

Perceptions and experiences of migrant informal traders: A case study in the small town of Howick Pietermaritzburg.

By

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COLLEGE OF HUMANITIES

DECLARATION

I, Laurencia Nonhlakanipho Zuma declare that

- 1. The research in this dissertation, except where otherwise the researcher indicated, is my original research.
- 2. This dissertation has not been submitted for any degree or examination at any other university.
- 3. This dissertation does not contain other person's data pictures, graphs or other information, unless specifically acknowledged as having been sourced from other persons.
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ABSTRACT

Over the past decade the number of people on the move has grown steadily. In the absence of

formal employment options, many migrants turn to the informal economy to secure their

livelihoods. The number of migrant informal traders in Howick has increased dramatically

over the past few years. The aim of this study is to explore the experiences of migrant

informal traders in the town of Howick and the treatment they receive from other local

traders. The study also explores the contribution that informal trading has on the economy.

The study used a qualitative research method drawing on 16 in-depth interviews conducted

with migrants aged 20 years and above who owned informal businesses in Howick.

Interviews were conducted with both male and female migrants. The findings of the study

suggest that informal trading is contributing towards the economy through employing the

locals, paying rents and providing goods to the communities. The findings also suggest that

migrants are confronted with many challenges such as crime, xenophobia, demanding

customers, the high cost of living, and corruption in the government officials. The interview

suggests that there is no feeling between migrant and local traders and everyone has the goal

of building a successful business.

The research concludes by recommending that the government address corruption by taking

legal actions against those officials involved in corruption and taking bribes. Campaigns will

play a vital role in bringing awareness to social ills confronting migrants and finding way of

bringing social cohesion between locals and migrants. Locals also need to be empowered to

start their own businesses.

Keywords: Howick, Experiences, Migrants, Informal traders, Locals, Interactions.

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Abbreviations and Acronyms

CBD Central Business District

DFID Department for International Development

DRC Democratic Republic of Congo

GDP Gross Domestic Product

HSRC Human Sciences Research Council

ID Identity Document

IDI In-depth Interview

ILO International Labour Organization

MATRIC Matriculation

SAHRC South African Human Rights Commission

SAPS South Africa Police Services

SACOB South African College of Business

SMME Small-, Micro- and Medium-sized-enterprise

STATS SA Statistics South Africa

USAID United States Agency for International Development

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Since 1990, South Africa has become a destination for migrants particularly from the rest of Africa (Crush and William, 2018). Economic factors are one of the main motivators for people to migrate to South Africa (Chetty and Sherefedin, 2018). However, unemployment still remains a major economic and social issue in South Africa. The country continues to experience high levels of poverty and unemployment. According to Statistics South Africa (2020) the official unemployment rate is 31.1 percent. This means that the country is still having challenges with opportunities of employment.

With the introduction of a democratically elected government, South Africa has seen a significant influx of migration into and out of the country, driven by factors such as political unrest, poverty, overpopulation and unemployment. South Africa has become a destination of opportunity for migrants from all over the African continent as well as some parts of Asia (Thompson, 2016). As a result, South Africa is characterised as a rainbow nation composed of various racial groups and different ethnic groups from all over the world (Aguero and May, 2007). Migration is a complex issue and there is no single definition that can automatically be applied in all contexts. However broadly, migration refers to the movement of people from one country to another (Kok et al., 2003). According to Goldin and Cameron (2011) migration now generally refers to moving across borders, often with the purpose of settling for a period of time. There are several reasons people move from one country to another including for better economic opportunities. South Africa is well positioned to benefit from the influx of migrants especially those with advanced skills who tend to be most mobile and likely to end up in camps (Tobias, 2012).

As in the past, most migrants in South Africa are still from neighbouring countries such as Mozambique, Lesotho, Zimbabwe, Malawi, Swaziland and Botswana, however the numbers are not known although they have increased since 1990 (Crush and William, 2018). Although there has been an increasing number of Africans migrating to South Africa, there is still a challenge of unemployment in the country. "Since 2000 the unemployment rate has fluctuated between 25.6 percent and 30 percent but never showed significant decline despite continued attempts by the government to stimulate economic growth and reduce

unemployment" (Statistics South Africa, 2011). The deeper cause of South African unemployment lies elsewhere, and it is intimately connected to the inability of the South African economy to generate much growth momentum (Rodrick, 2008). As would be expected, unemployment is heavily concentrated among the young, unskilled, and the black population. This poor record on employment represents not only an economic tragedy; it poses a significant threat to the stability and eventual health of the South African democracy (Rodrik, 2008).

Unemployment is a matter of concern for it has an impact on economic welfare, production, loss of human capital, crime and social instability (Kingdon, 2003). Migrants in South Africa are forced to start small businesses to sustain their livelihoods. It is not only the migrants who have resorted to informal businesses but the locals are also increasing in this sector. Peberdy (2000) describes the term informal trade as typically small businesses which include buying from formal wholesalers and selling to customers. Informal trading is used to refer to businesses that are not registered and the government authorities are not notified and thus avoid paying taxes (Llanes et al., 2007). There are several reasons migrants tend to engage in the informal trade in South Africa, such as unemployment, personal independence etc. According to United Nations (UN) data, African migrants typically do not compete with locals, but rather they tend to start their own small businesses and employ South Africans (Klotz, 2013).

Vurlhuel et al. (2010) highlights that individuals decide to engage in entrepreneurial activities for a number of reasons. Over the past two decades and particularly since 1990, South Africa has undergone unprecedented political, social and economic change, which has opened the country to migrants from African countries (Peberdy and Rogerson, 2000). These changes have had a dramatic impact on South Africa's urban entrepreneurial and residential landscapes as well as trade relationships with other countries and pattern of migration responses (Peberdy and Rogerson, 2000). The migration situation in South Africa has been further aggravated by the influx of illegal migrants from the neighbouring countries in particular, where conditions of economic deprivation and depression occur and migrants are therefore prepared to work for meagre wages (Peberdy, 2001). The factors that encourage a person to move can be divided into push and pull factors. Push factors are forces that send a person from the country and pull factor are forces that attract a person to a certain area or country (Odrungton, 2008). Migrants vote with their feet when they depart, largely due to

lack of opportunity in their home communities or due to the attractions elsewhere (Moser et al., 2008)

The South African government has implemented policies to control the movement of people into the country. The Department of Home Affairs declared in 1998 that no one in the semi-skilled or unskilled categories would be normally accepted as a migrant worker (Peberdy, 2001). The control over the movement of people into and out of national territory is integral to the exercise and maintenance of state power (Coner, 1994). However the Department of Home Affairs argues that the restrictions were imposed to deal with the problem of people over staying their visas. Another factor that has caused new restrictions on the border control is the issue of undocumented migrants, illegally imported goods, and the trade in drugs and guns (Peberdy, 2001).

Self-employment is an important income option for migrants who are living in South Africa. Migrant informal traders also constitute a significant proportion of street traders in the city centre (Peberdy and Rogerson, 2000). One study shows that for many migrants entrepreneurship is the main means of livelihood for the majority of migrants (Barrett et al., 2001). Many migrants in South Africa resort to street vending as a starting point for their economic insertion (Tengeh, 2013). This study is conducted in Howick (uMngeni Municipality) with the aim to find out the factors that motivate the migrants to start their business and also, to explore the experiences and challenges that migrant informal traders face in their businesses. According to Peberdy et al. (2013) in the central business district of Johannesburg there are more migrants involved in informal trade selling fruits, vegetables, bags, shoes, clothes and cooked foods. New policies are being introduced to remove street traders from the city to confine them to designated market.

It has been recognised all over the world that small businesses play a vital role in the social and economic development of the country and hence such businesses should be supported (Robertson, 2013). It is also important to examine the impacts of informal trade in addressing poverty and unemployment. According to South African College of Business (SACOB) (1999), growth and development in small business is important in South Africa to address poverty, unemployment, income inequality and low economic growth. Tengeh et al. (2012) observe that migrant entrepreneurship creates opportunities that have important implications for the South African economy. Migrant entrepreneurship can be one of the ways to reduce poverty, inequality, and stimulate economic growth in South Africa. This rise in the urban

informal economy plays an important role in job creation and labour absorption as approximately 4 million jobs are attributed to this sector (Tshuma, 2013). The argument for the contribution of the informal sector towards Gross Domestic Product (GDP) comes from the fact that they grow at a very rapid rate and gives even the unskilled and illiterate a chance to earn an income. For example, in South Africa small businesses are estimated to contribute 30 percent of GDP; however, it is argued that the contribution might be higher that it is believed because most of small businesses are not registered so as to avoid paying tax. If they were all to register and their output captured in the government records, then their true contribution to the GDP would be seen to be higher than is currently predicted (Tshuma, 2013).

Research on migrant entrepreneurship in South Africa is limited, with most studies focusing on participation in the informal sector, and cross border trade (Peberdy and Rogerson, 2000). The small business sector in South Africa has the potential to contribute to job creation and economic growth, whilst at the same time redressing historical imbalances and increasing economic participation of Blacks since the current state of economic participation is a great concern (Luiz, 2001). The majority of migrant entrepreneurs in the informal sector appear to be involved in retailing or buying and selling activities particularly on the streets. These studies points out that most street informal traders are dominated by migrants from a wide range of other African countries such as the Democratic Republic of Congo, Zimbabwe, Mozambique and some sell goods from their home countries such as leather bags, watches, shoes (Peberdy, 2016).

There are different kinds of businesses activities taking place in the informal sector. There is trading that involves buying from formal retailers and selling of goods within the country; there is also cross border trading whereby migrant informal traders travel to buy goods from the host country and sell in their country of origin (Peberdy, 2002). There are also category migrant informal traders who bring goods from their own country to sell in South Africa (Peberdy, 2002). These are products that are made by sellers such as key holders, traditional attires, wood crafts, shoes and many more. There are also various services that informal traders are involved in. The research that was conducted at Khayelitsha Township discovered that there are many spaza shops (tuckshops) that are foreign owned (Basardien et al., 2014). Spaza shops are generally not registered and operate in backyards or from the front part of a residential property. Most spaza shops are housed in corrugated iron sheet structures,

decommissioned containers or in some brick structures that is annexed to the main residential property (Basardien et al., 2014).

The challenges that migrants face in businesses should not be overlooked. It has been noticeable that there are challenges within the informal trade more especially for migrants in South Africa. Peberdy and Rogerson (2000) points out that although many traders enter the informal sector to survive, they are now anxious to remain self-employed and see their future in developing their businesses. Pinkowsk (2009) argues that treating ethnic businesses the same as mainstream businesses is not equal treatment because they have different issues and challenges which need to be addressed by public policy. A study conducted by Maharaj and Moodley (2009) concluded that the problems facing migrants are divided into three categories. Firstly there are legal documentation of the migrants; secondly there are the socioeconomic and social assistance (health, education, employment) and lastly there are the cultural and economic integration and xenophobia. This clearly indicates that there are various kinds of challenges faced by migrants in the informal trading hence the study explores some of those challenges in the area of Howick town under Umngeni Municipality.

It is argued that street trading constitutes an ancient and important occupation found in virtually every major city around the world (Bromley, 2000). In contemporary South Africa the activity of street trading is one of the most significant and yet most problematic (Rogerson, 2008). During the apartheid era street traders were restricted by policy measures that resulted in the forced removal of black traders seeking to occupy trading spaces. Since 1994 there has been an emergence of more tolerant policy environment towards stress traders in major cities such as Durban, Johannesburg, and Cape Town (Steck et al., 2013). The disjuncture exist between issues of poverty alleviation and job creation which are often prioritised by the national government and local government views that informal trading as undesirable because it causes disorder and affects good management of the cities (Matjomane, 2013). The implementation of economic growth through informal trading seems to contradict policies measures. In the case of Johannesburg, this is largely attributable to the contradictory interest of the municipality's double agenda where the city is faced with the challenge of promoting street trading for the sake of poverty alleviation while at the same time promoting street cleanliness and the city image (Matjomane, 2013). The existence of informal trade has caused ambivalent feelings because many people are benefiting by improving their livelihoods but there are issues that negatively impact on the city's image.

1.2 Rationale of the study

As migrant informal trading grows, it is important to examine their experiences and their business activities. Migrant businesses are portrayed by officials, citizens and the media as having a negative impact on the South African economy and undermining the livelihoods of South Africans. Such perceptions helped to explain growing xenophobic sentiment against migrants (Tawodzera and Crush, 2015). The study seeks to find out if the locals' perceptions have changed over the years especially those who are involved in the informal sector.

Statistics reveal that unemployment has escalated over the years with just over 30 percent in 2020 (Statistics South Africa, 2020). Almost half (47 percent) had been unemployed in South Africa before starting their business (Peberdy, 2016). The study seeks to explore the contribution that informal traders has on the country's economy. The researcher also attempts to examine the challenges that migrants face in their businesses. According to Peberdy (2016), the majority of migrants had moved to South Africa after 1994. Many migrants moved to South Africa to seek better socio-economic opportunities. This study also explores different motives for migrants' decisions to move to South Africa. Informal trading activities are not only taking place in major cities such as Durban and Johannesburg but there are migrants in small towns that are also involved in informal trading. The researcher wants to explore the motivation of the migrants to start their businesses in a small town such as Howick as well as their experiences as informal traders.

1.3 Purpose of the study

The overall aim of study is to explore perceptions and challenges experienced by migrant informal traders in a small town in South Africa.

The specific objectives are:

- To investigate the motives for choosing the area for starting their informal trading.
- To explore challenges the migrant informal traders encounter while conducting business.
- To explore how are perceptions and relationships from local traders.

In order to achieve the objectives of the study there are a number of key questions.

- What motivated them to come to South Africa and become involved informal traders?
- What are the experiences and challenges migrants face in business?
- How is the relationship between migrant and local traders?

1.4 Sustainable Livelihood framework

The study draws on the livelihood strategies to understand the perspective and experiences of migrant informal traders. Livelihood strategies provide a guide for research and intervention. It focuses on the fact that the people are directly affected by poverty and they are striving to make a living preferably above the level of mere survival (Place et al., 2005). People create and embrace new opportunities such as informal trading and innovation to make a living out of it. A livelihood comprises the capabilities, assets, and activities required for a means of living. It is deemed sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities, assets, and activities both now and in the future, while not undermining the natural resource base (Serrat, 2017). Carney et al. (1999) defined livelihood strategies as the choices that people make in pursuit of income, security, wellbeing and other productive and reproductive goals. Livelihood comprises the assets (natural, physical, human, financial and social capital), the activities and access to these mediated by institutions and social relations that together determine the living gained by the individual. According to Ellis (2002), livelihood is an ongoing process and it cannot be assumed that the elements remain the same from one season to the next or from one year to the next. Chambers and Eleanor (1997) describe livelihoods as compromising of capabilities, assets including both material and social resources and activities required for securing a means of living.

Natural capital is presented in the form of land, water, minerals. This indicates that this form of capital is basically natural resources which are part of the basic needs of people. (Place et al., 2005). In the case of this study, migrants need to express their views on the availability of accommodation, as well as access to basic needs such as shelter, space of land, water etc. Physical capital looks at infrastructure (transport, roads, vehicles, secure shelter and buildings, water supply and sanitation, energy, communications), tools and technology (Serrat, 2017). This component indicates the various kinds of businesses the migrants are

involved in. It also gives insight into the conditions under which these informal traders are working. Human capital is represented by the ability to work, skills, health and also level of education (Sander, 1996). This form of capital allows the migrants informal traders to share their skills such as their level of education, and the researcher will also identify if the businesses are out of their own choices or they are forced by circumstances to be involved in informal trading. Social capital includes membership in various types of organisations and programs including training and extension programs, producer organisation (Hans et al., 2006).

Social capital looks at networks and connections (patronage, neighbourhoods, kinship), relations of trust and mutual understanding and support, formal and informal groups, shared values and behaviours, common rules and sanctions, collective representation, mechanisms for participation in decision-making, leadership (Serrat, 2017). Social capital, according to Place et al. (2005) is also quality of relationships among people and the extent to which one can count on support from the family or mutual assistance. Lastly, financial capital includes savings, credit, income from the job; remittances and trade that are utilised by people for their livelihoods (Serrat, 1992). This type of capital for migrants informal traders seem to be the core factors that identifies if the business will develop into the formal sector by observing the improvement of the business. This is where migrant informal traders will have to give the insight about the progress the business, if they are making enough income to sustain themselves, their business as well as their families.

These types of capital are useful components of the assets that support individual and household livelihood strategies; hence they are included in the definition of a livelihood under consideration and their significance for the livelihood approach (Ellis, 2002). These five elements of livelihood strategies will contribute in better understanding the challenges of these traders. The research suggest that migrants seek self-employment because of discrimination in the larger markets and disadvantages associated with their status, their poor english proficiency and the depreciation of human capital (Pendaakur, 1999). Research indicates that two types of resources, human capital and social capital, are important in migrant self-employment and intergroup variation in business ownership, facing limited employment opportunities, and many migrants view self-employment as a route to upward mobility. Business ownership allows them to use their human capital resources and the well-educated migrants often own businesses elsewhere (Sander, 1996). Social background affects

the availability of investment capital from relatives and the ability to qualify for loans from lending institutions (Sander, 1996).

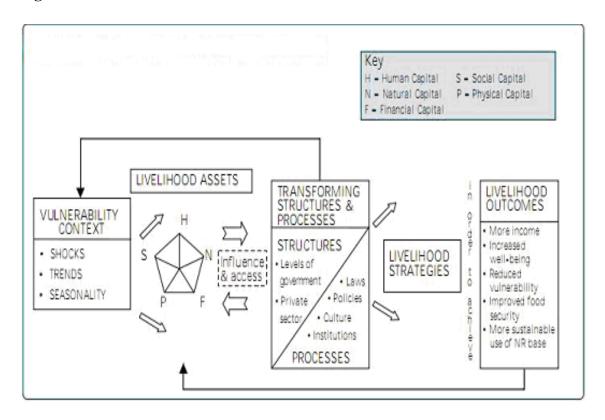


Figure 1.1: Sustainable Livelihoods Framework

Source: DFID (1999)

1.5 Structure of dissertation

The first chapter sets the scene for the dissertation. It provides an overview of the situation of migrants and outlines the main objectives of the study as well as the theoretical framework informing the study. The second chapter reviews relevant literature on the experiences of migrants in the informal trading. The chapter three provides a detailed description of the methodology used in this study. It outlines the sampling design as well as the research method used in this study, and also notes the limitations of the study. Chapter four presents analysis of the findings gathered from the interviews that were conducted. Lastly, chapter five provides the summary of findings and conclusions of the study are articulated. The study also highlights recommendations as to how migrant informal trading can be used more effectively to decrease the level of poverty in the country.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on migrant informal traders in South Africa, as well as other countries. The chapter also looks at migrant informal trade from a global perspective, highlighting some of the trends in informal trading in South Africa and globally. The literature highlights the motives that drive the migrant informal traders to start their business outlining the challenges and opportunities that they encounter in their business. The chapter also examines the contribution of the informal trader to the economy of South Africa. It also looks at the treatment the migrant informal traders receive from local traders.

2.2 Informal trading in South Africa

Over the past decade, major metropolitan areas in South Africa have experienced dramatic social and economic change. The demise of formal apartheid combined with the increasing globalization of people and activities have opened cities to a host of political, economic and demographic processes which have altered both the spatial structure of urban areas and social interactions of urban residents (Popke and Ballard, 2004). Migrant entrepreneurship is described as the process by which a migrant establishes a business in a host country (or country of settlement) which is not their country of origin (Dalhammar, 2004). The informal trading sector in South Africa encompasses a wide range of vending, productive service and trade activities in rural and urban areas, the inner city, semi-urban and suburban communities as well as informal settlements (Peberdy, 2000). Over the past decade the explosive expansion of South Africa's informal economy has become more evident, nevertheless accurate national statistics on the growth and level of participation in the informal economy are lacking due to the problems of restricting the boundaries of the informal economy (Robertson, 2003).

A number of foreign nationalities such as Pakistanis, Chinese, Zimbabwean and Somalis are now increasingly participating in the informal sector of the South African economy. These changes can be attributed to the influx of both legal and illegal migrants from the region and even beyond into South Africa (Maharaj and Moodley, 2009). The informal economy is

evident in the hosting of new streets or side-walk centred activities, flea markets, hawkers, streets barbers, shoe-shiners and sex workers; child minding spazas (retail outlets), back yard workshops or garage, and hairdressers (Rogerson, 2000). Due to high unemployment, more people have resorted to opening their small businesses for survival in order to support their families. Since the advent of democracy in 1994, South Africa has witnessed a large influx of foreign nationals into the country (Robertson, 2013). Due to the fact that people move all the time, it has been important for the government of South Africa to document them (Maharaj, 2004). Despite the challenges associated with poverty and unemployment affecting the townships and the informal settlements, there is a reasonable amount of demand for some basic commodities to sustain the livelihoods of people living in these areas (Basardien et al., 2014).

There are an estimated one million street traders in all of South Africa, 70 percent of them are food vendors. Street traders contribute greatly to the overall economy of South Africa, as demonstrated by the R51.7 billion expenditure in the informal economy (Arias, 2019). Chen, Harvey and Kihato (2018) stated that in Gauteng, 56 percent of workers are in the informal sector, though the security of their jobs may be undefined. The Department of Trade and Industry (2007) reported that about 1.69 million people between the ages of 15 and 65 were involved in informal business trading. Although these statistics do not differentiate between locals and foreigners, it has pointed out that foreign-owned spaza shops have been steadily outmanoeuvring survivalist operators who make up the majority of all enterprises (Charman and Piper 2011).

Luiz (2001) believes that the small business sector in South Africa has the potential to contribute to job creation and economic growth, whilst at the same time redressing historical imbalances and increasing black economic participation since the current state of economic participation is a great concern for the government in South Africa. Robertson (2013) highlights that a comparison of South Africa and United States of America in terms of factors hindering entrepreneurial activities shows that it is more costly to start a business in South Africa than in America. In South Africa, the history of apartheid system has been a contributing factor since more black people were denied the opportunities; hence the exposure to the business world was very limited.

Migrants do not enter business as a way of life but rather it is their best opportunity of making a living when life provides few alternatives. Many migrant informal traders start their

businesses being motivated by circumstances which may be unfavourable for them such as unemployment and poverty. Barrett et al. (2001) add that migrant entrepreneurship appears to occur in the circumstances of urban and economic adversity, where entrepreneurship is the only means of livelihood for many migrants.

Apart from talks of diversity and inclusivity, official attitudes towards migrants and migration have been slow to change (Peberdy, 2001). The Department of Home Affairs declared in 1998 that no one in the semi-skilled or unskilled categories would normally be accepted as a migrant worker (Peberdy, 2001). The control over the movement of people into and out of national territory is integral to the exercise and maintenance of state power (Coner, 1994). However the Department of Home Affairs argues that the restrictions were imposed to deal with the problem of people overstaying their visas and the high visa fees. Another factor that has caused new restrictions on the border is the issue of undocumented migrants, illegal imports goods, and illegal drugs and guns (Peberdy, 2001). According to Maduna (1995) despite these inequalities and problems with service delivery to all but when it comes to migration the state sees itself as exceptionally well established as compared to other African countries thus South Africa is a magnet for migrants. The participation of less skilled migrants in South Africa's labour marked feeds fears about cross border migration

The existing literature shows that informal sector cross borders trade exists in the region, and this is whereby traders come to South Africa to buy goods and sell them in their own country (Peberdy, 1999). A study conducted by Peberdy (2000) shows that most of the migrants involved in the informal trade has some formal education, 42 percent of the participants mentioned that informal trading was a survival strategy, 7 percent categorised themselves as artist of their own work. The majority of the migrant informal traders support their families through informal trade. The overwhelming majority who were interviewed (70 percent) said that they brought goods to South Africa, 56 percent of all migrants informal traders takes goods from South Africa to their countries to sell. According to Peberdy (2000) the investment of profits by non-South Africans traders often in locally manufactured goods indicating the interaction between the formal and informal sector. It also suggests that informal cross border trade may have a positive impact on formal sector employment in South Africa.

2.3 Global perspective of informal trading

Over the past two decades, despite predictions to the contrary, employment in the informal economy has risen rapidly in all regions of the developing world and various forms of non-standard employment have emerged in most regions of the developed world (Carr et al., 2001). Some countries have experienced little or no economic growth, while others have pursued capital-intensive growth or what some observers call "jobless growth" (Carr et al., 2001). The dramatic growth in the informal economy has been fuelled by rapid urbanisation, political restructuring and war, famine and disease (Brown et al., 2010). According to Crush, et al. (2015) the informal employment comprises more than half of non-agricultural employment in most regions of the Global South, 8 percent in South Asia, 66 percent in Sub-Saharan Africa, 65 percent in East and Southeast Asia and 51 percent in Latin America. There is also significant variation between countries. For example, the proportion of non-agricultural work in the informal sector ranges from 18 percent in South Africa to 40 percent in Zimbabwe to 71 percent in Mali (Crush et al., 2015).

The informal economy displays a high degree of vibrancy in job creation in Tanzania. However, it is faced with a number of constraints and suffers from low labour productivity and use of low technology or rudimentary tools (Aikaeli, 2014). The challenges that informal traders experience in Tanzania is the lack of financial capital to start up their businesses and there is limited knowledge of how they should formalise their businesses hence they tend to employ informally (Aikaeli, 2014). Overall, government policy is clear in that it does not support informal sector employment but strives to achieve formalization for some reasons comprising, among others, tapping the tax potential of the informal economy in Tanzania (Aikaeli, 2014). The results reveal that higher earnings in the informal compared to the formal settings given the professional status of the micro and small practitioners which is among the major reasons for workers in this industry to choose informal rather than formal employment (Aikaeli, 2014).

It is evident that informal activities are an integral part of tourism in many developing countries (Saayman, 2020). This has led to large-scale displacement of informal traders in many countries, including those in Latin America (Bromley and Mackie, 2009). Damayanti et al. (2017) states that for many destinations, these informal activities have become an integral part of tourism product offering. This notion is confirmed by Hsieh and Chang (2006) who

indicates that in Taiwan shopping at tourist night markets has become one of the most important tourist attractions and a way to experience the authentic lifestyle of locals.

The informal economy is not restricted to developing countries or to a few peripheral activities in developed countries. In the last 30 years, this economy has rocketed in virtually all Organisation for Economic Cooperation and Development (OECD) countries and today with a gross domestic product of 10-20 percent (Bureau and Fendt, 2011). Hudson et al. (2009) stated that it is now widely recognised that the informal economy is growing in the South East of Europe. A survey of five South East nations highlights that informal waged employment constitutes to 24 percent of all informal work (Williams, 2010). Even though the informal economy is also growing in the developed countries, but the developing countries are leading with high number of people participating in the informal economy. This is mainly because of the high rate of unemployment as many people tend to resort to informal trading and others get employment in the informal sector (Benjamin et al., 2014).

2.4 Motivation for migration

2.4.1 Unemployment

In South Africa, lack of demand for labour in the formal economy has created a pool of unemployed people, some of who see themselves as having no choice but to start a business in order to generate the income required to survive (Cohen, 2010). One African male trader said that he saw himself and other young people who are unemployed as having a choice only between starting a business or becoming criminals. He chose to start a business because the potential consequences of crime outweighed the appeal of immediate pay-off (Cohen, 2010). The state of the economy motivates the traders to start their business and informal trading becomes the source of income. However, many of them qualified seeing a profitable opportunity with statements such as, 'it is more profitable than being unemployed' (Cohen, 2010).

2.4.2 Education

A study that was conducted by Sidzatane (2011) found that one of the primary factors that motivate migrants to come to South Africa is the hope of employment with the educational qualifications that they have obtained from their country of origin, however due to high unemployment rate; informal trading becomes the main means of survival. The other research finding is that migrants tend to choose informal trading because they do not have the legal document for their stay in South Africa, thus becoming self-employed tends to be the only option to maintain their livelihood (Maharaj and Moodley, 2009). Some migrants come with the hope to pursue further education but if they do not make it, they are forced to start businesses to cope and also support their families back home (Sidzatane, 2011). Salaff and Greve (2001) confirm that skilled migrants have a problem in finding employment in their new countries because their education is not valued or recognised by local work providers. In addition, some people urge professional and technical migrants to give up the desire of breaking into the local workforce and rather to start up a business.

2.4.3 Political reasons

According to Habiyakare et al. (2009) the tendency of migrants towards business is not introduced, but rather reactive or a situational state which they find themselves into. This means that most of the migrants enter into informal trading as a way of life and also it is the best way for them to making a living. Some of the migrants leave their home because of political reasons and hence they migrate to South Africa for better opportunities. Political unrest such as wars in the country of origin causes people to migrate to other countries and South Africa has been attracting many African countries after the demise of apartheid. Over the past 20 years South Africa has experienced significant changes politically, socially and economically. One causal factor was the lifting of state-based constraints on urban residence, entrepreneurship and immigration (Callaghan and Venter, 2011). At the end of apartheid, South Africa became the magnet to the African countries, because many people were given opportunities that were previously deprived, such as participating in businesses (Thompson and Grants, 2015).

Migrants are forced to move because of the corruption in the political system in their home countries that deprives them of good opportunities, and in many cases they have skills but are unable to utilise it due to the country's political system (Ncube et al., 2019). The wars are also one of the push factors that influence people to leave their country and seek refuge in South Africa. Due to the scarcity of employment, migrants tend to save and open their small businesses to make a living (Chikanda and Tawodzera, 2017). Some of the migrants tend to open their businesses because they do not have permits or citizenship to be able to find formal employment; applying and waiting for the legal documents can be a long process and hence they find ways to survive which is informal trading (Amisi, 2006).

2.4.4 Citizenship

The study conducted by Thompson (2016) on Somalis business owners revealed that they obtain financial capital from their businesses to be able to invest in other parts of the world such as Europe and North America. They also find it easier and cheaper to get citizenship in South Africa compared to the United States of America and other parts of Europe. It was also discovered that South Africa becomes their starting point to entry to first world countries in terms of the administration (Thompson, 2016). Research shows that Ethiopians uses South Africa as a stepping ground, to migrate to developed countries such as Europe (Gebre and Maharaj, 2011). According to Gebre and Maharaj (2011) Ethiopian migrants came to South Africa with the hope of moving to another developed country, specifically the United States of America. So they use the country as a stepping stone since the administration is more efficient as compared to their country of origin. Gebre and Maharaj (2011) reveals that Durban has become a destination for Ethiopian migrants who wish to stay in South Africa for a short period before proceeding to other countries. According to the respondents, Durban is a favoured destination as it has a greater availability of economic opportunities and less hostile in comparison to other cities in South Africa. The study also indicated that none of the respondents were certain about the exact duration of their stay in South Africa.

Another reason the migrants tend to resort to informal trading is due to the fact that migrants may not have citizenship or proper legal permits for them to be living in the country. Gebre and Maharaj (2011) further mentions that they do not have a work permit and thus cannot get any support from government. Therefore, their alternative is to seek any form of employment available or they obtain loans from other Ethiopians and begin petty trading or performing house-to-house selling in the townships. This indicates that sometimes citizenship becomes

an issue and without a legal permit to work in the country, they cannot get formal employment and hence they decide to sell goods to their fellow Ethiopians to earn an income.

2.4.5 Social networks

Social networks also play a huge role in influencing migration to South Africa. Sports seem to be playing a vital role in influencing people's perceptions about the country. The research finds that South Africa is more cultural and religious tolerance compared to other countries hence South African becomes a destination for many African migrants (Thompson, 2016). A survey conducted by the Southern African Migration Project (SAMP) found that 25 percent of people in Zimbabwe and Namibia had their parents working in South Africa at some point in their lives (Crush et al., 2005). Social networks have played a huge role in influencing migrants about the opportunities available in South Africa. The rich information that social media has about the country draws the general public to visit the country. Maharaj and Moodley (2009) point out that many of the migrant street traders stated that they chose to come to Durban because of the information they had obtained from their networks of friends and relatives. They were told by their social networks that the city is a secure place to live and conduct business.

In the study conducted by Lin (2014) on Chinese who choose to move to South Africa. It was found that social networks play a very vital role during the processes of deciding to relocate. That paper draws on the importance of social ties in helping Chinese migrants have easier time migrating to South Africa and establishing their small businesses. The Chinese found that social network limits barriers to entry into South Africa. In terms of social networks, relationships with family, relatives, and friends helped in gaining entry in the country.

2.4.6 Strong currency

A study was conducted by Ngomane (2010) to explore and provide substantiated information on the socio-economic impact of illegal Zimbabwean migration in South Africa in terms of crime, xenophobia, skills, social security, infrastructure and services. The study found that one of the reasons the Zimbabwean migrants come to South Africa is due to the strong currency with vast opportunities and thus they are able to send remittances to their families in

the form of money and basic commodities. The South African currency is also strong compared to other African countries hence migrants prefer to migrate to South Africa and establish their business for the livelihoods of their families. It is also advantageous for the traders because they make money faster than in their own country (Gebre and Maharaj, 2011).

2.4.7 Personal preference and independence

A study conducted by Peberdy and Rogerson (2000) found that the first and the largest group were content to work as informal sector traders. They repeatedly expressed their satisfaction with self-employment, 'independence' and 'selling and trading'. A significant number said that they had entered street trading as they wanted to be self-employed. Others said that they had found that formal sector employment did not offer them the same opportunities. These traders were more likely to have entrepreneurial aspirations. This indicates that not all the migrants are forced to resort to starting their business but some resort to informal trading because they want to be flexible and they are doing something that they are passionate about. Kirkwood (2009: 349) classifies "the key triggers of entrepreneurial motivation as a desire for independence which is primarily classed as a pull factor. Owning their businesses also give them a sense of pride, as compared to working for formal business where they are time restrictions and also formal institutions can be a hindrance to growth at the personal level". Even though there are challenges in informal trading but migrants find informal trading beneficial because they are able to control the profit obtained from the businesses. They are also flexible in managing time, because a full time job can be limiting in terms of time.

2.5 Contribution to South Africa's economy

The informal sector in many African economies shares a large proportion of the Gross Domestic Product (GDP) which should stimulate governments to debate and seek to design mechanisms that formalize informal businesses instead of creating legal barriers for this sector (Mbaye, 2014). Informal traders in African countries for which data is available contribute between 85 and 99 percent of total employment in trade and between 46 and 70 percent of total value added in trade. In most African countries, other than North African Muslim countries, women represent at least 50 percent, if not more, of the total number of

traders (Skinner, 2008) In Africa the informal sector as a whole is estimated to account for 60 percent of all urban jobs and over 90 percent of all new urban jobs. After home-working, street trading is estimated to account for the largest share of these jobs (Charmes, 2000). Most migrant entrepreneurs employ native South Africans. In addition, migrant entrepreneurs create employment for themselves. This suggests that migrant entrepreneurship can be one of the ways to reduce the high unemployment rate in South Africa (Fakoti and Patswawairi, 2012).

At start-up, most migrants and entrepreneurs utilize networks and employ relatives or fellow migrants from their home country. Only after a period of consolidation and business growth do they begin to employ a growing proportion of South African workers (Peberdy et al., 2000). Kalitanyi and Visser (2010) find that more than 80 percent of African migrant entrepreneurs interviewed employ South Africans in their businesses. In addition, entrepreneurial skills are transferred from migrant entrepreneurs to their South African employees. Thus, migrant entrepreneurs contribute to the growth and development of South Africa. Apart from employment, migrant entrepreneurs are assisting with inner city development such as renting of business premises, buying goods from suppliers and selling them to their target market (Fakoti and Patswawairi, 2012).

The high rate of unemployment in South Africa is a huge economic and social issue, but the informal trading tends to address the issue of unemployment. Traders are motivated by their survival needs and those of their families; this ensures their strong commitment to the success of their business (Holness et al., 1999). A study conducted by Fakoti and Patswawairi (2012) indicates that majority of the respondents employ South Africans in their businesses. This shows that informal economy is not only beneficial to the owners but it also creates opportunities that alleviate poverty in the country.

Sidzatane and Maharaj (2013) conducted a study on the migrant street traders in Durban. The migrant street traders that were interviewed reported that they contribute towards the economic development of the city. Many traders maintain that it is necessary to play their part in the development of the city since they are able to continue operating their businesses despite the challenges that prevail (Sidzatane and Maharaj, 2013). They employ boys who use trolleys to sell their products and also transport the goods to the building for storage and they are paid for the job they do. They also mentioned that they buy their stock from the wholesalers around Durban which is also the contribution to the formal economy and

wholesalers are kept running by their purchases. They also pay for rent in the places where they live; they also pay for electricity which is also a contribution to the municipality (Sidzatane and Maharaj, 2013). In that way migrants traders do not regard themselves as a burden to the country, however their businesses creates employment for the locals and poverty is alleviated. There is also less strain to the government because informal trade has become the sector whereby most people participate in, even those that have formal employment.

2.6. Experiences of migrant informal traders

2.6.1 Xenophobia

Xenophobia is described as the bitter outcome of the exertion of collective identity that springs from economic, political and cultural demands (Shindondola, 2003). According to the Human Science Research Council (2008:10) "xenophobia is pervasive in a broad sense and is related to an accumulation of many different negative attitudes rather than a consolidated mind-set. It is caused less by competition for jobs and resources than usually expected and at least as much by personality attributes and ethnic loyalties among local people". Xenophobia has been one of the biggest issues that has affected many migrants especially those from African countries. In the study that was conducted by Jinnah (2006), most of the respondents experienced fear due to the negative way they were treated by local South Africans.

Sidzatane and Maharaj (2013) conducted a study on street traders in Durban. One of the finding were migrant street traders expressed negative attitudes at the treatment they receive from the police (and more specifically the Metropolitan police). Durban's policemen are perceived as misusing their legal powers by arresting and maltreating the migrant street traders. The respondents also mentioned that they abuse them because they are foreigners. They take all the products that they are selling and tell them to go back to their country of origin, or else they have to pay bribes of R200 and even people around do not even help the migrants but instead they laugh at them.

There are many reasons xenophobia exists in the country and one of the facts is the rate of unemployment. According to the Labour Force Survey the unemployment rate is around 30.1 percent (Statistics South Africa, 2020). The formal employment rate has decreased by 10.8 percent (Statistics South Africa, 2020). Maharaj (2004) argues that xenophobia developed as

the vast expectations of the poverty-stricken masses were not met due to the inability of the new democratic government to deliver immediately. Cronje (2009) further argues that anger by South Africans at migrants with illegal documents getting access to services is therefore understandable and was brought about in large part by the failure of the police and the government to crack down on fraudulent documents. A study conducted in a Port Elizabeth township (Walmer) revealed that jealousy was one of the main reasons for xenophobic violence there. In the Walmer Township, xenophobic violence usually takes place when attackers are jealous of the foreigners' business success (De Jager, 2013). Another common stereotype is that migrants are referred to as job stealers, migrants as criminals and migrants as "illegals and that perpetuate violence towards the migrants (Danso et al., 2001). The existence of xenophobia has a negative impact on the migrants businesses as some had to stop operating their enterprises in a particular area (Khoza and Kalitanyi, 2014).

2.6.2 Language Barrier

The issue of language for the migrants have been also one of the obstacles they face living in South Africa. Gebre and Maharaj (2011) mentioned that Ethiopian migrants in South Africa live isolated from other groups. The residential areas of Ethiopians are communal in nature as many share flats and rooms. They do not socialize with the South African community or other refugee communities. Most Ethiopian migrants do not speak any of the local languages. Many of them have knowledge of basic English, but not enough to communicate freely. This is one of the factors that prevent them from interacting with other communities. In a study that was conducted by Fakoti and Patswawairi (2012) in assessing the motivations and obstacles to migrant entrepreneurship in South Africa, one of barriers of performance in the business was the issue of language which had a negative impact on their business. In the case of Ethiopian migrants in Durban, South Africa, despite being unable to fluently speak the local languages, they remained in the city due to the social satisfaction and economic prospects present in the destination (Gebre and Maharaj, 2011). One of the challenges African migrants experience in the business is that most of the customers assume that they could speak the local language such as Zulu or Xhosa whereas they did not know the local language (Khoza and Kalitanyi, 2014).

2.6.3 Lack of financial capital

A study conducted by Maharaj and Sidzatane (2013) the respondents mentioned that they came to Durban without the necessary finances to start their business. They most often depended on friends and relatives to assist them with the money needed to start their businesses. In addition, migrant street traders reported that they experience difficulties in accessing money from financial institutions. The reason for this is that financial institutions consider migrants to be high risk clients hence they are unable to get loan approval from banks. Therefore, they are forced to look for employment or they take loans from other Ethiopians and start petty trading or house-to-house selling in the townships. However, it is difficult to get a job as a migrant (Gebre, 2007). Tengeh et al. (2011) state that even though African migrants are at a disadvantage when it comes to their businesses access to capital, it does not stop them from pursuing entrepreneurial activities. They resort to personal saving, family credit and loans from informal financial institutions. Many informal street-trading businesses are started with loans from social networks – friends and family – which emphasises the lack of formal financing (Canagarajah and Sethuraman, 2001).

In terms of economic challenges confronting informal sector entrepreneurs, both South Africans and migrants major issues are the lack of access to financial services including start-up capital and ongoing credit and the formal financial institutions are extremely reluctant to do business with migrant informal entrepreneur (Crush, 2015). According to Sidzatane and Maharaj (2013) since many migrants do not have capital, they end up struggling on the street selling with little profit. They sell goods on a small scale and their business operations are insecure especial in the middle of the month. Many migrant entrepreneurs do not have bank accounts and they fail to develop a credit history. Commercial banks can help to bring more migrants into the banking system by lowering or removing barriers to establish various accounts, opening more branches in migrant communities, hiring lending officers who come from migrant communities and developing partnerships with migrant associations (Fakoti and Patswawairi, 2012).

2.6.4 Vulnerability to Crime

Many migrant fear being robbed by criminals, they are also soft targets because sometimes the criminals that roam the streets know that migrant traders hide their money in their homes and also sometimes carry it around with them (Maharaj and Sidzatane, 2013). Many migrants do not have access to bank and that cause them to be more exposed to robbery because

criminal do know that traders carry money in their home or in most case they have money to themselves. In an attempt to secure themselves and their property, migrants have to pay security personnel in the area to provide them with protection. Each migrant street trader contributes a stipulated amount of money every week towards the wages of the security guards (Maharaj and Sidzatane, 2013). One of the pressing issues faced by South Africa is the high rate of crime, undoubtedly some migrants or are involved in criminal activity within South Africa. However, the views that they are associated with crime create deceptive connections which fail to separate criminals from law abiding migrants.

Surveys conducted on cross border shopping in South Africa also found that crime was the most commonly mentioned problem specifically the theft of cash or goods. Respondents reported that goods or cash being stolen while they were shopping, as well as at trading points and transport nodes (taxi ranks and airports, for example). Shoppers and traders may experience additional vulnerability to theft due to the large volumes of stock. In one of the studies Ethiopian respondents stated that the areas where accommodation and services are cheaper the level of crime is high, the typical example is the Point Road and West street in Durban where they fell the crime rate is high (Gebre and Maharaj, 2011). The migrants tend to be marginalised in society and having no support from the police, they become vulnerable to every kind of crime and even assault. Many cases go unreported because they feel like they are not taken seriously by the police when they report such cases. Some do not report these cases because they do not have relevant papers to permit their business activities (Banda and Mawadza, 2015).

2.6.5 Business permits

According to Kalitanyi et al. (2010), the majority of African migrants do not have business licenses. They are operating their business without any proper documentation and that is a hindrance for the business to grow because they also live in constant fear of their stock being confiscated by the policeman. Chikamhi (2011) conducted a study on the Greenmarket Square and Hout Bay craft markets and found that all the participants agreed that they had experienced delays in the issuing of permits by the South African Department of Home Affairs. The lack of proper documents is also limiting the migrants in terms of finding financial assistance from the financial institutions which causes them to find more risky ways of getting loans like loan sharks. Chikamhi (2011) found that a significant proportion of

African migrants had no knowledge of how to process and register a business. Chikamhi (2011) found that a significant proportion of African migrants had no knowledge of how to process and register a business. Those African migrants who are aware of the registration process are not motivated to start businesses, especially in the craft sector, because of the strict municipality regulatory system.

2.6.6 Competition

Due to the level of competition, the spaces of trading tend to be very limited which is a challenge for the informal traders. Several traders pointed out that there are fewer customers because people are unemployed and are spending money only on necessities such as food and transportation. A rising number of people appear to be window shopping, but not ultimately buying (Cohen, 2010). Some of the traders suggested that there is an increase in the number of traders was responsible for a reduction in the number of customers per trader (Cohen, 2010). Competition is fierce in the informal economy. In the study conducted by Tawodzera et al. (2015) suggest that more than half of respondents said they had too many competitors.

The informal trading is undoubtedly viewed as marginal enterprises that is confronted by lots of harassment which lower profits, but migrants tend to be double marginalized as they are not South Africans (Holness et al., 1999). Another issue that has been found is that migrant shops perform much better than the local shops which are caused by the inability of local businesses to match their lower prices (Basardien et al., 2014). The locals tend to be hostile towards the migrants traders because they perceive them to be stealers of opportunities and this kind of attitude leads to xenophobic attacks. The study by Basardien et al. (2014) also highlighted that in every corner of the informal settlement area and in townships there are a multitude of businesses operating. The study noted that in one street in the Khayelitsha area 42 informal businesses were identified within a distance of 2 kilometres. It is within this environment that competition amongst entrepreneurs have become extremely hostile and driven by aggressive pricing strategies. This clearly indicates that even though informal businesses play a huge role in the economy but there is also high level of competition especially in the townships.

Competition and jealousy among street traders frequently jeopardise their ability to work collectively and ultimately influence their ability to increase or maintain their income levels

(Companion, 2010). To eliminate competition and ensure repeat clientele, traders sometimes provide small loans to their customers that are never repaid or they sell products at lower prices. Ultimately, the traders experience losses (Companion, 2010). Other mechanisms that are used to decrease competition in Indonesia and Cambodia include consumer-friendly policies (such as being polite), providing quality products, having effective price control and having the willingness to sell more or different types of goods (Kusakabe, 2010). It was also pointed out that there is competition between the locals and migrants. Sidzatane and Maharaj (2013) reported that migrants tend to lower their prices to attract more customers which results in locals having limited choice but to also lower their prices for more buyers. This situation is more likely to leave the business with reduced profits and this is more likely to cause hostility and resentment between local and migrant informal traders.

2.6.7 Sales fluctuation

Like any other businesses that go through fluctuations due to various reasons, the informal traders may experience high sales and sometime the sales may drop radically. The sale fluctuations have an impact on the business more especially when the sales have dropped. The owner must balance cash inflows with the outflows so that there is always enough money to meet expenses. Sometimes this requires the owner to take a short-term loan to help the business get through a tough period (Fakoti and Patswawairi, 2012). The challenge of the fluctuation is also caused by the location of the business. Many entrepreneurs make the mistake of taking the first available location without considering if it is suitable to the needs of their business (Khosa, 2014). The research also reveals that the informal migrant traders are unable to cover costs when they encounter unfavourable sale conditions as a result they tent to make a loss. Sidzatane and Maharaj (2013) point out that not all street traders use the same price; some tend to be cheaper than others which also creates sales fluctuations.

2.6.8 Police harassment and corruption

It seems that possession by the migrant traders of a valid municipal permit that allows them to trade legally does not guarantee them protection from the police (Sidzatane and Maharaj, 2013). Migrant traders felt that they are not treated the same as local street traders. The police are perceived by street traders as misusing their legal powers by arresting, charging

and mistreating the migrant street traders simply because they are not citizens of this country (Sidzatane and Maharaj, 2013). Institutional corruption is of concern, it occurs particularly in the Department of Home Affair as officials insist on receiving bribes from the migrants. The informal traders are also critical about what they perceived as being a negative approach adopted by the municipality and the general absence of any tangible support. However, many traders have expressed great relief that the urban authorities have become more tolerant in recent years (Crush, 2014). In the study conducted by Crush et al. (2015) it was found that another dominant strain of hostility comes from the state itself. Migrants reported that the confiscation of all their goods, and losses related to the monies they had paid for trading infrastructure and upfront rentals. One interviewee reported that there are no warnings when the police come to confiscate their goods and that is as if the police are looting. Crush et al. (2015) also points out that there is an ongoing attempt by the state officials to extort monies from migrant traders. Cross-border traders seem particularly vulnerable to extortion; they are paying an estimate of R2000 to R5000 in bribes on a single journey.

2.6.9 Access to public services

Foreigners are not assimilated within South African society, particularly if access to state services and places of dwelling are considered. Over two-thirds of foreign traders do not have access to services largely due to fear (Hunter et al., 2003). The overwhelming majority of the respondents experienced difficulties in accessing health care, ranging from long waits for service and being treated differently by nurses (Hunter et al., 2003). The majority of migrants tend to fear seeking public services because they do not want to be victimized about using South African resources. Fakoti and Patswawairi (2012) found that most migrants do not belong to any local trade association which is negatively impacting their ability to tap finances and other skills that trade associations have to offer. Street traders have had a poor public image in South Africa. Organisations can be a vehicle for enhancing the image, and raising the profile of street traders. The low membership rates of trade associations seriously curbs the possibility of collective action to achieve legal protection, formalise and enhance their businesses, and secure better operating environments (Willemse, 2011).

Another challenge of the street trader is lack of proper transportation. A study conducted by Willemse (2011) on the challenges experienced by the informal traders found that 53.1 percent of the respondents in the four metropolitan cities transport their merchandise by

carrying it or pushing it in trolleys. 21.3 percent of the respondents use public transport (trains, taxis or buses) to transport their goods. Transportation costs do have an impact on the traders' lower accumulation profit because they tend to pay a high amount of fares to transport their goods. Using public transport becomes problematic because some goods become damaged in the taxis and they are forced to lower their prices and it becomes a loss on the business. The lack of storage is one of the challenges encountered by the traders, Willemse (2011) states that obtaining and using sufficient storage space with adequate security is reported to be difficult and expensive in the inner cities. Hence, there are so many necessary costs that hinder the informal traders to grow in the businesses.

2.7 Interactions with local informal traders

Migrants have different opinions about how the other local traders treat them. The study conducted by Sidzatane and Maharaj (2013) found that some locals pointed out that they recognize that migrants are creating jobs for the South African and letting the eviction take place will negatively impact other households in Durban. However, some locals are in favour of the migrants being expelled to their countries because they believe that they will have better chances of getting employment. The migrants informal traders still live in fear because of the many incidents that happened years ago, many people were killed and left other migrants seriously injured. This has left migrants uncertain about what might happen at any day or night. Sidzatane and Maharaj (2013) also highlight that both local and informal traders are experiencing similar issues which has to do mostly with the municipality in allocation of trading spaces. The trading spaces deprive them of the capacity to grow as a business. It was also noted that migrant informal traders are most likely to save and grow their businesses whereas the locals are unable to save as they are most likely to use the profits for buying food and other basic needs. It was pointed out that some local traders become envious of migrants as a result of observing their progress and growth in the business. Some local reported that they are learning a lot from the migrants street traders and they also recognise that migrants has showed them that they is lots of money in street trading if you work hard and consistently.

The research also indicates that some locals view the migrant traders as criminals, stating that they sell drugs and pirated music. The responses give the impression that it is only migrant street traders who are involved in the sale of counterfeit products (Sidzatane and Maharaj,

2013). However other local traders reject the notion of migrants as criminals pointing out that both the migrants and locals are faced with the same problem of unemployment and poverty (Sitzatane and Maharaj, 2013). It is clear that locals have different views about how they perceive the migrants traders and through several research that have been conducted, it is highlighted that local and migrant traders are more likely to be faced with similar challenges; however, it is much easy for the migrants to be blamed because of their status in society and due to the fact that they remain marginalised in the society (Kalitanyi, 2010). Crush and Ramachandran (2014) argues that growing presence of migrant traders causes hostility on the locals. A national attitudinal survey by SAMP confirms that many South Africans holds deep-rooted negative opinions about migrants and migrant traders. Migrants from countries such as Zimbabwe and Somalia are viewed far less favourably than those from Botswana, Lesotho and Swaziland (Crush and Ramachandran, 2014).

2.8 The opportunities of migrant informal traders

Despite the challenges of the migrants, there are positives found in their businesses. Bezuidenhout (2000) narrates the story of a Nigerian, who started as a sidewalk shoe repairman. He managed to save some money and opened a more profitable business in the haircare industry and opened up a photographic shop in Strand Street, Cape Town. He employs two people as photographic assistants. Mr Egwu is not sure he would have achieved that level in his home country but confirms that in Cape Town he had to work harder to be where he is at the moment. Kalitanyi (2007) stated that some migrants have bought their business spaces which is an achievement for them because they do not have to pay for the ever increasing rent instead the business is growing to formal trading. These entrepreneurs, however, face a number of problems and endure considerable hostility directed towards them and their businesses as a result of xenophobia. Despite the difficult local conditions in which they operate, most of migrant entrepreneurs express their optimism and look to the possibilities of expanding their business enterprises outside Johannesburg in South Africa. Kalitanyi (2010) conducted a study on South African migrants assessing growth on their informal trading, 79 percent of the respondents from Nigeria reported that they prefer to employ South Africans in their businesses, 90 percent from Somalia, 70 percent from other African countries who also preferred to employ the locals.

Migrant entrepreneurs have taken huge risks in leaving their home country for South Africa, for whatever their reasons. Thus their level of commitment towards entrepreneurship is extremely high as it is their only option to survive in their host country (Khoza et al., 2014). Informal street trading can enhance confidence levels of street vendors, because they feel a sense of economic independence by being able to take care of their family by earning small incomes (Kusakabe, 2010). The entrepreneurial abilities of informal street traders are well demonstrated by one informal trader in a study by Kusakabe (2010: 127) who indicated: "It is [dignifying]. I can earn money by myself. No one will look down upon [me]. [I am] independent. I am my own boss. I have money to pay for my house rent and to spend each day". This indicates that some informal traders benefit from their businesses and it also give them a sense of independence as well as dignity in their communities. They are also encouraged to expand their businesses to becoming formal sectors. By starting informal trade operations and saving small amounts of money, informal traders take risks which enhance the entrepreneurial abilities of the poor (Willemse, 2011).

Regarding the local informal traders, it is highlighted that they usual have another source of income such a social grants which is also an advantage for them to help sustain their business as well as their households (Willemse, 2011). The study conducted by Willemse (2011) on the opportunities and constrains facing the informal street traders in four major metropolitan cities which are Cape Town, Johannesburg, Pretoria and EThekwini. The majority of the respondents (73.4percent) in the four cities provide employment to one person, which is an indication that informal trading also plays an important role in alleviating unemployment and poverty.

2.9 Summary

The literature has indicated the global perspective of informal trading. It has also looked at the points that motivate the migrants to relocate to South Africa and starting up their informal trading. The literature highlighted that informal trading and its benefits to the economy of the country since there is a high unemployment rate. The experiences that migrant informal traders encounter was discussed in the literature and the way they are being perceived by the local traders. Lastly, the literature looked at the opportunities that informal trading has created in our society.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This qualitative study explores the experiences of the migrant informal traders and the treatment they receive from the local traders in Howick town. The qualitative research method is effective in this study to gain insights on migrants' perspectives on their experiences in a foreign country. Data was collected through sampling of 16 participants, and in-depth interviews were conducted to obtain an in-depth understanding of the study. This chapter also outlines ethical consideration to minimize biasness. Lastly, this study outlines the analysis as well as limitations of this study.

3.2 Study context

Howick is a small town that is located approximately 28 kilometres away from Pietermaritzburg. The town of Howick is surrounded by formal and informal businesses. This town is also known for the Howick Falls which has become a tourist attraction hence there are many people who visit the area for tourism. This tourist attraction has also drawn the attention of many migrants from African countries to run business that will target the tourist, they have shelters near Howick Falls where they sell handmade crafts such as key holders, African fabrics, handmade statues, and many more souvenirs. There are also migrant informal traders that target the local people and they own businesses such a salons, phone shops, shoe makers, dress makers and panel beating services. There seems to be a growing number of people who recognise the informal trading as the way of accumulating income. Even the locals are involved in informal trading in many ways. The businesses are growing such that they are even hiring at least one or two workers. As shown in Figure 3.1, Howick town is surrounded by the tourist destinations, such as Howick Falls and Midmar Dam and close to Karkloof which are the main places that many people visits.

Howick falls under the uMngeni Municipality, which has a total population of 105,609. The municipality is the third largest by population in the district of uMgungundlovu. The municipal population is comprised of 51 percent females and 49 percent males. The working population account for approximately 67 percent of the total population and an

unemployment rate of approximately 24 percent. The youth unemployment rate is currently at 32 percent. Only 30 percent of the total population have completed their secondary education. One of the challenges that is faced by the municipality is the lack of job creation (Integrated Development Plan Review, 2018-2019)

Figure 3.2: Map of Howick town



Source: Google Earth (2020)

3.3 Research Method

This research was qualitative in nature to fully understand the perceptions and daily experiences of migrant informal traders. Qualitative research involves some kind of a direct encounter with the world, and can take the form of daily life experiences or interactions with a selected group (Gerson and Horowitz, 2002). Qualitative studies usually aim for depth rather than quantity of understanding. Studies are usually conducted in a setting that are selected bound by the theme of the inquiry and are seldom extensive unless there is a large team of investigators (Hennning et al., 2004). In qualitative research, interviews involve

conversation with participants with the aim to get an understanding of the issues and challenges that participants face on a daily basis in their interactions.

Despite the many advantages of qualitative methods, it also has disadvantages such that it can be very time consuming and it can be difficult to generalize (Perrin, 2014). Another disadvantage of qualitative is that data collection is unstructured which makes it overwhelming and difficult to analyse data (Harrington et al., 2016). The research method primary relies on subjective assessment in the data collection phase, it seems deceptively easy to organize, implement, analyse and report; however, it is not as easy as it seems (Boxill et al., 1997).

3.3.1 Interviews

The semi-structured interview, valued for its accommodation of a range of research goals typically reflects variation in its use of questions, prompts and accompanying tools and resources to draw participants more fully into the topic under study (Galletta, 2013). This research study allows participants to express their feelings and concerns about informal trading and how these challenges affect their livelihoods. A semi-structured interview is designed to enable the participant to give detailed information in research (Galletta, 2013). The semi-structured interview also helps the participants to be honest and open when engaging in the interview. The interview consists of closed and open-ended questions with the aim to explore the perceptions and challenges of the migrant traders.

According to Galleta (2013), interviews incorporate both open-ended and theoretically driven questions to obtain data grounded in the experiences of the participants as well as data guided by existing constructs in the particular discipline within when one is conducting research. This kind of interview limits shallow information but is more explorative. The questionnaires used in the interview which included four sections. The first section covered the socioeconomic and demographic characteristics of participants. The second included their motives to choose the area for business which are also known as push and pull factors. The third section allowed the participants to talk about their challenges in informal trading and lastly the fourth section talked about the way they are being perceived by the local traders. The environment where the interviews were conducted in informal settings such as restaurants and areas where they operate their businesses. This enabled the researcher to observe the

daily operations of their businesses. Unlike focus groups, in the interviews the participants are likely to feel more comfortable to express their feelings in a one-on-one setting.

The advantages of the semi-structured interviews are that it allows the research to fully get the depth of information and it also allows the researcher to ask additional questions to follow up on any interesting or unexpected answers to the standard question (Mitchell et al., 2010). The semi-structured interview is intended to achieve clarification and understanding which is crucial because understanding of the participant's response may be inaccurate (Galletta, 2013). The greatest advantage with the semi-structured interview is it obtains information with a highly flexible framework and it allows the interviewer to tailor the interview to the individual situation (Shapiro et al., 2000).

The advantage of being able to follow up on questions is usually outweighed by two major disadvantages. Firstly, data from the follow up question may be difficult to interpret because different participants may be asked different follow up questions. Secondly, even the answers from the standard questions are difficult to interpret because the standard questions were not asked in the same way to all participants (Mitchell et al., 2010). Another disadvantage with semi-structured interviews is that without standardization, the information is extremely vulnerable to interviewer bias (Mitchell et al., 2010). One disadvantage with the semi-structured interviews is that it can be time consuming and attention may end not focused on a given issue (Klenke, 2008). The study only selected migrants that have resided in Howick for at least a year. The participants owned businesses that meet the informal criteria. Both male and females were able to participate in this study.

3.3.2 Sampling

Sampling is a process whereby a researcher selects small part of the populations which represents a large population and the population have to share same characteristics. This study consists of sixteen participants aged 20 years and above, both male and female. All were migrants that have been in South Africa for more than a year, and also owned small businesses. The participants who were included in this study were migrant informal trader who owned businesses for more than a year. The businesses were not formally registered and therefore it was categorised as part of the informal economy.

The study relied on purposive sampling to select participants. The main goal of this type of sampling is not to obtain a large sample but rather select persons, place or things that would provide the richest and most informative answers to the research questions (Margurite et al., 2010). The main goal of purposive sampling is to sample participants in a strategic way, so that those sampled are relevant to the research question that is posed; and the researcher samples with the research goal in mind (Bryman, 2016).

The advantage of purposive sampling is that it is in the knowledge of the researcher of the information that can be used and it gives better control of significant variables (Sharma, 1997). Other advantage is that the sample groups can be easily matched and there is homogeneity of subjects in the sample (Sharma, 1997). One of the disadvantages of this method is that the researcher takes risk in generalizing the result (Rajamanickam, 2001). Another disadvantage of purposive sampling is the reliability of the criterion is questionable since with this type of sampling there is the possibility of prematurely focusing the data collection on one experience or understanding and missing the broader range of data that may come from a convenience sample (Macnee et al., 2008).

The common data collection and processing steps include identifying data to be collected, defining data elements, observing or measuring values, recording those observations, processing data to render them in electronic form, analysing data (Zozus, 2017). It can be based on talking, listening, observing, analysing materials as sounds, images or digital devices (Flick, 2018). The participants were selected purposively and they all consented to voluntarily participate in the interview. The participants were migrants from other African countries and were selected based on the business activities. The interviews were conducted in their business places where they felt most comfortable and where confidentiality was maintained. The objective of the interview was to explore the experiences and their views about the treatment they receive as informal traders. The interview guide was used to get more information on the topic.

3.3.3 Data analysis

Qualitative researchers are mindful of the challenges involved in terms of the representation of multiple socially constructed versions of reality (Flick, 2014). It is essential that when researchers examine qualitative research, they fully describe and understand the respondents' lived experience, they examine the manner in which research participants construct the meaning of their lives and they also study respondents in their natural context (Bless et al.,

1995). This study uses thematic analysis which is widely used in qualitative research and it is a method for identifying, analysing, organising, describing and reporting themes found within data set (Nowell et al., 2017) the advantages of this analysis is that it provides a highly flexible approach that can be modified for the needs of many studies, providing a rich and detailed account of data. It is also useful in examining the perspective of different research participants, highlighting similarities and differences, generating unanticipated insights (Nowell et al., 2017). Thematic analysis is also beneficial in summarizing key features of a large data set as it makes researcher to take a well-structured approach to handling data (Nowell et al., 2017). It is also crucial that a researcher is able to keep the record of all the major stages of developing and organizing themes (Kings, 2012). The first step is recording of data from the interview and in it very important that a researcher used high quality recorder so that it becomes easy to transcribe data. According to Henning et al. (2004) the researcher starts with a set of data such as transcribed interview and the transcription has to be verbatim. In open coding the codes are identified as the researcher works through the data and once the transcription is ready then codes are awarded to various segments or units of meaning.

3.3.4 Validity, Reliability and Rigour

It is essential to take into account in qualitative research is that the results to the research question are of quality. According to Henning et al. (2004) validation depends on good craftsmanship in an investigation, which includes continually checking, questioning, and theoretically interpreting the findings. The validity also depends on the trustworthiness, credibility, dependability, and confirmability of a researcher. These tools of validity were used to ensure high quality results. Trustworthiness was considered since the researcher was using different theories and also using semi-structured interviews. Reliability refers to the extent to which research findings can be replicated. Reliability in a research design is based on the assumption that there is a single reality and that studying it repeatedly will yield the same results (Merriam, 2009). Being a participant observer also ensured the reliability of the data collection and involved on the daily activities of the participants. If a researcher has chosen their site (sample) carefully to match other like sites then one requirement affecting reliability has been satisfied. However, if the researcher has chosen poorly, then reliability has been compromised and generalization is problematic (May, 2002). Participants who meet

the inclusion criteria, the researcher ensured that the selection of participants guarantees the level of reliable information. The length of time spent on the field also had an impact on the ability to generalize the data in the research study. Building rapport with the participants was very crucial in order for them to be more comfortable during the interviews which also determine the quality of data a researcher is able to obtain from participants.

3.4 Limitations of the study

It was difficult to get a representative sample in this study as many people did not fully trust the motives of the researcher. Some of the migrants refused to be part of the interview because they were afraid of the police.

One migrant did not want to be recorded during the interview and in the middle of the interview he decided to withdraw from the study.

Another limitation was the language barrier. One of the participants interviewed did not speak English. Even though he was able to understand the questions, his responses had to be translated by his workers. This might have hindered the participant to fully express his experiences as an informal trader.

The majority of females contacted were sceptical to participate in the research hence there were more male participants. Another participant from the Democratic Republic of Congo indicated that he has an assumption that since the researcher is interviewing him, he will probably receive support in his business from the government.

The time of the interviews were confirmed by the respondent because participant did not want the interview to interfere with the daily running of their business and the researcher had to be flexible with the time of the interview. However some of the interviews were conducted while the participants were at work and the interviews were interrupted during the interview.

3.5 Ethical considerations

Ethics in the context of research has largely been associated with the following ethical guidelines and gaining ethics approval from professional or academic bodies before commencing with data collection. Approval has been premised on notion of protecting, confidentiality and anonymity (Mauthner, 2002). Ethics applied to research can be seen as a

method of self-regulation, whereby different disciplines and organisations attempt to demonstrate a professional approach to research (Mauthner, 2002). The ethical issues are very crucial in research because in simple terms it is a standard of conduct that distinguishes between right and wrong, good or bad. Ethics is also an approach to decision making as well as state of character in research (Shamoo et al., 2009).

The ward counsellor was informed as a gatekeeper about the research. The permit letter was issued to the researcher to ensure that participation is known to the relevant authorities. The researcher gave a clear review of the research, having an informed consent that ensured the participants are aware of the aim and objectives of the study. The confidentiality was also guaranteed to the participants by researcher not addressing the participants by their real names since the paper is submitted for publication. This prevents the participants' vulnerability and it assures them no harm as a result of their participation and it also protects their identity as they are part of the community.

Every code of ethics is designed to guide research involving human subject gives primary to the requirements of fully informed voluntary consent on the part of the individuals concerned (Gregory, 2003). The very clear presumption is that research involving human subject undertaken without the explicit consent of the researched lacks an adequate moral basis and it can affect the validity of results on the data obtained. The participants who were taking part in the study were voluntary; they agreed to take part in the study and having an understanding the nature of the research. This also where a researcher demonstrated respect for the participants by asking them to be the part of the study, taking account their opinions.

3.6 Summary

This chapter has presented the methods used in conducting this study. The qualitative method adopted by the researcher is the one that gave precise beneficiary perspectives on the experiences of the migrant informal traders. It has also presented the advantages and disadvantages of the research method presented for this study. What is captured here is the main essence of the entire study. This chapter has highlighted the strengths and the limitations of the study as well as the ethical considerations.

CHAPTER 4

RESULTS

4.1 Introduction

This chapter present findings on the experiences and challenges of migrant informal traders at Howick. The chapter firstly present the background characteristics of the sample. It outlines the motives that resulted in migrants starting their businesses as well as their reasons that led them to relocate to South Africa. It also looks at migrants' relationship with local informal traders in Howick. This chapter addresses how are the migrant informal traders are perceived by the customers and other local business owners. Lastly, this chapter draws the views of the migrant informal trader's future plans concerning their stay in the country and running their business in a difficult economic environment.

4.2 Sample Characteristics

No.	Age	Sex	Level of education	Country of origin	Length of time in Howick	Type of trading
1.	35	Male	Secondary	Congo	17 years	Hair salon
2.	30	Male	Secondary	Senegal	14 years	Selling clothes
3.	30	Male	Secondary	Congo	5 years	Salon and selling jackets
4.	38	Male	Secondary	Congo	17 years	Salon, does ceiling board, plumbing
5.	45	Male	Tertiary	Congo	15 years	Shoe maker, selling beaded work and Africa attire
6.	40	Male	Primary	Malawi	8 years	Selling chips and sweets
7.	43	Male	Tertiary	Pakistan	10 years	Selling phone covers and screen protectors
8.	39	Female	Secondary	Nigeria	7 years	Selling wigs and owning a salon
9.	37	Male	Tertiary	Zimbabwe	15 years+	Dress maker
10.	43	Male	Secondary	Zimbabwe	9 years	Selling wooden art (sculptures)
11.	44	Female	Primary	Malawi	4 years	Selling stainless steel basins, dustpans and handmade brooms, matts, house decoration
12.	29	Female	None	Mozambiq ue	2 years	Selling Jackets
13.	43	Male	Tertiary	Malawi	7 years	Selling clothes
14.	33	Male	Secondary	Ghana	8 years	Doing covers for couches and car seats
15.	33	Female	Secondary	Malawi	4 years	Selling handmade souvenirs
16.	28	Male	Primary	Zimbabwe	8 months	Selling fruits and vegetables

Table 4.2 indicates that migrants were involved in a range of trading activities. Some were selling products such as clothes, fruits and vegetables, wooden art sculptures, and cell phones. Others were involved in repairs which include rebuilding old couches, mending shoes, and installing ceilings for houses. The majority of participants interviewed were owners of hair salons. In total there were 16 interviews, all participants were migrants from various African countries such as Democratic Republic of Congo, Mozambique, Malawi,

Zimbabwe, Nigeria, Senegal, and Pakistan. Their ages ranged from 25 to 45, with 12 male participants and 4 female participants. The majority of the participants have been living in South Africa for more than 5 years; only 4 participants have been in the country for less than 4 years. Level of education was relatively high, with four of them having a tertiary education which means that they have been to colleges or universities. Seven of the study participants have a high school education, three have primary school education and only one had no formal education. Not all participants possessed a valid permit to operate their business, only three participants confirmed that they are operating legally and they are paying the municipality for occupying the space for trading. Participants who own hair salons and those that sell clothes are renting property to operate their business. Those that are selling fruits and chips do not own any shelter neither do they rent any space. They walk around the street selling their goods to avoid paying for permits since they are not occupying any space. Women who are trading indicated that they are not married and some are widowed. They came to sell in South Africa as survival strategy in order to provide for their families. However male traders indicated that they have wives and families in their country of origin, and trading is the only way in which they are able to provide for their families. It is easier for men to be flexible as compared to women. When women are married they need to look after the children at home. Most men indicated that their main duties are to make sure they send money back home to their wives and children.

4.3 Motivation for migrating

4.3.1 Social Networks

Most of the migrants came to South Africa because of their social networks. They knew someone who was already residing in South Africa. They stated that their social networks have played a vital role with regards to their decision to relocate to South Africa. Most of the participants mentioned that they first moved to major cities in the province (Durban or Pietermaritzburg) before finally settling to the area. They were also aware that there is more competition in the major cities so that was one of the major reasons for settling in this area. Almost all the participants were motivated to come because they were in contact with someone in South Africa, so when they came they did not become complete strangers but they had someone to depend on for shelter and food until they were able to stand on their

own. Most of them already had family members or relatives who were in South Africa; they stayed with them until they were able to move out on their own.

"I came with a man who was my colleague who owns a salon in Durban. I have always been interested in business as well as music. However it is very hard to become a musician" (IDI #1, Male).

"My brother had already relocated to South Africa, so it was easy for me to relocate" (IDI #2, Male).

4.3.2 Lack of educational opportunities

Migrants are motivated to come to South Africa due to the lack of educational opportunities in their own countries. One migrant highlighted that he obtained post graduate qualification, however he could not obtain work opportunities. He had hope when he comes to South Africa he will be able to fulfil his dream of completing his medical science degree, but due to challenges of corruption at the Home Affairs and the Embassies, he was not able to get legal documents (study visa) to be able to further his studies or to find work in the country. Becoming an entrepreneur became a survival strategy, however he still hoped that his documents will be validated and he will be able to work towards his dream of obtaining a job for which he has been trained.

"I decided to come to South Africa due to the unstable social situation in my country. There are wars and a high rate of unemployment. I have a tertiary education, I studied medicine at the University of Congo but due to unemployment I decided to migrate to South Africa. I was referred by a friend to a contact person who was supposed to get the paper work done for me for my citizenship in South Africa however it did not go as planned hence I lost R30000. So I am here without any legal document because I have not raised enough money to go and apply for citizenship" (IDI #3, Male).

4.2.3 Job seeking

Some of the migrant traders moved to South Africa because they were seeking jobs but due to the high level of unemployment in the country they decided to start a business instead. Trading became an alternative opportunity for earning an income. They believed that South Africa more economically stable as compared to other African countries. Some migrants observed that when they first came to the country they worked for a short period of time but due to low wages, they decided to start their own businesses. They prefer being self-employed rather than being paid for labour. One participant highlighted that migrant workers are more likely to be exploited by the employers than locals. They are often paid much less and are not able to survive with the meagre salary and nothing to send back home to their families.

"Later I started working for a security company where I worked for three months then I left the job because I was treated differently from the local staff. They were not paying me good money like other South Africans. I feel like migrants are abused by South Africans. Most South African employ us because they know we will accept anything from South Africans" (IDI#3, Male).

"I was not working and I could not find work in my country, I thought coming to South Africa I will find a job. I worked as a domestic worker for three years but the challenge was that I did not have my identity document and my employer was always scared if something happened to me she would not know what to do" (IDI#14, Female).

Migrants seem to experience many challenges with regard to accessing employment and as well as the condition in which they work. The study conducted by Maharaj and Moodley (2009) also stipulate that forty percent of the traders who moved to Durban mainly because of job opportunities which are known to be better and more prolific. However this is not the case in South Africa as there are many social issues, including high levels of unemployment. In many cases migrants are pushed to find other means of survival which is most likely to be informal trading.

4.3.4 Independency

Migrants were also motivated to come to South Africa because they wanted to be independent and start their own businesses. Being in a different country will allow them to start afresh and have greater independence. Independency becomes an important factor for some of the migrants. For some of them, it is not by choice but it is the circumstances that they find themselves in that forces them to live independently since they are away from their families and relatives who usually support them. Being in a foreign country demands that they become independent because it is out of their comfort zone.

"I needed independence and I have a passion for business. South Africa was a choice for me because I already had a brother who helped me become independent" (IDI #3, Male).

"He bought me the hair cutting machine and that is where my business began. I love doing business and it has always been my passion, I do not see myself working for another person Business also gives me the independence to do what I like to do in my time" (IDI #4, Male).

Some migrants are driven by their passion for business and they love the independence of self-employment. Flexibility becomes the most important factor for them and they usually work for long hours to maximize their income in the business. They are not restricted by time to generate an income; they are able to manage their time in a way that works for them.

4.3.5 Politics and poor economy

Some migrants leave their home country due to political instability as well as social unrest. Many African countries are still experiencing wars and corruption as a result the citizens are pushed to leave their countries to seek stability and peace. Public institutions such as schools and universities in their own countries are not of a high quality and therefore do not guarantee a good future for the people. Wars are another influential factor that leads to their movement out of their country. They live in fear in their own country and they are seeking peace in their host country. People find it difficult to live in such unstable conditions; however it does not

mean that South Africa does not have these problems. They feel the situation is still better in South Africa than their country of origin.

"It was the poor living conditions at home; I came here with a friend eight years ago with the hope of get work. Life is very tough and there is lots of corruption from the government, they do not care about how we live because they are comfortable as political leaders" (IDI #6, Male).

"There are many wars in my country that is why I decided to come to South Africa. It is easier to come here than other countries" (IDI#7, Male).

4.3.6 South Africa's economy

South Africa is still viewed as an economically strong country as compared to other African countries. The majority of the participants felt that there were more opportunities in South Africa than their own country. Some felt that their skills are needed in this country because of the nature of the work that they do. Many people in their home countries have similar skills which make it difficult for them to operate in their countries. Those who are selling handmade goods saw opportunities to sell in South Africa because of the uniqueness of their goods. People are able to buy things that are different from what they have in South Africa. One of the participants mentioned that their target market is usually senior citizens. They buy on credit and they do not give any problems in terms of paying the debts. Even though there are many challenges in the business they still see more opportunities to grow in South Africa.

"We make these things and sell it in South Africa. We have been selling them in our country but since they are many people who are selling very same things" (IDI #9, Female).

"The opportunities in South Africa are better than my country. My main aim to come to South Africa was to look for job but I could not find work so then I decided to start my business" (IDI #14, Male).

4.4. Experiences in the informal sector

4.4.1 Opportunities

Most of the participants had positive experiences in South Africa. They were able to run their business without too much interference. In addition, they did not have to deal with political conflicts like in their home countries. They also stated that there were many more customers who are buying their goods in South Africa than in their home country. They feel that they are many people who are in the same informal trading in their country which results to high level of competition.

"The experiences have been different compared to home. South Africans are lucky because they are more liberated; they have more opportunities in work places and in businesses. There is no such thing in my country. There are even social grants that local citizens get here" (IDI #5, Male).

Even though they mentioned that corruption is prevalent in South Africa they still believe government policies are able to cater for the migrants better than other countries. Some migrants mentioned that South Africa was not their first option but it was less expensive to get legal documentation for South Africa as compared to other countries this made them settle here. Applying for citizenship in South Africa is reported to be less strict and cheaper as compared to other countries. They relocate to South Africa to accumulate enough income to move to more developed countries like Canada or the United States of America. South Africa becomes a stepping stone for migrants who want to relocate to first world countries.

"It is much easy to come here than other countries. Other countries it is very expensive to get a visa and temporary citizenship" (IDI #7, Male).

"But hopefully they will come and live with me next year and possibly move to Canada in the near future" (IDI #9, Male).

4.4.2 Patience

Most of the migrants mentioned that the informal trading sector has taught them to be patient. In business in general, patience is needed because there are many challenges and dynamics in the business such as low profits, and demanding customers but all these challenges teach

them to persevere in business. The emphasis was put on patience in business as a coping mechanism to overlook all the challenges. They were aware that starting and growing a business is not easy, even creating clientele requires time and patience. This means that business is a process and growing customers also takes time and requires endurance.

"I found that I needed to be very patient because business is challenging and it is not always smooth" (IDI #5, Male).

4.4.3 Fluctuations of the economy

In every business, there are challenges, and most of the participants indicated that business requires a strategy to keep the customers happy. One of the challenges mentioned is that migrant traders experience a period where the sales are dwindling due to the countries' economy. In that period the business needs to sustain itself and they need to ensure that they endure until the situation gets back to normal. Most participants who are targeting tourist experience similar challenges where by in winter season. The business tends slow down because there are fewer tourists in town. However, they have to be patient in order to ensure that the business is running and they need to save to send money back home, with hope that the situation gets better.

"The salon gets busy during the month end or when the children have to go back to school after the holidays. I am not making lots of money because water and electricity is very expensive and to add on that there is rent that I need to pay as well as my girls that I work with" (IDI#8, Female).

"Business takes time to grow; sometimes we do not make profit because of the economy. Even the tourists are careful how they are spending their money. Right now my business is not stable. There are seasons for tourist, even though they come throughout the year but we usually make money around December when everyone is on holiday and there are many tourists around that time" (IDI #15, Female).

One of the challenges is that people are now very careful in their spending due to the poor state of the global economy. Even the tourists are mindful in their spending, which is a challenge to the migrant business as well because they do not get much profit from sales. The

world's economy also affects the informal traders as stated above that even people from rich countries are very careful in their spending.

4.4.4 Crime

One of the biggest challenges that migrant traders highlighted was crime, they felt that they are not safe in their shops. Usually they get victimized by the youngsters that take drugs because they break in and steal from them and this impact negatively on their business. The migrants find themselves having to make up for the stolen goods by using their savings. It was also noted that they find it difficult to report such cases to the police because their businesses are not registered hence they are scared to be victimized by the South Africa Police Service (SAPS) as well. They become an easy target for criminals. However, they have to overlook the situation and carry on with business as usual.

"One of the challenges is crime; goods get stolen by the young men who smoke whoonga" (IDI #4, Male).

"We have been robbed before while we were selling and it is hard to even report because we do not stay in one place for a long time. We are even scared that we might be raped because there are so many things happening in this country as well" (IDI #11, Female).

Women fear being raped in the country. The kind of work they do exposes them to being victims of crime since they are selling from door to door in people's residences. Traders live in fear of not knowing what is going to happen the following day. Women participants highlighted that they go to each household selling products. This might be dangerous because they are also a target to the criminals since they are carrying money and products with them. Women tend to be more vulnerable to rape because they go door to door selling products to the community. However despite all these challenges they continue with their businesses.

4.4.5 Xenophobia

The negative attitude towards migrants is one of the issues highlighted by most participants. The local people treat them differently, calling them names such as 'amakwerekwere', a derogatory term used by South Africans to refer to foreigners. It seems as if the local people have normalised the use of such terms and made it acceptable to them whereas it is hate speech. Migrants have also been attacked by angry local residents who believe that migrants are stealing jobs and taking opportunities away from them in the country. There are various stereotypes attached to migrants. The local people believe that all migrants are criminals and are responsible for selling drugs and destroying the youth. The local people also believe that they have powerful traditional medicine (muthi) that makes them rich. They are also accused of stealing jobs in South Africa. People look down upon them because of where they come from and the type of work that they do. Migrants are constantly living in fear especially when there are xenophobic outbreaks in towns. They are forced to shut down their businesses until the situation gets back to normal. Participants mentioned that when they are attacked in different places, they are force to hide because they do not know what is going to happen to them. Migrants do not feel safe and also, they do not feel as though the police are not protecting them.

"Now what is challenging is xenophobia that has been happening in the country. We are constantly living in fear because of this violence towards foreigners. It has not happened in Howick but whenever you hear that a foreigner was attacked in Pietermaritzburg or Durban, we get very scared and usually we will shut down our stores until the situation gets normal again" (IDI #5, Male).

Migrants also highlighted that society holds strong perceptions of migrants living in South Africa. Some locals may not necessary use violence against them but their stance towards migrants may be hateful. People tend to believe the myths they hear about migrants and use it against them; even their customers tend to take advantage of them because they feel in power over the migrants. The locals tend to believe that migrants owe them by operating their businesses in their own country. The migrants have no faith in the police or any South African institution because they feel like the justice system will always favour local people. It was highlighted that even demanding customers tend to use their nationality to take advantage of the migrant traders. The customers tend to demand reduced prices because they are migrants.

"They have bad attitude against us. They call us all sorts of names and some of them do not even realise that the word amakwerekwere is offensive to us. Some customers would say to me, I sell expired things or fake things just because I am a migrant" (IDI #16, Male).

"They accuse us of selling amafong kong (fake brands) they are always complaining but they do not want to work hard" (IDI #10, Female).

4.4.6 Language barrier

One of the major challenges is the language barrier with their customers. Some of the participants pointed out that they are still struggling to speak the local language isiZulu, but their customers also do not understand English especially the older-senior citizens. Some customers will assume since they are black, they are able to understand IsiZulu whereas that is not the case. Since the only way to communicate is talking, it becomes difficult for two parties who do not understand each other and can also be a limitation to the business.

"Communication is still a challenge hence I had to get someone to help me. I am unable to speak proper English and Zulu is still a challenge as well" (IDI #3, Male).

It is not only IsiZulu that can be a barrier to communicating with locals. Sometime migrants do not understand English as well and they are unable to communicate with their customers in English as well. One participant highlighted that his employees are able to communicate in isiZulu with him and he has able to understand simple words in Zulu, however, conversing in isiZulu is still a challenge since his home language is French.

"I am only speaking French. The ladies that work for me are able to get me and I have learnt a bit of Zulu. I am able to understand it but speaking it is still a challenge" (IDI #3, Male).

4.4.7 Lack of capital

One of the outcomes in the study is that the migrants lack financial capital and they are not assisted in starting their businesses. Financial institutions are not able to give them loans to start up their businesses because some of them do not have legal documents and the banks are

unable to trace them and assess their affordability in repaying back the loan as a result they are considered as high risk. The municipality is also not assisting them to improve their businesses. Migrants indicated that they get assistance from their families and relatives to start up their businesses. Some migrants used their personal savings to start their businesses. The growth of their businesses is very slow.

"I started my business because I love socializing with people and helping people. I started my business from the year 1992 but relocated and used my money I had saved to start up a business" (IDI #1, Male).

"When I came in South Africa, I started off by selling sweets, and chips on the street trying to get capital to grow the business" (IDI #2, Male).

4.4.8 Unemployment

Some migrants indicated that they came to the country hoping for employment because of social unrest in their country of origin. They started their businesses due to the lack of employment opportunities. One migrant mentioned that the treatment he received from his employers made him quit his job and he started his own business. Job scarcity has resulted in migrants starting their own businesses in order to secure their livelihood.

"I was hoping to get better jobs this side, but there are no jobs. Currently I am selling fruits to get money" (IDI #16, Male).

Some migrants are unable to secure jobs because they do not have legal documents. One migrant stated that she was dismissed by her employer because she did not have an identity document. Her employers feared that if anything happens to her, they will be held accountable and they will not know the consequences. It is clear that some migrants do not have the relevant documents to be able to get employment in South Africa.

"It did not go as planned hence I lost R30000. So I am here without any legal document because I have not raised enough money to go and apply for the citizenship" (IDI #5, Male).

One of the main challenges with having no documentation is the fact that they cannot open bank accounts in South Africa. The challenge of not having a bank account exposes them to crime. The criminal would easily rob them because they know migrants keep their money with them instead of banking it. It also becomes difficult for the employers to employ someone without bank accounts.

One of the challenges that were highlighted is that many migrants chose to start up their business because they are avoiding being exploited by the South Africa employers. The migrants are regarded as cheap labour and hence some of the local people tend to have negative attitudes and blame migrants for lack of opportunities. Locals are able to demand more pay from their employers whereas migrants are willing to work for less salary. Some migrants see better opportunity in the business sector as compared to being employed for cheap labour.

"They also take advantage of us especially when we work for them. They only pay us little money because they know we are not going to complain" (IDI #12, Female).

4.4.9 Lack of development

In the informal trading industry, one of the common challenges is the lack of expansion. Most migrants wish they could expand their businesses but they do not know how to do so. The dynamics of informal trading make it difficult for them to grow, as most of them do not have capital and they are regarded as high risk by financial institutions. Migrants reported that some of them are the sole breadwinners in their household, and some of the money that they make has to go back home so their family can survive. There is little money left for the expansion of the business. The high cost of living including rent, food and electricity is also hindering the growth of their businesses. The issue of permit is also challenging and hinders the expansion of the business.

"They complain that my products are expensive but they do not understand that I have to transport the product from Zimbabwe" (IDI #10, Male).

"Rent is expensive as well. In quiet seasons, things become very hard because I still need to pay rent and sustain the business. One of the things that causes the rent to be expensive is that my store is next to the Howick Falls which is the heart of Howick" (IDI #10, Male).

It was pointed out by the migrants that the tour guides sometimes discourage the tourists to buy from them. The migrants therefore miss out on the sales from the tourist due to the influence that guides have on the tourist. In such cases they lose customers and they are unable to grow their business. Sometimes the migrants reduce their prices to make their customers happy and sometimes it is because of the issue of competition. Those challenges are critical because they impact on the growth of their business.

"Another challenge that I have, you find that the tour guides are telling tourist not to buy from us" (IDI #10, Male).

One of the challenges that migrants are facing in informal trading is that they are unable to secure enough profit to expand their businesses. They find themselves with little or no money after paying working workers and the rent. In quiet months, they do not make any profit due to high living costs. The participants also highlighted the theft of goods also affect their profit. One of the challenges that hinder them of seeing the profit is that they do not have local banking institution to save their money; they keep money in their homes, which also exposes them to crime.

"I have been mugged several times, so we are not safe. People assume that since we are selling we have money and we become a target. So crime is bad and it is difficult to report as a foreigner sometimes we are not taken seriously, especially if we do not have a permit in this country then automatically you become excluded from the laws of this country" (IDI #6, Male).

The participants also highlighted that they have employed people locally to assist them in the businesses. They need to make sure that they pay them whether the business does well or not.

"I have two ladies working for me, they live at Mpophomeni. I have to make sure I pay them because they cannot come to work if I do not pay them" (IDI #14, Male).

"Yes I have employed two ladies who help me make sure that the store is running even when I am not there, but employing them does not mean that my business is doing well. If people do not buy then I am unable to pay them" (IDI #2, Male)

4.4.10 Demanding customers

The majority of the participants mentioned that customers in the business can be challenging and demanding. Most of the customers will go to the migrant businesses because they want to get discounted goods. The customers tend to look down upon the migrants and take advantage of them. This becomes an issue for the migrant traders as they end up compromising their standard price and charging less which results to less profit for them.

"It can be bad in a sense that sometimes we deal with rude customers, they tend to take me for granted because I work in a tent, and I do not own a proper salon" (IDI #4, Male).

"Other customers tend to abuse the kindness and want favours from me, such a wanting to get a hair cut for credit and if you do not cut their hair they say they will get a new hair cut from proper salon but I just leave them. Some of the customers would want to determine the price and do not want to pay that normal price because they will say that it is not a proper salon" (IDI #4, Male).

One of the challenges is that customers expect the service to be faster and they tend to put pressure on the trader. Some tend to ask to be given goods for credit which has a negative impact on their business. The development of the business is dependent on the sales and when people are buying on credit, it puts the business at risk of making a loss. The migrants tend to compromise with the customers for the sake of keeping the business running.

"Some customers will want me to do their order in such a short space of time and that makes my work a bit difficult" (IDI #5, Male).

"The customers have tendencies of demanding discounts when they are buying clothes in my shop which is unfair because I pay to buy fabrics and transport but they do not consider all that. Other customers want to take on credit and it is difficult because there is rent I need to pay for my shop" (IDI #5, Male).

4.4.11 Competition

The informal migrant traders experience high level of competition in the business. This is due to the fact that they are within the Central business district. There are various shops and wholesalers that supply the same customers. People have a choice as to where they wish to buy and this is an issue to the informal economy because it negatively affects their business. The level of competition forces them to decrease their prices to draw customers; and it has a negative impact on their business because they do not earn large profits and sometime they do not earn any profit at all. The competition causes sales to go down due to high number of people selling the same products.

"I find that they are many people who are selling on the street and the business is tough and it is difficult to make a profit. I have tried to make other means of getting customers" (IDI #6, Male).

Migrants who sell on the street highlighted that they find it difficult to sell their products because there are many people selling same things. The only way to make it is by developing relationships with customers. High competition has a negative impact on their profit.

4.4.12 Lack of assistance from the state

The migrants feel that the state is not providing them with sufficient assistance to grow their businesses. They also have a challenge whereby they do not have shelters for their businesses. The migrants feel as though the government has failed to protect them and their rights because they are foreigners. They feel that the government only cares for the locals; the police do not take action when they have problems in their business. Instead of dealing with the issues, they are told to go back their country, which is not a solution to their problems because they are faced with poverty in their own countries.

"Sometimes I do not make a profit at all. The money that I make goes back to the business. Being a foreigner is a disadvantage because you are on your own. The only people that help you times of need are family or other close friends in the business. The government does not give us anything" (IDI #8, Female).

4.5 Migrant's desires

Some of the migrants are not planning to stay permanently in South Africa. They were forced by circumstances to seek refuge in South Africa. They wish to go back to their home country if the situation were to become better. Many were not happy with the treatment they receive from the local people hence they wish to go back home. One of the challenges they have encountered in South Africa includes increasing level of xenophobia, and as a result they fear residing in South Africa permanently. The statements made by the participants clearly indicated that they are living in fear which has pushed them to consider moving back to their home country at a later stage.

"I plan to go back to my home in a few years from now and be with my family. It is difficult to live without the family. I at least visit them once a year in December. Maybe I will have a shop back home close to my family but I do not plan to stay in South Africa permanently" (IDI #6, Male).

"I plan to go back home with my family and start a business that side because here it is very hard and we are scared of xenophobia. Howick is not as bad as Durban" (IDI #12, Female)

"I plan to sell more goods and save money for my family. Money is better here but I cannot relocate here permanently. My long term plan is to go back home; hopefully the situation will get better in terms of the economy" (IDI# 10, Male).

The above statement indicates that some did not intend to stay in South Africa for long period of time. They still hope for the best for their home country and plan to return. Even though the situation is better in South Africa their social capital is not stable as they have expected it.

Some of the traders had plans to grow their business and employing more people, as they consider as a giving back as an important factor in the business. Growing their business will be beneficial for their families and since family members will be able to take over the business. One participant worked with his son in the business as a way of training him to continue with the business in case he dies or he is old to run the business.

"The plan is always to grow the business and get more people to work for me. But it is very difficult for me to ask a person to cut the hair because the customers know me and they want to the cut by me not anyone else" (IDI #4, Male)

Other migrants are planning to live in South Africa and bring their family members to the business. They consider family members as more trustworthy as compared to an outsider. Grooming of the younger generation becomes important for growing the business.

"I am planning to work hard for my family; probably my son can join me when he is done schooling. He also loves sewing clothes and I have taught him a few patterns. He usually comes and joins me during school holiday; I usually give him easy tasks like patching clothes for clients and doing the buttons. I love having him in the business, it becomes so easy" (IDI #9, Male).

4.6 Interaction between migrants and local traders

Some migrants stated that they had a good relationship with the local traders; however the relationship between them is strictly business. They do not share any social ties with them; however they do not hold attitudes towards them.

"I have not had a bad encounter with them but I assume we are not looking for friends but we want our business to work" (IDI #6, Male).

Despite the high competition there are good relations between local and migrant traders. Many migrant traders reported that they help when necessary with their skills for locals to also start their businesses. The skills will assist locals to start their business and make livelihood.

"The relationship with local traders is fine; because I am willing to reach out to them and assist them to establish their business. You see that guy in the Avanza I assisted in getting business for him in the meter taxis, he even left his job because his business was growing" (IDI #1, Male).

This does not mean they turn a blind eye to the fact that they are perceived as migrants who are job stealers and drugs dealers and they are known as people who are marginalised in society. It was noted that migrants perceive that locals tend to also feel jealous when their business progresses, even though they do not say but they tend to show to care less for migrants. One participant highlighted that he assisted one local but he did not even come back to him to express his appreciation when he bought his meter taxi and he felt that it was caused by jealousy.

"Jealousy among the business even though it is left unsaid. Whenever I try to help people, they do not come back to me and thank me. However I believe in giving back and helping people" (IDI #1, Male).

Some highlighted that they do not have an interest in creating relationship with the local traders because everyone is busy striving to make their business a success. Even though they have no problems with each other but they focus in their business and growing their business. The main aim for migrants is to make money to secure the livelihood of their families. Building a relationship with the customers becomes more crucial for migrants, because they are the ones who support the business and ensure that there is income on the business. Most of the migrants place emphasis on building relationships with customers rather than other local traders, because they believe that their success lies on the sales.

"There is not much relation with other businesses, everyone is trying to survive. We do not share anything with them" (IDI #2, Male).

"I do not know much about South Africans because we go door to door. Our customers are friendly and they support us especially pension people" (IDI #11, Female)

As mentioned above, the nature of their business means that they have no time for socializing with other local traders but they spend more time engaging with the customers which are important in their businesses.

The migrants tend to be more close to each other than locals. They tend to feel safer with other migrants because they share similar experiences and be able to support each other in times of need. Being close to other each other allows them to feel closer to their home because they share same culture and language.

"There is not much, I guess I do not have contact that much with them. I am always surrounded by people that I know from my country and others are not from my country" (IDI #15, Female).

4.7 Summary

Migrant informal traders play a vital role in the informal economy in Howick. There are various reasons as to why they started or ended up in the informal trading business but the main motive was a survival strategy. All informal traders start their businesses using their own savings or they were assisted by their family members. Patience is the motto to survive any hardship they may come across in the business. Customer care and building strong relationships is a goal for the migrant traders because they are dependent on them for their income. It was noted that informal trading also has positive contribution to the economy, because they are also depended on the formal trading for goods, paying rent and the electricity also contributes to the countries state of economy. They also employ the locals which makes a positive contribution to the employment in the country. There are various challenges such as crime, xenophobia, illegal documentation, lack of assistance from the government, customers taking advantage by demanding discounts and credits. These challenges negatively impact the growth of the business. The migrants also feel rejected by the police when they need their assistance; they feel they are treated unfairly compared to the locals. When they are outbreaks of xenophobia, instead of being protected, they are being sent home. Migrants, however, still prefer to be in the country because they find it is better than the state of their home country.

CHAPTER FIVE

CONCLUSION

5.1 Introduction

The overall aim of this study was to understand the experiences that migrant informal traders face in their businesses. Garg (2014) points out that migrant informal traders are a source of foreign direct investment and contribute to the local economy. The study draws on the qualitative research method through the use of semi-structured interviews with migrants aged 20 years and over. This chapter discusses the findings of this research and draws on other research studies to corroborate and contrast the results. This chapter also discusses the theoretical framework and its relevance to the findings of the study. The chapter provides recommendations based on the findings of the study.

5.2 Discussion

The sustainable livelihoods framework portrays how vulnerability determines people's ability to survive and earn a living, which may result in them engaging in migration (Ncube, 2019). This approach was used to rate the human, social, economic, physical and financial capital to ascertain the most evident indicators that influenced migrants' coping and adaptation in South Africa and in their businesses (Ncube, 2019). The experiences of informal migrant traders are discussed in relation to the livelihood framework. According to Ncube (2019), the livelihood framework basically puts emphasis on the strategy for poverty reduction, survival and prosperity that is dependent on the ability of individuals or a community to capitalise on the opportunities and resources at their disposal.

The study found that migrants are actively involved in the informal economy and as a result of their trading activities they are able to employ some locals which helps in improving their livelihoods. As a result, South Africans are able to provide for their families. Tawodzera et al. (2015) highlighted that migrants are playing an important role in the direct hiring of people to work for them in their businesses. Fakoti and Patswawairi (2012) suggested that migrant entrepreneurship is one of the ways to reduce unemployment and poverty. Providing jobs for locals is important as the rate of unemployment in the country is very high but the informal economy plays a significant role in improving people's lives. Labour-force statistics indicate

that the official unemployment rate in South Africa rose to 29 percent in the second quarter of 2019, the highest in a decade (Oosthuizen, 2020). The informal economy encourages employees to gain more skills and eventually they are able to start their own businesses. Tawodzera et al. (2015) stated that some migrants start up their businesses from the experience they have obtained from their previous employment, which is also likely to happen when they employ people in their businesses.

This study reveals that some migrant traders are also contributing to the economy by paying rent for the premises where they conduct their businesses. They also pay for water and electricity which is beneficial to the local municipality. Paying for their permit is another way that shows that they are economically active and contributing to the country's economy. SAMP (2016) indicated that nearly a third (31 percent) of migrants paid rent to a South African company or individual for their business property. This study also highlighted that migrants make sacrifice for their businesses to ensure that their rent is paid in order to ensure that their goods are safe. Tawodzera et al. (2015) indicated that over a third of the informal migrant entrepreneurs pay rent to the city council or municipality. Peberdy (2000) found that migrant traders in South Africa pay rent and purchase goods, food and services. Estimates of the proportion of income spent in South Africa on rent, food and so on ranged widely. Over half said that they spent 40–50 percent of their earnings inside the country.

The transportation to move their goods contribute to the South African economy because they are liable to pay for petrol and other mobility expenses such as tollgates. In this study it was found that some of the migrants are supplied by the formal retailers. According to SAMP (2016) 41 percent sourced their supplies from formal economy wholesaler, twenty seven percent from factories and seventeen from supermarkets. Migrant traders provide goods and services to South Africans in convenient locations and at affordable prices. The migrants are working together with the local trade industry because they depend on the formal trade to get their goods. The study conducted by Tawodzera et al. (2015) found that large number of respondents indicated that they sourced their goods locally from wholesalers. Crush et al. (2015) highlighted that mobility is essential to the informal economy in South Africa because it involves transporting goods from the formal retailers to the trading spaces of the informal sector.

Migrants transfer their skills to the local people, especially when they are working for them. They are able to obtain experience and gain skills in the process. The transfer of skills is also beneficial to the country's economy because people are able to become independent and not rely on the government for employment. The informal sector has been the subject of extensive research as social scientists managed to capture and portray the ways in which the country's poor have managed to create their own employment opportunities in many hostile economic and political environments, and it was noted that the lives of the majority of ordinary South Africans have been touched, at least fleetingly, by the informal economy (Horn, 2011). According to Crush et al. (2015), migrant informal traders make a vital contribution to economic growth, job creation, and social cohesion. Increasingly, they are seen as playing an important role in the development of their country of origin through remittances, investments and skills transfer. It is evident in this research that some migrants partner with locals for their businesses. The transfer of skills has a positive impact on people's livelihood. They are able to grow their financial capital through their skills and build businesses. According to Sidzatane and Maharaj (2013) the local street traders felt that they learn from the work ethic of the migrant street traders, they mentioned that migrants opened their eyes that you can make profit when you are determined to work hard as a street trader.

There are various reasons that motivated migrants to start up their businesses in South Africa. In this study, it was found that most of the participants mentioned that they used social networks to relocate to South Africa. Networking of migrants played a critical role for them to choose South African cities. Many of the migrant informal traders stated that they chose to come to Durban because of the information they had obtained from their networks of friends and family members. They were told by their social networks that the city is a secure place to live and conduct business (Sidzatane and Maharaj, 2013). Tengeh (2013) found the strong influence of social capital in resolving problems of accommodation for the migrants as 49 percent of them solely rely on their family members in South Africa for accommodation, while 21 percent rely on friends when they relocate. Amisi (2006) highlighted in his study that social networks of tribal members, nuclear family and friends from DRC or South Africa act as a social protection net. When there is a problem people tend to go to their respective networks to get support.

Some participants in this study mentioned that they used money that they already saved from their previous employment. The family members of the migrant also assisted them with capital to start their businesses. Obtaining funding for business capital in a foreign country is very hard; the financial institutions consider migrants in the informal sector as high risk. Peberdy et al. (2016) also found that most migrants obtained capital from relatives and family

members to start their businesses. Others use their personal savings to start their businesses. Migrants were not allowed to obtain funding from formal banking institutions because they are not South African, had incomplete documents, had insufficient guarantees, their enterprise was not deemed viable, and/or they had insufficient capital. Inability to access bank loans is one of the biggest obstacles for migrants when they are starting up their businesses. Crush et al. (2015) stated that economic challenge confronting the informal sector is the lack of access to financial services. In addition, financial institutions are extremely reluctant to do business with migrant informal entrepreneurs.

Some migrants reported that they started businesses because they are passionate about creating employment and they always wanted to have their own businesses. Basu (2006) argues that most migrant entrepreneurs are likely to have a business background within their families; they use the influence from their home environment. Adom (2011) found that some informal entrepreneurs choose to operate in this manner as a matter of choice because they enjoy independence, flexibility, the potential for making more money. In this research study, migrants indicated that even though informal trading is challenging their passion pushes them to work hard and not give up. In the study conducted by Ukonu (2011), it was highlighted that most women traders select a career which gives them intrinsic satisfaction. They have an internal locus of control, high self-esteem and self-efficacy. According to Ncube et al. (2019) human capital includes health, skills, knowledge, and the ability to work. Many migrants are rich in human capital because they have business skills and they are willing to work hard.

In this study, unemployment also contributed to migrants starting their businesses and the other reason was due to dissatisfaction they experienced at their work places. Informal trading becomes the main survival strategy for migrants. Sidzatane and Maharaj (2013) highlighted that migrants hoped that they could earn more money in Durban than they did in their home countries. However, when they arrived in the city they found there were no jobs for them which forced them to resort to street trading in order to obtain a livelihood. Tengeh et al. (2011) also found that the majority of these migrants, especially from African countries hoped to improve their lives once they were in South Africa. Limited job opportunities in South Africa meant that many migrants had to start their own business

The main challenge that migrants are faced with is xenophobia, which has many implications for them in the country. Those who experience xenophobia are fearful as they are faced with hatred of strangers or foreigners (Tshisbonga, 2015). The negative attitude towards migrants

has been a leading challenge in the informal trading sector. In this study migrants highlighted that xenophobia indirectly affected them, especially because they live in a small town. Whenever there are xenophobia outbreaks in big cities such as Durban and Pietermaritzburg, they shut down their business because they fear for their lives; that they might also become victims of attacks. It is believed that migrants are often blamed for the scarcity of resources, taking of jobs, child trafficking and smuggling of drugs into South Africa. They are continuously living in fear because of such beliefs held by the locals. They are demonized for various problems such as crime, unemployment, negative, and biased stereotypes towards migrants (Tevera, 2013). The most remarkable feature of xenophobia experienced in South Africa is that it appears to have taken on a primary racial form; it is directed at migrants and especially black migrants (Hussein et al., 2014). This means that migrants who are most likely to experience xenophobia in South Africa are the Black Africans as compared to Whites or Chinese. Crush et al. (2015) argues that xenophobia in South Africa can be best described as Afro-phobia, given that attacks are almost always directed at Black Africans.

The issue of violence against migrants has a negative impact on the economy of South Africa. This is because it is evident that informal trading is contributing to the economy and jobs are also created through the informal sector. Kalitanyi and Visser (2010) argue that the success behind the migrant's business is due to the effective application of their entrepreneurial skills in both establishing small businesses and employing workers. Drawing from the theoretical framework of livelihood strategies, xenophobia has negative implications for financial capital and social capital. Place et al. (2005) describes financial capital as the ability to accumulate money and this includes savings, credit, and remittances for their families. Xenophobia has a negative impact on financial capital. Crush (2017) indicated that many migrants that experience violence are the informal traders; hence they lose their money and stock during the attacks. The formal traders such as wholesalers also are affected by xenophobia because migrants are forced to shut down until the violence has subsided.

The findings also indicated that xenophobic attacks make it difficult for migrants to fully trust the locals. The research study also found that most migrants could only relate well with other migrants. They have created social relationships among themselves because they feel safe with each other. It also evident that xenophobia has created a gap in social capital. The study conducted by Gebre and Maharaj (2011) shows that Ethiopian migrants not only have limited contact with the local South African community, but also non-governmental organizations. All the respondents reported that they have not had any contact with an organization that

works with migrants in South Africa, including the United Nations. In this study it was found that although many migrants reported that they have good relationships with local traders, they have stronger bonds with other migrants and rely on them whenever they are need.

The language barrier between migrants and locals also creates weak social ties because it becomes difficult to have meaningful conversations. Gebre and Maharaj (2011) reported that Ethiopian migrants barely make an attempt to mix with other communities. This can partly be attributed to their inability to speak English or any other language apart from the Ethiopian dialects. The inability to speak any of the local languages spoken in South Africa has adverse effects on the businesses they run. The study reveals that language becomes an important component in running the business. It was also pointed out that some locals assume that the migrant traders are able to speak isiZulu whereas some of them do not understand the language. This has a negative impact on social capital because it hinders them from communication and building relationships with the locals. This finding is also similar to that of Khosa (2014), who found that significant numbers of African migrants are unable to converse in the local languages and that hinders the smooth running of their businesses. Gebre and Maharaj (2011) pointed out that language barriers prevent migrants from having deep and meaningful social relationships. Communication barriers prevent migrants from expanding and maximizing their markets.

Tsoka et al. (2014) concurs that the influx of migrant informal traders has led to increased competition and lowered prices. High competition among the informal traders was also raised as a concern by participants in this study. Competition demands them to lower their prices so that their goods will be sold. As a result they are not able to make a profit and their business will not grow. High competition is also created by customers who demand lower prices compared to the standard price of items. Sidzatane (2011) argues that even though there is high competition among street traders it is beneficial as locals reported learning from the migrants. In this study the participants mentioned that competition does not cause any hostility between local traders and migrant traders. However, competition has a negative impact on their financial capital which is the major element of the livelihood of migrants. The lack of financial capital also leads to a negative impact on physical capital because the migrant are challenged to pay for the rent, electricity and the high cost of living. Crush et al. (2015) also argues that competition amongst the migrant traders motivates them to improve managerial experience and networking becomes an important aspect of positive growth expectations.

This research also found that the government is not playing a role in assisting the migrant traders. They find themselves working very hard with the support of their relatives and family member to build their businesses. They pay a high amount of rent to private landlords. The municipality is not assisting them with shelter and storage for their goods. Asoba et al. (2016) also pointed out that limited business spaces is a challenge. The lack of support from the government also has a negative impact on the employees in the informal sector, mainly because their business is not guaranteed to last and people might lose jobs whenever the business fails. In the study conducted by Sidzatane and Maharaj (2013) it was highlighted that both locals and migrants maintained that officials in the Metropolitan Municipal offices are not keen to assist them with the problems that are confronting traders. This situation has been discouraging to some and as a result, they have developed a sceptical attitude towards municipal officials as they feel that they do not provide them with support. Kalitanyi (2014) found that the Department of Trade and Industry and the local government do not assist migrant entrepreneurs. Sidzatane and Maharaj (2013) also mentioned that informal traders believe that being given small trading spaces deprives them of the opportunity of expanding their businesses so that they can perform their trade more effectively and thus earn a greater profit

Fluctuation of the economy was found to be the challenge in the informal sector because migrants are unable to make profits. The price cutting becomes the only option to keep the business running. Khoza et al. (2014) stated that migrants struggle to cover their operating costs during unfavourable seasons. Fluctuation of prices has negative impact on the financial capital. The fluctuation is also caused by the high level of competition; as a result, the business becomes slow. The negative impact on economic growth also affects customers as they are unable to buy. While the business is slowing down, the migrants have to find other alternatives to keep the business running. According to Sidzatane and Maharaj (2013) the economic recession has affected the purchasing power of ordinary people and this is reflected in the poor sales. The traders experience severe financial hardships when their businesses experience a slump because of poor sales.

In this study it was found that the high rate of crime is one of the major challenges faced by the informal traders. The migrants reported that theft has become a concern; as their goods are stolen. According to Sidzatane and Maharaj (2013) many of the migrant street traders live in fear of being attacked and robbed by criminals. They are easy targets because sometimes the criminals that roam the streets know that migrant traders hide their money in their homes

and also sometimes carry it around with them. The migrants also expressed that they have lost faith in the police because they are also victimized by them. Sidzatane and Maharaj (2013) also found that migrant street traders expressed negative attitudes at the treatment they receive from the police (and more specifically the Metropolitan police). Durban's policemen are perceived as misusing their legal powers by arresting and mistreating the migrant street traders. This has negative impacts on the livelihoods of the migrants; theft affects their financial capital because they have to cover the loss in the business. This also has negative impact on their physical capital mainly because they lose stock. Migrant traders also have lost trust in the locals and South African Police Services. The continuation of this state of affairs could have negative repercussions because the migrant traders might eventually become unwilling to trade anymore, which would mean the loss of jobs for locals as well as fewer employment opportunities in the future (Sidzatane and Maharaj, 2013).

Some migrants were optimistic about their future in South Africa concerning their business; however, some strongly believed that they would not stay in South Africa due to their experience as foreigners. Some migrants wish to go back to their own countries and be with their families, but due to the current state economy and political unrest back in their home countries they have to stay longer in South Africa. Some of the migrants wish to bring their families over to reside permanently in South Africa, because it becomes difficult when they have left their families behind. Migrants also plan to grow their businesses and also add family members to the business. According to Kalitanyi (2010) thousands of people choose to settle in South Africa because of the quality of life, and business opportunities. South Africa is seen as a multi-cultural, rainbow nation alive with possibilities.

Despite all the challenges that migrants encounter in business and in their social and personal space, they strive to make successful businesses. Informal trading is still the most preferred activity for them because they are more comfortable having their own businesses rather than working for other people. According to Sidzatane and Maharaj (2013) migrants have to endure a number of challenges while trading on the streets of Durban. They face continuous harassment even when they possess legal permits that allow them to trade freely. Informal trading is also preferred mainly because it is still an ignored sector and it is also a tax free industry. This makes it easy for the undocumented migrants to engage in trading because they would not have to account for their businesses since they are not registered. In this study, informal trading is a survival strategy for many migrants in the country; hence they strongly

disagreed with the stereotypes created by the people that they are job stealers and they are competing for resources with the local people.

In this study migrant traders also raised the coping mechanisms they use when they are faced with challenges in their business. They pointed out that they were always patient and helpful to their customers. This helps them to build their clientele and maintain good relationships for the benefit of their business. The respondents mentioned that sometimes they are forced to lower the prices of their goods for the customers, even though that affects their monthly profit but they are able to keep their relationships and sustain their businesses. Their patience benefits them in times where the business is not doing well. Patience and passion for business becomes a coping mechanism for them. Hungwe (2013) stated that the survival strategy for self-employed migrants includes patience and migrants are most likely to be involved in businesses that bring them satisfaction and hence it becomes easier to cope in challenging times.

In this study, migrants did not have issues with local traders. However they do not share strong relationship with them, mainly because every informal trader is striving to succeed in the business hence many migrants were more worried about maintaining good relationship with customers. Crush and Ramachandran (2014) pointed out that migrant street traders reported that good customer service is necessary to attract customers. The migrant traders seem to realise that it is crucial to establish a rapport with potential buyers in order to encourage them to purchase their products. In this study migrants also reported that it has become difficult for the migrants to have relationships with the locals after all the stereotypes and negative attitudes that locals create of migrants. It was also noted that migrants tend to form small group as foreigners regardless of their nationality, they usually help each other when in need. They find it easy to relate to other migrants rather than locals mainly because there is no language barrier and cultural difference. The social capital that they rely on is mostly with people of the same background and ethnicity. Jinnah (2010) found that Somalis in Johannesburg have carved a unique space for work and have made a valuable contribution to the economy, whilst preserving their ethnic and religious identity.

5.3 Recommendations

The following recommendations were articulated in response to the challenges that were raised in the study. It is crucial to find ways to ensure that the safety of migrant traders is taken into consideration. It will also ensure that the rights of migrants are protected.

Stricter internal monitoring and control needs to take place. There should be more skilled and professional officials to service the requirements of migrants in order for bribery to decrease (Gebre and Maharaj, 2011). Those who do not qualify for citizenship, then proper legal route of deporting them should be done without victimizing them. Migrants mentioned that they are usually deported when there are outbreaks of xenophobia. The government should be proactive in their borders to control the movement of people. The government should also take action against those officials who are taking bribes from migrants to gain citizenship in South Africa. Migrants can play a role in reporting individuals that are involved. The Department of Home Affairs should be a corruption free department because it is compromising the standard of service delivery. Fibre et al. (2010) suggests that governmental institutions and the police force must be the ones that help change the negative public perceptions about migrants by exemplifying through their actions the way that migrants should be treated respectfully. The government officials need to be aware about the implications of corruption in their work places. The government should have a zero tolerance policy on corruption.

The government should also be proactive with issues such as xenophobia; by ensuring that locals are given necessary skills to start their own businesses. The government has the power to create strong social ties between the locals and the migrants by making them work together and educating them about starting and running businesses. The literature highlights that South Africans have high rate of illiteracy and facing high unemployment, this results in hostility and violence towards migrants. The locals should be empowered and educated to start their own businesses. Gebre and Maharaj (2011) emphasizes that unity between locals and migrant communities needs to be emphasized, but the attitudes of locals can only be properly addressed through media intervention. If this occurs locals could be more accommodating and supportive of migrant communities. This will reduce the rate of unemployment and dependency on the government for livelihood. The government needs to stress the positive impact of migrant businesses on South Africa's economy so that people will have more understanding. Garg et al. (2014) also suggests that migrant traders can be used to support the

entrance of South African youth into entrepreneurial practices by forging sustainable partnerships.

There also should be more campaigns and organisations that raise awareness of social issues that challenges migrants. These campaigns will promote social cohesion between locals and migrants. South Africans should be taught to be more sensitive about words they use when they are referring to migrants because some locals think it is acceptable to call migrants "amakwerekwere" and they are unaware that it is offensive to migrants. According to McKnight (2008), the Department of Home Affairs has, in terms of Section 29(20) of the South African Immigration Bill, the duty of both educating the country's citizens and civil society on the rights of migrants and refugees and carrying out activities that discourage and prevent xenophobia. Such educational programs will train the locals about the background of migrants and that will positively impact the way the migrants are perceived in the country. Ncube (2019) also recommends that training, education and awareness campaigns need to be implemented at grassroots levels so that local inhabitants can understand international migration and the benefits it brings to host countries in order to reduce xenophobic sentiments. Fakoti and Patswawairi (2012) suggest that migrant entrepreneurs either personally or through their ethnic association need to develop partnership with government agencies that is, the Small Enterprise Development Agency (SEDA) that help them secure funding and other impart management skills through training.

The informal sector has been portrayed as a solution to generating income for the vast number of unemployed South Africans despite a number of authors having engaged in testing the ability of informal-sector businesses worldwide to adequately generate an income (Horn, 2011). The municipality should work together in supporting the migrant informal traders in their businesses, providing shelters and increasing security. Garg et al. (2014) also suggests that there should be an accurate database of migrant entrepreneurs operating within a particular jurisdiction and it will be easier to support this sector, and also ensure that migrants are protected by the legal framework of the country. The financial institutions should also be humane in their assessment criteria when considering loans for migrant informal traders who want capital, having a considerable period for repayment. Fakoti and Patswawairi (2012) suggested that the new approach to screening and risk evaluation of loan applicants developed by the Entrepreneurial Finance Laboratory (EFL) of the Centre for International Development of Harvard University and newly adopted by commercial banks for lending to SMEs in South Africa can be extended to migrant entrepreneurs.

5.4 Conclusion

This study was designed to understand the experiences of migrant informal traders who live in Howick. The study has found multiple factors that motivate migrants to relocate and start their businesses in South Africa. The informal sector has been found to play a vital role in poverty alleviation and improving the livelihoods of people. It was also proven that migrant informal traders contribute to the local economy. However there are multiple challenges faced by informal traders such as crime, language barriers, high competition, and xenophobia. The appropriate resolutions were suggested to address these issues, including awareness campaigns and empowering locals to start businesses and also to be more informed about the benefits of migrant informal traders. An area that requires further research is the role of the government in supporting migrant informal traders. The information can be obtained through municipalities and relevant government departments.

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Appendix

INTERVIEW GUIDE

Section A

- Age
- Gender
- Nationality
- Residential area

Section B

- How long have you been to South Africa?
- What kind of business or businesses are you involved in?
- How long have you owned a business?

Section C

- What motivated you to start the business specifically in Howick?
- What are challenges that you have in business as a migrant?
- What are advantages and disadvantages of being an informal trader?

Section D

- Do you have relations with the local business owners?
- How do the local traders treat you?
- Describe the support you have received from the local institutions?

Built Environment and Development Studies University of KwaZulu-Natal, Howard College Campus Durban 4001

Dear Participant

INFORMED CONSENT LETTER

My name is Ms Laurencia Nonhlakanipho Zuma; I am a Masters candidate studying at the University of KwaZulu-Natal, Howard College campus, South Africa.

I am interested in learning about the experiences and challenges as migrant informal traders in South Africa. I am studying cases from Howick Town. Your community is one of my case studies to gather the information; I am interested in asking you some questions.

Please note that:

- Your confidentiality is guaranteed as your inputs will not be attributed to you in person, but reported only as a population member opinion.
- The interview may last for about 1 hour and may be split depending on your preference.
- Any information given by you cannot be used against you, and the collected data will be used for purposes of this research only.
- Data will be stored in secure storage and destroyed after 5 years.
- You have a choice to participate, not participate or stop participating in the research and you will not be penalized for taking such an action.
- The research aims at knowing the challenges you encounter in your business of your community relating to resource scarcity, peoples' movement, and effects on peace.
- Your involvement is purely for academic purposes only, and there are no financial benefits involved.
- If you are willing to be interviewed, please indicate (by ticking as applicable) whether or not you are willing to allow the interview to be recorded by the following equipment:

	Willing	Not willing
Audio equipment		
Video equipment		

I can be contacted at

Email: 208501496@stu.ukzn.ac.za

Cell: 0768216371

My supervisor is Professor Pranitha Maharaj who is located at the School of Built Environment and Development Studies, Howard College campus, University of KwaZulu-Natal.

Contact details: Maharajp7@ukzn.ac.za

You may also contact the Research Office through: P. Mohun
HSSREC Research Office,
Tel: 031 260 4557 E-mail: mohunp@ukzn.ac.za

Thank you for your contribution to this research.

Councillor Janis Holmes
9 Paddock Crescent
Howick
3290
082 829 2768
janis@lantic.net

24/05/2019

To whom it may concern,

RE: Acknowledgement of proposal and letter of authority

Dear Madam / Sir,

I, Janis Holmes, Ward 2 Councillor in uMngeni Municipality, would like to offer my support for Miss Laurencia Zuma's research proposal into migrant informal trading in the Howick area. I think this will provide useful information and is a worthwhile exercise.

Please regard this letter as a letter of authority from myself as the ward councillor of Ward 2.

I hope Miss Zuma's research goes well and I look forward to reading the completed thesis.

Please contact me directly should you need to.

Yours faithfully,

Councillor Janis Holmes Ward 2 uMngeni Municipality 082 829 2768 janis@lantic.net