

# ROAD TO LEGALIZING SPAZA SHOPS: A CALL TO ENVIRONMENTAL HEALTH OFFICERS

Issue Brief – Oct 2025

## Status quo: The role of Spaza shops in our poorer communities

The informal sector, where Spaza shops thrive, accounts for a significant portion of the nation's annual food expenditure, estimated at 30%-40%. This sector represents a colossal potential market value of R178 billion, presenting substantial opportunities for informal food and formal businesses.<sup>1</sup> Informal food trading also contributes significantly to the diet of numerous people living in developing countries, including South Africa.<sup>2</sup>

## Misplaced policies rendering spaza shops illegal, affect the regulation of food products

The food environment where spaza shops operate represents food deserts, where healthy food is hardly available. Spaza shops are usually run by immigrants without business permits. This affects the ability of owners to acquire the necessary business certification and licenses which continues the vicious circle of non-compliance. In the past year, there have been highly publicized findings of expired or counterfeit foods, selling food brands with foreign labels, or no nutrition labels on food sold in spaza shops. Illegal spaza shops are not accountable to the government or the communities they serve and escape any kind of regulation and initiatives that foster healthy, safe products, and profit informal food businesses. Regulating what illegal spaza shops sell is a challenge, as local governments are not always able to monitor the type of food sold (whether nutritious, hygienic or safe), due to lack of capacity to implement this task.

More importantly, the issues preventing spaza shop owners from operating optimally or legally include:

- inability to own buildings that comply with regulations
- lack of awareness of the requirements to legally operate
- limited engagement with regulatory authorities.



### Priority Actions

#### Create a platform

for Spaza shops to  
operate legally.

#### Provide guidance

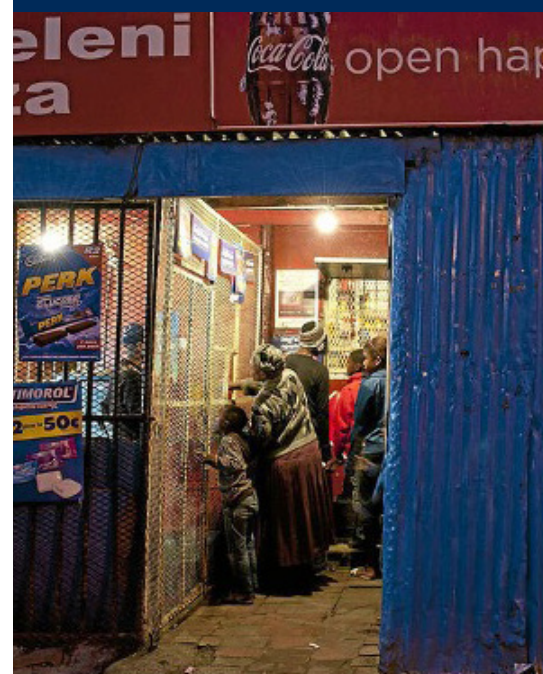
regarding the process of  
informal business licensing.

#### Advocate for adherence

to food and safety regulations.

#### Train and capacitate

spaza shops owners in  
environmental hygiene,  
food safety and (good)  
business practice.



# Implications

## Empowering spaza shop owners to operate legally

Failure to continuously impart knowledge regarding the importance of operating the business legally may perpetuate illegality in this food business and continue the sale of unhealthy and unsafe food to the Cape Town communities.

- By empowering spaza shops owners with information that upraise the importance to operate legally and become compliant, you minimize the health risks for the poorest of the poor
- Spaza shop owners should be educated around the regulations and policy requirements to reduce the continuation of illegal food business that is difficult to regulate

## Making accessible and palatable regulatory information and guidelines available

Failure to manage food safety risks can lead to severe consequences including: i) financial losses due to illegal spaza shops avoiding declaring revenue, ii) damaged consumer trust, and iii) regulatory challenges

- Improving access to information and continuous engagement of stakeholders to gain systems perspectives about the importance of operating businesses legally improves their morale and heightens the need to comply with health policy standards and their contribution to the country's economy
- Compliance by spaza shop owners can also protect consumers from exploitation
- Non-compliance is a barrier to consumers to access healthy food

## The importance of informal food environment audits

The lack of prioritizing human resources to audit the informal food environment shortchanges the efforts of balancing the four key factors: protection of public health and safety, support for public health objectives/legislation, assistance to consumers making informed health choices and support for a strong, viable and sustainable industry.

- Prioritizing government funding to support needed human resources and food environmental audits
- A functional multi-sectoral structure at the local level is needed to ensure good coordination and monitoring and evaluation of the implementation of best practices.

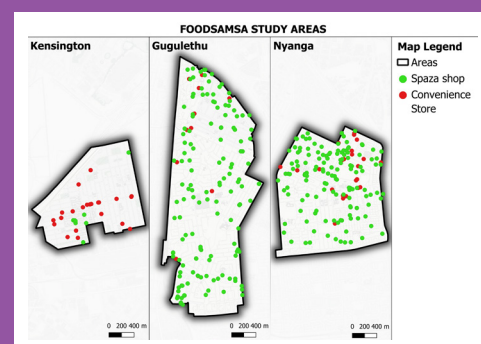
Ultimately, it is the community that suffers the consequence of these misplaced policies.

### The FoodSAMSA Project

Email: [foodsamsa@mrc.ac.za](mailto:foodsamsa@mrc.ac.za) | Website: [FoodSAMSA \(samrc.ac.za\)](http://FoodSAMSA.samrc.ac.za)

# Key findings

- 1 Licensing:** Informal business licensing in Cape Town is a difficult process, which is largely unclear to spaza shop owners.
- 2 Personal Safety:** Many spaza shop owners have been victims of extortion, violence and violent robbery with loss of lives.
- 3 Food safety:** Spaza shops mainly sell highly processed, long shelf life, counterfeit food, unlabeled and expired foods.
- 4 Legality:** Few spaza shop owners have legal permits to operate in Cape Town, hence their businesses are difficult to regulate.



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Credits: Nasreen Jessani

### Contacts

**Peter von Philipsborn** MSc MA MD  
LMU Munich  
[pphilipsborn@ibe.med.uni-muenchen.de](mailto:pphilipsborn@ibe.med.uni-muenchen.de)

**Peter Delobelle** MD PhD FRSPH  
CDIA / University of Cape Town  
[peter.delobelle@uct.ac.za](mailto:peter.delobelle@uct.ac.za)

**Zandile Mchiza**, BSc, PhD  
SAMRC/UWC  
[zandile.mchiza@mrc.ac.za](mailto:zandile.mchiza@mrc.ac.za)

**Jillian Hill**, BPsych, MPH, PhD  
SAMRC  
[jillian.hill@mrc.ac.za](mailto:jillian.hill@mrc.ac.za)