

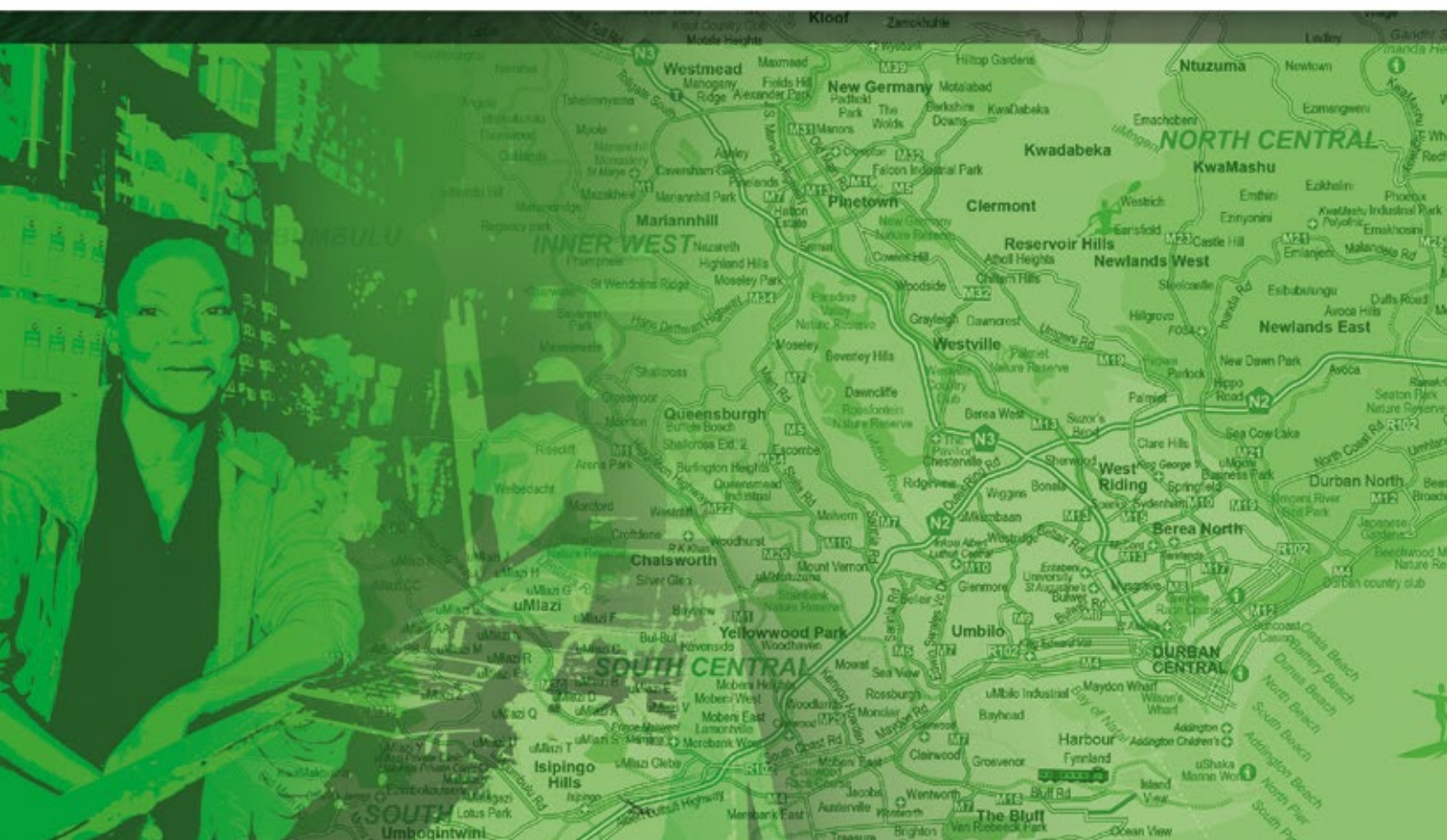


IN THE EYE OF THE STORM

THE STATE OF AFRICAN IMMIGRANTS' BUSINESSES IN DURBAN



Democracy Development Program NPC
www.ddp.org.za



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Preface

Human mobility is an age-old phenomenon that is inevitable as the world becomes increasingly interconnected. As such, governments across the world continue to grapple with the various socio-political and economic policy difficulties posed by migration. The situation has further been exacerbated by ongoing wars, hunger, poverty, climate change, unemployment and under-development in most countries, all of which contribute towards massive mobility of people in search of better opportunities; they become refugees, asylum seekers and labour migrants in the host countries. Often, the movement is towards regions that are perceived as economically, politically and socially stable, regardless of the country's realities and challenges. Often, these receiving countries bear the burden of this massive influx of people, whose economies and societies are expected to embrace and accommodate them.

In reality, there are limits to the number the receiving countries can take for several reasons, such as the increasing rates of unemployment. As a result, more receiving countries are becoming increasingly selective about the migrants that they are willing to take in, opting mainly for those with skills or capital to invest. If the problem of unemployment and poverty is left unaddressed, they become key drivers of strained relationships between migrants and their host communities. The time to provide lasting solutions to challenges posed by migration has come.

The city of Durban, like other major cities in South Africa and around the world, has always been a destination that hosts people from all walks of life. Over the last decade, the City has experienced xenophobic violence between African migrants and their South African hosts. To identify causal factors that contribute towards xenophobic incidences, the Democracy Development Program (DDP), in partnership with the Konrad Adenauer Stiftung (KAS), commissioned mapping research, mainly to identify locations in which migrants tend to settle once they are in the city as well as the types and forms of economic activities that African migrants engage in, to eke out a living and integrate themselves fully in host communities.

The research is part of the Migration Project that is funded by the European Union (EU), which aims to strengthen civil society organisations' capacities to intervene towards lessening xenophobic tendencies among African migrants, their South African hosts, and duty-bearers in KwaZulu-Natal. The study provides detailed information about African migrants in five locations, in which the project is being implemented, their socio-economic characteristics, concerns, and challenges, among other aspects.

The research provides a basis for meaningful engagements with all key stakeholders about migration and presents an opportunity to co-develop better migration-responsive policies as well as co-creating a society in which every person matters, regardless of their ethnicity, nationality, race, culture, gender or religion.

Insightful reading!

Dr Paul Kariuki

DDP Executive Director







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Background



1.1. Study Background and Objectives

Undertaken by The Frontline Group, this study was commissioned by the Democracy Development Programme (DDP) in March 2021. The guiding objective of the study was to identify the characteristics, conditions and challenges faced by migrant entrepreneurs in the Durban region. The study aimed to lay the foundations for improved cooperation between migrant entrepreneurs and host communities. The aims spelled out in the Terms of Reference (ToR) for the study are as follows:

- a. To assess the characteristics of migrant entrepreneurs (gender, prevalence, location, nationality, sector of activity, level of education, etc.)
- b. Provide geographic information system (GIS) mapping of migrants in the greater Durban area
- c. Sketch out the interrelatedness of migrant issues
- d. Identify the concerns and challenges faced by migrant entrepreneurs
- e. Make recommendations on how the concerns and challenges of migrant entrepreneurs can be addressed meaningfully and sustainably

1.2. Methodology

1.2.1. Data Collection Methods

The study employed a mixed-method approach with qualitative data being collected through: a) Five key informant interviews (KIIs) with individuals possessing unique expertise on the migrant experience in greater Durban; and b) Focus group discussions (FGDs) with a diverse cross-section of migrant entrepreneurs. Five FGDs were carried out in the townships of Isipingo, KwaMakhutha, KwaMashu, Sydenham and Umlazi. These FGDs included a total of 26 participants of different age groups, genders and different national origins, but all with the shared experience of being migrants with small informal businesses and living with a high-level of precariousness – both in regard to their legal status within South Africa and in the ever-present threats they face from xenophobic attacks. Quantitative data was collected through the administration of an individual-level questionnaire. These questionnaires were administered to a total of 137 respondents selected through a convenience sampling technique.



The questionnaire collected data on the following topics:

- Demographics (gender, nationality, age, level of education, etc.)
- Personal financial situation
- Business characteristics (monthly revenue, possession of a trading permit, jobs created, geographic area of operation, type(s) of products/services sold, amount of time the business has been operating, working conditions)
- Business regulatory environment
- Main business challenges
- Types and sources of business support services received
- Identified training needs to assist in business growth
- Group/association membership
- Experiences with criminality and discrimination – including experiences dealing with legal authorities (police and other legal institutions)
- Accessibility and utilisation of municipal services
- Impact of the COVID-19 pandemic on business operations

This primary data has been analysed with reference to a review of existing literature on migrant entrepreneurship in South Africa (outlined in Section Two). Both the primary and secondary data are considered in the report's key recommendations (provided in Section Five). As noted earlier, the geographic scope of the study was on five townships with a known high population of migrant entrepreneurs – Isipingo, KwaMakhutha, KwaMashu, Sydenham and Umlazi. No business data was collected within the

Durban central business district (CBD). However, GPS coordinates were generated from the location of foreign-owned businesses across the eThekweni municipality. The collection of this GPS data allowed the study to provide locational mapping of areas where foreign-owned and/or operated businesses are found – and where they are most prevalent.

1.2.2. Data Analysis

The analysis of data was as mixed as the data-gathering methods. The survey data was captured into the Statistical Package for Social Sciences (SPSS). Once captured, data was edited to check for readability and consistency. The capturing was followed with coding of the data and assigning of all the data with data codes for easy analysis. Data was then processed by which independent variables were isolated, and dependent variables were matched to determine causal relationships. Correlations and coefficients were identified as the measures of association while intervals, ordinals and nominals were employed as levels of measurement. Data was then exported to Microsoft Excel, from where the charts and graphs were generated.

Analysis of qualitative data gathered through focus groups (FGs) and key informant interviews (KIIs) were captured and coded. The researchers then thematised the data to reflect the dominant themes emerging from the FGs and KIIs. These themes were then integrated into the objectives of the study.





1.2.3. Limitations and Socio-political Context

It is important to note that the study focused exclusively on African migrant entrepreneurs. Those migrant entrepreneurs originating from non-African countries such as migrants from Bangladesh, China and Pakistan (to name only a few origin countries) were not included in the study. Ultimately, it is these African migrant entrepreneurs who experience the most precarious conditions in South Africa, facing the greatest difficulties when engaging with various levels of government and being the main target for harassment and violence.

The fieldwork for this study was conducted over a period of 11 days, between 17-28 March 2021. A number of contextual considerations, which inform the findings of the study, should be noted. They are as follows.

First, the data gathering process took place immediately after a series of xenophobic attacks, which occurred over the course of January, February and March 2021. The latest major wave of attacks occurred between 7-9 March. On 9 March, hundreds of immigrants gathered outside the Diakonia Centre in the Durban CBD, chanting “We need solutions”, in protest against xenophobic attacks.

Second, on 23 March, when the project team was collecting data in the field, further xenophobic attacks (of a smaller scale when compared to those of 7 March) occurred in the Durban CBD. In these attacks, several migrant-owned businesses were looted and although there were no reported incidents in the study’s five target township study locations at this time, tensions between locals and migrants were extremely high. Most foreign businesses in the target areas closed shop in anticipation of attacks. The feelings of anger and desperation generated by these attacks came through very strongly in the study’s FGDs.

Third, in November 2020 (four months before the study was conducted), xenophobic attacks targeting truck drivers gained national attention, with dozens of trucks having been torched in Durban alone. The protests against truck drivers were motivated by the view (objectively correct or not) that most truck drivers are immigrants. Sustained xenophobic attacks undeniably deepen sentiments and perceptions of how migrants view host communities as well as governments at all levels.

Lastly, most foreign-owned or operated businesses (as with South African-owned or operated businesses) were negatively affected by a series of government lockdowns, which started in March 2020 to combat the COVID-19 pandemic. By the time data was collected for this study, the lockdowns had been in place (to varying levels of severity) for 12 months. The impact of the lockdowns – particularly in the financial stress they have created – have clearly influenced the perspectives held by migrant business-owners towards Government, in a way that likely differs (at least to a degree) with the perceptions they held in pre-pandemic times.

The fieldwork for this study was thus conducted under conditions of sustained hostility and fluctuating tensions. Saying this, the above contextual factors also allow for the consideration of a counter narrative to ongoing violence and discrimination, where a range of organisations have arisen to show solidarity to migrant businesses through participation in protests against xenophobia. The media has also been a critical tool in providing comprehensive coverage of xenophobic attacks, discrediting many of the factors that are seen to motivate them and, in the process, undermining their momentum.



Brief Literature Review – the Migrant Entrepreneur’s Experience in South Africa



This section of the report provides only a snapshot of the literature that exists on migrant entrepreneurs in South Africa. Much of this literature ties into broader analyses of the informal economy – which is where large numbers of migrants (and particularly refugees) operate. Crush, Chikanda and Skinner (2015) provide a comprehensive analysis of migration and the exposure of migrant communities to xenophobia in South Africa’s townships. The authors do a masterful job in demonstrating how the migrant experience in South Africa differs from the migrant experience in many other countries. Drawing on the research of scholars like Waldinger (2013), Rath and Kloosterman (2000) as well as Ensign and Robinson (2011), the authors point to the fact that immigrant entrepreneurs, while perhaps facing initial resistance from local populations, tend to become integrated and even celebrated for their tenacity in creating small businesses that catalyse economic growth and provide employment. In South Africa, by contrast, such sentiments are conspicuously absent. Instead, ‘migrant entrepreneurs have been consistently portrayed by government and the media as unwanted parasites, as driving South African

small businesses to the wall, as taking jobs from citizens and as engaged in nefarious business practices’.

The specific threats that migrant entrepreneurs face – in regard to their personal security as well as that of their business and property – have been further articulated by Crush and Ramachandran (2014), Ojong (2006), Moyo, Gumbo and Nicolau (2018) as well as by Tengeh and Lapah (2013). These writers point to the different types of ‘calculated risks’ and ‘adaptations’ that migrant entrepreneurs in urban South Africa must take in order to survive. Recognising that the alternative to making a living in South Africa is a return to their politically unstable and often violent countries of origin, migrants are identified as adopting strategies akin to ‘tactical cosmopolitanism’, learning quickly when to engage with the local populations with whom they settle and also when to withdraw and minimise their visibility. The result of this ‘tactical cosmopolitanism’ is an inability for migrants to truly settle and feel as if they belong to a community – even if resident in a community for a long period of time. This has further impacts when it comes to migrants’ businesses since the need



to minimise visibility makes it difficult for migrants to grow their enterprises – particularly if doing so will invite scrutiny and risk of attack or discrimination. These themes also emerged in this study's qualitative research.

A number of scholars have explored the experiences of particular migrant groups in the South African context – including the Somalis (Thompson 2016), Chinese (Lin 2014), Mozambicans and Zimbabweans (Crush 2017), Ethiopians (Worku 2018) and Nigerians (Kalitanyi and Visser 2010), to name only a few. The differences in experience between these groups are often very different. For instance, the literature delves into the outsized role that the Somali migrant community plays in South Africa's informal spaza shop sector (Charman, Petersen and Piper 2012; Liedeman *et al.* 2013) or the role of the Chinese as commercial middlemen (Lampert *et al.* 2014). Common to many of these analyses, however, is a view that African migrants face qualitatively different circumstances in South Africa when compared to non-African migrants.

The above literature is nearly unanimous in suggesting that African migrants are confronted with violence and harassment on a scale that their non-African counterparts are not. This is in spite of the fact that many analyses of migrant-owned and operated businesses are categorical in stating that African migrants seldom pose as direct competitors to South Africans. Indeed, referring back to the notion of 'tactical cosmopolitanism' noted above, migrants are seen as purposely avoiding engaging in the same types of trades as 'locals' out of awareness that doing so will likely make them targets for violence. The fact that violence is directed against migrants in spite of migrants' conscious efforts to 'accommodate the jealousies' of their South African neighbours is a source of considerable frustration and resentment among migrants (Lampert *et al.* 2014).

To some extent, the sizeable role that migrants play in South Africa's informal economy should not come as a surprise. Devey, Skinner and Valodia (2006) point to a broadly negative attitude on the part of the South African government towards the informal economy, arguing that support to various informal sectors has been 'patchy and incoherent, and largely ineffective' (pg. 14). These writers, along with Kingdon and Knight (2003) and more recently, Davies and Thurlow (2010), contend that a lack of political interest in the informal sector has roots in apartheid-era restrictions (e.g. harsh zoning laws and licensing requirements) that sought to curb informal economic activity among the African majority, particularly in urban centres. Kingdon and Knight (2003) further argue that the apartheid era's efforts to repress and disempower the African majority inhibited the development of entrepreneurial and social skills, as well as the formation of social networks that are needed to gain 'entry' and maintain one's enterprise in the often tumultuous informal economy.

Migrants, by contrast, are identified by the above scholars as having much stronger social networks, typically developed at first in their countries of origin and then sustained throughout the process of chain migration that brings many African immigrants to South Africa's urban centres. Without the same experience of

apartheid and its efforts to undermine the entrepreneurial spirit of South Africa's African population, as well as with experiences of operating almost wholly within an informal economy in their countries of origin, migrants are viewed as having 'in-built' entrepreneurial capabilities. This, combined with the fact that migrants have few other options should their enterprises fail, provides them with a considerable level of resilience (Davies and Thurlow 2010).

Kingdon and Knight (2003) point to the significant 'entry' barriers that migrants (and South Africans) face when engaging with the informal economy. They suggest that crime, lack of access to credit, lack of access to infrastructure and services, as well as the need for training, all serve as hindrances. Both Chandra *et al.* (2002) and Xaba *et al.* (2002) present survey data indicating that over 80% of retailers nationwide in the informal sector had never received any type of training on how to operate their businesses. Two thirds of these retailers, meanwhile, were unable to access the 'small business support centres' established by the government (largely to serve formal SMMEs).

Chandra *et al.* (2002) note that most informal sector retailers (migrant and non-migrant) required substantial start-up capital – to an average of 2.5 times their average monthly earnings. Lack of collateral, overly complex procedures and high costs were the factors these authors identified as holding back informal businesses from operating sustainably. Nel and Rogerson (2009), focusing on many of the same issues a decade after Chandra *et al.*, continued to identify many of the same barriers, suggesting that South Africa was missing an opportunity by devaluing its informal economy in spite of its potential to provide livelihoods. These same issues will emerge, at various points, in the analysis that follows.



CHAPTER 3

Migrant Entrepreneur Survey – Key Findings



In this section, the findings of the individual-level migrant survey are presented. The survey findings will be complemented by the presentation of the qualitative data in Section Four.

3.1 Demographics

Most survey respondents were male (86%) (Figure 1). This figure is not surprising and it reflects the fact that the majority of migrants arriving in South Africa from elsewhere on the continent are men rather than women.

Interestingly, almost half of survey respondents came from either the Democratic Republic of Congo (DRC) or Burundi (Figure 2). Ethiopians, Mozambicans, Malawians and Zimbabweans were the next most common nationalities for surveyed migrants. What is important to note, however, is that migrants come from a diverse cross-section of countries, including relatively distant countries like Egypt and Ghana, reflecting the ongoing lure of South Africa as a migrant destination.

Figure 1: Gender of Survey Respondents

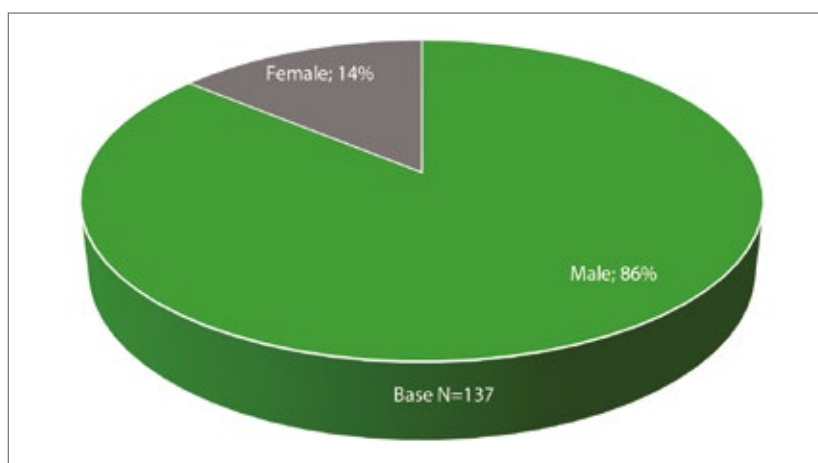
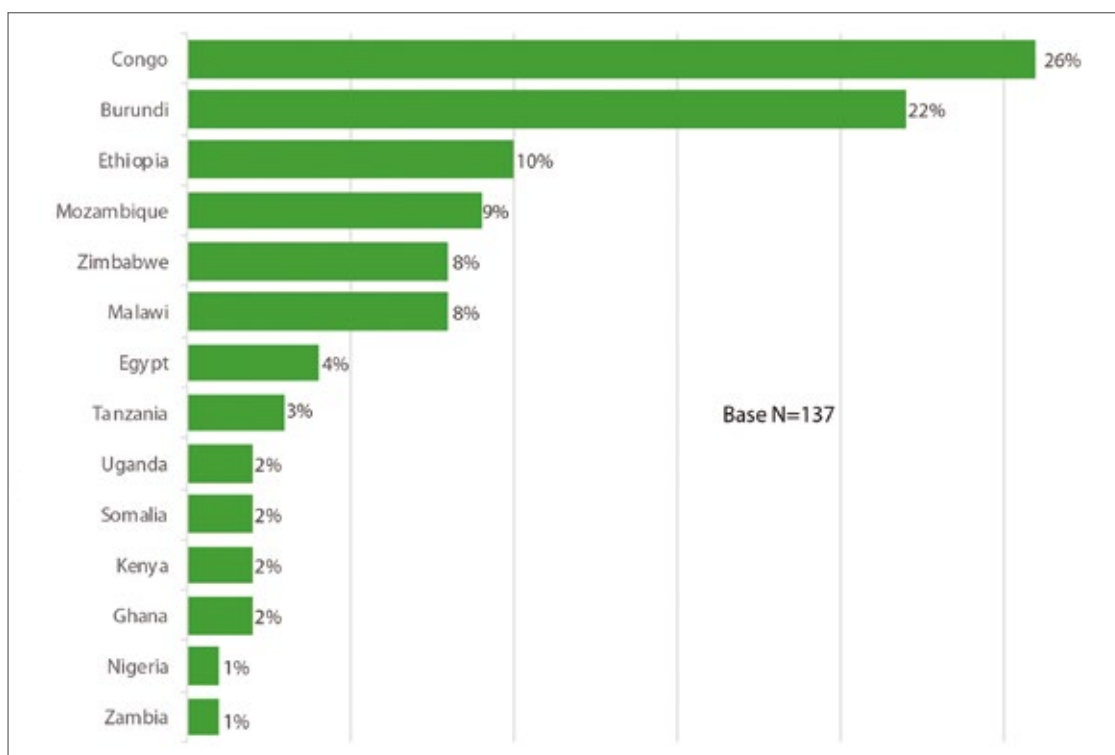


Figure 2: National Origin of Surveyed Migrants

A majority of migrants (53%) were youth aged 19-34 years (Figure 3). Over two-thirds of surveyed migrants had either some secondary education or had completed secondary education (Figure 4).

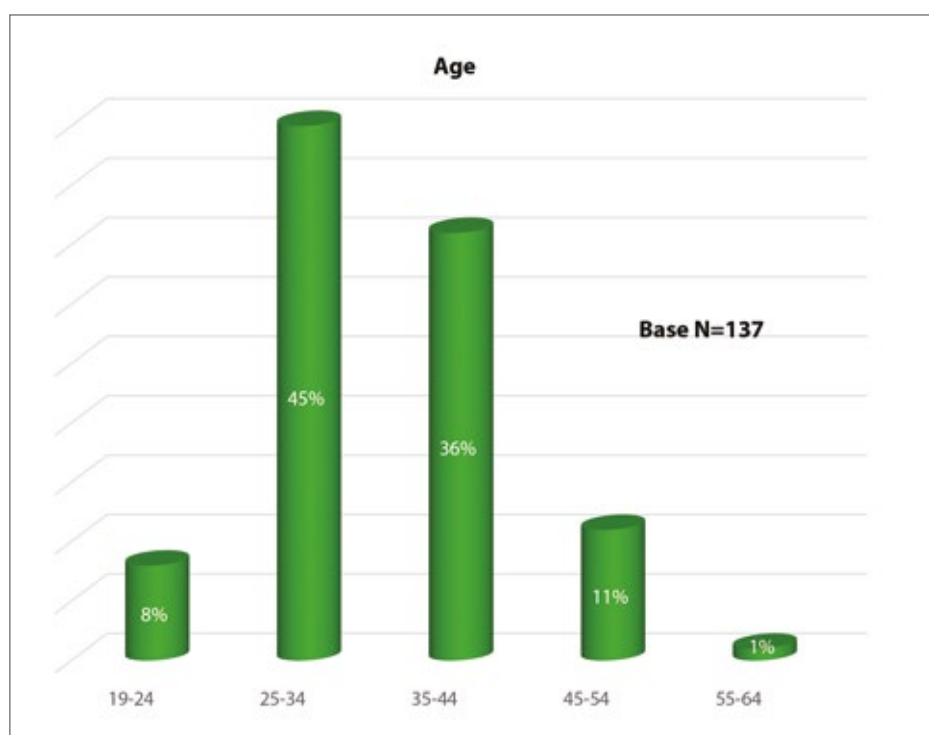
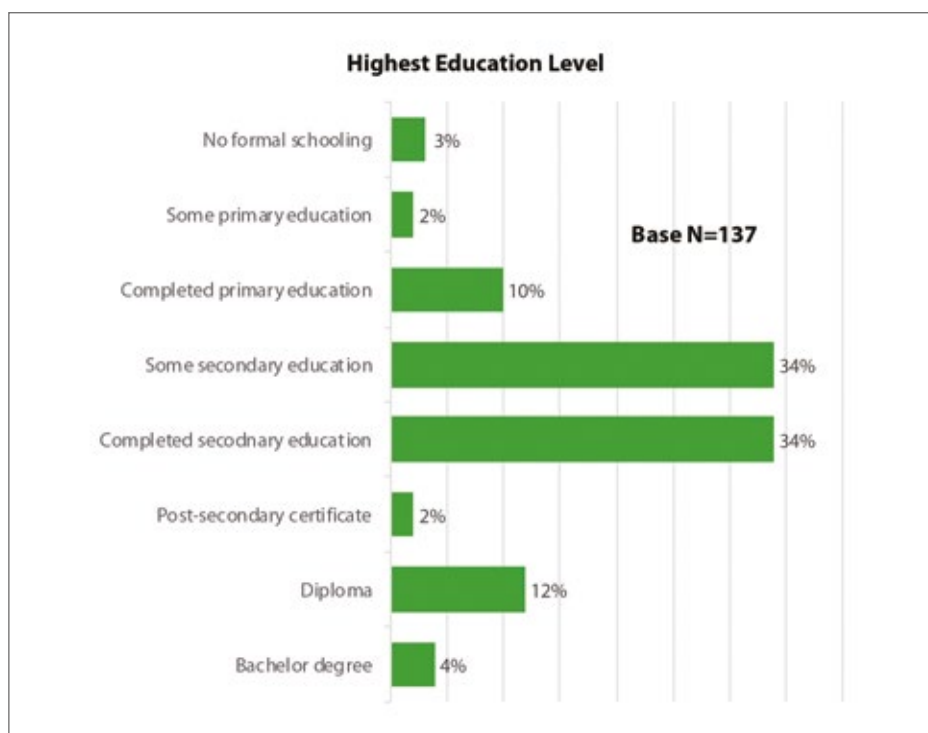
Figure 3: Age of Surveyed Migrants

Figure 4: Education Levels of Surveyed Migrants

Just under two-thirds of surveyed migrants reported that the monthly revenue for their businesses was less than R3 500 (Figure 5). A further quarter of respondents reported revenues between R3 500 and R10 000. These data clearly indicate that migrants in the Durban area are not operating high-revenue businesses. When disaggregated by gender, businesses run by female migrants were more likely than those run by male migrants to report monthly revenues of less than R3 500 (Figure 6), though this data should be interpreted with some caution given that there were considerably fewer women surveyed.

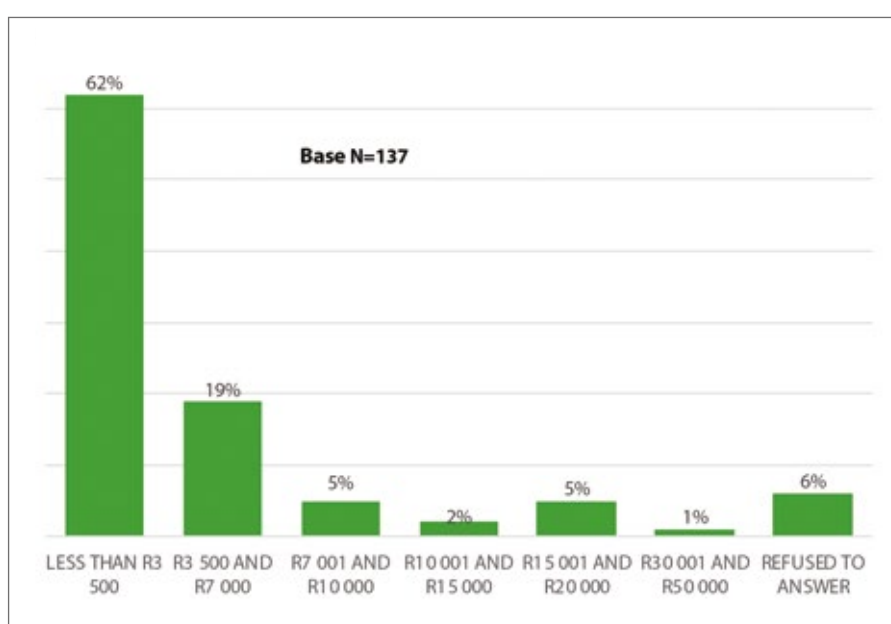
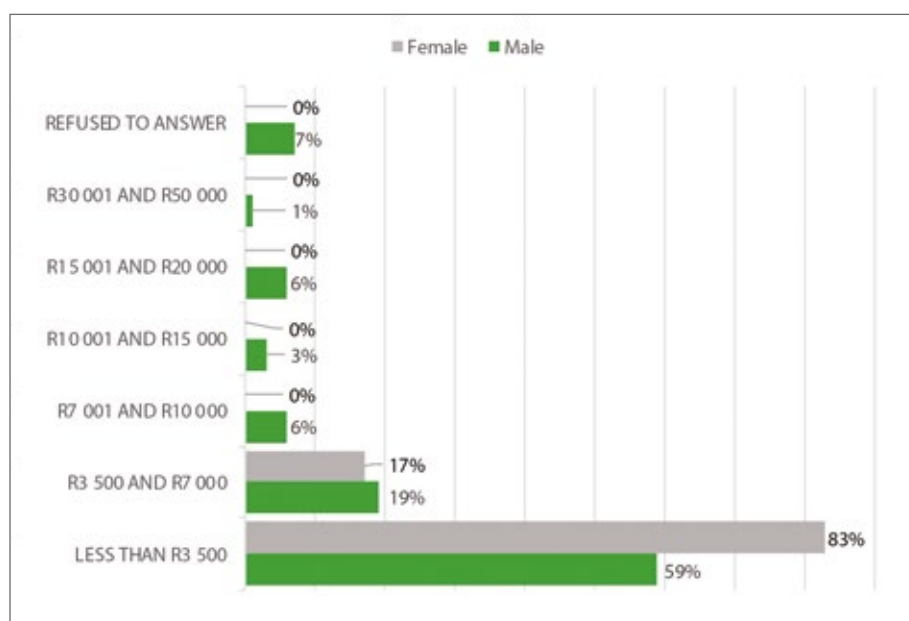
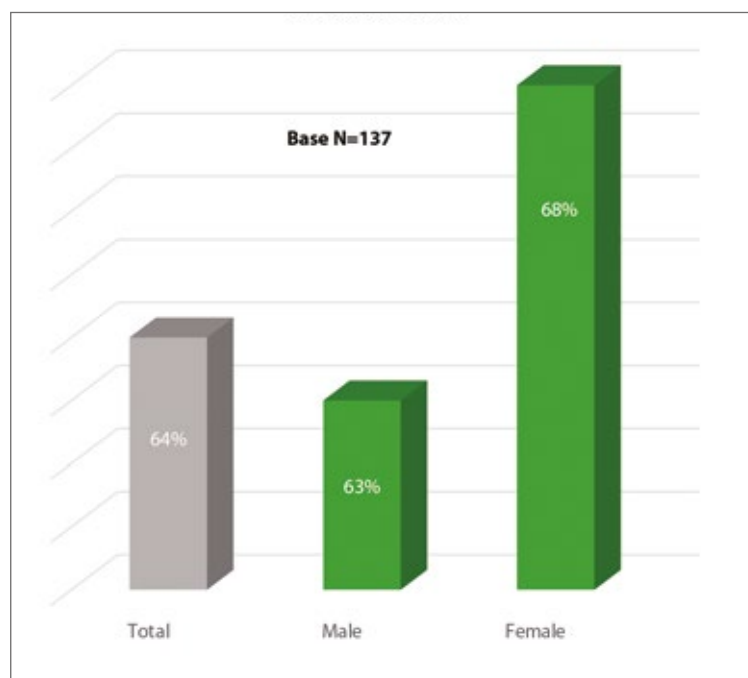
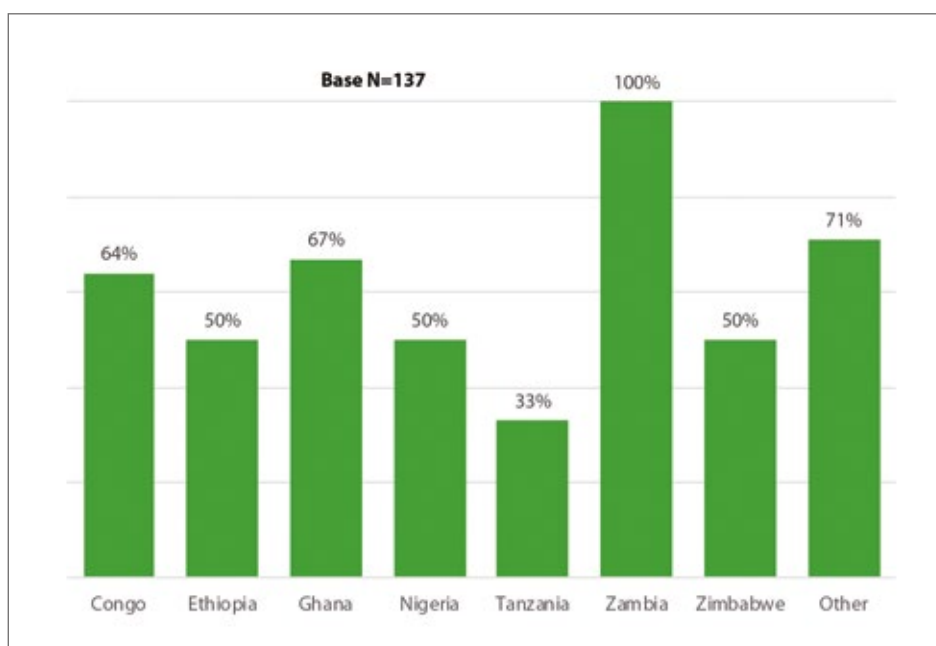
Figure 5: Monthly Revenues for Migrant Businesses

Figure 6: Migrant Business Revenues (by Gender)

Around two-thirds of surveyed migrants do not have a trading permit issued by the eThekweni Municipality (Figure 7). The bureaucratic challenges associated with obtaining this permit are touched upon further in the qualitative data presented in the next section of the report.

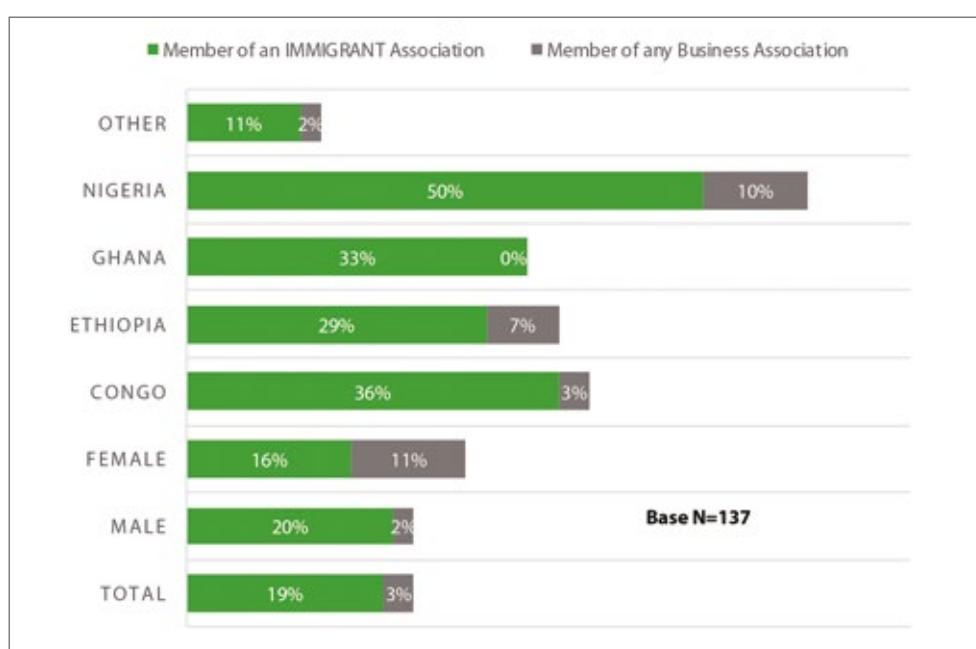
Figure 7: Percentage of Migrants Reporting Not Having a Municipal Trading Permit

A breakdown of the locations of surveyed migrant businesses is provided in Figure 8. Isipingo and KwaMakhutha were the townships with the highest percentages of surveyed businesses.

Figure 8: Location of Surveyed Migrant Businesses

Membership in any type of association was relatively low among surveyed migrants, with 19% belonging to an immigrant association and only 3% to a business association. Notably, however, membership in immigrant associations varied widely – with Nigerian migrants being much more likely to be members of an immigrant association (50%) than migrants from any other nationalities (Figure 9). Around a third of surveyed Congolese (DRC), Ethiopian and Ghanaian migrants were also members of immigrant associations, while only 11% of those from any other national origin were members of immigrant associations. This data should be interpreted in light of a relatively small sample size, particularly when disaggregated into nationality.

Membership in business associations, on the other hand, was rare across the board, though with Nigerians (10%) being the most likely to report belonging to such an association.

Figure 9: Migrants' Membership in Immigrant or Business Associations

3.2 Ownership and Trade

Three-quarters of surveyed migrants reported that they were the owners of their businesses (Figure 10). This figure was slightly higher among female respondents (84%) than among male respondents (72%) (Figure 11).

Figure 10: Percentage of Migrants Owning their Business

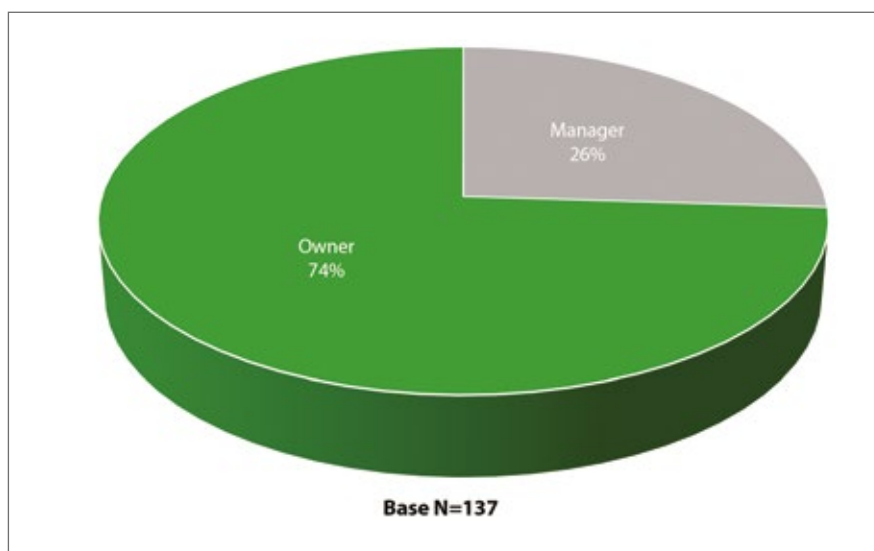
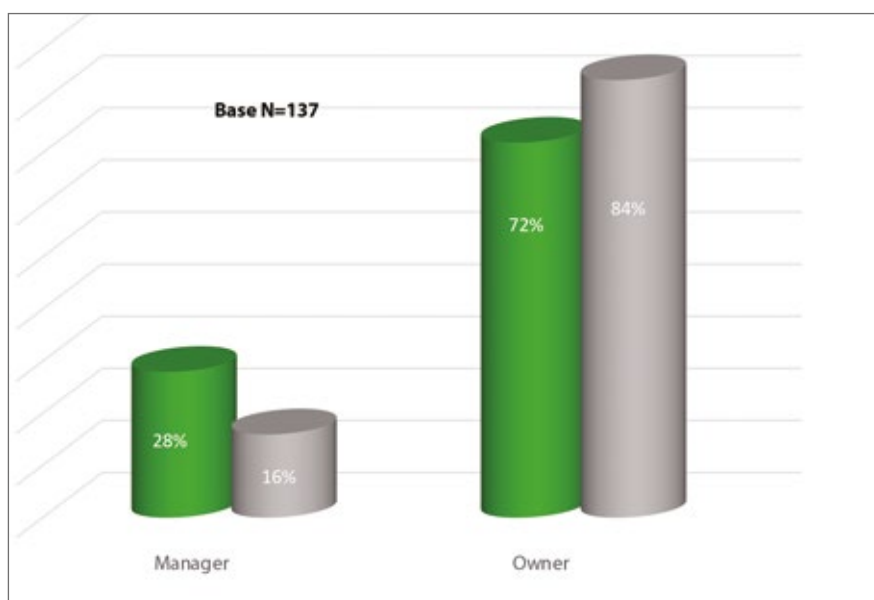
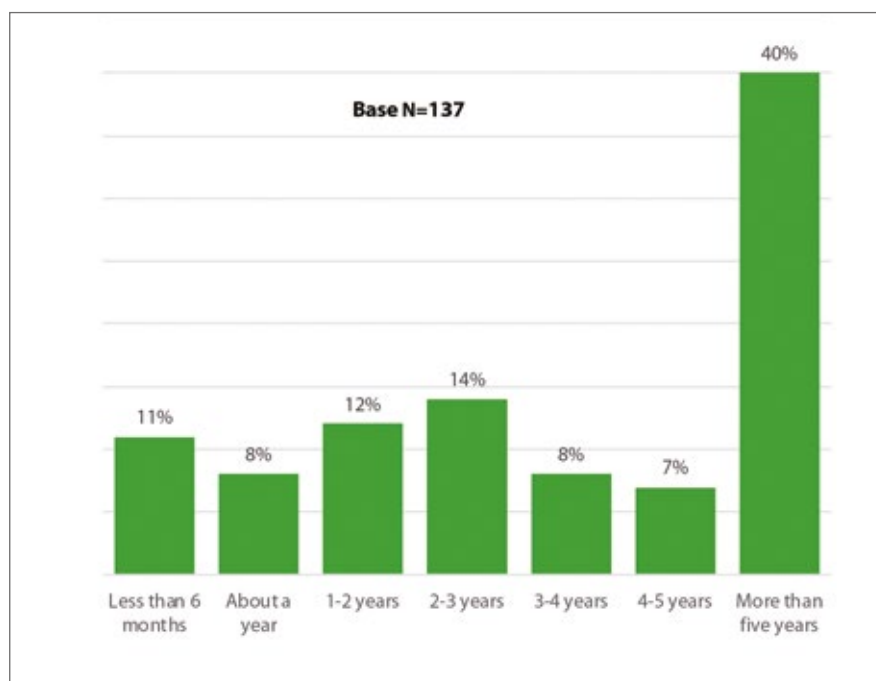
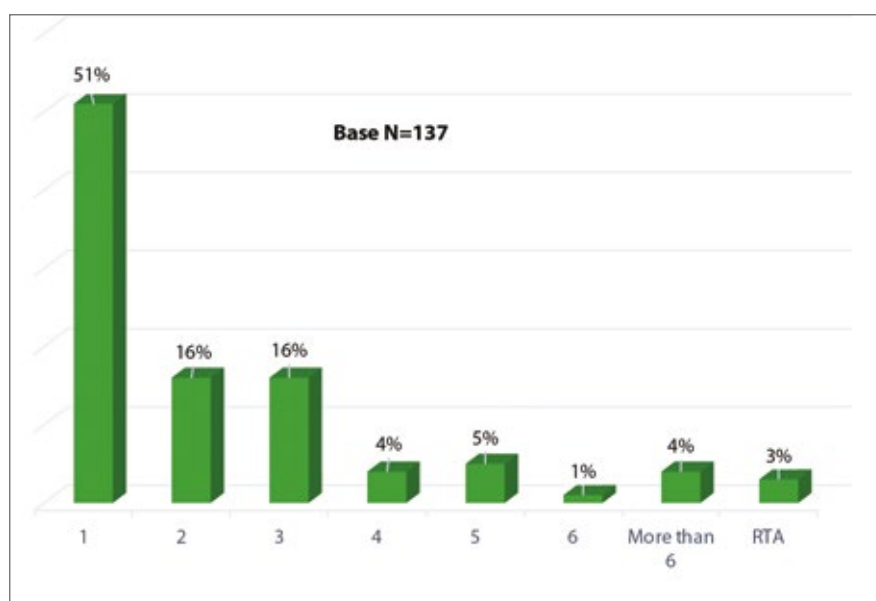


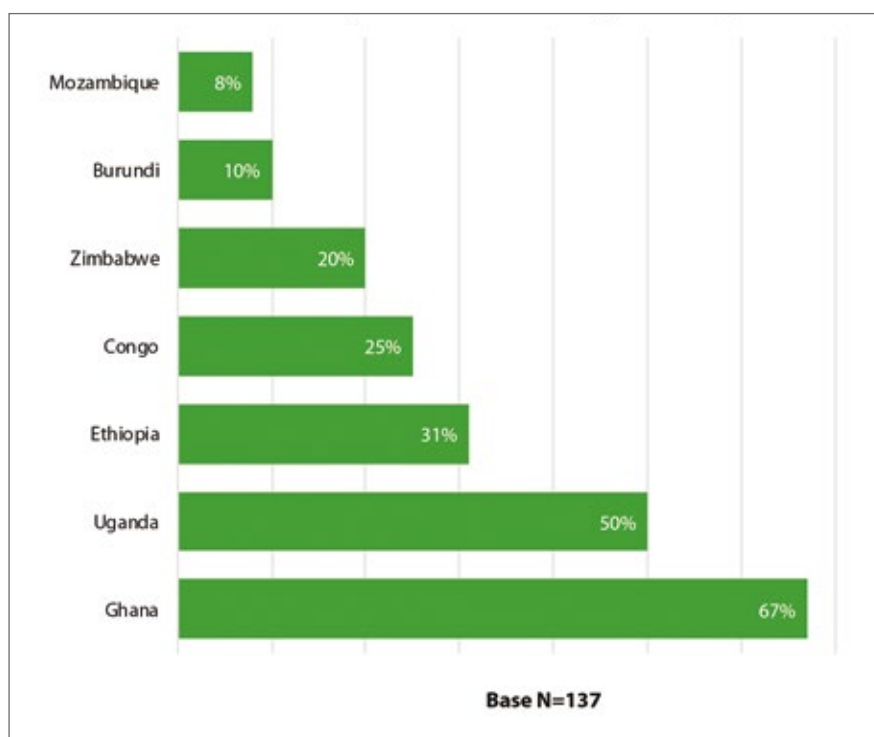
Figure 11: Business Ownership by Gender



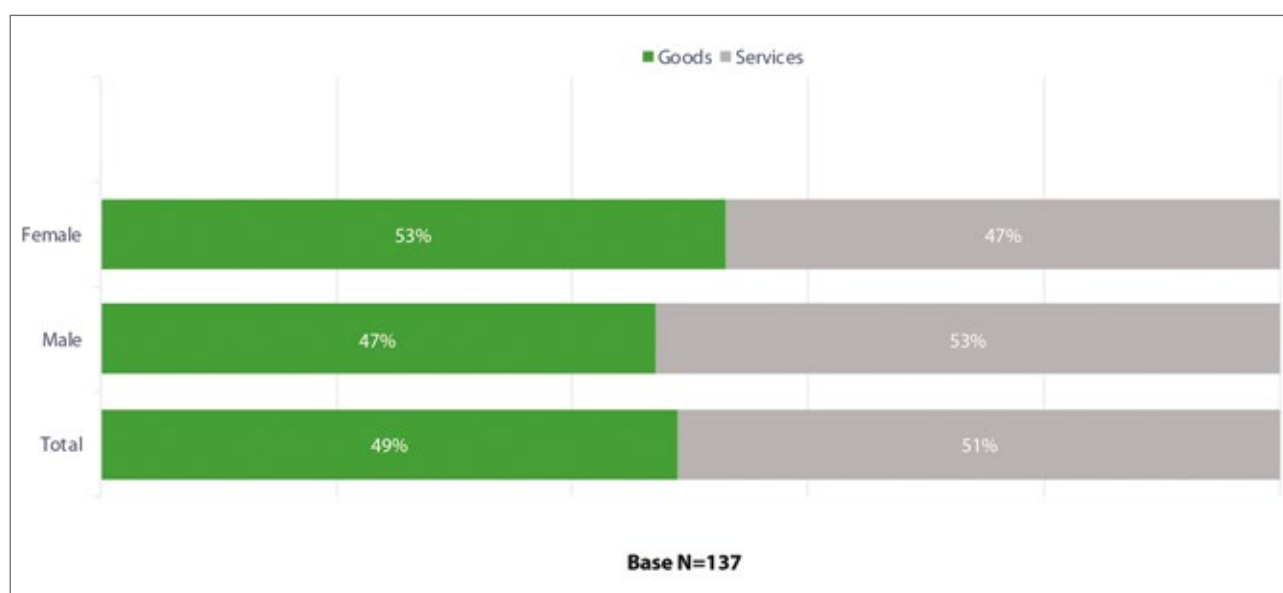
A plurality (40%) of migrants reported that their businesses had been operating for more than five years (Figure 12). Just over half of migrant businesses employ one individual in addition to the business owner (Figure 13). A further 32% reported employing two or three individuals in addition to the owner. Finally, 14% reported employing more than three individuals in addition to the owner. This data indicates that migrant-run businesses do provide broader employment albeit likely at very low levels of pay given the low monthly revenues noted earlier.

Figure 12: Age of Migrant Business**Figure 13: Number of Employees (Excluding Business Owner)**

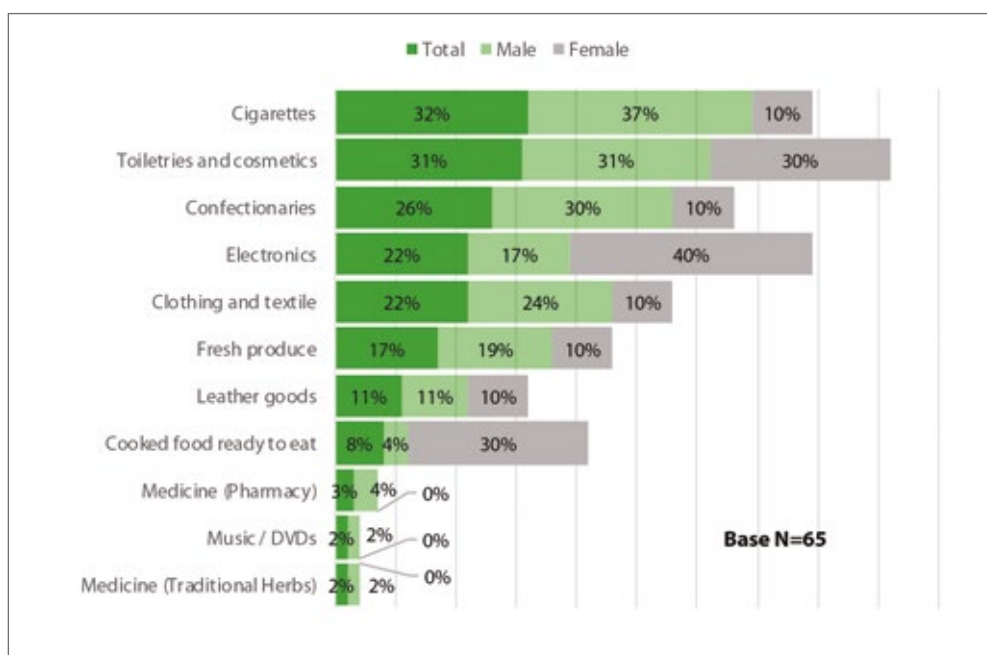
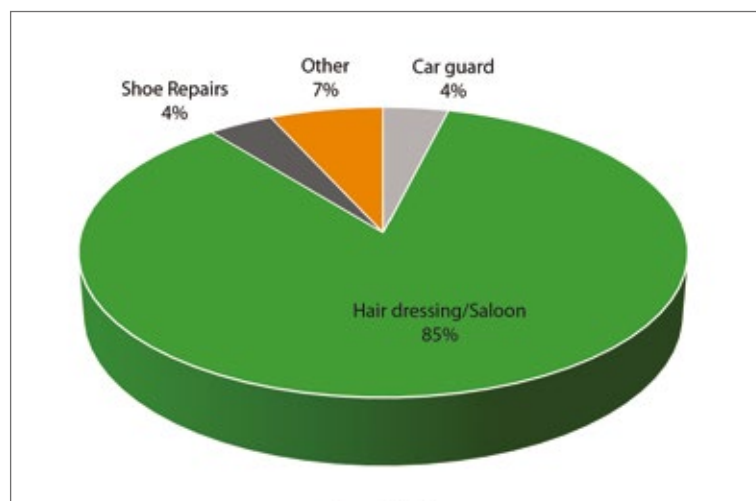
Only 18% of surveyed migrants reported owning more than one business (Figure 14), though this figure was slightly higher among female migrants (89%) than male migrants (81%). Again, gender-disaggregated data should be interpreted with some caution given the small sample of female respondents in the survey.

Figure 14: Percentage of Migrants Owning more than One Business

Migrant businesses were divided fairly evenly when it came to whether they sold goods or services – 49% primarily sold goods while 51% mainly sold services (Figure 15). Female migrants were slightly more likely to be engaged in selling goods while the inverse was true for male migrants.

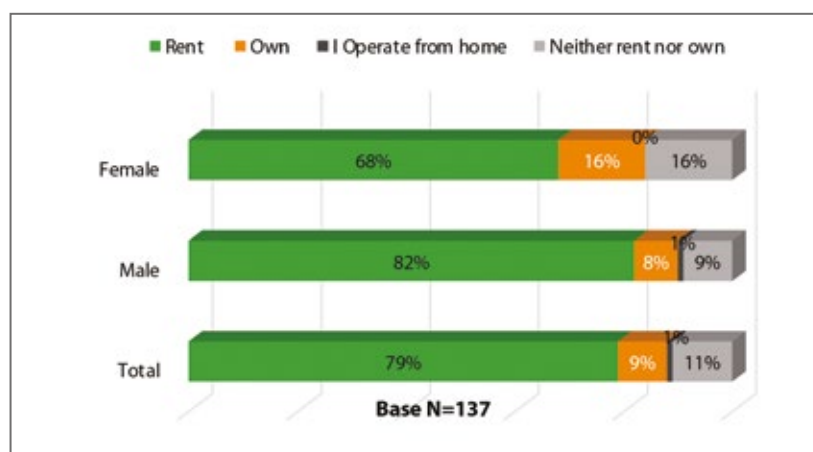
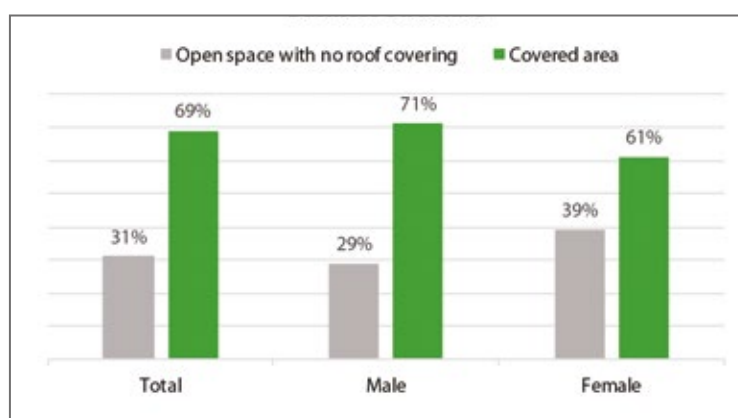
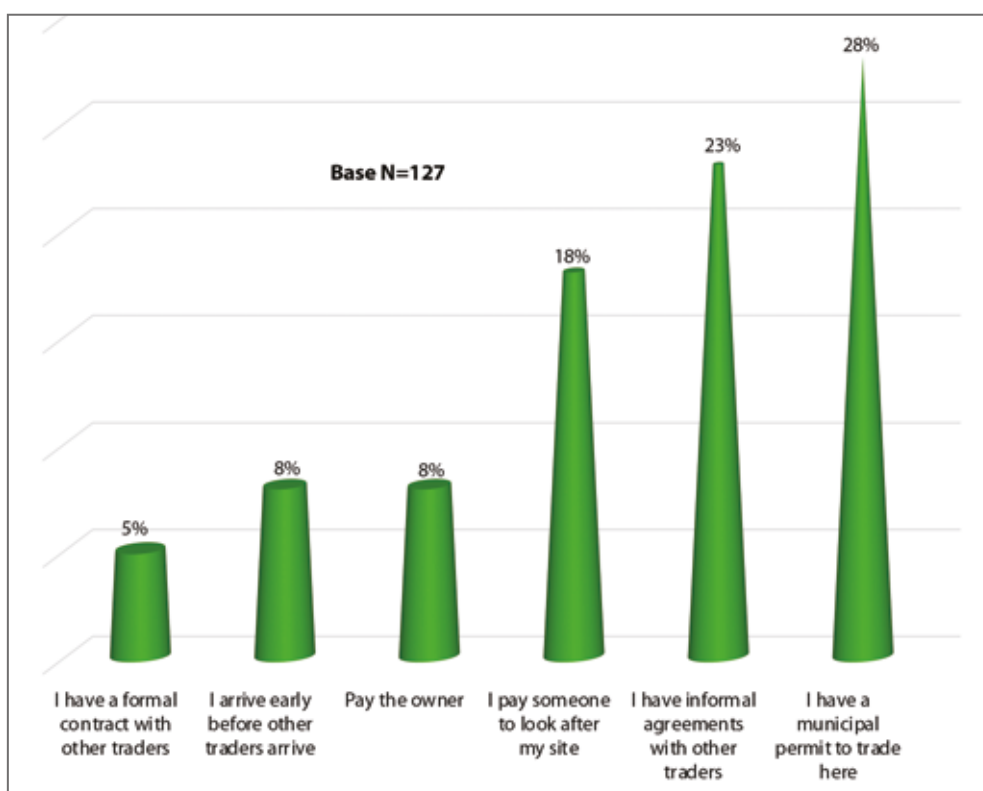
Figure 15: Type of Business Trade by Migrant Businesses

Of those migrant businesses mainly selling goods, the highest percentages reported selling cigarettes, toiletries and cosmetics, confectionary, electronics, or clothing and textiles (Figure 16). Of those selling mainly services, on the other hand, a vast majority (87%) reported operating hair salons (Figure 17). As revealed by the FGD data, the predominant role that migrants play in operating hair salons or barber shops makes these businesses particular targets for anti-migrant violence.

Figure 16: Type of Trade (Goods)**Figure 17: Type of Trade (Services)**

3.3 Business Premises and Operations

A strong majority of migrants (79%) rent their business premises while only 9% report owning these premises (Figure 18). Interestingly, female migrants were more likely to own their business premises than were their male counterparts – 16% to 8% respectively. Just over two-thirds of migrant businesses operate in a covered area (Figure 19). When asked how they secured their trading area, 28% of surveyed migrants reported that they had a municipal permit to trade in their specific location (Figure 20). A further 23% have informal agreements with other traders about where they will establish their space, while 18% pay someone to look after and secure their site.

Figure 18: Percentage of Migrants Owning/Renting their Premises**Figure 19: Type of Business Structure****Figure 20: The Way that Migrants Secure their Trading Area**

Just under three-quarters of migrants reported that they had been operating their businesses in the same area where they had started (Figure 21). Based on the FGDs, migrants tend to settle in areas in which they have existing contacts and/or a community of fellow nationals – a process of chain migration. Migrants tend to establish their businesses in the locations they first settle in and most appear to see little incentive in moving to new areas to operate their businesses. However, the survey data did report that 25% of migrants had moved into their particular areas with the express purpose of trading.

Figure 21: Migrant Business Relocation

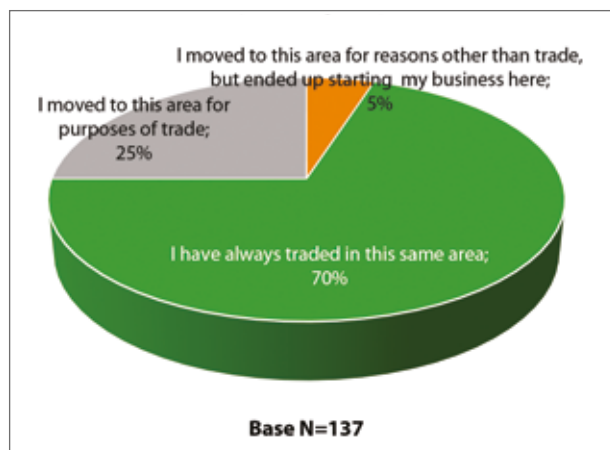
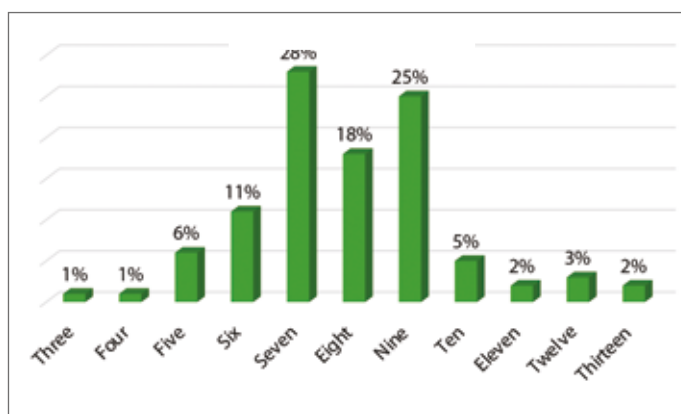


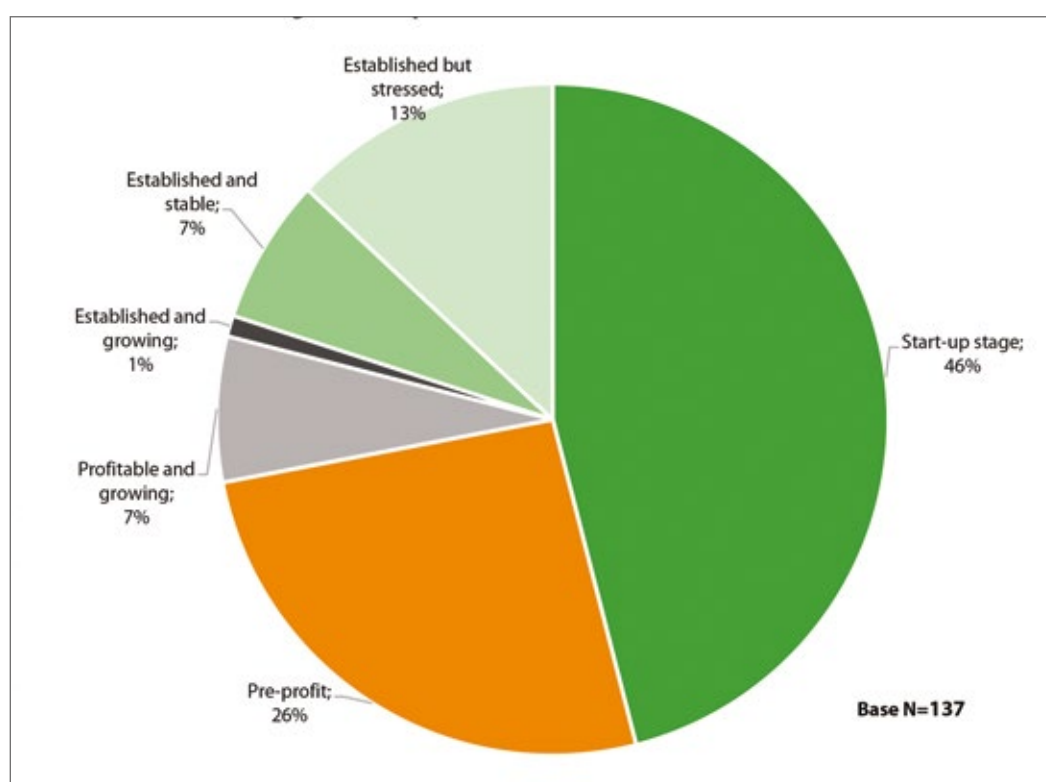
Figure 22: Number of Hours per Day Migrant Business Engage in Trading



When asked about the number of hours per day they operate their businesses, 71% reported operating between 7-9 hours per day (Figure 22).

Interestingly, despite most migrants reporting that they had been operating their businesses for more than five years, a plurality (46%) felt that their businesses were effectively in a 'start-up stage' (Figure 23). A further 26% felt that their businesses were 'pre-profit', in that they were operating but were not established as an enterprise capable of generating consistent returns. Only 15% reported that their businesses were 'established', 'profitable' or 'stable/growing'. This points further to the precariousness of most migrant enterprises.

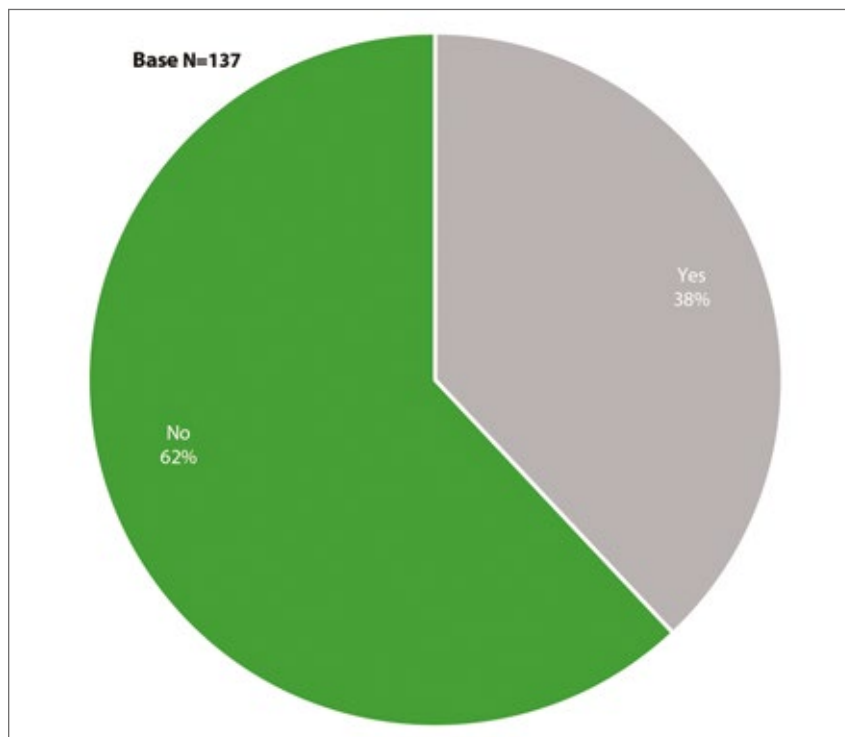
Figure 23: Migrant Entrepreneurs' Views of their Business Status



3.4 Municipal Services

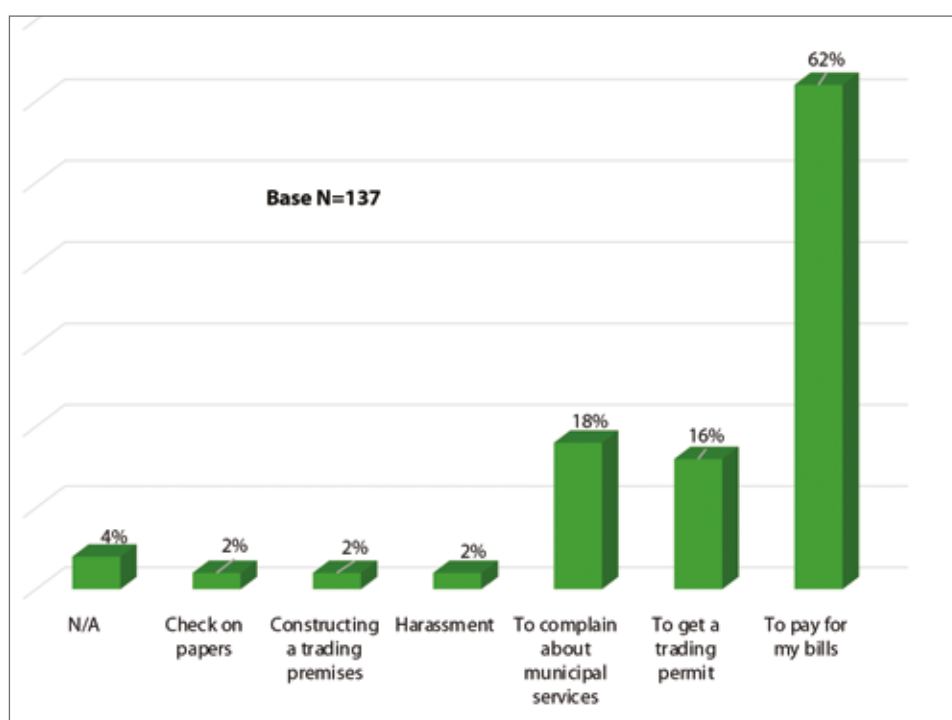
Only 38% of migrants reported that they had engaged with the local municipality for business reasons (Figure 24).

Figure 24: Percentage of Migrants Engaging with the Municipality



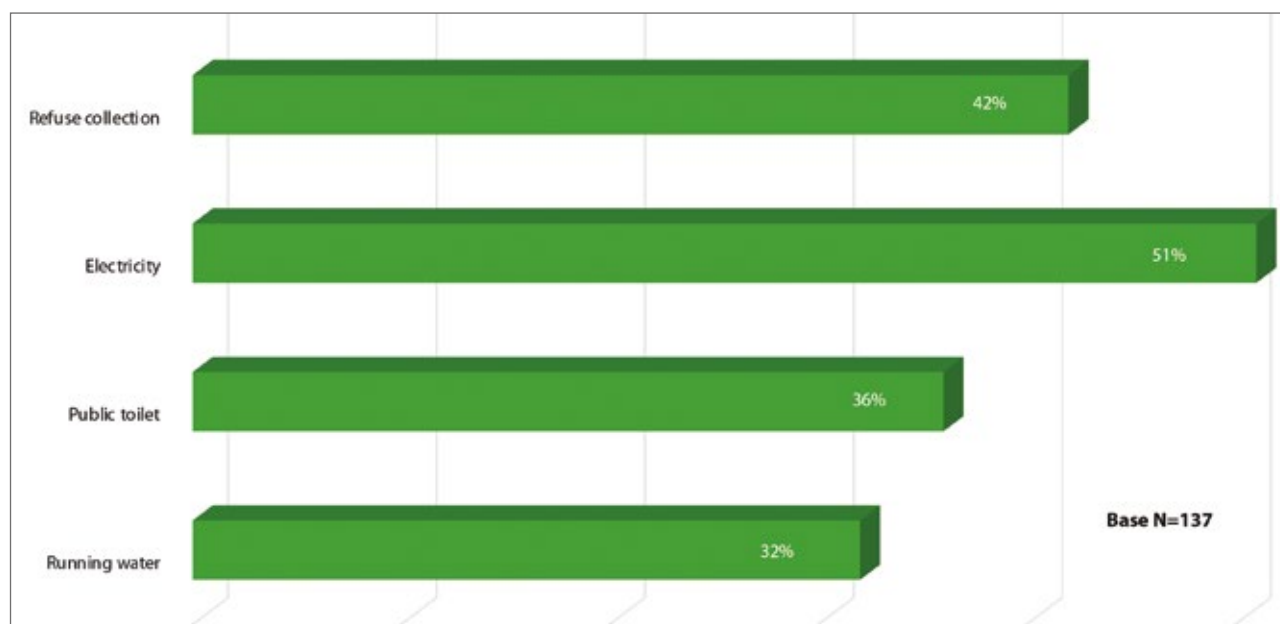
Of those who did report engaging with the local municipality, a majority (62%) did so solely to pay their bills (Figure 25). Only 16% did so to obtain a trading permit and a further 18% did so to complain about municipal services.

Figure 25: Reasons for Engaging with the Municipality



Access to basic municipal services was low overall (Figure 26). Only 51% of migrants reported that their businesses had access to electricity, while just 42% said the same about refuse collection. Only around a third of migrant businesses had access to a public toilet or running water.

Figure 26: Access to Basic Municipal Services



A significant majority of migrants (71%) reported that they had been a victim of crime (Figure 27). This figure was slightly higher for male migrants than for their female counterparts. When asked whether they felt this crime was planned or opportunistic, 62% felt that it was mainly opportunistic (Figure 28).

Figure 27: Percentage of Migrants who were Victims of Crime

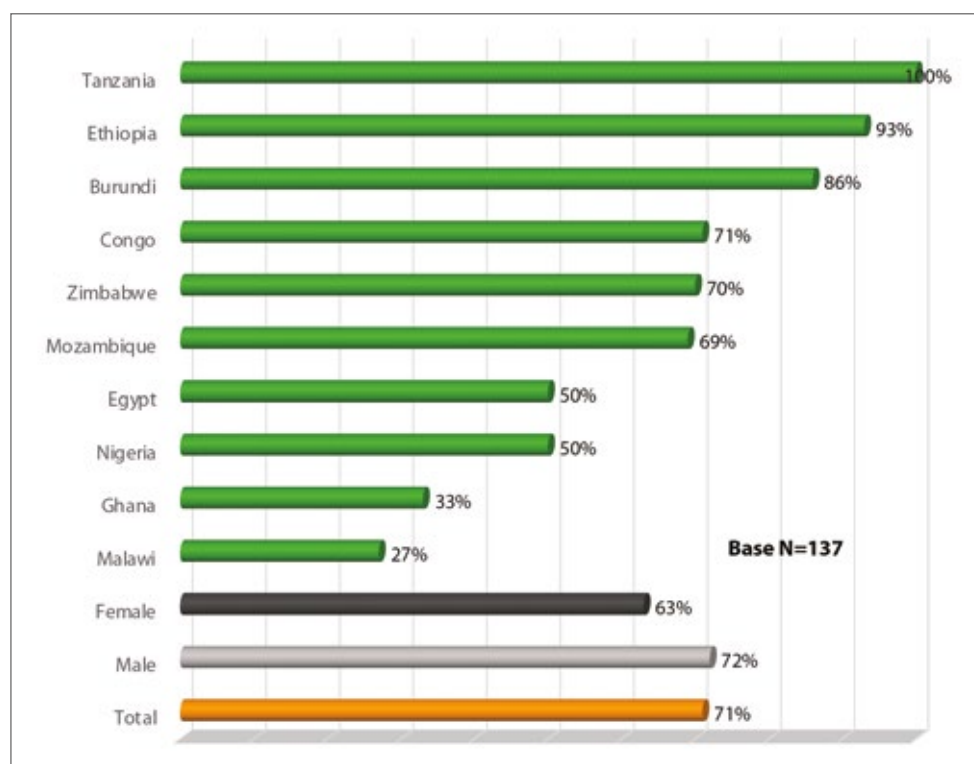
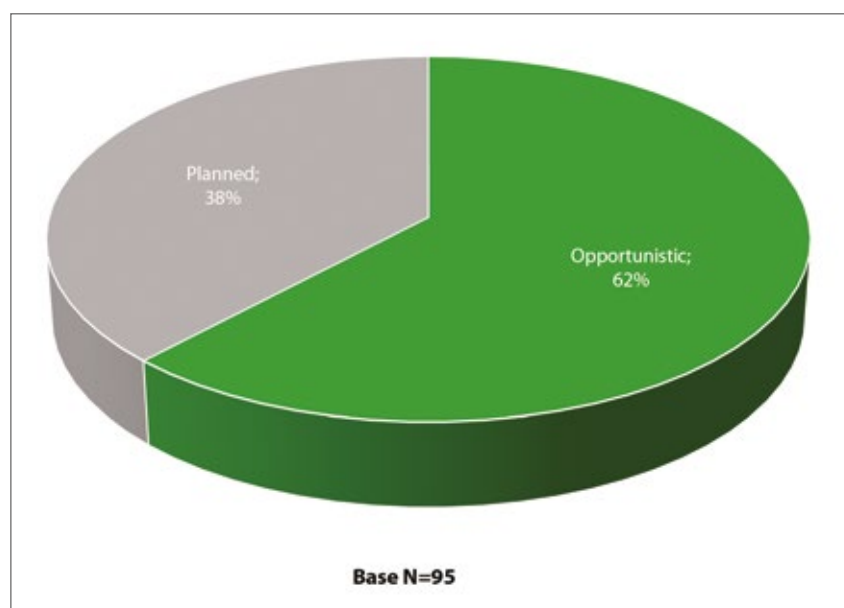


Figure 28: Migrant Perceptions of Crime

Just under half of surveyed migrants reported that they had 'often' experienced discrimination (Figure 29). A further 2% reported that this discrimination was a daily occurrence, while only 16% had never experienced discrimination. Overwhelmingly, the main source of this discrimination was seen to be South African traders (81%) or local (South African) citizens (19%) (Figure 30). This aligns with the qualitative feedback received from migrant business people in the FGDs.

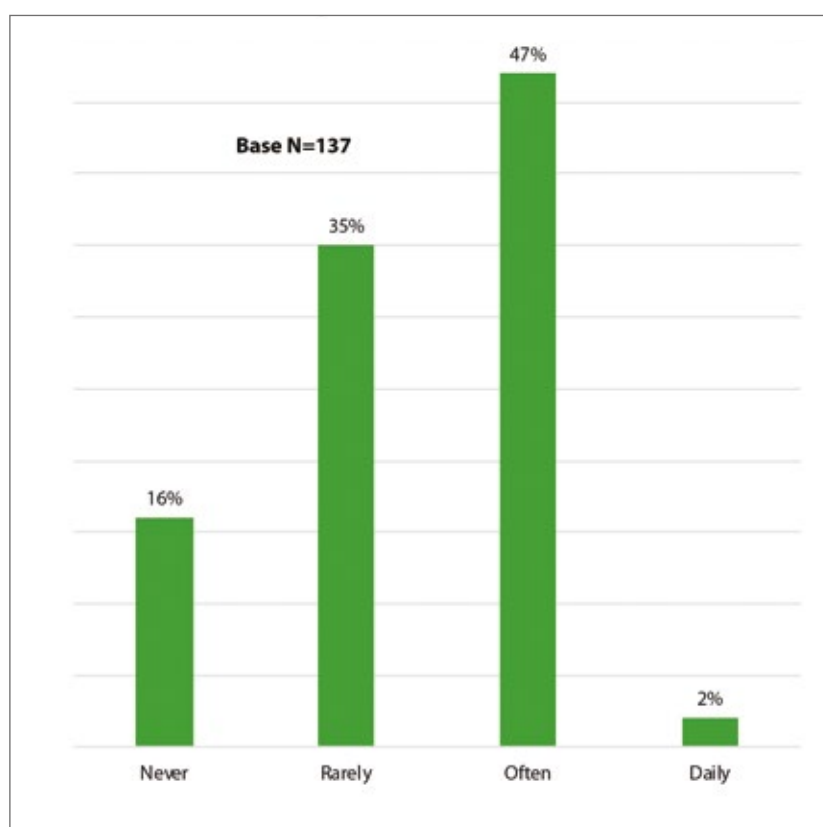
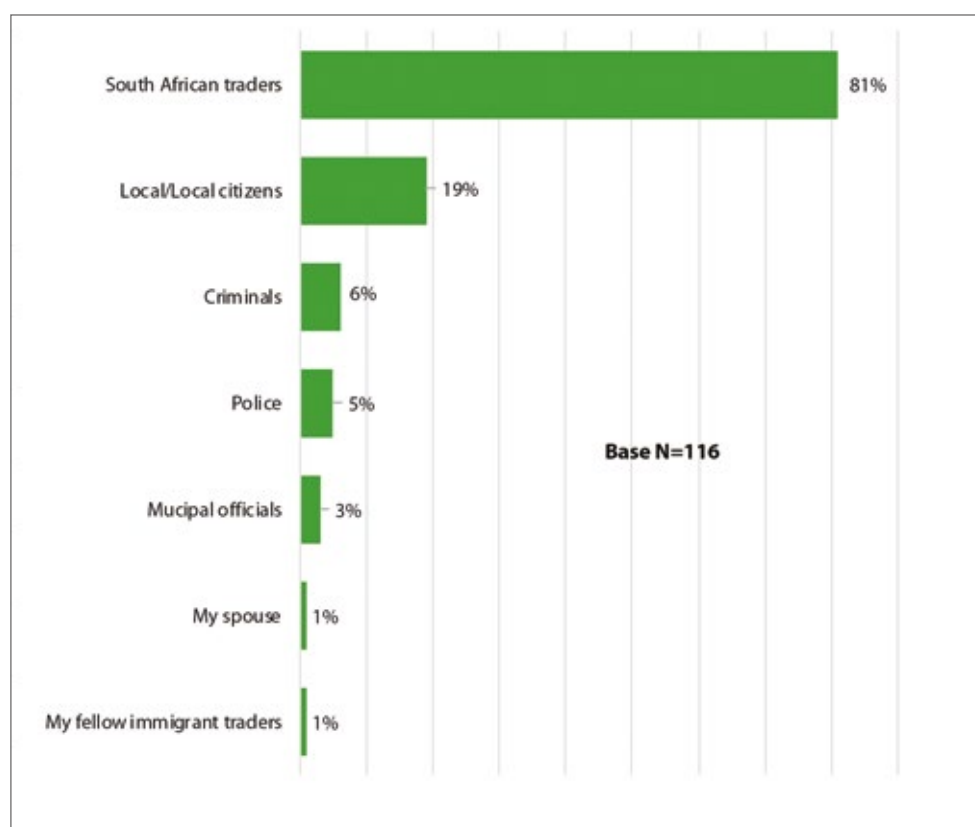
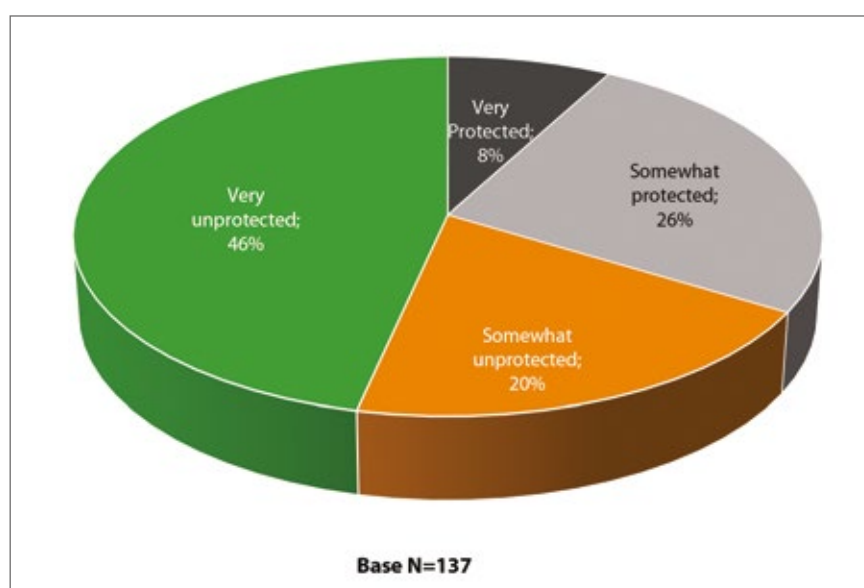
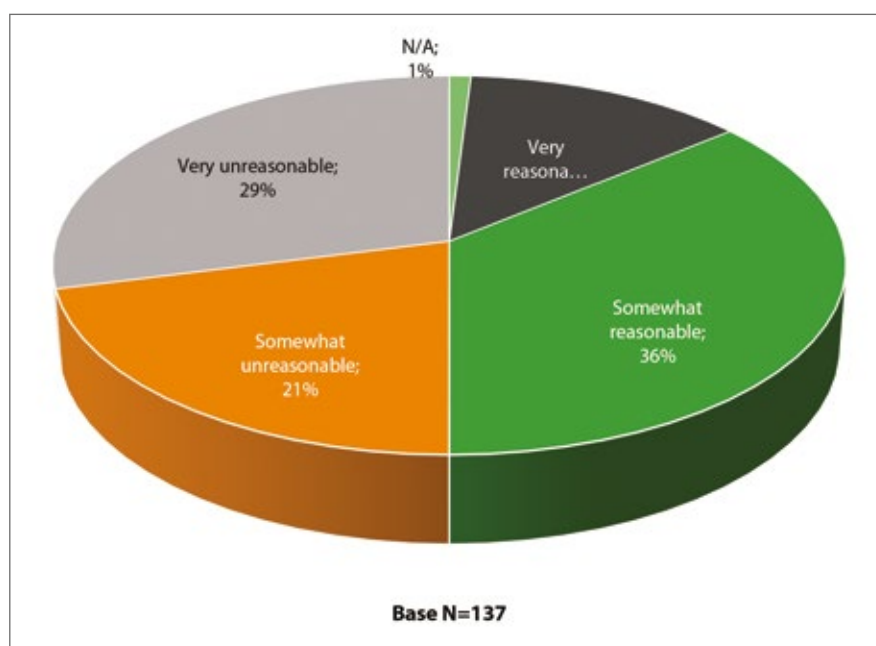
Figure 29: Migrants' Experiences of Discrimination

Figure 30: Sources of Discrimination

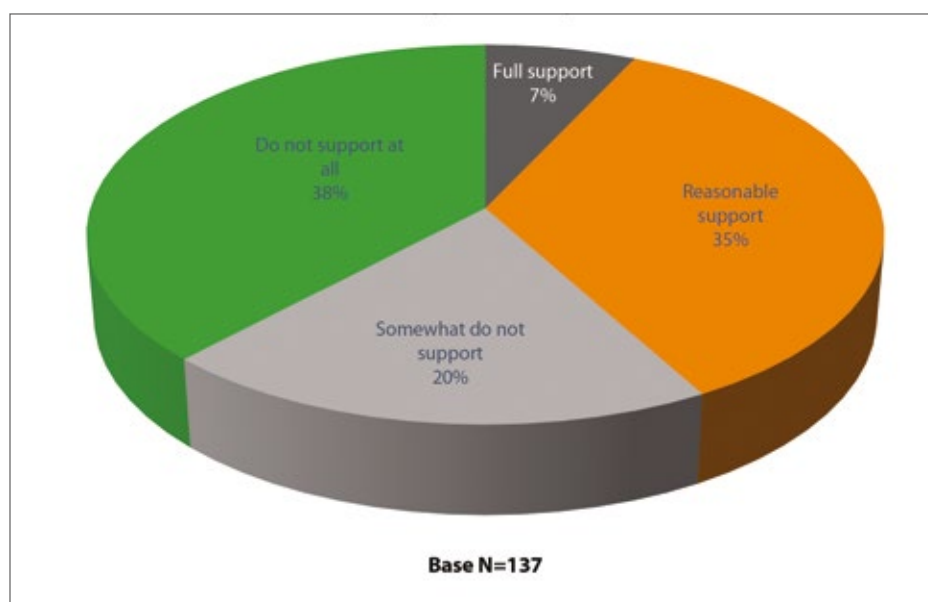
Corresponding to the data above, 47% of migrants felt that they were 'very unprotected' by the law (police or the State's legal institutions) (Figure 31). A further 20% felt 'somewhat unprotected'. Only 8% felt 'very protected'.

Figure 31: Migrants' Perceptions of Protection by the Law

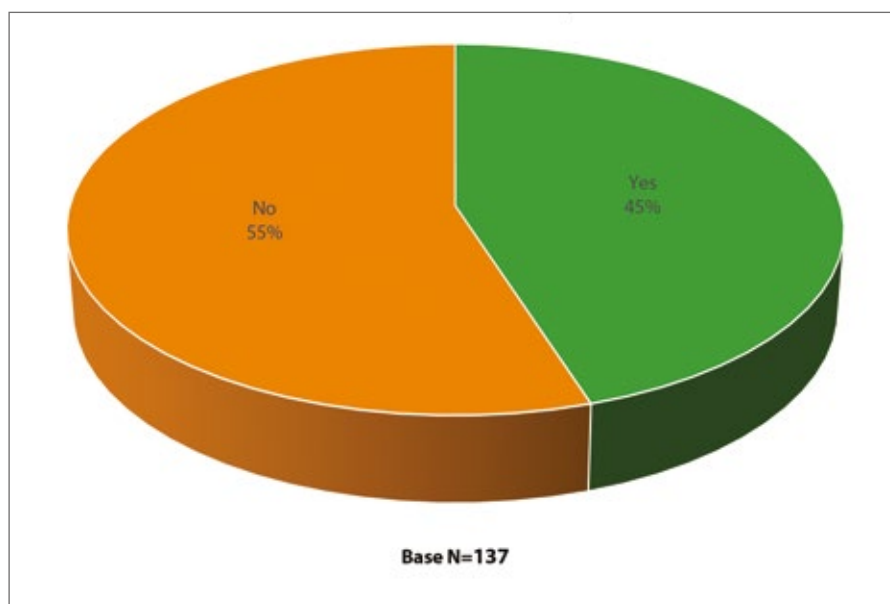
Perceptions on how the local municipality treated migrant businesses was fairly evenly split. A total of 49% of migrants felt that the municipality treated foreign-run businesses like theirs 'somewhat reasonably' or 'very reasonably', while the other half of respondents reported the opposite (Figure 32).

Figure 32: Migrant Perceptions of the Municipality's Treatment of Foreign-run Businesses

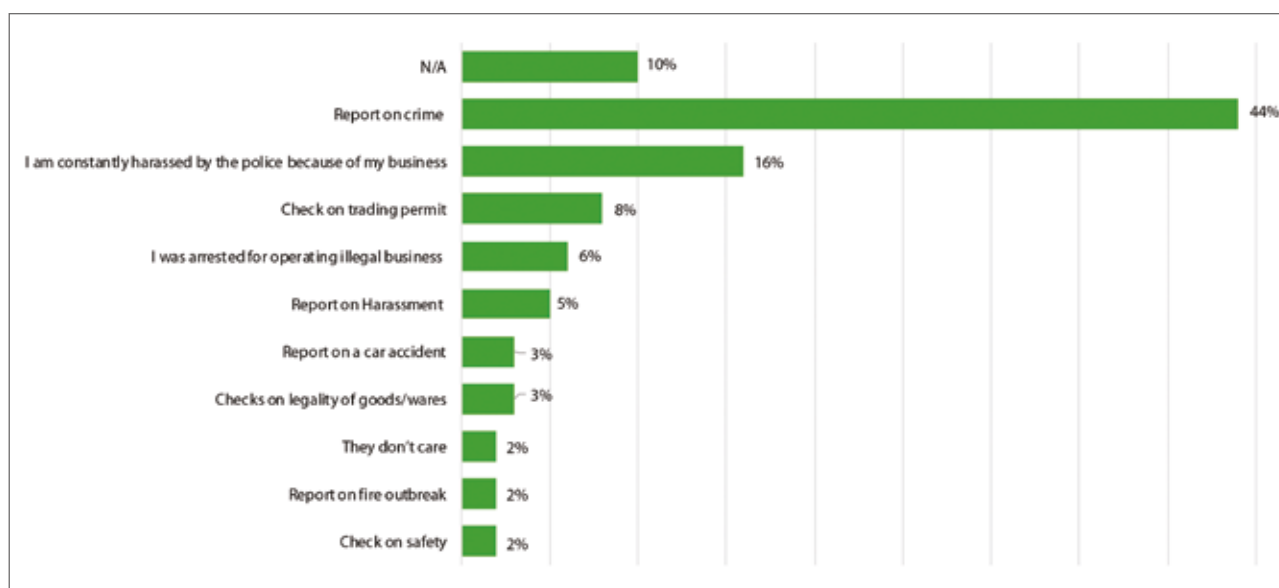
When surveyed migrants were asked how well municipal regulations support the legal protection of foreign-run businesses, the responses painted a somewhat ambiguous picture. Just 42% of migrants felt that municipal regulations 'reasonably' or 'fully' supported legal protection, while 38% felt that municipal regulations provided no legal support at all.

Figure 33: Migrants' Perceptions of How Municipal Regulations Support the Legal Protection of Foreign-run Businesses

Interestingly, despite the fact that a strong majority of all migrant business people reported being victims of crime, less than half (45%) reported having ever interacted with the police (Figure 34).

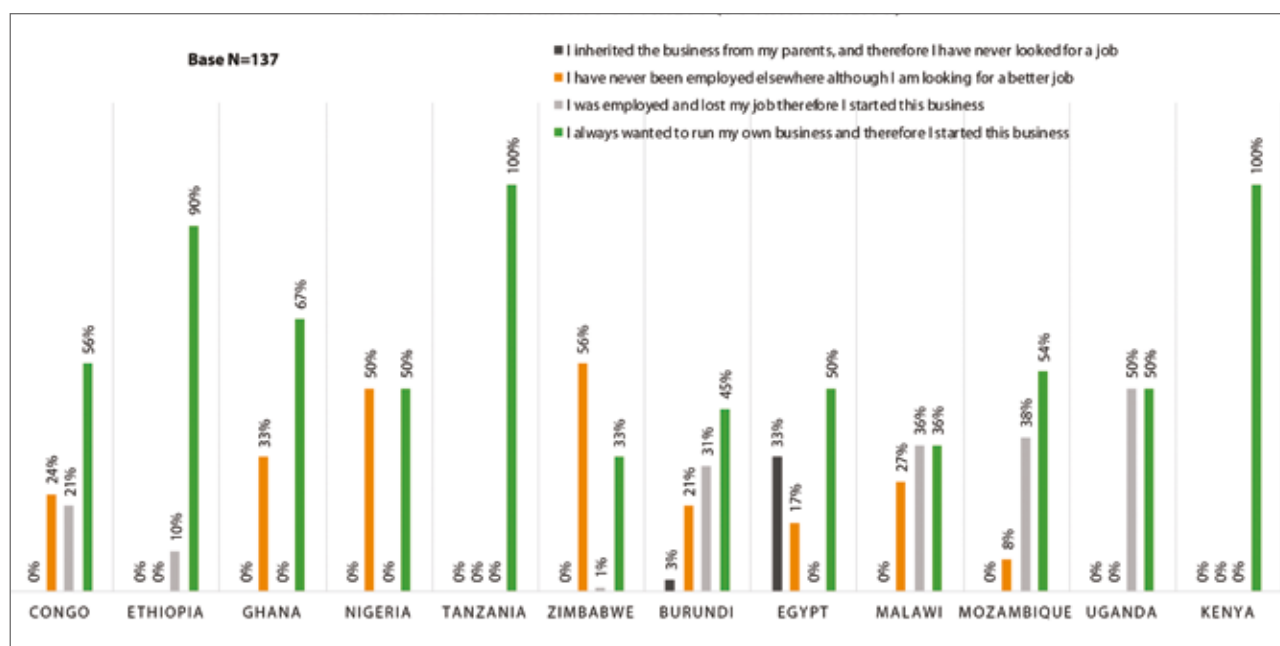
Figure 34: Percentage of Migrants Reporting Interactions with the Police

Among the minority of surveyed migrants who did report interacting with the police, just under half (44%) did so to report a crime (Figure 35). A worrying 16% of migrants reported that their dealings with the police related to police harassment of their businesses.

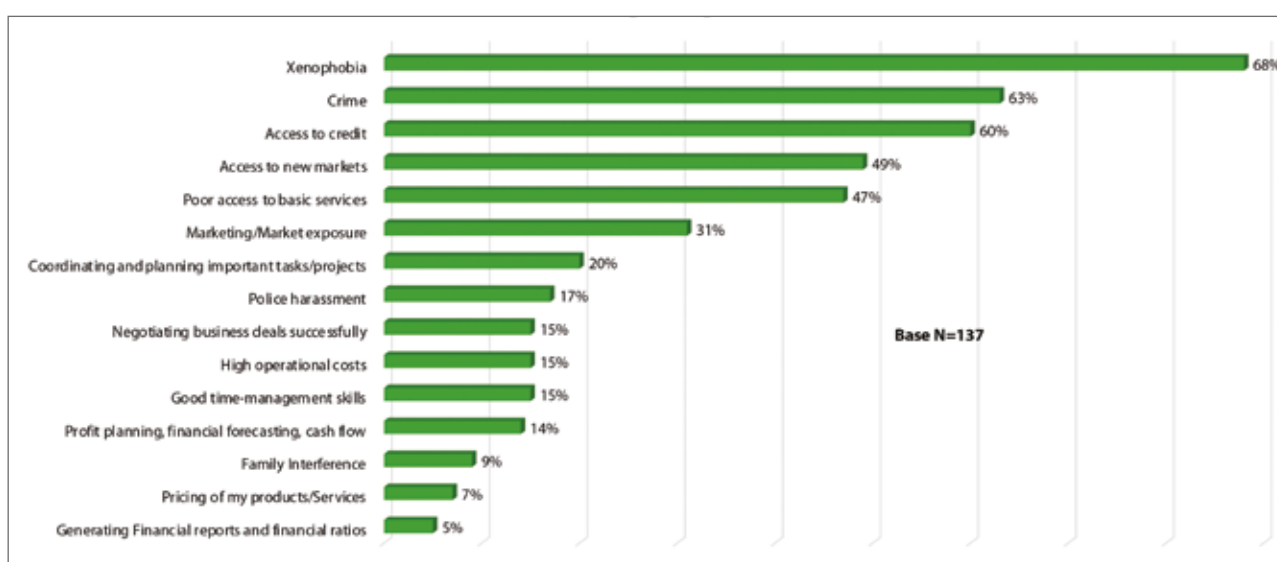
Figure 35: Migrants' Reported Reasons for Interacting with the Police

3.5 Entrepreneurship

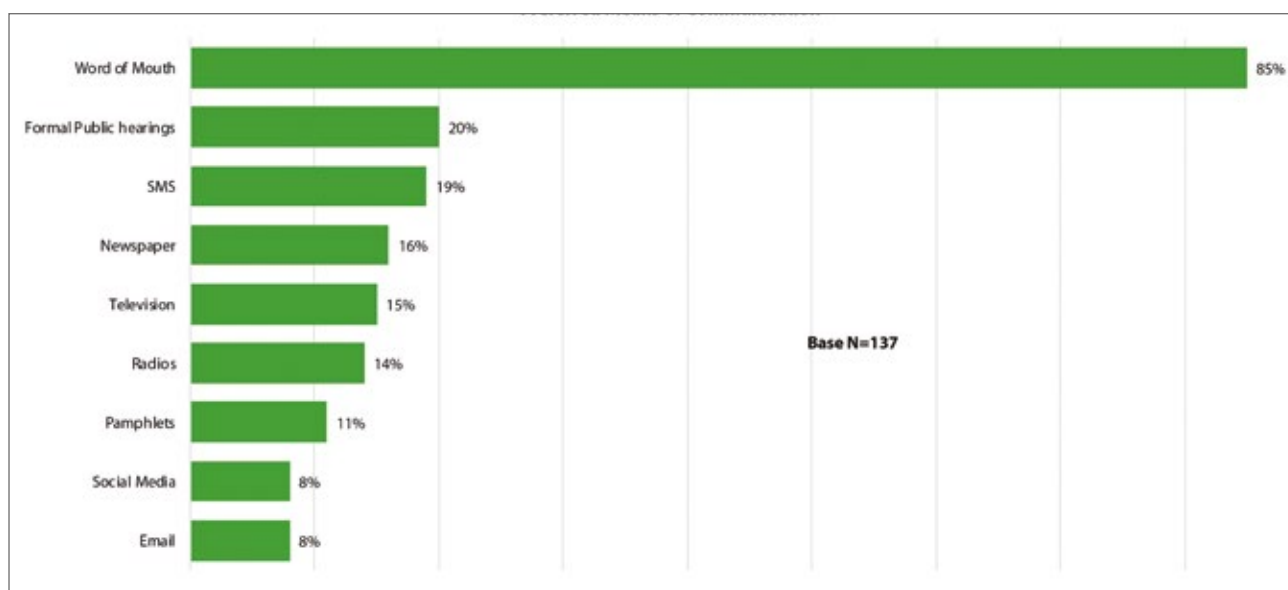
Just over half of surveyed migrants, when queried about their reasons for starting their business, reported that they 'had always wanted to run their own business' (Figure 36). A further 22% stated that they had been employed, but lost their job – necessitating that they start their current business. Finally, 21% reported that they had never been employed elsewhere, but that their current business was essentially a stop-gap until they could find a better – and ideally formal – job.

Figure 36: Migrants' Reported Reasons for Starting their Business

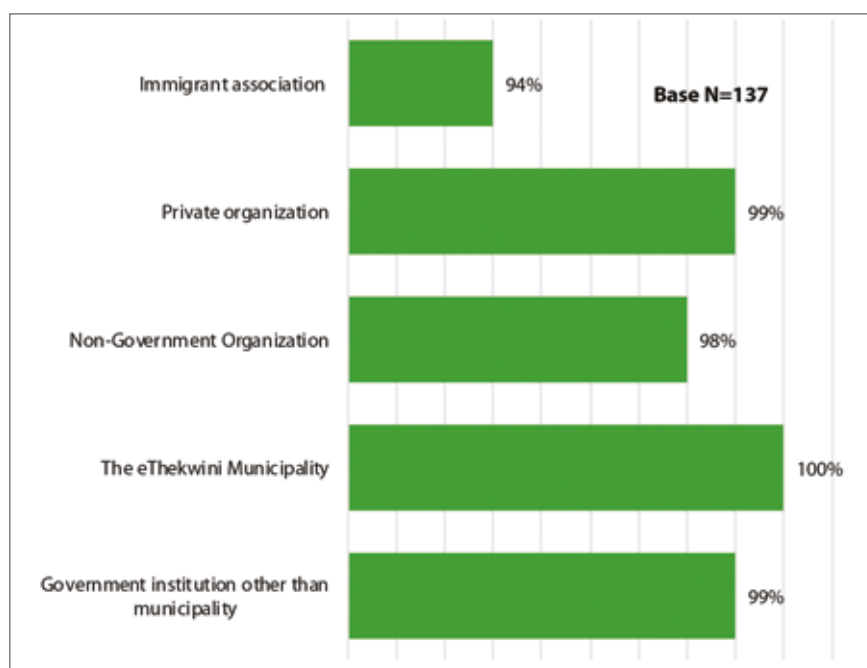
When asked to identify the main challenges facing their business, xenophobia (68%) and crime (63%) were the two most-cited issues (Figure 37). Access to credit (cited by 60% of survey respondents) was the most commonly reported practical business challenge facing migrants. This, as the FGD data made clear, is connected to the challenges migrants have in formalising their businesses – often due to their inability to obtain the proper paperwork (migration permits, licenses, etc.) from government departments. Struggles in accessing new markets, poor access to basic services and the need for greater market exposure were the other challenges cited by more than 50% of migrants.

Figure 37: Main Challenges Facing Migrants' Businesses

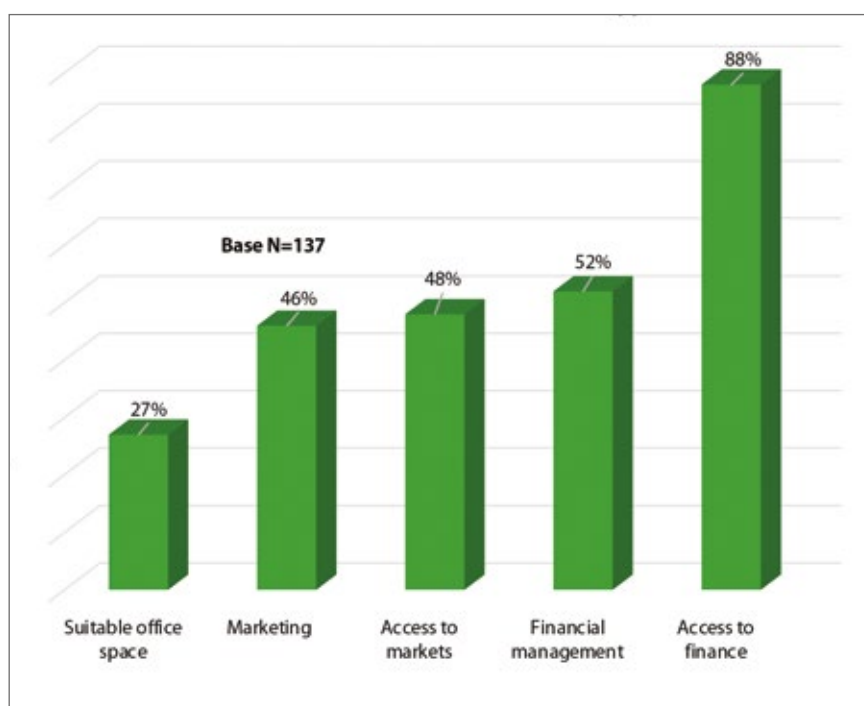
Migrants' preferred means of communication varied, though most (85%) reported that 'word of mouth' was an ideal form of communication to ensure that they received updated and timely information (Figure 38). Formal public hearings (a preferred communication method for 20%) and SMS (for 19%) were also deemed important. Social media and email were identified by very few migrants as a preferred communications method; something that those engaging with migrant business people should keep in mind when undertaking support initiatives.

Figure 38: Migrants' Preferred Means of Communication

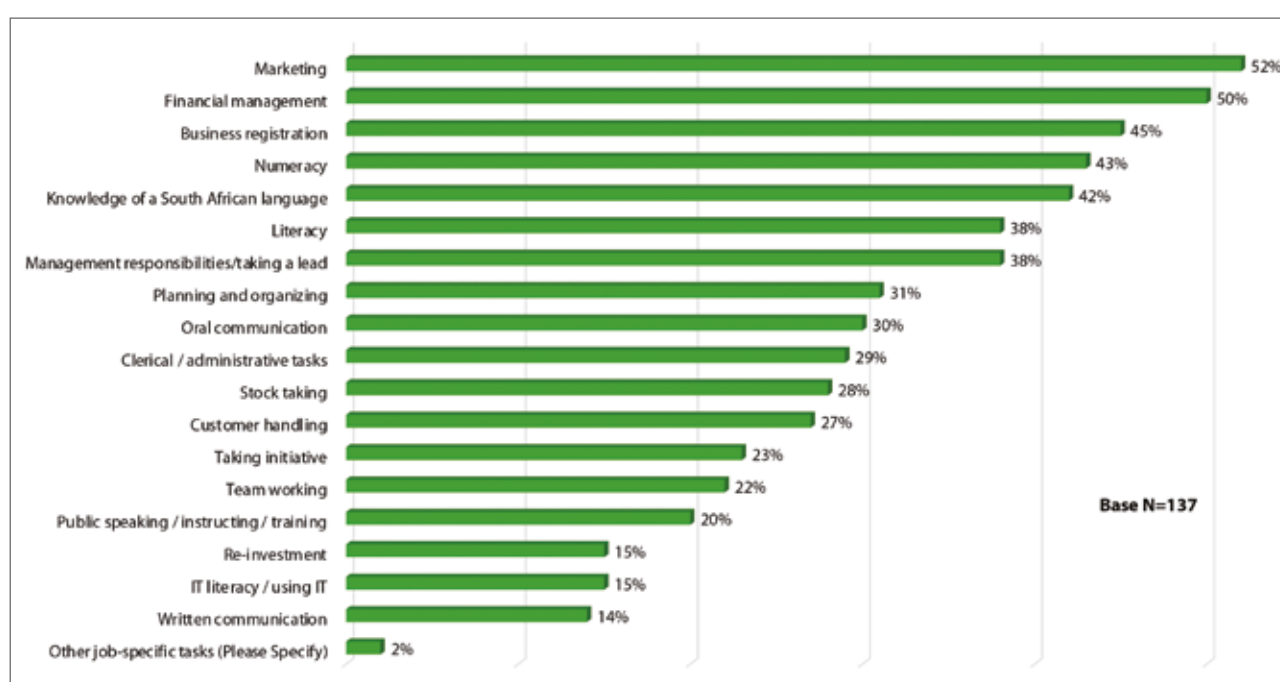
Surveyed migrants universally stated that they had not received support from any type of organisation – whether immigrant associations, private organisations, non-governmental organisations (NGOs), the local municipality or other government institutions (Figure 39). The qualitative data did reveal that some migrants receive assistance from the United Nations High Commissioner for Refugees (UNHCR), though the extent of this support within the broader migrant community is difficult to establish.

Figure 39: Percentage of Migrants Reporting no Assistance from External Organisations

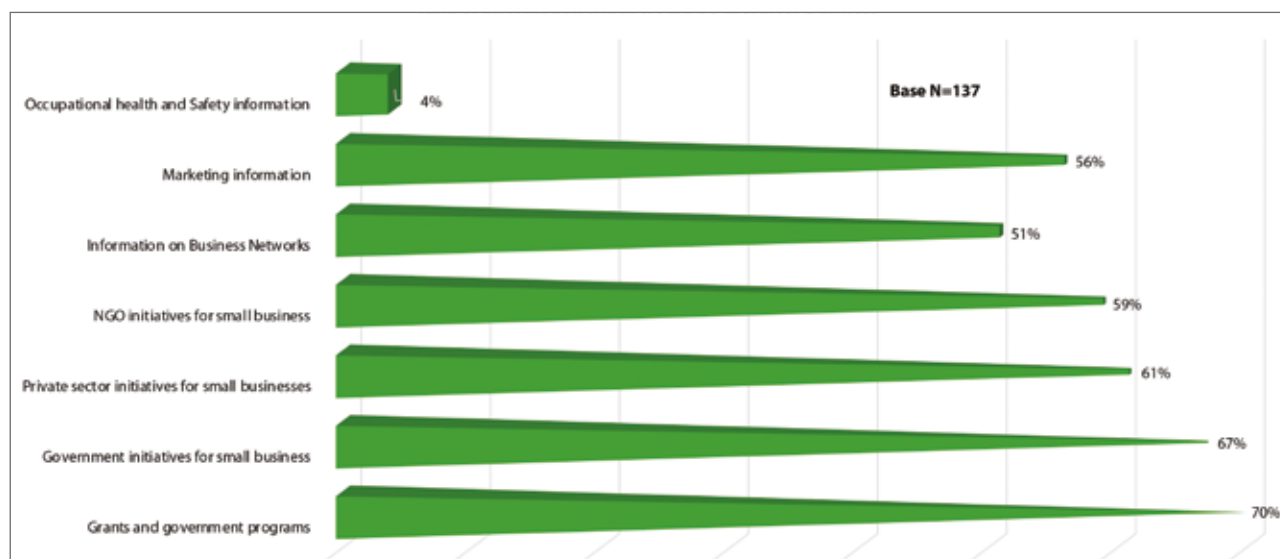
When asked what their most pressing business needs are, the overwhelming majority of surveyed migrants stated that it was access to finance (88%) (Figure 40). Connected to this, 52% reported that support for financial management was necessary if their businesses were to become more established in future.

Figure 40: Migrants' Identified Priority Needs for Business Support

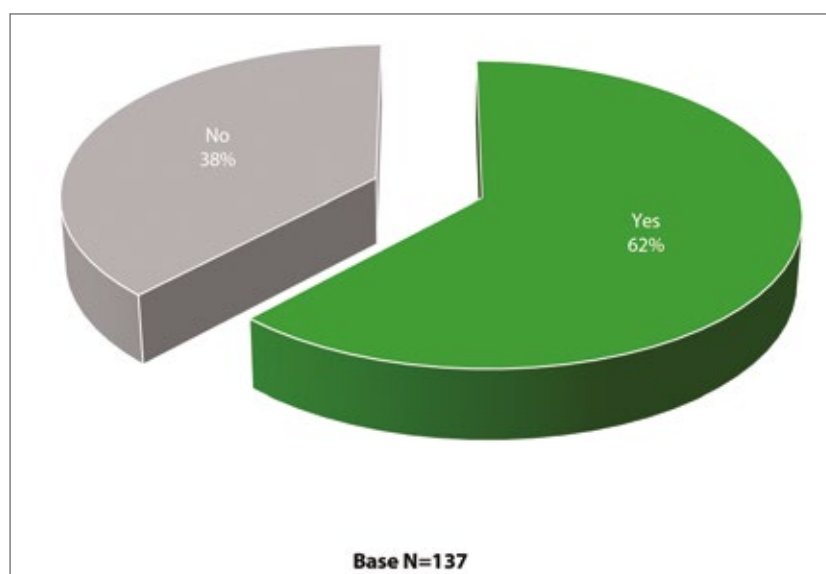
Respondents identified a large number of training needs that they felt would help them become more effective in the running of their businesses (Figure 41). Marketing and financial management were both cited by over half of migrants, while training on how to undertake business registration, numeracy and literacy, South African language skills (e.g. the ability to converse in isiZulu), as well as planning and management were all cited by a significant percentage of migrant business people as key training needs.

Figure 41: Migrants' Identified Priority Training Needs

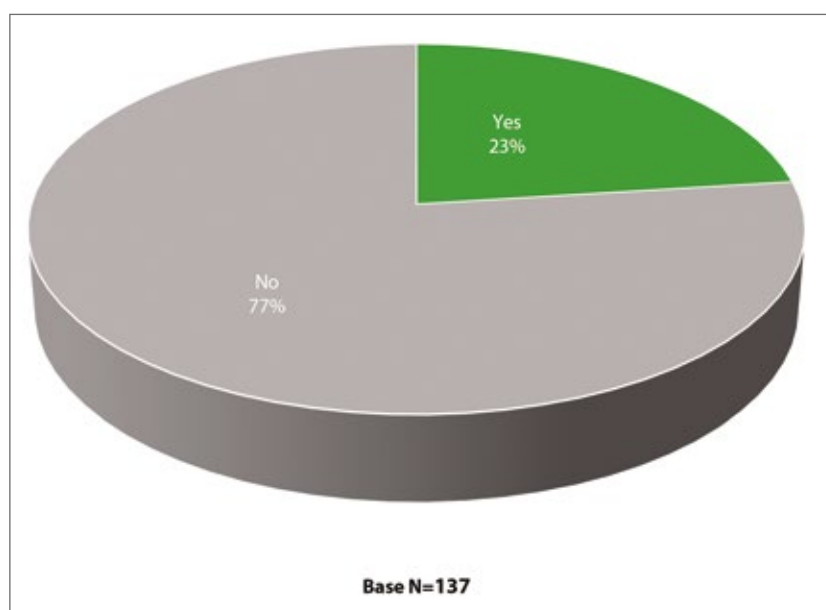
When asked what types of information would be useful for their businesses, surveyed migrants identified a wide variety of information (Figure 42). These preferences reflect the overall lack of awareness that many migrant business people have on issues such as marketing, available grants and government support programmes, as well as government/private sector/NGO initiatives for small businesses.

Figure 42: Migrants' Identified Useful Types of Information for Business Support

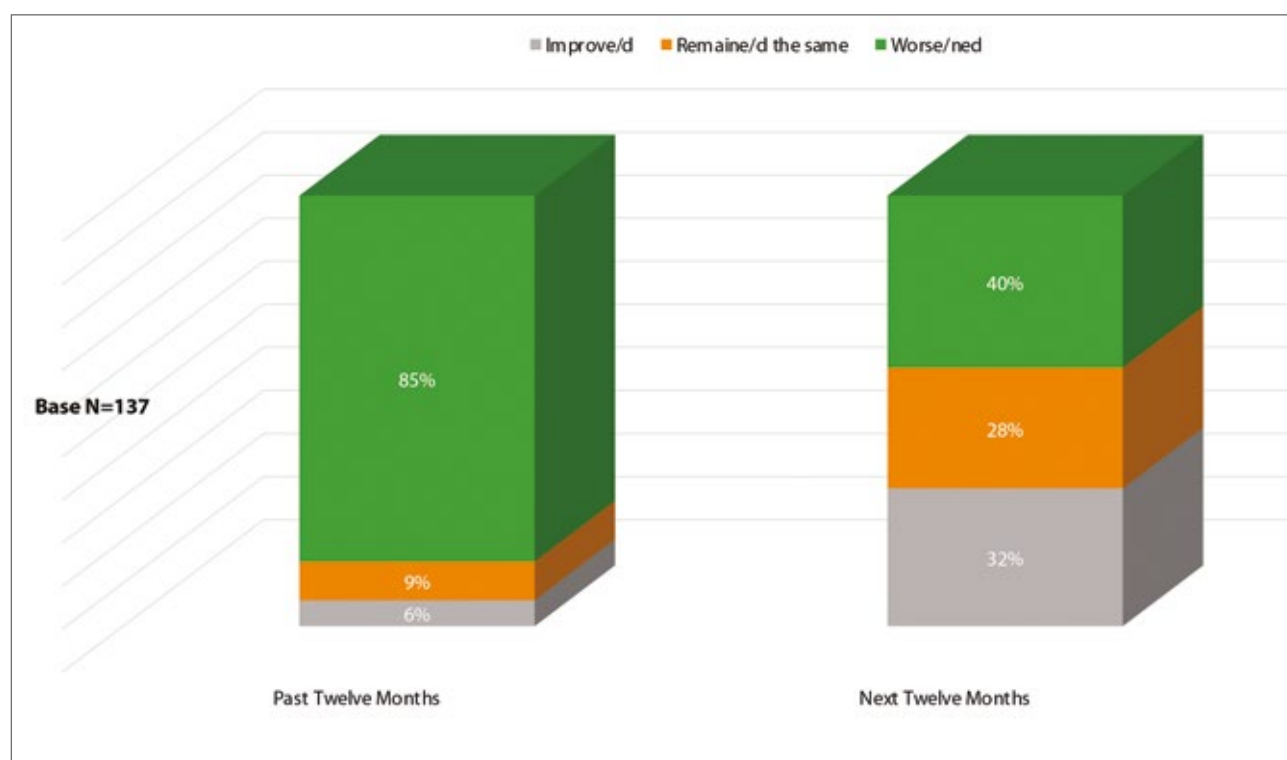
Turning the focus to the COVID-19 pandemic, just under two-thirds of surveyed migrants reported that they were aware of a migrant business (their own or someone else's) that closed down permanently due to the pandemic (Figure 43).

Figure 43: Percentage of Migrants Knowing of a Migrant-run Business Permanently Closed due to COVID-19

Linked to this, only 23% of respondents stated that they knew of any type of available support for immigrant businesses that was made available over the last year of lockdowns (Figure 44). This data squares with the qualitative FGD data presented in the following section.

Figure 44: Migrants' Knowledge of Financial Support Made Available to Migrant Businesses during COVID-19 Lockdowns

Given the severity of the lockdowns initiated in South Africa to control the spread of COVID-19, it is not surprising that 85% of surveyed migrants reported that the performance of their businesses had worsened over the past 12 months (March 2020 to March 2021) (Figure 45). Worryingly, 40% felt that the performance of their businesses was likely to continue worsening over the next 12 months, while 28% felt that their business performance would stay the same and 32% felt their business performance would improve.

Figure 45: Migrants' Reported Business Performance in Last 12 Months and Expectations of Business Performance in Next 12 Months

Key Qualitative Findings



In this section, the qualitative data from KIs and FGDs are presented. Based on a content review and coding of these data into specific themes, the qualitative component of the study can be divided into eight broad discussion categories. These are:

- Xenophobia and the degree to which xenophobic attacks play a decisive role in affecting migrant-run businesses
- Migrants' experiences dealing with South Africa's legal institutions – particularly the police
- Migrants' experiences engaging with different levels of government, but particularly at the local municipal level
- Issues of fairness and migrants' perceptions of the injustices they routinely face
- Attitudes towards immigrants and the racial lens that often appears to motivate anti-immigrant feeling
- The actual situation confronting migrant-owned or operated businesses and their potential for future success
- Available sources of support for migrant entrepreneurs – and specifically why these sources of support are rarely adequate
- Migrants' broader plans for the future

Each of the above discussion categories will be addressed in turn. It should be noted, however, that the issues raised under each topic tend to be closely linked. The qualitative data also tends to reinforce many of the findings outlined from the migrant entrepreneur survey in the previous section.

4.1 Xenophobia

The qualitative component of the study was included, in part, to ensure a deeper discussion of issues around xenophobia and the xenophobic attacks that routinely affect migrant entrepreneurs in South Africa. These issues are emotive and often difficult to capture fully through a quantitative survey instrument. For FGD members, however, xenophobia was an underlying theme that affected almost all aspects of their lives. In each of the five townships where FGDs were conducted, **there was consensus that xenophobia is a national problem, existing in all communities, and that there was thus little reason for migrant entrepreneurs to consider moving in order to escape actual (or potential) violence.** There was a degree of resignation among



migrants participating in the FGDs and a view that since they had put down roots in their communities (e.g. by having children who attend local schools), it would be difficult to consider moving. Instead, migrants would have to accept that anti-immigrant violence would be a permanent part of their lives, even factoring in the likelihood of losing their businesses (e.g. to theft or arson) and having to regularly start again. Said one FGD respondent in Isipingo, summarising the mindset of many migrants: "When it comes to foreigners, there is an anarchy allowed."

In addition to the physical violence and psychological scarring that comes from being under constant threat of xenophobic attack, migrant business people expressed shock that **those perpetrating xenophobic violence against their businesses were often people they knew**. In three of the township FGDs, participants recounted running hair salons and having attacks against their businesses (usually in the form of arson) being carried out by South African customers: "You give your friend a cutting [hair cut] in the morning... In the afternoon they change; they attack you" (FGD participant, KwaMakhutha). The rationale for xenophobic attacks against their businesses was a matter of confusion for migrants, who pointed out that **there is seldom overlap between the types of businesses started by migrants and the types of businesses started by South Africans**. Hair salons, identified in this study's survey as one of the most common types of business started by migrants, are a key example. Migrants in the FGDs reported that while there were few (if any) South African-run salons in their community, plus little sign that South Africans were interested in operating salons, migrants were routinely accused of taking opportunities from South Africans.

Migrants participating in the FGDs were unanimous in stating that they **could not fight back or even pro-actively defend themselves or their businesses from their attackers**: "If you defend yourself and you end up hurting a local person, then they [South Africans] will attack you" (FGD participant, KwaMashu). A key source of frustration for migrant business people is that when their businesses are attacked, this is often viewed by authorities (e.g. the police or the municipality) as being about robbery rather than xenophobia. When it comes to xenophobic attacks, migrants struggle to obtain protection since the State typically refuses to see anti-immigrant sentiment as a prime motivating factor for violence. Despite this, there is no doubt among migrants that they are being targeted for the sole reason that they are foreign:

"I didn't do anything. I didn't take anything from them [South Africans]. This place [market stall] was empty. I see the space there and I ask [the municipality] to create something of my own. Then they [South Africans] feel so bad and jealous and say that I am stealing jobs"

(FGD participant, KwaMashu).

Xenophobic attacks do not take place exclusively in commercial hubs. For instance, while violence in the Durban CBD (near the Victoria Street Market) was reported to be common, so too was violence in more commercially-marginal locations in townships

like KwaMashu and Sydenham. Migrants were adamant that **xenophobic violence was perpetrated exclusively against migrants from other African countries**. Migrants from countries like Bangladesh, China and Pakistan were never targeted in the same manner: 'Once you come here, you find that you're not being beaten by the Indians or by white people, but by black people just like you' (FGD participant, KwaMashu). COVID-19 and the economic chaos it has caused – e.g. due to restrictions in trading caused by recurring lockdowns – is seen to have increased economic desperation within township communities, making migrant-run businesses even more a target for violence and theft. Of the five townships where this study undertook FGDs, xenophobic violence was seen to be comparatively less of an issue in Umlazi. Even here, however, the violence affecting the Durban CBD and fears that the violence will eventually reach Umlazi with the same intensity as elsewhere, acts as a major source of worry for migrants and its **serves as a disincentive for them to invest in their businesses**.

While not raised by migrants in the FGDs, one of the KIs noted the connection between xenophobic attacks against migrants and infighting between South African political elites – including factional fighting within the African National Congress (ANC). According to this KI, xenophobic attacks are most pronounced around election time as political figures or factions 'seek to play the nationalist card' to draw support and deflect criticism. Indeed, the fact that many of the migrants in the FGDs identified their attackers as referring to themselves as uMkhonto we Sizwe (MK) points further to a politicisation of xenophobia as a South African nationalist tool.

4.2 Migrants' Experiences with South African Legal Institutions

As was also reflected in the survey data, **migrants' trust in the South African police is extremely limited**. Police almost never arrive in a timely manner to stop attacks. Police reports are filed but migrants see little to no follow-up. Perpetrators are seldom arrested or, if held in custody, are usually released with no penalty. **A lack of legal consequences for the perpetrators of anti-immigrant violence creates perceptions of impunity. As such, perpetrators see little reason to change their behaviour**. Migrants in the FGDs noted a recurring problem in that police were often unwilling to register crimes against them as being xenophobic, instead telling migrants that they are simply victims of 'regular' crime (according to one KI, government officials frequently make the same arguments). Connected to this is the fact that police tend to be unwilling to see migrants as facing heightened risks – either in regard to their personal safety or the security of their businesses. This means that the police cannot be relied on to allocate special efforts towards protecting migrants and their property, further undermining trust.

Willingness to approach the police, migrants suggest, has been further undermined by **confusion as to whether cases will be filed and acted upon if reported by individuals or**

whether cases will only be heard if they are filed by a group of migrants. According to FGD participants in KwaMashu, the value of property stolen or damaged in xenophobic attacks is viewed by the police as being too low to justify any action. The police instead insist that migrants file complaints as a group (with a higher collective value of stolen or damaged property), which slows down legal processes.

The main disincentive migrants identify when it comes to approaching the police, however, is that **police themselves are typically viewed as being just as xenophobic as those initiating violent attacks.** Reporting violence or theft, migrants feel, may simply lead to their own arrest for not having updated trading permits or other documentation. Migrants reported cases of police ripping up their valid documents or stealing their money. While this behaviour may not be the norm among police, the perceived risk of this behaviour – when considered against the low likelihood that police action will lead to anything tangible or beneficial – means that migrants typically view engaging with the police as not being worth the risk. Migrant business people participating in the FGDs were adamant that the police require training to understand that their duty to protect extends to the entire population regardless of nationality.

4.3 Migrants' Engagement with Government

Aligning with the survey data, migrants participating in the FGDs reported that their main interactions with the local municipality were to pay bills or obtain trading permits. Asylum permits were also obtained by migrants from the Department of Home Affairs. At present, however, migrants from each of the five townships reported that **the provision of trading permits to immigrants was suspended** and there was no understanding of why this was the case. Migrants' satisfaction with local government was undermined by the **perceived inconsistencies in the requirements to obtain/renew permits and other**

documentation. FGD participants in KwaMashu noted how the Municipality's requirements for obtaining a trading permit in one year would change – without explanation – the following year.

There was a perspective among migrants participating in the FGDs that while local government officials were seldom overtly hostile, they also **made little effort to understand or try to address migrant concerns.** Migrants identified themselves (and their businesses) as convenient scapegoats. While government officials never condoned violence, rhetoric from these officials would still tacitly accept migrants being blamed for high levels of unemployment among South Africans if doing so would relieve political and popular pressure. At other times, **government assistance was simply seen as being unfit for purpose.** A key example, raised by FGD participants in Isipingo, involved migrants fleeing attacks by seeking refuge in a local police station. Rather than being given assistance to return safely to their homes and businesses, the migrants were placed by government officials in transit camps intended to process their repatriation to their home countries. This was in spite of these migrants having trading permits and other documentation demonstrating their (current and future planned) residency in Durban. Government officials, migrants felt, could not process the notion that migrants – and their businesses – were there to stay.

To some extent, the failure of municipal government to fully try and comprehend and support migrants is counter-productive. According to one of the KIs interviewed for this study, the fees and rent paid by migrant traders serve as an important revenue source for the Municipality. The failure of migrant businesses, whether due to xenophobic attacks or the COVID-19 **lockdowns, has depressed many previously bustling trading areas and municipal finances are suffering as a result.** Said one KI, discussing the need for local government to be more consistent and responsive in its dealings with migrants: "People [in local government] need to be trained and given sufficient information on how businesses are run. There shouldn't be different rules for different nationalities."



4.4 Lack of Fairness and Overall Attitudes towards Immigrants

A perceived lack of fairness was raised by migrants as a major frustration. For many, **the decision to run their own businesses was made not because of a desire to pursue entrepreneurship but because migrants knew that they would struggle to compete with South Africans for formal employment.** Self-employment, even if extremely precarious, was seen by many as their only real opportunity to work and generate income. Even this, however, is in question because of what migrants perceive as discrimination in the issuing of trading permits (which they now feel are given out liberally to South Africans while their own applications are stalled or suspended). Many migrants perceive themselves as being overqualified for the work they do in their businesses, but they have low expectations when it comes to their potential to do much else – not least, as one KI noted, due to the difficulty they have in proving the validity of their academic and/or professional qualifications through the South African Qualifications Authority (SAQA).

Migrant participants in the FGDs lamented their inability to belong to and be accepted in their communities. Even when resident in a community for decades and when having a South African spouse (a common situation for many of the male migrants in the FGDs), **migrants are perpetually treated as outsiders.** Migrants did note a qualitative difference in how they are perceived by 'educated' versus 'uneducated' South Africans:

"The truth is that anyone who has even finished school in South Africa... if they have a good job... they will never oppress you. They will think that you are a South African, black like me, black like us... they talk to us nicely and may even try to help because they want to make the country better"

(FGD participant, KwaMashu).

When it comes to overall attitudes towards migrants, the threat of xenophobic violence has a perverse effect in perpetuating negative stereotypes. Many migrants in the FGDs reported that, for safety reasons, they prefer to stay in town rather than in townships. However, the more often migrants stay in town, the more likely they are to be labelled by others in their township communities as being involved in crime or drugs. This, in turn, reinforces the negative images held by many South Africans toward migrants.

4.5 Sources of Support for Migrant Entrepreneurs

Reinforcing the survey data, the FGDs indicated that migrants' membership in associations (of any type) is very low. Migrants viewed the formation of self-help groups as desirable, but also as a challenge due to their collective lack of financial resources.

Also, **migrants felt that the formation of identifiable migrant groups could make them even more of a target for violence.** At the same time, without establishing some mechanism to provide mutual assistance, most migrants felt that they are on their own: "We don't know what we are going to do. We're just sitting here" (FGD participant, Sydenham).

The main source of support to some migrants – those formally classified as refugees (as many migrants from countries like Burundi and the DRC are) – is the UNHCR. UNHCR support, however, is seen as being too piecemeal. Food vouchers may be provided to refugee migrants during times of distress, but these are not provided consistently and do nothing to cover the total food needs of migrants' families. The UNHCR is also seen as waging a losing battle against discriminatory State institutions. For instance, FGD participants in KwaMakhutha noted that the UNHCR often raises complaints to police about a lack of seriousness towards investigations of xenophobic violence. However, since the UNHCR has no means to put real pressure on police, the agency's advocacy often goes nowhere.

Finally, local human rights organisations (e.g. Lawyers for Human Rights, Human Rights Commission) were known by some (though by no means all) FGD participants. For those who were aware and had engaged with them, a key criticism of these organisations was that they **were primarily staffed with (young) South Africans with little understanding of the migrant experience.** Immigrant issues are not seen by migrants as a major priority of these organisations and there was a view that unless these bodies adopted more migrants into their staffing, they would not be in a position to serve immigrant needs in any meaningful way.

According to one KI working closely with migrants facing the threat of xenophobic attacks, **what South Africa clearly needs is a community-level approach to generating social cohesion.** This KI noted the existence of the South African Social Cohesion and Moral Regeneration Council, but also stated that this Council lacks a budget to undertake ward-level activities, which is where real community engagement takes place. **The Council's work, according to this KI, is to high-level eminent individuals in the country, but does very little to involve the popular participation of people in township communities:** "With social cohesion, [the Council] they are just ticking the box."

This same KI recounted how civil society organisations – such as the African Solidarity Network – do attempt to provide support to migrants and their businesses. However, when civil society bodies initiate dialogues on how to provide improved support to migrants, "no one from the [provincial] government or Home Affairs shows up". Finally, this same KI noted cynically that social cohesion initiatives in KwaZulu-Natal are often placed under the purview of the provincial Department of Arts and Culture, which lacks the visibility, budget and credibility to effectively make social cohesion a popular issue for debate or practical policymaking.

4.6 Migrants' Business Experiences and Plans for the Future

When asked to discuss their businesses and how they perceive their future development, migrants participating in the FGDs linked the constant threat of xenophobic violence to a **reluctant preference to stay small rather than expand**. A growing business was seen by some migrants as an invitation to attack since it was likely to generate more resentment among locals (South Africans): "My business is not going to grow. When the business is growing, the people [South Africans] come and put it down" (FGD participant, Sydenham). **Protection, more than anything else, was cited as the main need migrant entrepreneurs had if they were to make a start in transforming their businesses.** Access to finance and training support to identify marketing opportunities were (as the survey data suggested) seen as important. However, migrants were largely unanimous in stating that without physical security for themselves and their businesses, these other needs would remain secondary. One of the KIs reiterated the same point: "What they [migrant traders] need from our government is safety and security."

As alluded to earlier, there is something of a passive expectation among many migrants that their businesses are bound to fail because of violence directed against them. One migrant in Sydenham recounted starting separate businesses in car repair, panel beating and hair salons, while having all of these businesses attacked and undermined by having premises

burned down and/or goods stolen. **Preservation and survival, rather than growth, is the primary business objective for most migrants.** This is not to say that migrants do not identify possibilities for growing their business should they have security: "There are so many ways for us to grow our businesses... as long as we could sit them [South Africans] down and make them understand" (FGD participant, KwaMashu). Indeed, migrants in the FGDs were adamant that there were many economic opportunities that they could envision exploiting in future; opportunities that they felt their South African neighbours were unlikely to pursue.

The COVID-19 pandemic and lockdowns initiated by Government in response have had a significant negative impact on migrants and their businesses. **Many migrants lost access to their trading spaces as a result of not being able to be present to secure them on a daily basis.** For others, there was still an expectation that they would pay rent (even at a reduced rate, e.g. R1 000 per month instead of R2 000 per month) during periods of lockdown. The obligation to pay rent even with no income being generated from their businesses has drained the relatively meagre savings that many migrants have been able to generate. Finally, in cases where rent for business premises was temporarily forgiven during lockdown, migrants report an expectation that **they now pay arrears in their rental payments, adding to an already difficult financial situation.**

In many cases, migrants participating in the FGDs were of the view that in spite of the above challenges, their businesses



could still survive. A greater threat is **the legal precariousness of most migrants and the unpredictability of the South African legal/asylum system**. For those migrants who arrived in South Africa as legal refugees, asylum permits provide a form of identification and a right to work, at least in the informal sector. However, these permits need to be extended every six months, with migrants typically not knowing if their extension will be successful or be done in a timely manner. **For some migrants, the asylum process appears never-ending and some migrants freely acknowledge operating their businesses with expired or delayed asylum permits**. Fear of the consequences of being found not to have updated documentation is yet another barrier that keeps migrant businesses small since migrants are disincentivised from pursuing financial or market opportunities or support mechanisms that may reveal their status:

"I came here in 2008 and until now, I'm still using the asylum permit that I extend every six months at Home Affairs. Imagine, you'll find people who have been here for 13... 15 years and they are still following the same process of extension"

(FGD participant, KwaMashu).

At a practical level, without some degree of permanency in their status, migrants are unable to open bank accounts. This creates further security issues as migrants are forced to store money in less secure locations, often in their homes, making them a further target for attack. Without permanent

IDs, migrants reported being unable to register their businesses with the South African Revenue Service (SARS). **This inability to formalise, in turn, makes accessing finance nearly impossible**. A seemingly common issue, cited by one of the KIs who works for an organisation assisting migrants to sort their legal status out, is that migrants may have a Section 22 permit. However, if they want to register a business, they need a national ID number but instead only have a personal file number. This creates a bureaucratic complication that is often left unresolved, leaving migrants unable to move forward in advancing their status.

It should be noted that one of the KIs interviewed for this study sought to initiate a micro-loan programme for migrant businesses, largely as a recognition that their access to formal financing would be extremely limited. However, this approach failed since migrants seldom paid back their loans. **Grant-based support systems have appeared to work better for migrants (e.g. initiated by organisations like Refugee Social Services), particularly when these grants are combined with practical business skills training**. However, the reach of these programmes is necessarily constrained by available donor funding and they struggle to achieve meaningful scale in their outreach.

For all of these issues, however, the majority of migrants included in the FGDs felt that they would stay permanently in South Africa. They had established roots in the country, often acquired a South African spouse and the challenges facing them in South Africa were still more manageable than those (such as ongoing civil war), which confront them in their home countries.



Conclusion and Recommendations



5.1 Conclusions

This study has provided a broad mapping and overview of migrant businesses in the greater Durban area. The study's key conclusions are:

- Migrants come from a diverse cross-section of African countries. Most are young men and most have some or complete secondary education
- Migrant businesses are almost exclusively informal and generate low monthly revenues – typically below R3 500
- A considerable number of surveyed migrants have been operating their businesses for more than five years, yet the precariousness of their legal and (for refugees) asylum status is a major factor preventing them from taking steps to grow their businesses
- Migrant-owned and/or operated businesses do generate modest employment opportunities at community-level, typically employing between 1-3 people in addition to the migrant owner/operator
- Migrant-run businesses are fairly equally divided when it comes to focusing on selling goods versus services. Particular services, such as the operating of hair salons, appear to be almost exclusively the domain of migrants
- Migrants rarely engage with the local municipality on business-related issues. When they do, it is typically only to pay bills
- Most migrants report that their businesses have been targeted by opportunistic crime, though over a third also reported being targeted by planned criminality, including coordinated xenophobic attacks
- Almost half of migrants reported that they 'often' experienced discrimination, usually from South African traders envious of their businesses
- Migrants place little trust in the legal system to protect them – almost half of surveyed migrants reported that they felt 'very unprotected' by the law
- Low confidence in the law leads to migrants actively trying to limit their dealings with the police – less than half of surveyed migrants reported interacting with the police even though a majority of migrants reported their businesses being targeted by criminality



- Xenophobia, crime and access to credit are the main barriers facing migrant-owned and/or operated businesses
- Civil society and other support organisations for migrants do exist (e.g. Refugee Social Services, African Solidarity Network, etc.), but the survey data indicates that the reach of these organisations is limited – most migrants do not report receiving any type of organisational support
- Access to finance and capacity to undertake effective financial management were the main identified needs for business support among migrants
- Migrants identified a large number of training needs for them to run their businesses effectively in future. Assistance with marketing, financial management and business administration are among the top priorities
- The COVID-19 pandemic has undermined migrant-owned and/or operated businesses – 85% of surveyed migrants reported a worsening of their business situation over the past twelve months (March 2020 to March 2021) due to recurring COVID-19 lockdowns that placed restrictions on their ability to trade
- Xenophobia is seen as a national-level problem, not confined to specific communities. As such, migrants saw little value in moving away from their current locations as they deemed xenophobia as a threat they would face anywhere in South Africa
- Those perpetrating xenophobic attacks are typically known by migrants – e.g. they are their customers or neighbours. The jealousy that is seen to drive xenophobic attacks is a source of confusion to many migrants, who feel that the types of businesses they operate seldom overlap with the types of businesses that South Africans have an interest in operating
- Migrants do not feel that they have the ability to pro-actively fight back against their attackers. Doing so would only invite further violence and loss of property
- Migrants struggle to obtain protection from the State or its institutions (e.g. the police) because the State itself typically refuses to see anti-immigrant sentiment as a prime motivating factor for violence. Instead, migrants are seen by State actors as being merely the victims of 'regular' crime and thus no efforts are made to allocate resources (human or financial) specifically to address migrant-specific protection
- Xenophobic violence seems to be perpetrated exclusively against migrants from African countries. Migrants from countries like Bangladesh, China and Pakistan do not face the same personal risks or threats to their business
- The lack of consistency in requirements to obtain needed documentation – trading permits, asylum permits, etc. – is a major constraint for migrants and their businesses. The rules to obtain relevant documentation are seldom predictable (e.g. the provision of trading permits to migrants appears to currently be suspended for reasons unknown)
- Local government is seen as having little interest in trying to sincerely understand migrant concerns. When assistance is provided directly by Government, it is often targeted poorly
- Migrants acknowledge that the formation of self-help groups could be beneficial. However, they fear that doing so may simply make them more visible and more of a target for anti-immigrant violence
- Existing institutional support for migrants is deemed largely ineffective – the reach of civil society groups seeking to support migrants is limited because of resource and capacity constraints. The UNHCR is active in trying to provide support to refugee migrants, but this support is often piecemeal. Meanwhile, organisations focused on human rights – e.g. Lawyers for Human Rights, Human Rights Commission – are seen as lacking migrant representation in their staffing and as having little interest in migrant issues
- Existing efforts to generate social cohesion in South Africa are poorly targeted – e.g. bodies like the South African Social Cohesion and Moral Regeneration Council operate at an elite level, but undertake little effective work at ward level where negative attitudes towards migrants must be tackled
- Migrants view protection as their single most important need. Without safety and security, migrants see little incentive to consider expanding their businesses. Preservation and survival, rather than growth, is the primary business objective for most migrants
- The financial situation confronting migrants has undeniably worsened as a result of COVID-19 restrictions. Many migrants have lost access to trading places or are indebted by paying rental arrears on rent that was temporarily forgiven during the early days of lockdown in 2020

5.2 Recommendations

Key recommendations emerging from the study are:

- (a) There is a fundamental need for State institutions to acknowledge xenophobia as a problem distinct from broader criminality. While acknowledging this distinction may be politically contentious (not least since some political actors use anti-immigrant nationalism to boost their own popularity), a failure to do so will mean that migrants – and their businesses – are unlikely to be provided with the targeted support required to ensure their security. Civil society organisations have a vital role to play in pressing State actors on this point in collaboration with the media, which itself often fails to fully communicate the degree to which migrants are singled-out for violence.
- (b) As was argued by one of the KIs interviewed for this study, too much of the work on social cohesion in South Africa is focused on elite messaging and too little work is done trying to address social cohesion and social capital building at community-level. Bodies like the South African Social Cohesion and Moral Regeneration Council, or other empowered civil society organisations, should target social cohesion initiatives at the ward-level. Doing so is likely the only way to tackle the grievances that spill over into xenophobic violence.



- (c) The processes associated with obtaining trading and asylum permits and other relevant documentation must be streamlined and made predictable. A more efficient and predictable system for permit acquisition and renewal will allow migrants to more effectively plan and it will remove much of the uncertainty that makes migrants afraid to truly invest in their businesses. Simple solutions such as allowing migrants without a South African ID number to use an alternative identification reference to register with SARS, would go a long way towards placing migrant businesses on the path to formalisation and growth. The challenge around this recommendation is how to effectively incentivise local municipalities and the Department of Home Affairs to undertake this streamlining. Once again, civil society campaigns – aided by media – that clearly communicate the actual (and potential) economic impact that formalised migrant businesses can have in catalysing economic growth, could help press these issues more forcefully.
- (d) There is a need to address the fragmentation that exists in the civil society support provided to migrants and their businesses. While the number of organisations providing direct support to migrants are few, those that are engaged tend to have too few resources to have an impact at truly significant scale. There is a need for civil society organisations to be aware of: a) who else is providing services to immigrants; and b) what opportunities there may be for complementarities if resources held by different organisations can be pooled. Rather than working in isolation, there should be some effort made to develop a civil society coordination council that brings together agencies with common interests in migrant issues. This coordination could include the development of joint projects and joint work plans, as well as the creation of joint advocacy campaigns that may be necessary for many of the issues raised in this report to be addressed.
- (e) Connected to the above, there is some evidence to suggest that grant-based assistance to migrants and their businesses can be somewhat successful in allowing migrants to improve the quality of their operations. However, there should be a broader consideration of different types of modalities for providing development assistance. Micro-lending and initiatives like micro-insurance (to cover the costs of theft of goods/loss of property) could be highly beneficial to migrants and would likely attract a high level of uptake if they were co-created by development agencies and migrants in a participatory manner. Similarly, there may be avenues by which migrants – as long as they are excluded from accessing formal finance – can engage in self-help groups like Stokvels. Doing so, however, would likely require outside facilitation to help build confidence and trust even within migrant communities.
- (f) The findings of the study provide useful insight into the character and conditions of African immigrants in South Africa. These insights should, however, form as a basis for a nationwide study, at least covering the main immigrant business locations across the country. A broader study will serve as convincing empirical evidence to develop responsive policy aimed at addressing the critical issues that undermine meaningful integration of immigrant entrepreneurs with host communities.





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