions for informal street vendor and markets, also they inked urban planning policies with spatial development plans and provided many incentives for them such as offering civilized designs for streets within a legal framework to ensure aesthetic form. As for policies related to informal market, China established integrated urban markets

to eliminate the crisis of street vendors.

Successful common financial policies comprised some financial facilities and incentives for funding informal economic activities through low-interest funds and providing financial support. Also, reducing development fees, tax incentives and removing restrictive financial controls such as building permission, reducing infrastructure cost and services fees in addition to financial grants and funding plans.

All case studies agreed on some Controls policies related to providing safety, security and civil protection requirements at the site and considering the environmental standards in alternative sites. Also they agreed on some Management and follow-up policies and mechanisms such as formulating a regulatory system, Algeria establish regulatory controls to ensure the balance of market sales and the availability of goods while China Set controls and requirements to maintain the trading spaces.

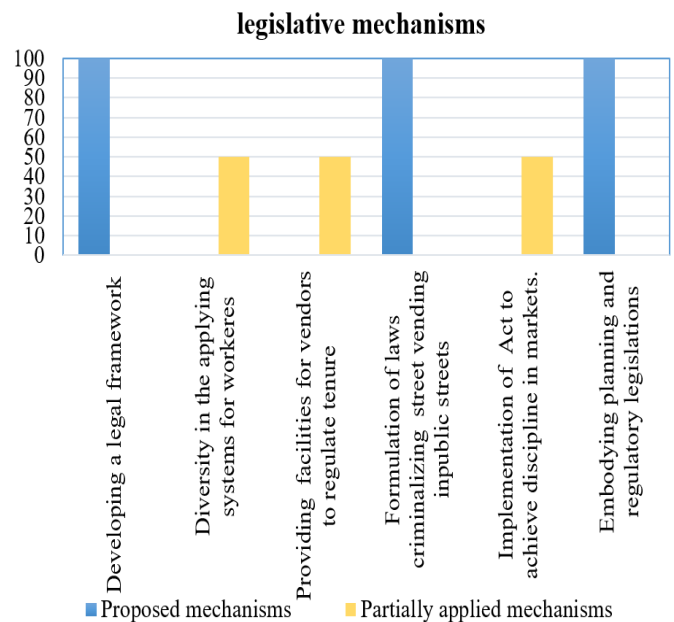


Figure 16. Results of legislative mechanisms
Source: Researcher

The following table shows the applied mechanisms either in the international experiments or the Egyptian experience in developing the informal economy to derive the most important mechanisms that can be proposed for application in Egypt. Proposed mechanisms will be tested to ensure its application eligibility in Egypt by conducting a structured interviews and questionnaire with the relevant experts as will be displayed later as shown in Table 1.

Results from conducted interviews with different interviewees shows that, 50% of the proposed legislative mechanisms were chosen by interviewees to be at the first priority such as developing a legal framework, formulation of laws criminalizing street vending in public streets and embodying planning and regulatory legislations (Figure 16).

There was almost an agreement about the proposed institutional mechanisms, about 78% from the proposed mechanisms to be added to the Egyptian context, while 22% of the mechanisms agreed to be partially applied by government in Egypt due to the importance of institutional mechanisms in facilitating current problems related to the phenomenon in Egypt.

Table 1. Mechanisms for integrating informal economy activities in urban areas

Mechanisms for Integrating Informal Economy Activities in Urban Areas		Applied and Proposed Mechanisms from Previous Studies	Proposed Mechanisms from International Case Studies			Egypt	Structured Interview and Questionnaire
			India	China	Algeria		
Legislative Mechanisms	Develop a legal framework for collecting small enterprises for informal economy activities.	✓		✓	✓		✓
	Diversity in the applying systems for working in projects (a system for occupying with a nominal wage, utilization, or by a public lottery among eligible young people).	✓			✓		✓
	Provide all necessary facilities for youth and vendors to regulate their situation and to regulate tenure (shops or licensed vans).			✓	✓	✓	✓
	Formulate a law criminalizing the work of street vendors in the main squares and streets to preserve the cultural form and eliminate traffic congestion.			✓		✓	✓
	Implementation of the Street Vendors Act and the Regulation of Market organization to achieve discipline in markets.	✓			✓	✓	✓
	Embodying planning and regulatory legislations that protect and facilitate informal economic activities.						✓
Institutional Mechanisms	Formulate an environmental management systems for various residues of informal economy activities in urban areas (markets, shops, ...).						✓
	Allowing the formation of vendors' associations or unions that protect their rights and provide the necessary support for them.						✓
	Developing an organizational structure for the roles and responsibilities of the relevant entities.				✓		✓
	Preparation of a study for the sale activities to provide it with development, management and organization.				✓	✓	✓
	Formulating various mechanisms for dealing with the informal economy activities in collaboration with consultants to develop the plan.	✓	✓		✓		✓
	Applying the participation principle by interviewing existing traders and vendors.	✓				✓	✓
	Encouraging participation of international institutions and organizations to develop and integrate informal economy activities in urban areas.	✓					✓
	Incentivizing private sector partnership in projects management and development.						✓
Developing enterprises' operational skills in the informal economy and its activities in urban areas.				✓		✓	
Informative Mechanisms	Establishing an integrated geospatial portal for data base to analyze and assess situations and make decisions for policies and methods of dealing with such activities.	✓		✓			✓
	Preparing a national map to determine size and confinement of the problem in terms of "location, geographical distribution, number, allocation of each activity".				✓	✓	✓
Urban Mechanisms	Transaction Policies - Planning and Design Process						
	Supporting policies that encourage the gradual integration of informal trade.	✓					✓
	Determination of the compatible development	✓				✓	✓

Mechanisms for Integrating Informal Economy Activities in Urban Areas		Applied and Proposed Mechanisms from Previous Studies	Proposed Mechanisms from International Case Studies			Egypt	Structured Interview and Questionnaire
			India	China	Algeria		
Planning and Design Process	method for the nature of each market.						
	Urgent inventory of all empty lands in the governorate for use in the construction of developed markets, areas or streets.	✓			✓		✓
	Understanding site preferences in long-term land allocation decisions.	✓		✓	✓		✓
	Linking urban planning policies with spatial development plans of informal economy activities.	✓		✓	✓		✓
	Preparing detailed plans that take into account the needs and requirements of the various activities of the informal economy.	✓				✓	✓
	Providing individuals' accommodation near to sales sites (projects).	✓	✓				✓
	Considering the functional and environmental aspects of the provided services.	✓					✓
	Considering the efficiency of movement paths in new designs to provide vendors with equal opportunities to expose their goods.	✓		✓			✓
	Considering the cultural and social characteristics of the sale and purchase movement of each site.	✓					✓
	Providing civilized alternatives to street vendors and taking into account their living conditions.	✓			✓	✓	✓
	Conduct behavioral studies of existing shopping prior to redesign or removal.	✓					✓
	Providing a civilized designs for streets (streets for sale activities) within a legal framework to ensure aesthetic form.	✓	✓	✓	✓	✓	✓
Allocating carts for various activities including food carts and others.	✓				✓	✓	
Establishing integrated urban markets to eliminate the crisis of street vendors and providing them with a civilized alternative.	✓			✓		✓	
Markets	The design of the new markets is commercial shops, or in the form of small malls, depending on the nature and conditions of each region, ensuring optimal exploitation of the place.	✓	✓		✓	✓	

Mechanisms for Integrating Informal Economy Activities in Urban Areas		Applied and Proposed Mechanisms from Previous Studies	Proposed Mechanisms from International Case Studies			Egypt	Structured Interview and Questionnaire
			India	China	Algeria		
		Determine the absorptive capacity of markets to avoid haphazard extension.	✓				✓
		Setting a schedule for markets development process divided into "short, long and medium term" plans.	✓				✓
Urban Mechanisms	Controls and Requirements	Providing of safety, security and civil protection requirements at the site.	✓	✓	✓		✓
		Providing environmental standards while studying contracting with cleaning companies.	✓	✓	✓		✓
Financial Mechanisms	Financial Policies for Support and Fund	Set a monthly payment for street parking, plus an amount for utility consumption of water, electricity and site maintenance.	✓		✓		✓
		Improving funding support for informal economic activities through low-interest funds.	✓			✓	✓
		Establishing and supporting medium, small and micro enterprises to raise and create job opportunities.	✓				✓
		Collecting projects to support young entrepreneurs and provide an updated development and management system for it.	✓				✓
		Developing a financial policy to rent and grant (shops, kiosks, carts, ...) to regulate their acquisition.	✓		✓		✓
Management and Follow-Up Mechanisms		Formulating a regulatory and monitoring system on sold products or prohibited products.	✓		✓	✓	✓
		Periodic follow-up of markets development implementation plans to ensure their continued development.	✓				✓
		Establish regulatory controls to ensure the balance of market sales and the availability of goods.				✓	✓
		Organizing periodic and sudden monitoring visits on markets in partnership with the authorities.	✓			✓	✓
		Establishing regulations for approval on operation to upgrade youth projects, providing utilization for 3 months and renewal in case of compliance with the regulations.	✓				✓
		Setting controls and requirements to maintain the space (space for sale for informal activities).	✓		✓		✓



Currently applied mechanisms



Partially applied mechanisms



Proposed mechanisms

(Source: Researcher)

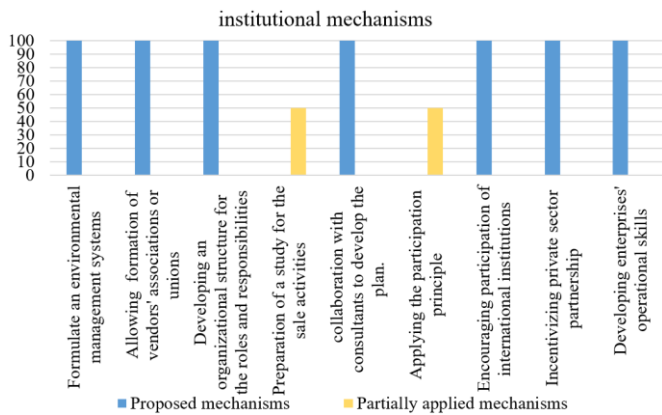


Figure 17. Results of institutional mechanisms
Source: Researcher

Interviewees have selected about 63% of urban mechanism related to design and planning aspect to be added for application in Egypt due to its importance from their point of view, and have chosen about 37% of the urban/design mechanisms which are partially applied to be continued in Egypt to help boosting new project and integrating informal economy activities in cities within future urban plans (Figures 17-20).

As per financial mechanisms, about 40% of financial mechanisms were selected to be proposed for application in Egypt, and 60% to be partially applied as it is to boost the replacement process of informal economy and to incentivize youth and street vendor to formalize their business.

Eventually, as for Management and follow-up mechanisms there was and almost an agreement between interviewees for adding 84% of proposed mechanisms to the Egyptian context and 16% of current mechanisms to be continued, to help encourage integrating informal economies and provide a continuous control upon these markets.

There are various lessons learned from studying different applied mechanisms in case-studies to organize and integrate the informal economy. The most important common **legislative mechanisms**, in all cases is the establishment of a legal framework for collecting small projects of informal economy activities and the implementation of laws of street vending and markets regulations. Also, the diversity methods of applying for work in project (a system for occupying a nominal wage, in exchange for utilization, public draw among eligible young people).

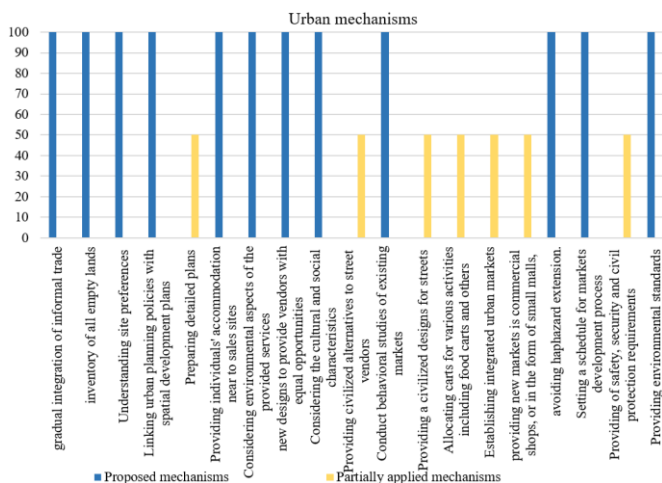


Figure 18. Results of urban mechanisms

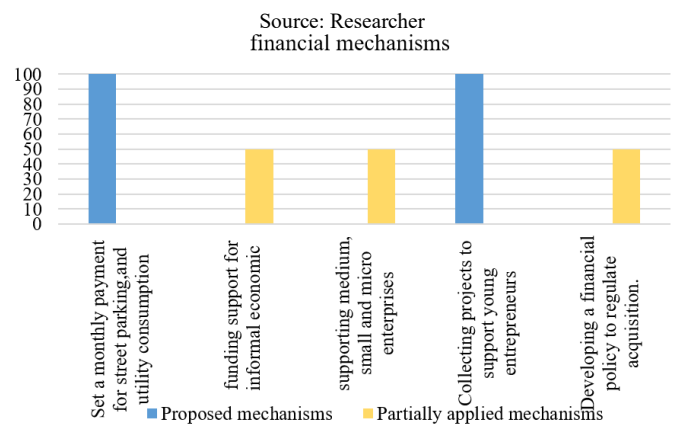


Figure 19. Results of financial mechanisms
Source: Researcher

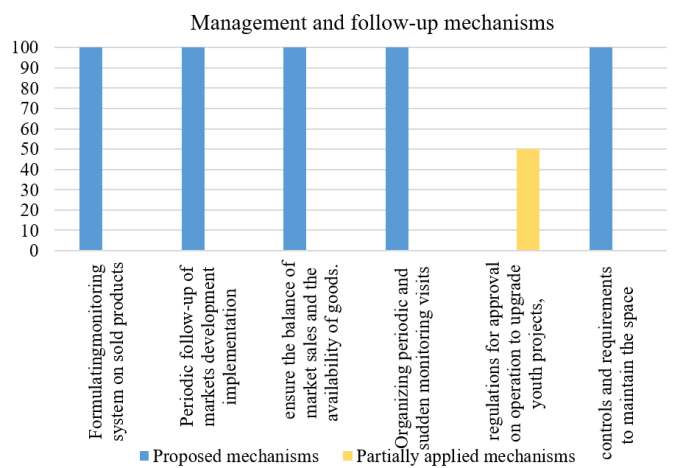


Figure 20. Results of management and follow-up mechanisms
Source: Researcher

The most significant applied **Institutional mechanisms** in the case-studies were related to dealing with the sale and development of informal economy activities in cooperation with consultants to develop the plan and apply the participation through interviews with existing traders and vendors. Also, encouraging the participation of international institutions and organizations to develop and integrate informal economy activities in urban areas. One of the most important Informative informatics mechanisms was the establishment of an integrated geospatial portal of data base to analyze and assess the situation and make decisions for policies and methods of dealing with those activities.

As for the **Urban mechanisms** in terms of planning and design, they applied gradual integration of informal trade and defined the compatible development method of each market. In addition, empty lands were accounted for the construction of new (markets, streets, ...) with understanding of site preferences in long-term land allocation decisions. Besides linking urban planning policies and spatial development plans to informal economy activities while preparing detailed plans for sites to fulfill needs and requirements of different activities.

Moreover, distinctive **Design mechanisms** have been implemented within a civilized design and legal framework to ensure the preservation of aesthetic appearance and for the elimination of haphazard activities. In addition to establishment of civilized markets, the provision of a civilized alternative design of new markets in the form of a small mall.

New markets have determined absorptive capacity to avoid unorganized extension. Environmental standards were also considered in the study of contracting with cleaning companies besides providing civil protection requirements at the site for both security and safety.

As for **Financial mechanisms**, there has been an establishment and support for medium, small and micro enterprises to raise and create working opportunities with a monthly fee for vending in streets. Determination of the amount of the utility's consumption of water, electricity and maintenance fees of the site was one of the applied mechanisms. The most important management and follow-up mechanisms in place were the establishment of controls and monitoring system to ensure occupying commitment in urban spaces by informal activities.

6.1 Recommendations

Concerning **legislative mechanisms**, it is proposed to provide all the facilities and make it available to youth people and vendors to regulate their situation. Legislative mechanisms must lead to regulating tenure (kiosks, shops, licensed vendors) with a law criminalizing the work of street vendors in the main squares and streets to preserve the cultural form. Integrating planning and regulatory legislation to protect and facilitate informal economic activities is essential.

In terms of **institutional mechanisms**, it is proposed to develop environmental management systems for different informal economy activities, and to allow the formation of vendor associations or unions that protect their rights and provide them with the necessary support when needed. Also, developing an organizational structure for the roles and responsibilities of relevant entities, as well as to stimulate the private sector to participate in the management and development of enterprises projects in the informal economy and its activities in urban areas.

The most important **urban mechanism** to take into account is considering the functional and environmental aspects in terms of providing services, efficiency of the movement pathways in the new design so that vendors have equal exposure for their goods, as well as taking into account the cultural and social characteristics of the sale and purchase movement of each site to provide civilized alternatives to street vendors.

As for the most significant **informative mechanisms**, it is suggested to have a national map to determine the size and confinement of the problem in terms of " geographical distribution, number, allocation of each activity, classification at the republican level with complementarity with management and follow-up mechanisms to establish a regulatory regime on non-licensed sold products and periodic follow-up of market development implementation plans to ensure their continued development and regulatory controls to ensure the balance of market sales and availability of goods.

The previous proposed mechanisms were derived from the theoretical framework and different case-studies, these mechanisms will be tested through conducting a structured interviews and questionnaire with experts to determine the applicability in Egypt with the determination of the most appropriate mechanisms for the Egyptian context and state conditions.

6.2 Structured interviews and questionnaire

The study relied on the analytical method, using data

collection methods of questionnaire and semi-structured interviews. The aim of this questionnaire and interviews is to benefit from the experience of experts and specialists in the executive and administrative field of urban and city planning and local municipalities and to get their opinion in prospective mechanisms for application in Egypt from their perspective. In addition to analyze archives, newspapers, official statistics and documents, to test mechanisms adequacy for the Egyptian context, this will help implement policies and mechanisms that suit dealing with informal economy and integrate it into urban "spatially" development plans in Egyptian cities.

All data collection was conducted between January and May 2023. The selection of the research community was by using the random and deliberate sample methods, where 25 questionnaire forms were distributed, and 29 interviews were conducted:

- **Traders in markets and security personnel spread across markets to secure them, street vendors and beneficiaries** to understand people's characteristics, business processes, residential and mobile characteristics, as well as job security for street sales, and the future plan for street vendors.

Interviews were designed as spontaneous conversations on several important topics through questions about:

- Characteristics of interviewees (age, gender, workplace, place of residence, duration of activity, level of satisfaction, educational level, and extent to which their needs are met) as well as suggesting solutions to their problems.
- Merchants' and street vendors' business operations, questions about the type of goods sold, the way goods are displayed, and their previous job before a roaming sale (for part-time street vendors, their basic functions are raised), and their income is subtracted.
- Their residential and mobile features such as location of residence, type of housing and room, rent, way of moving from living place to site of sale, plus time of commuting and cost.
- Determine how street vendors interact with the physical environment.

The sample was randomly selected for interviews with a number (6) of traders on the market, a number (3) of security personnel deployed throughout the markets, 15 street vendors, and a number (5) of beneficiaries, so that the researcher can understand the whole aspects (street vendors, merchants, beneficiaries) and their needs and perspectives on the types of required facilities and activities for their daily sales. Data has been collected through the use of recordings.

- **Stakeholders include Ministry of Local Development, Ministry of Planning and Economic Development, Urban Development Fund, Governorates and Neighborhoods (Cairo and Giza governorates).**
- **Experts, specialists and consultants.**

The questionnaire form consists of open and close ended questions that were asked through structured interviews (researcher filled questionnaire). The interviewees were asked to classify the proposed mechanisms into three groups: currently applied mechanisms, partially applied mechanisms, and proposed mechanisms.

The sample was deliberately selected for a survey and interviews of 15 stakeholders, including (3) from the Ministry of Local Development, (3) from the Ministry of Planning and

Economic Development, (2) from the Urban Development Fund, (7) from governorates and neighborhoods (Cairo and Giza governorates). A number (10) of experts (academics), specialists and consultants in executive and administrative organs to answer the following questions:

- In their opinion, what patterns of informal activities relate to roaming activities. This is to identify the social and economic needs of informal sector workers, as well as understanding the experiences, needs and perspectives of street vendors on the types of facilities and activities required for daily sales.

- The extent to which street vendors participate in the renewal or transfer of public markets, the process of developing transport projects and how to avoid refusal/abandonment of the market after implementation/operation.

- What are the challenges related to spatial allocation of land and resources? From your perspective, what are the proposals for spatial arrangement methods for vendors (streets or markets) to meet their needs and help authorities better regulate.

- What are the shortcomings in Egypt's current mechanisms, including legal, institutional, planning, financial, administrative and informational mechanisms?

These questions were answered through closed-ended and open-ended questions in the questionnaire form (through researcher filled questionnaire). They were hereby asked to indicate their opinions regarding proposed mechanisms that were successfully implemented internationally and identify the mechanisms proposed to be applied for Egypt.

Research tools used for this stage (Excel software) to calculate partially applied and proposed implementation mechanism ratios of various mechanisms.

The following part review a range of mechanisms that have also been used to implement policies to achieve the objective, these mechanisms have been compared with the Egyptian context of informal economy activities (street vendors, markets) and how informal economy was integrated into urban areas. This part will classify the mechanisms into two groups, unimplemented mechanisms and the research suggests its application and applied mechanisms that are proposed to be continued with some amendments. The following is an explanation of the mechanisms proposed to be applied in order to adapt them to Egypt's context to contribute to the integration of informal economic activities in urban areas, these mechanisms including:

1). Proposed legislative mechanisms: (1) formulation of a legal framework for collecting and clustering of small enterprises of informal economy activities; (2) offering a wide diversity of application systems to work in the replacement projects (a system for occupancy with a nominal wage, public draw among eligible young people), (3) providing all necessary facilities for young people and vendors to regulate their situation, and develop legislative means to regulate tenure (Pakat, shops, licensed minivans) and (4) formulation of a law criminalizing the work of street vendors in the main squares and streets to preserve the cultural form and eliminate traffic congestion; (5) Implementation of the Street vendors law and regulation of markets discipline, and (6) integrating planning and regulatory legislation that protects and facilitates informal economic activities.

2). Proposed institutional mechanisms are as follows: (1) Development of environmental management systems for

various residues of informal economy activities in urban areas (markets, shops, ...), and (2) allow the formation of vendors' associations or unions that protect their rights and provide them with the necessary support when needed; (3) To develop an organizational structure for the roles and responsibilities of relevant stakeholders, and (4) to prepare a study of places of sale and activities for development, management and organization; With its limitation on urban areas, (5) develop various mechanisms for dealing with the sale and development of informal economy activities in cooperation with consultants to develop the plan; (6) Application of participation through interviews with existing traders and vendors and (7) encourage the participation of international institutions and organizations to develop and integrate informal economy activities in urban areas, (8) providing incentives for private sector partnership in the management and development of development projects and (9) developing enterprises' operational skills in the informal economy and its activities in urban areas.

3). Proposed Information mechanisms for application include: (1) The establishment of an integrated geospatial information data base portal to analyze and assess situations and make decisions for policies and methods of dealing with such activities; (2) the development of a national map to determine the different dimension of the problem in terms of "location, geographical distribution, number, allocation of each activity", and its classification at the republican level.

4). Proposed planning mechanisms

- Mechanisms for dealing policies through: (1) Supporting policies that promotes the gradual integration of informal trade, (2) identification of a development method that can suit the nature of each market, (3) urgent inventory of all space lands in governorates and similar to other governorates for use in the creation of developed (markets, streets ...). (4) Considering the location's preferences in long-term land allocation decisions, and (5) linking urban planning policies and spatial development plans to informal economy activities.
- Planning and design mechanisms, including: (1) considering individuals' accommodation to be near to sales sites (projects), (2) taking into account the functional and environmental aspects of the provision of services, and (3) taking into account the efficiency of movement paths in the new design so that vendors have equal exposure for their goods by shoppers.
- Social characteristics mechanisms include: (1) considering cultural and social characteristics of the sale and purchase movement of each of the sites, (2) providing civilized alternatives to street vendors and taking into account their living conditions, and (3) conducting behavioral studies of existing shopping operations prior to the redesign or removal process.
- Mechanisms for the specialized street also included street design (streets for sale activities) with a civilized design and legal framework, which ensures the preservation of the street's aesthetic appearance and the elimination of indiscriminacy.
- Mechanisms for establishing specialized markets include: (1) The establishment of integrated civilized markets to eliminate the crisis of street vendors and provide them with a civilized alternative to their social conditions, and (2) the design of new markets is a commercial shop, or in the form of small malls, depending on the nature of each area, ensuring optimal exploitation of the place. And (3) Determination of markets absorptive capacity to avoid

any haphazard extension in the future.

- Controls and requirements mechanisms include the following: (1) Setting a time frame for the development process (development of existed random markets) divided into three "short, long and medium term" plans, (2) availability of civil protection requirements at markets for both security and safety, and (3) provision of environmental standards while studying contracting with companies to clean markets leftovers.

5). Financial mechanisms relating to the proposed financing policies, including: (1) Specifying a monthly payment for street vending, in addition to utilities consumption of water, electricity and site maintenance, (2) improving and supporting presented funds for workers at informal economic through low-interest financial funds, and (3) establishment and support of medium, small and micro enterprises to raise and job opportunities. (4) Compilation of projects to support young entrepreneurs and develop and manage these projects in environmental and civilized context, (5) Development of a financial policy to regulate vendors acquisition through rent and grant (shops, kiosks, small vehicles...).

6). Management and monitoring mechanisms: (1) Establishing a control system on sold or not licensed products in markets (2) Having a periodic follow-up system on the implementation plans of markets development to ensure their continued development; (3) Regulation to ensure a balanced market sales process and availability of goods, (4) Establishment of operational approval controls to upgrade youth enterprises utilization for 3 months and renew it in case of compliance with the controls; (5) Setting terms and conditions on using market spaces (spatial division for selling activities) to keep it from informal economy activities.

7. CONCLUSION

This article reviews Integrating informal economy activities into land use planning through proposed mechanisms for implementing those policies within urban areas in Egyptian cities. At first, the article reviewed the informal economy phenomenon internationally and the dealing strategy with it, the informal economy and its impact on urban areas, the informal economy issue in Egypt and what were the applied mechanisms to integrate it and clarified that Shortcomings of current policies and mechanisms for integrating its activities into urban areas.

The article briefly reviewed the Egyptian case studies (Markets, Random markets "Meit Okba Market"- Alternative markets "New Boulak Market in Boulak Abu Al-Ala" – Initiatives "The initiative of (Egypt Street)", initiative of "Providing sidewalks for special needs and disability challenging people") to evaluate current policies/ mechanisms in Egyptian context. to clarify those problems/ shortcomings of applied policies in dealing with informal economy and deficiencies in integrating informal economy in the spatial development plans in urban areas in Egypt.

The article briefly reviewed case studies of international and Arab experiences (India, China, and Algeria) in dealing with and integrating informal economy in the spatial development plans in urban areas and displayed the applied mechanisms in each experience. This part embodies an analysis for the applied mechanisms and policies for integrating informal economy activities in urban spaces and urban areas and their effectiveness in balancing informal

economy activities and fulfillment of their needs in the light of urban planning policies and mechanisms. These policies are implemented through a set of mechanisms where the adopted policies and their implementation mechanisms are used as criteria for assessing the Egyptian experience through comparative analysis method by conducting interviews with experts and planners to classify and evaluate the proposed mechanisms that can be compatible and applicable in the Egyptian context.

This article ended up with proposing mechanisms for integrating informal economy into a comprehensive land use planning through the spatial development plans in urban areas of Egyptian cities. These proposed mechanisms include legislative, institutional, informational, planning, financial, and administrative mechanisms for developing these policies and to overcome the problems of informal economy in urban areas and cities in Egypt which represent an essential issue in the Egyptian context.

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