



The socioeconomic contributions of migrant business owners in South Africa's informal urban settlements and inner-city areas

A case study of the city of Johannesburg

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LIST OF ABBREVIATIONS AND ACRONYMS

CIPC	Companies and Intellectual Property Commission
ILO	International Labour Organization
MSMEs	micro-, small and medium-sized enterprises
UNHCR	(Office of the) United Nations High Commissioner for Refugees
OECD	Organisation for Economic Co-operation and Development
SADC	Southern African Development Community
SMEs	small and medium-sized enterprises
VAT	value added tax

Given the place of international migration in global discourse on development, there is increasing interest from academic researchers, development practitioners and international organizations such as the United Nations and its agencies in the contributions that migrants make in receiving countries. South Africa is no exception, although it struggles with migration management as a result of xenophobic attacks fuelled by the perception of migrants as socioeconomic beneficiaries whose presence disadvantages South African citizens. While migrants may be contributing to the local economy, some migrant businesses in and around Johannesburg have been raided by community members, as well as in police-led operations, accusing them of selling counterfeit goods, among other allegations. It is in this context that government policies on migration and related issues may be broadly situated and understood. This research, among other things, was conducted to create a valuable knowledge base for local government entities, from which policies may be formulated that are responsive to the realities of foreign migrants and South African citizens living in informal settlements and inner-city Johannesburg.

The study covered eight sites: Berea, Hillbrow, Mayfair and Yeoville, in the inner city; and the informal settlements in Diepsloot, Ivory Park, Orange Farm and Zandspruit. It involved mapping economic activities in the selected sites and establishing the type, size, sector and several other characteristics of businesses owned by foreign migrants, as well as the challenges and opportunities they face in their economic activities. The overall purpose of the research was to create an understanding in municipal and national government of the socioeconomic contributions that international migrants make in the informal urban settlements in South Africa, with a specific focus on Johannesburg. It also aimed to provide the evidence needed to develop policies that promote socioeconomic development, social cohesion, and public and private sector investment in informal urban settlements.

Methodology

The study employed a mixed-methods research approach, incorporating both quantitative and qualitative data. Multiple data collection methods were needed due to the lack of adequate statistics on migrant entrepreneurs in informal urban areas and as a means of deepening our understanding of the different dynamics surrounding migrant-owned businesses. We collected quantitative data using a survey questionnaire and qualitative data using semi-structured interviews with key informants, as well as focus group discussions with migrant business owners and non-migrant business owners in selected research sites.

The study targeted 800 migrant business owners across the eight selected sites. A total of 796 respondents gave complete and valid surveys. The research team also conducted key informant interviews targeting policymakers and individuals with information on issues that affect migrant businesses in informal settlements and in the inner city. In addition to these, six focus group discussions were conducted with migrant business owners, South African business owners and South African community members across the different research sites, to supplement the data collected using other methods.

Findings and conclusions

The findings of our study show that the largest proportion of migrant businesses were owned by Zimbabwean nationals (28.3%), followed by Mozambicans (14.9%), Malawians (10.7%), Nigerians (9.7%), nationals of the Democratic Republic of the Congo (6.3%), Pakistanis (5.9%) and Ethiopians (5.4%). Only in Mayfair were migrant businesses predominantly owned by Pakistani, Bangladeshi or Somali migrants.

Most businesses in the areas surveyed were small to medium in size, with revenues ranging between R 1,000 and R 20,000 per month. High turnover businesses included those in the fast food, and food and beverage sectors. The study findings show that migrants engage in a wide range of business activities, but there is a dominance of retail and service activities, including groceries, fast food, electronic appliances, household furniture, hardware, computer and mobile telephony products, personal care products, and health and fitness products.

The study also established that most respondents did not have regular documentation status allowing them to reside and run businesses in South Africa legally. At least 27 per cent of the respondents had passports without permits, 22 per cent had asylum seeker permits and 17 per cent of the business owners had neither passports nor permits. This meant that only 6 per cent of the respondents had business permits and 12 per cent reported having work permits. The findings reflect that a lack of proper documentation is a common problem among migrants across all settlements, although more so in the informal settlements than in the inner-city sites.

As a result of their documentation status, most migrants could not register their businesses. Other reasons given for non-registration included the perception that the businesses were too small to be registered, that they were too informal, or that they were newly established. Common challenges also included the lack of adequate information about why, how, where or how much it would cost to register a business.

As a result of challenges with documentation and non-registration of businesses, respondents stated that they had to pay bribes to officials from the South African Police Service, the Johannesburg Metropolitan Police Department, the South African Revenue Service and the Department of Home Affairs. In addition to dealing with enforcement agencies, unregistered migrant business owners were also forced to pay bribes to community leaders in order to keep the peace and continue operating in local communities.

The research findings show that migrant businesses contribute to value chains within the Gauteng Province as well as in their specific settlements. They achieved this by buying stock within their settlements, although 35 per cent of the respondents highlighted that they bought their products from wholesalers outside their settlements but within Johannesburg. Buying stock outside their settlements meant that they used additional services from the community, such as delivery transport, which contributed to revenue generation and the creation of employment opportunities for transport providers, who in most cases were reported to be South African nationals.

Additionally, the findings show that a significant proportion of direct economic benefits from foreign-owned businesses comes through rental payment to property owners; the majority (74%) of the businesses operated from rented spaces owned by South African nationals. These businesses also created employment in their respective settlements for other foreign nationals as well as for South African citizens, who made up 17 per cent of their workforce. Types of employment included shop management, general assistance and cleaning. They also promote other businesses by engaging security guards.

The study established that, as a consequence of not being registered, most of the businesses do not have bank accounts and have little or no knowledge about direct tax payments such as VAT. In that regard, they are seen by South African citizens as not making a positive economic contribution to the country. However, migrant businesses do make social and economic contributions at individual and community levels in numerous ways that are often unrecogized.

Although migrant business owners face operational challenges, they were found to possess business skills that helped them keep their businesses afloat. Such skills included collaboration with other business owners, pooling resources to buy directly from the manufacturers and bypassing brokers. This approach was reported to have a remarkable price reduction effect and allowed them to negotiate payment terms, which meant that migrant businesses sold at flexible and more competitive prices than South African-owned businesses. These skills were key to customer retention. Findings from key informant interviews validated this data and also revealed that policies concerning socioeconomic development did not include the migrant communities present in those areas, so there was a need to formulate more comprehensive policies.

Recommendations

The growing levels of unemployment, poverty and inequality across the country mean that the Government of South Africa needs to formulate relevant policies and work with as many social and economic partners as possible. Owners of SMEs, whether foreigners or citizens, have a role to play in improving access to goods and creating employment in remote and poor communities. There are cases where transgression of the law was identified, for instance where some migrant-owned businesses qualify for VAT and income tax but remain unregistered. In such cases, the study advocates the implementation of mechanisms to educate migrant business owners and facilitate compliance with all the legal requirements for setting up businesses in South Africa, regardless of their legal status. Punitive measures only increase defiance and further subversions.

Following are some of the recommendations of the study.

Recommendations for IOM and other international institutions working with migrants

- There is a need to formulate programmes and strategies to enable IOM and similar organizations to collaborate with government departments in facilitating the compliance of migrant-owned businesses with the laws of the country.
- Based on the findings of this study, which show the positive contributions of migrant-owned businesses to the inner-city and informal settlements, IOM should further develop policy guidance on entrepreneurship for migrants in order to increase awareness and enhance migrants' socioeconomic contributions. Alternatively, such guidance could be leveraged from stakeholders already engaged in similar work, to extend the impact and reach.
- As most migrant-owned businesses in this study rely on social networks rather than South African government initiatives for information, loans and skills training, IOM and its partners should consider setting up joint programmes to support migrant entrepreneurs in growing their businesses.

Recommendations for the City of Johannesburg

- There is need for city officials to disseminate the findings of this study, and others, widely in relevant municipal structures and forums, in order to provide an evidence base for any decisions which concern migrant-owned businesses in the inner-city and informal settlements. Changing the negative views among officials could help them to formulate policies that are supportive and not just punitive to migrant-owned businesses.
- The City of Johannesburg needs to implement stricter consequences for officials who thrive on corruption and extort migrant-owned businesses for personal gain in instances where such businesses transgress by-laws and other laws.
- The findings of the study revealed that awareness of by-laws among migrant business owners was relatively low in the informal settlements, which could explain their disregard for such by-laws and poor compliance with hygiene and safety standards. The City of Johannesburg officials in the relevant directorates should therefore enforce policies by means of regular inspections and awareness-raising campaigns.

Recommendations for stakeholders and regulators in the small and medium-sized enterprises sector

- Partnering with the South African Revenue Service to encourage migrants who qualify to register for tax will ensure that they contribute to the national treasury directly.
- Address the issues of local community leaders and South African business owners who feel that migrant businesses are cheating the country out of tax revenue and that their competitors are therefore not operating on a level playing field.
- When businesses are registered, it enables the Department of Employment and Labour to inspect and enforce legislation that curbs employee exploitation, whether employees are documented or not.
- As echoed by local leadership, migrant-owned businesses would be more widely accepted if local people benefited from them through employment of at least 30 per cent South African nationals. In this regard, it is recommended that the Department of Small Business Development also pursue programmes to enable the registration of SMEs regardless of the nationality of the business owners, which would then facilitate close monitoring of their compliance with the quota system for employment.
- The banking sector should help widen financial inclusion by providing financial services and products aimed at ensuring that migrant-owned businesses utilize banking services. Increasing the practice of banking and the movement of money through registered financial institutions would also serve as a deterrent to money-laundering practices, which are fuelled by cash handling.

While this study is a partnership between IOM, the City of Johannesburg and national government departments, such as the Department of Employment and Labour, it is recommended that the Department of Home Affairs – as the custodian of immigration policies and legislation – should also consider inclusive ways of formulating policies that regularize migrants whose businesses contribute significantly to their host communities. In other words, the conventional criteria for obtaining a business visa should be reconsidered in ways that also cater to businesses operating in informal settlements.



CHAPTER 1

1. INTRODUCTION

This study was conducted as part of a collaborative effort between IOM and the City of Johannesburg. It aimed at understanding the socioeconomic contributions of migrants in the informal urban settlements and other sections of inner-city Johannesburg. The premise of the project was that international migrants (hereafter, migrants) and receiving communities share living spaces in the informal urban settlements and often live under the same material conditions of poverty and unemployment. Migrants contribute to the local economies in the informal settlements and the inner-city areas through employment creation and business activities. However, such socioeconomic contributions are not well understood and there is a need for research to address this gap.

Among other things, this study creates a valuable knowledge base from which local government entities can formulate policies that are responsive to the realities of migrants and South African citizens living in informal urban settlements. Such knowledge is instrumental in forming the basis for engagement with communities where potential friction exists between South African citizens and migrants. That friction is often driven by knowledge gaps and misinformation about the presence of migrants and their social and economic contributions to receiving communities. In instances where migrants are involved in business activities, this report pays attention to the operational successes as well as the challenges in order to formulate recommendations on how local authorities can improve the business environment. A conducive business environment is beneficial for both migrants and citizens, especially in the context of the high unemployment rate in South Africa, estimated at 30.1 per cent in the first quarter of 2020 (Statistics South Africa, 2020a), which is an increase of 1 percentage point from the 29.1 per cent recorded in the last quarter of 2019 (Statistics South Africa, 2020b).

The research covered eight sites in Johannesburg: four informal settlements (Diepsloot, Ivory Park, Orange Farm and Zandspruit) and four inner-city sites (Berea, Hillbrow, Mayfair and Yeoville). The study involved mapping economic activities in the selected sites and establishing the type, size, sector and several other characteristics of businesses owned by migrants. It also engaged migrants on the challenges and opportunities they face in their economic activities. This knowledge base will be useful in informing municipal officials and other key stakeholders working in migrant-dense communities.

The primary stakeholders in this research are IOM and the City of Johannesburg as well as other government departments that deal with socioeconomic issues in South Africa. The research findings are reported here as submitted to IOM and the City of Johannesburg.

1.1. PURPOSE OF THE RESEARCH

The overall purpose of the research was to:

- (a) Create an understanding in municipal and national government of the socioeconomic contributions that international migrants make in the informal urban settlements in South Africa, with a specific focus on Johannesburg;
- (b) Provide the evidence needed by the municipal and national government to develop policies that promote socioeconomic development in informal urban settlements;
- (c) Enhance social cohesion by providing insights on, and public awareness of, the socioeconomic contributions made by international migrants in informal settlements and inner-city Johannesburg;
- (d) Promote public and private sector investment in the informal urban settlements by identifying opportunities and highlighting the economic vitality of key sectors in which the various groups are active in these settlements.

1.2. OUTLINE OF THE REPORT

The remainder of this report is divided into four additional chapters: chapter 2 provides the context of the study, which includes a conceptualization of migrants' socioeconomic contributions globally, migration trends and patterns in South Africa, and the socioeconomic activities and contributions of migrants in South Africa; the third chapter outlines the methods used to collect data for the study; the fourth chapter comprises the bulk of the report and presents the findings of the study; and the final chapter provides a discussion of the findings, before concluding and offering some recommendations.



CHAPTER 2

2. SOCIOECONOMIC CONTRIBUTIONS OF MIGRANTS: LITERATURE AND ANALYTICAL FRAMEWORK

2.1. MIGRATION TRENDS AND PATTERNS IN SOUTH AFRICA

There were an estimated 272 million international migrants in the world in 2019, which accounts for 3.5 per cent of the global population (UN DESA, 2019). This represents a growth in the global migrant population, which stood at around 249 million in 2015 and 221 million in 2010 (IOM, 2019b). As of 2019, the African continent accounted for 10 per cent of the international migrant stock, and international migrants comprised about 3 per cent of its total population. Between 2000 and 2019, the number of international migrants in Africa increased from an estimated 15 million to 26.5 million, and between 2010 and 2019 Africa experienced an annual average growth of 4.4 per cent in international migrant stock (UN DESA, 2019). The increase is largely driven by common factors such as economic inequality between regions, although conflict and persecution disproportionately shape mobility in sub-Saharan Africa, for example in countries such as South Sudan, Somalia, the Democratic Republic of the Congo and others (Landau and Wanjiku Kihato, 2018). Importantly, 70 per cent of international migrants from African countries remain within the African continent, as those that cross international borders often stay within their regions (Landau and Wanjiku Kihato, 2018).

South Africa is one of the major destinations for international migrants within the African continent, due to its relatively stable democratic government, infrastructure and advanced economy, in comparison to other African countries (Kabwe-Segatti and Landau, 2008; Crush et al., 2015). It is worth noting that a high volume of these migrants (69%) come from the SADC region, mainly due to proximity and shared borders. A further 7.3 per cent originate from other African countries (Statistics South Africa, 2011), and there has been an increase in the number of migrants from the Horn of Africa, particularly Ethiopia and Somalia. South Africa also hosts significant numbers of asylum seekers and refugees, reported to be a total population of 266,654 in 2020, with the major countries of origin for refugees being Somalia, the Democratic Republic of the Congo and Ethiopia (UNHCR, 2020).

Within South Africa, Johannesburg and the greater Gauteng region receive the majority of migrants and refugees. Johannesburg occupies an important position because of its status as the commercial capital of the country and its history of mining, which dates back to the discovery of gold in 1886 (Moyo, 2020; Harrison and Zack, 2012). As much as 52 per cent of South Africa's international migrants live in Gauteng Province (Statistics South Africa, 2019). This is in addition to almost 2 million (1,885,909) internal migrants welcomed from other provinces between 2006 and 2016; and a projected additional 1 million between 2016 and 2021

(Hamann and Ballard, 2018). Together with the marginal increase in life expectancy and steady but declining fertility rates (Statistics South Africa, 2019), the increased flow of both internal and international migrants to Johannesburg has amplified the need for responsive urban planning and the creation of corresponding infrastructure to cater for the increased population.

Within Johannesburg, migrants are often concentrated in the inner city and informal settlements. According to Landau (2014), the fringes of the city, particularly the peri-urban areas, serve as entry points that receive newly arrived migrants into the city as well as those that leave the core or inner centres of the city in search of more affordable accommodation. Some scholars have, at varying times emphasized the role of inner-city Johannesburg in receiving both internal and international migrants (Dinath, 2014; Murray, 2011), with Murray (2011) arguing that inner-city Johannesburg is a gateway due to the availability of cheap accommodation options for new arrivals.

International migration is a sensitive subject in South Africa, particularly due to the socioeconomic issues that the country faces today. Among the most pressing of these is poverty, with Statistics South Africa reporting that in 2015, 55.5 per cent of the South African population could not afford to meet their basic needs (Statistics South Africa, 2018). The official unemployment rate rose to 30.1 per cent in the first quarter of 2020 (Statistics South Africa, 2020a), and there are concerns over the widening gap between the rich and poor. At the local government level, immigration poses several challenges for policymakers, as the Refugees Act of 1998 recommends that refugees and asylum seekers should integrate into host communities. At the time of writing, one of the informal settlements covered in this study erupted with violent protests by community members against foreign nationals, whom they viewed as undocumented and therefore criminal.

2.2. MIGRANTS' ACTIVITIES AND CONTRIBUTIONS TO SOUTH AFRICA

According to the 2011 South African census, 63.1 per cent of international migrants were employed, 20.3 per cent were not economically active, 13.9 per cent were unemployed, while 2.8 per cent were "discouraged work-seekers", a category that includes those who were no longer actively seeking employment due to the unavailability of jobs. Regarding the sectors where migrants were employed, 62.6 per cent were employed in the formal sector, 17.2 per cent in the informal sector and 17.1 per cent in private households. Data indicates that four out of five migrants from Europe (80.6%), Northern America (80.9%), and Latin America and the Caribbean (80.8%) were employed in the formal sector; while three out of five (59.8%) from SADC were in the formal sector. In addition to the formal sector, there is the informal sector, which, according to some writers, is large and its full extent unknown (see for example, Crush et al., 2017). In a secondary analysis of the 2015 Gauteng City-Region Observatory Quality of Life Survey data, Peberdy (2017) noted that of the 9.6 per cent of respondents who owned a business in Johannesburg, 59 per cent operated in the informal sector and were South African nationals, and only 19 per cent of informal sector business owners were international migrants. The remainder were internal migrants from other South African provinces (25%) or were born in Gauteng Province (56%), challenging allegations that the sector is dominated by international migrants (Peberdy, 2017). As a result of those misconceptions, international migrant business owners in South Africa's informal sector are and have been the target of xenophobic attacks for many years. This has raised public debates about their role in the South African economy.

Garg and Phayane (2014) suggest that during the past 10 years, African migrants have experienced a hostile reception in South Africa, yet a large proportion of these migrants have effectively used their skills to create small and medium-sized enterprises, which have also contributed to the employment of fellow migrant workers, occasionally resulting in the envy of local entrepreneurs. According to Şahin et al. (2014), entrepreneurship helps reduce the rates of unemployment by offering job opportunities to the entrepreneurs themselves, as well as to one or more other unemployed working-age adults, including unemployed refugees or asylum seekers who would otherwise have had difficulty finding a job in the formal sector of the host country. Migrant entrepreneurs contribute to the economy by supporting formal sector

wholesalers and retailers, thus contributing to the tax base and formal sector profits (Crush et al., 2017). While efforts have been made to capture the contributions made by migrants, most of the data focuses on the formal sector. Contributions made by migrants operating in the informal sector remain unknown and not quantified, something that this study hopes to address.

2.3. SOUTH AFRICAN IMMIGRATION POLICY LANDSCAPE

The discovery of diamonds in the late 1860s in Kimberley and the 1886 Witwatersrand gold rush triggered regional migration for labour to work in these mines in South Africa. While implementing an aggressive regional labour recruitment drive for these mines, the apartheid regime also exercised strict control over who qualified to become citizens of South Africa. Since the attainment of democracy in 1994, the nature and magnitude of migratory flows have changed significantly, as the new regime enabled many potential migrants from the rest of the African continent, Asia and the Indian subcontinent to migrate to South Africa (Crush et al., 2005). The new government had to grapple with managing these new patterns of migration by formulating a new migration policy and new practices. Whereas the historical patterns of migration were dominated by low-skilled labourers for the mines, the post-1994 migration regime has diversified and grown significantly. Over the years, South Africa has been receiving not only refugees and asylum seekers but increasingly also skilled African professionals as well as low-skilled migrants, most of whom are undocumented. Policies, in general, have lagged behind in keeping track of this increased complexity and have been criticized for falling short of addressing migration challenges.

The most significant pieces of South African legislation that govern immigration policy in South Africa today are the Refugees Act of 1998 and the Immigration Act of 2002. The Immigration Act succeeded the Aliens Control Act of 1991 and is currently the most important legislation guiding the admission of migrants into South Africa. The Act generally favours migrants who can contribute to the broadening of South Africa's economic base. Such migrants are also welcome to apply for residency. Skilled foreign workers in occupations for which there is a shortage in the country are also in demand and are encouraged to migrate to South Africa. Applications by industrialists and entrepreneurs who wish to invest in existing businesses or establish new businesses in South Africa are also encouraged by the Immigration Act of 2002. Sections related to retirement stipulate that migrants who intend to retire in South Africa may do so if they can show a net worth of an amount to be determined by the Minister of Home Affairs.

Although the Immigration Act of 2002 supports migrants who may contribute to the skills and investment needs of the country, it has remained difficult for those categories of migrants to meet the requirements to obtain the necessary documentation. Accordingly, the Immigration Amendment Acts of 2007 and 2011 respectively and the Immigration Regulations of 2014, all of which came into effect as of 26 May 2014, endeavoured to facilitate the movement of skilled workers and investors into South Africa to contribute to the country's economic growth. The Immigration Act of 2002, as amended, also incorporates the sentiment expressed in South Africa's National Development Plan 2030 that the country needs to attract international migrants with critical skills. However, these types of migrants only account for a small number of people entering the country. Although South Africa supports the immigration of skilled and professional people, the country does not encourage the immigration of low-skilled or semi-skilled foreign workers, who constitute the bulk of undocumented migrants to the country (Peberdy, 2009). Under the Immigration Act of 2002, limited opportunities exist for low-skilled or semi-skilled workers to regularize their stay in South Africa, with some exploiting gaps in the immigration legislation to regularize their stay. For example, many migrants use the refugee dispensation under the Refugees Act of 1998 to obtain asylum seeker permits, while others utilize a three-month visitors' permit under the Immigration Act. The Immigration Act of 2002 can therefore be regarded as having created a very restrictive immigration regime, which fails to address the reality of the many low-skilled migrants entering the country.

Given the "increased importance of migration in recent decades as well as concerns about jobs and inequality, South Africa has become increasingly aware of the need to effectively manage immigration and integrate immigrants into labour markets" (OECD and ILO, 2018a), particularly skilled migrants and investors, through

revised migration policies. In fact, according to the OECD and ILO report (2018a), the Government's 2017 White Paper on International Migration for South Africa "marked a shift to a greater emphasis on capturing the economic benefits from migration, which was also the intention behind some earlier policies, such as those related to 'critical skills'". The 2016 Green Paper on International Migration in South Africa and the 2017 White Paper highlight that international migration is beneficial to the country if it is well managed and should be underpinned by the Constitution and the National Development Plan 2030 (OECD and ILO, 2018a). One central question dominating discussions on South African immigration policy has been that of the skills shortages, which in turn reinforces the need to attract and retain skilled immigrants in South Africa. However, some scholars have noted that, at the national government level, there is increasing agreement that the ability of migrant entrepreneurs to operate in the informal sector should be curtailed, through various policy documents and proposed legislation challenging the right and ability of non-nationals, particularly asylum seekers and refugees, to run businesses (see for instance, Peberdy, 2017). These include the Licensing of Businesses Bill of 2013 the Immigration Regulations of 2014, further amending the Immigration Act of 2002 and the Refugees Amendment Bill of 2015. In addition, the Department of Trade and Industry instituted a reference group in 2012 to develop the National Informal Business Development Strategy, which was published in 2013, devoted a section to the influx of foreigners into the informal business sector and the ensuing conflict with locals (Rogerson, 2016).

The Department of Small Business Development was created in 2014 to identify a strategy to manage the informal sector and encourage the development of MSMEs. The then Minister, Ms Lindiwe Zulu, acknowledged that apartheid had left many potential entrepreneurs without the institutional memory on which to build their businesses by restricting the rights of black South Africans to move, to trade and to start businesses. Initially, she acknowledged the right of international migrants to operate businesses saying: "They must make a living. The more they make a living, the more they contribute to the economy. They pay taxes and are active participants in the economy."¹ By 2015 she had changed her tone, arguing that "foreigners" could not expect to coexist peacefully with others without revealing "trade secrets"; and that they could not "barricade themselves in and not share their practices with local business owners".² Similar criticisms were made by the co-chair of the Parliament of South Africa Portfolio Committee on Home Affairs investigating the attacks on foreign nationals that had occurred in early 2015, who essentially blamed the victims for the attacks saying: "They roam, they go to townships to occupy the economic space. We never invaded economic space in exile."³ In mid-2015, President Jacob Zuma made claims to the African Union that there was no xenophobia in South Africa.⁴ It is against this background, we argue, that, while South Africa acknowledges the contributions of immigration, its migration policy has, however, over the years become progressively more complex and inconsistent, particularly in dealing with the informal sector.

2.4. SOUTH AFRICAN POLICY AND RESPONSES TO THE INFORMAL ECONOMY

Over the past two decades, there has been an important shift in thinking about the developmental role of the informal economy. While conventional economic theories depicted the informal economy as a temporary part of national economies that will eventually disappear as countries modernize, experiences over the past 20 years have suggested that, particularly in developing countries, the informal economy makes a large and growing contribution towards domestic production and employment (Becker, 2004). In South Africa, the informal economy is relatively small (compared with countries like Ghana and India) and sustains a significant number of people in a context of high unemployment (Statistics South Africa, 2013). Despite its comparatively small size, the informal labour market is an important source of employment and income in South Africa.

¹ *Mail & Guardian*, Spazas: Talking shop is good for business (7 November 2014). Available at <https://mg.co.za/article/2014-11-06-spazas-talking-shop-is-good-for-business/>.

² *Business Day*, Reveal trade secrets, Minister tells foreigners (28 January 2015). Available at www.bdlive.co.za/national/2015/01/28/reveal-trade-secrets-minister-tells-foreigners (subscription only).

³ *News24*, Attacks on foreigners not xenophobia –committee (10 July 2015). Available at www.news24.com/News24/Attacks-on-foreigners-not-xenophobia-committee-20150710.

⁴ *News24*, Zuma denies xenophobia in AU discussion, (14 June 2015). Available at www.news24.com/News24/Zuma-denies-xenophobia-in-AU-discussion-20150614.

Data shows that, although city policy documents have backed informal trade to a certain extent, there are policy contradictions, specifically between approaches that are developmental and those that are restrictive. It also reveals contradictions between policy and practice. The rights encapsulated in Section 22 of the Constitution requires a careful balance between the need for regulation on the one hand and preventing an infringement of a person's freedom to choose his or her economic activity on the other. The key pieces of legislation that provide for informal trade are the Municipal Systems Act of 2000 and the Businesses Act of 1991. The Municipal Systems Act entitles municipalities to pass and implement by-laws. Local communities have the obligation to abide by such by-laws which are enabling socioeconomic development to reverse past entrenched inequality.

The 2014 National Informal Business Upliftment Strategy acknowledges that much of local and national government does not pay attention to the informal sector; and does not place value on or allocate sufficient resources to it, because it is perceived as an irritant to enterprise development. Street vending, for example, utilizes the public space, yet there is seldom any urban planning to tailor public spaces for this purpose. Instead, it has been prone to raids and clearances, such as Operation Clean Sweep that occurred in 2013. The South African Local Government Association has taken a clear position in support of informal economic activity and notes its critical role as a buffer zone between employment and unemployment, arguing that if the informal economy was pushed out, South Africa's unemployment rate would rise to around 47.5 per cent. The Association also promotes the principle that the entire informal economy needs to be included in the overall planning structure, rather than adopting a piecemeal or fragmented approach that deals with only one part of the informal economy or only one aspect of its development (David et al., 2013).

In line with the city's broad strategic plans, the language and intention of inner-city policy statements have, over the past 20 years, moved towards a more inclusive and socially focused position. In terms of informal trade, this has translated into a move from extreme restriction of trading activity and trading space to a position of increasingly accommodating informal trade within markets and other demarcated spaces in the inner city. Since the early 2000s, several markets have been established in the inner city, some with private sector partnering and co-funding. However, the scale of demand for space by informal traders has not been met by the city's official policy. The city's direct response to the enormous number of street traders has at times involved a breach of its policy by-laws in order to provide a compassionate response to the demand for trading space. However, the policy does not adequately cater to the needs of street trading or trading by mobile vendors, which constitute a substantial and growing trader base. Although addressed in some instances by the demarcation of space and licensing, these trading spaces are poorly covered by policy and strategy. There are inadequate services, infrastructure and organizational support to manage both the physical space required by these traders and the urban management requirements of this activity on sidewalks.

Additionally, as highlighted before, the most relevant constitutional provision to informal trade is Section 22 of the Constitution, which provides that every citizen has the right to choose their trade, occupation or profession freely. Citizens thus have a right to choose street trading as their trade, occupation or profession, and legislators may regulate street trading by passing applicable laws. Simply put: citizens can, for example, choose to sell certain items as street traders and the relevant governmental authorities under whose authority they fall may pass regulatory laws indicating how, whether, where and when they may sell which items. This essentially excludes non-South African citizens, yet they constitute a significant number of those who contribute to the country's economy through their trading activities. It is clear that there is no single "voice" or centre of policy and perspective on informality within the city or the country as a whole, or in important pieces of legislation, like immigration policies. It is in the light of this that it is argued that the City of Johannesburg's approach to informal trading is constantly distributed between three impulses: management, development and repression. Sometimes these approaches have been balanced and at other times, the focus on one impulse has undermined others. At present, the city is in the worst of policy positions as it wavers between these three choices and, as a result, its policies and programmes are unclear, conflicting and unreliable (David et al., 2013). This justifies the need to create an understanding in national and municipal government of the socioeconomic contributions of informal traders, particularly migrants, in the informal urban settlements and inner-city Johannesburg.

2.5. SOCIOECONOMIC CONTRIBUTIONS OF MIGRANTS: AN ANALYTICAL FRAMEWORK

The link between migration and development has been well conceptualized by authors such as de Haas (2010) who have proved with the support of empirical evidence that migration has benefits to both sending and receiving countries. The increase in the literature on migration and development can be attributed to two factors: namely the availability of new data sets on macro-level migration stocks and flows, and the rising inclusion of migration questions in censuses and household surveys worldwide. The connection between migration and development has been attributed to factors such as the limited success of much development practice linked to modernization theories and “the hope that migrants may be able to overturn current developmental failures and foster development” (Raghuram, 2009). Migrants have gradually become recognized as being capable of implementing development objectives in places where no other development actors have registered measurable success. The result is that huge financial investments have been made and there has been an increase in political will among a variety of actors, including States, development institutions and non-governmental organizations to engage migrants as partners in development in overt ways. However, it has largely been the case that most studies focus on the benefits that accrue to sending countries when their citizens living abroad invest in many business ventures and send home international remittances in cash and in kind.

In receiving countries, migrants contribute to development in several ways, as outlined in a report by OECD and the ILO (2018b):

- (a) As workers, immigrants contribute to GDP. Their presence may also affect the wages and employment opportunities of native workers, alter the country’s income distribution and change the incentives to invest in education and business.
- (b) As entrepreneurs and investors, immigrants create jobs and promote innovation. This has an impact on the demand for labour and hence on wages and employment opportunities. In addition, immigration may change productivity levels and the rate at which the destination country’s economy grows.
- (c) As consumers, immigrants demand goods produced both domestically and abroad. This demand may alter GDP, productivity and inflation, as well as the country’s balance of trade and its exchange rate.
- (d) As taxpayers and public benefit users, immigrants may either help or hurt the government’s budget and affect the quality of public services that are delivered.

It is clear from the above that skilled migration has many benefits. A 2013 OECD report concurs that migrants contribute more through tax payments and social contributions than they receive in individual benefits, as they contribute towards the financing of public infrastructures. Immigrants also tend to save money in order to rebuild or strengthen their financial security in a new country.

A 2018 World Bank report (World Bank Group, 2018) estimated the impact of immigration on labour market outcomes, such as employment and wages, in South Africa between 1996 and 2011, and posits several explanations. One of the explanations is the rate of self-employment among immigrants, which accounted for 25 per cent of total jobs for immigrants, compared with 16 per cent for locals. The report’s quantitative analysis of the impact of immigration on local jobs in South Africa found that each immigrant worker generated approximately two jobs for South Africans during the period analysed (1996–2011). The report further argues that: “Migrants are more likely to appear in entrepreneurial roles than locals, suggesting that their actions are likely to promote economic growth by enhancing, for instance, the supply of small retail establishments. If those businesses are successful, they also will provide multiplier effects which may spread beyond the immediate family.” With the use of empirical evidence, the study above shows that there is value in the current role played by migrants in South Africa.

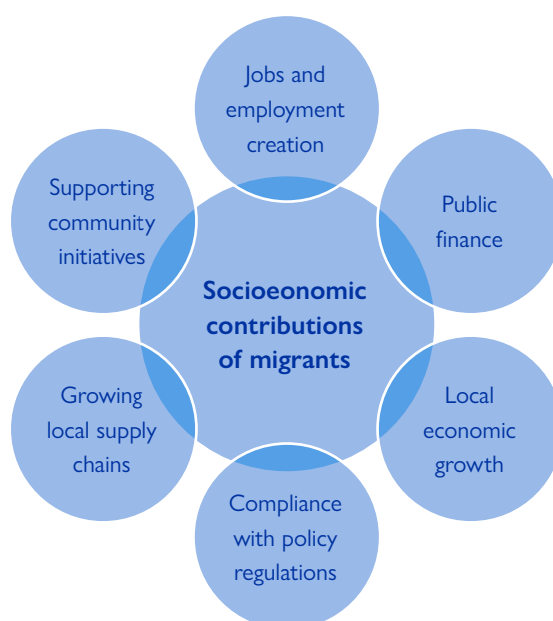
Another OECD/ILO study on the economic contribution of migrants in South Africa (OECD and ILO, 2018a) had some interesting findings. In terms of labour market impact on native-born workers, it showed that immigrants are well-integrated into the labour market in terms of employment and unemployment rates, and in general do not seem to displace native-born workers. Further, the labour market impact analysis demonstrated no significant effects of the presence of immigrant workers on native-born employment at the national level. However, at the subnational level, the presence of immigrant workers has both negative effects (lower employment rates) and positive effects (higher incomes) for the native-born population. A second finding related to the contribution migrants make to economic growth. The study showed that immigration had a positive impact on per capita GDP, and the estimates from an econometric model showed that immigrant workers could raise per capita income in South Africa by up to 5 per cent. Lastly, in terms of the impact of immigrants on public finance, the study revealed that immigrants also have a positive net impact on the government's fiscal balance. They tend to pay more in taxes, especially income tax and VAT. In 2011, the net fiscal per capita contribution of immigrants ranged from 17 per cent under the average cost scenario to 27 per cent under the marginal cost scenario. Native-born individuals, on the other hand, contributed 8 per cent under both scenarios.

Based on the empirical studies cited above, which are not exhaustive, it is imperative to consider the theoretical framework they used in understanding economic contribution. The ILO study, in particular, examined how migrants contribute to their host countries' economies by focusing specifically on:

- (a) Labour markets, not only in terms of the labour force and human capital, but also employment and wages;
- (b) Economic growth, in particular production and productivity, at both firm and economy levels;
- (c) Public finance, including public spending and fiscal contributions.

In terms of our study, the conceptual framework needed to be broadened to cater for the social aspects of the contributions made by migrant business owners. These were understood to include migrants' involvement in community initiatives, such as making donations at funerals and participating in meetings organized by the community. In agreement with IOM and the City of Johannesburg, our research focused on migrants who operate formal and informal (registered and unregistered) businesses in the informal settlements of Johannesburg and selected inner-city areas. The OECD/ILO study, which is the closest approximation to the current focus, however, does not provide adequate conceptual grounding for the current research, and as such, Figure 1 shows the analytical framework that we adopted.

Figure 1. Socioeconomic contributions of migrants to South African informal settlements



The various themes included in Figure 1 are further described below.

- **Jobs and employment creation:** the extent to which migrants create employment in the communities where they operate.
- **Public finance:** the extent to which migrant-owned businesses contribute to GDP, VAT or other taxes. The research focused on self-reported contributions by the surveyed migrant business owners.
- **Local economic growth:** the extent to which migrant-owned businesses meet the needs of their local communities by supplying a wide variety of goods at convenient prices, besides their contributions to GDP, VAT or other taxes.
- **Compliance with policy regulations:** the impact of the regulatory framework (at national, provincial and community levels) on migrants' business enterprises in the selected settlements.
- **Growing local supply chains:** the extent to which migrant businesses support locally made products and local supply chains.
- **Supporting community initiatives:** the extent to which migrant business owners contribute to the fabric of local communities, by supporting local initiatives such as policing forums and making donations towards communal causes.



CHAPTER 3

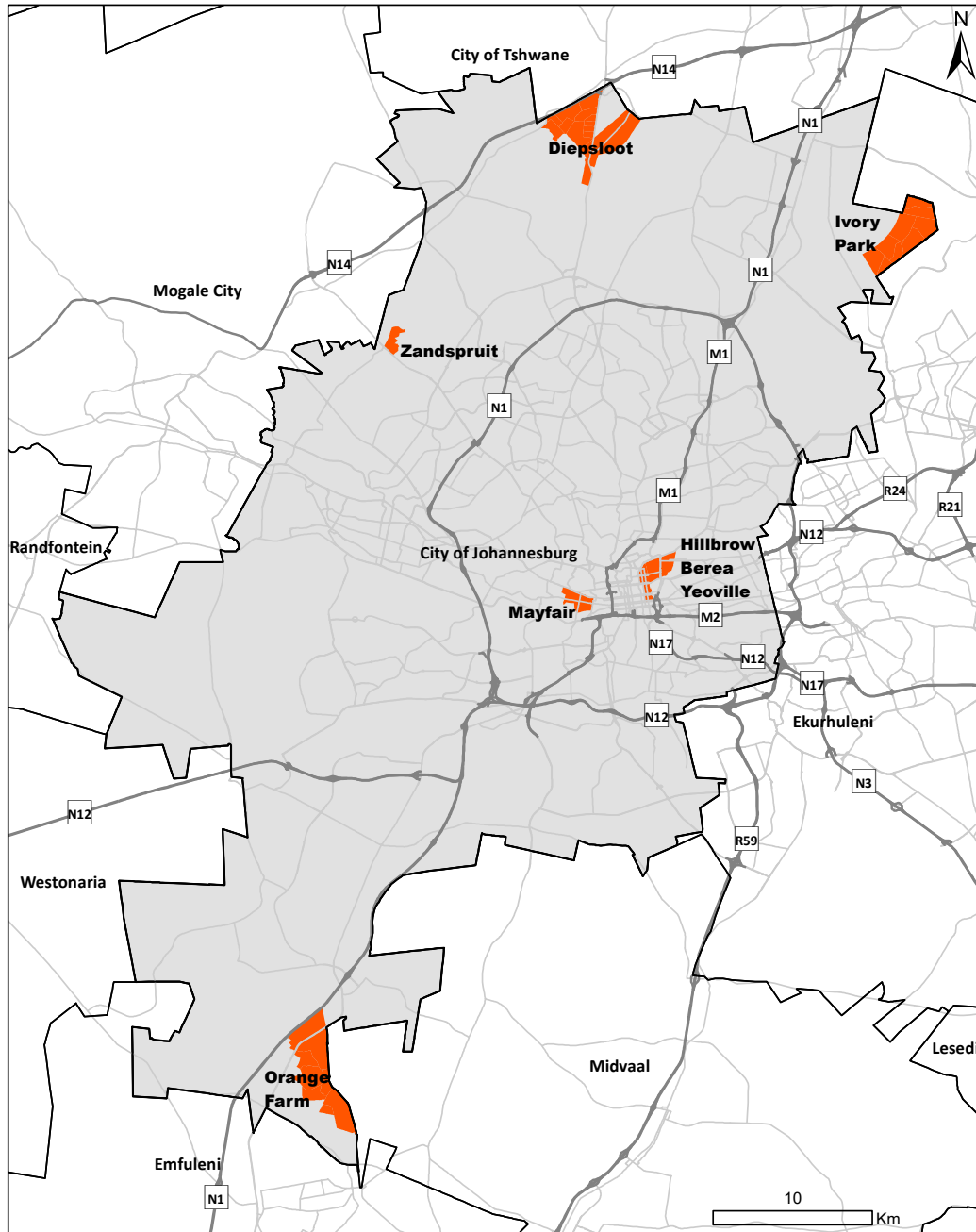
3. RESEARCH METHODOLOGY AND APPROACH

This study employed a mixed-method research approach, incorporating both quantitative and qualitative data collection methods (Creswell, 2012). Multiple methods were required in order to explore the different dynamics of migrants' socioeconomic contributions (see for example, Johnson and Onwuegbuzie, 2004). Thus, combining qualitative and quantitative methods gave the research team more options and a comprehensive set of flexible tools to achieve the set objectives. In this study, we collected quantitative data using a survey questionnaire and qualitative data using semi-structured interviews with key informants and focus group discussions with migrant business owners and non-migrant business owners in selected research sites. This chapter discusses the geographical scope of the research, the sampling strategies, the specific methods of data collection and the data analysis methods used in the study.

3.1. SELECTED RESEARCH AREAS

As the client, the City of Johannesburg and IOM proposed specific geographic areas for research, based on their own criteria and understanding of the levels of risk and migrant business activity. These regions also had relatively high migrant populations, with a notable presence of migrant-owned and migrant-operated businesses, and include a mix of formal and informal settlements. The areas selected were:

- Ivory Park in Region A
- Diepsloot in Region A
- Zandspruit in Region C
- Hillbrow in Region F
- Berea in Region F
- Yeoville in Region F
- Mayfair in Region F
- Orange Farm in Region G



Source: Prepared by M. Maina, PhD, based on data from the Municipal Demarcation Board and QGIS, 2020.

Note: This map is for illustration purposes only. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the International Organization for Migration.

3.2. SAMPLING

The study utilized a non-probability sampling procedure that is purposively oriented and based on the quota sampling technique, specifically focused on recruiting migrant business owners in both the inner city and the selected informal settlements. As mentioned earlier, there is no existing comprehensive data on entrepreneurial activity in informal urban settlements or information that distinguishes between migrant and non-migrant business owners within settlements. The recruitment of respondents was based on the availability and willingness of the business owners to be interviewed by the field team. Generally, migrant populations in Johannesburg, particularly in the informal settlements, are difficult to sample, as

noted by some migration researchers, who have queried whether researchers possess adequate techniques to generate representative samples in the absence of complete and accurate sampling frames (see for example, Bloch, 2004 and 2007; Vigneswaran, 2009). Bloch (2007) observes that, when designing research, researchers should consider issues of vulnerability, fear and access that are always part of migrants' lives. A purist approach to quantitative study would require probability-based sampling procedures, where every member of the surveyed population had a known and equal chance of selection (Bloch, 2007).

3.2.1. Sampling and data collection challenges

The nature of the research meant that it was almost impossible to recruit participants for focus group discussions. Participation for migrant business owners meant taking time away from their businesses, since the discussions needed to be held at a central venue. In most instances, migrant business owners were unwilling to leave their shops unattended, and offering to compensate them for their time would have been unethical. As such, we did not gain the full benefit of the focus group discussions in inner-city areas such as Mayfair, which meant that some gaps in the research could not be addressed. The bulk of the data was collected through the quantitative questionnaire, although, because of the nature of the study, it was not possible to randomize the sampling criteria. While there are indications of significant migrant presence in the areas surveyed, it is nearly impossible to draw a sampling frame that would allow the researchers to use probability sampling techniques. Following a strictly purist approach to sampling would have meant even fewer respondents, so we needed to rely on a purposive or convenience sampling procedure that depended on the availability of migrants. The timing of the fieldwork around November and December also affected the availability of some key informants, who declined appointments citing busy schedules due to year-end activities and preparations for the holiday period.

3.3. DATA COLLECTION METHODS

The study formulated a research matrix (Appendix 1) which mapped out the details of the key assessment areas, data sources and data collection methods, as well as the sampling strategies. Based on this research matrix, key documents to review, key informants to interview, as well as migrant communities of interest were identified. Tools for data collection, comprising interview guides and survey instruments were developed in alignment with the assessment indicators defined in the research matrix.

3.3.1. Survey

The survey questionnaire served as the main data-gathering instrument. Creswell (2012) defines questionnaires as: "procedures in quantitative research in which investigators administer a survey to a sample or to the entire population of people to describe the attitudes, opinions, behaviours, or characteristics of the population". The questionnaire was administered to migrant business owners in each of the selected settlements by a team of trained fieldworkers. The study targeted 800 respondents, of whom 796 gave complete and valid surveys. Overall, the response rate for the quantitative survey was high (99.5%), which could be attributed to the fact that respondents were surveyed in their shops, with no need to leave their wares unattended. Response rate refers to the degree of success in obtaining completed surveys from a sample (Lavrakas, 2008), and it is one of the most important indicators of survey quality, as a low response means that fewer cases are available for analysis, thus reducing the precision of estimates. The fieldwork team comprised people who could speak various languages, which accommodated migrants who spoke languages including French, Ndebele, Portuguese, Shona and Swahili. The few incomplete surveys were a result of respondents' fear of discussing issues pertaining to their migration status and businesses, and suspicion that the research team might have been part of a Department of Home Affairs operation against migrants.

Table 1. Distribution of respondents by site and by target and actual sample size

Research site	Target sample size	Actual sample size (completed)
Informal settlements		
Diepsloot	100	97
Ivory Park	100	104
Orange Farm	100	98
Zandspruit	100	100
Inner-city sites		
Berea	100	101
Hillbrow	100	96
Mayfair	100	100
Yeoville	100	100
Total	800	796

3.3.2. Key informant interviews

A total of eight key informant interviews were conducted with community leaders across the surveyed areas, namely the ward councillors and leaders of migrant organizations (see Table 2). Key informant interviews were aimed at individuals with significant knowledge about the issues that affect businesses in the informal settlements and the inner city. The key informants were identified through the preliminary mapping of community stakeholders undertaken by the research team, and also with the help of the Migration Unit of the City of Johannesburg.

Table 2. Community key informant interviews

Area	Key informant type	Total
Informal settlements		
Diepsloot	Migrant business leadership	1
Ivory Park	None	0
Orange Farm	Councillor	1
Zandspruit	Councillor and community leadership	3
Inner-city sites		
Berea	None	0
Hillbrow	Councillor	1
Mayfair	Councillor and migrant business leadership	2
Yeoville	None	0
Total		8

The research team also conducted six key informant interviews with officials from the City of Johannesburg, the Department of Employment and Labour, and non-governmental organization stakeholders (see Table 3). These were identified through a preliminary mapping exercise undertaken by the research team and the technical working group convened by IOM. Key informant interviews targeted policymakers and individuals with significant knowledge about the issues that affect migrant businesses in the informal settlements and the inner city. The total number of interviewees was determined, however, by the availability of respondents, which is often a disadvantage of this method.

Table 3. Government and non-governmental organization key informants

Department or organization	Number of key informants interviewed
City of Johannesburg Migration Unit	1
City of Johannesburg Integrated Policy Planning and Research Unit	1
Department of Employment and Labour	2
Church World Service	1
Jesuit Refugee Services	1
Total	6

3.3.3. Focus group discussions

In addition to the survey and the key informant interviews, the research team held six focus group discussions across the different research sites (see Table 4). Focus group discussion refers to a method by which the researcher brings together 4–12 participants to discuss areas of specific interest in an enabling environment (Boddy, 2005; Powell and Single, 1996). The focus group discussions were designed to supplement the survey and the key informant interviews by enabling the research team to discuss topics that required further exploration and clarification. The focus group discussions were held after the completion of the survey and the participants were recruited through networks established during the main fieldwork phase.

Table 4. Focus group discussions

Area	Participants	Number of sessions
<i>Informal settlements</i>		
Diepsloot	Migrant business owners	1
Ivory Park	None	0
Orange Farm	Migrant business owners	1
	South African business owners	1
Zandspruit	Migrant business owners	1
	South African community members	1
<i>Inner-city sites</i>		
Berea, Hillbrow and Yeoville	Migrant business owners	1
Mayfair	None	0
Total		6

3.4. DATA ANALYSIS

Content analysis was used to analyse secondary data (data from document review) which allowed for the identification of the main themes emerging from each document. Qualitative data was analysed using thematic analysis, whereby the research team identified key points from the interview data and grouped them according to specific themes, in line with the assessment criteria noted in the research matrix.

Quantitative data analysis was performed using a licensed version of the SPSS Statistics software package (version 25). In order to improve the presentation of the data, all graphs and tables were produced using Microsoft Excel. However, before meaningful results could be derived from the analyses, the data needed to be cleaned up. The key issues addressed during data cleaning included the removal of incomplete surveys. While overall the study yielded a very high response rate, there were a few exceptions. Surveys with over 40 per cent (the standard benchmark) and/or “vital” information missing were excluded from the analyses. Given the nature and requirements of the study, questions relating to the respondent’s nationality, the type of business they engaged in and their length of stay in South Africa were considered vital. Without these, it would not be possible to derive proper inferences from the data. The data cleaning stage also involved assigning an arbitrary value of “-1” to data missing as a result of skip patterns. Recoding of multiple response questions was also a major component of this stage. Responses to multiple response questions were clustered for ease of analysis using the software’s multiple response tool. Variables with many response categories were also recoded and computed into fewer, more meaningful and manageable categories for analysis.

The analysis involved mostly descriptive statistics and few inferential statistics. These were run in line with the objectives guiding the study. As already indicated, the results were presented in the form of bar charts and mostly 1x1 (univariate) and 2x2 (bivariate) contingency tables. Bar charts were presented as percentage frequencies. In most cases, tables included the actual count of responses, as well as the associated percentages. Statistical tests of association between variables remained very crude and were presented in the form of correlation coefficients.

CHAPTER 4

4. RESEARCH FINDINGS

4.1. DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

4.1.1. Introduction

This section presents information on the demographic characteristics of the respondents who participated in the survey across the eight sites. The data includes their nationalities, sex, age and educational levels.

4.1.2. Nationalities of respondents

One of the questions asked during fieldwork was the interviewees' countries and cities of birth. Map 2 presents findings from this query.

Map 2. Respondents' countries and cities of birth

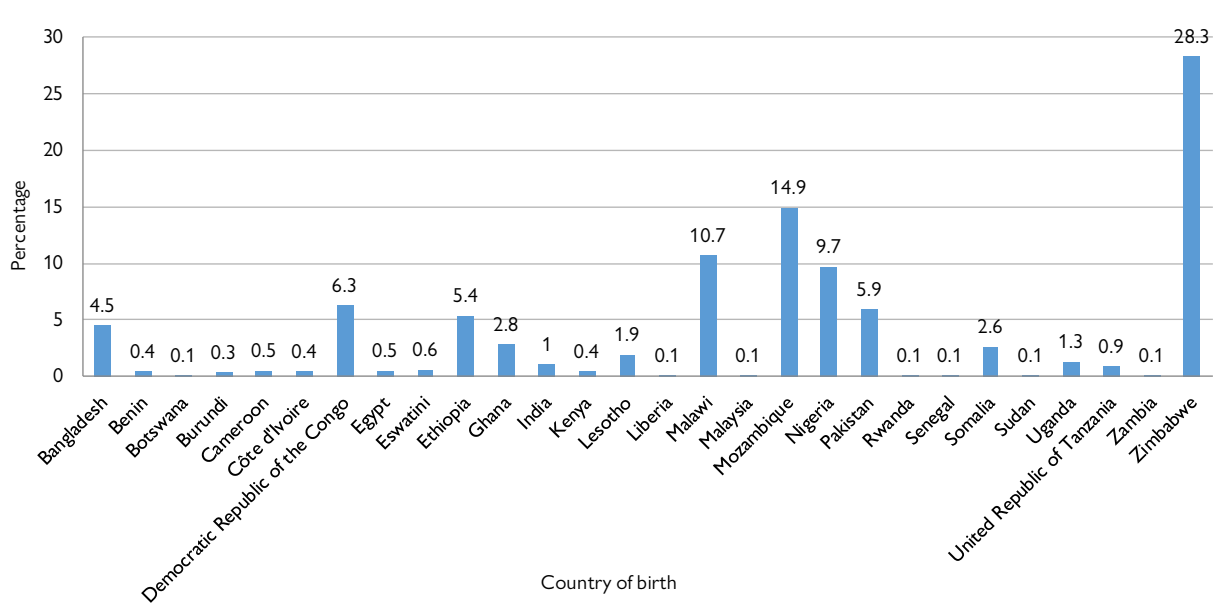


Source: Produced by M. Maina, PhD, based on project survey data, Mapbox and OpenStreetMap, 2020.

Note: This map is for illustration purposes only. The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the International Organization for Migration.

The data shows that most of the respondents were Zimbabwean nationals (28.3%), followed by Mozambicans (14.9%), Malawians (10.7%), Nigerians (9.7%), nationals of the Democratic Republic of the Congo (6.3%), Pakistanis (5.9%) and Ethiopians (5.4%). Figure 2 shows the overall distribution of respondents by nationality.

Figure 2. Distribution of respondents by nationality



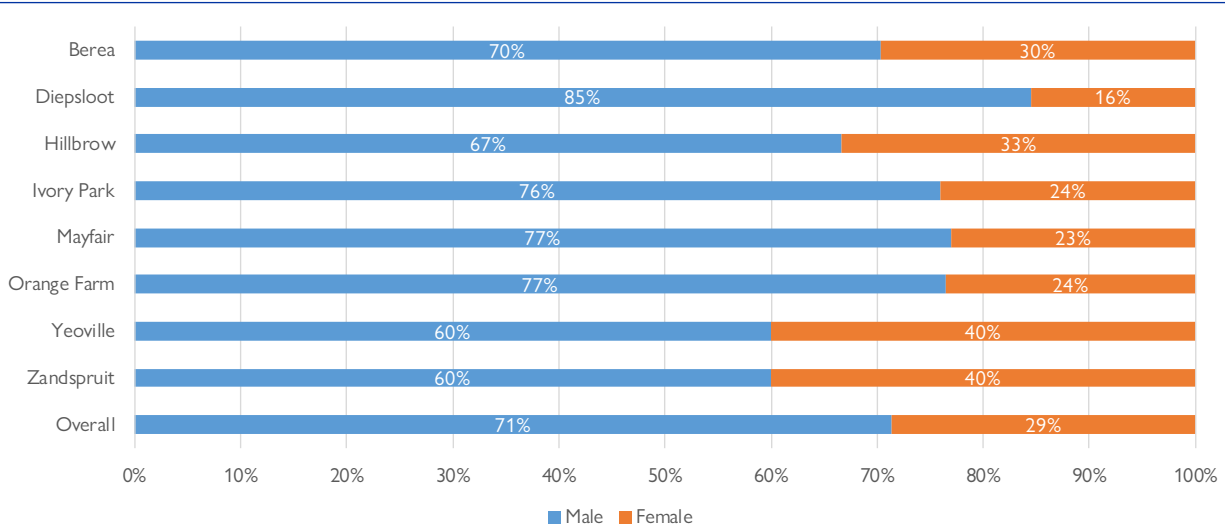
Source: Survey, 2019.

When comparing between settlements, it was established that Zimbabweans, Mozambicans and Malawians were present and the most numerous in all the inner-city sites and informal settlements visited. It was only in Mayfair that Pakistanis, Bangladeshis and Somalis were more prominent. Ghanaians were the least numerous across the surveyed sites, particularly in informal settlements, except for Ivory Park.

4.1.3. Distribution of respondents by sex

Out of the 796 respondents who provided complete and valid answers, 568 (71%) were men and 228 (29%) were women. Figure 3 presents the distribution in each settlement.

Figure 3. Distribution of respondents by sex

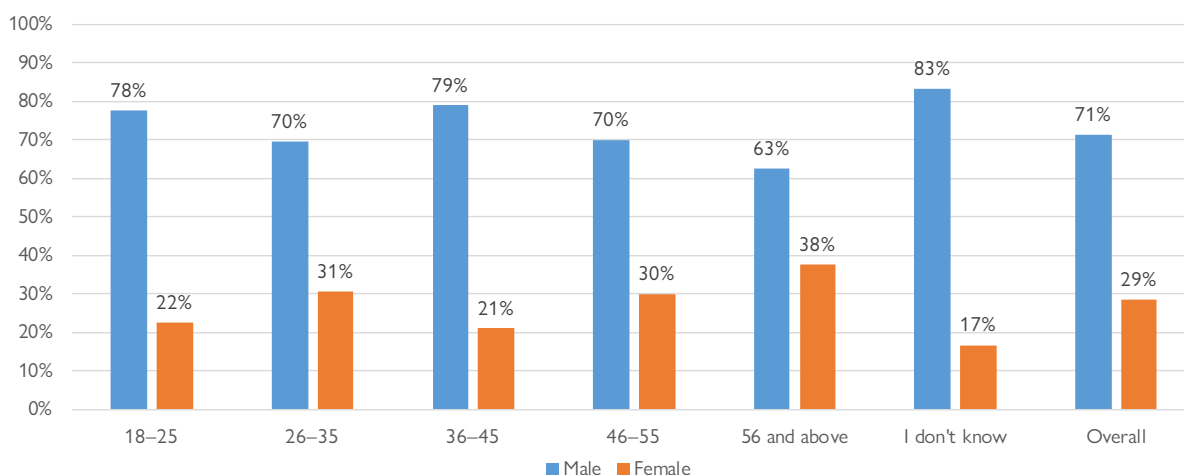


Source: Survey, 2019.

4.1.4. Distribution of respondents by sex and age

When stratified according to sex and age, as shown in Figure 4, men dominated all the age categories. In the light of the nationalities represented, this could be linked to the historical male dominance of migration flows to South Africa (Moyo, 2017; Zack et al., 2019). Although recent years have seen an increase in female migration to South Africa, known as “the feminization of migration” (Moyo, 2017; Zack et al., 2019), the study found that men still dominate business spaces in both the formal and informal settlements surveyed.

Figure 4. Distribution of respondents by age and sex

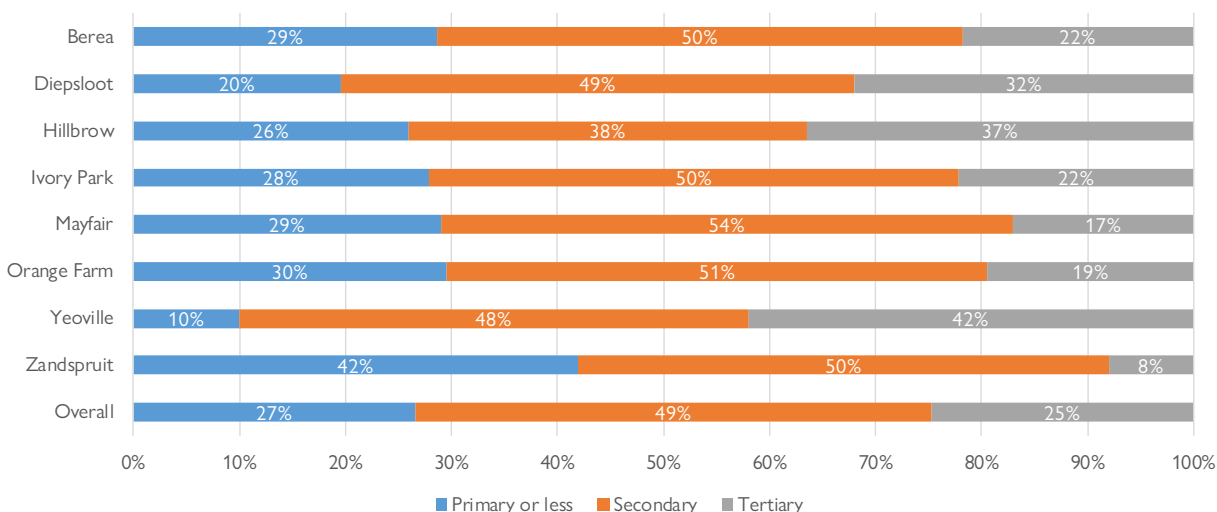


Source: Survey, 2019.

4.1.5. Distribution of respondents by educational level

The study findings reveal that 49 per cent of respondents had attained secondary level education, while 26 per cent had attained tertiary level, which included national certificates, diplomas and undergraduate and postgraduate degrees, and 25 per cent had attained primary school level or less. Figure 5 presents the distribution across each of the settlements.

Figure 5. Distribution of respondents by educational level



Source: Survey, 2019.

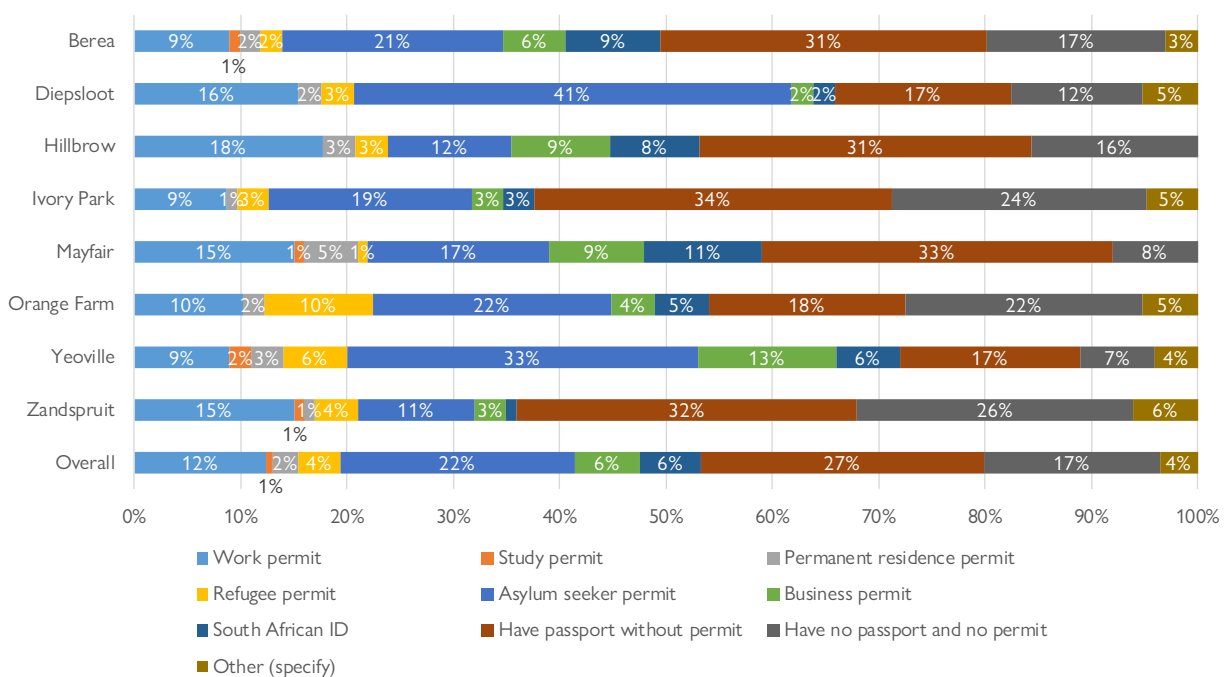
4.2. IMMIGRATION STATUS AND INCOME-GENERATING STRATEGIES

This section presents findings relating to respondents' immigration status in South Africa, and their income-generating strategies, particularly in the selected settlements. The section pays attention to migrants' reasons for establishing businesses in the selected settlements, the duration of their residence and length of time operating a business in the area, as well as the types of business they establish.

4.2.1. Distribution of respondents by immigration status

Most respondents did not have regular documentation status that would allow them to reside and run businesses in South Africa legally. At least 27 per cent of the respondents had passports without permits; some of these had valid visitors' days granted at border entry points, meaning they were in South Africa as visitors.⁵ The data shows that 22 per cent had asylum seeker permits and 17 per cent had neither passports nor permits. This meant that they were undocumented and thus were illegally engaged in economic activities in contravention of the immigration legislation. Only 6 per cent of the respondents had business permits and 12 per cent reported that they had work permits. The findings show that lack of proper documentation is a common problem among all migrants across the different settlements, but it was more common in the informal settlements compared with inner-city sites. In Zandspruit, Ivory Park and Orange Farm, the percentages of business owners with no passports and no permits at all were 26 per cent, 24 per cent and 22 per cent, respectively. The results are presented in Figure 6.

Figure 6. Respondents' migration status by settlement



Source: Survey, 2019.

4.2.2. Migration status by nationality and settlement

A cross-tabulation of migration status with nationality and settlement shows that Zimbabweans dominate most forms of documentation status across all settlements, a scenario that could be attributed to the high numbers of Zimbabweans who are in South Africa relative to other nationals and those that were reached through the survey. Table 5 shows the six most common nationalities by migration status per settlement.

⁵ South Africa has bilateral agreements with some SADC countries. The agreements with Zimbabwe and Mozambique allow for visit by their citizens of up to 90 days per year without a visa and visits not exceeding 30 days, respectively.

Table 5. Six most common nationalities across the settlements (number of respondents)

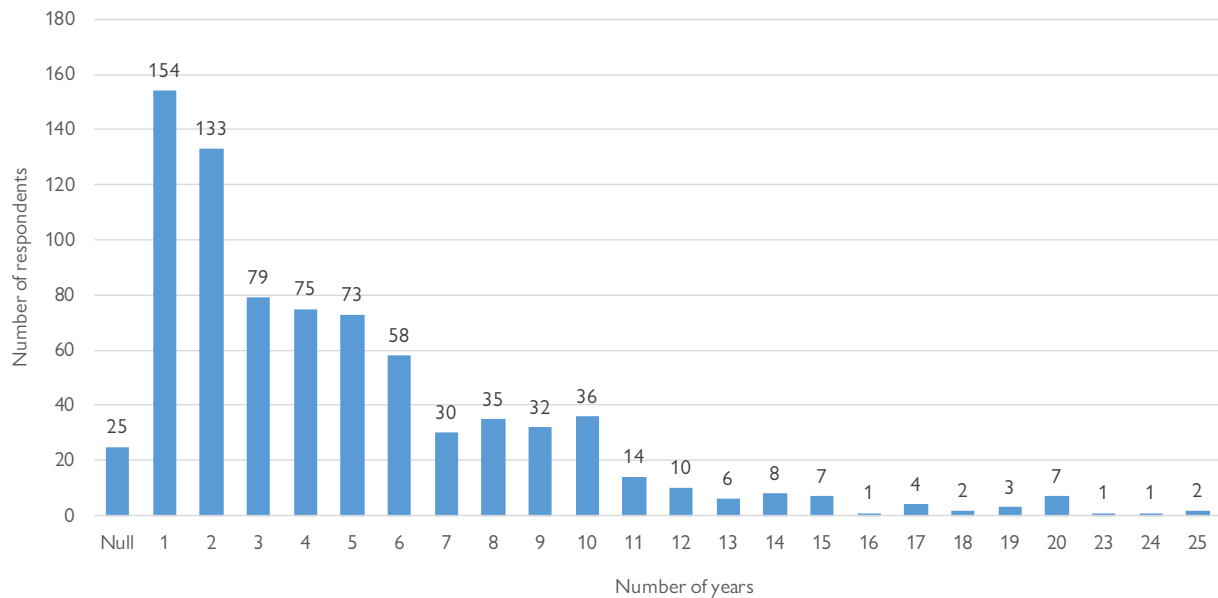
	Berea	Diepsloot	Hillbrow	Ivory Park	Mayfair	Orange Farm	Yeoville	Zandspruit	Total
Asylum seeker permit									
Bangladesh	2	1	2	1	6	2	4	1	19
Democratic Republic of the Congo	4	–	1	–	–	1	18	–	24
Ethiopia	3	10	–	6	1	1	4	2	27
Nigeria	4	3	1	2	–	4	3	–	17
Pakistan	–	7	1	4	–	1	–	–	13
Zimbabwe	3	9	2	4	2	5	1	3	29
Business permit									
Bangladesh	1	–	3	1	4	–	–	–	9
Ethiopia	1	–	–	–	1	–	1	–	3
Mozambique	–	1	1	1	–	–	–	1	4
Nigeria	2	–	1	1	–	–	9	–	13
Pakistan	–	–	1	–	2	1	–	–	4
Zimbabwe	–	1	2	–	–	1	1	–	5
Have no passport and no permit									
Democratic Republic of the Congo	1	–	–	–	–	1	1	–	3
Ghana	–	–	1	2	–	–	–	–	3
Malawi	4	2	3	–	2	1	2	5	19
Mozambique	1	–	5	13	–	11	–	8	38
Nigeria	4	–	–	–	2	1	–	–	7
Zimbabwe	6	9	4	10	2	8	4	12	55
Have passport without permit									
Ghana	–	–	2	2	–	1	2	–	7
Malawi	8	2	4	1	10	4	2	8	39
Mozambique	–	3	3	19	2	2	1	11	41
Nigeria	1	–	4	–	–	2	3	–	10
Pakistan	–	–	–	–	7	1	–	–	8
Zimbabwe	16	8	10	12	8	6	5	8	73
Work permit									
Ghana	–	–	5	–	–	–	4	–	9
Lesotho	–	–	–	–	–	1	–	3	4
Mozambique	–	1	1	2	–	2	–	4	10
Nigeria	3	2	3	–	1	2	2	–	13
Pakistan	–	1	–	–	4	3	–	–	8
Zimbabwe	4	9	6	7	3	2	2	5	38
South African ID card									
Democratic Republic of the Congo	1	–	–	–	–	–	1	–	2
Malawi	–	–	–	–	–	–	2	–	2
Mozambique	1	1	–	1	–	2	–	1	6
Nigeria	2	–	5	1	–	–	2	–	10
Pakistan	–	–	–	–	7	1	–	–	8
Zimbabwe	5	1	2	–	–	1	–	–	9

Source: Survey, 2019.

4.2.3. Length of time operating business

The respondents interviewed operated a variety of small and medium-sized enterprises, and the majority of businesses across the settlements had not been in existence for more than a decade. Nineteen per cent of interviewed respondents had operated their businesses for less than a year. For further information, see Figure 7.

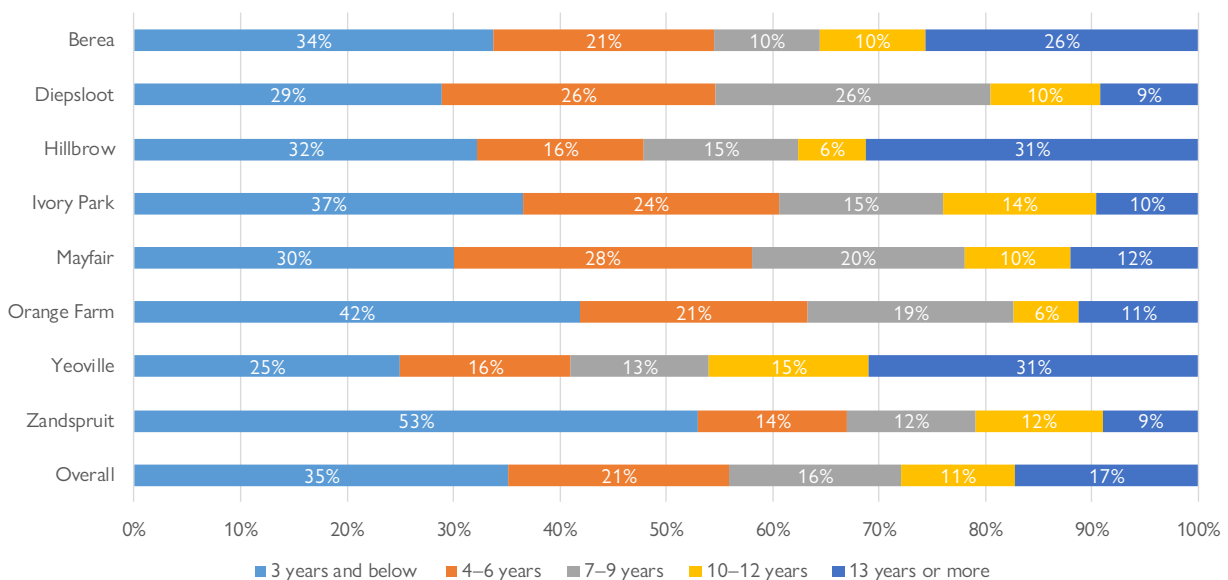
Figure 7. Length of time businesses have been in operation



Source: Survey, 2019.

Most businesses (35%) were run by migrants who reported having lived in the settlement for three years or less. See Figure 8 for further information.

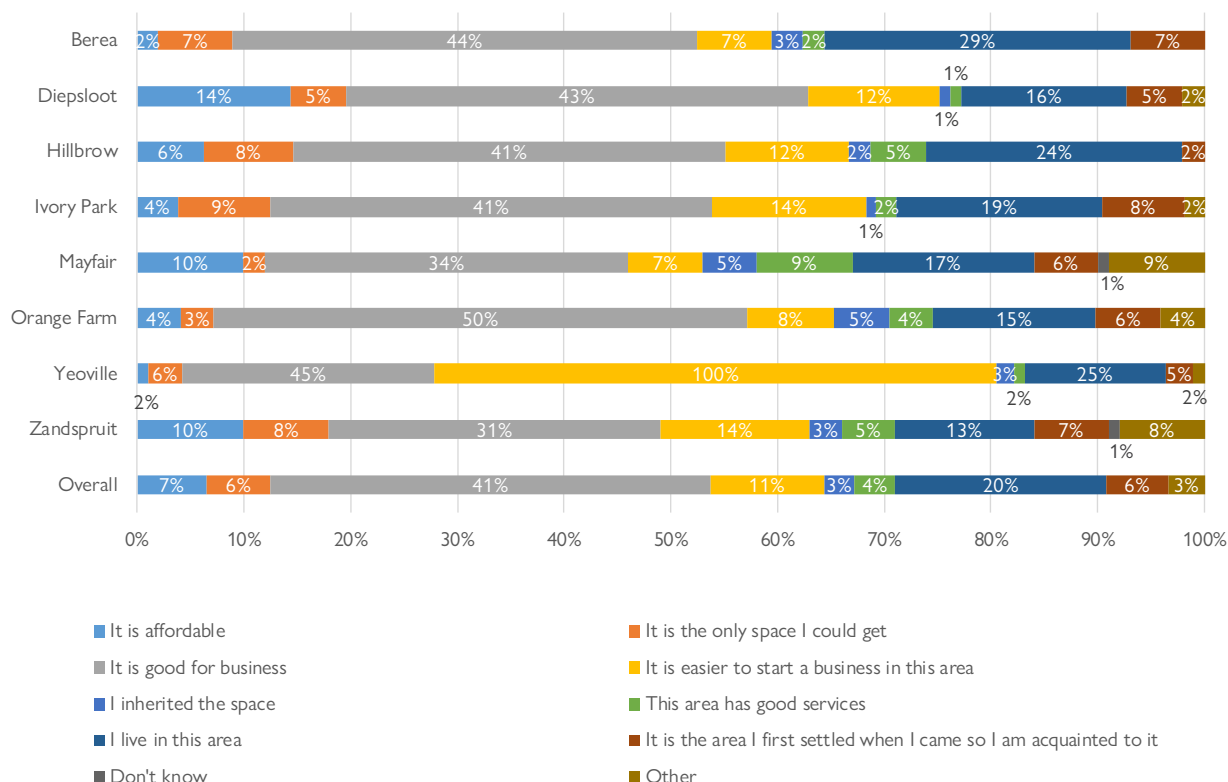
Figure 8. Migrants' length of stay by settlement



Source: Survey, 2019.

When asked about the choice of settlement for business operations (see Figure 9), most respondents (41%) highlighted that the areas were good for business, with a lot of people and high demand for the commodities or services. Twenty per cent of respondents said that they lived in the area, which had allowed them to identify a need and gain knowledge on how to navigate the spaces. Others (11%) cited the ease of opening a business in the area as the main reason, stating that there are no regular raids by the municipal authorities to check on compliance with requirements for opening a business. These findings reflect that, for migrants, starting a business does not seem to require any special skills, it only requires the ability to identify an opportunity and capitalize on it. It challenges the notion that migrants take away opportunities from South African nationals as it is evident that the opportunities to operate businesses are open to anyone intending to establish one, especially those that already reside in the surveyed settlements.

Figure 9. Main reason for establishing the businesses in the specific sites



Source: Survey, 2019.

4.2.4. Respondents' migration status by type of business

The majority of businesses were owned by migrants who had passports but no permits, had asylum seeker permits, or had no passports and no permits. These categories dominated business ownership in all forms of business including areas such as food (fast food), groceries, personal care products, maintenance and repairs, and recycling and related services. Table 6 shows the results.

Table 6. Cross-tabulation of nature of business with migration status

Nature of business	Respondents' immigration status										
	Work permit	Study permit	Permanent residence permit	Refugee permit	Asylum seeker permit	Business permit	South African ID	Have passport without permit	Have no passport and no permit	Other (specify)	Total
Food and other groceries	11%	1%	2%	7%	31%	9%	5%	25%	8%	3%	100%
Food (fast food)	11%	0%	1%	4%	27%	10%	2%	27%	18%	0%	100%
Personal care products and services	10%	2%	2%	5%	23%	3%	4%	22%	24%	5%	100%
Electronic appliances/accessories, repairs and maintenance	17%	0%	5%	3%	23%	4%	7%	24%	13%	4%	100%
Internet-related services, video games and equipment, DVDs, CDs	24%	–	5%	–	24%	5%	–	33%	10%	–	100%
Household goods/home use equipment/furniture	8%	0%	9%	2%	17%	11%	17%	30%	4%	2%	100%
Clothing manufacturing, sales and repairs	12%	1%	1%	5%	14%	3%	7%	29%	25%	4%	100%
Fresh fruits and vegetables	11%	0%	1%	2%	18%	6%	4%	30%	25%	4%	100%
Mechanical/engineering/metal/rubber/plastics-related services and recycling	19%	–	–	–	8%	4%	4%	46%	8%	12%	100%
Health and fitness products/services	17%	0%	0%	0%	33%	0%	0%	25%	17%	8%	100%
Financial, insurance and transportation services	36%	0%	0%	9%	9%	0%	18%	27%	0%	0%	100%
Other	15%	–	–	8%	23%	15%	23%	15%	–	–	100%
Total	12%	1%	2%	4%	22%	6%	6%	27%	17%	4%	100%

Source: Survey, 2019.

Even those businesses that were not very popular among migrant populations, such as financial and insurance services, health and fitness, and recycling services, were dominated by those who had passports but no permits, had asylum seeker permits, or those with no passports and no permits. When compared with other forms of documentation, business ownership by those with business permits scored less across most of the types of business, scoring relatively high only in businesses that sold liquor and cigarettes as part of their product offering. This may be attributed to stricter operational regulations for these commodities. It could also be inferred that stricter operational rules might be the reason why there were not many migrant-run health and fitness businesses. Migrant business owners without proper documentation chose specific sites which were perceived as accommodating and presented fewer challenges to business operation. They defined the “fewer challenges” as the minimal compliance visits by authorities such as the South African Revenue Service and the Department of Home Affairs.

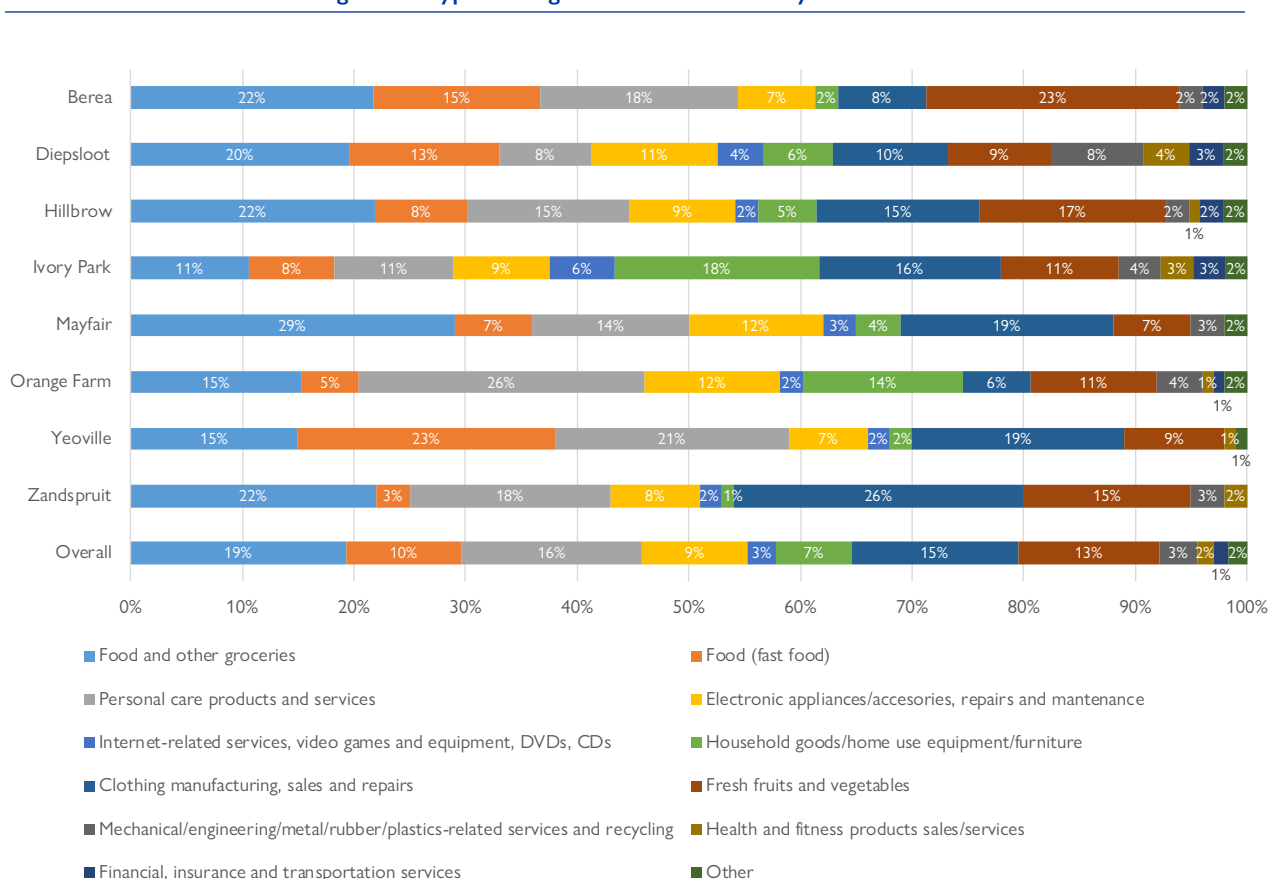
4.3. BUSINESS ACTIVITIES ENGAGED IN BY MIGRANTS AND THEIR SOCIOECONOMIC CONTRIBUTIONS

This section presents findings related to the nature of the economic activities and the type of businesses owned by migrants in the selected settlements. The section also discusses the size and the amount of revenue generated by the businesses, as well as their economic contributions to the local value chains and the national treasury through tax payments and product procurement, and includes an analysis of the nature and scale of the social contributions that migrant businesses make in the settlements where they are located. This is important in the context of questions raised around the intentions of migrant entrepreneurs to integrate into the local communities.

4.3.1. Types of business owned by migrants in the selected settlements

Study findings show that migrants engage in a wide range of business activities, but retail and services are most common (see Figure 10). Retail constituted a large component, with most respondents selling a range of commodities including groceries, fast food, electronic appliances, household furniture, hardware, computer and mobile telephony products, personal care products, and health and fitness products. Most respondents (19%) were found to be selling food and other household goods; 16 per cent sold personal care products and services; 15 per cent were involved in clothing sales and tailoring; and 13 per cent were involved in selling fresh fruits and vegetables. The least common businesses were in the following areas: Internet-related services, video games and equipment, DVDs and CDs (3%); mechanical/engineering/metal/rubber/plastics-related services and recycling (3%); health and fitness products and services (2%); and financial, insurance and transportation services (1%).

Figure 10. Types of migrant-owned business by settlement



Source: Survey, 2019.

Analysed by settlement (see Figure 10), the data shows that food and other groceries and fast food scored relatively high in most settlements, although a marked difference was noted in Zandspruit, which recorded fairly low percentages for six types of businesses, including fast food (3%). In almost all the other areas except Zandspruit, respondents highlighted that they lived in the communities in which they operated, meaning that migrants were not only business owners but also community members. About 35 per cent of fast food businesses sold migrant-specific cuisines because there was a market for them. Zandspruit, however, presented a different scenario, in which focus group participants of South African nationality and the community leaders highlighted that most business owners in the area were of Somali origin and that these business owners did not want to integrate into the community. They cited the fact that most of the Somali business owners did not reside in the community even though they operated businesses there, and that they also did not marry from within the community or locally. They further shared that Somali migrants did not seem to bring their families with them when they migrated to South Africa. This meant that fast food businesses that sold migrant-specific cuisines were not common in Zandspruit. The few businesses that served migrant-specific foods were run by Malawians, who sold Malawian-style fish to the Malawian community in Zandspruit, thus explaining the 3 per cent that was recorded. Similarly, in other areas, there were migrant businesses that traded in products that were specific to migrant customers. Tailoring was one of the typical examples under which respondents mentioned that although there were South African tailors, they did not produce the same products as Nigerian or Malawian tailors, as those largely served their compatriots. In Diepsloot, it was reported and observed that most restaurants owned by Ethiopians sold Ethiopian cuisine; in the Yeoville market stalls, farm produce such as cassava was sold by Nigerian nationals and nationals from the Democratic Republic of the Congo. In a focus group discussion conducted with community members in Zandspruit, participants outlined that they were not in conflict with such businesses as they focused on a different market to which they, as South Africans, could not easily gain access.

4.3.2. Business size and revenue

The bulk of the businesses in the settlements were small to medium in size, with revenues ranging between R 1,000 (USD 66) and R 20,000 (USD 1,319). High turnover businesses included fast food, and food and beverage providers. Table 7 shows the results.

Table 7. Cross-tabulation of nature of business with monthly income

Nature of business	Turnover per month						Refused to answer	Total
	Less than R 1 000	R 1 001 – R 3 000	R 3 001 – R 5 000	R 5 001 – R 10 000	R 10 001 – R 20 000	R 20 001 and over		
Food and other groceries	7 4.50%	18 11.70%	14 9.10%	19 12.30%	23 14.90%	29 18.80%	44 28.60%	154 100%
Food (fast food)	4 4.90%	11 13.40%	15 18.30%	14 17.10%	11 13.40%	6 7.30%	21 25.60%	82 100%
Personal care products and services	10 7.60%	28 21.40%	28 21.40%	29 22.10%	8 6.10%	5 3.80%	23 17.60%	131 100%
Electronic appliances/ accessories, repairs and maintenance	4 5.30%	5 6.70%	18 24.00%	16 21.30%	12 16.00%	4 5.30%	16 21.30%	75 100%
Video gaming, DVDs, CDs	0 0.00%	1 16.70%	2 33.30%	0 0.00%	1 16.70%	1 16.70%	1 16.70%	6 100%
Books	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 100.00%	1 100%
Household goods/ home use equipment/ furniture	1 1.90%	2 3.70%	7 13.00%	12 22.20%	12 22.20%	12 22.20%	8 14.80%	54 100%

Nature of business	Turnover per month							Total
	Less than R 1 000	R 1 001 – R 3 000	R 3 001 – R 5 000	R 5 001 – R 10 000	R 10 001 – R 20 000	R 20 001 and over	Refused to answer	
Clothing manufacturing, sales and repairs	9	27	25	20	7	11	19	118
	7.60%	22.90%	21.20%	16.90%	5.90%	9.30%	16.10%	100%
Liquor, cigarettes and other related products	0	0	1	0	0	0	2	3
	0.00%	0.00%	33.30%	0.00%	0.00%	0.00%	66.70%	100%
Information, communication and Internet-related services	0	2	4	2	0	1	3	12
	0.00%	16.70%	33.30%	16.70%	0.00%	8.30%	25.00%	100%
Fresh fruits and vegetables	12	28	14	14	5	5	26	104
	11.50%	26.90%	13.50%	13.50%	4.80%	4.80%	25.00%	100%
Motor and vehicle sales and repairs	0	1	3	3	0	0	3	10
	0.00%	10.00%	30.00%	30.00%	0.00%	0.00%	30.00%	100%
Health and fitness products/services	0	1	2	4	2	0	3	12
	0.00%	8.30%	16.70%	33.30%	16.70%	0.00%	25.00%	100%
Financial, insurance services	0	1	0	1	2	3	0	7
	0.00%	14.30%	0.00%	14.30%	28.60%	42.90%	0.00%	100%
Mechanical/engineering/metal/rubber/plastics-related services and recycling	2	1	0	2	4	1	5	15
	13.30%	6.70%	0.00%	13.30%	26.70%	6.70%	33.30%	100%
Other	0	0	1	2	3	1	5	12
	0.00%	0.00%	8.30%	16.70%	25.00%	8.30%	41.70%	100%
Total	49	126	134	138	90	79	180	796
	6.20%	15.80%	16.80%	17.30%	11.30%	9.90%	22.60%	100%

Source: Survey, 2019.

4.3.3. Customer retention strategies and business collaborations

Both South African business owners and community members acknowledged that migrant business owners possessed business skills that gave them a competitive advantage. For example, they collaborate with each other, combine resources and buy straight from the manufacturers, thereby skipping the brokers. They reported that they see delivery trucks from manufacturers coming to the neighbourhood delivering from one business owner to another. This approach was reported to have a remarkable price reduction effect and allowed them to negotiate payment terms; hence, migrant businesses sold at flexible and lower prices than locals. Table 8 shows the nature of collaborations used by migrant business owners to cut running costs, while the strategies used to retain customers are shown in Figure 11. The main strategies included, offering discounts to customers (37%), negotiating payment terms (20%), offering goods on credit (17%) and notifying customers of special offers (12%). These strategies were said to be uncommon among South African business owners and thus gave the migrant-run businesses a competitive advantage.

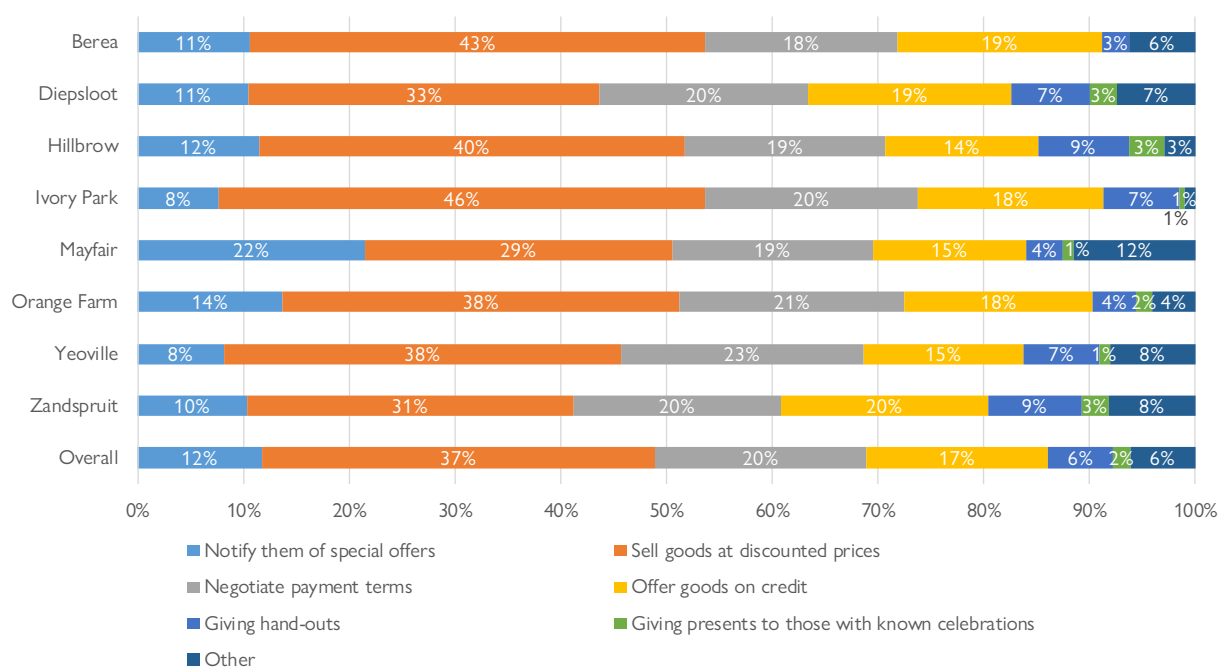
Table 8. Nature of collaborations between migrant business owners (number of responses)

	Share transport for goods	Share security costs	Buy products in bulk and share	Share contributions towards social responsibility	Other
Berea	3	14	1	2	6
Diepsloot	10	5	5	9	–
Hillbrow	10	17	8	6	3
Ivory Park	5	15	8	9	6
Mayfair	6	7	3	5	4
Orange Farm	7	14	7	8	3
Yeoville	1	16	3	2	4
Zandspruit	17	3	9	5	2
Total	59	91	44	46	28
Supplied answers under “Other”	Number of responses				
Advertisement	1				
Client referrals	1				
Discuss and negotiate pricing	4				
Exchange product with other shops	8				
Refer/recommend clients	4				
Share rent	2				
Borrow money and/or material	1				

Source: Survey, 2019.

Note: This is a multiple-response question.

Figure 11. Customer retention strategies used by migrant business owners in the different settlements

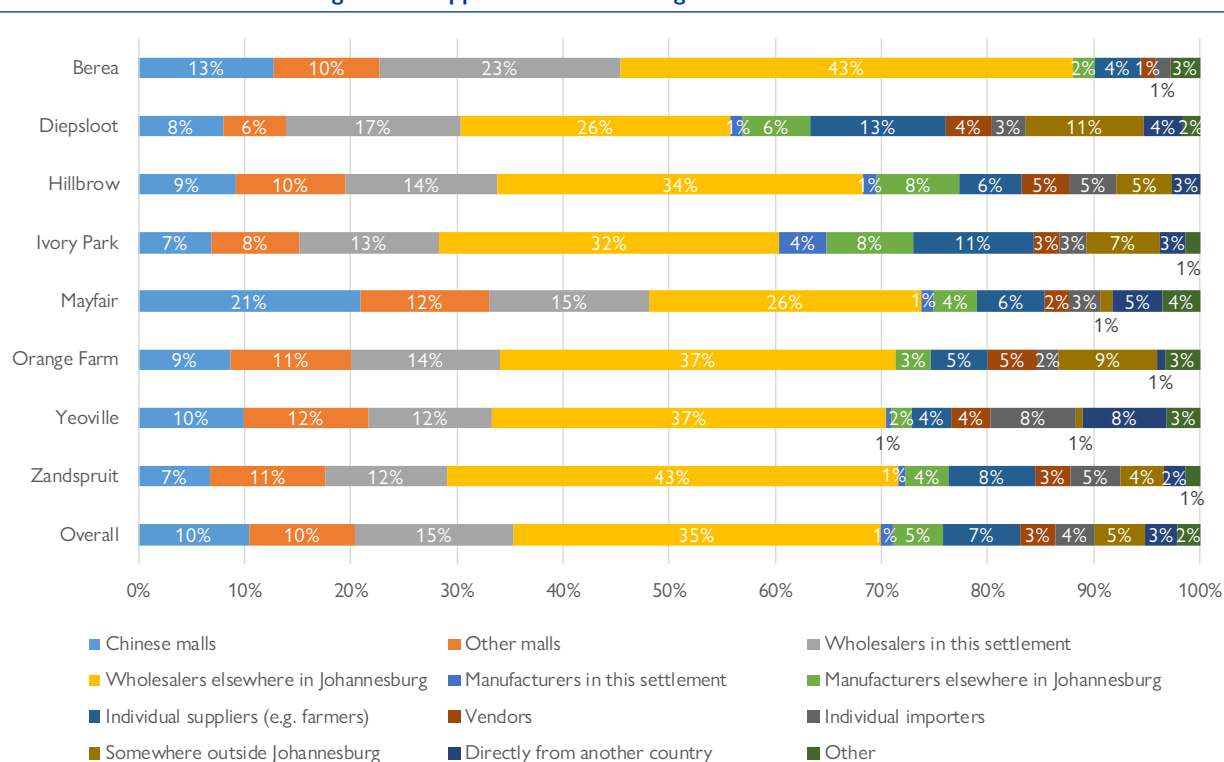


Source: Survey, 2019.

4.3.4. Economic contributions to local communities through product procurement

It was learned that migrant businesses contribute to value chains within Gauteng Province alongside contributions to their specific settlements. This was measured by investigating business links and activities other than those within the settlements. Although most of the migrant businesses bought stock within their settlements, some bought from outside the settlements, with 35 per cent of the respondents highlighting that they bought their products from wholesalers within Johannesburg. Only 4 per cent and 3 per cent reported buying stock from individual importers and directly from outside of the country, respectively. For many, purchasing stock from outside the settlements also meant the use of additional services, such as delivery transport, and that contributed to revenue generation and employment opportunities among transport providers, who, in most cases, were reported to be South African nationals. The findings can be seen in Figure 12.

Figure 12. Suppliers of stock to migrant-owned businesses

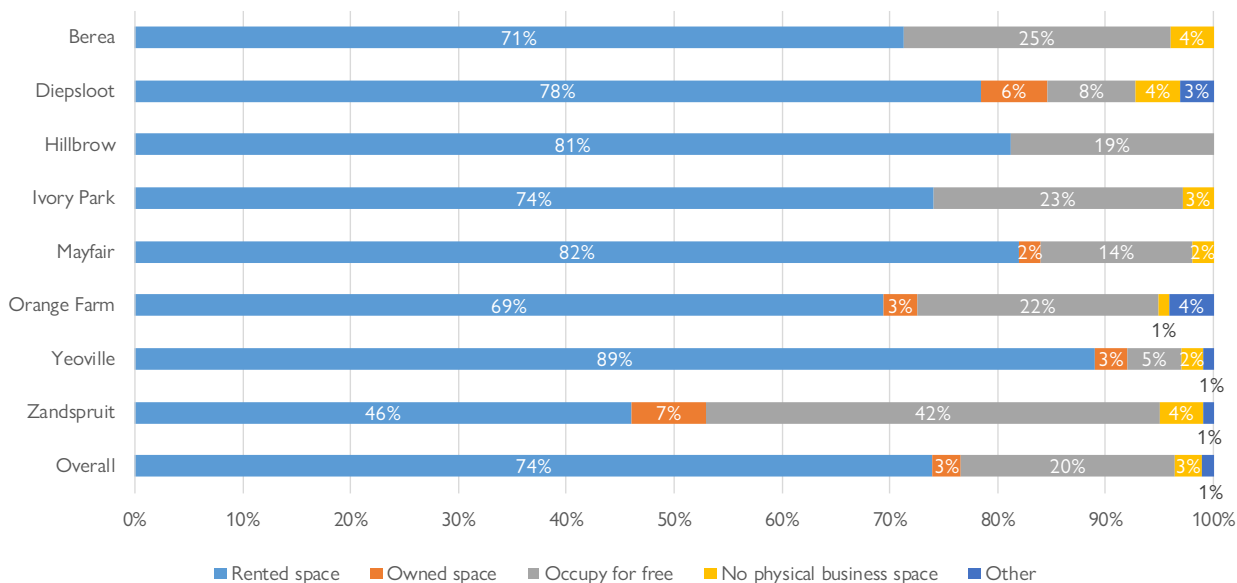


Source: Survey, 2019.

4.3.5. Economic contributions through rental payments and utility costs

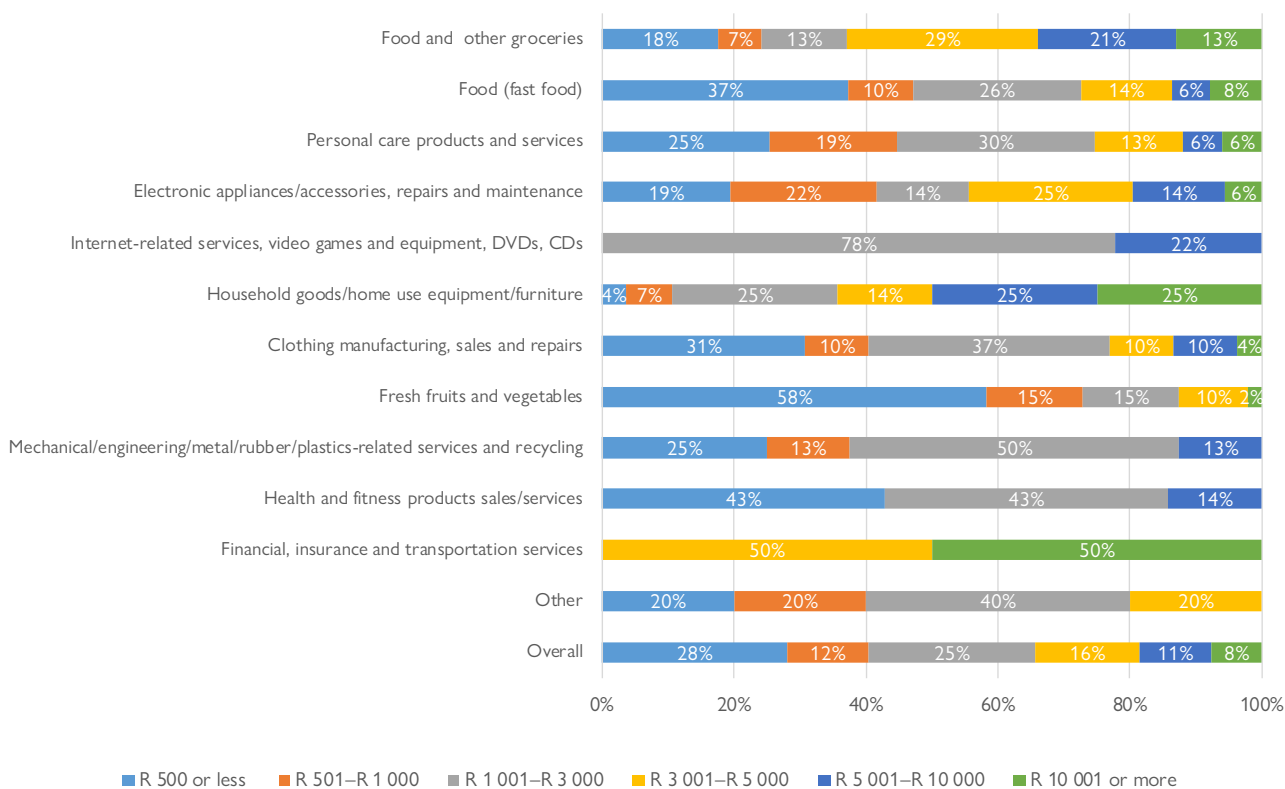
One of the most significant contributions made to the settlements by migrant-owned businesses was found to be rental payments. The majority (74%) of the businesses surveyed operated from rented spaces owned by South African citizens. This was corroborated by data from key informant interviews with community leaders and focus group discussions with South African community members. Migrant business owners often paid rent for the business space as well as for their own accommodation, especially in the informal settlements where they lived on the same stand where their businesses are located. In that regard, it meant that the landlord collected double rent from the same individual. The 1 per cent recorded under “other” comprised respondents in the informal settlements who highlighted that they rented the land but had built the structure themselves. This was a peculiar dynamic in the informal settlements, especially in Diepsloot and Ivory Park, where infrastructural development was another contribution made by migrant business owners, in addition to the rent they paid. Figure 13 and Figure 14 show the findings.

Figure 13. Types of tenure for migrant-owned business spaces by settlement



Source: Survey, 2019.

Figure 14. Costs of business utilities and rent by settlement



Source: Survey, 2019.

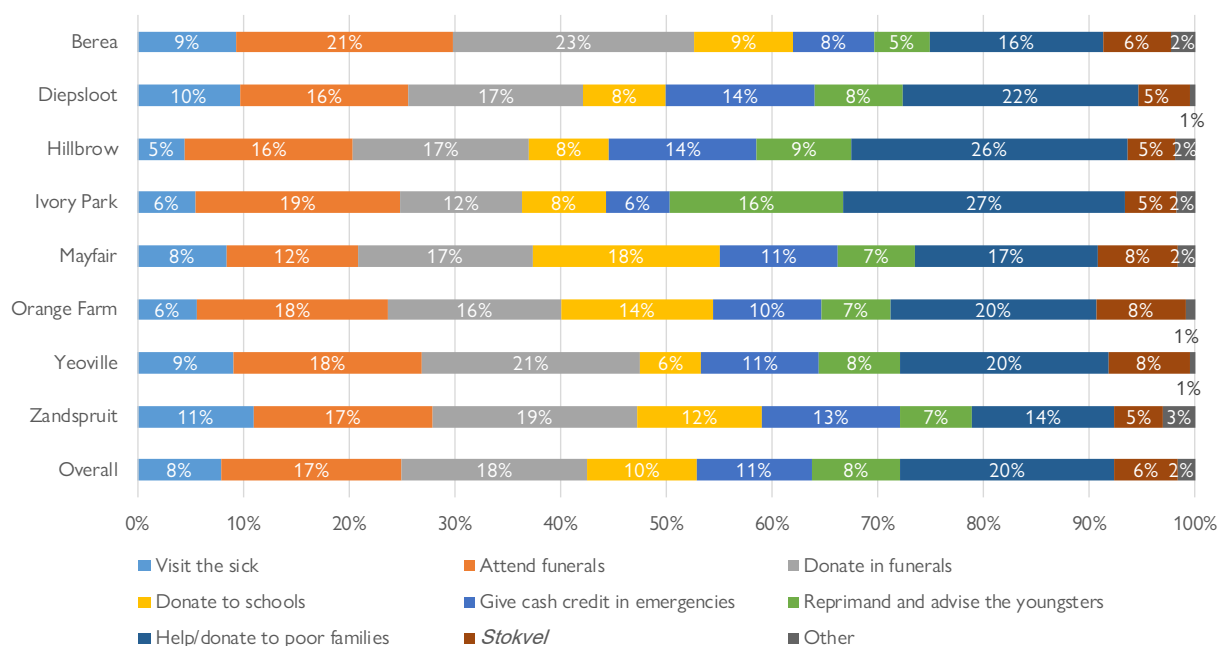
It was noted that in all the settlements, rented space was the most prevalent. Free occupation was found to be the second most common type of tenure, particularly among street vendors in the informal settlements. For example, in Zandspruit, 42 per cent of the businesses did not pay rent for their trading spaces. The reasons given were that the traders needed to be in accessible spaces such as the sidewalks and that they were not making enough revenue to afford paid spaces. Most of these businesses sold clothing, fresh fruits and vegetables, cell phone accessories and household appliances.

Based on the number of respondents from whom figures were obtainable – as this was one of the most poorly answered questions – it was noted that utility costs were higher in Mayfair, with 26 per cent of respondents reporting spending R 10,000 or more per month (see Figure 14). A further 28 per cent reported that they paid utility costs of R 500 or less. By cross-tabulating against nature of the business, it was learned that those paying the lowest utility costs ran businesses selling fresh fruits and vegetables, located mostly in municipal markets. Most (29%) of the food and grocery enterprises fell within the R 3,000 to R 5,000 range and 21 per cent within R 5,001 to R 10,000. A few businesses reported paying R 10,000 or more, including 25 per cent of furniture and household goods shops, 50 per cent of businesses providing financial and transport services and 13 per cent of food and grocery shops. This gives a snapshot of the average monthly income made by landlords from these businesses.

4.3.6. Social contributions of migrant businesses to host communities

Apart from contributions through rent payments and infrastructural investments, migrant business owners also contributed to the social well-being of the communities in which they lived through a variety of ways, such as donations to schools, attending funeral gatherings (where they also made cash donations) and *stokvel*, which are a form of rotating credit union. Figure 15 shows the range of social contributions.

Figure 15. Social contributions made by migrant business owners



Source: Survey, 2019.

4.4. MIGRANT-OWNED BUSINESSES AND JOB CREATION IN VARIOUS ECONOMIC SECTORS

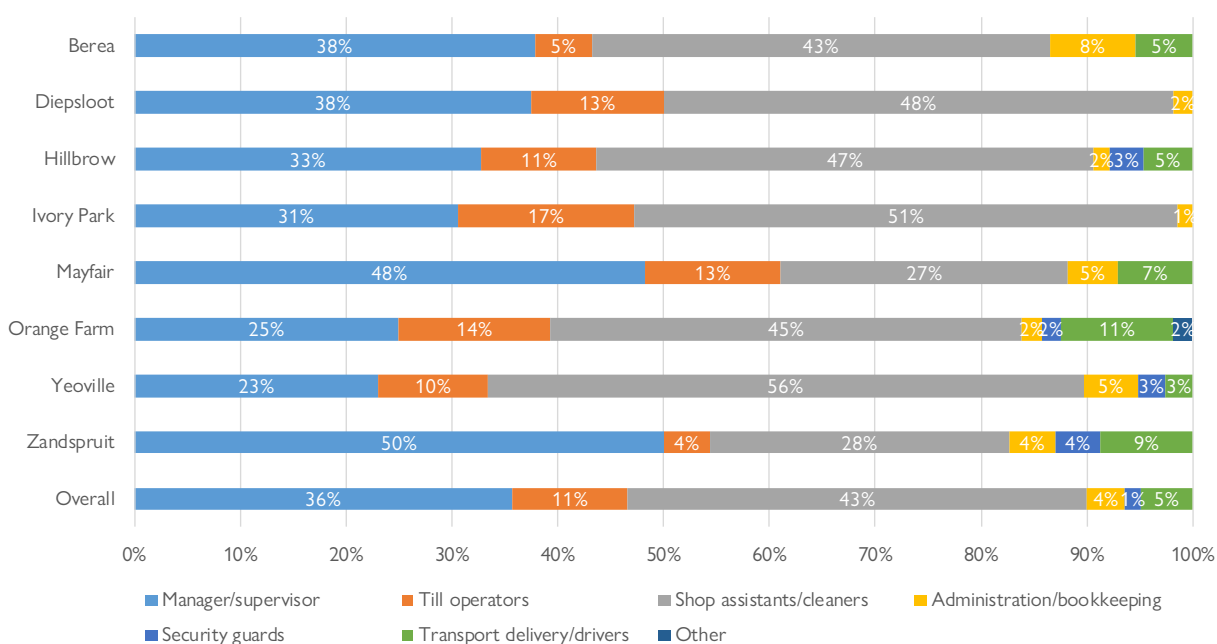
4.4.1. Introduction

This section presents findings on the economic contributions made by migrant-owned businesses to the settlements in which they are located. It explores the extent to which employment is created, the nature of the jobs created and who benefits from these jobs.

4.4.2. Creation of employment by migrant-owned businesses

Research findings show that migrant-owned businesses, regardless of size, created employment in their respective settlements for the business owner and other people. In all instances, business owners were hands-on in their businesses and earned a living there. In relatively large businesses they employed other people, assisting those employees to earn a living. That contributed to easing the unemployment rates in the informal settlements and inner-city Johannesburg. Types of employment include shopkeeping, serving as a shop assistant and cleaning. They also promoted other businesses by engaging security guards from security companies and using transport services for deliveries. This contribution was valued by all participants, although community leaders problematized the salaries/wages that migrants paid to their employees and argued that they were too low and therefore exploitative. Figure 16 shows the results.

Figure 16. Nature of employment created by migrant-owned businesses by settlement



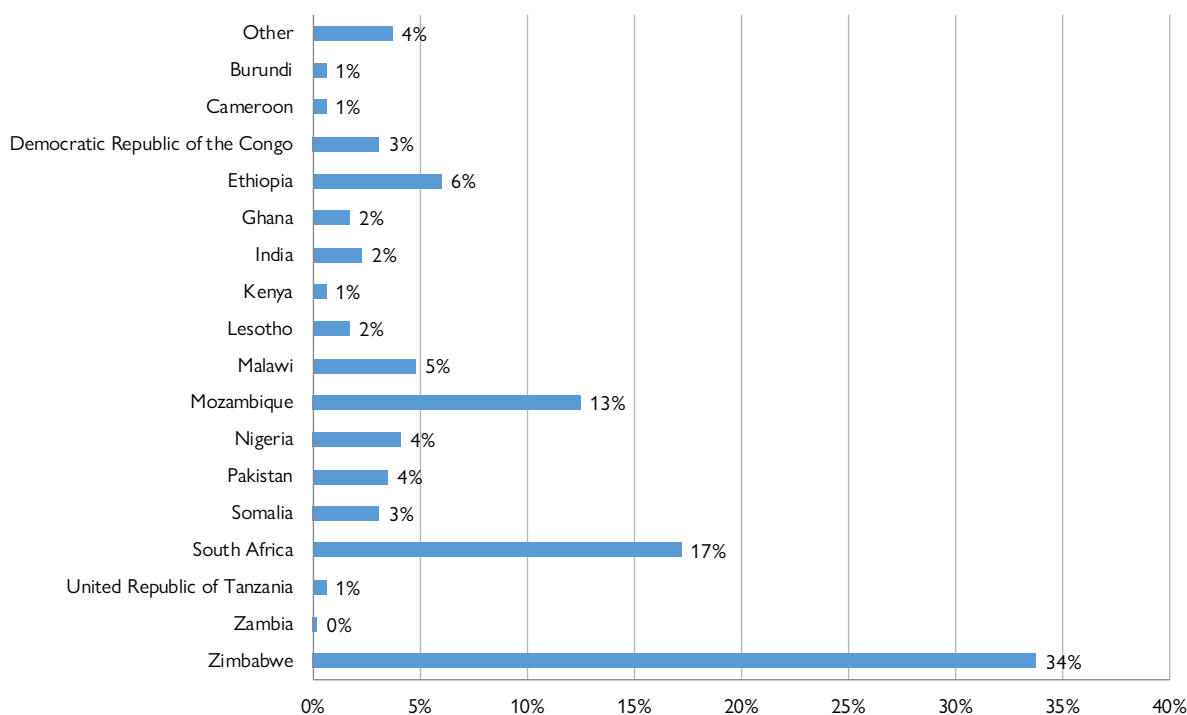
Source: Survey, 2019.

4.4.3. Nationalities of employees benefiting from migrant-owned businesses through employment

As previously highlighted in this document, it was learned that migrant-owned businesses not only created employment for the owners but also for other migrants and South African citizens. Zimbabweans (34%) were found to be the most employed nationals, followed by South Africans (17%) and Mozambicans (13%). The employment of South Africans challenges the common misconception that migrant business owners prefer hiring other migrants to exploit them. South Africans were employed because of their ability to speak local languages, since the businesses were largely in the retail sector, which involves dealing with a diverse public. The preference to employ South Africans was also reported to be a strategy to facilitate integration into the community for the business owners and a protection strategy from xenophobic violence and

looting. South African employees were perceived to be in a better position to learn about pending attacks and notify their employers. Some simply highlighted that their employment procedure did not pay attention to the nationality of the employees but was based on needs, and on a first come, first served basis regardless of whether the person was South African or not. Figure 17 presents the findings regarding employee nationality in migrant-owned businesses and Figure 18 shows the number of employees by settlement and the documentation status of business owners.

Figure 17. Nationalities employed in migrant-owned businesses



Source: Survey, 2019.

Figure 18. Number of employees in the businesses by settlement and documentation status of the owner

	Berea	Diepsloot	Hillbrow	Ivory Park	Mayfair	Orange Farm	Yeoville	Zandspruit
Asylum seeker permit	29	90	20	24	35	28	26	19
Work permit	8	29	23	16	26	16	4	19
Have passport without permit	17	20	27	36	46	19	6	25
Have no passport and no permit	4	15	12	25	9	12	2	12
South African ID	6	6	14	5	37	12	14	3
Refugee permit	4	5	11	9	2	30	1	18
Permanent residence permit	9	5	3	1	14	12	2	2
Other (specify)	0	3	0	6	0	4	2	2
Business permit	10	2	17	10	24	7	8	9
Study permit	0	0	0	0	20	0	1	0

Source: Survey, 2019.

4.5. IMPACT OF REGULATORY FRAMEWORKS ON MIGRANT-OWNED BUSINESSES

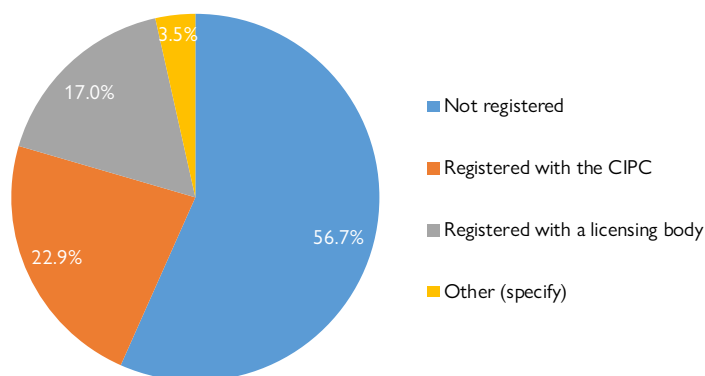
4.5.1. Introduction

This section presents findings on how existing regulatory frameworks at national, provincial and community levels impact migrant-owned businesses in the informal settlements and inner-city Johannesburg. The frameworks explored relate to documentation procedures for migrants and business registration requirements. The CIPC is the primary authority responsible for the registration of businesses in South Africa and migrant business owners require valid business visas to register a business. The study investigated how regulatory frameworks inhibit or facilitate the socioeconomic contributions made by migrant-owned businesses in the selected sites.

4.5.2. Regulation and legislation

The majority (56.7%) of the surveyed businesses in the selected settlements were not registered.

Figure 19. Registration status



Source: Survey, 2019.

When respondents were asked about reasons for not registering, their answers varied. Some of them argued that their businesses were too small, too informal or too new to be registered. Other respondents were already in the process of registration and awaiting feedback from various institutions. The bulk of respondents from all settlements lacked adequate information about why, how, where or how much it would cost to register a business. This could be extrapolated from responses related to the process, the responsible authorities and the costs of registration. Respondents offered answers such as “I don’t know how to do it” or “I cannot afford the registration price” or “do not know how and where, and it doesn’t feel safe”. Operators of informal businesses also thought that they did not need to register their businesses as they were informal.

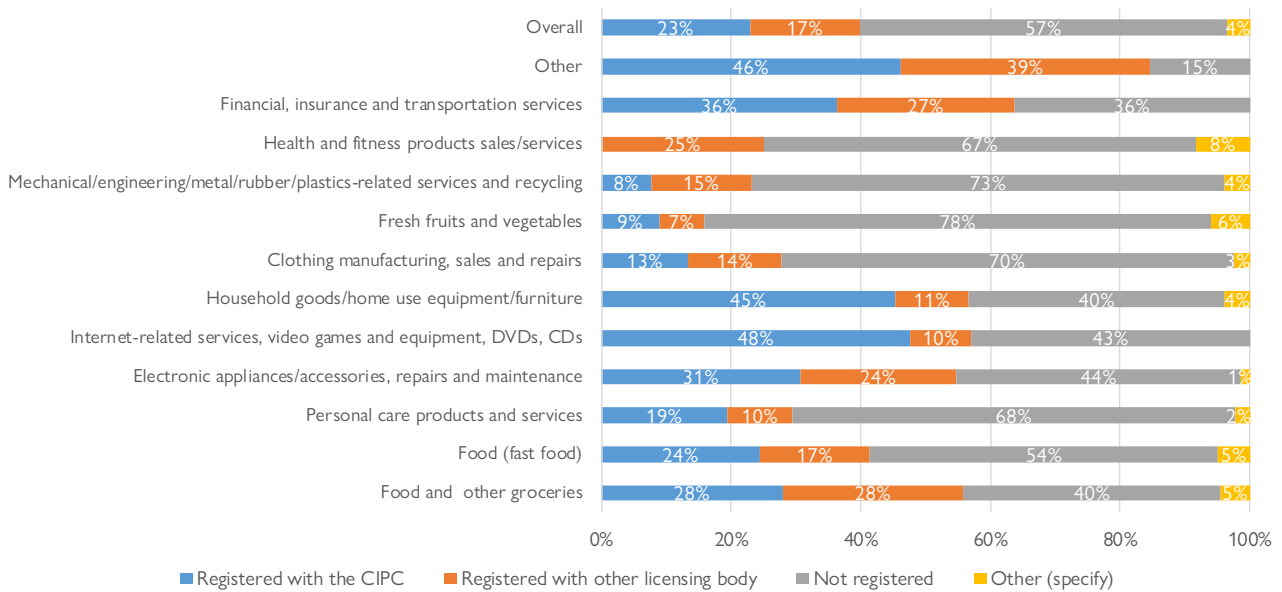
This highlights the lack of information that exists regarding business registration, particularly among very small and informal businesses in these areas. The patterns of registration were uniformly distributed across all business sectors, as indicated in Table 9.

Table 9. Cross-tabulation of registration status with nature of business

Nature of business	Registration status of the business				
	Registered with the CIPC	Registered with other licensing body	Not registered	Other (specify)	Total
Food and other groceries	43	43	61	7	154
	23.60%	31.90%	13.50%	25.00%	19.30%
Food (fast food)	20	14	44	4	82
	11.00%	10.40%	9.80%	14.30%	10.30%
Personal care products and services	26	13	89	3	131
	14.30%	9.60%	19.70%	10.70%	16.50%
Electronic appliances/accessories, repairs and maintenance	23	18	33	1	75
	12.60%	13.30%	7.30%	3.60%	9.40%
Video games and equipment, DVDs, CDs	2	1	3	0	6
	1.10%	0.70%	0.70%	0.00%	0.80%
Books	0	0	1	0	1
	0.00%	0.00%	0.20%	0.00%	0.10%
Household goods/home use equipment/furniture	24	7	21	2	54
	13.20%	5.20%	4.70%	7.10%	6.80%
Clothing manufacturing, sales and repairs	16	17	82	3	118
	8.80%	12.60%	18.20%	10.70%	14.80%
Liquor, cigarettes and other related products	0	2	1	0	3
	0.00%	1.50%	0.20%	0.00%	0.40%
Information, communication and internet related services	7	0	5	0	12
	3.80%	0.00%	1.10%	0.00%	1.50%
Fresh fruits and vegetables	9	7	82	6	104
	4.90%	5.20%	18.20%	21.40%	13.10%
Motor and vehicle sales and repairs	1	1	8	0	10
	0.50%	0.70%	1.80%	0.00%	1.30%
Health and fitness products/services	0	4	7	1	12
	0.00%	3.00%	1.60%	3.60%	1.50%
Financial, insurance services	3	2	2	0	7
	1.60%	1.50%	0.40%	0.00%	0.90%
Mechanical/engineering/metal/rubber/plastics-related services and recycling	1	3	10	1	15
	0.50%	2.20%	2.20%	3.60%	1.90%
Other	7	3	2	0	12
	3.80%	2.20%	0.40%	0.00%	1.50%
Total	182	135	451	28	796
	100%	100%	100%	100%	100%

As shown in Figure 20, 78 per cent of the businesses selling fresh fruits and vegetables were unregistered. This figure stood at 73 per cent for recycling businesses, 70 per cent for those selling clothing and tailoring services, and 68 per cent for those providing personal care products and services (including salons and barber shops).

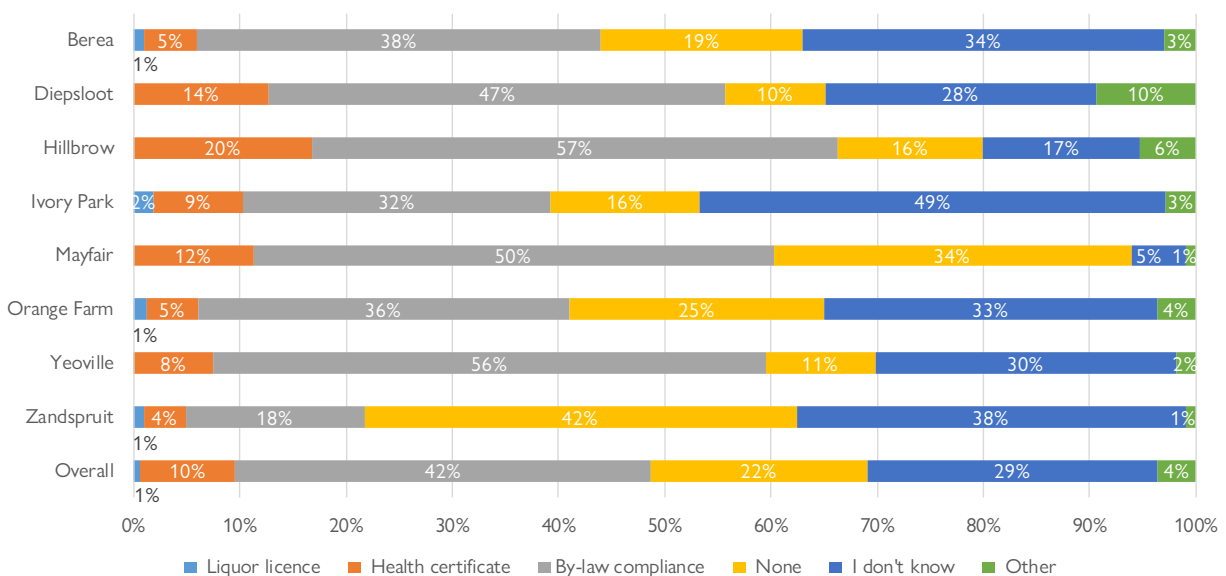
Figure 20. Migrant business type by registration status



Source: Survey, 2019.

In terms of knowledge regarding compliance, 42 per cent of respondents said that their businesses required by-law compliance to be operational, while 29 per cent indicated that they did not know the specific licences required for their businesses. A further 22 per cent said there was no compliance requirement and only 10 per cent and 4 per cent reported that their businesses needed a health certificate or a liquor licence, respectively. Lack of knowledge seemed to be a big issue as far as business operations are concerned, in addition to other factors mentioned previously, particularly with regard to where to register the businesses, registration requirements, and the costs and types of licences required. It can be inferred that, while regulatory frameworks are there to regulate business operations and provide support channels to those who comply with the frameworks, the reality is that most of the operators on the ground are not in compliance with these frameworks and thus miss out on opportunities for support. The main challenge for both business operators and the country at large is that non-compliant enterprises are in the majority. See Figure 21 for more information.

Figure 21. Knowledge about required licences for businesses

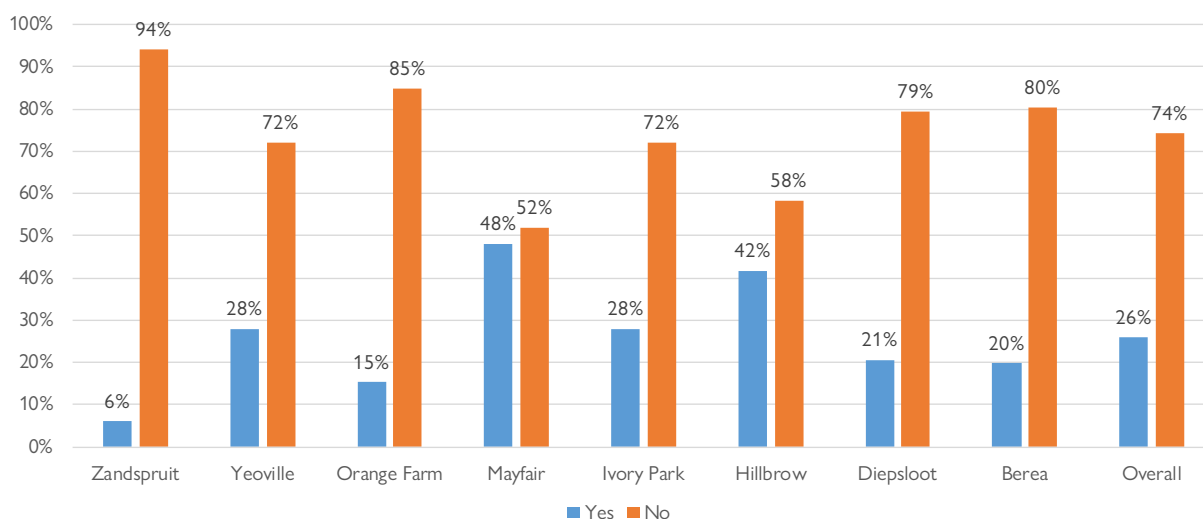


Source: Survey, 2019.

4.5.3. Tax payment by migrant-owned businesses

The findings indicate that the majority (74%) of the surveyed businesses are not registered for tax purposes, which is consistent with non-registration of businesses with the CIPC. When explored across settlements, it was noted that tax payment was relatively higher in Mayfair (48%) and Hillbrow (42%), which had more registered migrant businesses. Zandspruit and Orange Farm recorded the lowest percentages (6% and 15%, respectively), as most businesses were small and often operating from the sidewalks. The distribution is shown in Figure 22.

Figure 22. Tax payment by migrant-owned businesses across settlements



Source: Survey, 2019.

The study observed the existence of a relationship between business registration and tax payment. A cascading effect exists between migrants' documentation status, business registration and non-payment of tax by the businesses, where the former has an effect on business registration and that subsequently negatively impacts payment of tax. Detailed information is shown in Table 10.

Table 10. Cross-tabulation of migration status with business registration status

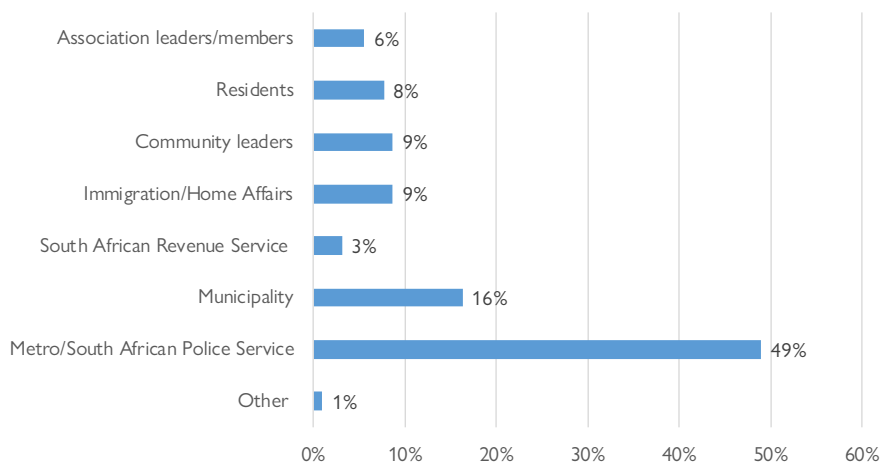
Migration status	Business registration status				Total
	Registered with the CIPC	Registered with other licensing body	Not registered	Other (specify)	
Asylum seeker permit	48	31	84	12	175
Have passport without permit	39	27	138	8	212
Work permit	31	27	40	1	99
South African ID	21	13	10	1	45
Have no passport and no permit	1	3	122	6	132
Business permit	23	14	12	–	49
Refugee permit	6	8	18	–	32
Permanent residence permit	8	8	3	–	19
Study permit	1	2	2	–	5
Other (specify)	4	2	22	–	28
Total	182	135	451	28	796

Source: Survey, 2019.

Most of the unregistered businesses were recorded among the following migration status categories: have passport without a permit (138), have no passport and no permit (122), and asylum seeker permit (84). Among those with documentation such as business permits, work permits and the South African identity book, more had CIPC registration than were not registered. During focus group discussions, it was highlighted that lack of documentation was an issue in terms of registering a business.

As a result of challenges with documentation and non-registration of businesses, respondents highlighted that they were forced to pay bribes to compliance authorities, such as the South African Police Service, the Johannesburg Metropolitan Police Department, the South African Revenue Service and the Department of Home Affairs. Some residents and community leaders also took advantage of the migrant business owners' documentation and business registration status and approached them for bribes in order to continue operating in their settlements. Figure 23 shows the findings.

Figure 23. Payment of bribes by migrant business owners



Source: Survey, 2019.

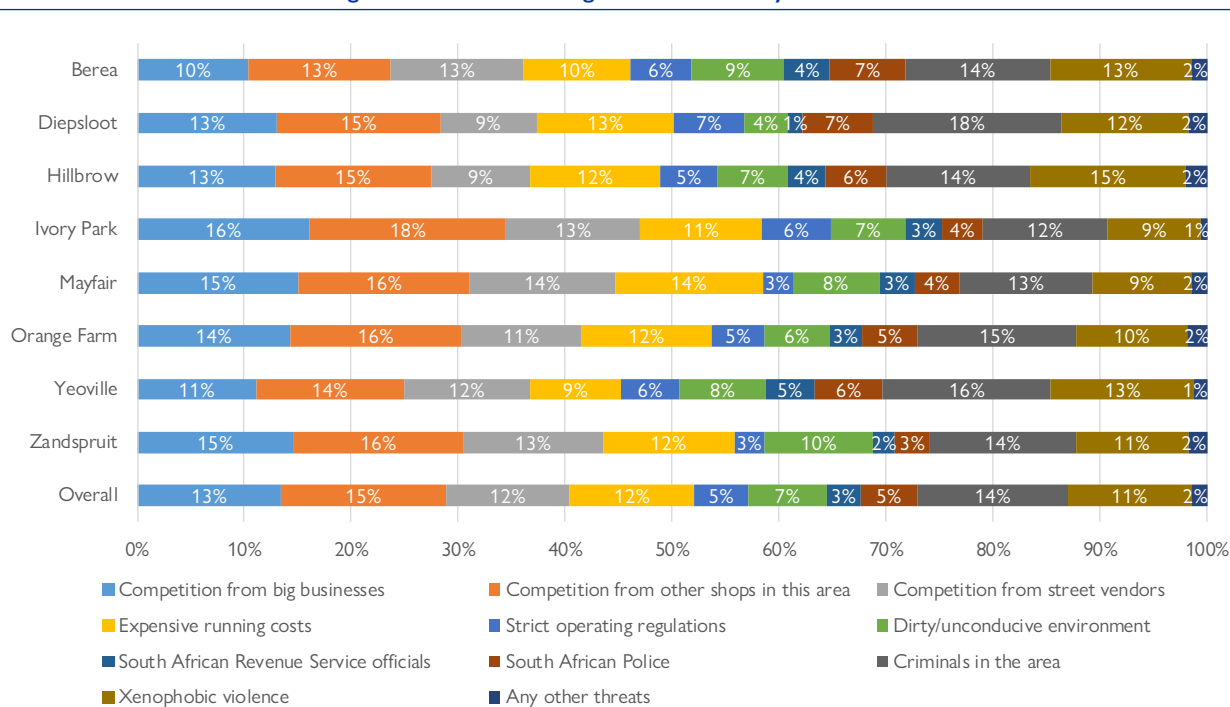
Tied to these findings from the survey and focus group discussions are issues raised by key informants from various government departments, who highlighted that there is no comprehensive policy that empowers migrant businesses. Policies concerning socioeconomic development are not inclusive of migrant communities present in those development areas. A respondent from the Department of Social Development said: "In as far as we do not have specific policy outcomes for foreign business owners, we are limiting the socioeconomic development. There is a need to incorporate the strategic positioning of a Department of Home Affairs contact point/person to receive referrals from the City of Johannesburg Migrant Helpdesk, as one of the greatest challenges for migrants is usually rooted in documentation." These sentiments were echoed by an official from the Department of Employment and Labour, who highlighted that there should be considerations around granting special dispensation permits to address the documentation issues of those that are already in the country and leverage their contributions to South Africa. This interview highlighted the importance of developing policy alongside a clear implementation strategy. The extent to which certain national and provincial laws can enable socioeconomic development can be further supported or constrained by the scale of city by-laws and their enforcement on the ground.

4.6. CHALLENGES ENCOUNTERED BY MIGRANTS WISHING TO CONDUCT INCOME-GENERATING ACTIVITIES

This section presents findings on the challenges encountered by migrants which subsequently inhibit their business activities and socioeconomic contributions to the selected settlements. These challenges largely relate to the environment, and are communal, institutional, national and relational in nature.

Findings reveal that competition from other shops in the settlements, crime, and competition from big businesses were the major challenges for migrant businesses, being reported by 15 per cent, 14 per cent and 13 per cent of migrant business owners, respectively. Competition from vendors, expensive running costs and xenophobic violence were also said to be threats to the business, although on a lesser scale than those previously mentioned. Factors such as strict operational regulations and authorities (e.g. the South African Revenue Service and the South African Police Service) were not viewed as serious threats to business. This resonates in a way with the responses to the question on “having to gift someone” (paying a bribe), as respondents mentioned that in most instances, they bribed the police who came to their shops asking for registration and individual documentation. It can be inferred that since they had ways of managing these officials from the police and regulatory bodies, they did not view them as threats to their businesses. It could also be noted that the presence of the South African Revenue Service and its potential to be a threat was felt more in the inner-city sites compared with the informal settlements. Figure 24 shows the findings.

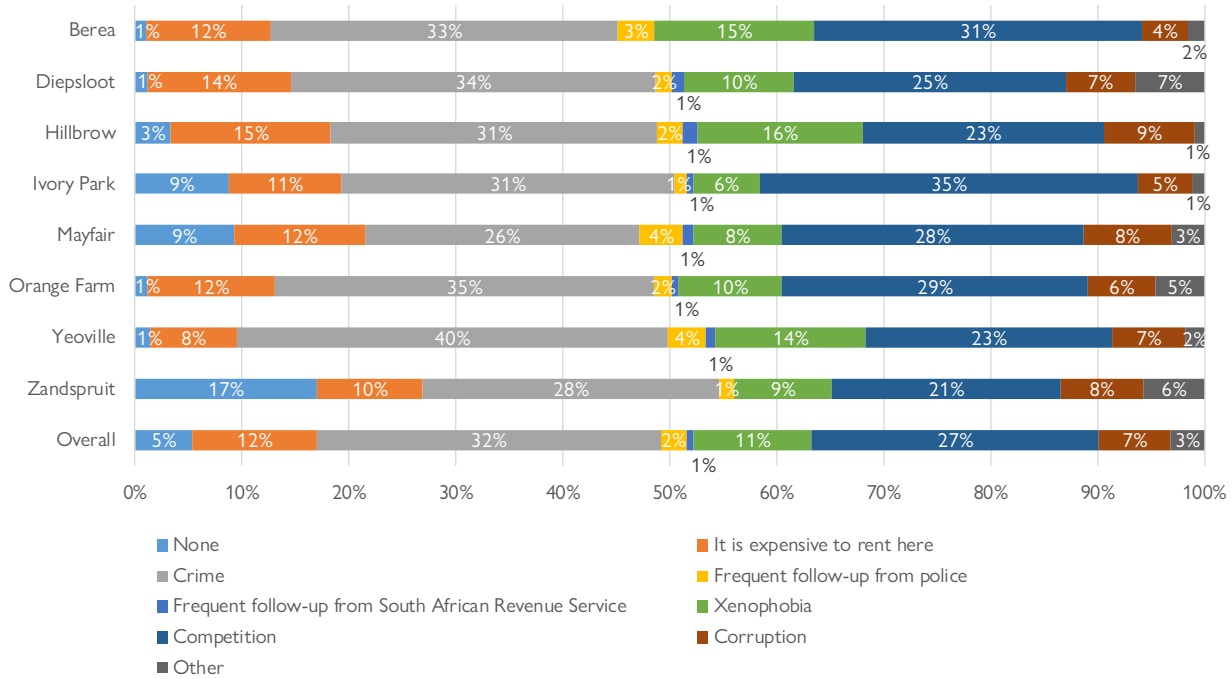
Figure 24. Threats to migrant businesses by settlement



Source: Survey, 2019.

Asked to rank factors that threaten their businesses according to their severity, respondents cited crime (32%), competition (27%), the high cost of rentals (12%) and xenophobia (11%). Again, follow-up visits from law enforcement and regulating bodies like the South African Police Service and the South African Revenue Service were rated the least severe. Detailed findings are shown in Figure 25.

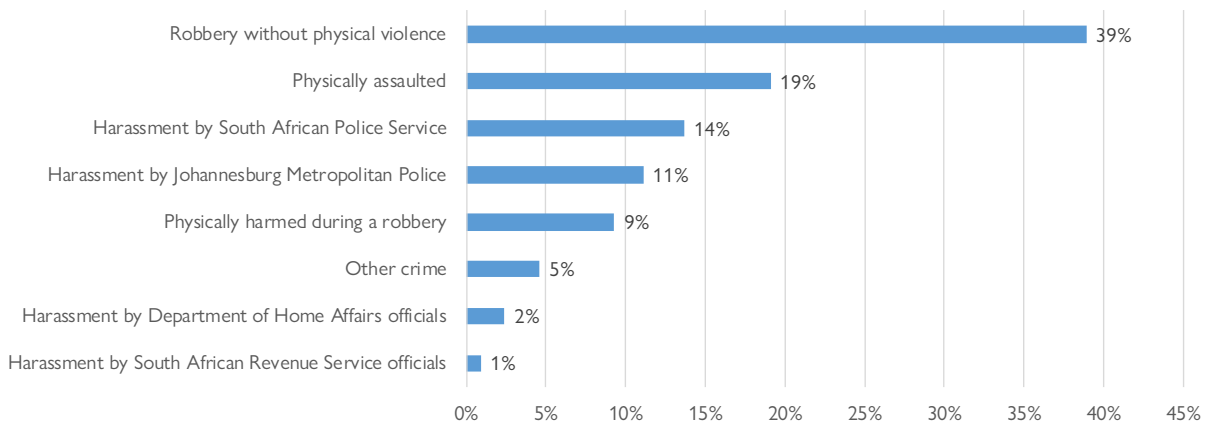
Figure 25. Push factors affecting migrant businesses by settlement



Source: Survey, 2019.

Although respondents had their coping strategies (paying bribes) to manage challenges with law enforcement and regulatory bodies, to a certain extent they had “normalized” the situation and saw it as part of the business. As such, the study needed to establish the extent to which local government policy and regulatory structures on the ground provided or failed to provide an enabling environment for migrants. The study found that contrary to receiving support, respondents were falling victims to harassment by the bodies from which support is expected, with 14 per cent and 11 per cent of respondents reporting being victims of harassment by officers from the South African Police Service and the Johannesburg Metropolitan Police Department, respectively. In qualitative interviews (focus group discussions) it was explained that when they reported the incidence of violence, matters were not investigated objectively. When police officers established that a business owner was a migrant and that their immigration papers were not in order, they either ignored the violence or the issue changed to be about the illegal operation of a business. As victims expecting to be protected, they ended up paying bribes to push for justice or to avoid being charged for documentation or business registration issues. Figure 26 below shows the findings.

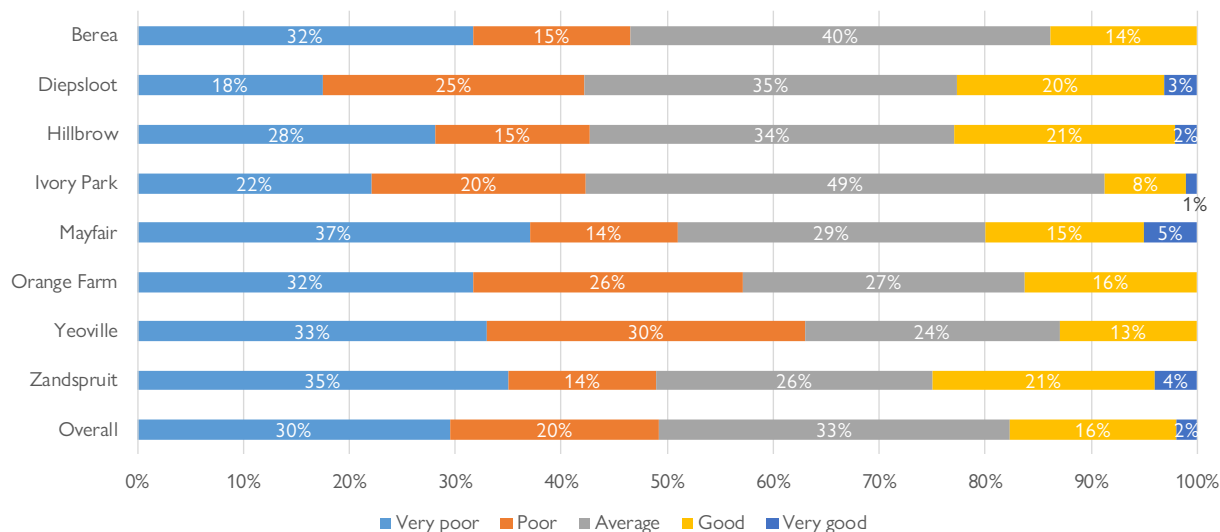
Figure 26. Challenges experienced by migrant business owners



Source: Survey, 2019.

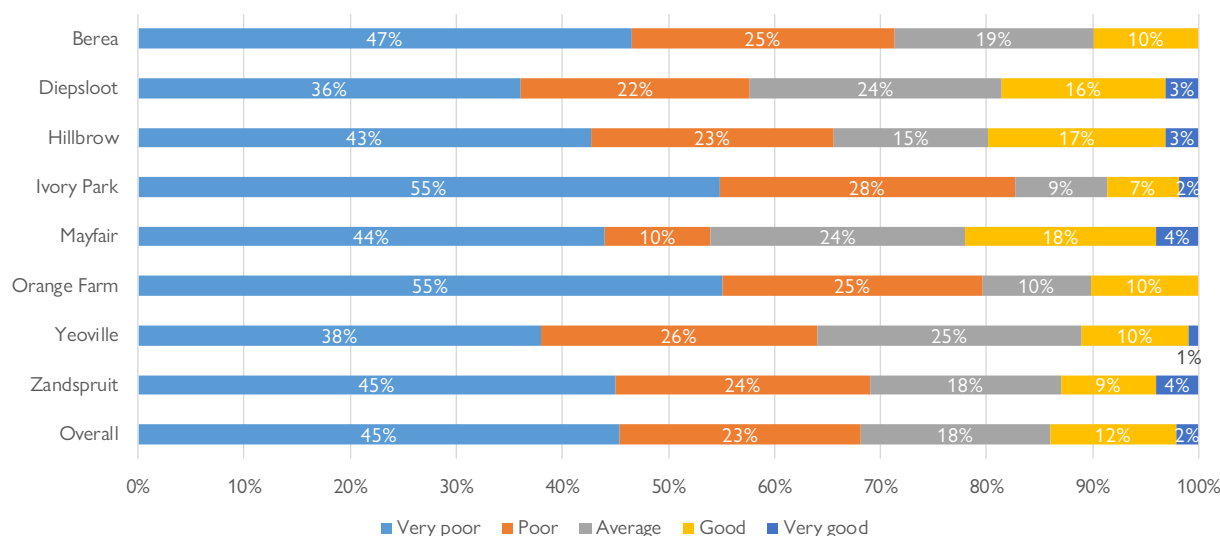
The study found that, in general, support from the Government, municipalities and even their landlords was very poor for migrant businesses. They survived as a result of their resilience and support structures within their networks. Figures 27, 28 and 29 show findings related to how the respondents rated support from different entities.

Figure 27. Rating of support received by migrant business owners from the South African Police Service



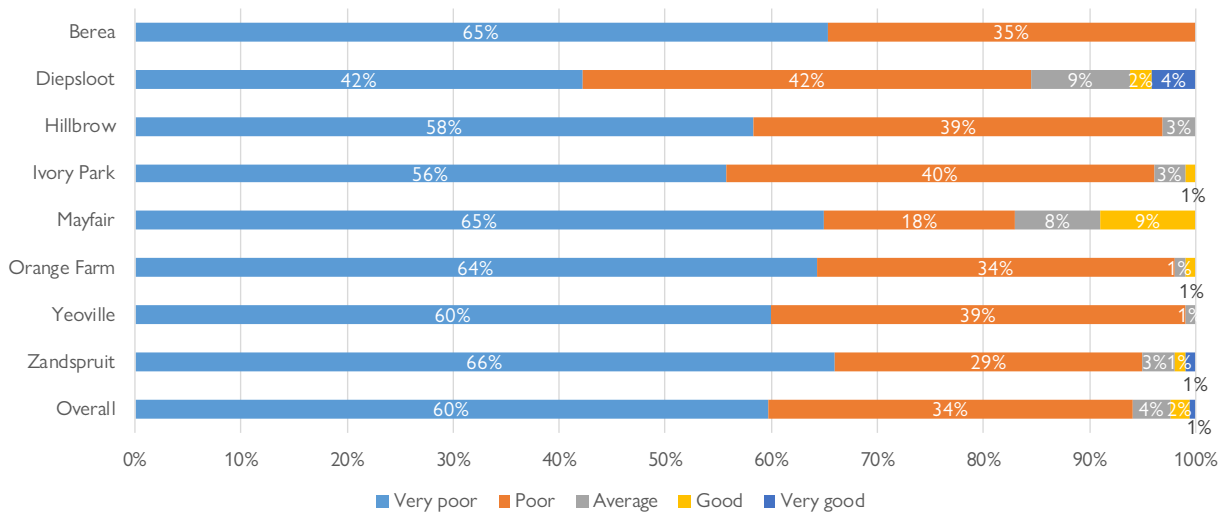
Source: Survey, 2019.

Figure 28. Rating of support received by migrant business owners from the municipality



Source: Survey, 2019.

Figure 29. Rating of support received by migrant business owners from small and medium-sized enterprises



Source: Survey, 2019.



CHAPTER 5

5. DISCUSSION AND CONCLUSIONS

This chapter discusses the significance of the research findings and also reflects on some of the limitations of the study. It follows the set objectives of the research to assess the extent to which they have been addressed. There have been other studies focusing on the economic contributions of migrants to the South African economy, namely the 2018 World Bank study and the OECD and ILO (2018c) study, which are discussed in detail in section 2.5 of this report. The OECD and ILO study focused specifically on: (a) labour markets, not only in terms of the labour force but also employment and wages; (b) economic growth, in particular production and productivity, at both firm and economy levels; and (c) public finance, including public spending and fiscal contributions. The 2018 World Bank report's quantitative analysis of the impact of migration on local jobs in South Africa found that each migrant worker generated approximately two jobs for South Africans during the period analysed (1996–2011). These studies were extensive in their analysis and focused mainly on the labour market contributions of migrants in South Africa. It is important to highlight that our research had a specific focus on migrant business owners in Johannesburg's informal urban settlements and in the inner city, and the findings speak to the particularities of their contributions. While the study makes an important contribution to the literature on migrants' contributions to receiving countries, it should however be interpreted within the limits of the geographical scope, which is Johannesburg.

This research brings to the fore the important role that immigrants can play in the South African context, specifically in the informal settlements of Johannesburg, which often exist on the fringes of the main economic activity areas. The objectives of the research were to:

- (a) Identify which formal and informal business activities are most prevalent among international migrants in informal settlements and inner-city Johannesburg;
- (b) Assess the socioeconomic contributions of international migrants in informal settlements and the inner city;
- (c) Identify opportunities and highlight the economic vitality of the key sectors in which the various groups are active in these settlements.

These objectives were further broken down into specific key assessment areas, which are discussed in the following section.

5.1. KEY ASSESSMENT AREAS

5.1.1. Business activities engaged in by migrants and their socioeconomic contributions to the selected settlements

In this research, the most common nationalities in the South African settlements surveyed were Zimbabweans (28.3%), Mozambicans (14.9%) and Malawians (10.7%). However, in Mayfair, Pakistanis, Bangladeshis and Somalis were more numerous. Retail services were most common in the surveyed settlements, with 19 per cent of the respondents selling food and other groceries, 16 per cent selling personal care products and services, 15 per cent involved in clothing sales and tailoring, and 13 per cent selling fresh fruits and vegetables. The remainder were involved in Internet-related services and sales of video games and equipment, DVDs, CDs and the like. While this research has a wider footprint in terms of the number of settlements, as well as the geographic spread across the city of Johannesburg, it is notable that the observations made are consistent with the findings of similar but less extensive studies. For example, Harrison et al. (1997) warned as early as the late 1990s that the MSMEs sector should not be romanticized because most people involved in this sector do so for survivalist purposes, and it typically thrives during recession periods. They noted that MSMEs in townships “tend to focus on a narrow range of activities, largely oriented to the local market: retail, services (panel-beating, plumbing, electrical services, etc.) and soft industries linked to retailing, such as clothing and woodwork” (Harrison et al., 1997). A similar observation was made by Rogerson (2000) when he underscored the emergence of immigrant entrepreneurs from sub-Saharan Africa as representing a new and critical element of the informal economy in Gauteng Province, concentrating around activities such as street trading, the production of clothing and motor vehicle repairs. On the evidence of the current research findings, there has not been much change in the dimensions and nature of the economic activities that migrant businesses are involved in, and generally they continue to be dominated by a survivalist economic ethos, as observed by Harrison et al. (1997). The majority of the migrant-owned businesses surveyed across the eight settlements were engaged in business ventures with a turnover of between R 1,000 and R 20,000 per month. However, this is not uniform across all the settlements, as there is a difference in turnover between the businesses in the informal settlements and those in the inner city, especially the Mayfair area, which has the highest revenue and largest shops compared with the other areas surveyed.

5.1.2. Contributions of migrant-owned businesses to employment creation in the areas in which they operate

While the true value of migrant businesses proved difficult to quantify, it is notable that they do create employment in the areas in which they operate, and they employ both foreign nationals and South Africans. In the areas surveyed, Zimbabweans were found to be the most common beneficiaries in terms of employment, accounting for 34 per cent of workers, followed by South African citizens at 17 per cent and Mozambicans at 13 per cent. The creation of employment by immigrant businesses is important in the context of high unemployment in South Africa and highlights the fact that they are not only serving their own interests but also those of the communities in which they operate. Similar observations were made in the 2018 World Bank report, which looked at the impact of immigration on labour outcomes in South Africa between 1996 and 2011. The report noted that self-employment accounted for 25 per cent of total jobs among immigrants, compared to 16 per cent for South Africans, which underlined the important role played by migrants in entrepreneurship and job creation. A 2019 Statistics South Africa report concurs with the 2018 World Bank report with regards to informal sector participation by immigrants, noting that “almost one out of three immigrants are involved in employment in the informal sector” (Statistics South Africa, 2019b).

5.1.3. Social contributions of migrant-owned businesses to the communities in which they operate

While economic considerations continue to be central to their motivation for establishing businesses, migrant business owners also actively make social contributions to the communities in which they operate. Migrant business owners are willing contributors to the philanthropic and charitable goals and other ethically oriented practices in those communities. Migrants are an important element of the social fabric, in spite of the hostility and challenges threatening their continued stay in these settlements. Despite the widespread animosity towards foreign-owned businesses, the study established that, in reality, these businesses are important for the local communities in various ways, including but not limited to: improved access to goods and services at affordable prices; and provision of employment.

Most migrant business owners understand the need to build and maintain relationships in the communities where they operate, and their social contributions speak to that.

5.1.4. Exclusion of foreign-owned informal businesses from business support policies

The main policy documents that govern businesses in the informal settlements and inner-city areas exclude migrant-owned businesses. For example, the Gauteng Township Economy Revitalisation Strategy 2014–2019 acknowledges the existence of foreign-owned businesses and goes on to describe their economic strategies and how local people should harness the same business incentives, such as bulk buying. However, it does not propose strategies for social cohesion and collaboration or exchange between South Africans and foreign migrants. It describes the influx of foreign-owned businesses as “choking off” existing entrepreneurs and businesses in township spaces through their competitive prices and business strategies. It diagnoses the drowning out of traditional micro-businesses in townships due to the development of malls and the influx of foreign-owned businesses, which effectively shifts the blame onto those. While the Strategy explicitly refers to foreign migrants as a problem, other policy documents do not mention immigrants in their plans of action and refer only to South African citizens. For instance, the National Informal Business Upliftment Strategy, which includes numerous training programmes for informal business owners, is only accessible to South African citizens.

5.1.5. Operational challenges

Migrant businesses face various threats, including high levels of crime, xenophobic violence and attacks, coercion, and the non-provision of proper workspaces or documentation. Qualitative inferences from this study suggest that the contributions of migrants to the growth of the communities in which they operate are frustrated by systems that are, at most, unresponsive to and unresponsive of their needs. The key pieces of legislation that could provide support for immigrants are often framed in ways that are openly discriminatory, and at times creating a divide and sowing the seeds of enmity between South African citizens and immigrant entrepreneurs.

5.2. LIMITATIONS OF THE STUDY

The findings of this study, however, should be viewed in the light of some limitations, which can be addressed in future research studies. The limitations are discussed in the section that follows.

5.2.1. Quantifying GDP

One of the objectives of the study was to quantify the contributions of migrants through employment creation and their contribution to GDP in the informal settlements. While the contributions of migrants through employment creation could, at the basic level, be measured easily in terms of the number of employees per migrant business, their contribution to GDP could not be quantified with certainty.

The main challenge in this regard was the reluctance of respondents to share financial data regarding their business operations. Without reliable data on their daily and monthly turnover, it is difficult to arrive at credible estimations in terms of the value added to the economy of the informal settlements, and of Johannesburg more broadly. Given the structure of a survey and its emphasis on breadth rather than depth, it is difficult to build the requisite networks of relationships that could make the voluntary submission of credible financial information possible.

5.3. CONCLUSION

The research has considered the different facets of economic activities by immigrants in the informal settlements and in inner-city Johannesburg. The key findings indicate that immigrant businesses make social and economic contributions in the settlements in which they operate. They employ not only themselves as business owners but also South Africans and fellow immigrants, thereby addressing a gap in employment creation within these poor settlements. The data reveals that immigrant businesses are mainly unregistered and operate outside of established procedures, which gives credence to those voices seeking to problematize their practices and create xenophobic dissent. However, quantifying the economic contribution of immigrants in terms of GDP and corporate tax payments is difficult and creates narrow and problematic assumptions concerning their contributions. Their contributions are not always direct to the national treasury per se but are mainly localized in the communities where they operate. As such, we make some recommendations aimed at improving the operating environment for small businesses, to ensure that the country extracts the maximum benefits from them.

5.4. RECOMMENDATIONS

The growing levels of unemployment, poverty and inequality across the country mean that the Government of South Africa needs to formulate relevant policies and work with as many social and economic partners as possible. Owners of SMEs, whether foreigners or citizens, have a role to play in improving access to goods and creating employment in remote and poor communities. There are cases where transgression of the law was identified, for instance where some migrant-owned businesses qualify for VAT and income tax but remain unregistered. In such cases, the study advocates the implementation of mechanisms to educate migrant business owners and facilitate compliance with all the legal requirements for setting up businesses in South Africa.

Some of the recommendations of the study are presented in the next sections.

5.4.1. Recommendations for IOM and other international institutions working with migrants

- There is a need to formulate programmes and strategies to enable IOM and similar organizations to collaborate with government departments in facilitating the compliance of migrant-owned businesses with the laws of the country.
- Based on the findings of this study, which show the positive contributions of migrant-owned businesses to the inner-city and informal settlements, IOM should further develop policy guidance on entrepreneurship for migrants in order to increase awareness and enhance migrants' socioeconomic contributions. Alternatively, such guidance could be leveraged from stakeholders already engaged in similar work, to extend the impact and reach. As most migrant-owned businesses in this study rely on social networks rather than South African government initiatives for information, loans and skills training, IOM and its partners should consider setting up joint programmes to support migrant entrepreneurs in growing their businesses.

5.4.2. Recommendations for the City of Johannesburg

- City officials need to disseminate the findings of this study and related information widely in relevant municipal structures and forums, in order to provide an evidence base for any decisions that concern migrant-owned businesses in the inner-city and informal settlements. Changing the negative views among officials could help them to formulate policies that are supportive and not just punitive to migrant-owned businesses.
- The City of Johannesburg needs to implement stricter consequences for officials who thrive on corruption and extort migrant-owned businesses for personal gain in instances where such businesses transgress by-laws and other laws.
- The findings of the study revealed that awareness of by-laws among migrant business owners was relatively low in the informal settlements, which could explain their disregard for such by-laws and poor compliance with hygiene and safety standards. The City of Johannesburg officials in the relevant directorates should therefore enforce policies by means of regular inspections and awareness-raising campaigns.

5.4.3. Recommendations for stakeholders and regulators in the small and medium-sized enterprises sector

- Partnering with the South African Revenue Service to encourage migrants who qualify to register for tax will ensure that they contribute to the national treasury directly.
- Address the issues of local community leaders and South African business owners who feel that migrant businesses are cheating the country out of tax revenue and that their competitors are therefore not operating on a level playing field.
- As echoed by local leadership, migrant-owned businesses would be more widely accepted if local people benefited from them through employment of at least 30 per cent South African nationals. In this regard, it is recommended that the Department of Small Business Development also pursue programmes to enable the registration of SMEs regardless of the nationality of the business owners, which would then facilitate close monitoring of their compliance with the quota system for employment.
- The banking sector should help widen financial inclusion by providing financial services and products aimed at ensuring that migrant-owned businesses utilize banking services. Increasing the practice of banking and the movement of money through registered financial institutions would also serve as a deterrent to money-laundering practices, which are fuelled by cash handling.

While this study is a partnership between IOM, the City of Johannesburg and national government departments, such as the Department of Employment and Labour, it is recommended that the Department of Home Affairs – as the custodian of immigration policies and legislation – should also consider inclusive ways of formulating policies that regularize migrants whose businesses contribute significantly to their host communities. In other words, the conventional criteria for obtaining a business visa should be reconsidered in ways that also cater to businesses operating in informal settlements.

Asylum seeker	An individual who is seeking international protection. In countries with individualized procedures, an asylum seeker is someone whose claim has not yet been finally decided on by the country in which he or she has submitted it. Not every asylum seeker will ultimately be recognized as a refugee, but every recognized refugee is initially an asylum seeker (IOM, 2019a).
Country of destination	In the migration context, a country that is the destination for a person or a group of persons, irrespective of whether they migrate regularly or irregularly (IOM, 2019a).
Country of origin	In the migration context, a country of nationality or of former habitual residence of a person or group of persons who have migrated abroad, irrespective of whether they migrate regularly or irregularly (IOM, 2019a).
Informal settlement	An unplanned settlement on land which has not been surveyed or proclaimed as residential, consisting mainly of informal dwellings (Statistics South Africa, 2012).
Informal trading	An umbrella term for all those who sell goods and services informally, regardless of the location. This is contrasted with formal trading, which would constitute those who own registered businesses or who work for wages and have employment contracts (Tissington, 2009).
Integration	The two-way process of mutual adaptation between migrants and the societies in which they live, whereby migrants are incorporated into the social, economic, cultural and political life of the receiving community. It entails a set of joint responsibilities for migrants and communities, and incorporates other related notions such as social inclusion and social cohesion (IOM, 2019a).
Internal migration	The movement of people within a State involving the establishment of a new temporary or permanent residence (IOM, 2019a).
International migration	The movement of persons away from their place of usual residence and across an international border to a country of which they are not nationals (IOM, 2019a).

Migrant

An umbrella term, not defined under international law, reflecting the common lay understanding of a person who moves away from his or her place of usual residence, whether within a country or across an international border, temporarily or permanently, and for a variety of reasons. The term includes a number of well-defined legal categories of people, such as migrant workers; persons whose particular types of movements are legally defined, such as smuggled migrants; as well as those whose status or means of movement are not specifically defined under international law, such as international students (IOM, 2019a).

Migration

The movement of persons away from their place of usual residence, either across an international border or within a State (IOM, 2019a).

Permit

In the migration context, documentation, such as a residence or work permit, which is usually issued by a government authority and which evidences the permission a person has to reside and/or carry out a remunerated activity (IOM, 2019a).

Street trading

The act of selling goods or services on the street – on pavements, in the middle of the road or in other public spaces – undertaken by a street trader or street vendor in an activity that forms part of the informal economy (Tissington, 2009).

Refugee

A person who, owing to a well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it (IOM, 2019a).

Visa

An endorsement by the competent authorities of a State in a passport or a certificate of identity of a non-national who wishes to enter, leave, or transit through the territory of the State that indicates that the authority, at the time of issuance, considers the holder to fall within a category of non-nationals who can enter, leave or transit through the State under the State's laws. A visa establishes the criteria of admission into, transit through, or exit from a State (IOM, 2019a).

Xenophobia

At the international level, no universally accepted definition of xenophobia exists, though it can be described as attitudes, prejudices and behaviour that reject, exclude and often vilify persons, based on the perception that they are outsiders or foreigners to the community, society or national identity (IOM, 2019a).

RESEARCH MATRIX OF KEY ASSESSMENT AREAS

Issues to be assessed	Indicators	Sources of information	Methods and tools for the data collection
1. Analysis of the correlation between migration status and income-generating strategies employed by international migrants, national migrants and non-migrant members of the selected settlements.	<ul style="list-style-type: none"> • Citizenship/immigration status • Nature of business/type of occupation • Length of stay in Johannesburg • Level of education • Impact of immigration status on employment and wages 	<ul style="list-style-type: none"> • Census 2011 data • Data from survey • Official and publicly available datasets • Labour force quarterly survey • Work permit visas 	<ul style="list-style-type: none"> • Document analysis • Key informant interviews with officials • Survey of migrant businesses
2. Analysis of the impact of a regulatory framework (at national, provincial and community levels) on migrants' business enterprises in the selected settlements.	<ul style="list-style-type: none"> • Extent to which immigration legislation, policies and case law provide frameworks for migrant businesses • Extent to which the City of Johannesburg's plans, by-laws, local economic development and related policies regulate migrant-owned businesses • Provincial policies on township economy 	<ul style="list-style-type: none"> • Data from survey • Secondary literature on migrant entrepreneurship in Johannesburg • Experiences of officials 	<ul style="list-style-type: none"> • Document analysis • Key informant interviews with officials • Survey of migrant businesses
3. Mapping of business activities migrants engage in and their socioeconomic contributions through GDP, employment creation, payment of wages and business income.	<ul style="list-style-type: none"> • Number of foreign-owned businesses in specific sites versus locally owned • Nature of businesses owned by both locals and foreigners • Data on revenue and turnover • Average number of employees by nationality 	<ul style="list-style-type: none"> • Census 2011 data • Data from survey • Official and publicly available datasets • Labour force quarterly survey 	<ul style="list-style-type: none"> • Document analysis • Key informant interviews with officials • Survey of migrant businesses
4. Analysis of the correlation between the presence of migrants in an informal settlement and the number of enterprises and jobs created in the various economic sectors.	<ul style="list-style-type: none"> • Contribution to local supply chains by migrants • Contribution to value chains and local manufacturing activities • Provision of choice for consumers • Employment creation • Impact on prices of consumer goods and cost of living • Analysis of the Companies and Intellectual Property Commission registration processes and migrant experiences 	<ul style="list-style-type: none"> • Data from survey • Secondary literature on migrant entrepreneurship in Johannesburg • Experiences of officials 	<ul style="list-style-type: none"> • Document analysis • Key informant interviews with officials • Survey of migrant businesses

Issues to be assessed	Indicators	Sources of information	Methods and tools for the data collection
<p>5. Analysis of the socioeconomic activities prevailing in the informal urban settlements in relation to international or national migrants. Where there are similarities, establish to what they can be attributed.</p>	<ul style="list-style-type: none"> • Number of foreign-owned businesses in specific sites versus locally owned • Citizenship/immigration status • Nature of business/type of occupation • Social responsibility such as participation in community-driven initiatives to clean up social ills and community policing 	<ul style="list-style-type: none"> • Data from survey 	<ul style="list-style-type: none"> • Survey of migrant businesses
<p>6. Analysis of the challenges encountered by migrants wishing to conduct income-generating activities. Analyse whether local government policy and regulatory structures on the ground provide an enabling environment that gives equal opportunities for both locals and migrants.</p>	<ul style="list-style-type: none"> • Extent to which immigration legislation, policies and case law provide barriers to entry for migrant businesses • Extent to which City of Johannesburg plans, by-laws, local economic development and related policies regulate business • Provincial policies on township economy and barriers to entry 	<ul style="list-style-type: none"> • Data from survey • Secondary literature on migrant entrepreneurship in Johannesburg • Experiences of officials 	<ul style="list-style-type: none"> • Document analysis • Key informant interviews with officials • Survey of migrant businesses

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