

**SOCIO-ECONOMIC PARTICIPATION OF SOMALI  
MIGRANTS IN THE INFORMAL ECONOMY OF  
DURBAN**

**BY  
BINIAM TESHAMARIAM MISGUN**

**Submitted in partial fulfilment of the requirements for  
the Degree of  
Master of Social Sciences  
in Sociology**

**University of Kwa-Zulu Natal, Faculty of Humanities,  
Development, and Social Sciences,  
Howard College Campus**

**Supervised by Kibashini Naidoo**

**December 2005**

## DECLARATION

I, Biniam T. Misgun, hereby declare that the work submitted is entirely my own unless so indicated in the text, and that no part of this work has been submitted for a degree at any other University.

Signature .....

Date .....

## ACKNOWLEDGEMENTS

I would like to forward my gratitude to all those who have assisted and supported me throughout this dissertation and without whom the final product would not have been possible:

My supervisor, Kibashini Naidoo, for her valuable advice, guidance and constructive criticism of my work;

Gherhard Maré and all the Department staff for their encouragement and support throughout the ups and downs of my journey in this dissertation;

My wife, Anne, whose support, and most of all constant encouragement, and editing of my work made this journey possible;

My mother in law, Barbara, for her relentless support and encouragement throughout my studies;

My friends for their constant encouragement;

All those who participated in this research and made it possible for this research to come this far.

I would also like to forward a special gratitude to the following individuals, whose assistance was indispensable during my fieldwork:

Idris (A Somali Refugee)

Princess Mkhize (A teacher who worked as an interpreter without any pay)

Philip Sithole and Snele Ntsele (ITSBO)

Hassen (Police Commander, illegal trade control unit, on the West Street project)

## **ABSTRACT**

This study is done on Somali migrants participating in the informal economy of Durban. The aim of the study is to explore their socio-economic participation, their experiences and the prospects available to them in the informal economy of the city. By using the ethnographic approach, the study attempts to explore the study group's experiences as migrants in the informal economy. Findings of this research indicate that most Somalis in Durban engage in street-trade. Following these findings, the street-trade of Durban and Somali migrants' participation in this sector of the informal economy, became the centre of attention in this dissertation. The study also attempts to explore the impact of the policy environment on the Somali migrants' participation in the informal economy of the city.

The findings of this research suggest that conditions of migration, legislative and policy environment, and the prospect for growth, drive Somali migrants in Durban to participate in the informal economy. Following the findings, this study also challenges the general perception that informal economy is a survivalist strategy, which undermines the pull-factors, such as prospects for growth and a means of avoiding the costs of formality. This study suggests that Somali migrants perceive their engagement in the street-trade as a means of accumulating capital in order to move up to bigger businesses. Social capital and networks are valuable elements often used by these migrant traders in advancing their business and sharing information about business matters.

The study also explores the existence of symbiotic and conflictual relationships between the locals and Somali street-traders. This relationship is noted to be one of tension, yet with some degree of understanding which emanates from sharing a common experience as street-traders.

## TABLE OF CONTENTS

<b>Declaration</b> .....	<b>i</b>
<b>Acknowledgements</b> .....	<b>ii</b>
<b>Abstract</b> .....	<b>iii</b>
<b>Chapter One: Introduction</b> .....	<b>1</b>
1.1 Focus Of The Study .....	2
1.2 The Problem .....	3
1.3 Objectives Of The Study.....	6
1.4 Structure Of This Dissertation.....	8
1.5 Conclusion .....	10
<b>Chapter Two: Conceptual And Theoretical Frameworks</b> .....	<b>11</b>
2.1 Towards A Working Definition .....	11
2.2 The Three Dominant Approaches: Theorising Informal Economy, Informality And Informalisation .....	16
2.2.1 Consolidating The Three Dominant Approaches.....	19
2.3 Entrepreneurs And Disguised Workers .....	21
2.4 Contextualising The Informalisation Approach.....	23
2.5 International Migrants, Informal Economy, And Informalisation .....	25
2.6 Social Capital And Social Mobility In The Context Of Foreign Migrants And The Informal Economy.....	32
2.7 Conclusion .....	38
<b>Chapter Three: Methodology</b> .....	<b>40</b>
3.1 Qualitative Methodology And Ethnography.....	41
3.2 Ethnography In My Own Research .....	46
3.2.1 Negotiating Access .....	49
3.2.2 Participant-Observation .....	52
3.2.3 Interviews.....	54
3.2.4 Analysing The Data .....	56
3.3 Ethical Issues And Concerns.....	58
3.4 Limitations Of The Study .....	59
3.5 Conclusion .....	59
<b>Chapter Four: Ethnographic Setting</b> .....	<b>61</b>
4.1 The Setting .....	62
4.2 African Migrants In The Informal Economy Of Durban.....	65
4.3 Characteristics Of Somalis In The Informal Economy.....	68
4.4 Historicising The Informal Economy Policy Of Durban: The Street Trade.....	71

4.5 Policy Environment And Foreign Migrants In The Informal Trade .....	74
4.6 Conclusion .....	78
<b>Chapter Five: Somalis Trading In The Streets Of Durban .....</b>	<b>80</b>
5.1 Coming To South Africa.....	81
5.1.1 The Route To South Africa.....	87
5.2 The Choice Of Street Trading.....	89
5.2.1 Perceived Conditions In The Informal Economy.....	90
5.2.2 Socioeconomic And Legal Conditions In The Host Country .....	94
5.2.3 Conditions Of Migration.....	98
5.3 Experiencing The Informal Trade As Migrants .....	100
5.3.1 Somali Informal Traders Of Durban: Competition And Negotiation.....	103
5.3.2 The Product Chain And Procurement.....	106
5.3.3 The Police Disrupt Our Business: Treatments Received From Officials .....	109
5.4 Problems Regarding Access To Services .....	115
5.5 ‘Girls Working For Us’: Women Employed By Somali Traders.....	119
5.6 Relationships With The Local Traders.....	125
5.7 Conclusion .....	128
<b>Chapter Six: Somali Traders’ Expectations, Challenges And Socio-Economic Success .....</b>	<b>130</b>
6.1 Migrants In The Informal Trade: Challenges And Opportunities.....	131
6.2 Future Plans.....	135
6.3 Social Capital And The Possibility Of Personal Growth.....	138
6.3.1 Socio-Economic Mobility .....	143
6.4 The Need For Association .....	146
6.5 Conclusion .....	148
<b>Chapter Seven: Conclusion .....</b>	<b>149</b>
<b>Appendix I .....</b>	<b>154</b>
<b>References.....</b>	<b>154</b>
Theses And Unpublished Papers.....	166
Policy Documents.....	168
Webpages And News Articles.....	169
<b>Appendix Ii .....</b>	<b>170</b>
<b>Interviews .....</b>	<b>170</b>
Formal Interviews With Somali Street Traders.....	170
Interviews With Somali Street Traders Assistants .....	170
Interviews With Officials.....	170

## CHAPTER ONE: INTRODUCTION

This study was initially inspired by the idea of looking at Horn of African migrants in South Africa, which I thought I could relate to as I am from this region, from Eritrea to be specific. However, it was necessary to narrow the focus of the topic and the study group to make the research more manageable. In order to narrow this, it was crucial to deal with the topic by focusing on one particular migrant community. Remaining within the region I had in mind, the choice of Somalis as a study group seemed to me to be very important. The reason for this is that Somalis have experienced mass migration. The beginning of the 1990's marked a new wave of exodus of Somalis, as a result of the civil war and political unrest, particularly in Somalia and in the Horn Africa region in general. This occurred in more or less a similar period to when South Africa started to attract international migrants.

It has also been recorded that foreign migrants, especially from this continent, are increasingly becoming major participants in the informal economy of South African cities (Rogerson, C.M., 2000; Peberdy and Crush, 1998; Hunter and Skinner, 2002). This is in line with the ever-growing evidence which suggests that the informal economy is increasingly becoming the heart of every urban economy (Sassen, 1994; Sassen-Koon, 1989:60; Castells and Portes, 1989:2; Dasgupta, 2003). In the 1998 estimate, in Sub Saharan Africa alone, the informal economy accounts for over 60% of urban employment (Xaba *et al*, 2002). Evidence also indicates that the informal economy has long become part of the urban economy, both in the developed and developing world (Sassen, 1997b). South African cities are not different in this regard. Such urban milieus are progressively influenced by the growth of informal economic activities. Originally recognized as one section of the dual nature of the urban economy, the informal economy is now recognised as part of a continuum of the urban economy.

This research attempts to explore the socio-economic participation of foreign migrants in the informal economy of Durban, by focusing on Somali migrants as a selected migrant community. To achieve this and by way of introducing the research, I shall outline the focus of the study, the research problem, its objectives and the potential

value of the study. The final section of this chapter presents the structure of this dissertation.

## **1.1 FOCUS OF THE STUDY**

Broadly, this case study investigates Somali migrants' socio-economic participation in the informal economy and their experience in the inner city of Durban. The study therefore is two-tiered: Firstly, it explores the experiences of Somalis as foreign migrants, and, secondly, considers their experience as informal economic actors. In so doing, the study examines Somali migrants' engagement in informal economic activities as a means of livelihood and their experience as informal actors. Moreover, this study explores the reasons for their choice of economic activity. This research particularly examines the experiences of Somali migrants as foreigners. In examining the experience of these migrants, the study investigates the challenges and opportunities presented to this group in the informal economy.

This research also investigates the experiences of foreign migrants within the context of existing legislation on immigration as well as the informal economy. Here the intention is to investigate how state policies on migration and informal economy shape the lives and participation of those migrants in the informal economy of Durban. Finally, it attempts to explore the link between migration and informality by examining cases of Somali migrants in Durban.

To this end, individual life stories and experiences were explored, which provided me with the sense of their experiences. This study also explores the reasons for their migration, why they chose South Africa as a destination, and Durban specifically, how they became involved in informal activities and how they pursued informal economic activities, especially as those issues reflect their socio-economic involvement in the host country.

This study, by way of looking at socio-economic participation, focuses on the interactions that Somali migrants have with locals participating in the informal economy. This study also provides interesting insight into Somali migrants' interaction with their employees, as well as with the local informal actors with whom they come into contact. The role of social capital in this migrant community is

investigated. This study explores experiences and possibilities of social mobility of these migrants participating in the informal economy, by extending social capital to success. This study also explores challenges and opportunities presented to Somali migrants in the informal economy.

## **1.2 THE PROBLEM**

The involvement of foreign migrants in the informal economy in South Africa has been occurring for a long time. There are a number of indications that foreign migrants' participation in South Africa's informal economy is relatively high, especially if the participants are from comparatively poor countries like Somalia (Hunter and Skinner, 2002). This follows evidence emerging internationally, that foreign migrants, especially those who have arrived recently, tend to concentrate in the informal economy as there are fewer options available to them in the formal economy (ILO, 2002: 33). With South Africa increasingly becoming a destination for many African migrants and with respect to the limited rights and opportunities offered to migrants in the formal economy, which is highly regulated (Peberdy, 2000), there is a tendency for them to engage in informal economic activities.

Over the last decade and a half, issues of immigration and 'illegal' migrants appear to have become a prominent issue as one of the major concerns in South Africa. Migrants are portrayed in the South African media as worsening the growing unemployment in the country and are associated with increasing crime.<sup>1</sup> Attention has been drawn mainly to African migrants, who are unfortunately deemed to exacerbate the problems this country faces. There are indications that South Africa is attracting more and more migrants and asylum-seekers from the continent (Crush, 2003), and this might be linked to the changing international migration conditions and patterns. As part of this change, many Africans, whose final destination used to be West Europe and North America, have already begun to overwhelm South Africa (UNHCR, 1995:189-191; Adepoju, 1998:32-33).

---

<sup>1</sup> Review of the Migration News which is compiled monthly by Southern Africa Migration Policy reveals this matter. <http://www.queensu.ca/samp/migrationnews/index.htm#archives>

There tends to be a misconception among the general public in South Africa about African migrants. African migrants in South Africa are perceived as poor people coming to the wealthy nation to make a living; South Africans view African migrants as people who cause 'trouble' and introduce a tradition of 'crime' and, at best, seem to have no contribution whatsoever to offer to the country ( Handmaker, 2000; McDonald *et al*, 2000; Peberdy and Crush, 1998). The Human Rights Watch, in its 1998 report, reflects this problem from a humanitarian point of view. Other researchers in this area like Crush (2000; 2003), McDonald (1997), McDonald *et al* (2000), Rogerson (1997, 1996), and many others who have contributed to the South African Migration Policy series of publications, address this issue extensively. The media and politicians making sweeping generalisations contributed to the development of 'anti-migrant sentiments'. Moreover, this has been exacerbated by other factors, such as the kinds of activities in which migrants become involved. Peberdy and Crush (1998:1) state, "The non-South African street traders are often portrayed in the South African media as 'illegal', 'ill-educated', new arrivals who take opportunities from South Africans and money from the country." In most cases, African migrants are seen more as dependents than contributors, especially if they are engaged in the informal economy. The complexity of measuring the contribution of informal economic actors to what is commonly considered as mainstream economy (Portes, 1994:438-443) seems to enforce the notion that foreign migrants engaged in the informal economy, out of uncertainty, have no significant role to play in the host country.

There are also a number of reports of clashes between locals and foreign migrants in the informal economy (Rogerson, 1997:6). This situation clearly presents a danger in the informal activities of the city, mainly in street trading and hawking. This is due to the presence of fierce competition for trading locations and business niches. In South Africa, the number of complaints about foreign traders replacing the local vendors and hawkers, who are predominantly women, is escalating (ILO, 2002:16). This scenario is likely to enforce the view that foreign migrants create pressure on local resources and exacerbate competition. Yet foreign migrants play a crucial role in the informal economy of urban spaces in South Africa. The magnitude of their

participation in the informal economy is increasing dramatically, as their numbers surge into the country.

Having this negative view of foreign migrants in mind, simultaneously, poses another dilemma, as there is an on-going effort to establish government intervention in the informal economy to enhance its contribution to the mainstream economy. Favourable state interventions usually target locals participating in the informal economy and aim to improve their productivity. A nation whose political economy is geared to reserving much of the opportunity for the locals has a tendency to marginalise foreign migrants. This kind of marginalisation is likely to compel those migrants to search for an alternative. Many of African migrants seem to have found a niche in the unregulated informal economy, creating another challenge for the system in the informal economy. The problem is twofold. On one hand, there is the growing number of migrants, supposedly illegal, and there is the need to regulate this migration and its consequences. This is also accompanied by the state's efforts to serve the national interest through protecting the labour market and resources. On the other hand, there is doubt and misconception concerning the contribution of the informal economy (Lund and Skinner, 2003; Skinner and Valodia, 2002), in which many African migrants are likely to engage. Thus, the dilemma is embedded in maintaining the state's interest and the community's interest, as well as facing the moral responsibility of dealing with foreign migrants (mainly asylum-seekers and refugees).

The Durban metropolitan local government is believed to have an advanced approach towards the informal economy and institutional arrangements in dealing with people in this economy and bringing the informal economy into the mainstream economy (Xaba *et al*, 2002, 41-43; ILO, 2002:108, 116). This is clear, for example, in the local government's attempts to administer and regulate vending spots. How far this distribution includes foreign migrants participating in the street-trade is yet to be determined through extensive quantitative research. It is important to be aware, however, that working with the locals alone, further marginalises foreign migrants in the informal economy. As there is no clear policy on immigration at the national level, the local governments' initiatives on the informal economy seem to be entrapped when it comes to dealing with the foreign migrants participating in the informal

economy at the local level, although the political will is there. Subsequently, this is likely to have repercussions in strengthening informality, instead of aligning it with the mainstream economy.

Therefore, with South Africa increasingly becoming a destination for many African migrants, who are likely to engage in the informal economy, there is the need to design an effective approach in dealing with foreign migrants in this economy. To this end, it is important to have a clear understanding of migration and its effect on the foreign migrants, as well as the relationship between migration and informality. In addition, it is necessary to question the assumptions and sweeping generalisations made about African migrants, and address those in the light of presented evidence.

### **1.3 OBJECTIVES OF THE STUDY**

Whilst it is very important to address assumptions and generalisations made about African migrants, this study argues that to have a clear understanding of migrants and their contribution, it is necessary to examine their socio-economic participation in the host country. Yet, it is not the objective of this study to generate facts about foreign migrants' contribution to the host country; rather, it explores and provides insight into the experiences of foreign migrants, specifically of Somali migrants in Durban, participating in the informal economy. In addition, there has been little investigation done particularly on the Somali community in South Africa. An outstanding study done by Vawda (1999), in which he handles the topic of Somali migrants under the general category of foreign migrants, is one of the few studies available. Although, the general studies on foreign migrants have their own strengths, in my view, they have not sufficiently explored and outlined the nature and forms of the socio-economic participation of each migrant group studied, which this research, specifically, has set as an objective.

Undoubtedly, a number of recent studies have focused on African migrants from various parts of the continent in the past few years. In this regard, there are two categories of work in South Africa in this area: that which has dealt with the foreign African migrants as a general category, and that which has dealt with them based on specific origins.

In dealing with foreign migrants and their livelihood and participation in the informal economy, extensive research has been done. Rogerson (1997), Hunter and Skinner (2002) and De Haan (2000), among others, have concentrated on African migrants as a general category. However this approach provides little information about the particularity and differences among the migrant groups. There are factors that have been overlooked (or that researchers did not address) which have an importance in our understanding of migration and informality, specifically 'social networks'. Usually social networks are embedded within the immediate community ties. Foreign migrants, regardless of their legal status, are heterogeneous by nature with respect to their cultural and social background and origin. To this effect, their lives are organised or structured within communities that usually rely on their affiliation and common origin. Moreover, informality has to be looked at, as Castells and Portes (1989: 11) suggest, as a process that grows within certain social and historical contexts. This also applies to the migration process itself, which I think is central to understanding the participation and livelihood of foreign migrants. The historical and social contexts, within which migrants and immigrants emerge, in many ways, are specific to each community. Investigating these specific contexts requires dealing with individual communities of migrants as unique subjects of inquiry. This research, by focusing on one particular community of migrants, is intended to contribute to the growing literature, in South Africa, and to the general debate.

Admittedly, the second category of research has far more strength in the fact that it deals with specific contexts (Gema, 2001; Geyevu, 1997; Sabet-Sharighi, 2000). However, the methodological issue is the one that needs to be addressed in this case. This too applies to the first category of studies. Generally speaking, inquiries in this area have adopted surveys that do not have enough strength in probing and getting deeper into the perceptions and experiences of the study group. What makes this research different is the use made of ethnographic research which has its strength in providing an in-depth insight into and an understanding of, the community concerned. The valuable element of the research comes from spending time with the community in its social setting as well as making use of a variety of techniques. What has become popular as 'urban ethnography' has been contributing a great deal in recording and documenting the lives and experiences of foreign migrants in the Western World. One

would expect to see more of these studies on foreign migrants in South Africa, considering that the country is experiencing a tremendous influx of migrants from the rest of the continent. In addition, qualitative research is said to be a forte for many South African academics in the fields of social sciences. I have not, however, come across any work in South African literature that has looked at the migrants and their participation in the informal economy using the ethnographic approach.

Moreover, this particular research approach (ethnography) is of great significance in providing insight into the nature, emergence and function of informality in the foreign migrant community (Portes, 1994:438). The research presented here, by making use of the ethnographic approach, is intended to document the experiences of Somali migrants engaged in the informal economy of Durban and their socio-economic participation as a way of understanding the nature, emergence and function of their involvement in the informal economy of the city.

Initiated by this growing public and state concern, numbers of researchers have focused on African migrants from various parts of the continent in the past few years. Most of the studies have focused on determining the contribution of migrants to the host country and explaining the dilemma in the policy and governance (for example Vawda, 1999; Rogerson, 1997; Hunter and Skinner, 2002). Nonetheless, no study has addressed a particular focus on the experience of the migrants and detailed their socio-economic involvement in the host nation. To expand on the above literatures, this research explores the details of the socio-economic activities of Somali migrants participating in the informal economy.

Following the above noted objectives, this research has two fundamental purposes. Firstly, it contributes to the growing literature on migrants participating in the informal economy in South Africa. Secondly, it gives particular insight into the experience of Somali migrants living, particularly, in Durban.

#### **1.4 STRUCTURE OF THIS DISSERTATION**

Chapter one details the preamble of the study. Chapter Two deals with conceptual and theoretical frameworks that inform and guide the research. It has four main sections.

The first section contains discussions on definitional challenges, and, thereby, the working definitions developed around pertinent concepts. The second section deals with the dominant approaches in the informal economy, focusing on informality and informalisation. The sub-sections are dedicated to consolidating these approaches, reviewing the recent debates on the informal economy, and contextualising informalisation as an approach on the basis of these three sub-sections, by way of appropriating it to the purpose of this research. The third section explores theoretical issues concerning the relationship between international migrants and informalisation. The last section deals with social capital and social mobility within the context of foreign migrants in the informal economy.

Chapter Three deals with methodological issues. It has three sections. The first section discusses the ethnographic approach and the qualitative paradigm which shaped this research. The second section outlines the actual process and methods used in this research. The sub-sections, firstly, discuss the ways access was negotiated and challenges faced in this regard. Secondly, they deal with the data collection tools, participant-observation and interviews. Thirdly, they discuss how the data was analysed, and, fourthly, they raise the ethical issues and concerns that preceded and emerged while undertaking this research. The last section addresses the limitations of this study.

The fourth chapter discusses the ethnographic setting. This chapter briefly reviews the history of Durban's informal economy and that of the street-trade in particular. It also considers migrants in the informal economy of Durban, and introduces characteristics of Somali migrants working in the informal economy. Finally, this chapter highlights the policy environment by way of discussing the ethnographic setting.

The fifth chapter explores and discusses the Somali migrants' experiences and their participation in the informal economy of Durban. This chapter also addresses the conditions of their migration, engagement in the informal economy of Durban and the nature of their participation. This chapter discusses the availability and accessibility of services that have a significant effect on Somalis participating in the informal economy of Durban. Finally this chapter looks at these migrants' interaction and engagement with the locals.

Chapter Six examines opportunities and challenges presented to the Somali migrants participating in the informal economy of Durban. This chapter also explores their future plans, prospects for success and conditions tending to facilitate success within this group.

The final chapter presents the conclusion. This chapter summarises the socio-economic participation of Somali migrants in the informal economy of Durban, and notes the opportunities and challenges presented to these migrants. It also provides a summation and concludes the discussion concerning the Somali migrants' interactions with the locals and the impact of policy environment.

## **1.5 CONCLUSION**

Chapter One explores what motivated this research and its objectives. It also highlights the focus of this study. The intention of this dissertation is to add to the developing literature and to create insight into the experiences of the chosen migrant community, useful to various individuals and organisations that might have an interest in foreign migrants in the informal economy of South African cities in general and Somali migrants in Durban in particular.

## **CHAPTER TWO: CONCEPTUAL AND THEORETICAL FRAMEWORKS**

Over the past decades various concepts and definitions have developed within the informal sector debate, often diverse and confusing. Thus, this chapter attempts to develop a working conceptual definition, as it is important to have a clear understanding of the various concepts used in this dissertation. In so doing, I have tried to relate the earlier debates on conceptions and theories of informal economy with the recent ones as a way of exploring the conceptual and theoretical frameworks that influence our understanding of the informal economy. Two conceptions emerged from informal economy debates. These are “informality” and “informalisation” (De Soto, 1989; Castells and Portes, 1989; Meagher, 1995). This chapter discusses their similarities and differences in meaning and ways in which they have been understood as well as weighs the importance of these concepts in better understanding the research question at hand. Similarly, this chapter looks at theoretical debates on two competing explanations - “disguised workers” and “entrepreneurs”, in order to establish the research’s interpretation and theoretical inclination.

In addition, this chapter explores the theoretical and conceptual discussions on the subject of the relationship between migration/migrants and the informal economy. This section discusses the informalisation process further, in relation to the adaptation of foreign migrant communities. And finally, the chapter deals with social capital and explores its significant role in the informal economy and its importance in the lives of migrants. This final section also reviews concepts of social mobility and social capital within the context of the informal economy. My intention in relating these two concepts stems from the presupposition that they are closely related and mutually interdependent.

### **2.1 TOWARDS A WORKING DEFINITION**

There is a plethora of terminologies used, at times with unclear and ambiguous definitional differences, to refer to concepts representing informal economic activities. ‘Underground economy’, ‘shadow economy’, ‘black market’, ‘traditional sector’, ‘informal economy’, ‘informal sector’ etc. are some of the widely used terminologies intended to embody the very same economic feature (Losby *et al*,

2002:2). Bangasser (2000:1) argues that although this sounds like a wrangling over nomenclature, the merits are in noting that each of these terms represents different connotations, thereby determining the definitional content. Some of these terminologies have been challenged, and then trimmed off from the abundant literature - either for emphasising negative connotations or for pronouncing illegality as a distinguishing characteristic of these economic features (Portes, 1994: 427). The debate eventually hinged on two terminologies: 'informal sector' and 'informal economy', with an additional one used as an appendage - 'microenterprises'. Since the 1990s, these terminologies, including 'informality' and 'informal activities', have been used interchangeably (Rakowski, 1994:32).

One vital understanding has been clarified - the differentiation between informal and illegal (or criminal) economic activities, which has received greater consensus (Bromley, 1990:328; Castells and Portes, 1989; 14-15; Friman, 2002:315). The distinction between 'criminal' and 'informal' economic activities is very important for definitional purposes. This distinction is derived from relations that pivot on regulation and legality at any given period of time, hence leaving room for confusion. Using the generally accepted definition, informal activities are comprised of all income-generating activities that contravene state regulation (De Soto, 1989; Castells and Portes, 1989; Xaba *et al*, 2002). De Soto places informal activities in the intermediate position between legal and illegal, whereas all criminal activities are associated with outright infringement of laws (Bromley, 1990:331). The justification used here is a distinction between 'immoral' and officially 'illegal', the latter being publicly permissible, and morally justifiable. Castells and Portes (1989) offer a far better explanation. According to them, an activity is regarded as informal 'when the means are illicit but the ends are licit', whereas when the means are licit or illicit but the ends are illicit, it is regarded as criminal (Castells and Portes, 1989:14). Thus, as Portes (1993:428) explains, the basic difference between formal and criminal 'hinges on the character of the final product', while regarding formal and informal, the distinction is made is on the basis of the manner of production and distribution (exchange).<sup>2</sup>

---

<sup>2</sup> It is important to acknowledge that these distinctions need further clarity since there exists intricate relationships that tend to blur and elude any grey areas. It has been noted that the issue of legality and

For a while, the definitional debate remained on the uses of 'informal sector' and 'informal economy'. It has been argued that the informal sector is 'inadequate' in terms of reflecting the dynamics, heterogeneity, and complex aspects of the phenomenon (ILO, 2002:2) as it indicates a specificity of economic activity.<sup>3</sup> Xaba *et al* (2002:11-12) also indicate that the application of the term 'informal sector' has been questioned, based on the presumption that it implies part of the economy is outside government regulation. The critique here is that this, in effect, points out the shortcomings of the use of the term 'sector' as principally enforcing the 'dualistic view' of the formal and informal as clearly delineated realms, as activities within government regulations and activities outside the government regulations (Chen, 2003; Bangasser, 2000). In addition, it is crucial to question if informal activities are positioned completely outside the sphere of government regulation. Subsequently, it has also been suggested that the use of the term 'informal sector' should be expanded to include the link between the formal and informal economies.

For the above reasons, the term 'informal economy' has become a popular and widely used one, especially in more recent literatures. It should not matter whether we use 'informal sector' or 'informal economy', as long as the terms are used in a standardised manner. Conceptually, however, the term 'informal economy' is presumed to incorporate a diverse set of activities, unlike the term 'informal sector' (Chen, 2003). Since the literature seems to have moved from using the term 'informal sector' to 'informal economy', one would expect a general agreement on the use of this concept. However, there is still a lack of theoretical consensus around the meaning of the term 'informal economy' (Cross, 1995). The term 'informal economy', once more, has been criticised for its lack of clarity in meaning.

---

semi-legality still needs to be explored since there is a great deal of relationship among formal, informal, and criminal activities.

3 The problem lies in the use of the term 'sector', which represents activities that have common characteristics in terms of their 'economic objectives, functions and behaviour' (ILO, 2002:126). Here the extended argument is that this does not necessarily mean a sector is a homogenous set of activities. It can allow for the further division of a sector into detailed homogenous sub-sectors.

This problem of defining 'informal economy' is attributed to the diverse, evolving and dynamic nature of the economic activities that the term is meant to embody, which makes the possibility of general and exhaustive definition very difficult. The old conception and definition of 'informal economy' that celebrated micro-economic enterprises as a main feature, is compelled now, to include employment. In light of this, two lines in the definition of the informal economy have developed; these are along the lines of "characteristics of enterprises" and "nature of employment" (Chen, 2003). "Characteristics of enterprises" as a criterion of the definition of informal economy have long existed, and still remain indispensable. Characteristics such as capital, efficiency and level of technology and skill are used to define informal economic activities. Thus, informal activities are the ways of carrying out activities, characterised by easy entry in terms of skills, capital and organisation, reliance on indigenous resources, family ownership of enterprises, small scale operations, labour intensive with adapted technology, and unregulated and competitive markets (Bangasser, 2000:10; Peattie quoted in Portes, 1994:427). In spite of the detailed characteristics pointed out, 'legal regulation' has dominated the definition of the informal economy – wherein the informal economic activities are identified as 'legally unregulated enterprises'.

"Nature of employment" also focuses on employment relations. Employment relations in terms of 'secure contract, work benefits, or social protection' within and outside informal economic activities are used in defining informal economy (Chen, 2003). This includes self-employment, unpaid family workers and employees which are working in informal enterprises. Chen (2003) also notes casual or day labourers, part-time workers and undeclared workers, who do not enjoy workers' benefits or social protection, as comprising informal employment relations. Once again, as in the "characteristics of enterprise", the emphasis in the above definition is legislation and statutory social protection benefits.

It is clear at this point that the definition of informal economy is designed as distinct from the 'regulated' and 'structured' formal activities, employment relations and transactions (Portes, 1993: 427-9; William and Windebank, 2000: 3; Busse, 2001: 2). Regulations and structures entail the presence of some sort of control by a principal body and patterns of organisation. They involve recording or registering, licensing

and taxing that are based on sets of rules and regulations, and in effect, involve duties and responsibilities (Losby *et al*, 2002). Regulation could come with one or many of the elements noted above. In this sense, informal economic activities supposedly evade aspects or all of those elements of control and regulation. It can also be argued that the complex nature and forms, in which informal economic activities are pursued, essentially make the imposition of regulation difficult. Nature and form invariably refer to the structures. The informal economic activities are fluid, constantly changing and evolving. There are no patterns and clear organisation in the ways businesses or other interactions are conducted in the informal economy. They are often marked by great variations and disparities. In other words, they lack structure in the physical, organisational, and transactional sense. There are various ways and causes in which the informal economic activities and employment relations emerge. Those activities and relations are represented as the ‘unstructured’ and ‘unregulated’ forms of transactions and activities.

In terms of the official debate in South Africa, the informal economy is often defined as ‘enterprises that are not registered for tax purposes’ (Rogerson, 2000). This is often viewed within the framework of small, medium and micro-enterprises (SMME). This debate distinguishes three categories of informal economic activities: (1) survivalist enterprises, (2) growing micro-enterprises, and (3) medium sized enterprises (Vawda, 1999).<sup>4</sup> However, as Rogerson (2000) points out, it is not without contention that this definition is used. This remains categorically within the earlier definitional line of ‘characteristics of enterprises’, mainly of regulation, hence principally disregarding ‘employment relations’. For example, Xaba *et al* (2002:7-8) point out that Statistics South Africa’s definition of the informal economy leaves out self-employed individuals.

Therefore, the notion of ‘regulation’ used as a criterion, needs to draw attention to informal economy as comprised of employment mainly, with no social, legal and structural protection and benefits, embracing unregistered or undeclared workers,

---

<sup>4</sup> Durban’s informal economic policy also implies this segmentation, especially in article 3.3 and 3.4, where it refers to the distinction between poorer segments of SMME (survivalist) and medium side enterprises (North Central and South Central Local Council, 2000).

casual workers, part-time workers, and the self-employed. This, in a way, reflects or/and is meant to reflect the presence of informal employment inside and outside of informal enterprises. In the face of this new development, some authors characterise the emergence of two lines of definitions as a shift from 'characteristics of enterprise' to 'employment relations'. However, this shift should not undermine or discard the one in favour of the other. Rather, this should be treated as an opportunity to parcel the earlier supposition with the new one.

Noting the complex nature of the informal economy and its relationship with the formal economy, it would not be easy to develop a definite definition that would satisfy everyone. It is imperative to define, or, at best, to operationalise the concept. For the purpose of this study, 'informal economy' is defined as all economic activities, economic transactions, and employment relations that are not regulated, protected and organised by the norms and laws of the state by which similar activities are regulated, protected and organised.

## **2.2 THE THREE DOMINANT APPROACHES: THEORISING INFORMAL ECONOMY, INFORMALITY AND INFORMALISATION**

Since the 1970s, when Keith Hart introduced the concept of 'informal economy' for the first time, there have been a number of debates revolving around it (Rakowski, 1994; Moser, 1994). Over this period, three major traditions have evolved that have had a remarkable impact on the ongoing debate on the informal economy, identified as 'Legalist' (Neo-liberals), 'Structuralist' (Neo-Marxist), and 'Reformist' (Rakowski, 1994 and Moser, 1994). Apart from the differences in their ideological traditions, these traditions differ in their understanding of the function, cause, and role of the informal economy. It is within this debate, that concepts of 'informality' and 'informalisation' emerged, in an attempt to explain features of informal economic activities. It is important to discuss these concepts and unpack the approach within which they were understood, as they are central to this discussion. Before delving further into the discussion of 'informality' and 'informalisation', it merits reviewing, briefly, the dominant approaches. I will try to review these by way of highlighting the

manner in which concepts of 'informality' and 'informalisation' are understood, and, parallel to this, conceptually situate my own research.

There are notable differences among the three dominant approaches' focuses of analysis regarding the informal economy. The Legalists' centre of attention has been the 'grass-root organisation', 'initiatives' and 'dynamism' of individuals or/and groups in poverty, as well as 'entrepreneurship' (Bromley, 1990:331; Ghersi, 1997). The analytical focus here is collectively 'small-scale enterprises' and 'small-scale entrepreneurs'. Concepts such as 'survival strategy' and 'entrepreneurship', which have become common in the informal economy literature, are fundamental to the Legalists' writings (see De Soto, 1989 and Tokman, 1978). Although Legalists have some interest in analysing the role of the state, special emphasis is placed on the 'indigenous entrepreneurial dynamism' (De Soto, 1989; Bromley, 1990). As Ghersi (1997) describes it, the core is people's movement and revolution to bring about 'the right to develop their individual capacity and effort', hence uncovering the 'shining path' in the face of the failed ones, and ushering in economic success and progress. Thus, in this view, the informal economy is a vital economic role player, as opposed to a residual one (Llosa in De Soto, 1989: xv; Meagher, 1995:262). Yet Neo-liberalists deem the informal economy as existing separately from the formal sector, which is known as a dualistic approach. This approach has been criticised for neglecting and undermining the formal-informal economic relations and links, which is now generally accepted with the development of insights and mounting evidence concerning the relationship between formal and informal economies.

Reformist analysis, which represents the series of ILO publications and research reports, is similar to the Neo-liberals' position (Meagher, 1995:262). The difference between the two is that the Reformists tend to acknowledge the inherent drawback of the informal economy, unlike the Neo-liberals who emphasise the natural strength of the informal economy and attribute its limitations to state inflicted policies. In terms of policy, the Reformists advocate an increased role of the state. By contrast, the Neo-liberals recommend a reduction in the role of the state (Bromley, 1990:339). Reformists view, like the Neo-liberals do, the informal economy as a survival strategy of the poor and highlight the capacity of this economy to generate growth despite inherent drawbacks, such as low income, low productivity, and limited skills and

technology that impede the needed growth (Bangasser, 2000:10). Even with the noted shortcomings, the Reformists draw attention to the agency of individuals and groups and their entrepreneurial venture to generate income, without romanticising it as much as the Neo-liberals do (Meagher, 1995:262).

The Reformists' focus has been on the labour market and employment relations situated in the dualistic approach. Their analysis has been based on the processes of urbanisation that many third world countries have been experiencing. The emphasis still remains on the dynamism of small-scale enterprises and their potential to absorb surplus labour – phenomena in many urban areas of Third World countries (Rakowski, 1994:34-5). The process of urbanisation which many Third World countries have been experiencing is characterised by the failure of subsistence agriculture, and structural adjustment programmes, thereby increasing rural-urban migration. This eventually causes surplus labour in the urban areas, which has not coincided with proportional economic growth. The argument here is that self-employment and small-scale enterprises can absorb this surplus labour.

Neo-Marxists have adopted a slightly different focus, which is the link between the formal and informal economies (Rakowski, 1994). The dualistic view of the Neo-liberals and the Reformists was not palatable for the Neo-Marxist theorists. Their view is that there is a strong link between the formal and informal economies but an exploitative one, as in any capitalist system relations (Castells and Portes, 1989; Capecchi, 1989:192-3). This view won wider acceptance late in the 1990s and in the new millennium (see ILO, 2002:37). As their studies focus mainly on industrialised economies, Neo-Marxists' analytical focal point tends to be the economic restructuring of the capitalist system in the face of an economic recession and its impact on the labour market and capital relations. What remains as a distinguishing element of the Neo-Marxists from other approaches, is their emphasis on the exploitative link between formal and informal economies. For Neo-Marxists, what have been considered to be 'entrepreneurs' are actually 'disguised workers' (Portes and Walton 1981). They view this economy as subordinate rather than as dynamic in its own right.

Castells and Portes (1989) offer a broader analysis of the cause and nature of 'informality'. Partly agreeing with the previously proposed view that informality emerges as a way out of state regulation, they mainly attribute this to the global structuring of the capitalist economy, which is aimed at minimising expenditure cost (particularly labour). Because Castells and Portes (1989) mainly focused on advanced economies, their argument hardly includes the low-income market of many developing countries, where poverty stricken communities are involved in local production and market. It is, therefore, important to understand these local processes of production, transactions and market formations. Here, De Soto's (1989) 'costs of formality' is more applicable than Castells and Portes' (1989) 'global restructuring' of the capitalist economy, which tends to undermine local processes.<sup>5</sup> Nonetheless, the view that informality emerges as a global structuring of capitalist economy and a way to avoid or minimise capital expenditures cannot be refuted.

### **2.2.1 CONSOLIDATING THE THREE DOMINANT APPROACHES**

The core of these approaches' divergence emanates from their particular emphases of analytical unit. The Legalists' view that 'informality' emerged as a reaction to the state's stringent regulation, and provides opportunities for the disadvantaged and has a significant potential for growth, focuses mainly on the dynamism of 'informals' (De Soto, 1989; Ghersi, 1997). Essentially, the emphasis here is individual and group agency, where informal actors respond to the existing social and legal structure, either through appropriation or contravention. On the contrary, Neo-Marxists argue that the informal economy is a 'subordinate sphere of production' that 'bolsters the capitalist economy' by generating low cost goods, and labour, which further debilitate the already disadvantaged and exploited working class through the process of informalisation (Castells and Portes, 1989). The Neo-Marxist view invariably represents structural determinism where individuals fall victim of a system, as opposed to the system being appropriated by the individuals.

---

<sup>5</sup> Although economic crisis and structural adjustment in Africa, that is equivalent to economic restructuring, are noted to be causes of an informal economy, the link between formal and informal economies as a continuum of a capitalist system does not translate well to suit the context of this continent.

For Neo-liberals, the informal sector is a 'dynamic, efficient and democratic' alternative to over bureaucratic, interventionist and repressive state economic programmes (Meagher, 1995:259; Rakowski, 1994; Bromley, 1990: 328). Thus, in the Neo-liberalist sense, 'informality' serves as a gateway to income-generating and expenditure-saving activities, which emphasises agency and the dynamic nature of the economy (Bromley, 1990:328). It is important to note here that 'informality' is used to indicate a state, not a process.<sup>6</sup> Although Neo-Marxists agree on some of the above points, they differ in the way that 'informality' is conceptualised. For them informality is not just a consequence of repressive state regulations. Rather, it is a 'shift in the possibilities of capital accumulation which came about with the economic recession in the formal sector', which is identified by a process of informalisation (Meagher, 1995:260).

Thus, the emphasis in the above is on the dynamics of the capitalist system as structure, not as agency of individual entrepreneurs, as noted by the Neo-liberals. These differences of perspective conceivably lend themselves to the age-old debate of structure versus agency. Contemporary theories of social science highlight the interplay of these two fundamental dynamics of human society. Fay (1996: 64) states that "agents perceive their situation, reason about it, form motives, knowingly act on the basis of this reasoning, and reflexively monitor their action..." and structures of society shape and influence these behaviours. Following Anthony Giddens, Fay (1996:65) indicates that structures are embodied by 'enabling and constraining rules and roles'. The argument here is that structures alone do not explain why we do things the way that we do. Neither do the arguments from agency. Rather, explanation lies in the interplay of both. Strictly associating with one of the differing approaches, without considering the other, would only provide an incomplete explanation.

Giddens (1984) calls this interplay between structure and agency structuration, an approach that this research used in order to understand informal actors' experiences. Actions of informal actors should be understood as a process where there is interplay of structure – economic and social, and agency – informal actors.

---

<sup>6</sup> Later in the discussion, this will be related to informalisation and how it is used as a process.

Based on the above approach, the following section will discuss the recent debates on ‘entrepreneurs’ and ‘disguised workers’, which have emanated from the dominant approaches.

### **2.3 ENTREPRENEURS AND DISGUISED WORKERS**

The dominant approaches have indeed laid the foundation for the present debate on ‘entrepreneurs’ or ‘disguised workers’, which still revolves around the ‘agency’ or ‘structure’ notion. Differentiation and characterisation of informal actors have been contentious issues and have been the subject of vigorous debate. Within informality and informalisation analyses, two major distinctions have come to light: ‘entrepreneurship’ and ‘exploitation’.

On one hand, as De Soto (1989) notes, informality is a popular response to unbearable and agonising bureaucracy and to the manipulation of the mercantile system to serve a few elite groups. This response is characterised by the entrepreneurship of survivalist individuals. In essence, informality entails the dynamism of small-scale entrepreneurs. Informality is sought as a means of avoiding the ‘costs of formality’, thus, creating accessible income-generating and expenditure-saving activities. On the other hand, the informal economy is simply another way of exploiting labourers, which is enabled through the establishment of exploitative links between informal and formal economies. For the proponents of this view, the informal economy is another means of accumulating capital by keeping labour costs and other expenditures low. This whole process is characterised by informalisation – which entails avoiding expenditure and labour costs in the face of a competitive market.

Although both views have sound bases for their arguments, they only reflect one side of the story. Moreover, an issue remains as to how we determine whether informal actors are ‘entrepreneurs’ or ‘disguised workers’. Kalleberg (2000: 355-356), Meagher (1995:267), Gerry and Birkbeck (1981) and many others, argue that many of the so-called ‘self-employed’ and ‘independent’ informal actors are actually “dependent workers operating as commission sellers”. The implication here is that what are apparently entrepreneurs are in fact ‘disguised workers’. However, those arguments do not offer the conceptual categories for what has been noted as a

“dubious category” of ‘entrepreneur’ and ‘disguised worker’. In response to this, there has been an attempt to categorise informal actors, particularly self-employed, based on income, to determine their status in the continuum of ‘entrepreneurs’ or ‘disguised workers’ (Chen, 2003). However, what should be noted is that the self-employed are investors who put in capital, admittedly limited, to enjoy greater output. In this sense, they still remain capitalist, but with a limited capital.

With respect to the categorisation of informal actors, Cross (1995) offers a noteworthy approach in measuring the degree of independence of those actors as a way of determining ‘disguised work’ and ‘entrepreneurship’. Cross (1995) developed four categories to establish the degree of independence, of course at the expense of generalisation, using ‘client–supplier’ relations.<sup>7</sup> ‘Single-supplier’ and ‘single-client’ relationship place the informal actors in a more dependent position, with little negotiating power; hence, informal actors in this category are likely to be ‘disguised workers’. The garment industry is a good example where the material necessary for the production is provided by the client (or employer). Thus, this gives the client paramount power in decision-making and negotiation. It can be argued that informal actors are no different from any other employers in any respect, wherein workers sell labour and the employers ensure the provision of all the needed material for the production.

The second category is the ‘multiple client – single supplier’ relationship. Cross (1995) identifies informal actors in this relationship as commission sellers. A good example of this are the ‘outdoor phone services’ in streets of South African cities. Although centralised on the ‘supplier’ side, which often standardises the prices, informal actors in this field are believed to enjoy a relative independence compared to the former category. The third category is ‘multiple suppliers and single client.’ Cross (1995) describes this relation as sub-contracting, and indicates that the informal actors experience a higher degree of independence compared with the second category of relation. Here, Cross (1995) further argues that such informal actors “can increase the

---

<sup>7</sup> The terms ‘client’ and ‘supplier’ are applied in their direct sense of economic relations and transactions; one selling a certain product - supplier, and one that receives or buys those products – client.

returns for themselves by increasing the scarcity". The final category of relation is represented by the multiplicity of clientele and suppliers, which leaves room for far better independence, hence allowing for a greater expansion potential and return. Most vendors and street-traders can be placed in this category, as they are likely to have multiple suppliers as well as clients.

It is evident from the above discussion that the approaches of 'informality' and 'informalisation' do not put forward any possible way of determining 'entrepreneurs' and 'disguised workers' in any given situation. 'Informality' has a basic paucity in embodying and explaining the process through which informal economic activities emerge and develop. 'Informality' is represented as one side of the story, which is the 'informal actor's reactions to stringent policies and regulations'. For this to reproduce the process by which informal actors and informal economic activities are materialised, it needs to acknowledge and underline the two-way process of the informality. The same applies to 'informalisation', which places greater emphasis on the structural component of the process, as much as the 'informality' approach emphasises the agency of informal actors.

In stark contrast, however, 'informalisation' has a far better potential in appraising the 'informality' as a process by placing it in the broader spectrum of socio-economic structuring. The bottom line is that this process is better described by the existence of the dynamism and entrepreneurship of informal actors and structural imposition both at local and international levels. Thus, for the purpose of this dissertation the informalisation approach will be used as understood in the above, by incorporating the component of the informality approach within it to exert an effective representation of the process.

The following explanation will convey how I intend to use informalisation as introduced above, by contextualising this approach.

## **2.4 CONTEXTUALISING THE INFORMALISATION APPROACH**

There has been little or no use of the methodology and conceptual categories of informalisation analysis as an empirical focus, in order to understand the growth of

the informal economy in the African context (Meagher, 1995:265-7). Meagher's (1995) observation of this matter merits attention. She indicates that the informalisation approach was originally dedicated to understanding the expansion of the informal sector in developed and Latin American countries and, minimally, in some Asian countries. Thus, Meagher (1995:265) argues that this analysis emphasises the "subcontracting of productive activity to informal enterprises and home-workers as the primary future of informal sector expansion in the current crisis conjuncture." The argument here is that this approach focuses mainly on manufacturing (industrial subcontracting). This, therefore, undermines other features of economic activities that are prominent and paramount to the African context, wherein the informal sector is mainly characterised by retailing, as street-trading, and services, such as restaurants (Xaba *et al*, 2002; Busse 2001).

Economic crisis and structural adjustment programmes have been identified as major driving forces behind the increasing informal economy in African countries. However, the question is: Is it not that individuals have appropriated informality in the face of such economic crisis? In light of this, there is a concession that the Neo-liberal perspective of the process of informality applies more to the context of the informal economy in Africa (Meagher, 1995:266). The fact that the informalisation approach goes beyond describing the state to depict the process, has its advantages and can be deemed as more appropriate with relatively little adjustment.

Informalisation is initially defined in terms of a process by which formal jobs are displaced by jobs in unregistered plants and home working (Castells and Portes, 1989; Rogerson, 2000). However, this interpretation seems to consider only the process at the production level. In broader terms, informalisation can be viewed as a process by which paid production and the sale of goods and services becomes unregulated or unregistered, often avoiding state regulations of tax, social security and labour laws. The informalisation approach, with its adjustment, is significant in this research for at least one particular reason. As Meagher (1995:264) indicates, the informalisation approach informs the need to analyse informality as a social and historical process.

As this research deals with a foreign migrant community, it is imperative to make sure that this approach can illuminate migrants' experiences in the informal economy. It is

to be understood that migrant communities, as well as the socio-economic activities in which they engage, develop within specific contexts. It has been noted that the legal conditions of foreign migrants contribute to engagement of those migrants in the host country, thereby in the informalisation processes (ILO, 2002; Castells and Portes, 1989). Without subscribing completely to the conviction of the Neo-Marxist argument that emphasises structure, it is a truism to say that foreign migrants fill in the need for cheap and flexible labour in this process. Along with this, it is also important to acknowledge the entrepreneurial capacity of foreign migrants. Thus, the informalisation approach can assist us in understanding the nature, emergence and function of the informal economic activities among migrant communities.

The subsequent section discusses and tries to explore further, the conceptual and theoretical issues around foreign migrants and their involvement in the informal economy.

## **2.5 INTERNATIONAL MIGRANTS, INFORMAL ECONOMY, AND INFORMALISATION**

‘Migrants’ as referred to here are all people who enter the host nation legally or illegally for relatively long periods of time. The conventional terms such as ‘refugees’, ‘illegal immigrants’, ‘immigrants’, and ‘migrants’ have become very confusing and have started to overlap. As noted by UNHCR (1995) it is a “result of a mixture of fears, hopes and ambitions which can be difficult, if not impossible, to unravel” as to why people leave their nation and seek admission to another. Attempts have been made to make distinctions among the above terms based on legality. Nonetheless, legality is likely to be manipulated to meet the intention or purpose of the individual. For example the distinction between ‘immigrant’, and ‘refugee’ or ‘asylum-seeker’ is more of a legal one and therefore used for legal and administrative differentiation. However, individuals with specific interests are likely to appropriate certain distinctions to suit their purposes. The contention is that these differentiations are blurring with new regional developments on migration factors and policies (UNHCR, 1995). Therefore the choice of the term ‘migrant’ in this research is understood to include all foreigners making a living in a host country, irrespective of their legal status or claimed one.

Migration has often been central to the explanation of the informal economy, especially in explaining cause and growth of this economy. It is noted extensively in the case of rural-urban migration, and very briefly in recent years, in the case of international migration. The latter is of significance to this research for two reasons: firstly as a subject of study it deals particularly with international migrants (Somalis in Durban), and secondly, it is central in explaining their participation in the informal economy. Thus, this section will focus on the theoretical basis for the debate on the link between informal economy (process of informalisation) and what is often referred to as 'cross-border migration' or international migration, with the intention of seeking some basic conceptual clarity.

It is argued that the informal economy emerges and grows under a wide variety of social and economic conditions (Castells and Portes, 1989: 11; Busse, 2001: 2-3; Chen, 2003). In this regard, Busse (2001) provides a comprehensive list of conditions under which the informal sector is believed to grow, by drawing from a range of suggestions made by different authors. Insufficiency and failure of the formal economy, the effects of globalisation, individual exclusion from the formal economy (such as discrimination, poverty, or geography), sudden crises in the formal economy (as in the case of war and inflation) and conscious resistance to the terms offered in the formal economy are some of the conditions that Busse (2001) outlines.

As these conditions suggest, the emergence of the informal economy is, in one way or another, related to the conditions of the formal economy. In many cases, it is also possible that these conditions overlap. Although, it is difficult simply to insinuate conditions for the emergence and growth of the informal economy in a given context, there is no doubt that some conditions have a stronger influence than others. It is also argued that these conditions are "accelerated by rural-urban migration and the labour surplus it generates" (Portes and Schauffler, 1993:33; De Soto, 1989).

Along with this, although contested, the impact of international migration is one that has received attention as causing a labour surplus, hence contributing to the growth of the informal economy of the host society. Thus, it has been the topic of discussion in the various schools of thoughts as well as policy debates determining the political

economy of host countries. It is noticeable that this issue has been a concern and point of discussion in many developed and some developing countries. In South Africa, the concern has also raised raging debate, both in academic and policy circles. The eradication of Apartheid which has led to the emergence of new social and political relations within South Africa, as well as with the outside world, has ushered in a new wave of migration from other parts of Africa.<sup>8</sup> This corresponds with an increase in the participation of African migrants in the informal economy in South Africa. African migrants represent part of the informal economy in South African cities (Rogerson, 2000; Grest, 2001).

For many scholars, increased immigration and the migrants' transference of 'survival strategies' or discordant situations in developing countries, is the primary source of the rise in informal activities (Friman, 2001:315). This assertion gains strength from the fact that people often migrate across countries due to economic hardship and social and political unrest (Adepoju, 1998:22), and their movement is usually directed to urban centres (Sassen, 1997a; UNHCR, 1995; Landau and Jacobsen, 2003), where there is less employment and fierce competition in the formal sector. To add to this, the political economy of the nation and social discrimination against foreign migrants are pointed out as having an influence on migrants, compelling them to engage in informal activities in the host country (Vawda, 1999; Friman, 2001). At the extreme end of the debate, many attribute the emergence and rise of informal activities as a direct consequence of unregulated immigration. This issue has been a subject of debates in the European and American context. In South Africa, however, this has not been the case, for some sound reasons. Above all, the informal economy was present even before the unprecedented increase of the number of foreign migrants in South Africa. Moreover, there is evidence in South Africa indicating that rural-urban migrants are becoming a critical element of the informal sector in various cities of the country (Cornwell and Inder, 2004; Lund, 1998:31).

---

<sup>8</sup> A number of studies showed that migrants from other African countries are overwhelming the South African cities (UNHCR, 1995:205; Adepoju, 1998:33). This is excluding the Southern African migrants that are traditionally regarded as labour migrants in South Africa, especially in the mining sector.

Regardless of the above fact in South Africa, the causal relationship between international migration and 'informality' is not regarded as clearly established and hence it is usually viewed as dubious. Castells and Portes (1989:25) assert that even though migrants' involvement in the informal sector has long been the case in many countries, there is no direct causal link that affirms informality is a consequence of immigration. Nonetheless, it is safe to say that international migrants often find themselves working in the informal economy of the host country. Similarly, increased immigration is likely to contribute to the rise in the number of foreign migrants' participation in the informal economy of the host country. This is likely to occur under a number of conditions. Principally, foreign migrants participate in the economy of the host society with limited rights. Secondly, they fit into the competition for employment in a place where employment is scarce (see Card, 2001; Spencer and Bean, 1999:1023). This is while they are facing depreciation of their human and social capital as a consequence of their migration (Damm and Rosholm, 2003), an issue which will be discussed later in this section.

In this respect, the South African political economy is highly 'restrictionist' which makes foreign migrants' participation in the formal economy very difficult (Peberdy, 2000:201). African migrants especially, who are likely to face devaluation of their human capital as a consequence of their migration, find this competition fierce and unattainable.<sup>9</sup> For this and many other reasons, foreign African migrants are likely to accept marginal employment. The informal world (which is unregulated) becomes an essential option. This can be viewed in two ways. First of all, in addition to the devaluated human capital, 'restrictionist' policies force foreign African migrants to join the informal economy which is characterised by easy entry. Secondly, "immigrants' economic destinies depend heavily on the structures in which they become incorporated and, in particular, on the character of their own communities" (Portes and Sensenbrenner, 1993:1322), which is likely to create a perpetual circle of absorption of new migrants into the informal economy.

---

<sup>9</sup> This is possible as "skills learned in the home country devalued in the receiving labour market, along with a generally poor command of the receiving country's language, as well as the discriminating regulation of the receiving country" (Portes and Sensenbrenner, 1993:1322).

Thus, it is difficult simply to invalidate the relationship between rising informality and migration. The important issues to be taken into account here are how migrants' conditions and the various legal statuses given to the migrants lead to informality. The migrants' experiences in getting residence and work permits have clear implications in the form and nature of their social and economic participation in the host country. The assumption here is that the social and historical context within which migrants emerge, determines their participation in either of the economies of the host country. As Müter (2003) notes, 'exclusion through immigration laws and conditional citizenship' act together under 'the pressure of competitiveness in a process of informalisation'.

The involvement of foreign migrants in the informal economy of the host society can be viewed within the scheme of the informalisation process, taking this as a two-way process. On the one hand, institutional and structural arrangements of the host country tend to make formality difficult for international migrants. Hence, migrants are left to engage in peripheral activities. Their exclusion is augmented by the decline of both human capital and social capital as a consequence of their migration (Spencer and Bean, 1999:1023). This means that these migrants experience a difference in language or/and culture, as well as loss of connection. This may limit their employment options and often push them into the informal economy (Losby *et al*, 2002). Informalisation as a social process 'outside the purview of the state' thus helps them secure an alternative livelihood – perhaps the only viable option. On the other hand, migrant entrepreneurs also appropriate the nature of the informal economy, such as easy entry and minimising labour and other expenditure cost, in order to accumulate capital. Foreign migrants, insofar as they tend to form communities, may be in a favourable position to seize the opportunities represented by informalisation (Sassen-Koob, 1989:60-61). Losby *et al* (2002) indicate that the migrants themselves may not create those opportunities.

This would essentially mean that migrants appropriate the existing informal economy and informalisation process. This is best described by 'opportunity structures' that refer to 'market and non-market' (such as informal and institutionalised prejudice and discrimination) conditions that influence the availability and monetary rewards of wage or salary employment (Friman, 2001:314). Therefore, foreign migrants'

participation in the informal economy is both a reaction to and appropriation of the existing structure, and a consequence of the limitation of 'opportunity structures'

To integrate De Soto's (1989) argument, 'costs of formality' are likely to lead foreign migrants to go underground, and make use of informal resources, firstly to arrive at their destinations, and secondly to make a living in the host country. Portes (1999:5-6) notes this matter in a similar way. For him, increased control and regulations designed to minimise the flow of migrants is likely to lead to informalisation. In essence, the argument possibly applies both to the entry points as well as the designated destinations. This means that migrants tend to enter the host country using informal routes, sometimes illegal ones, when there are strict immigration regulations.<sup>10</sup> In the same fashion, where similar regulation applies in the job market, those migrants tend to seek asylum in the informal markets.

In spite of the argument on losses of human and social capital, legality/formality of entry can affect the decision on whether or not to go informal. In any case, informalisation still remains associated with the 'cost of formality,' and opportunity structures, fundamentally affecting both migrants and the capitalist system. A good example of the latter would be when employers resort to subcontracting work to informal foreign migrant jobbers when the immigration regulations and costs become unbearable (Portes, 1999:6).<sup>11</sup> This is also facilitated by demand in the labour market, and the need to minimise cost in a competitive environment.

The former can be characterised by the appropriation of informality by the migrants themselves. The association of foreign migrants illegal, or otherwise, with the informal economy occurs for various reasons: easy entry, the consequence of loss of human capital, strict government regulations and so on. At this juncture, therefore, it

---

<sup>10</sup> It has been argued that migrants make cost-benefit calculations – the cost of the trip against the benefit of being at the prospective destination, and the benefits of their locality against that of the foreseen one (Massey and Espinosa, 1997:947). This follows the above assertion that the decision is made on the use of formal, informal or illegal routes to enter the destination using the cost-benefit calculation.

<sup>11</sup> In a way this informality also keeps the labour cost low - as foreign migrants are formally deprived of those opportunities and have to compromise.

can be said that informalisation, as a two-way process, is used as an adaptive strategy by individuals or groups of migrants, as is the social and economic structure in the receiving country.

The adaptive strategies of individuals have been an integral part of sociological research on international migration, using the adaptation approach as a primary tool. The adaptation approach deals with the sociological processes through which migrants integrate with the locals and participate in the new environment. Adaptation is determined by structural conditions in the host society (Portes and Rumbaut quoted in Zhou, 1997:66). This invariably determines the experience of foreign migrants, and their participation in socio-economic activities in the host nation. Essentially, as noted above, informalisation, to a degree, is part and parcel of this adaptation process. Adaptation, in any way, does not mean assimilation and acculturation, even though it is sometimes used to represent such processes. Moving apart from acculturation and assimilation, adaptation also represents ethnic or community formations, which, contrary to the other processes, means moving away from mainstream society.

The link between informalisation and adaptation emphasises the reason why migrants choose to be informal. This might not be true for all migrant communities, but definitely applies to many. Fundamentally, this is related to the socio-economic conditions of the specific migrant groups, and the nature of their entry to the host nation. Earlier it was pointed out, that entry to the host country and entry to the informal economy of the host country is related to the resources<sup>12</sup> available to the individual or group of migrants. It has also been argued that community networking and affiliation, offer access to resources. These are considered as “functional adaptations” in the absence of opportunities due to discrimination (Portes and Jensen, 1989:930). Therefore, it can be said that social ties and networks form a vital part of the adaptation process.

In various migration and informal economy literature, networking has been identified as a significant and integral aspect of migrants’ resources which determines their

---

12 Here, resources could represent diverse factors such as various capitals – human, social and monetary.

progress and social mobility in the host country. This resource is what is being identified as social capital. The development of social capital, as a form of community and ethnic affiliation, appears as part of the survival and adaptive strategy noted above. Adaptation should not be understood as a mere survival function; rather it should be viewed in a positive light as a function of social and economic development in migrant communities.

The following section deals with the conceptual and theoretical issues of social capital and mobility. This is important as social capital plays an integral role in the informal economy as well the lives of foreign migrants. Social capital can also, as noted briefly in the above discussion, constrain or enhance opportunities available to foreign migrants in the host country, thereby determining their success and mobility.

## **2.6 SOCIAL CAPITAL<sup>13</sup> AND SOCIAL MOBILITY IN THE CONTEXT OF FOREIGN MIGRANTS AND THE INFORMAL ECONOMY**

Social capital is often used to understand the chances of ‘individuals’ and ‘well-being of communities’ and their social advancement (Lin 2000:785), which, in other words, means their social mobility. Research that deals with social capital, directly or indirectly, explores social mobility, and attempts to understand the effect of social capital in social mobility – mainly in reference to occupational mobility (Lin 1999; Bian, 1997; Granovetter, 1973, 1994; Massey and Denton, 1985; Hurd and Johnson, 1967).

The underlying presupposition is that the various forms of capital are deployed to enhance outcomes such as income level, educational level and employment, which, in turn, pave the way for upward social mobility. The potential of social capital to

---

<sup>13</sup> There are distinctions made in the various forms of capital – financial, physical, human and social. However, these are knitted in various forms and to varying degrees to mobilise resources as daily problem ‘solving-strategies’, and to enhance individual and group lives, with the ultimate goal of-course, being the generation and accumulation of financial capital. “All of those capitals are utilised in daily strategies by transforming resources from one form to another, depending on the social context and problems that arise” (Busse, 2001).

explain performance and satisfaction outcomes have generated attention not only in academia, but also in policy circles (Lin 2000:786). Portes (1998:2-3) points out that in highlighting the availability of diverse sources of capital, the re-emergence of this concept 'engages the attention of policy-makers seeking less costly, non-economic solutions to social problems'. Most academic work focuses on the ways in which social capital is converted into other forms of capital – financial, human, etc. In addition to this, social capital has been used to understand the operation of informal economic activities. This is particularly in understanding the foundation of 'non-market transactions' present in the informal economy, which are presumed to rely on networks of friends and social ties to achieve certain ends. The operation of informal economic activities is characterised both by the presence of a stronger role in socially monitored transactions (which is associated with social capital), and by the absence of hierarchical transactions and market exchanges (Portes, 1994:431). Portes (1994:430) further states that "the more [the informal economy] approaches the model of the true market, the more it is dependent on social ties for its effective functioning". The argument here is that instead of the market rules, the informal economy is influenced more by social responsibilities, and obligations. Informal transactions rely on trust, social ties and networks (Busse, 2001; Lyons and Snoxell, 2004).

Whilst earlier studies, such as Clifford Geertz's, focus on the traditional structures of social capital, mainly of the family and community role, in later studies the concept has been considerably expanded. Two authors have significantly impacted on the re-emergence of the conception of social capital: Bourdieu and Coleman. Bourdieu's view of social capital focuses on individual agency in making use of social resources available, which is evident in the way he defines social capital.<sup>14</sup> Bourdieu views social capital as a system of social relationships, networks, connections, obligations and identities, which provide support and access to resources (Bourdieu, quoted in Stephenson, 2001). His emphasis is placed on the ways in which individuals use networks and connections as resources, which requires certain social competence and

---

14 Although the term might sound new, early sociological works have dealt with community roles in the lives of their members and their economic action. The Durkheimian notion of group support and the Weberian notion of the moral character of economic transactions, as well as Marx's idea of atomised class and its effectiveness, directly or indirectly, relate to the above conception. A good review of this matter is offered by Portes and Sensenbrenner (1993).

disposition (sociability). Individual competence and disposition refers to the personal skills of an individual. Stephenson (2001) states that these skills are measured in terms of ability in mobilising personal relations, cultivating relationships with others in strategic positions and creating obligations and trust, to achieve what was initially physically lacking. This means that the individual, deliberate, construction of sociability is as important as being members of groups. For Bourdieu, social capital allows individuals to get access to economic capital (such as loans), and to increase their cultural capital (exemplified by institutionalised contact). According to Bourdieu, social or cultural capitals are reducible to economic capital (Bourdieu, quoted in Portes, 1998:4).

Coleman's conception of social capital emphasises the embedded resources found in families and community relations that pave the way to the creation of human capital. Contrary to Bourdieu, Coleman accentuates familial and community ties influencing individual life. For him, social capital deals with the ways communities promote and help the progress and development of their members (quoted in Massey *et al* [1998:42]). Coleman (1988:98) defined social capital as "a variety of entities with two elements in common: They all consist of some aspects of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the structure." For example, community ties lay the structure in which members promote their lives socially and economically (Coleman, 1988: 96-99).

For both Coleman and Bourdieu, however, the structures of social relationships constitute integral parts of social capital. Recent writings draw attention to the 'embeddedness' of these resources affecting economic actions (Lin, 2000:786; Portes and Sensenbrenner, 1993: 1323; Busse, 2001). This essentially binds the individual actors' use or manipulation of social networks, family and community ties and existence of initiatives within those structures, to support members. This 'embeddedness' is, thus, a purposive outcome of being a member of certain social structures or networking. In other words, the embeddedness of social capital can only be transcended into a useful resource when it is recognised by the individual members or the group, and appropriated for certain effects of economic goals and goal seeking behaviour of the group or its member.

Although Bourdieu and Coleman's analytical treatment of this concept discerns some of the pertinent themes, this endeavour, however, is not free from criticism. Portes (1998:6) criticises them for setting a stage for confusion in the use of the term, due to the absence of a systematic distinction made on (a) the possessors of social capital (those making claims), (b) the sources of social capital (those agreeing to those demands), and (c) the resources themselves. This distinction provides a better analytical framework. For example, Lin's (2000) differential opportunities and differential investment can be examined by locating them within the sources of social capital and related resources. In essence, the function of social capital depends on individual agency, the availability of resources, and the participation of the sources of those resources (such as social networks and social structure).

Social capital is significant to this research in that it can explain the migration, and at the same time, migrants' participation in the informal economy. Community ties play a significant role in migration (Massey and Espinosa, 1997:940) and in the socio-economic well-being of their members in general. Massey *et al* (1998:42) state, "Migrants' networks are sets of interpersonal ties that connect migrants, former migrants, and non-migrants in origin and destination areas through ties of kinship, friendship, and shared community origin." This networking is believed to aid migrants in minimising costs and risks of movement and thereby facilitating the actions of people seeking opportunities abroad, accessing foreign employment, high wages, and the possibility of accumulating savings and sending remittances (Massey *et al*, 1998:43). Portes and Sensenbrenner (1993) have also linked ethnic ties to mutual assistance in order to illustrate the utility of social capital in the context of emerging ethnic communities in Diaspora. This supports the argument that social capital provides organisational structure to any economic pursuit. It also supports the argument that emerging ethnic ties shape the structural context within which economic activities and behaviours emerge and function.

Portes and Sensenbrenner (1993:1325 -1327) identify four sources of social capital by reviewing classical works in economic sociology: i) value introjections, which are based on socialisation, ii) reciprocity transaction, iii) bound solidarity, which is the basis for group oriented behaviour, and, iv) enforceable trust which entails obligation to the particular group.

'Value introjections' are described by the moral character of economic transactions, as opposed to 'naked greed' (Portes and Sensenbrenner, 1993). Socialisation, as a socio-cultural process, in any community, informs individual members' actions and behaviour, in this case, how they should relate with one another socially and economically in accordance with the particular society's prescription. By contrast, in reciprocity transactions, individuals can pursue their own 'selfish interest', guided, however, by "social intangibles" – not money or material goods. These social intangibles are depicted as exchanges of favours, backed by "norms of reciprocity".

Bound solidarity relates to circumstances under which 'principled group-orientated behaviours' emerge separately from value introjections. Portes and Sensenbrenner (1993) argue that these depend on the heightened sense of community and "hence have a greater affinity to the experience of foreign migrant groups". They also note the "particular experience (circumstance) of 'foreignness' that often best explains the rise of these types of social ties among immigrants" (Portes and Sensenbrenner 1993: 1327). Thus, a function of 'emerging sentiment of we-ness' emanates from having commonalities in difficult experiences of migration, confrontation from the host society, and discrimination. With regards to this, the authors further state, "The confrontation with the receiving society is capable not only of activating dormant feelings of nationality among migrants but of creating such feelings where none existed before" (1993:1328).

Portes and Sensenbrenner (1993) associate enforceable trust with Weber's notion of substantive rationality in market transaction. Substantive rationality is governed by norms of exchange directed to forwarding group goals and represented by collective expectation. The authors indicate that this source of social capital does not depend on its enforceability, "but on the moral imperative felt by individuals to behave in a certain way" (1993:1328). Enforced trust is based on the existence of community, and its capacity to deploy internal sanction. Close social structures are very important in enforcing the norms of the community (Portes and Sensenbrenner, 1993:1332). The authors also indicate that the rewards and sanctions deployed in ethnic communities although are nonmaterial in character, can have significant material consequences in the long run (1993:1332).

Another crucial issue of social capital to be noted here is its differential distribution across different social groupings and agents.<sup>15</sup> Lin (2000:793) says, “Inequality in social capital can be accounted for largely by structural constraints and the normative dynamics of social interactions.” As long as society carries on clustering into social groups, based on relatively disadvantaged or advantaged socio-economic positions in society, it is inevitable that inequalities in social capital across social groupings, at least in the resources that will be available in the each social group, will exist. This explains why some move up the ladder, while others get stuck where they are.

In light to the above, Lin (2000) offers a good analysis of differential presence of social capital across gender and racial/ethnic groupings. He indicates that there is a disparity in networking across various groupings. For example, males tend to have networks that are more diverse than women do, while women engage mainly within the kinship grouping. Lin notes that this is because of the unequal participation men and women have in various organisations and there are also inherent differences in embedded resources available in those organisations (Lin, 2000: 787). In this case, women are believed to participate mainly in the ‘peripheral organisations’ that ‘focus on domestic and community affairs’ only and whose ‘embedded resources’ are pretty much limited (Lin, 2000:787). This invariably explains the differential success across gender and other groupings among individuals participating in the informal economy.

This research thus relies on the commonly held notion of social capital, wherein social networks and structures facilitate the economic pursuit and social development of their members, thereby ensuring social mobility. The presumption is that social capital enhances the lives of those who possess it; better jobs, promotion, higher earnings, loans, and so on, are returns of social capital. Briggs (2002:34) argues that “differential coping and mobility chances are explained directly by access to social connection”. These differentials in ‘coping and mobility chances’ include other factors such as net of education and income, which can be obtained through the use of

---

<sup>15</sup> I included agency here, referring to Bourdieu’s notion of individual sociability and particular disposition of the individual. The fundamental point made here it that there is variation among individuals in their capacity or ability to generate social networks and use them, as resources, to their own advantages.

social capital as a resource. Social mobility is understood here as a rising above one's previous status and level. According to Payne (1989:472), it is flow of people from social origins to social destinations. This would essentially include housing, income, and employment. There is a difficulty in measuring the social mobility of recent migrants. This is due to the fact that they have been in the receiving society for too short a duration to put mobility into effect and most recent migrants are relatively young.<sup>16</sup> Nevertheless, social mobility of migrants can be determined considering their parents and their previous socio-economic conditions as social origins. Still, this is not without difficulty, as the measure of social mobility assumes comparisons of standards within a designated society. Arguably, this would be tackled by placing mobility, since arrival, onto a scale. In a nutshell, to understand social mobility one needs to utilise both ascription and achievement (performance) as a continuum of this mobility, as affecting the outcome, using a specified standard.

At this juncture, it is important to acknowledge that not all social capital leads to upward social mobility. Portes (1998:2) criticises the over-emphasis on the positive consequences of social capital, which undermines or ignores its negative features. Portes and Sensenbrenner (1993:1323) argue that social capital, as a positive element in advancing individual members' rational pursuit as stipulated by Coleman, is only half of the story. Their point is that social structures can also impede these pursuits, and even determine the content of the goals to be pursued. Strong ties, such as family and kin ties are believed to perpetuate poor social capital, as the resources available in those ties are homogeneous (Lin, 2000:789).

## **2.7 CONCLUSION**

This chapter highlights the degree of correlation between informality and migration. It argues that this is due to the conditions that arise from migration and the conditions of migration. Informalisation explains the causes and nature of informality. This means that it proves the underlining framework for understanding the reasons for participation in the informal economy. It is also noted that migrants' involvement in

---

<sup>16</sup> Presumably, and what has become common knowledge in migration literature, it is the economically active group that migrates. Perhaps this is the reason why most studies of social mobility on migrant communities focus on intergenerational mobility.

the informal economy can be viewed in light of this approach. However, two fundamental explanations have to converge for this approach to be more applicable and useful in explaining the nature, emergence and function of the informal economy among migrants' groups: that of structural determinism and agency. Adjacent to the structural determinism, the informalisation approach should assume, at least acknowledge, agency, in order to accommodate entrepreneurship which is a crucial element in the informal economy. There is evidently a strong interrelation between informalisation and the adaptation of foreign migrant groups, even if they are not said to be the same. Dwelling within this approach, it is argued that exclusion and discrimination in the host society, as well as loss of human capital and social capital as a consequence of migration, lead migrants to engage in informal economic activities.

It is clear at this point that the informal economy has a potential for growth as a dynamic enterprise, thereby opening the possibility for socio-economic mobility. Social capital plays a significant role in facilitating or enhancing this growth and, at the opposite end, constraining this growth. Social capital is identified as a crucial part of the informal economy. Following Portes and Sensenbrenner, I argued that the emergence of social capital among foreign migrants in the informal economy, is both a function of their cultural background in their home country and daily experiences in the recipient country. The interrelations among the above process determine the mobility of migrants in their host society.

## CHAPTER THREE: METHODOLOGY

Methodological issues are usually raised in research to shed light on the philosophical underpinning that informs the technical processes of the specific research undertaken. This is often done to convince the audience that the chosen methodology is ‘superior’ or the most ‘appropriate’ one. Even so, several recent research textbooks point out the limitations of the various social science methodologies (Neuman, 2000; Babbie and Mouton, 2001). Therefore, it is not apt to consider one methodology as superior over the others. Nevertheless, there is general agreement among researchers that one methodology can be more appropriate than another for specific research situations. Noting the above facts, Patton (1990:39) advocates the use of ‘methodological appropriateness as a primary criterion for judging methodological quality’. He suggests that ‘appropriateness’ should be viewed in light of the purpose of the inquiry, the questions being investigated, and the resources available.

It is also important to note the epistemological positions of the research methodology, which invariably influence the technical processes. According to Alan Bryman (1984:76), “The choice of a particular epistemological base leads to a preference for a particular method on the grounds of its greater appropriateness, given the preceding philosophical deliberations.” Therefore, delineating the chosen epistemological base reproduces the broader intention of much of the research process, thereby allowing the viewer of the research to relate to this journey.

Following the above suggestions, in this chapter, I have attempted to reflect on the chosen methodological approach as well as the technical processes of the research. More specifically, this chapter outlines the epistemological standings of ethnography, and thereby the qualitative methodology, as this lies at the heart of this research; subsequently, it explores how this methodological framework informs the practical aspects of this research. This chapter outlines the methods used in this research. In so doing, it deals with the various steps taken in this research, which are: gaining access to the field, becoming involved in participant-observation, interviewing and analysing the data. This chapter also addresses the ethical concerns faced in this research and points out the limitations of this study.

### 3.1 QUALITATIVE METHODOLOGY AND ETHNOGRAPHY

Social science research has been brawling with questions on representation, in particular and on the procedures of its scientific inquiry in general (Emerson and Pollner, 2001; Fay, 1996). Issues concerning the researched and the researcher constitute the significant part of this dialogue, in an attempt to address representation and the procedures used to reflect the scientific inquiry. We constantly question ourselves on these issues in our endeavours in knowledge generation. How best can we generate knowledge? What is the relationship between them (the researched) and us (the researchers)? Are we constructing social realities of those we research? Or, is reality something to be discovered in the course of the research? These are the pertinent questions in social science research, starting the positivist attempt to lay foundations for scientific inquiry and knowledge generation in social sciences. My intention here is not to answer these questions. Rather it is to use them as guides in the following discussion. Most importantly, my aim in this section is to discuss the qualitative approach and how it has shaped ethnographic research.

As noted in most literature, qualitative researchers deal with a 'subjectivity' that encompasses wide ranges of human behaviours, attitudes and observable actions, all of which need to be explained and understood. Contrary to this, 'objectivity' has been used as one of the methodological criteria for assessing the rigour and trustworthiness of research (Lincoln, 2001).<sup>17</sup> Nonetheless, social science, arguably following the interpretivists' tradition, embraces multiple constructions of reality and acknowledges the absence of value-free science, which places objectivity into question (Fay, 1996). Following this, the different interpretive communities adopted various sets of criteria by which they assess scientific inquiry (Lincoln, 2001). Fay (1996) suggests the use of intersubjectivity in an attempt to reconcile the objective-subjective dichotomy.

---

<sup>17</sup> Although this has been associated mainly with quantitative research, it is noted that ethnography and other qualitative approaches have retained this criterion, including validity and reliability. In support of this observation, Hammersley (1992:2) states, "Ethnography has retained elements of positivism, rather than making a sufficiently radical break with it."

Ethnographic fieldwork is, therefore understood as being interpretive, allowing for multiple explanations and interpretations of a given phenomenon (Van Maanen, 1988). Moving away from the positivists' prescription of research as objective knowledge generation,<sup>18</sup> the interpretive and 'intersubjective' nature of our knowledge generation seems to make far more sense. Social science knowledge generation is about aggregating individual experiences and understanding these experiences. Fay (1996:19) states that any human knowledge involves a great deal of interpretation of the given body of knowledge. Interpretation involves understanding the experience which becomes the knowledge base, and its meaning. Arguably, it is within this paradigm that qualitative methodologies have emerged.

Qualitative methodologies can best be described as a commitment to understanding the social world 'through mental processes of interpretation' and 'interaction with the social context.' This is distinct from quantitative methodologies which approach the subject with preconceived categories that are used as precursors to understanding the subjects' lived experiences. Here, I am assuming what is known as the 'variable analysis' of the quantitative tradition. This requires having predetermined conceptions (variables) to be tested, which Bryman (1984:79) describes as "arbitrarily chosen variables which have little or no meaning to those individuals whose social worlds they are meant to represent". The intention here is not to discredit quantitative methodology, but rather to discern the position of qualitative epistemology. The epistemology of qualitative methodology propagates an enterprise to examine the complex social interactions and to understand 'embedded meanings' of human behaviours. A qualitative approach essentially looks for 'meanings of behaviours or actions' and attempts to describe and analyse them, unlike quantitative approaches

---

<sup>18</sup> Positivists assume that social reality exists 'out there', as having laws and order waiting to be discovered (Neuman, 2000:67). They also claim that 'scientific methods' allow humans to discover these orders and laws that govern human life, and also to generate 'objective knowledge'. They prescribed the use of observation, measurement and quantification, and recommended that we look for observable behaviours (Fay, 1996:72). It is within this tradition that the quantitative methodology developed. This is not to imply that positivism has no influence on qualitative methodology or that there is no postivist qualitative methodology (See Hammersley, 1992: 57-8). The argument here is that the positivists' view of reality and the generation of objective knowledge became unpalatable as we realised that there could be multiple realities, and those realities are constructed and humanly mediated through our own interpretation (Fay, 1996).

which value numeric significance and use of measurable value. In this regard, qualitative methodology is an inductive methodology; it is a way of constructing reality and understanding the social world as it is shaped by the people being studied. The interest here, according to Neuman (2000:71), is studying “meaningful social actions, not just the external or observable behaviour of people”.

Consequently, for the above reasons, the naturalistic approach to research has become a chosen method of qualitative methodologies, an idea that led to the development of field research. This entails conducting the scientific research within the actual social world, as oppose to an artificial one set for the research purpose. One of the highly praised qualities of qualitative methods is also derived from this; the approach allows for the production of rich data through direct observation and ‘getting inside the meaning system’ (Neuman, 2000:349). By the very nature, describing lived experiences and uncovering embedded meanings require the use of methods that allow the gathering of extensive narratives, dialogues and texts. This is facilitated by sharing the lived experience of those who are being studied, which is referred to as field research.

Ethnography, as a qualitative methodology, emerged within this tradition of field research (Neuman, 2000:347). The principal aim of ethnography is the description of cultures and cultural systems (Hammersley and Atkinson, 1995:10), and is a textual interpretation of the social world. Here, I would like to use Clifford Geertz’s ‘thick description’ that has become the heart of ethnography. Geertz’s notion of ‘thick description’ calls attention to detail description of actions so that an ethnographic reader makes sense of the meaning of these actions. It is through those meanings that we build our understanding of those actions. Understanding purpose and significance of an action are crucial in elucidating the meaning of the action. And this relies on how well the situation has been described.

Ethnography, in this regard, is about capturing the experience of the people being researched as well as that of the researcher, the drama of the moment and the feelings, emotions and inner meanings, which will be the bases of multiple interpretations (Neuman, 2000:348). The researcher attempts to capture as many details as possible of the social interactions and encounters. Hammersley and Atkinson (1995:10) best

describe the above. In ethnography, according to them, “the search for universal laws is downplayed in favour of detailed accounts of the concrete experience of life within a particular culture and the beliefs and social rules that are used as resources within it” (1995:10). As in any other qualitative methodologies, ethnographic research is about engaging with the people being studied in an attempt to understand their world-views.

It should be noted that, at times, ethnography is considered as a method, and at others, as a methodological enterprise (Hammersley, 1992:57). These conflicting views often tend to be sources of confusion. Perhaps, this might be attributed to the very eclectic nature of ethnographic research. This is to indicate that ethnography involves wide ranges of methods to acquire substantial information on the social phenomenon under investigation. Participant-observation, interviewing, content analysis, etc are often treated as separate methodologies, yet they, collectively, constitute ethnographic research. Some place ethnography as a method alongside the above noted methods. In this research ethnography is taken more as a philosophical position rather than just a technique of data collection.

In South Africa, research on foreign migrants and their participation in the informal economy has mainly adopted quantitative methodologies, within which, surveys constituted the significant part (see for example the prominent researcher in this area - Rogerson, 1997; McDonald *et al*, 2000; Hunter and Skinner, 2002; Skinner, 2000). The use of qualitative methods in the study of migrants in the informal economy has been limited despite its strength in generating profound understanding. Perhaps the reason for this can be attributed to three factors. Firstly, the researchers’ social and political agendas have contributed to the increasing use of quantitative methods which seem to have more credibility among policy makers.<sup>19</sup> A good example is the series of

---

<sup>19</sup> There have been tremendous efforts among researchers, academics and NGO’s to influence policies on two fronts. First and foremost, to amend the way the informal sector has been viewed and dealt with. Second, to alter the government’s and citizens’ view of international migrants that has developed over the decade. Most of the studies focus mainly on determining the contribution of African migrants to the host country and clarifying the dilemma in the policy and governance (for example Rogerson, 1997; Hunter and Skinner, 2002).

publications by South African Migration Policy researchers.<sup>20</sup> Secondly, there have been academics' and policy makers' interests in better understanding and measuring international migration to South Africa, and to a certain extent, contribution of foreign migrants to the South African economic and social milieus. Thirdly, the substantial progress made in Statistics South Africa in incorporating the informal economy into national statistics (Valodia, 2001:874) seems to have helped the proliferation of surveys.

The magnitude of Somali migrants' involvement in the informal economy of Durban can be measured with a relatively small survey, given that their numbers are relatively few. Two major problems are likely to surface in studying this group of people using surveys. Firstly, surveys lack the tools, and face time constraints, in obtaining trust, which is crucial, particularly in this case, since most migrants do not want to be identified and are reluctant to give information willingly and accurately (Jacobsen and Landau, 2003). Secondly, surveys, and most quantitative research, do not yield a deeper understanding of the experience of the people. As Bourgois (1995:15) notes, qualitative methodologies such as ethnography are "better suited than exclusive quantitative methodologies for documenting the lives of people who live on the margins of a society". The importance of qualitative methodology is sought because it is a pathway to describing and highlighting the experiences of the foreign African migrants who always maintain a low profile and still remain at the margin of the society. It provides insight into and an understanding of the community concerned by probing and reaching deeper into the consciousness and experience of the individuals. The valuable element of this methodology is spending time with the community in its social setting and 'sharing the cultural experience'. Moreover, ethnography has great significance in providing insight into the nature, emergence and function of the informality in the foreign migrant communities (Portes, 1994:438).

The following section details how I used ethnography in my research and further discusses the methodological issues by placing them within the context of my research.

---

<sup>20</sup> This includes the works of C.M. Rogerson, Crush and Peberdy, which I have quoted extensively in this paper.

### **3.2 ETHNOGRAPHY IN MY OWN RESEARCH**

Ethnography as an approach served this research in at least two principal ways. Primarily, immersion into the social and cultural milieus of Somalis allowed me to gain insight into their life experiences. Spending time in the social setting of the study group opened a wider and better access to the group and this assisted me in investigating more closely, the socio-economic participation of this group.

Ethnography as an approach is often chosen since it enables the researcher to develop insights into the lives and experiences of the people being studied. It also allows engagement with the researched, which I think other methods often do not allow. In an informal setting, individuals can discuss and open up a lot more than they do in an informal setting. My 'infatuation' with ethnography was perhaps another reason why I chose it as methodology for this research.

I learned that doing research is about sifting through stories told, not just about collecting information on experiences. A particular story can be differently told and the variation emanates from different context, mood and circumstances. I encountered various contradictions in the stories I was told. For example, Hassim at times complained about his situation as informal trader, presenting himself as a victim of circumstances, while at other times, he would tell me how he had changed his life, and how independent he had become now. In a similar fashion, when I asked Isaac about his aspiration, he told me that he would emigrate to Europe and he was working on it, and on another occasion, while discussing the same topic, he said that he intended to grow this business, and start owning a shop, what he called "become a big boss". This to me is what human experiences are like. We do not have a straightforward answer or opinion on many subjects, nor do we see our situation in the same way every time and all the time. It is entirely relative. However, it has made me wonder if questionnaires and one time off interviews are able to capture the complexities of human experience.

The challenge for me was how to represent this in the writing of the dissertation. We all know that representation is the most debate matter, perhaps in all social sciences. I

have heard stories of Somalis, as I attempted to demonstrate earlier, at times contradictory stories, and I attempted to explore their experiences. Yet the question remained how I could best retell those stories with all their complexities. This was a lesson to me that ethnographers, in as much as they need to be keen observers, they also need to be good storytellers. I asked myself several questions: Am I a good story teller?; What does it take to be a good story teller?; How do I best integrate my analysis with the stories I have to tell? Although, I do not have good answers for those questions, they were running through my head while I was putting the field-notes already. Perhaps this was so because I was well aware that the field-notes would be main source of my analysis. Simultaneously, I was alarmed that the more I focused on the story telling, it might turn out to be more like a literary work. I did not want to compromise the research process as scientific inquiry. I am in opinion of the fact that ethnography is not what some dub it 'pseudo-science'. Rather, to me, it is scientific inquiry with a bottom-up approach.

I spent time and worked with the Somalis and shared their experiences; at the same time engage in debate and discussion with them. The later was very crucial to me, as I believed that this would thresh the fable from the facts. Of course, this was methodologically problematic. There was a sense that they might be shaped in responding in particular way. I like to call this, "sounding more like the researcher". However, some issues needed to be challenges and contested, not simply left to be. The difficulty remained how far could I take this as researcher.

There are two crucial themes incorporated in this research: firstly, migration issues and migrants' conditions, more specifically of Somalis staying in South Africa for unknown periods of time, and, secondly, the informal economy within which the Somali migrants participate. In this research, I did not begin with the assumption that all Somali migrants are engaged in the informal sector. However, through the study, I intended to focus mainly on those migrants who are participating in the informal economy. Thus, I initially spent a lot of my time finding Somalis participating in the informal economy. Further focus was concentrated on the informal economic activities that are common to this group.

Although I understood that the ethnographic approach makes use of diverse data collection techniques, I was not certain whether the techniques used followed the general ethnographic tradition. Initially I intended to conduct case studies of five to seven individuals. The study began with this in mind. I did not lay down a distinct criterion for the selection of the participants prior to my entry into the field. However, I noted a general diversity in terms of age, time spent in South Africa, success and educational level, all of which I considered to be useful measures. The basic criterion for the inclusion of the participants in the study was their participation in the informal economy and their migrant status. Three of the research participants out of the seven I started exploring, however, went to other parts of South Africa half way through the research.<sup>21</sup> Although I carried on looking at the rest of the selected research participants, I resorted to including other interviews and broad-based participant-observation to widen the general pool of data. Following this, I adopted three key informants, which I considered to have a wealth of information about the Somalis in Durban. The selection of informants came eventually, after I had spent time interacting with the group members and assessing their informative capacity. The tips from some of the research participants were useful in identifying the informants.<sup>22</sup>

Contrary to my proposal, I placed a general interest in their overall experience as migrants, and not only as migrants participating in the informal economy. This was often guided by the looseness of the data collection technique, which is often the case in ethnographic research. I often let my interactions and conversations unfold spontaneously in order to generate information on a wealth of experiences. The key informants were useful in cultivating and relating the vast and diverse information

---

<sup>21</sup>The fieldwork was interrupted due to funding problems. I was promised funding by my sponsor (EHRD) for this project, which never occurred. I then decided to abandon the field after one month, due to funding problems, and I resorted to working at the Department of Sociology, in this University, just to make ends meet. When I returned to the field, however, I learned that some of the participants had relocated from the city of Durban, which made me consider looking at other options of generating data.

<sup>22</sup> On a number of occasions, the research participants would state which person could help me more regarding particular information, or which person would know more about the information in question and could give me insight.

gathered from the research questions. They were also valuable in cross-referencing and checking experiences and stories told, as well as for filling in the gaps.<sup>23</sup>

I spent a total of four months, between July and December 2003, in the Inner City of Durban where most of the Somalis are found.<sup>24</sup> In this study, I also made use of various data collection tools, mainly relying on participant-observation, interviews, and informal conversations, as well as policy documents. I think these elements deserve to be explored in this chapter, as they held an important place in the entire research endeavour, and influenced the outcome of the study. Before entering into a discussion on the above, it is important to reflect on negotiating access, which proved to be the most challenging part of the fieldwork.

### 3.2.1 NEGOTIATING ACCESS

Taylor *et al* (2004) state that for the qualitative researcher, the “initial challenge involves finding and negotiating access to a site”. It is essential as it is likely to influence the process and outcome of the research. Therefore, it is crucial to address this matter. Working towards establishing and maintaining trust and rapport, the ethnographic approach is expected to manage the issue of access more effectively. Yet negotiating access remains a tricky process, as it requires the engagement with individuals as well as being aware of group dynamics. Hammersley and Atkinson (1983:72) indicate, “Negotiating access is a balancing act. Gains and losses now and later, as well as ethical and strategic considerations, must be traded off against one another in whatever manner is judged to be appropriate.” Knowing suggestions such as this did not, however, change the experience I faced, except by making me aware that they were part of the research experience. My experience was that negotiating access required patience, interpersonal communication skills, and flexibility.

In the beginning of this research, when I started contemplating studying the Somali migrants in Durban, my attention was drawn to the few Somalis that I saw in the Inner City of Durban, mainly in the Central Business District (CBD) selling in the street. I had met some of them in the Abyssinian restaurant near to Central Beach in Durban.

---

<sup>23</sup> This matter is discussed in the Participant-observation section.

<sup>24</sup> This is because my research was interrupted for more than a month, halfway through the fieldwork.

It was there that I met Idris who later became my main informant and a good friend prior to the fieldwork. I had also visited the restaurant<sup>25</sup> and shop in Russell Street owned by Somalis. I thought that I could rely on these connections to trace the rest of the group, hoping that I would get to know more of them by pursuing these connections. During the course of the fieldwork, I learned that it takes more than just knowing them to get access into the group for the study purposes.<sup>26</sup> I remember the day I went to Idris's<sup>27</sup> shop to inform him about my plans and the specifics of the study; at the outset, he did not seem to mind. Nonetheless, I noticed his hesitation, and perhaps which I perceived as reluctance, to cooperate. It was very important for him and for most of the research participants, for me to clarify my relationship with the South African government. Given the fact that they always perceived their status here in South Africa as uncertain and terminable, which depended on the government's decision, their concern was perfectly understandable. I informed them that this study was a class exercise that I had to accomplish to get my degree. For me as a student and junior researcher, I did not think there was any better way to explain to them the absence of any link between the study and government. However, I felt there was the need to indicate that this kind of research had the potential to bring change in their lives by informing policy makers and society in general.

This kind of discussion often led to the questions I anticipated, which frequently came up with every new interaction throughout my fieldwork: What would be the outcome of the research? Who was going to use this study? How would they benefit from it? In many cases, answering those questions was not very easy for me, for the simple reason that they depended on other factors over which I had no control. This became

---

25 At the beginning of this research I found out that the restaurant was closed, according to my informant, due to a disagreement between the landlord and the Somali lessee. The Somali restaurateur was using the premises as a hotel and restaurant, which was not part of the agreement. To be frank, the establishment was not even near to being a hotel. Regardless of this, the owner was improvising the most needed service for the Somalis, which was, easy accommodation upon which they could bank, and for him, it was a means of income.

26 My acquaintance with them, I think, was very informal, and thus, perceived as harmless. However, when I called on those connections, and explained that I was there to study them, it was felt as if our prior introduction had had an ulterior motive.

27 All of the Somali research participants' names mentioned here, including this one, are pseudonyms that I adopted to ensure their anonymity.

evident when I realised that answering those questions would influence my endeavours to establish rapport, relationships and trust that would, in turn, determine access to the group. Therefore, I chose to maintain my original position which was that this research would remain just an academic exercise that would be kept in the university library, which would get to be reviewed once a while, by other academics and students.<sup>28</sup>

Social ties were used to engage and interact further with as many Somalis as possible, even though it was problematic as a technique.<sup>29</sup> At times, I also used my common sense<sup>30</sup> to identify Somalis trading in the street, and establish contact. Nevertheless, it would not have been easy to identify them as foreigners without informed common sense and employing the already existing stereotypes, and connections. My own common sense of Somalis' physical features played a significant role in identifying them as Somalis, especially while I was wandering in the CBD of Durban. Interestingly enough, many of them were identified without any further inquiry about their identity and when approached confirmed their identity. After having confirmed their identity, the second aspect was identifying their status in South Africa - their migrant status. This was essentially left for them to determine their status as foreigners, during the short conversations when they were approached, which would form the basis of their participation.

During the course of the fieldwork, I felt it was crucial to have key-informants to gain insight and detailed information, which is very common in ethnographic studies. Identifying good informative individuals was not that easy. I did not know who to

---

28 I also tried to communicate with them what the research was about, and the various contexts in which it would be done. I found out that most of them had little or no concept of research, except for those who had passed through tertiary institutions. Notwithstanding, they interpreted the concept as simply 'writing a book'. Throughout the fieldwork, most of them referred to the research in those terms.

29 It is argued that this technique has a tendency to impose technical biases. The use of connection to recruit new research participants is known as 'snow ball sampling'. It is believed to lead towards certain people and their perspective that possibly excludes others from being represented. Yet, it is very useful in identifying and locating people that persistently attempt to avoid being identified as outsiders.

30 By common sense, I mean familiarity with their physical appearances - facial colour, hair texture, the already formulated stereotyping that I had about the people.

identify as key informants, until I got to know them better. For me, spending time at Idris's shop was very valuable, not only in terms of meeting many Somalis, but also for getting to know Idris better. He had a very keen approach to the world around him. He was very inquisitive and interested in others people's lives, which I thought would make him a good informant. As he spent most of his time in the shop where most Somalis gathered after hours, he knew most of them to the last detail, right down to which locality and clan they belonged to.

Generally speaking, through my fieldwork, negotiating access was an ongoing process, and I did not get immediate access all of the Somalis in Durban. In other words, I needed to engage and negotiate with each individual just to get his or her insight and experience. Some of the research participants, if not most, frequently questioned my presence. The fact of the matter was that they had to confirm that I was not a threat to them. Many Somalis in Durban pondered my presence around them and posed question to Hassim, Ali, and Idris, with whom I had spent plenty of time. They wanted to know who I was, what I was doing, and why I was following Somalis around.<sup>31</sup> I believe I managed to win not just their trust, but also their friendship, just by participating in their daily activities and doing the hard work - helping them pack things whenever the police chased them,<sup>32</sup> vending with them, pushing trolleys to and from the store. This participation was also instrumental in winning their trust as well as their consent to participate in the research, although there were individuals who declined from participating, saying that there was nothing they would benefit from it.

### **3.2.2 PARTICIPANT-OBSERVATION**

Participant-observation has been a major tool in this study. By participating in the daily lives of those migrants, I managed to gain insight in their socio-economic activities, and gain an understanding of their experiences. Participant-observation is

---

<sup>31</sup>Among the group I became very popular as a friend of Ali, Hassim, and Idris. Thus most of the questions were forwarded to them. During the initial stage of my fieldwork, they got advice from some individuals that they stay away from me as I was perceived as a potential threat. I was even asked why I became interested only in Somali migrants, while there were numerous Ethiopian and Eritrean migrants.

<sup>32</sup> The relationship of migrant street traders with the police will be discussed in Chapter Five.

the heart of any ethnographic approach. As Van Maanen (1988:3) describes the approach, it is about 'sharing firsthand the environment and social relation' of the study group. It is about investing 'time and energy and self' within the study group. Thus, participating in the lives of Somalis in Durban and having to share their experiences was valuable not only to the research, but also for me as person.

As a participant (perhaps as traditional ethnographic approaches would require), I made an effort to learn the Somali language – which proved to be very difficult. The outcome of this effort became the vocabulary that I collected in this process. One particular reason that contributed to my failure to learn the language was that most of the dialogues took place either in English or in Amharic<sup>33</sup> as most of them spoke either to some extent.

During the early stages of my fieldwork I was working only to advance my contacts and meet as many Somalis as I could. For about three weeks, I spent time in Idris's shop conversing with as many Somalis as I could and asking them about their experiences. Eventually, I started to follow them to their working places, and frequently met them at those localities. In light of the research objective, spending time in their working places was very important. As most of the Somali migrants were informal traders, selling in the street, at various locations in the Inner City of Durban, I used two procedures varyingly. The first one was spending half a day with one of the research participants, and later in the day, I walked around to meet other Somalis, perhaps spending time at Idris's shop. The second one was spending time with the local women who were working for the Somalis.<sup>34</sup>

It was not easy for me to strike a balance between being an observer and a participant. At times I felt that I was too involved and I forgot to observe matters critically, and at other moments I distanced myself to the extent that I was not able to engage in their experiences and feel them the way that they did. There were instances when the

---

33 Amharic is a language spoken in Ethiopia. Perhaps it is one of the most dominant and widely spoken languages in Ethiopia.

34 One Somali street trader could have anything from between two and four women selling for him/her at various locations in the CBD. This will be discussed in detail in Chapter Five.

Somalis selling in the street, left me to look after their merchandise, especially during the month of Ramadan when they had to go to the Mosque for the midday prayer. There were occurrences when I became so deeply involved as the trading became intense and was serving many customers, that I felt I had forgotten to do what I was supposed to be doing as a researcher. As many social science research books note, maintaining the balance between the 'scientific recording', 'being objective' and 'neutral', and 'immersion' and 'being subjective' is clearly a meticulous process that needs particular attention. Although the above approach was noted, there was no clear procedure, outlining this process that I could follow; perhaps it requires experience. In participant-observation, interaction with the research participants is highly circumstantial, as individuals have little control over the social setting. In an attempt to resolve this conflict, I worked on memorising, 'rewinding' and reflecting on all my daily interactions at the end of the day, at the same time, attempting to remain engaged in observing and jotting down my observations.

Field-notes and diary entries were important aspects of my participant-observation. Keeping a record of all the Somalis with whom I interacted, in a form of a table, which included their socio-economic and demographic data, was also part of this process. For most part of the fieldwork, I used sketchy notes to help me write the daily diary. During the entire course of the research, I used mainly conversations as a way of probing people, and this covered a wide range of topics. Thus I needed to relate observations and incidents selectively as deemed to be significant and crucial to the study.

### **3.2.3 INTERVIEWS**

There is nothing like being able to tape record what people have to say about relating certain events and their experiences. It captures their stories in their own words to the last detail of what they have to say. However, not many people like to be tape recorded, especially if they are not confident about what might happen to their lives. Most of the Somalis with whom I spent time, did not like the idea of having their voices recorded, no matter what the conversation would be about. Therefore,

interviews and informal conversations<sup>35</sup> were very useful in obtaining detailed information about their past and present experiences. Getting their consent was, thus, crucial in terms not only of research ethics but also in getting those interviews. Consequently, it required intense effort and negotiation with various individuals.

The interviews<sup>36</sup> were held with three categories of individuals (groups): with Somalis, women working for Somalis and city officials. Eight formal interviews were with Somalis in Durban, five interviews were with local women working for the Somalis, and two interviews were with the local government officials – eThekweni Municipality, two were with Metro Police Officers and last but not least one interview was with the Refugee Support Office<sup>37</sup> in Durban. During the course of the fieldwork, I made attempts to get interviews with some of the local formal traders working in the CBD after I learned that they had been involved with the decision making body on the issues of informal trade, and the so called 'illegal trading'.<sup>38</sup> However, all of the traders that I approached declined to give me formal interviews on the basis that it was a busy time for them. Whenever the interviewees did not agree to have their voice recorded, I resorted to informal interviews (writing down the interview content).

What is vital to mention here is the language barrier. I had anticipated it but did not think that it would be that much of a hurdle. I knew that most of the Somalis spoke basic English and few of them spoke English very well. But not all Somalis spoke English. The use of a translator was very important in ensuring the participation of Somali migrants that did not speak English. To do this, I made use of a translator despite its danger. The use of translators is a very slippery matter, if not handled

---

35 Informal conversations are another useful technique of interviewing people, especially when conducting formal interviews is not possible or is difficult.

36 Here, I am using the word interview to mean both the tape recorded interviews (formal interviews) and jotted down interviews (informal interviews).

37 This is an NGO initiated by refugees which works in collaboration with other charity organisations. The aim of this NGO is supporting refugees upon arrival as well as helping them in establishing sustainable livelihood during their stay in South Africa.

38 This categorisation is designed to identify those who have registered and formally obtained permits to trade in the spaces prescribed, and those who are not registered for those purposes.

carefully. Finding someone good at English and Somali, who was also a good translator, was not easy at all. I decided to improvise with what was available, thus I relied on Idris (one of my key-informants) as a translator, as he spoke English well. At other times I used Amharic-speaking Somalis to help me communicate with those who only spoke Somali.

Interviewing the local women working for the Somalis required a Zulu translator. Interviewing those women was crucial in that they had direct contact with the Somalis, both in terms of social and economic engagements. It was hard for me to find a translator, as I did not have any payment to offer. Eventually, Princess Mhkize,<sup>39</sup> an IsiZulu teacher from Holy Family College, volunteered for this purpose.

Apart from the above challenges, most of the interview atmospheres were not conducive for conducting formal interviews, especially the tape recorded ones, except for a few cases. The reasons for this were that, on the whole, it became difficult to meet people after hours for interviews, and as result interviews were conducted in the street or in Idris's shop, which made the quality of the voice recording very poor. Apart from that, many of my interviews were interrupted by customers or by anyone curious about the process and asking about what was going on.

### **3.2.4 ANALYSING THE DATA**

In ethnographic research, there is little distinction between method and findings, and, therefore, the data analysis process. This was evident in this research in that data analysis was part and parcel of the data collection process. Here, what was required was making sense of the 'raw data', which in turn guided and informed the data collection. In comparison with the quantitative approach, qualitative data analysis is less standardised (Neuman, 2000). This arises from the nature of qualitative data whose analysis cannot be a mechanical analytical process. By implication, qualitative data analysis requires the 'creativity' of the researcher along with the data collection process. As Patton (1980:299) emphasises, it is a creative process. This fact left me with the more complex task of developing an analytical process and organising and

---

<sup>39</sup> Her assistance shed light on this research and I am grateful for her contribution.

collecting data that needed to be encountered simultaneously, especially at the initial stage.

The absence of predetermined operational procedures for the analysis, as in any qualitative research, added to the time-consuming and tedious process of organising data for analysis. By necessity, the analytic process developed and culminated in the field, while I was interacting with the data. I tried to be cautious against the influence of my analytical process in the data collection, as there existed a tendency to negatively impact the data being collected. I say this, because it was important to let the data speak for themselves. In this process, I tried to keep, as much as possible, to the checking and counter checking of data as an ongoing process of the analysis, as each analytical step posed questions that necessarily lead to further data enquiry.

Experiences of the seven, initial core research participants<sup>40</sup> were looked at and compared, to see if any themes and concepts emerged. I also compared the various data collected from various research participants, as I had to widen the data pool and obtain additional data. Having started with few research participants while collecting data, as themes emerged from one participant, I tried to pose them as questions across all the participants, which helped me to compare and contrast particular concepts. Those concepts were sometimes influenced by my own assumptions and the literature. I used the literature as both a guide in collecting the data, and as a tool in cross-referencing, while analysing the data.

My diary entries and transcribed interviews were viewed as core data, including the seven participants following the initial intention to work on case studies. The research participants were identified after assessing the general informal economic activities Somali migrants were involved in, to open a space and embrace various activities. Nonetheless, the research indicated that most of them were involved in the street-trade. Although, at times the approach presented a huge challenge in organising and relating these diverse data, it served this research well in comparing and contrasting views, perceptions and experiences. I tried to situate and compare the experiences and themes that were developing from the various interviews within observations and

---

40 As I mentioned earlier, those participants were selected for the case study.

narratives from the core research participants and key informants. This means that I tested each new material from one source against material from other sources by way of triangulating and supplementing the data.

I tried to classify and categorise the themes and concepts as they emerged, as I engaged with the data. The literature was also useful in gauging and guiding the themes and concepts emerging from the data, as well as in developing and refining them through the duration of the data collection and analysis process.

### **3.3 ETHICAL ISSUES AND CONCERNS**

The two particular ethical concerns were consent and anonymity. I tried to maintain a rigorous standard in getting consent and keeping anonymity. At times, however, consent tended to be tricky, especially while doing participant-observation. Did I have to remind them that I was observing them every time I was engaged in participant-observation? Would I need consent from everyone that was being observed? What about individuals who arrived just for that particular moment? Or was it enough to ask a few and ignore the rest? It might have been easy to get consent for an interview, as it was on a one-on-one basis. However, participant-observation, especially in an urban centre, would encroach on others who just happened to be there.

Apart from the standard ethical consideration of consent and anonymity, I also had to grapple with concerns of not exploiting the researched and the benefits the researched expected from the study, which was also a crucial factor in getting consent. It came up often that some of the research participants wanted to know what their benefits would be from this research. Given the fact that many of the research participants lacked proper conceptualisations of research, I found it difficult to explain how they could benefit from this research. Yet again, I was not so sure how they would benefit from it in any particular and closely determined way. To make matters worse, some even viewed this benefit in an immediate and material term. My sole answer was that this research was just an academic exercise for degree purposes, although it might influence policy and the perception of individuals towards foreign migrants. Yet, it was not to everyone's satisfaction.

### **3.4 LIMITATIONS OF THE STUDY**

The one particular concern was the language barrier that presented itself during this research. After undertaking this research, I feel now, that in as much as I anticipated it in the beginning of this research, the language barrier has influenced this research. In trying to obtain information on life histories and experiences, the command of language by both parties involved (story-teller and story-receiver) was very crucial. It is my contention that had I been a good Somali language speaker I would have managed to receive a wealth of information than I did through the medium of English and with weak translators.

Another concern, although, it was not the intention of this research to generate quantitative data, having them would have allowed a rigorous analysis on the research topic. Perhaps, it would have allowed a greater triangulation. Furthermore, the nature of the research did not allow broad generalisations. Therefore, this research limited itself to telling stories of the research participants and attempted to understand and interpret their experiences.

At last, as a male outsider, I found it hard to get access to Somali women in as much as I wanted to. Although they are not much in number, my request for an interview was often rejected. Hassim told me that the women had to consult their men, either a husband or a male relative depending of who they are staying with. I only scored two interviews with the Somali women, both living alone. It also took a lot of negotiation to obtain those interviews. However, ethnography is not just about interviews, it is also about participation, which is unthinkable in society such as this, where the realm of women and men still divided by curtain. This reminds me of the criticism laid on classical ethnographers for ignoring the one half of the society they studies. Still with the entire lesson learnt form classical ethnography, mistakes or not, I found it difficult to achieve complete understanding of the strictly gendered society. Perhaps having women as a research partner would have made a difference.

### **3.5 CONCLUSION**

In this chapter, I dealt with the qualitative methodology to show how the chosen methodology, ethnographic approach, is situated in this paradigm. The discussion

links how the qualitative methodology and its paradigm shaped the ethnographic researches. What should become clear at this point is that the ethnographic approach is an eclectic one that makes use of various methods, yet is informed by a qualitative methodology. This chapter also highlights that the principal aim of this approach is understanding the experiences of individuals under investigation as well as their meaning system, which was the intention of the study.

Following this, I detail the process which I followed and the methods I used within the guidelines of this approach. This study initially intended to be a case study. The need arose, however, to include interviews to supplement and enrich the data. Interviews and participant-observation were the main tools of this research. In this section I also attempted to indicate the challenges that I experienced during fieldwork as well as while undertaking the data analysis. However, generally speaking, the fieldwork was successful. The absence of predetermined procedures for the analysis posed a slight challenge while working with the data. I note some of the ethical concerns and the limitations of this study. One of the major ethical concerns was obtaining consent with the research participants' full understanding of the study. Furthermore this chapter brings to attention the fact that language barriers created a considerable limitation and challenge in this study.

## CHAPTER FOUR: ETHNOGRAPHIC SETTING

This chapter highlights the socio-economic and policy environments under which Somali migrants participate in the informal economy of Durban. The specific conditions that are relevant to lives of migrants in general, and Somali migrants in particular, as well as the characteristics of Somalis participating in the informal economy, will be explored. There are diverse informal economic activities in the Durban Metropolitan Area. Durban's Informal Economic Policy Document (2001) identifies various types of informal economic activities. Nonetheless, I have focused on the street-trade. The main reason behind this is, as I mentioned in the previous chapter, to follow and engage with the results of the data, which indicate that the street-trade is the most common economic activity among the Somali migrants in Durban.<sup>41</sup> The various activities have different geographies which are necessitated by the nature of each activity. Thus, again, my focus here is the geography of the street-trade.

The first section briefly explores the ethnographic setting, by paying particular attention to the informal trade, and, thereby the spaces where this trade occurs and the localities frequented by the Somali migrants in Durban. The second section looks at migrants in the informal economy of Durban and the conditions under which they engage in this economy of the city. The intention of this section is to draw attention to the general experiences of the city's foreign migrants involved in the informal economy. The third section highlights some of the characteristics of Somali migrants in the informal economy of Durban. The fourth section explores the historical development of the informal economy of Durban. Here I attempt to outline some of the historical forces which have directed the development of the informal economy in the city, and thereby position migrants participating in this economy. Finally, the relevant policy environments that influence Somali migrants, as migrants, as well as individuals participating in the informal economy of Durban, are discussed

---

<sup>41</sup> A discussion of this matter is included in the section, Characteristics of Somali Migrants, in this chapter.

## 4.1 THE SETTING

The city of Durban has a “complex metropolitan economy” which is based on manufacturing, commerce and finance (McCarthy, 1998). It is also the major city driving the economy in the province of Kwa-Zulu Natal, and the second largest economy in the country. Although these statements are referring primarily to the formal economy, the informal economy can also be implicated, because the two economies are integrally linked. The strength of the informal economy can be seen in the fact that the Durban informal economy employs 45% of those economically active within the Durban Unicity boundaries (iTRUMP, 2001).

Arguably, there is a complex relationship between the informal and formal economies. The street trade in the Inner City of Durban seems to follow formal trade. Informal traders in the city of Durban pursue their business around the hub of formal trading and retailing businesses. This is particularly the case in the Central Business District (CBD) of Durban where I spent much of my time during the course of the fieldwork. Vicinities of formal trading places in the CBD of the city are overcrowded with informal traders. The ground floors of most buildings in Durban’s CBD are occupied by retail stores and the street-trade is rampant on the pavements outside of those building. I also learned that trading places outside the busy stores are highly sought after, as they open space for a multitude of customers. Localities around the major chain stores such as Game and Shoprite-Checkers in the CBD are cases in point. This is based on the supposition that more people mean more customers, hence extra turnover.<sup>42</sup> The same is true of the major public transport junctures. Taxi ranks surrounding the CBD serve commuters working within and outside of the CBD, which, in turn, attract traders. Nesvång (2002:284) indicates that Black South African traders from rural areas often came to hawk in the city to meet the demands of labourers from this racial group. This often takes place around transport nodes, hostels, and market places as well as other localities where major activities take place.

By and large, the informal trade appears to follow the public which initially, or primarily, is drawn by the formal economic activities. This is possibly caused by the

---

<sup>42</sup> This is a commonly held perception not only among the Somali traders but also among the local and other migrant street traders.

informal traders' limited capacity in terms of capital, organisation and other resources necessary to establish and promote their own viable market and marketplace.<sup>43</sup>

Street trade is the most vivid informal economic activity in the Inner city of Durban. In a census done in 1996, there were about 20 000 street traders operating in the metropolitan area, and 60% of them were women (Durban Unicity Council, 2001). It is apparent that the participants in the street-trade are predominantly women. However, this might not mean that those women own the respective businesses.<sup>44</sup> Foreign migrants, mainly from various African countries, also constitute a portion of the street-traders in the city.

Although little is known about the magnitude of the informal trade, it is clear that the streets of the Inner City seem to be filled to capacity with informal traders. Traders selling various items, from vegetables to clothing, occupy most parts of the CBD's pavements. Its modern architectures are designed for shops, offices and stores, with little provisions for the street trade. The municipality has sparsely erected trading tables and demarcated areas for street-trade along the pavements of major streets and passages in the CBD of Durban. However, at the expense of generalisation, I would say there are more street traders than formally, or legally, allocated spaces can accommodate. Setting up businesses under an urban structure mainly composed for formal businesses, informal actors make a living in spaces which are not even the size of decent counters. Often, informal actors in the CBD sell similar items too closely to one another, which sometimes is a source of tension and stiff competition among the street-traders.

Street-trading and informal hairdressing have given the CBD a new essence. Varieties of consumer items are laid down on the pavements, by the side stores and retail outlets, for display. One gets the feeling that this section of the city is the centre of

---

43 It is presumed that formal businesses have the resources to establish a market as a geographic space where people buy and sell. Capital is crucial in developing this kind of public space and promoting it through advertising.

44 At a first glance one sees women trading in the street, yet, a number of them are just employees. There are a number of women employed by well-established informal traders, which is also a common practice among the Somalis. I discuss this matter in Chapter Five at great length.

trade and commerce, both formal and informal. Conceivably, that is why this particular area is called the Central Business District.

The conditions of the formal economy have also been contributing to significant growth in the informal economy of the city. Two competing views are raised. One is that the lack of employment opportunities in the formal economy drives the forces behind increasing informal economic participation (May *et al*, 1997). This is supported by the dwindling formal economy, coupled with increasing unemployment, experienced nationally, and the city in particular. This is what Maharaj (2000) identifies as changing economic and social conditions since the 1990's, which have resulted in an escalation in 'survival' activities such as informal trading. Maharaj (2000) argues, following Bremner (2000), that "capital disinvestments", mainly from the CBD created a space for those excluded from formal economic activities to start a livelihood in the informal activities in the city. There is growing evidence that the majority of people involved in informal trading are forced, by economic circumstances, to join the informal trade (Khosa and Naidoo, 1998).

The second one is population growth, which is partly a result of migration, is also believed to have contributed to the growth of the informal economy in the city of Durban (Durban Metro, 1999). This proposition is based on the fact that rural-urban migration accounts for the remarkable growth of the urban population, which has an impact on the labour market of the urban sector. This occurs through over supplying labour, mostly unskilled, faster than the urban labour market can accommodate. The initial success of the formal economy of the city of Durban has been attracting hopeful migrants towards the city for many decades (Preston-Whyte, 2002). With increasing numbers of migrants and a job-less growth of the formal economy, unemployment has become rife. Rural-urban migration has consistently been pointed out as a main cause for the expansion of the informal economy in the urban areas of many developing countries in general, and Africa in particular (Todaro, 1997).

In order to understand the setting and the processes that take place in this setting, it is necessary to look at the historical development of the Durban informal economy.

## 4.2 AFRICAN MIGRANTS IN THE INFORMAL ECONOMY OF DURBAN

As noted in the introduction chapter, a number of studies have pointed out that foreign migrants are increasingly becoming significant role players in the informal economy of many South African cities (Rogerson and Peberdy, 2000; Peberdy and Crush, 1998; Rogerson, C, 1997, 1996; Hunter and Skinner, 2002). There is little data available, however, on how many foreign migrants are involved in the informal economy of Durban in particular, and many of these cities in general. Yet, migrants from African countries are believed to flood South Africa - the continent's powerhouse - and most of them are likely to engage in the informal economy. Grest states:

....the push factors of poverty, internal instability or political repression and genocide have combined with the attraction of South Africa's relatively sophisticated economy and urban infrastructure to make its cities a magnet for a wide variety of foreign African migrants. (2001:3)

There is a contention that foreign migrants' participation in the informal economy of Durban is mainly as a 'survival strategy' (Grest, 2001:3; Hunter and Skinner, 2002; Vawda, 1999). The concept 'survival strategy' has a misleading connotation in that it implies an activity pursued merely for existence, which is not likely to extend itself to grow and develop. However, I found out that, although initially it might be a survival strategy, future prospects and successes are also considered while entering this economy. Most of the Somalis who participated in this research expressed that their engagement in the informal economy is also viewed as a way to get a foothold on the socio-economic ladder. Some of the African migrants I came to know during my fieldwork expressed similar views regarding their choice of self-employment and informal economic participation. A number of Somalis had tried formal employment before starting self-employment. The most common choices were petrol attendants, shopkeepers, and drivers, except for Mohammad who worked as a fitting and turning technician. Yet most of the research participants, currently trading in the street, did not think that those employment opportunities allowed for progress and change; Idris described working for others as "hand to mouth survival". This expression is the equivalent of 'pay-check to pay-check' where what is earned is used for mere survival.

The inference to be drawn from the above is that informality or participation in the informal economy is preferred since it is perceived as a route to capital accumulation and as an open opportunity for entrepreneurship and entrepreneurial initiatives. This is evident in Landau and Jacobsen's (2003) recent study on forced African migrants in Johannesburg. They indicate that more than 15% of all migrants surveyed (28% of them Ethiopians and 26% of them Somalis) reported owning businesses in their country of origin, and presumably have the skills and entrepreneurial spirit to do so again in South Africa (Landau and Jacobsen, 2003: 7). However, it would be misleading to assume that all migrants view their participation in the informal economy as a path to accumulate capital. There are individuals working in the informal economy who would have been able to use their expertise and experience to find formal employment, yet have been unable to do so because of structural problems. This is in recognition of the fact that foreign migrants "bring with them a wide range of skills and experience" (Grest, 2001:3). Researches have also pointed out that several African migrants in the informal economy of Durban have skills and some form of formal educational qualifications, including university experience (Hunter and Skinner, 2002; Gema, 2001).

In spite of their contribution to the economy of the nation, African migrants are viewed as posing a threat to the local population which previously was 'historically denied access' and has just started to enjoy the local resources fully. Grest (2001:3) describes this segment of the population as "struggling to find a way (to survive) in the competitive Post-Apartheid environment". This perception is also tied with the lingering negative perception and often undermined contribution of the informal economy, in which many African migrants are likely to engage. Furthermore, the relationship of African migrants in the informal economy with the local informal actors is often one of conflict and tension. This conflict and tension appears to be more pronounced in the street-trade as both parties trade along-side of each another. Nevertheless, I observed some degree of respect and mutual co-existence which is functional, yet situational, and often an outcome of individual initiatives and manipulations. This is explored further in the next chapter.

Many of the research participants highlighted many foreign migrants participating in the informal economy of Durban do not have a trading permit, which effectively

means that they do not have authorised trading spaces.<sup>45</sup> This is perhaps because there is preferential provision for the locals as citizens. This appears to be in line with the government policy of protecting the economic niche and labour market for the locals. This is the logic behind the South African government's 'ultra' migration conscious policy choices that have introduced strict regulation regarding the employment of foreigners (McDonald *et al*, 2000). This seems to be expanding to the informal economy. It is noted that local informal actors, especially in the street trade, share the sentiment that foreigners should not be allowed to compete with them (Grest, 2001:3).

There is evidence which suggests that migrants involved in the informal economy in Durban are not formally organised, as is the case with the local informal traders (see Grest, 2001:3). This is possibly the main reason why they are unable to negotiate policy even though they have a special need as foreign migrants, which might be overlooked by the local informal traders' associations. In spite of this, they rely on their networks in their endeavours to make a living in this country. There seems to be a functional relationship among the various foreign migrants participating in the informal economy. This is partly an outcome of working in the same locality, and partly as a result of drawing on commonalities and similar experiences. This is due to their identification of themselves as 'outsiders', or migrants who get similar treatment from the locals or nationals.

I learned that foreign migrants in Durban are involved in a plethora of informal activities, but largely in the street trade. There seems to be a trend with migrants engaging in their own niche and specialisation in that specific business. There is a general concurrence among the research participants that cell-phone businesses are considered to be the realm of the Pakistanis and Nigerians. The Senegalese and Nigerians are known for their shoe trade. Many of the migrants from the Great Lake Region are in shoe repairing and hairdressing businesses. Ethiopians, Eritreans and Somalis are generally selling manufactured textile products, clothing, bags, curtains etc, but generally no shoes. However, I was told that some Somalis and Ethiopians in Johannesburg do sell shoes. My original conviction was that the networks these people establish as a community, are based on their origin, and allow them access to a

---

45 I will discuss this issue in great length in the section on Policy Environment in this chapter.

particular supply and/or product. Despite all the categorisations and divisions, the product lines can move within and among the various migrants' communities depending on individual networks formed with the various migrant communities.<sup>46</sup>

### **4.3 CHARACTERISTICS OF SOMALIS IN THE INFORMAL ECONOMY**

Somalis come from three countries: the country Somalia, Ethiopia and Kenya. Most, however, identify themselves as Somalis from the mainland Somalia. Even though it is hard to make a definite statement that all Somalis share the same experience, certainly the majority share a similar experience and ordeal. The civil war in Somalia, which escalated in the late eighties, has caused immense devastation in the country and to the people. Since then, disruption of homes, dispersion of families, hundred and thousands of deaths, and daily fear of being prosecuted, migration etc, have become part of the experience of every ordinary Somali. This is a nation identified as one of the world's poorest and least-developed countries, even prior to the war.

Some of the Somalis I met in Durban had been here for about seven years and some had arrived as recently as two or three months prior to our meeting.<sup>47</sup> Most of them had left their families, their spouses and children behind. However, a few were here with their spouses and children. My main informant, Idris, indicated that most of the Somalis in Durban were, in fact, largely newcomers from Somalia and other cities of South Africa.<sup>48</sup> While illustrating this point, Idris further noted that four years ago there were only a few Somalis in Durban.

Most of the Somalis I interviewed and conversed with started their formal schooling in their home country, but did not complete it. There was vast variation; some had been to high schools, while others had only primary schooling. I also met Somalis who were studying in tertiary institutions and Technikons while engaged in informal trade, albeit fewer in number. Yet, at the other end of the spectrum, I met Suleman, a man in his fifties, and Muktar, man in his late thirties, who had not had any formal

---

46 I will discuss the issue of social capital and network in great length in Chapter Six.

47 This timeframe is drawn from the initial contact made during the field work.

48 Diary Entry – 04 July, 2003

schooling. The overall observation left me with the impression that most of these migrant community members seem to have, at least, minimal formal education.

What got my attention most vividly, in terms of thematic and analytical significance was that they came from strong commerce and trade backgrounds. Most of the research participants had been involved in family businesses or had run their own businesses. Working for family businesses was a common experience among Somalis in Durban. Out of the seven core research participants I explored, five of them had prior experience in trading, of which two had run their own businesses. Khalid, Idris, and Isaac indicated that they had worked as shopkeepers for relatives in various countries. Ali and Nuredin indicated that they were once successful businessmen in Zambia and Somalia respectively. Nuredin owned a grocery store and *Miraa*<sup>49</sup> business while he was in Somalia, and Ali was involved in cattle trade in Zambia. Ali told me that he had owned a successful business when he was in Zambia, which came to a halt through a fraudulent partner and the subsequent long and trying court trial, which led the business into bankruptcy.

Khalid and Omer were peculiar cases. Khalid was a professional cook with a diploma and considerable experience in well-known hotels in Djibouti. When he finished high school, Khalid went to Djibouti. While he was there he worked for a businessman, in a 'readymade clothing shop' [a retailing store]. He worked for this man for one year and six months.<sup>50</sup> However, Khalid did not like this job, and joined a Hotel Management College in Djibouti, where he studied French Cooking. Following that, he worked in five star hotels and subsequently with the French Legion as a cook.

---

49 *Miraa* is a leafy narcotic popular in certain areas of Africa, the Arabian Peninsula, and more recently, Western Countries. It is also known as *khat* or *chat*, African salad, bushman's tea and *tohai*. *Miraa* is mainly ingested by chewing the leaves as is done with loose tobacco. The leaves are also sometimes used to make tea and prepare food as flavour. *Miraa* is believed to have originated in Ethiopia and spread to Kenya, Malawi, Uganda, Tanzania, Arabia, the Congo, Zimbabwe, Zambia, Madagascar, South Africa and Yemen. It has also become a major cultural phenomenon in a number of countries. The use of *miraa* is accepted as a cultural produce in Somali, Ethiopia, Djibouti and Yemen. It is also recognised in certain parts of Eritrea and Kenya.

<http://www.togdheer.com/khat/case.shtml>

<sup>50</sup> Diary entry – 16 July, 2003

Omer indicated that he was once a teacher, with a major in Chemistry and sub-major in Biology. He taught for five years. He had graduated in 1985.<sup>51</sup>

Somalis engaged in the informal economy of Durban constituted quite a diverse age range, the oldest being in their 60s and the youngest in their early 20s, although most fell into the 20-40 years age group. Very few women constituted this demography. As far as my information is concerned, there were only three Somali women working in the informal economy. Two were in their early 30s, while the other one was in her late 40s.

Somalis involved in the informal trade of Durban set their businesses up in various locations. Although their businesses were mainly located in the CBD, they also trade in the vicinities of various flea-markets. The most common ones were the Beachfront, Workshop, and Early Morning flea-markets. Except for those who had recently migrated<sup>52</sup> and were still in debt, most of the Somali hawkers had two or three, sometimes even four women working for them in various locations. Some had as many as four sites. However, managing the various sites was not easy. In spite of the shortage of capital, many Somalis were interested in having as many sites as possible, but they feared the possibility of losing money and did not trust their ability to manage and control properly, those sites and the assistants working at those sites. Yet, Somalis did not generally have trading permits for the CBD of Durban, except for the few that rented a space at the Workshop flea-market. They traded manufactured items, primarily textile products and cell-phone accessories. Some owned *spaza* shops and informal hotel businesses that provided accommodation and food.

Two Somalis in Durban were in the informal hotel business. One of them, however, went out of business while I was in the field, due to a disagreement with the landlord. The lease was issued for the restaurant but not for the hotel. The arrangement in the premises was that during the daytime, people would come and eat, and during the

---

<sup>51</sup> Diary entry – 22 November, 2003

<sup>52</sup> I am referring here to those who had been in South Africa for less than four or five months. Most newcomers would get a loan from other Somalis as an initial start up capital, which they would have to pay as they accumulated their own capital.

night, mattresses would be spread on the floor and people were charged per mattress as overnight accommodation.

A few others traded *miraa*.<sup>53</sup> In a flat two blocks away from the shop where I spent most of my time during the fieldwork, they sold the *miraa* whenever it was available. The majority, however, were involved in the street trade, and yet those who were involved in the above-noted business, did so as a supplementary business, the informal trade being the core one. This is the fundamental reason why I concentrated on the street trade for the greater part of my discussion.

#### **4.4 HISTORICISING THE INFORMAL ECONOMY POLICY OF DURBAN: THE STREET TRADE**

Racially based policies are noted to have shaped the way the informal economy emerged and developed in South Africa (McKeever, 1998:1215). Lucrative urban commercial spaces in many South African cities had been considerably off-limits for large segments of the society under the Apartheid regime (Lund, 1998). Movement was restricted; informal trade in those urban spaces was also prohibited. Accordingly, the Apartheid urban planning in the city of Durban did not make any provision for Black South Africans<sup>54</sup> businesses in the CBD and its surroundings, (Durban Metro, 1999), and this corresponded with the prohibition of street-trade, which, arguably, was a livelihood for many Black South Africans (Rogerson and Preston-Whyte, 1991). This situation possibly led to two developments. First and foremost, this

---

53 There are numerous stories, at times inconsistent, as to how this product comes to South Africa. Perhaps it is worth mentioning the most dominant ones. Initially, the Somalis used to bring it from Somalia, actually carrying it across the border, as they smuggled themselves into the country. Later on, some of the Somalis found the tree which gives the *miraa* leaves, in one of the locals' gardens in South Africa. Some say the owners did not know about it, others say that they knew the product and that they were even using it. In any case, some Somalis started to make a deal with owners of these trees to supply this product for their business. The other dominant story is that a group of Somalis started the search for the tree in South Africa, believing that the tree is a very common tree across the entire African continent. They eventually did find it, and brought into the market. Either way, the trade of this product is flourishing, and so is its consumption, which is slowly making its way into the locals' taste. A small bundle of *miraa* (which is less than 100 grams) fetches R50 in Durban.

54 I am referring to this segment of society as it constitutes the majority of the country's populace, and many of them are believed to depend on informal economic activities as a means of livelihood.

situation possibly led to the isolation of informal trade to outside of the city, mainly to non-white designated areas. The second development was unauthorised occupation, as the only alternative for many, was to occupy public spaces, illegally, for the use of street trade (Durban Metro, 1999).

Moreover, as McGrath (2000:13) observes, as part of the legacy of Apartheid, the majority of citizens find themselves systematically excluded from full employment and decent urban life. This is perhaps one of the fundamental reasons why the hopeful many turn to the informal economy as a resort. It is therefore not surprising to know that informal economic activities have been a way of live for the majority, especially for Black South Africans (Rogerson and Preston-Whyte, 1991:1) and still remain so.

Yet the street trade was often met with restrictions from the various policies of Apartheid. As a result, the central city of Durban was inaccessible to those traders, and often they were chased by the City Police (Lund, 1998). Nesvång (2002:187) states that the early provincial legislation restricted hawking within 100 metres of formal business premises. Nesvång (2002:287) further states that hawkers were not allowed owning fixed trading places. However, as Grest (2002) notes, with the collapse of urban Apartheid in the 1980's and the termination of influx control, the street trade in the city of Durban started to build up; with this development, the struggle for space and the right to trade also intensified. In the mid 1980s, the expansion of informal trade necessitated an initiative to draft a policy with a practical solution to the then vividly growing street trade, with the intention of developing a policy conducive for the street traders. This led to the development of appropriate licensing for trading places (Nesvång, 2002). Since the late 1980s, the city has experienced a loss of control over the informal trade and any policy focused on regulating and managing this trade (Rogerson 1989; Rogerson and Preston-Whyte, 1991; Nesvång, 2000).

The allocating and management of trading space was also part and parcel of this development. In recent years, however, this has led to an emergence of a new conception: the distinction made between 'illegal trade' and 'legal trade'. These terminologies have been adopted by the local government officials to make a distinction between traders who have received the local government blessing for their

business, as opposed to those who have not. To facilitate the allocation of trading space and licensing and probably to avert conflicts that may arise, the local government has assumed demarcated trading spaces. Nevertheless, the traders exceed the demarcated trading spaces. This inevitably has led to self-proclaimed and appropriated trading spaces. These businesses, at official levels, are now referred to as 'illegal trade.'

Yet the development of loose control and of a favourable policy environment which developed over two decades, corresponded with the growing informal economy, chiefly the street trade. Recent research suggests that Durban has been experiencing a significant growth in the informal economy in general, and the informal street trade in particular over the last two decades (Peberdy and Crush, 1998:11-12). Trading is noted to be the fastest growing informal economic activity in the city. The 1990's have often been viewed as a landmark for this growth. A number of possible explanations have been put forward in an attempt to explain this growth. Some view this as a consequence of the situation in the formal economy (Lund *et al*, 2000:10), while others look at the migration process (Nesvång, 2002; Preston-Whyte, 2002). The change in the policy arena has also been identified as a contributing factor to the growth of the informal economy in the city.

The ways in which policy has changed over time also seem to have influenced this growth and the situation in the informal economy. De-regulations of some of the stringent by-laws concerning the informal economy and movement might have eased some of the conditions for informal actors. In the city of Durban, local government has been showing commitments to replace them by policies that promote informal economy on the basis of understanding that this economy is a key player in facilitating growth. This is done in line with what has been nationally identified as Small, Medium and Micro enterprises (SMM) and their potential for poverty alleviation, growth and creation of wealth and employment opportunities (Grest, 2001). These policy changes have come with license procedures, trading space allocation in street-trade and management, and the participation of the informal actors in the decision-making processes. These can best be characterised as commendable endeavours to bring the informal economy into the mainstream. The following section discusses this policy

environment further and explores its influence on migrants' experiences in the informal economy.

#### **4.5 POLICY ENVIRONMENT AND FOREIGN MIGRANTS IN THE INFORMAL TRADE**

As noted above, the informal economic policy has been changing over time in the city of Durban in particular, and in South Africa in general. McKeever (1998:1217 citing Rogerson and Hart [1989]) states that the policy of deregulation, suggested by the ILO and World Bank, has been adopted in South Africa since the 1980's. Following suit, the city of Durban has also moved in this direction. Yet, de-regulation came with renewed responsibility of management in regulating the informal economy, particularly that of the street-trade. The grapple with street traders carried on until the mid 1990s. This was accompanied by the bigger challenge and concern of the transformation of the city. For the first time, in 1994, the city of Durban took the initiative to work and consult with street traders as a resolution to the on-going problem. In no way undermining the process, the only outcome of this initiative seemed to be the development of street trading by-laws and some restricted zones in an attempt to manage the informal trade (Maharaj, 2000). The city started to take this initiative very seriously, however, with the growing research on the importance of the informal economy for economic growth and job creation that has become the focal attention of the local government. With this, came a significant shift in paradigm in the policy environment.

Understanding the role the informal economy plays in poverty alleviation, job creation and economic growth, the Durban Metro local government has developed a better policy in terms of managing and promoting this economy. In 2002, Unicity (a conglomeration of the various councils in the Durban Metro area) adopted a comprehensive informal economic policy for the city of Durban, which was done in consultation with the various stakeholders, including the informal trade organisations. To show its commitment, the city's municipality has allocated a significant amount of resources to developing the appropriate institutional structures whose sole purpose is directing and implementing this policy. Lund and Skinner (2003), for example, indicate that the city has allocated more resources to street trading than any other city.

Since the late 1990s Durban has spent R45 million on street trade infrastructure, such as shelters and water and developing satellite markets in the central city, and in 1997/98 the city spent R26.6 million on informal economy capital projects, of which most was spent in the CBD (Durban Unicity Council, 2001). It is on the basis of this that many argue that Durban, compared to other large cities of South Africa, has made major headway in integrating the informal economy and developing the appropriate institutional arrangement to promote this economy. What has been most impressive is the consideration of the informal economy in the major policies and various initiatives of the city.

It is within this initiative that the then Department of Informal Trade and Small Business Opportunities (DITSBO), now ITSBO, was founded, and located within the Development Facilitation Service Unit of the Central Councils. The department was created “in 1991 to support the development of small enterprises” (Durban Unicity Council, 2001). This structure has two divisions: the Informal Trade division dealing with informal trade, and the Small Business Opportunities division dealing with ‘policy and strategic development’. The informal Trade division’s mandate involves managing and building trading sites, as well as providing training and support to small businesses.

This has been made clear with the inclusion of informal trade as part of the city renewal and revival initiatives by the city’s administration. Various stakeholders participate in these initiatives including informal traders associations. As part of the policy initiative, the local government attempts to administer and regulate vending spots properly. This intervention has come about perhaps because the street trade is sought as a major informal economic activity in the city and it is the most vivid and controversial one.<sup>55</sup> Skinner and Valodia (2001) note that throughout South Africa, local government interventions targeting the informal economy have largely focused on street trading, and for them Durban is no exception. According to them, street

---

<sup>55</sup> I say the street trade is controversial because of the tensions it causes between formal businesses and informal actors, and among informal actors. To add to this, there has been a contention that formal businesses are leaving the CBD because of informal trade which is believed to have caused ‘crime and grime’.

trading is more of a management challenge than other forms of informal economic activities which are noted as 'less visible'.

Nevertheless, the street trade has often been and still is, associated with the growing 'crime and grime' in the CBD of Durban. Crime and grime, which are perceived as results of uncontrolled informal trade, are believed to have caused 'capital flight' and 'disinvestment'. This view is mainly upheld and endorsed by formal businesses and property owners. Hassen, the police officer I interviewed, indicated that his department receives an average of nine complaints a week, concerning uncontrolled street trade and its perceived consequence of 'crime and grime', from businesses and other citizens. This is in spite of the presence of the various initiatives and schemes, such as the Urban Improvement Precinct, to revitalise the city, in which the various stakeholders participate. Understandably, the complainants relentlessly requested that the city enforce its own by laws, which has been made difficult with the drastic increase of new entries into the informal trade.

Despite some of the good intentions, attempts to enforce the licensing and space allocation procedures, arguably, have caused many informal actors to be alienated, given the growth of the economy and incapacity of the system to handle this. Furthermore, these procedures are likely to enforce informality. The system has been unable to cope with the growing number of participants in the informal economy, yet the actions taken by the local government have left many informal traders harassed, and, at times, frustrated and unable to work. As the study reveals, Somalis, and foreign migrants in general share the biggest discontent in this regard, despite their significant participation in the informal economy.

The Informal Economic Policy document clearly acknowledges the important role foreign migrants participating in the informal economy play, and recommends that they should not be overlooked (Durban Unicity Council, 2001). The policy document also highlights the rights of foreigners to trade, which reflects the national legislative

frameworks regarding the rights of foreigners. Nonetheless, this particular element of the policy document has not been easy to translate into practice,<sup>56</sup> for two reasons.

Firstly, the migration policy has not been clear within the treatment of the category of foreign migrants, especially in terms of refugees and asylum-seekers and the provision for their employment in the country. Immigration policy with regards to work-seeking status does not have any provision for people who might be working in the informal economy.<sup>57</sup> To this effect, the latest Informal Economy policy document states that this situation has left the local government with a difficult task of working with the national immigration policy framework (Durban Unicity Council, 2001). Crush (2003) indicates that although there still is a great demand in the labour market, migration policies have been creating problems for foreign workers. Thus, the support, which foreign migrants (most of them African migrants) might obtain through the established institution, is hindered.

Secondly, partly related to the above, the local government has a constitutional obligation to give priority in serving the nationals. This comes with an obligation of the national government to work within the national framework, particularly, in improving the livelihood of previously disadvantaged segments of the society. Working with the locals alone, however, further marginalises foreign migrants in the informal economy, which, subsequently, is likely to have repercussions in strengthening informality instead of bringing such actors to the mainstream economy, as intended. Therefore, with South Africa increasingly becoming a destination for many African migrants and refugees, who are likely to engage in the informal sector,

---

<sup>56</sup> I am referring here to trading space allocation and other necessary support. Others might argue that this is a direct result of scarce resources. However, none of the Somalis, and most migrants with whom I came in contact, in the informal trade in Durban, have legally issued trading places, although this observation needs statistical support.

<sup>57</sup> If we look at the draft Immigration Bill published in the Government Gazette No. 22439 of June 2001, the conditions set for work and self-employed permits are drawn totally from situations prevailing in the formal economy. This can be taken as one of the reasons why foreign migrants, especially those from Africa, tend to find alternatives in the informal economy over which the state seems to have limited control.

it is viewed as important to design an effective approach in dealing with immigrants in this sector. To this end, it is necessary to have a clear understanding of the relationship between migration and informality.

Historical tendons still straining the present situation can best describe the situation in which the policy environment finds itself. The segregation and Apartheid policies of the past, as well as their legacies, are persisting and impacting on the present South African society. It is under this condition that the local government is engaged, in transforming the society and creating new opportunities. Yet, the local government has to grapple with foreign migrants that have become integral to the informal economy. Working with the grand economic policy of black economic empowerment on one hand, and poverty alleviation and employment creation on the other, as priorities, the policy environment is perceived by the foreign migrants working in the informal economy as having relatively little provision for them. This is in spite of the numerically significant presence of foreign migrants, especially from Sub-Saharan countries, in the informal economy of the city and their influential role in this economy. Conceivably this perception emanates from lack of information coupled with the inability to negotiate with the local government, which the locals do, through their respective organisations.

## **4.6 CONCLUSION**

This section has explored the context of the informal economy of the city in which the Somali migrants are engaged. The chapter also reflects the brief history of the informal economy of the city. Historical development of the city's informal economy is relevant to what is happening today. The thematic discussion on the history of the informal economy in the city has revealed the various conditions under which this economy has flourished in the city. This chapter also shows the historical relationship and development of the informal economy, mainly of the street trade, and policy environment. The informal trade in the city of Durban is established around the formal business premises and transport routes. This is done to ensure and appropriate markets that initially expand due to formal economic activities.

A temporal review has established how the policy environment impacts on the foreign migrants' participation in the informal economy. Migrants' participation in the informal trade can be, partly if not completely, viewed as a consequence of restrictionist policies on employment. Furthermore, the chapter points out brief characteristics of Somali migrants engaged in the informal economy of Durban. Somali migrants, by and large, engage in the informal trade, mainly that of the street-trade.

The informal trade in the city is now categorically divided into 'illegal trade', which represents that which is not authorised by the city council and the 'legal trade' which is authorised and licensed. The 'legal trade' is assumed to take place in demarcated trading spaces of the city, while the 'illegal trade' is referred to as trading outside of the demarcated spaces. The Somalis, with whom I came into contact, traded in the trading spaces that are not authorised by the city council, and hence, traded in spaces which I referred to as self-proclaimed and appropriated spaces.

## **CHAPTER FIVE: SOMALIS TRADING IN THE STREETS OF DURBAN**

When I first entered the field, I was given the impression that every Somali in the city of Durban had, at one point or another, engaged in street-trade. Idris, my main informant, confidently told me that every African migrant begins by selling in the street. He frequently drew attention to his experience as a street-trader, through which he met Senegalese, Rwandans, Congolese, Ethiopians, Malawians, etc. What astounded me most was that there seemed to be a strongly held perception among Somalis interviewed that the informal economy was the only available livelihood option for African migrants like them. The natural question that emerged out of this observation was how and why this perception emerged. It also became important to ask questions such as: Why do most Somalis engage in the street-trade and why those individuals choose the informal economy as a means of livelihood?

This chapter investigates the reasons for Somali migrants' involvement in the informal economy of Durban. Furthermore, this chapter explores their migration experiences in order to understand how these experiences could have influenced their choices and life chances. It also explores their participation in the street trade and how this economic participation is organised and structured, in order to understand their socio-economic participation. By way of exploring the participation of Somali migrants in the informal economy of Durban, this chapter also investigates Somali migrants' interaction with the local street-traders. The concern is how the presence of Somalis in the street-trade of Durban leads to the formation of sets of relationships, networks and interactions between other informal actors (mainly local informal actors) and this migrant group. This chapter also examines Somali street-traders' engagement with the women working for them, most of whom are locals, and also with the police and related officials.

The first section of this chapter argues that the conditions of migration play a significant role in influencing the decision of the migrants and thereby their life chances. Following this, the second section examines the process of migration and its influence on decisions made to engage in the informal economy. The third section highlights the nature of their participation in the informal economy and their

experience in this economy, by drawing particular attention to the pervasive competition and negotiations that they encounter on a daily basis. In addition, this section addresses how their economic participation is organised and structured, by looking at product chains and product procurement as it provides insight into the nature of the interaction with various groups. The third section also explores Somali migrants' experiences and encounters with the law enforcement officials, and assesses how these impacted on their participation in the informal trade.

The fourth section examines the availability of access to services, such as housing, banking, health and so on, for this migrant group. The fifth section explores the nature of the interactions and relationships of the Somalis in the informal economy with the women working for them. The sixth section explores Somali migrants' experiences of interactions with the local traders. The interaction between local traders and foreign migrants is often noted as being one of tension and conflict. This account of Somalis' experiences with the local traders, yet recognising the above assertion, suggests a different side of this relationship.

## **5.1 COMING TO SOUTH AFRICA**

For more than a decade, Somalia and Somalis have come to be known as a nation torn by conflict, which has left many as refugees in various parts of the world. In recent years, news has been of Somalis trying to cross the Mediterranean Sea and the Red Sea on dilapidated boats, from Northern African countries to Malta and Italy.<sup>58</sup> While he was discussing this issue with me, Abdu told me that Somalis were making relentless efforts in every direction to make it to better and safer places, including Yemen and Saudi Arabia. Some even drown on the way. This sometimes extended itself as far as parents supporting the smuggling of their underage children.<sup>59</sup> Regardless of the success or failure, the question is: What justifies this recklessness and risky behaviour? Understanding decisions can only be done on a case-by-case basis. My intention here is to unravel why Somalis in Durban chose South Africa as their destination.

---

58 See, for example, the Tonio Borg article in *Malta Today*, 29 September 2002; Jeff Israely in *Time Europe Magazine*; Ruth Davies in *Malta Media*, June 23, 2004.

59 <http://www.irinnews.org/webspecials/Somalichildren/default.asp>

In this research, therefore, the preliminary question I wanted to raise was why and how South Africa became a choice of destination, through which we can make inferences regarding which factors were more influential in the decision to migrate. The basic assumption behind this is that understanding these situations would allow better insight into the condition of migration. On various occasions, a number of Somalis with whom I had conversations, revealed that their intention in coming to South Africa was to escape the prevailing horrors in Somalia and the region in general. However, not all Somalis in Durban left their country because of the political upheaval and conflict, as is normally assumed by many. For example, some of the Somalis who participated in this research came from Djibouti, a country that is stable compared to the rest of the region. Furthermore, a number of the research participants admitted that they came here for social and economic reasons too. For example, Jabir noted:

I came here in February 2003. I was a student at the University of Hargessa,<sup>60</sup> [as a] first year student. The education was not good. I [had] economic problems. There is not enough money to survive in Somalia now. There is drought. People [are leaving] Somalia. When my cousin told me [he would assist me in going] overseas, I left the place and [came] here.<sup>61</sup>

Reasons such as this can also be combined with the political instability and conflicts present in Somalia and the Horn Africa region. It is also explicable that social, economic and political situations influence one another, therefore making individuals' experiences of these situations more intricate and complex. The decisions too, become complex and involve a multitude of factors.

Apart from the above reasoning, from the various discussions I had with the Somalis in Durban, it became clear that some of the decisions to come to South Africa were influenced by the perception of South Africa as a gateway or springboard to other developed countries like New-Zealand, Australia and the UK, in recent years also including North America. I was told on a number of occasions that the decisions made

---

60 Hargessa is a town in today's Somali-Land.

61 Interview with Jabir – 29 November, 2003

by individuals who came to South Africa in the mid 1990s were mainly influenced by such information. Success stories of friends and relatives sometimes fed these perceptions, and thereby influenced decisions. I was told on various occasions that the stories that drew them to this country were that most migrants who came to this country actually succeeded in migrating to the developed world. These stories reminded me of what Nuruddin Farah, a famous Somali writer, describes as using a country “as a halfway house between Somalia and their place of refuge, in North America or Europe” (Farah, 2000:36). The indication here is that they are not quite settled here, but rather use the country as a springboard to ‘dreamland’. This dreamland could be anywhere in the developed world – Europe, North America, or Australia.

Hassim’s story is a typical case. His desperation to make it to the developed world brought him to South Africa. His trip started in Djibouti. As his ailing mother did not approve, this leg of his journey was under the guise of visiting his sister. He stayed there with his sister for some time. Making use of her husband’s connection, he got a Djiboutian passport and went to Ethiopia, and then to Kenya. His heart was still set on the ‘dreamland’. Things did not work out as he had expected them to, so he decided to stay in Kenya for a while, as he did not want to be embarrassed by going back either to Ethiopia or to Djibouti. When I asked Hassim why, he explained that going back home was often viewed by neighbours and family as failure, a mishap and a sign of incompetence. At best it would be viewed as a bad fate. He heard of another alternative: coming to South Africa and working here for little while and then moving to Australia or New Zealand. Hassim said that he came to South Africa, because he had to explore this possibility before he depleted the money that he had at that time. With a help of a Somali carrier, Hassim arrived in Maputo and eventually in Johannesburg.

As noted in the above story, another common perception, which also feeds into the first one, is that being in South Africa allows individuals to earn and save sufficient amounts of money to facilitate the second migration to the West. However, the early migration of Somalis to South Africa might have been motivated by perceived economic and social advantages believed to be open in the country with the fall of Apartheid. This might have been followed by a second migration to other Western or

developed countries, perhaps as individuals encountered a disparity between their expectations and the actual reality. For example, Hamid expressed his prior assumption about South Africa in this way:

What I believed was that if the country [was] a developed country, then life [would] also be developed. South Africa [can be] compared to overseas countries like Europe [and other] developed countries, [where] everything is better than in developing countries. .... It is much better here [in South Africa]; even much better than what I had been in Kenya, because now I am doing something. If I continue like this I can make something for myself.<sup>62</sup>

Despite those feelings and perceptions, Somalis in Durban participate in the informal economy in an attempt to accumulate money to make this second migration a reality. At times, in reference to this intention, there is a tendency to refer to this country as an en-route stop to overseas destinations. Except for the recently arrived ones, numbers of Somalis whom I met in the CBD have tried to migrate to the developed countries, at least once. Isaac, for example, in 2000, upon trying to travel to the West, spent quite a lot of money. He indicated that this trip cost him more than 5000 US Dollars with the hope that he would join what he called the “Earthly heaven”. When I asked Isaac what he meant by this, he said, “A place where everything is possible.” Through some dubious connections in Johannesburg, he got a whole new identity and passport as a South African.<sup>63</sup> He then went to Maputo to fly to Europe. The flight destination was France. He believed that his bad English made him a suspect upon arrival in the airport in Paris, and he got deported back to Maputo, from where he managed to re-enter South Africa by crossing the border once again.

Perhaps related to the already engrained project of using South Africa as a springboard in migrating to Western or developed countries, individuals in this community, categorically, show recklessness and a constant move. Nuredin once told

---

62 Interview with Hamid – 06 December, 2003

63 I was told that there are incidents of drastic measures such as taking one’s front teeth out to look like South African Coloureds, as there is a general perception that it is a common practice to take the front teeth out in some Coloured communities. My informants brought to my attention that some Somalis, besides having the South African passports, acquired illicitly, in an attempt to authenticate their identity, have engaged in the tooth extraction practice.

me that he viewed spending money on travel to Europe as no different from trying out a business venture. He stated:

Sometimes you lose, sometimes you win. [For] 2 years I [worked] and I [saved] R70 000. [I] paid R50 000 to go to the UK. I [lost] all my money. [I] started selling in the street [once] again..... If I [got] a chance to go to the UK or America, I [would] pay now, now.<sup>64</sup>

Idris also confirmed for me that many Somalis share the above sentiment and that there is a widespread recklessness. He told me that most Somalis are not yet settled and they still dream of the West or the developed world where, they believe, living standards are higher, and amenities and welfare are supposedly accessible to foreign migrants. Distancing himself from this reality, Idris referred to this as a “blunder” where many waste their money and time, and calls it “working and saving money to gamble with smugglers”. Throughout my fieldwork, this situation always left me wondering why individuals in this community find it hard to become less restless and start seeing their businesses through in this country. At the very least, one would anticipate that those who already had their refugee status granted, would somehow start settling down. The amount of money they paid smugglers and carriers to travel to Europe and America could be reinvested to advance their businesses. The latest was travelling to Mexico and from Mexico to America on foot. I was told that this process cost about R30 000 to R40 000. Wahida, a Somali woman, was interested in this news. The following is an interview I conducted with her, with the help of a translator:

Q: Why do you think Somalis, including yourself, are willing to take desperate measures to travel to America?

Wahida: A man has to do what it takes. All Somali people [have] brothers and sisters all over Europe and America. We see them sending money to family and friends. So everyone wants to be like that, right!

Q: But why spend so much money on those trips, when this money can be used to open a shop and start a well-established business, or something?

---

<sup>64</sup> This amount of money was paid to smugglers from various countries, whose duties involved obtaining passports and other identity documents, and arranging visas and travel plans.

- Wahida: Those in America and Europe are paid in Dollars. They are sending money because it is easy to make money there. But here all Somalis are working in the street and it is difficult to make money in this country.
- Q: You mean compared to Europe and America?
- Wahida: I do not enjoy [working] in the street. I do not enjoy [being] pushed by the police. But I do not have a choice. But in America, everything is possible.
- Q: But you have never been there, so how would you know?
- Wahida: I talk to my sister; I have family and friends in America. I even get email from them. They tell [me] what kind of life they have.<sup>65</sup>

Wahida's reasoning was to a certain extent a reflection of the perception held by some Somalis in Durban, perhaps by many others too. Idris conceded that numerous success stories of individuals who travel to the West have contributed to the recklessness and constant endeavour to travel to overseas destinations exhibited by many Somalis. In the same fashion, stories of unsuccessful attempts had informed some of the decisions made by individuals. There were the few who had settled down and realised their mistakes after one or two unsuccessful attempts, such as Ali and Abdu. Abdu noted that after two unsuccessful attempts to travel to Europe, where he spent a substantial amount of money,<sup>66</sup> he wished that he had invested the money in this country, which, he said, would have allowed him to earn a lot more than what he did currently. Nuredin often quoted Abdu's and other's experiences to justify his determination to make it big in this country, and the need for a change of perception among the Somalis. For Nuredin, wherever individuals were, success was to be found in capital accumulation, and he believed that there was a possibility for that in this country. It is important to note that Nuredin was working as an informal trader and viewed the possibility for personal growth in it.

The inference to be made from the above is that the possibilities in the informal economy might have been the pull factor for Somali migrants in Durban, even though originally they might have been forced into it. Accordingly, while the choice of South

---

65 Interview with Wahida - November 21, 2003

66 Abdu stated that for each trip he made, he spent close to R90 000.

Africa is sought as a stop en route to other developed countries, one cannot disregard the economic benefits and opportunities sought in this country as a factor. As Hassim expressively put it, “Working in the street, till I make it big, I support myself independently of anyone and save some money for my travel to Europe.” Hassim’s statement was made in comparison with his experience before arriving in South Africa. He indicated that he had been financially dependent on his relatives residing overseas while he was in Kenya, where he started his journey in a bid to travel to Western countries. He had since become self-reliant. He even supported his mother whenever he could. Abdu had also been dependent on his relatives until he established himself in the street-trade in Durban.

### **5.1.1 THE ROUTE TO SOUTH AFRICA**

By and large, Somalis seem to have found it easier to come to South Africa than any other developed nation. Ibrahim, for example, had made numerous attempts to get to European countries with the help of his siblings residing in Western countries, but in vain. This exercise proved to be a waste of money and time, which frustrated his family. Eventually, he decided to come to South Africa, which he said, “was a trying journey in his life”. He indicated that it was not an easy choice for him; rather it was a calculated risk and a beginning of renewed hope. Those who left South Africa to travel to other parts of the world also managed to come back, even though they were unable to get to their target destination. Isaac’s story mentioned earlier constitutes such a case, where he managed to get to South Africa upon deportation from Paris to Maputo.

Nevertheless, their journeys to South Africa have been among the most painful of experiences, both for the first timers and the regulars. It often took months to get to South Africa, particularly to the African wonder city of Johannesburg. En route, they had had to cross borders of many countries of the continent, bribe the many corrupt and uncooperative officials they encountered, and worst of all, pay human smugglers to get to this destination. Idris and others informed me that ship stowaway was not an uncommon means of migration to South Africa among Somalis. Two cases were referred to me - both of them trips from Mombassa to Durban. To all intents and purposes, money played a crucial role, as they had had to pay for transportation,

smugglers and for the usual bribery system. They sometimes found themselves being hustled in various countries, by truck and bus drivers and officials at the borders, as well as smugglers. Many of the research participants pointed out that one had to have no less than 400 US Dollars to make this long cross-border journey.

The itinerary of the cross border movement, as they noted, starts by crossing the border of Kenya, then Kenya-Tanzania, sometimes Zambia and finally any of the Southern African countries bordering South Africa, especially Mozambique, Swaziland, and Zimbabwe. This is with the exception of those who take ocean routes to get to South Africa. The trips through those countries alternately take place on foot, or trucks and buses. The in-country trips often take place by bus or lorry (truck). After a journey lasting many months, when they arrive here most are left completely without money. According to the informants, for most, the final destination in South Africa is Johannesburg where they can meet other migrants, mainly Somalis or their clan members.

After arrival, the decision on where to start a living within South Africa seems to be influenced by possibilities sought in each part of the country. In other words, mobility of Somalis within South Africa follows the economic prospects and concentration of capital. This is apparent in Somalis' choice of places around the nation. Many choose to reside in major economic hubs of the country, mainly economically strong urban areas. Their choice of Durban can also be viewed in this light. Moreover, the relative safety of the city as well as thriving possibilities are noted as other reasons that draw many Somalis to Durban. This is evident in the various responses. In an interview I had with Hamid, when I asked how he had heard about Durban, he stated, "I gained information that Durban is good for small businesses, and I came here."<sup>67</sup> I posed a similar question to Yassin, who had just arrived in Durban. He indicated that the reason why he came to Durban was because, "Somali brothers suggested Durban as a potential and safe place."<sup>68</sup>

---

67 Interview Hamid [Translator] – 06 December, 2003

68 Diary entry – 03 November, 2003

Many of the research participants indicated that they felt insecure about their lives in Johannesburg, which was often an initial destination for many of them. The other factor in choosing Durban was the perception held by the Somalis about the city of Durban as being relatively suitable for new entrant traders. According to them, Durban was perceived as having a relatively easy entry to the informal trade compared to various other major South African cities such as Johannesburg and Cape Town. Ali told me that new arrivals preferred Durban because, unlike in Johannesburg, they did not have to purchase street-trading spots.<sup>69</sup>

I learned that most Somalis, whom I spoke to, believed that getting started in the informal trade, which most of them appeared to choose, was much easier in Durban. The following section expands on this matter to explain the reasons why Somalis in Durban engage in the informal economy.

## **5.2 THE CHOICE OF STREET TRADING**

Many researchers point out survival strategy as a primary reason for the participation in the informal trade among African migrants in South Africa (Hunter and Skinner, 2001; Grest, 2001; Sabet-Sharghi, 2002; Vawda, 1999; Peberdy and Crush, 1998). However, this research suggests that there are multiple factors involved in the decision-making process. Decision-making process might, however, imply agency. Rather, this should be understood as informalisation process, which reflects the interrelationship of both agency and structure. As noted in the chapter two, informalisation approach and as understood in this dissertation, informality is appropriated as well as imposed. Following this theoretical argument, this study identifies at least three broad factors that play a role in this process towards joining the street trade:

- Conditions of migration refer primarily to how individual migrants, as well as migrant communities, are affected by the migration process, such as loss of human and social capital.

---

<sup>69</sup> Diary Entry – 04 July, 2003. In the same discussion I had with Ali, I learned that a street-trading stand in the CBD of Johannesburg could cost between R30 000 and R60 000, depending on the strategic position and size of the stands. This also came up in various conversations I had with others.

- Conditions in the host country imply structural and policy situations, such as socio-economic conditions as well as the political economy of the host country. These conditions could be perceived by the Somali migrants, or may be the actual conditions common in the country. Furthermore, this is related to the legal status of the migrants.
- Perceived potential of the informal economy, compared to the available alternatives in the formal economy, form the third factor.

It is important to underline that these factors appear to interplay and have some degree of influence on one another. Therefore, considering the methodology used in this research, it is not easy to determine the level of influence of each factor in the decision making process of individuals. Yet, they appear to influence decisions in one way or another. Therefore, this research focused mainly on the detailing of those possible influences rather than determining the level of influence of each factor identified. The three major factors will be considered and discussed separately.

### **5.2.1 PERCEIVED CONDITIONS IN THE INFORMAL ECONOMY**

It is relevant to point out here some of the general views observed, by this migrant community, about the informal economy. For Hassim, selling in the street was the fate of most migrants. Before we knew each other well, when I asked Hassim what he did for a living, in a short but surprised tone he stated, “What everyone does!” I sensed the puzzlement by his surprised tone. “How come you do not know this, and yet you claim to be an African migrant?” I think his reaction will become clearer as I explore and explain this section. During the same conversation, I learned that he meant vending in the street. This response can only make sense when one unpacks common sense knowledge and perceptions of Somali migrants in Durban. This migrant community, more often than not, perceived informal activities as the only economic activity in which every African migrant could participate. Throughout the course of the fieldwork, this perception persistently emerged, despite the odd mention of African migrants employed in the formal economy.

Furthermore, there was a general discontent about the nature of the informal trade in which most of the Somali migrants participated. For example, Ali seemed to have

battled to accept the conditions under which he made a living in the street-trade. He sometimes complained about the toughness of the job. He grumbled about the sun and the difficult task of carrying the merchandise to and from the store everyday. Comparing this to his past experience in business, he frequently expressed his discontent about the street-trade. For him, the most devastating thing about this job was the police chasing him away every now and then. He referred to packing merchandise hurriedly and running, then spreading the merchandise once again, only to repeat the same cycle. This became a daily encounter for him and for many of the informal traders in the CBD of Durban. Ali felt that this was embarrassing, yet most of all, was restrictive and hindered productivity. All this contributed to his growing resentment towards his business in the street.

On the surface, what can be deduced from the above is that participation in the informal economy represents the absence of choice; it is a mere survival strategy. However, on various occasions, the research participants made acknowledgement of the existence of pull factors. In various conversations that they had with me, Hassim, Ali and others expressed the prospect for growth in the informal economy. They indicated that they often saw the potential and that was the number one reason why they put up with the hustle and bustle. For example, Ali maintained that he always saw hope in his hard work and the muddled situation of the informal trade. He also indicated that he had managed to accumulate capital by working in the street, and soon he would open a shop, which meant that he would avoid confrontation with the police. Alternatively he would use the money to travel overseas. For the time being, he saw the police action and the hard work as a price that he should bear to get where he wanted.

The above discussion signifies that informality for the research participants is a double-edged process. On one hand, it is a consequence of structural conditions to which they are subjected, and on the other, it is appropriated based on perceived and actual prospects for success and capital accumulation.<sup>70</sup> Somalis in the informal trade of Durban seemed to have a strong entrepreneurial spirit and determination for

---

<sup>70</sup> As noted earlier, I divided the structural conditions into two – (i) conditions of migration and the political economy/legislative, and (ii) socio-economic conditions in the host country.

success. This, I think, is enforced by the success stories of other Somalis, as well as other African migrants. I am referring here to success stories of individuals that had emerged from the informal economy. Idris, my informant, stressed that those stories captivated most newcomers and made self-employment appealing.

Such success stories revolved around individuals who had become successful, mostly those who had opened shops, and individuals who had made it to the Western countries after saving a good amount of money by engaging in the informal trade. This can be asserted by the fact that although some got a chance to work for formal businesses, they abandoned this employment and took the informal trade route, as did most of their Somali brothers in the country. In some of the cases I explored, there were indications that they had been employed at some point by formal businesses, mostly upon their arrival. However, they chose to engage in informal trade. Hamid's experience corresponds with this observation. When I asked him who had helped him when he arrived in South Africa, and who had shown him around and helped him set up a business, he responded:

With a lot of effort I managed to collect some money by working in a shop. I got a job at Johannesburg. I was a shop-keeper..... I saved the money I [earned] as a wage, and I decided to do my own business.<sup>71</sup>

Following Hamid's response, I could not help but wonder why he had left a job to become a street-trader. When I asked him this question, he explained that he did not see a possibility for personal growth in working for others, and that was the reason why he chose to be self-employed. It is worth noting that the Somali migrants' perception of formal employment and the opportunities available for personal growth in it are reason enough for self employment. As in the above example, the theme that came up in the analysis of the case is that Somalis in Durban perceived that there is little possibility for growth in the formal employment that is available to them. Perhaps this perception might have been triggered by individuals' limited experiences in formal jobs; most employment obtained by the Somalis during their time in South Africa tended to require little skill, such as being petrol attendants and shop-keepers.

---

71 Interview with Hamid – 06 December, 2003

The inference to be made here is that although much of the informal economy in South Africa is characterised by survivalist-strategy, especially with regards to foreign migrants, one cannot rule out the potential for entrepreneurs to make use of the availability and easy access of this economy to accumulate capital and to prosper. This is evident in the common practice of advising and assisting newcomers to set up a business in the street. New migrants are often advised, supported and guided by the seniors to set up businesses in the street. This is often based on the assessment of the situation and perceived possibility for capital accumulation and easy entry into the informal trade.

In some cases, individual participants' prior experiences also seemed to correlate with their preference for involvement in the informal trade. Exploration of the cases studied and some supplementary interviews reveal that Somalis appear to be very much acquainted with trade and commerce. For example, when Abdu arrived in Johannesburg he had only 50 US Dollars with which he started his street-trade business. He emphasised that he was a trader in various countries, and this was his realm.<sup>72</sup> When he arrived in Johannesburg, upon speaking to the Somalis he met, he knew what he could be doing. He immediately started a hawking business with the help of Somalis he met there. Ali too shared a similar experience. While he was in Somalia he worked for a family business. Later on, he claimed that he managed to own a successful business in Zambia as a cattle trader. A number of other research participants indicated that they either grew up in a business environment where they worked in shops and family businesses, or had had businesses of their own, and therefore, preferred to engage in what they knew best.<sup>73</sup>

Many Somalis in the street-trade of Durban looked at their engagement in the informal trade as more than just survival. For them, it was a path towards making a well-established business, a conduit towards opening a shop, to which most of them aspired. This is in line with the conceptual assertion made early on in this dissertation that informality is partly appropriated. This assertion can then acknowledge agency

---

72 Diary entry – 08 August, 2003

73 This is a common phenomenon among Africa migrants. For example Crush and Peberdy (1998:1) in their research found that about 30% of the respondents indicated that they had entered the business they enjoyed which was trading and self-employment.

and the entrepreneurial capacity of informal actors, in this case Somali migrants. Yet, the structural conditions cannot be undermined by any means.

### **5.2.2 SOCIOECONOMIC AND LEGAL CONDITIONS IN THE HOST COUNTRY**

Perceived or real, conditions in the host country seem to have some influence in the Somali migrants' choices of various economic activities. It is also clear that these conditions in some way are related to the conditions of their arrival in the country. For example, it is known that migration often leads to informality, especially in the case of illegal entry and illegal stay, when migrants do not want to come to the attention of the local authorities (ILO, 2002:33). Other well-known factors are differences in criteria for assessing qualifications and selective employment. It is known that cross-border migrants in developed countries, especially those who have arrived recently, tend to concentrate on the informal economy because there are fewer other jobs open to them (ILO, 2002: 33).

The status of these foreign migrants and the policy of the host country contribute largely to the informality of foreign migrants. This is especially true pertaining to their legal status, which determines their involvement in the formal and the informal economies. Widespread unemployment is also noted as one of the causes of informality (Musiolek, 2002), in which case, foreigners are likely to have less legitimate rights to employment, since it is in the interest of the citizens for employment to be protected and reserved for the locals.

My assertion here is that institutional and structural environments under which Somali migrants lived and worked determined some of their choices. This means that those environments tend to limit their engagement in the host country. South African migration policy is often criticised for being unreceptive to foreign migrants. Although the argument is broad, protecting the economic niche and labour market for the locals is the logic behind the South African government migration conscious policy choices that have given rise to strict regulation concerning the employment of foreigners (McDonald *et al*, 1999; Mattes *et al*, 2000). The above underpinning

assumption is even extended to the informal economy, at least among the citizens,<sup>74</sup> although there is little or no government control in this economy.

Somalis in Durban consist of asylum-seekers and refugees. The most disadvantaged of them are those with asylum-seeker permits. According to them, until recently, having had this permit has meant that they had not been entitled to employment or study.<sup>75</sup> As part of control and regulation procedures, therefore, those with asylum-seeker permits went to Home Affairs to renew their permits on a regular basis, between one and three months depending on for how long the permits were issued. For most asylum-seekers life has been in an indeterminate state for a while. While discussing this issue with Muhammad, he stated something that struck me profoundly:

To be an asylum-seeker means to be less than a man. Even if a Somali with this permit finds employment, it is hard for the employer to have him as a worker. A person, who is here today, may not be tomorrow, a person whose fate has not been decided yet. As a worker, I have to sign a contract, but no one is sure that I will be there for the [duration of the contract]. I am lucky I got my refugee paper on time. But that too has cost me a lot.<sup>76</sup>

Making reference to the old immigration legislation, the research participants also questioned, how it was possible for one to survive, if one was not allowed to work, and the application was suspended indefinitely. The perception of employers about foreigners, especially from African countries, has been pointed out as another obstacle to finding formal employment. The ones with refugee documents are supposed to be entitled to a range of rights in the host country. Yet, as Muhammad's story reflects, they too shared the discontent with the asylum-seekers. For most of them, the informal economic activity therefore seemed to be the only possible way of making a

---

74 There is a strong feeling among the local informal traders, that foreign migrants are taking their businesses away (Grest, 2001).

75 Under the Refugee Act, that was passed in 1998 and become effective in 2000, asylum seekers were not allowed to work, study, or be self-employed until they were granted refugee status, although individuals could apply for special consideration to be allowed to work after six months (Crush, 2003). However, this Act has been revised in the latest immigration legislation.

76 Interview with Muhammad – 03 December, 2003

living. They indicated that this was not the kind of trade they liked, especially with the kind of treatment they got from the local authorities.<sup>77</sup>

Apart from the above, although there is still a great demand in the labour market, migration policies have been creating problems for foreign workers (Crush, 2003). Many of the Somalis I interviewed perceived formal employment as being far too difficult to obtain, although some of them had already worked in formal businesses at some point in their time in South Africa. They consistently noted that South African identity documents had become the barriers between them and formal employment. Jemal and Yonus, who were casual workers, indicated that whenever they were about to get permanent employment or make headway in obtaining this, problems related to their permit surfaced along the way.<sup>78</sup> While sharing his experience, Jemal expressed his discontent that, on a number of occasions, when he showed his legal documents to prospective employers, he received an immediate reaction of, “Not a chance!”<sup>79</sup> Often their jobs could have involved driving cars and trucks to neighbouring countries, but their legal documents made it impossible for them to cross the borders. For the time being, Jemal made a living by selling *miraa*, combined with the casual work he obtained, while Yonus was involved in what he referred to as “*ayer ba yer*” (an Amharic slang word which means a ‘brokerage without having any specified location’).

Stories such as Jemal’s and Yonus’s, naturally, formulated and shaped the perception around legal documents and formal employment, and this invariably has created a feeling that formal employment is removed from their experience, as something to which they are not entitled. It is a commonly held belief among the Somalis I met, that the state gives little or no provision to foreign migrants; therefore, they have to persist on their own to survive or be successful in this country. Whether they have tried to get employment or not, they have formulated a strong opinion that they are subjected to government restrictions and the unwelcoming attitude of the locals.

---

<sup>77</sup> This issue is discussed in great length in the following section on treatment received from local authorities and police.

<sup>78</sup> Yonus and Jemal are drivers who occasionally work on a contract basis to drive imported trucks and cars to bordering countries, but only as far as the borders, since they do not have travel documents.

<sup>79</sup> Diary entry – 11 July, 2003

Somalis in Durban constantly grumble about having been excluded from formal employment and consider the discriminatory practice of hiring and firing workers a constant nuisance.

Muhammad's experience illuminates much of the above issue; Muhammad, who carries a refugee document, described his work-related experience as follows:

In 2000 I was in Durban. We worked in SAPREF, which is an oil refinery for BP and Shell. So, that one was a big refinery. I worked for them, and I left. And we [were] contacted again by Engen garage and it went well. I worked there for one and half months. We were supposed to work for three months, but there was some kind of riot, because the locals wanted some kind of raise in their salary, and everything. We were four foreigners there – me and three Mozambicans. So it really affected us, because we were the first to be kicked out. We were not in the *toyi-toyi*, you know. They were chasing whatever. You know, you go with the flow. You have to get rid of some people. We were the easy targets; this is how we were kicked out.<sup>80</sup>

As indicated in the above example, schemas created around legal documents carriers might have made it easier for prospective employers to turn them away. Such stories, nevertheless, influence perceptions and thereby decisions of Somalis in Durban. In spite of these stories, it is important to question whether they are actually employable, what qualification they have, how many of them have been declined by prospective employers and why. It would be difficult to answer these questions as the research focuses on exploring the general experiences, and in the same fashion the chosen methodology does not allow for the formulation of such inferences. What is applicable to this discussion is recognition of the strongly held views and perceptions that influence decisions, in this case the decisions to become involved in the informal economy.

Since they are socially and economically excluded from the formal economy [at least they perceive themselves to be so], they reside in and make use of the informal economy, which is relatively uncontrolled by government institutions. It is like obtaining asylum in the informal economy. Moreover, the formal economy selectively hires foreign labour. On the contrary, as noted above, there is an easy entry to the

---

<sup>80</sup> Interview with Muhammad - 03 December, 2003

informal economy at any moment and for any one. This is possible because the informal economy is open and flexible unlike the formal economy which is bound and regulated by legislation and well-organised institutions. It is harnessed in such a way that individuals' exclusion from the formal economy through such aspects as poverty, discrimination or geography can lead to informality (Halperin 1990; Smith 1990).

Apart from the above, the country's economic condition characterised by 'job-less growth' and high unemployment rate can be considered as another contributing factor for the Somalis and foreign migrants in general, in becoming engaged in the informal economy, as is the case for many local participants in the informal economy. The failure of the formal economy to accommodate the surplus labour has long been noted as one of the causes of ever-increasing participation in the informal economic activities. In a country that has a serious unemployment problem, with approximately a 30% unemployment rate (IMF, 2004), it is no surprise that migrants would find it hard to find formal jobs.

### **5.2.3 CONDITIONS OF MIGRATION**

Another structural factor is the condition of migration. The above noted perceptions are likely to be supplemented with possible loss of existing, or the emergence of new human and social capital which occurs as a consequence of migration. It has also been established that foreign migrants are inclined to engage in self-employment as they fail to meet the required standard of skill in the host country, being unable to speak the local languages (Spencer and Bean, 1999:1023). Few of the Somalis with whom I came into contact, can speak English – the widely spoken language in the South Africa – satisfactorily. Most either do not speak the language at all or do so with limitations, both of which are likely to limit their employability. Loss of human capital as a consequence of migration, particularly through language and cultural differences, can definitely limit individuals' employability in the host country.

The line of connectivity and social capital seems to be another determining factor. Analysis of the cases indicates that their first contact in this country was with the Somalis already engaged in the informal economy. Coupled with the conditions of their arrival and prior experiences, it is likely that this established networks to guide

them into the informal economy. The cooperation which is carried out by the Somali community is generally within its own niche, which is the informal economy. As noted in previous sections, newcomers are directed to and supported by this community to start businesses in the informal economy. This corresponds with the trends that emerged in the case study which indicates that decisions of mobility in South Africa consider availability of social resources and ties in the prospective destination.

I wrote the following in my diary based on a conversation I had with Idris:

Idris told me that when he first arrived in Johannesburg, he met Somalis. By the time he arrived he had already finished the money he had arranged for the trip. He had to look for accommodation and food, and mentioned that the Somalis he met there offered him accommodation and food for about three weeks. Then he said that they showed him around the place and gave him some money with which he started a hawking business. I asked him if the money he got was a loan. He said that some was a loan but it was not much. It was only R 300 that he received as loan. The rest was a donation.<sup>81</sup>

The above experience conveys that the conditions under which Somalis arrived in South Africa seem to have contributed to their involvement in street trading, mainly their first experience upon their arrival. It is a common experience that individuals arrived in South Africa with no or little money to start life all over again.<sup>82</sup> Thus, many turned to an easy start in life; informal economy was within reach and allowed a fresh start to making a livelihood. This is in keeping with one of the characteristics of informal economy – which is easy entry – identified in the literature. The emphasis here is that participation in the informal trade, in some of the cases, seems to have become a livelihood strategy as a way of coping with the consequences of migration.

---

81 Diary Entry – 02 July, 2003

82 It is important to note that the individuals' experiences of arrival in South Africa vary to some extent, as some of the Somalis enjoy financial support from their families, while many others do not have that option. Therefore, the choices and life chances differ to some degree. For example, Somalis who obtain financial support sometimes avoid working, on the grounds that they are processing their travel to overseas destinations, which sometimes take months, if not years.

On the whole, one, or a combination of factors, determined the Somali migrants' choice of involvement in the informal economy. It was, therefore, survival strategy and income generation, entangled with hope of progress and prosperity that drove the Somalis into informal economic activity. This hope for success was instituted through the Somali migrants' entrepreneurial spirit and presence of preferential advantage for those migrants, which was allowed by their social capital and ties. Informality and participation in the informal economy brought in a particular experience. Competition, the need to negotiate with other informal actors and formal businesses for space and procurement of goods, and the weight of policy environment, constituted this experience.

### **5.3 EXPERIENCING THE INFORMAL TRADE AS MIGRANTS**

Somali migrants, who partake in the informal economy of Durban, share similar experiences with their local counterparts, as informal actors trading in the street. The Somali migrants trading in the streets of Durban do not have legally allocated trading spaces – which means, by law, they are all 'illegal traders'. This applies to a number of local traders as well as African migrants. This question of legality of trade shapes experiences of informal actors. What is more, Somali migrants' experiences in the informal trade of Durban are further shaped by their status as foreign migrants.

Any black African, not from South Africa has earned the name '*ama Kwere-Kwere*'. Any black person speaking a language different to those spoken in South Africa is referred to by this name. Irrespective of the purpose it serves, this has become another category for African migrants. It has in fact become more popular than I initially thought it was. The police who stereotypically identified foreign migrant street-trade would not pass with out saying '*Kwere-Kwere*'.<sup>83</sup> Whenever this occurred, Hassim said they were looking for trouble and perhaps extortion. Once he said, "They say '*Kwere-Kwere*' to check if you are foreign, and the next day they are after you for a can of coke, or any item that you [are] selling."<sup>84</sup>

---

83 Although there is no evidence on the origin of this term, there are claims that it is referring to the 'unintelligible' language used by foreigners, particularly African migrants.

84 Diary Entry – 10 December, 2003

Sometimes names were not exchanged with traders or with customers. *Kwere-Kwere* simply replaced personal identifications. A familiar Somali street-trader walking past a street in the CBD would be called '*Kwere-Kwere*'. The Somali would perhaps respond with a cheerful tone, '*ama Kwere-Kwere*'. Abdu, in a discussion on the significance of this term and its usage, attributed this situation to the indifference and insensitivity of the locals towards foreigners as individuals or as a group. Abdu also claimed that this term was used as a constant reminder that they were foreigners, rather 'aliens'. On the surface, it was convenient for everyone to use this term. The implications, however, could be far reaching. The one implication that I need to draw attention to is that it perpetuates the notion of 'local Africans' versus 'foreign Africans' and 'us' versus 'outsiders'.

Although they hardly followed the debate on the social and political economy of migration policies and legislations, Somalis tried to conceptualise and grasp their experience as migrants in this country. Whether they are refugees or asylum-seekers, or even illegal immigrants, they perceive themselves as alienated and unwelcome. Idris told me once that he always felt that if Somalis or other African migrants had not forced their way into this country and imposed themselves on South Africa, then there would not have been any refugees or asylum-seekers here. When I asked him what he meant by this, he stated that most had not seen any legal way to enter South Africa as refugees, thus, have had to force themselves in through illegal ways, mainly crossing the border. He also poured out his misgivings about the unreceptive and intolerant approach of the South African citizenry and leadership towards African migrants. Although I could not agree with his contention, it was a good indication of how he felt about his experience of South Africa.

By and large, even though the CBD informal actors, in one way or another, shared similar experiences, they constantly played the difference, depending on the circumstances. In an interview I had with Muhammad, I learnt the following about his relationship with his neighbouring trader:

Muh: [This neighbouring trader] is not Zulu; he is a Sotho. So he wanted to side with me, and he said, "Listen, if we team up, we gonna liberate this place. So we have to fight together." There was a big chaos here. Police came and they sorted the whole situation out. I was selling shorts, and he was selling shoes, and those guys were

selling cigarettes, and vegetables, whatever. [The police said to those guys], “These guys are not selling what you are selling, so what is the big deal?” It is just a silly xenophobic jealousy. Anyways, I [have] peace now.

Q: The police came and explained to these people that what you were selling was different to what they were selling. Is that what they said?

Muh: And luckily, the captain of the police station, he was a Muslim guy; his name is Captain Salih. And we struck a deal with him. Before, we had trouble with those guys. Right here there used to be guys who used to mug Indians [for their] cell-phones. Me and him [a neighbouring trader] used to fight them. Some police saw the whole issue, and took us to the captain there. “These guys are working with us.” So the captain said, “Fine, you guys work with us and you help us too.” And if we had problem, the captain would say to them, “You are giving problems now to guys who are helping us, giving them trouble.” So they were told, “Either work with these guys or we will kick you out. Those guys are going to work here.” So that is how we sorted it out. I had to make friends with them. We told them that we were going to fight crime. I cannot fight crime; it is not my country. I can be kicked out any time. But this was just to find a way to convince these people that I was on their side so they could support me any time. So it worked, actually. Thank God, I am here and can continue [to work]. I am at this level now. And hopefully with the will of God, I am going to continue and get a shop or something, you know. But life ain’t easy here man. This is a university of life. So it does not come easy. I know it does not come easy in any country, but this country is bullshit.<sup>85</sup>

This interview shows the intricacies of identities used and manoeuvred to serve certain purposes or achieve certain goals. Muhammad assumed the title of an informal trader, a Muslim, and a migrant with no obligation to the host country, depending on what the specific situation demanded. As an informal actor, he had formed a front to secure the trading place. He and his neighbouring traders did not have trading permits for the pedestrian passage by the Workshop, where he was selling. Furthermore, selling in this passage was not allowed. He claimed, referring to himself and the individuals trading in the same passage, that through their concerted effort, they had managed to carry on working there.

On the whole, there are parallels, perhaps even a convergence, in the experiences as informal actors, and a divergence that comes from differences. In the following sub-sections, I will try to direct the discussion in order to point out the convergence of the experiences of Somalis as informal actors and migrants. In these sub-sections, the focus will be the general observation of Somali migrants encountered in the informal trade of Durban.

### **5.3.1 SOMALI INFORMAL TRADERS OF DURBAN: COMPETITION AND NEGOTIATION**

Despite the potential for growth and capital accumulation expressed by Somali street-traders, income in the street trade was uncertain and fluctuated with time. As Muktar expressed, “It is sometimes good, sometimes bad. Sometimes we sell and other times we just sit.” The informal businesses tend to be seasonal and sporadic. Weekends are busier than the rest of the week. Certain months of the year are also busier than others, especially in respect to the festive season. This situation is not unique to informal businesses; formal businesses too feel and experience seasonality of business ups and downs. However, the Somalis in the informal trade felt this fluctuation in a major way as the business is rocky by nature and the income gained from it is relatively small.

Competition was also rampant and fierce in the street-trade. Their street trade suffered from crippling competition, at times. This was a result of two particular practices. One was selling the same products too closely to one another, and the other was the inability of traders to vary their products. Hassim complained that when one product was believed to be fast moving, every one would rush for this product, making it difficult to sell this product in the same street.<sup>86</sup> Competition like this, therefore, was to the detriment of their businesses; meagre turnover and lack of profit resulted from this uncontrolled competition. Often the situation forced them to cut down their prices to remain competitive; this affected their already dwindling profit margin. Fierce competition could also become a source of tension that sometimes leads to conflict. Some sold the same product more cheaply than others, and this often caused conflict, which sometimes got physical.

---

<sup>86</sup> Diary entry – 05 July, 2003

Nonetheless, I noticed that Somalis tolerated one another when it came to matters like this. They often sold similar items in one location. The most vivid example of this was the Somalis selling in Albert Street, where a group of Somali traders sold the same products on the pavement at the corner of the street. I was also told that some Somali traders waited for adventurous individuals to try the product first before they stocked it.<sup>87</sup> Good traders, however, knew to bring in new products every now and then, to outmanoeuvre the competition. By alternating the products before other traders obtained them, they managed to make good turnovers and profits. This, however, required sizable capital to avoid a capital tie-up.

This competition did not limit itself to street traders, but rather extended itself to that between street traders and formal retailers. One Somali hawker told me that a number of people were selling curtains for R20 and R25, only a few hundred meters away from the curtain shop, and yet in the shop curtains were being sold for not less than R70; this caused the shop owner to report the matter constantly to the police, but in vain.<sup>88</sup> Several other shops and stores had also been reporting to the police on this matter.<sup>89</sup> As the majority of the street traders had already fallen into the category of 'illegal traders', it became difficult for the local government to enforce the by-laws that were meant to check and moderate the situation.

I also learned that the textile products that were sold in the street had similar, or cheaper, prices to the formal retail shops. It was clear at this point that the informal traders of textile products were becoming competitors to the formal businesses. Thus, formal retail stores blamed the informal traders for impairing their business. For this and other reasons, formal retail stores had been requesting the local government to restrict the informal trade in their vicinity. The fact that those items sold in the street were cheaper than the store prices compelled the formal businesses to seek legal action from the local government and police. The justification for this demand comes not only from their businesses' legal recognition, but also from their contribution in terms of taxes, unlike informal businesses. One of the police officers with whom I

---

87 Diary entry – 03 December, 2003

88 Diary entry – 19 November, 2003

89 Interview with the Police Commander Hassen – 16 December, 2003

spoke told me that the police received a substantial number of formal complaints from businesses and individuals.

The police also had their suspicions regarding the legality of the products sold in the street. One police officer disclosed that they were aware of the fact that it was the foreign nationals who often sold items that were sold in the stores. She noted that there was a suspicion that those foreign migrant informal traders were working for shop owners in the area. I think this has to do with the fact that there were many migrants who seemed to have access to the types of merchandise, such as shoes, curtains, table-cloths, clothing, etc, that were traditionally found in the formal stores and shops.

Moreover, when traders brought items from the foreign migrant wholesalers in bulk, the wholesalers made discretionary discounts.<sup>90</sup> This allowed the hawkers to sell the item at a decent retail price that was competitive with any formal retail shops. Those migrant wholesalers also set two prices; one was a retail price and the other was a stock price. Most of the hawkers purchased at the stock price and sold the items for the retail price, that is, the same price as the wholesalers' retail price. The other contributing factor to this was that there were people who brought their merchandise from Johannesburg. Many migrants, including Somalis, and Ethiopian street traders, purchased their merchandise from wholesalers in Johannesburg who reportedly offered good deals. This would allow those street traders to sell their merchandise at competitive prices. They sometimes sell them for cheaper prices compared to the formal businesses, and at times also distributed these items to other hawkers when their prices were really competitive in comparison to the wholesalers in Durban. When one considers the absence of various legislative duties, which formal businesses abide by, in the informal trade, this observation becomes even more plausible.

The unfortunate aspect of this part is that the informal economy, which is more often a shield for the poor, usually woman, with the involvement of migrants, has to compete with fast and furious competitors.

---

<sup>90</sup> This is very common among the various African and Pakistani wholesalers, both in Durban and Johannesburg, from whom most Somali traders stock their merchandise.

### **5.3.2 THE PRODUCT CHAIN AND PROCUREMENT**

Informal retailing and street sales are often at the bottom of the chain of distribution. They are fundamentally linked with the formal sector through this chain, as part of the continuum towards the more informal and less structured retailing. Most of the items which Somali traders in the street of Durban sold were manufactured products of companies in China. This enterprise is an outcome of the larger global trade that is characterised by the exchange of goods and diverse market accesses. This is also in line with the infiltration of Chinese textile products in the global market. Carr and Chen (2001:8) point out the positive impact of globalisation in providing new economic opportunities for small businesses through increased access to global markets. However, this is mainly of focus on producers rather than distributors, such as the Somalis' businesses, which are commonly referred to as 'survival enterprises' at the level of retailing. The case of Somali street-traders shows the extension of international trade to street trading. The international trade items are being further distributed through the informal retailing that has the capacity to 'make items available in a wider range of locations' (Teltscher, 1994: 172)

As the various discussions with the research participants revealed, merchandise was obtained from Somali, Chinese, Pakistani and Ethiopian wholesalers and retailers residing in South Africa. This can be looked at, as Carr and Chen (2001:2) observe (quoting Rodrik), "as global trade and investment patterns that tend to privilege capital, especially companies that can move quickly and easily across borders". There are businesses with capital and information about international trade and distribution. Importing manufactured products from the other end of the world requires a large capital, which street-traders can by no means afford. Somali, Chinese, Pakistani and Ethiopian businessmen and businesswomen, who run large businesses, have made possible the accessibility of items from the global market to those street traders. There is speculation that merchandise could include products that enter the market through illegal routes, and is often given as a reason as to why the prices are so low.

Somali street-traders also sometimes extended this trade by being suppliers to other street-traders and hawkers. This occurred, however, only upon the requests of

recipient street-traders. This was because of their lack of capital. They could not keep stocks to supply others. What they often did was ask the retailers or shop-owners, especially those who were part of the Somali and Ethiopian communities, to provide them with their merchandise without upfront payment. Shop-owners understood that once the transaction was completed with the supplied vendors, they would get their money back.

Lack of capital, which created imbalances, had an impact on the nature of the street-trade. Somali entrepreneurs in the CBD were not able to buy the items for the right price that could allow them to sell their merchandise at competitive prices. It became apparent that the further the product moved in the chain of distribution the more the price of items increases, as participants within this chain put their mark-ups on the product. By the time the items fell into Somali traders' hands, the price of the commodity was so much higher, that they had to struggle to sell their merchandise at the minimum cost possible to keep their competitive advantage. In effect, they were likely to make the lowest profit in comparison with other distributors and some retailers. Most suppliers in Durban also often retailed their merchandise at more or less the same price as the street-traders, which made competition fierce. However, Somali street-traders' advantage was that they bought their items in bulk; in which case, they got relative discounts on the basis of which they set their profit. Even so, this limited their profit margin and hence their income level.

Nevertheless, Somali street-traders strived to make a better profit by deploying every possible means that they had. Their social capital was the greatest tool in this matter. It was a source of information regarding market prices and new products. However, they acknowledged the role of financial capital in creating bargaining and selling strength, which they were denied. This made considerable profits from large bulk difficult. Merchandise should not lie without making a profit from which they made their living. To ensure that they sold as much of their items as possible, they offered the lowest price possible. They could not keep their items until their prices increased, which gave other businesses with substantial financial capital, a relative advantage. Moreover, this lack of, or shortage of, financial capital was what often put them at the informal level.

The research participants claimed that they benefited more from the chain of trade based on the community relation that enabled them to obtain items that could be sold at competitive prices. Somali and Ethiopian wholesalers and retailers were identified as supporters of this chain of trade, in various ways. They supplied traders with the cheapest prices which no store could offer. Their profit came more from bulk sale than retail. The prices of items they sold, according to these street traders, were much cheaper than those of shops and chain-stores and they sold the same kind of items of the same quality. They emphasised the crucial role of information in locating business and getting items at cheaper prices. They gave credit to the Somali and Ethiopian communities in South Africa, particularly in Durban and Johannesburg for their contribution in disseminating as well as protecting information in the market and of prices.

Another concern for the Somali traders interviewed was the flourishing migrants' wholesale business in the city of Durban which made easy access to products possible for many street traders or hawkers. They indicated that 'wholesale' was reduced to buying as little as three items, which allowed formal businesses to advance their interest by catering for informal street-traders and hawkers. This was mainly done by wholesalers of foreign origin. Among them, the most visible were Ethiopians, Chinese and partly some Somalis and Senegalese. Victoria, Grey and Prince Edward Streets were well known for this connection between big businesses and informal traders. A-5 Store (Chinese owned) and Natal Wholesalers (Ethiopian owned) and many other stores in Victoria Street could be characterised as the hawkers and street traders' idols. Those stores offered cheap prices by setting what they called stock prices, which were used in making distinctions with regards to retail prices, whose profit margins were wider. Stock prices presumably characterised buying in bulk; however, 'bulk' could be as little as buying two or three items. Street traders and hawkers would rush into those stores, grab three cotton hats, a couple of towels and claim the stock prices. Some of them sold these items for profit right outside those stores. The imbalance of business which Somalis had enjoyed for some time was being affected as a result of this new development. Many similar items were flowing in the market and were increasingly becoming accessible to local traders, which increased the level of competition within this street-trade. To tackle this competition, the research

participants indicated that they kept shifting their sale items as a strategy to minimise competition.

Another concern was with regards to this product chain and its dwindling profit margin. Since items were bought from wholesalers who, in turn brought them from other wholesalers, the profit margin became minimal. The emphasis was on the turnover, which was not easy to achieve considering the nature of the street-trade – especially, in terms of limited and inconvenient trading places and the difficult nature of transporting the merchandise to the marketing locations and packing them again when leaving. These problems were inevitable even if one had the capital to purchase enough merchandise, unless one moved into a formal trading structure.

### **5.3.3 THE POLICE DISRUPT OUR BUSINESS: TREATMENTS RECEIVED FROM OFFICIALS**

Somali traders in Durban perceived the police as disruptors of their already sporadic business. Apart from the fines they had been charged for trespassing the city by-laws, and for getting their confiscated merchandise back, they resented the time this process took away from their work. The research participants felt that the bad treatment they received from the local authorities was doubly harsh on them: Firstly for being street-traders and secondly for being migrants. As street-traders, they were categorised as ‘illegal traders’, which meant, according to the local authorities, that they were not allowed to trade in the street and were subject to fines, if not abrasively illegal, then for trespassing this by-law. While I was in the field, I noticed that the police often disrupted the work routine of many street-traders, chasing them away and confiscating their merchandise. During this period, I also learned that although, this process was ongoing, ITSBO and the different departments of the city’s Council, in collaboration with the law enforcement agents and the cities’ Chamber of Commerce, had started implementing this campaign in a massive way. To this effect, an ‘illegal trade’ control unit was established. With all the challenges and its drawbacks, the campaign persisted in attempting to obtain results.

Hassen, the ‘illegal trade’ control unit commander, told me that they were certain that the traders would come back the very next day after being chased away or having had

their merchandise confiscated.<sup>91</sup> From the conversation I had with Hassen, it became clear that the Metro Police's intention was to phase out and drain the 'illegal traders' by persistently affecting them. This intention was also confirmed in an interview I had with Philip Sithole, Manager of ITSBO. He claimed that regulation was one way of allowing growth in the informal trade and this would require allowing and maintaining order. Mr Sithole stated:

The problem we have got is with the illegal traders. The streets can only accommodate certain numbers of traders.....Those who are selling in the areas that are not demarcated are where we have concern. That is why we are talking about enforcement. If you do not have a permit you cannot trade. In times when people resist, you know how the police operate. If they say, you are not allowed to be here and if they continue to be, they will deal with [them]. At times they can be even harsh. This is how the police work all over the world. But the eThekweni Metro Police [are] very reasonable in dealing with informal traders compared to other cities.<sup>92</sup>

From time to time the municipality informed the street traders that they must leave unauthorised trading places. This was part of the city council's programme of regulating and managing the informal trade. During my fieldwork, the municipality disseminated information to the so-called 'illegal' street traders urging them to stop selling without permits. The Somali street-traders expressed their discontent regarding this matter. Many of the research participants agreed that this problem was not particular to them. However, there was a general perception among them that they would not stand a chance of getting a permit to trade in the street. The one complaint that came often from the research participants was that foreigners did not seem to get permission for street trading. When I heard such complaints, I asked Idris if any one from the Somalis had tried to get a trading permit. He informed me that there were a few cases starting in the year 2000. Individuals, who felt they were entitled to get trading spots and permits, approached the municipality. Idris said that they were turned away with the excuse that there was such a long waiting list.<sup>93</sup>

---

91 Interview with Hassen, Police Commander – 16 December, 2003

92 Interview with Philip Sithole – 09 December, 2003

93 Diary Entry – 18 July, 2003

In agreement with Mr. Sithole's statement, some of the research participants conceded that the spaces available were not enough for the locals, let alone being handed out to foreigners like them. Although this matter was not unique to the Somalis, the police action and the notion of 'illegal traders' seemed to enforce the shared sentiment among the research participants that they were not wanted here, neither by the people, nor by the government. At times Somali traders agreed that they had not been treated differently from the local street traders. Yet, most of the research participants believed that they had not been given a chance to make a decent living in the street, which they saw as the only option. Sultan captured this belief in this sentiment:

I feel I am not wanted here. People do not feel right when they see foreigners. We are not allowed to work. We do not have IDs or passports to do other things. What must we do? Try to go to other countries like Europe or America.<sup>94</sup>

Wahida reflected a similar view. When I asked her to give me her experience of the people of this country so far, she replied:

In some ways the South African people, they don't like foreigners. The place is alright, but the people are different. They don't do big things [to] you, but in some ways, they show you they don't like you.<sup>95</sup>

Some of the research participants tried to justify the above view by referring to the fact that most 'temporary asylum-seekers' permits had seals which indicated that employment and study were not allowed. Although at the time I was in the field this regulation was being phased out, there was a striking resistance in changing perceptions on the matter, as the impact of the regulation had not faded away. This is also a concern expressed in Durban's Informal Economic Policy document. This Document indicates that it has not received clear direction from the immigration legislation as to how to deal with the foreign migrants in the informal economy of the city (Durban Unicity Council, 2001). Some of the research participants, however, were convinced that the problem was in the minds of the people and not in the paper, and so was the solution, all of which would take time to change. The operation to wipe out what the Council called 'illegal trade' was likely to stir the above sentiments held by many Somali traders.

---

94 Interview with Sultan – 10 December, 2003

95 Interview with Wahida [translator] – 21 November, 2003

I stumbled upon a different interpretation of the ‘illegal trade’ control operation, which provides more insight into Somali traders’ understanding of their own experiences of this operation. After being caught by the police and his merchandise confiscated, Ali said that he considered this as a cost that he had to pay to keep his business running, although he could not afford to lose his merchandise every day.<sup>96</sup> For him, it was a calculated risk. Others did not agree with him. For example, Hassim considered this campaign intolerable and with grave consequence to his business. Unlike Ali, Hassim tried to bring to my attention not only the cost that had arisen from the confiscation of merchandise, but also the disruption it brought to the daily business. Hassim argued that the ‘hide and seek’ situation that informal traders were playing with the police would not last, and stressed that this was crippling business for informal traders in the streets of the CBD. For him, the solution seemed to be opening a shop in a formal structure.<sup>97</sup>

Many Somalis shared Hassim’s concerns. There were a number of days that street-traders sat idle, in their attempt to avoid police raids, or while running away from these raids. In addition to the fines issued to the caught ‘illegal traders’, traders resented the fact that those raids interrupted the work routine. I wrote this in my diary following the conversation I had with Ibrahim:

Ibrahim said that the only thing that irritated him most was that they are disrupting the work routine. As the matter of fact, since the police started this campaign in a massive and persistent way, there have been a number of days that hawkers have sat idle, their stuff hidden in the nearby buildings and warehouses. Ibrahim said that he could not afford to spend a day without making a penny to buy his family supper. I asked him if he was here with his family. He told me that he came here alone and then his wife followed with his children.<sup>98</sup>

As I followed the processes in the CBD, I could see the resilience of the informal traders who were branded as ‘illegal traders’. When I asked Mr Sithole what the

---

96 Diary Entry – 10 November, 2003

97 Diary Entry – 17 November, 2003

98 Diary Entry – 18 November, 2003

Council and its law enforcement agents would do if the so called 'illegal traders' showed resilience, which at the time was the case, his response was:

The fact that people are saying, even if we charge them they will continue to be on the street, raises other questions. I was thinking we were dealing with people who are poor, who are just at the entry level of business.... If they become tricky and play around with the system, that will [force] local authorities to adopt a hard stand against them.

The police, in their effort to force what was considered as 'illegal traders' out of the CBD, moved to such drastic measures as crashing the merchandise they had confiscated from those traders. A number of possible factors might have caused this decision. The local traders, especially those who sold fruit and vegetable tended to lose. Firstly, the value of their merchandise was equivalent to what they paid as fines. To get out R300 worth of tomatoes a trader was expected to pay about R100 fine. Secondly, fruit and vegetables tended to get spoiled or damaged easily during this action. That meant that part of what traders got back was not going to be sellable. They would therefore rather buy new stock than pay fines to get back what had already been damaged.

However, the matter still raised much concern among the Somalis. The decisions on law enforcement came from the Council's committee working on the implementation and coordination of an informal economic policy of the city. This committee consisted of various stakeholders, including the Metro-police who participated as law enforcement agents. One of the officers I interviewed from the Informal Trade and Small Businesses Opportunities indicated that the committee would go as far as settling the apparent anarchy and lawlessness of the illegal trade; this would mean destroying merchandise.<sup>99</sup>

The research participants, furthermore, pointed out the mistreatment of them by the police, a matter that was reflected in a number of researches done on African migrants in South Africa (See for example Hunter and Skinner, 2002). Among the Somalis particularly, there were complaints that the police simply harassed them knowing that

---

<sup>99</sup> Interview with ITSBO officer Philip Sithole – 09 December, 2003

they are vulnerable and in anticipation that they would get bribes. Hamid concurred. “The other thing that I don’t like is the police. The police give us trouble. But it is their job. The law does not allow selling in the street. But they also harass us too.”<sup>100</sup> I had also constantly noticed the Somalis grumbling about the way the police treat them from time to time. Following one particular incident I observed, I wrote this in my diary:

It was not a busy day for Hassim. We had started having a conversation sitting on the back of a truck parked there, when two cops arrived. One cop just walked off, while the other cop stopped and shouted at Hassim from a distance, “You don’t listen! How many times do we have to tell you to leave?” Hassim shyly said to the cop in playful manner that he was born here. The cop said, “F.....n Somalian! You wish you were born here.” He approached us and asked us to show our papers. Hassim took his out and showed the cop. He took Hassim’s temporary permit paper and turned his face to me. I told him that I was a student at UND.<sup>101</sup> He asked me to show him my passport which I did not have. I showed him my student ID and he made a joke about my picture on the ID. It was not funny. Anyway, he did not ask me any more questions about my ID, but he started to wonder about where I could have come from. I knew he would not know where Eritrea was, but I also hated to explain where this new country was. Things could not get any worse. This cop turned to Hassim once again, while the other cop had already moved way ahead and had disappeared from sight. The officer took Hassim’s paper, and started walking away refusing to give the asylum-seeker paper back. Hassim had to follow the cop, begging him to give his permit paper back. I felt sorry for Hassim, but there was nothing I could do to help, except look after his stuff. The officer threatened to tear Hassim’s permit document. I was startled at the drama; a policeman that did not ask a lot from me, was giving Hassim a hard time. The way Hassim was begging for his paper made him look like he had no existence without that paper. Perhaps this too is an indication of the perceived fragility and uneasiness of his presence in this place. After a long walk (lucky I was there to look after his stuff) Hassim told me that the cop threw the paper in the garbage and walked off. I could not say, “How dare he!” He was man of authority. Hassim reckoned that the cop seemed to want some money, and he was using the ultimate intimidation to get what he wanted. Hassim said that the cop was expecting him to offer something in return for his paper. This might not have been the case, but I never knew that a cop could harass

---

100 Interview with Hamid [translator] – 06 December, 2003

<sup>101</sup> University of Natal, Durban.

someone like this for no reason and get away with it. This has been my first such encounter since I have arrived in this country. I hope it will be the last.<sup>102</sup>

I was told that there were numbers of similar anecdotes. One of the Somalis disclosed that a few particular police officers collected money from the migrants, such as R10, or R20, which was quite informal, and out of the law. Technically, it could be called an extortion of bribe to let the Somali vendors go without the normal penalty of R100. I had also noticed that this mainly happened to migrant vendors. However, for the Somalis vending in the street, who were considered as 'illegal traders', this was much cheaper than paying the legal penalty fee of R100 or R200, which could sometimes reach the region of R1000, presumably for not respecting police decisions. According to one of the research participants, those police officers regarded it as a favour which they were doing for the migrants. So did some of the migrant traders, even though they knew that they were being victimised, and harassed. While discussing this matter with one of the police officers in charge of confiscating merchandise from street traders, I was told that problems arose from the individuals at middle management level, which he believed was as a result of a lack of information and proper knowledge in dealing with foreigners and their rights. There were frequent incidents of police officers using the informal buying system and demanding bribe payments by threatening to confiscate the Somalis' merchandise. They had the power imbalance in their favour which enabled them to obtain some of the merchandise without necessarily paying for it. Hunter and Skinner (2002) have also found similar problems facing foreign traders in the city of Durban.

#### **5.4 PROBLEMS REGARDING ACCESS TO SERVICES**

One of the various issues I discussed with a number of Somalis was access to services. In various conversations I had with Somali traders in the street, they pointed out their inability to share some of the basic services. Once again, the research participants asserted that these problems arose from having temporary permits and the perceptions around them, which limited their access to wide ranges of services that could allow them to improve their livelihood as well as lives. The commonly raised

---

102 Diary entry – 19 July, 2003

problems of access to services were banking services and accommodation, on which I will focus in this section.

Idris pointed out that they had limited access to South African banks. Idris said most banks did not allow foreigners without passports to open bank accounts.<sup>103</sup> When I approached ABSA<sup>104</sup> bank to inquire about this issue, I was told by the consultant that it was the rule that all foreigners were required to be in possession of passports with valid South African permits, or alternatively, refugee documents.<sup>105</sup> According to Idris, most Somalis here did not have bank accounts. When I asked him where they saved their money, he reflected that, for many it was difficult, like it was for him in the beginning. When he approached the banks to open an account, he was rejected a couple of times, until he finally got to know a person working in an ABSA branch situated in the same street where he was selling at the time. The other person who had a bank account was Ali. Most of the Somalis I met kept their savings under the mattress or with someone who had a bank account, like Ali or Idris, which was a system based on trust.

Opening a bank account and getting bank services, in general, was a common problem among Somalis in Durban. This problem was especially severe for those with asylum-seeker permits. Generally, Somali migrants' access to banking services was hampered by their migration status and other factors, such as the absence of proof of residence, which the banks required as a result of the latest Financial Intelligence Act. Even before this act became effective, holders of asylum-seekers' permits had been finding it difficult to receive various bank services, as these permit papers did not mean that the holder of this permit had a right to residence in this country, temporary or otherwise. Yet most Somalis were holders of asylum-seeker permit papers. This obviously made it difficult for them to obtain banking services.

Banking services were services which were crucial for those sprouting businesses. Saving money was crucial in advancing the prospects of progress of each business, if

---

103 Diary Entry – 08 August, 2003

104 One of the leading banks in South Africa

105 Diary Entry – 19 November, 2003

not getting credit to enlarge the business. Most of the research participants remained void of this service. As was the case with Idris, those who managed to open bank accounts revealed that they got this through their personal connections as opposed to normal bank procedures, after being rejected numerous times. Those who already had a bank account assisted those who did not, if bank services (such as transferring money or receiving money from overseas destinations) were needed.

Despite this fact, local authorities in Durban are believed to have developed a good policy framework for the management and support of small businesses (Chen *et al*, 2002). As the ILO 90<sup>th</sup> session on Decent Work and Informal Economy (ILO, 2002) notes, institutional and policy environments are contributing greatly in changing lives of individuals in the informal economy, especially those who are vulnerable among them, namely children, women and migrants. However, the policy arena does not cater well enough for the foreign street-traders of the city, by way of understanding their particular needs and problems as migrants. The research participants indicated on various occasions that they had not received any kind of support in their trade activities from any institutions or government agencies.

The other area of service I tried to explore was access to health services. Agreeing about the importance of health and social services in their lives, the research participants felt that joining health insurance and other social services required stability and a settled life, despite any financial conditions. They also felt that the policy of the state had made their lives in this country uncertain and unpredictable which impacted on extending their lives and various services. However, many of the research participants conceded that they enjoyed health service provisions in state owned hospitals. For mild medical conditions, in most cases, they consulted private clinics and pharmacies.

A number of the research participants complained about their inability to find accommodation. I learned that accommodation was a big problem for most of the Somalis in Durban. This might have arisen for a number of reasons. It was difficult to get accommodation without having the required legal identity document. For most landlords as well as tenants, security was crucial. Thus, when they let out any form of

accommodation, it was important for them to have a copy of the person's ID or passport, which most of the Somalis did not have – except for the asylum-seeker permit papers or the refugee documents they carried. In this regard, the asylum-seeker permits or refugee document did not seem to have much value. I was told one must master the landlords somehow and win their trust in order to find any accommodation. To get the landlords' trust one needed to get to know them and perhaps establish good relationships.

Some of the research participants felt that the landlords intentionally avoided African migrants as much as possible. Abdu captured this view while sharing his experience. He explained that he had battled to find accommodation when he first arrived in Durban several years ago. He was often asked to produce an identity document – which for him was the asylum-seeker paper. Abdu reasoned that locals refused to let their flat to foreigners, because they were 'xenophobic'.<sup>106</sup> Although it is difficult to validate Abdu's assertion in this research, media fed perception about African migrants in South Africa formed by the locals, might have contributed to this problem. Most apartment flats are administered by body-corporates, and they too, ask for proper identification and rely on the identification with which they are familiar. In addition to this, the Somalis, most of whom were working as street traders either did not want to pay much for housing, or could not really afford to rent flats. Thus, they resorted to flat sharing as a group. Although, the interest could differ, the solution was one - finding cheaper accommodation. Four to five Somalis could sleep in a bachelor flat and share the expenses. I was told that there were eight Somalis living in a two-bedroomed flat. Although it was not only specific to Somalis,<sup>107</sup> Idris and Khalid argued that this was not what most body-corporates wanted to see in their neighbourhood.<sup>108</sup>

---

106 Diary Entry – 23 November, 2003

107 I learned that locals working for Somalis, as well as other migrants, were doing the same thing, which was a group of them renting a room as shared accommodation.

108 Diary Entry – 18 November, 2003

## 5.5 'GIRLS WORKING FOR US': WOMEN EMPLOYED BY SOMALI TRADERS

The Somalis employed women as assistants or to look after their trading spots set in different locations. As Hassim pointed out, from time to time, these women approached the Somalis asking for jobs, often directed by women vending alongside of the Somali vendors.<sup>109</sup> Neighbouring traders and assistants often mediated the employment of those assistants working for the Somalis. As there was no written contract, the Somalis viewed the person who brought in the assistant, as a guarantor in case of any mishaps. How far this arrangement can function properly, however, is not that clear.

At times the Somali traders would ask those women seeking employment to find a trading place so that they could become employed. For example, Wahida pointed out that she immediately asked the women she hired to find a location in order to avoid confrontation with neighbouring traders who were often reluctant to accept new traders in their vicinity. Wahida justified this by saying that the tension would be easier for locals than migrants, as the local traders perceived migrants as a considerable threat. Once the would-be assistant found a location Wahida supplied the merchandise.<sup>110</sup> However, for the men, the situation could be different. Beforehand, they needed to establish the trading spots and then employ assistants.

Although, this might need statistical validation, I observed that those assistants working for Somalis in Durban were predominantly South African women, and I learned that the majority of them were from what was formerly the Transkei, the present Eastern Cape. I was told that there was a rationale as to why most Somali traders employed women mainly from another province. There was a perception among the research participants that the Zulus from the area often caused far more problems than the migrant workers. When I asked Idris about this matter, he told me that the local Zulus were difficult to work with. He stated, "They steal [from] you and if the employers say something they bring their boy friends." He said that having

---

<sup>109</sup> Diary Entry – 13 August, 2003

<sup>110</sup> Interview with Wahida [translator] – 21 November, 2003

someone who was not Zulu helped avoid those kinds of confrontations.<sup>111</sup> I was also told that when the Zulu assistants acquired enough money to start the business (which was normally a few hundred Rands) they would just declare the place as theirs and would squat. When I asked, if it was just an incident or a regular phenomenon, I was told that a number of them had experienced this problem. While discussing this with a group of Somali traders at Idris's shop, they further stated that they were intimidated by Zulu women. They claimed that the Zulus came with friends and sometimes with their boyfriends when they wanted to threaten the migrant traders for whom they were working.<sup>112</sup> I reasoned that this could make the local migrants easier to control, as they were more or less vulnerable, away from home. Perhaps, this is a case of foreign migrants exploiting local migrants from poverty-ridden areas. This is one issue that needs further research.

It is a case of the lowest of the lowest capitalists exploiting another migrant group, in this case local rural-urban migrants. As Moser (1993) indicates, gender is frequently used as an essential element in the division of labour, forcing women into less lucrative areas. My interviews with women working for Somalis reflect that those women came from poverty stricken and broken homes. They migrated to Durban from localities where rural and urban poverty is rampant, with the hope of finding employment and making an honest living. Two of the women working for Somalis revealed in interviews that they were mothers, who were striving to raise their children as well as support their families. Three of them had worked for various employers in the streets for more than three years. Yet, it had been hard to see changes in their lives. This was echoed in the response I got from Ali's assistant, in an interview conducted through a translator:

Q: How long has she been working in this job?

T: It is her third year now.

Q: Can she explain to me how the last three years of working in the street have been? What changes has it brought in her life?

T: She says she has not seen any changes.

Q: Can she tell me, in order, what she has been doing for the last three years?

T: She was selling films and skin lighteners in the street.

---

<sup>111</sup> Diary Entry – 13 July, 2003

<sup>112</sup> Diary entry – 16 August, 2003

- Q: Was she working for other individuals?
- T: She was working for other individuals.
- Q: What does she say when she compares this work with what she had been doing for other individuals?
- T: She prefers this job, because while she was selling skin lighteners, the police would come and take all the stuff away, and never return the stuff. But when they take this stuff she is selling, you pay a certain amount and get the stuff back. With the skin lighteners you never got your stuff back.<sup>113</sup>

The inability to get formal employment and the lack of capital to start their own street trade business were some of the reasons why such women sought employment in the street-trade. The theme that appeared often in various interviews was that the women were capable of doing the business on their own, but lacked the amount of capital that was necessary. One of the women, working for the Somalis, whom I interviewed said that if were not for money shortage she would have started this business by now. She also stated that she would in the future when she acquired enough money to start it. When I asked if she had saved money as a project to begin her own business, she indicated that she had not so far, because she sent most of the money home to her mother. However, she did have a plan to do so.<sup>114</sup> Often the starting capital was considered to be about R1000. Even though to start a small business of this type required little capital, there were women who worked for the Somalis for an average of R120 per week. Yet, these wages were comparable to other employment in some sectors of the formal economy.

There were various reasons why Somalis employed assistants. Three major reasons, however, emerged consistently from the cases explored as well as from the interviews. Firstly, there was the need to expand and increase the opportunities for profitability. Some streets are busier than others, and some places work better than others. Diversifying one's trading places was understood to increase the probability of making a greater turnover. This in turn necessitated having as many assistants as there were trading places. The second reason was that hiring assistants enhanced mobility. Businesses of this type involved exploring the market and looking at the best prices.

---

<sup>113</sup> Interview with Ali's assistant [translator] – 2: 08 December, 2003

<sup>114</sup> Interview with Assistant [translator] – 1: 08 December, 2003

This might even have involved going to Johannesburg in some cases. Having an assistant, thus, made movement easier for the street trader. Finally, why Somalis employed assistants was to resolve the language problem that they had with the clients. Those assistants facilitated communication with the Zulu-speaking customers.

For these women, it would have been desperation that forced them to seek employment from street-traders. One of the assistants I interviewed actually had a diploma, but was unable to gain in-service-training to complete this diploma. She had been sending her *curriculum vitae* to various companies, but had not received any response. She explained that that was why she had resorted into working for the migrants, through a contact she got from her friends.<sup>115</sup>

The conditions under which they worked were very much substandard, with little or no protection whatsoever, as there was no clear contractual agreement. Their contract was based on trust. The local government informal economic policy framework did not provide the much-needed protection for individuals working in the informal economy, in terms of enforcing and protecting the rights of those workers. Nor had it the right and effective apparatus to deal with this matter. Moreover, I learned that those employees as well as employers had little knowledge of employee rights and employer duties. Often those assistants were easily disposable. Two possible reasons could be identified. One reason was to do with the conditions of the business; when the business slowed down they were likely to be fired. The other reason was that there was no clear warranty and contractual obligation which made these women easily replaceable and disposable with no protection of any sort. Thus, they were likely to be fired for simple reasons and resolvable matters. I observed that some Somali traders dismissed their assistants too quickly and often for trivial and insufficient reasons.

There were numbers of issues that brought tension between the Somali traders and their employees. Merchandise and money disappearing was a source of constant tension between the Somali traders and their assistants. The Somalis often blamed their assistants for taking money and goods without authorisation. Even though there was the use of a rudimentary bookkeeping system among Somali traders in Durban, it

---

115 Interview with Assistant - 5: 08 December, 2003

was not often used consistently and effectively. I also observed that there was negligence and improper use of the bookkeeping system among the Somali traders, which became a source of conflict with the assistants. As a result, suspicion always overarched Somali traders and their employees. The Somalis often complained that the women working for them stole money and merchandise from them. Irrespective of the truthfulness of this claim, this matter was often a cause for dispute. Some of the research participants agreed that there was a need to build trust in order to create a healthy working atmosphere. Another major issue that caused tension was productivity. Somali traders blamed their assistants for lack of productivity, saying that the employees did not work as hard as they should, which caused loss on profit. Ali, who had employees working for him in different locations, was not happy with the level of productivity of the assistants working for him. He was considering dismissing one of the women assistants and spending time himself on the trading spot she was looking after. He wanted to see for himself if the problem was the areas or the women working for him. He revealed that, except for one, all of the employees brought in fewer turnovers than he did, and he thought that this was a sign of a lack of productivity. For him, no one looked after a business like its owner. Ali said, "The owner shouts to call customers, but the girls [women assistants] are lazy."<sup>116</sup> Nonetheless, Ali had a different approach, unlike the other Somali traders. He felt that his only solution was to create incentives, such as bonuses and building trust, concepts of which few Somali traders seemed to make use.

For their part, the assistants had numerous grievances. Long working hours and little pay were the most commonly expressed ones. When I interviewed one of the Somali traders' assistants, she expressed her discontent about her working hours in the following sentences, once again, expressed through translator:

She is a bit concerned about the working hours. She starts work at half past seven everyday, and closes at five. She says that this time is late, since she comes from a distant location, and sometimes her hours go beyond five. She says she is not happy with this. She says, based on the agreement, it was half past four, and the extra half an hour should be regarded as overtime, and she should be paid for that.<sup>117</sup>

---

<sup>116</sup> Diary Entry – 17 November, 2003

<sup>117</sup> Interview with Hassim's assistant [translator] – 3: 08 December, 2003

Moreover, the local women working for Somalis expressed their disgruntlement over the unfair treatment they received from migrant traders. One of Hassim's assistants stated that the migrant traders were usually quick to fire the women working for them and they cut their salary for reasons that she could not comprehend.<sup>118</sup> Yet women working in the street trade seemed to have no choice but to accept these conditions. One of the respondents captured this matter with these words, "We don't have choices, and they are the ones who are giving us jobs."<sup>119</sup> They also expressed their resentment in terms of the fact that migrant traders did not trust the local workers. Fear of losing their jobs kept them working for the migrants regardless of the conditions. One respondent indicated that if a worker was fired, she had limited chance to be employed by other migrant traders. When I asked her why, her response was, "They talk about us in their language which we don't understand and know what is happening. They are a group and know each other."<sup>120</sup> When I asked Hassim about this, he replied, "Of course, we share information about these girls. If one girl has bad habits, if she steals, you must ask people to find about all this."<sup>121</sup> Wahida had a similar view:

The first thing I must know is [how the person is]. If the person is good, if she is not stealing, if she works nicely, she can work for [me]. If she steals or [does] not work well, [I] have to chase her.

Language and communication is another challenge they needed to overcome. Supposedly, English was the language that would allow them to break the communication barrier. Very few Somalis understood and spoke English well. The same was true of many of their assistants. Yet the communication kept on rolling regardless, with occasional fallouts. Many of the research participants indicated that there was not much of a communication problem. Perhaps this was because of the rudimentary nature and simplicity of the work. The following translation of a response from a woman working for a Somali illuminates the deployment of rudimentary communication tools:

---

118 Diary Entry – 08 November, 2003

119 Interview with Assistant – 5: 08 December, 2003

120 Interview with Assistant [translator] – 4: 08 December, 2003

121 Diary Entry – 09 December, 2003

She says she understands him. I don't know. Somehow they communicate. She is saying it is not a problem. He gives her the price list and she gets the figures and the merchandise. At the end of the day he comes and counts the stuff and the money.<sup>122</sup>

Nonetheless, the Somali traders and their assistants' relationships were not all pessimistic. There were some positive outcomes of these relationships. First and foremost, local women picked up experience in the trade. For example, one of the employees I interviewed felt that she had a good relationship with her boss and that she was learning the ins and outs of the business by working with him.<sup>123</sup> Secondly, these relationships provided a vehicle through which employment is created within the informal economy, although it needs to be refined and managed properly to protect the rights of the workers.

## **5.6 RELATIONSHIPS WITH THE LOCAL TRADERS**

Somali traders who participated in this research perceived that there was a gap in the discourse between the Somali migrant community in Durban and the local communities. In one of the discussions I had with the Somali traders, constant reference was made to the fact that Somalis approached their trade with one aim in mind: success away from home. When I asked them what their experiences had been with the locals, they reflected that they were surrounded by tension and suspicion. I was also told that they believed that the locals usually perceived foreigners to be taking jobs away from them, which often became the source of tension.<sup>124</sup> The research participants also often made reference to the feeling that they were at the receiving end of bad treatment from the local traders. My observation, however, shows that Somalis had at certain times symbiotic, and at another time conflictual relationships with the local traders.

The mutually beneficial relationships seemed to be built on having common denominators; they shared similar experiences as street traders, they were individuals trying to make a living by selling in the street. They shared the discontent of working in the informal economy. I observed, the so called 'illegal traders', both local and

---

122 Interview with Assistant – 5: 08 December, 2003

123 Interview with Assistant – 5 : 08 December, 2003

124 Diary Entry – 16 July, 2003

foreign, relay information about the movement of Metro police from one trader to another, which showed a sense of solidarity against the campaign. This reflected the shared common interest. At times, even the local traders with permits assisted the relaying of information about the police presence and movement in the CBD. In some rare cases, the Somalis and local migrants entered into contractual agreements and deals with local traders with permits. I learned that some local hawkers bought stock from Somali hawkers. A good example of contractual agreement can be seen from the story of one of the cases I explored:

I asked Ali how he got the table owner to partner with him. He said that he had observed her for some time. She had almost no merchandise on the table, and she was not making enough money. By then he had already established a good relationship with her, which he felt happened to be in his favour. Initially, he asked her to allow him to use the table to display some of his merchandise, which she agreed to do, for payment. He was paying her R100 a week for that. Eventually, he brought a telephone to the table. The woman still has some items of her own, but most of it belongs to Ali. Her weekly payment however has increased from R100 to R200.<sup>125</sup>

At times they had to defend their communal trading space against the invasion of new-comers. New traders searching for trading spaces were often chased and dislocated by the already established traders, who had claimed *de facto* ownership of the trading space. In this case, often local and migrant traders came together in defending those trading spaces.

The conflictual relationship was often exhibited over trading spaces and claims to them. There were more traders than there were available trading spaces. This was naturally a source of tension and conflict. Somalis' expansionist ambition on the street trade business had a tendency to create conflict with the local traders. This was particularly the case when the local traders came to know that the Somali traders had more than one trading place. The other condition arose from local traders who left their trade for periods at a time. The local traders' movements were said to be very erratic. They left the place for months, sometimes even for more than a year and then they came back and reclaimed the spot. This had a propensity to cause constant

---

125 Diary entry - 20 November, 2003

clashes with the Somalis as they tended to expand their trading places with the growth of their businesses.

Isaac often found himself in this kind of situation. He said that the locals often came back to claim the spots, especially during the Christmas season when business was believed to be great. This was also the time when Somali traders hunted for extra trading places to maximise their profit from the festive season. The conflicts about the trading places are revealed in this account:

Isaac told me that he had been selling on a pavement in Grey Street for about five months, until one day a big Zulu guy came and claimed the place as the one he had been using the previous year. Isaac said that he did not have any option except to leave the place and find another location. I asked him what would be the worst consequence for resisting. He indicated that he would constantly be harassed. He said that he left the place, scared of being stabbed.<sup>126</sup>

What should be noted here is that those trading places were not the ones issued by the local government as part of the informal trade management. Rather, these were trading places that were self discovered and appropriated. This method of finding a spot was often a source of conflict and tension.

At other times, those who left the trading places for months, at times even years could come and claim these places. In the meantime, another trader would be selling in that spot for a number of months. A number of Somalis complained about those incidents. Abdu told me that if the claimant was a local trader and knew the vying person was a foreigner, he/she tended to use the, “This is my land, you are just an un-welcomed guest” approach. Hassim generalised that those types of traders were mainly the local men who engaged in the trade until they made some money.

New traders were not welcomed, as they often tried to squeeze their business in between already set trading places. As one respondent concurred:

---

<sup>126</sup> Diary entry - 26 November, 2003

Firstly, when I started it was not easy to get a space. I tried to sell in different places. Somehow, some people [chased] me away. At the end of the day, I got a place and I am still in that place. Now it is alright.<sup>127</sup>

The tension also came about because of competition for the same market. As one of the respondents indicated, sometimes a conflict emanated from when there was a variation in price, when one trader sold an item more cheaply than the others in the vicinity.<sup>128</sup> Moreover, Somalis in Durban complained that the locals did not appreciate the little success they showed in their businesses. In any case, what became vivid in this matter was that there were certain levels of tolerance, with occasional tensions and conflicts.

## 5.7 CONCLUSION

This chapter looks at the reasons that Somalis had for coming to South Africa and specifically to the city of Durban, their choice of economic participation and their experiences in this economy. Somalis in Durban are inclined to engage in the informal trade and combinations of factors are likely to influence this decision. Four factors appear to have significant influence: the condition in the host country which is related to their migration and immigration status in the country, the perceived conditions in the formal economy (this is also noted as relating to the depreciation of their human capital), the perceived conditions in the informal economy for prospect and growth and, finally, social capital and connectivity. Therefore, this can be viewed in light of the informalisation approach as represented by the interplay of structure and agency.

This chapter also explores the experiences of Somalis in the informal economy of Durban. As street-traders, they constantly have to negotiate with the local traders, their assistants, formal businesses in the vicinity, the clients and the police. With the opportunities and resources available to them through their social capital, they manage to get through the fierce competition that is prevalent in the informal trade of the city, especially that of the retail of textile products. The products they sell find their origin in Asia, and are often procured using the information that floats around in

---

127 Interview with Hamid [translator] – 06 December, 2003

128 Interview with an assistant working for Somalis – 1: 08 December, 2003

the Somali and other migrant communities. Their migrant status tends to limit their access to various services, such as banking and accommodation. Yet their participation and contribution, through job creation at least, in the city's economy is commendable.

As they are categorised with the so-called 'illegal traders', they often face constant persecution from the police, which is sometimes accompanied by unfair treatment. This is often a source of resentment experienced by the informal traders, and enforces their determination to move into formal premises. Although engagement of the police in the street-trade is part of the city council initiative to regulate the street-trade, it has often been met with continuous resistance from the street-traders. This is an indication that the assumption that registration and licensing and allocation of trading space would allow proper regulation and management of the informal trade, has been met with a constant challenge.

The interaction between Somalis in the informal trade and local traders can best be characterised as conflictual and/or symbiotic depending on the case and the prevailing conditions of the interaction. Competition and the scarce trading spaces often become sources of tension. Yet having a common experience and sharing the same discontent tend to bring them together.

## **CHAPTER SIX: SOMALI TRADERS' EXPECTATIONS, CHALLENGES AND SOCIO-ECONOMIC SUCCESS**

Perceived or real, the availability and accessibility of various types of resources as well as opportunities are likely to influence expectations. As I noted in the previous chapter, the expectations and hopes of Somali informal-traders in Durban were constructed, based on narratives of successful individuals. These success stories shaped perceptions about the availability of opportunities and prospects, which, in turn, influenced individuals' decisions and expectations. This chapter discusses Somali informal-traders' expectations and sought prospects – in terms of economic success - in South Africa in general, and in the informal economy in particular.

It is also important to relate these expectations with experiences of the actual opportunities and challenges faced. Expectations and hopes do not directly relate to success<sup>129</sup>; however they determine individuals' decisions as well as their struggle to succeed. Focusing on this issue, this chapter explores opportunities and challenges that Somali migrants participating in the informal trade experienced. Moreover, this chapter looks at the structural constraints that Somali migrants' encountered, which forms part of the challenges of being migrants and informal traders.

Furthermore, the availability of accessible resources is crucial in determining success. Thus, expectations and hopes cannot be viewed separately from the availability of expendable resources. The various types of capital are some of those resources on which I intend to focus in this chapter. Capital of all kinds is paramount in advancing or hindering success in life. Somalis in Durban seem to have a strong social capital in their favour and yet their financial capital is limited.

This chapter also explores the research participants' future plans and examines the gap between their expectations and actual experiences encountered as migrants and informal actors. By way of dealing with expectations and potential for success, this

---

<sup>129</sup> It is important to underline here the ambiguous and fluid nature of the definition of success. I tend to rely on the definition of success as used by the research participants – the accumulation of financial capital and expediting one's trip to developed countries.

chapter discusses social capital and the prospects of socio-economic mobility that comes with the availability of strong social capital. Social capital is believed to create or provide a favourable environment for personal or collective growth. Finally, after exploring Somali migrants' social capital, this chapter looks at the need for association in order to tackle collectively, some of the prominent challenges faced by migrants and individuals participating in the informal economy.

## **6.1 MIGRANTS IN THE INFORMAL TRADE: CHALLENGES AND OPPORTUNITIES**

Like many of the Somalis participating in the informal economy, Ali was driven by the right business attitude and determination for success. I learned that most Somali traders organised trading spots in various locations to accrue their earning potential. Ali seemed to have good business sense. This is evident in how astutely he ran his business. Perhaps, this was due to his past business experience. He had trading places in various locations of the CBD, which he ran by employing women. As I noted in the previous chapter, many of the Somalis follow a similar pattern. Unlike other informal-traders, Ali regularly stocked up his merchandise from wholesalers in Johannesburg. He claimed that most of the wholesalers, from where the informal traders purchase their products, brought merchandise mainly from Johannesburg to sell at a profit. He deployed his connection to obtain products from various locations, and if necessary, he travelled to Johannesburg. Ali also often took orders for other Somali traders when he was on his way to Johannesburg levying them, which he then used to cover his transportation costs. Most products were believed to be cheaper there than in Durban. Ali revealed that he always saved about R3 to R5 on each item, and on the aggregate it would amount to about R300 – R400, which was clear profit after all costs. This happened on each trip that occurred every two-weeks. Ultimately, the approach was cost minimisation for maximisation of profit.

I have known other Somalis who engaged in a similar practice, who also set their own pool of orders. In addition to other factors, this process allowed the Somali traders to set competitive prices as well as obtain new products in the market. Somalis in the street-trade of Durban are known for managing a competitive price, which sometimes got them into trouble with other street-traders. The deployment of various resources

was very important in the success of their business. Somali traders were aware of this. While going for midday *salat* or after evening *salat*, Somali traders would chat, among other issues, about what was new in the business, which products were going fast, what new strategies had been tried, etc. Sharing information in such a way maximised their potential for success.

Towards the end of 2003, everyone was trading a readymade curtain. This product was, as the Somalis phrased it, “a fast moving item”. Since, it was cheaper to purchase from Johannesburg, Idris deployed his network to obtain this product. He assigned a Somali from his clan to organise curtains for him on a regular basis. Throughout November and December, Idris went to the bank to deposit money for his contact in Johannesburg, at least once every second week. Many of the Somalis followed suit, which opened a new line of business for Idris. With no time to waste, he started charging them R1 for a drop of curtaining, including bank charges. Many of the Somalis did not have bankcards, thus, they had to rely on Idris. After all, he was trusted by many. The fact that he had a bank card and a reliable network opened an opportunity for Idris.

Idris’s story signifies the importance of social network, particularly in terms of the use of ‘the Somali.connection’ towards profit maximisation. Following Lin (2000), the Somali community as a social capital can be measured by looking at the embedded resources it provides and its network characteristics. Evidently, the Somali community is an immediate resource and source of information, and if used effectively can extend the opportunities to be harnessed. The existence of strong social capital and networking in this migrant community is therefore valuable. This can increase opportunities. As noted earlier, competitiveness in the trade was made possible by the presence of conducive and strong social capital and networks within and outside the Somali community in the country.<sup>130</sup>

A positive business attitude in the informal economy is a vital determinant for success in the street-trade. Here I am referring to the strongly held perceptions regarding the

---

130 Social capital and networks are dealt with in detail in the following sections in this chapter.

informal economy as a path to success and having a high motivation and an eagerness to succeed in life which enforces a strong work ethic. Idris indicated that some individuals who felt that there was no future in the street trade were inclined to leave the business, yet when the going got tough for them they would return to the street trade. He further stated that those who worked steadfastly and invested their time and effort in their street trade were likely to accumulate capital consistently, perhaps even enough to open a shop. Indeed, the street-trade was not sought as a lifetime career by many participants. Rather it was sought as a stepping-stone in the ladder towards success and capital accumulation. Yet, for others, this was just a filler as they processed their travel plans to Europe or North America, sponsored by family members. Jabir fits into this category. He told me that he was working here while he was waiting for sponsorship to Canada to join his two brothers, a process which might take no less than two years.<sup>131</sup> Individuals like Jabir often found themselves in this 'halfway house', unable to commit themselves to settle in this country and thereby affecting their businesses.

Certainly, street-trading is hard work. Most of the Somali traders worked seven days a week, for about 8-9 hours a day on average, in the hope of making as much money as possible. Yet, irregular income has made this business unreliable. This has partly been an effect of seasonality of the business and location (as some locations are more conducive for business than others). Making money was as important as managing the money for success. It involved self monitoring, as well as the skill in how to save and how to reinvest the money. In bad seasons, the saved money was used to cover living expenses and the running of the business. However, most Somali traders often put all their money into buying stock. Even though some had actually accumulated paper money with trusted friends or in their bank accounts, often the capital accumulated was measured by how much stock was owned. In one Saturday afternoon, Isaac and I counted his stock, which was in the store. On the purchased value, the stock came to R30 500. For Isaac, this amount was his saving and at the same time, his running capital. As he made a profit, after covering his living expenses, he put all the money back into buying stock. The challenges are clear. Should anything happen to the stock,

---

131 Interview with Jabir – 29 November, 2003

Isaac, as with many other Somalis, would go back to square one as there would be no savings to start the business again.

An opportunity of getting the right trading location partly determines the profitability of the particular street-trade. Some trading spaces are more productive than others. For various reasons people selling in West Street tend to make a better turnover than people selling in Smith Street. The flow of people at that location (people passing through the street for various purposes) and being a street that is frequented by a number of people, both influence the productivity of the trader or his/her employee.

There are also other factors that determine the productivity and profitability of the business. To begin with, good customer care and services are crucial. Throughout the fieldwork, however, I observed the absence of these concepts and practices among a number of Somali traders. Hassim was considered as an average trader compared to Ali. Hassim made little or no effort to establish a strong client relationship, while Ali strived to extend his relationships with clients. Yet, many of the Somalis admitted that Ali's success partly emanated from his diligent handling of clients. Another factor is proper inventory and bookkeeping systems. Except for Ali, many of the research participants had no or little knowledge of them. This meant that they did not know how much their profits were and what their losses were, unless they were highly conspicuous. Moreover, often they paid little attention to the quality of their products, which got them into trouble with their clients.

There was a general agreement among the Somalis in the street-trade that the informal trade they were pursuing was a promising business if it was managed properly and if they were left alone by the local authorities and police. Indeed, there is potential for growth given the conditions and opportunities available at their disposal. Yet this has been hindered by two major factors: growing competition in the street-trade and lack of sufficient capital. Regardless, for many of the Somalis interviewed, success, in many ways, was related to capital accumulation. For some it was difficult to accumulate capital as they had responsibilities back home – which meant that they had to send money home on a regular basis. For others, it had not been an issue, as their families were well off, and for some, most of their family members were

residing in Europe and America and it was them who take on family responsibilities. This factor created differential success among the Somali migrants.

Capital accumulation was sometimes related to future projects set by the individual. It could either be to expand in the trading business and start trading in formal premises, or to travel overseas. I was told on various occasions that there were individuals who squandered their finances in their bid to go to overseas. The following section explores some of the future plans expressed by the research participants.

## **6.2 FUTURE PLANS**

Like all migrants, the Somalis in Durban moved about in search of hope and success in life. I was often touched by the stories, dreams and hopes they allowed me to delve into. Mohammad was selling in the street while he was attending a course in Information Technology. He sponsored his studies himself, using the money he made from selling in the street. He said his dream was to study Electronic Engineering, and although he had a long way to go, he would not give up. Mohammad characterised his endeavour as compensating for past lost education opportunities. Mohammad's story was in no way unusual, although his story had unusual aspects to it. Despite his education and career ambitions, Mohammad intended to succeed in his business too, taking it to the next level – which was opening a shop.<sup>132</sup> Hassim too had a similar ambition in succeeding in business, though he preferred to reside 'abroad'. His infatuation with 'abroad' was still alive despite his futile efforts to travel to Europe. For the time being he had found respite in the informal trade which he believed one day, would translate into a business success.

The above stories have a similarity, which is that they are an indication of a noticeable drive of these two individuals to be successful in their lives, either academically or economically. Mohammad often saw that his academic efforts would be useful in the future prospective Somalia. In their own way, each of the research participants showed some commitment to bringing a lasting progress in their lives. I was fascinated by some of the Somalis' interest in education and how they managed to combine education with the street trade. Some of the better examples were: Hassen, a

---

<sup>132</sup> Diary Entry – 01 July, 2003

successful trader who enrolled himself in Maritime courses in Durban, Mohammad and Mustafa who were taking Information Technology courses in private institution, Abdu, former street trader, now a student in the Durban Institute of Technology, and Idris and Muhammad who were enrolled in a cell-phone technician course. Although some of them had sponsorships, most of them financed their education themselves.<sup>133</sup>

I often asked those who were working towards their formal educational qualification, what their future plans were. Except for Mohammad who wished he could use his knowledge for building a better Somalia, the rest saw their futures in the Western world. Abdu, however, had mixed feelings. He indicated that he would not hesitate if he could find work in South Africa, and would then not resort to seeking opportunities in Western countries.

“The love affair with abroad,” if I may borrow Farah’s (2000) phrase, was not unique to those who were succeeding academically. Many were infatuated with the Western world. Soon they would hitchhike either to cross the Mediterranean Sea or Pacific Ocean, and they knew money played a significant role. For some of the research participants, the priority at the moment was saving money, as much as they could afford, to make this dream come true. Others, however, had to share every penny they made with their families back home wherever it was possible.

By and large, many of Somalis who participated in this study indicated that they would strive to accrue capital whenever the situation allowed. There were, however, distinctions between those who had saved money for rainy days as well as to expand their business and those who had saved money to go abroad. Those who sent money home to their families usually attempted to keep aside some for future investment or for bad times. My informant told me that not all Somalis were good at saving, but some knew how to manage money well. The determination in saving money went as far as cutting living expenses such as food and sharing accommodation with as many

---

133 Many of the recipients of sponsorships were funded by Japan International Voluntary Center (JVC), which was discontinued half way, forcing some to drop their studies to find employment and a means of subsistence.

individuals as possible. At times five to eight Somalis lived in one accommodation to minimise cost. A number of Somalis I came to know spent as little R15 a day on food.

The ultimate goal was to accumulate capital in order to open a shop or expand the business. In addition, a number of the research participants, including some of those who were waiting for their sponsorship, saw themselves moving into well-established businesses and opening shops. The reasons for this that consistently came up in the data are: to avoid the hustles they encountered from the police, to stay away from the sun and wind, to have a place where they could be treated like someone, to make better profits and to establish stronger means of income. Especially with the recent police intensified actions, most Somalis perceived that having formal business premises was the only solution left for them, whether they could afford it or not. Many felt that the possibility could be realised by putting their individual capital together by entering into a partnership with two or more Somalis. They knew that the imagined places and business opportunities depended on their present restless effort to accumulate capital.

At times presenting contradiction, and at times indicating the uncertainty<sup>134</sup> of their life which caused indecisiveness, many of the research participants still considered going 'abroad'. This was evident in that, despite their commitment, at the time, the majority of the participants in this research still harboured dreams of the West. This can be captured in the following responses:

As the people say, when you are in a Western country, life is easier and better than in Africa. But I [have never been] to that place. I just hope that if I go to that place, my life would be better than here.<sup>135</sup>

Maybe in the future, I [think], I [might] get a chance to go to overseas. Maybe I can get a better life, and I can study. If I could not get that, I [would] try to study in this

---

134 In various discussions I had with the Somalis, I asked what they referred to as uncertainty; however, there was no clearly identified condition. The only issue that came up in those discussions was that they were not here in South Africa permanently and moreover there was a perception which was captured in this statement: We are not welcome in this country, they might tell us to leave at any point in time.

135 Interview with Wahida – 21 November, 2003

country, if I save enough money to study. Maybe I will try to open a bigger business, a shop or something like that.<sup>136</sup>

Of course I need to. I am chasing the dream. ....So If I get the chance [to go to overseas], I will go for it.<sup>137</sup>

At times they saw themselves as easily mobile when the right time approached. The one reason that perpetually enforced the vision of the West was their perception of the situation in this country. A significant number of Somalis in Durban, who participated in this research, thought that their future in this country was bleak and perpetually the same. However, they had strong hope for their own futures, and high motivation to improve their lives, as well as those of their families. For those who agreed that this place had a lot to offer, the main theme was that there was a strong potential to accumulate capital if a person worked hard.

However, for individuals like Mohammad, their respective countries remained at the back of their minds. Irrespective of factors that influenced their migration, for most, capital accumulation and economic advancement seemed to be the dominant thoughts. Yet others found themselves in confused states about their future. Perhaps this might have arisen because of the uncertainty that surrounded their lives. This becomes clear when one looks at their fragmented visions and future plans.

### **6.3 SOCIAL CAPITAL AND THE POSSIBILITY OF PERSONAL GROWTH**

The Somali community, which emerged from 'ethnic affiliation', has become a valuable resource, a social capital for many Somalis in Durban. They refer to one another as 'Somali brothers' to show the existence of some sort of cohesion and affiliation. This comes with the recognition and appropriation of social identity, particularly that of ethnicity. Portes and Sensenbrenner (1993) suggest that ethnic ties are embedded sources of mutual assistance, and therefore, a social capital in the context of an ethnic community. The appropriation of a Somali identity might be

---

<sup>136</sup> Interview with Hamid [translator] – 06 December, 2003

<sup>137</sup> Interview with Muhammad – 03 December, 2003

associated with conditions in the host country. I say this in reference to the fact that Somalis in Durban are comprised of individuals from different countries, yet pursue a common identity to their own advantage.<sup>138</sup>

The assumed ethnic affiliation, when necessary, can also be broken down to clan affiliation. In other words, clans also form another valuable support system. Somalis, who have just arrived in South Africa, ask where they are able to find other Somalis. Once they have found Somalis, they then start looking for their clan members. Khalid's story is typical. When Khalid first arrived in Johannesburg, he asked Ethiopians, who were guiding him to Johannesburg, where he would find Somalis. Once connected with a Somali brother at Jeppe Street, in Johannesburg, he asked about his clan members. Khalid was then told that they were in Port Elizabeth, which made him travel there.<sup>139</sup>

The traditional social structures still played a significant role among the Somalis in Durban, and constituted part of the support system that Somalis entertain. Clan members here in South Africa are sources of resources, support and information. Most of the Somalis I interviewed revealed that their migration was facilitated by families and relatives both here and outside, depending on the case. Most also started their businesses with similar support. In various occasions clan affiliation was noted as constituting a major support structure among the Somalis in Durban. They tended to seek their clan members in times of hardship and when needing support. Yet the emerging ethnic and migrant community served as a paramount support structure in the absence of the traditional social structures such as family, kinship, and clan. The research participants indicated that from time to time they relied on their Somali brothers for social, economic and emotional support.

The problem of clan factions that destroyed Somalia seems to have been tamed and averted in the Somali community of Durban. My fascination grew when I observed that individuals of rival clans seemed to have amicable relations. Indeed it was fascinating to see a person from the *Gaal jeel* clan and a person from a rival group

---

138 See Chapter Four, section four details the national origin of Somalis.

139 Diary Entry – 05 July, 2003

*Hawaadle*, having to help each other out in times of dire need, especially when competition was so fierce, as most of them were engaged in similar, if not the same business activities. They seemed to see beyond the clan differences to tackle their presently prevailing situation. I wrote the following in my diary after having had a long discussion with Idris on this issue:

Idris indicated that clan is as important here as it was in Somalia, yet for some better reason. Idris stressed that if it were in Somalia most of them would have been killing each other. He further noted that it would not have been easy to conceive of them helping each other in foreign lands, yet slaughtering each other in their own land. I could see the expression in his face, as he spoke and I thought that this told a lot about what he knows of the nightmares of Somalia.<sup>140</sup>

Surprisingly, the Somali brotherhood had begun to be used in overriding clanship differences. Yet, clanship still served as a means of getting social and economic support for the betterment of the group members. ‘Somali’ as a social identification was used to get social and economic support away from home. Although the Somalis used their national identity to get crucial group support, clan membership provided a stronger cooperation. Yet clan politics and their significance seemed to be undermined, contrary to what is persistent in the home country. I think this was a case when politics are overridden by economic and social interest.

Nevertheless, this does not mean that Somalis have not established their own contacts and social capital. For example, at times the Muslim brotherhood served the Somalis as a support structure. Not all of them agreed on this matter, however. Some believed that was a distorted notion, which was often used, in the best interest of those (often local) Muslims that were supposed to embrace this brotherhood in its self-effacing sense. The outward movement seen among Somalis in Durban is linked to their connectivity and interaction with local communities. That is to say that most of the selected areas for outward mobility [from the CBD] are noted as having certain patterns. I found out that there were a number of Somalis in the Overport area, an area which is traditionally associated with a widely Muslim populated presence. This might also be a reflection of with whom the Somalis interacted, to get support.

---

140 Diary entry – 07 November, 2003

Individuals' capacity to form, maintain and use social capital differed widely. Some had the ability to create and expand their network, while others were not good at this. Others were good in extracting the best out of relationships and connections. Maintaining connectivity also requires personal and social skills (Lin, 2000). However, it is difficult to tell how these skills manifest themselves within the individual. Personal traits are in some ways related to this; experience and personality traits are also relevant in this manifestation. This reminds us that there are distinctions to be made in the various forms of capital – financial, physical, human and social. However, these are interwoven in various forms and degrees. Mobilising such resources as a daily problem 'solving-strategy' enhance individual and group lives.

By and large the Somali community, coupled with the traditional social structures, remains a solid and viable support structure and social capital. The Somali community network is not, however, confined to the Somalis alone. It has extended to include various groups, mainly Ethiopians, Senegalese, and Pakistanis. Generally speaking, there is a notion of cooperation and support that flows across and within the various emerging migrant communities, including the Somali community. Perhaps this is related to Portes and Sensenbrenner's (1993) argument that a heightened sense of community and greater affinity which results from sharing common experiences (circumstances) could be another source of social capital formation. The emphasis of this argument is that confrontation with the receiving society has a potential not only in activating dormant feelings of 'we-ness' but also in creating feelings that were not there in the first place (Portes and Sensenbrenner's, 1993:1328). What needs to be derived from this is that sharing similar experiences has the possibility of creating a sense of belongingness, as in the case with migrants. This allows individuals to tap into this structure as a source of social capital.

The community network of the Somalis, which is based on mutual aid, has a paramount influence in their lives and their business success in the informal trade. They get access to a credit system within this network and it keeps away competitors outside of the network. This system reinforces the trust system under which the Somali traders acquire their merchandise in the first place. This is well captured in this interview response:

I got another Somali brother; he was selling jeans. I told him to give me some so that I could also sell them. I sold [what he gave me] and got 400 bucks out of that deal. With that R400 I started a business.<sup>141</sup>

The trust system also enhanced and reinforced the already existing social ties. They met with each other quite often after hours. They met on their way to mosque for *salat*, or on *miraa* chewing occasions that were sometimes quite spectacular. The nature of the business also allowed them to care for one another, as business partners, as well as part of one community. Despite the fact that they believed this community network was in their favour and was strong, it was a loose and unorganised network, which lacked all the strength to protect and defend most of their rights. Moreover, their business activities were conducted individually, which made organising themselves a different task.

Support and cooperation start early, on arrival, for Somali brothers in South Africa. In a new place with no money and no place to stay, when a Somali arrives, he/she would enjoy the care and support of Somalis. Most of the research participants indicated that their senior Somali brothers stood by them when they first arrived in South Africa, by offering food and accommodation, but most of all, guidance and support, in starting the street-trade. Offered food and accommodation could go on for several months until the person being taken care off was able to settle down. Here follows an account of such an example:

Yonus told me that when he arrived in South Africa, shelter, food and getting a job were his major concerns, since he had run out of money during the journey. For about one month he was with two Somalis who offered to host him in Johannesburg. Yonus indicated that after observing the place, with suggestions from his host, he started a business with about R1000, which, he said was the money that he was left with at the end of the journey.<sup>142</sup>

Seniors show the novices how to make a living or run businesses in the street and where to get the items being sold. The community of Somalis that has arisen in Johannesburg is a supportive one, especially in guiding and directing the newcomers,

---

<sup>141</sup> Interview with Muhammad - 03 December, 2003

<sup>142</sup> Diary entry – 03 December, 2003

and helping them to start a living. Often this community is identified by a particular space, such as a Somali restaurant and hotel, housing, or retail and wholesale shops. A shop like Idris's helps them to become organised and provides a space for this community to come together, share information and enhance their opportunities.

As I noted in the previous section of this chapter, the other most important function of the existence of the Somali community is the sharing of information regarding the business. Durban Somali traders share information on best prices, new products, fast moving items and bargain wholesales. This is a direct function of social obligation which tends to undermine competition that might occur within the group. Yet this makes them better competitors collectively.

### **6.3.1 SOCIO-ECONOMIC MOBILITY**

The socioeconomic mobility of foreign migrants is often considered in relation to labour mobility, education and the political economy of the country. Much of what has been noted in various studies on the socioeconomic mobility of foreign migrants does not offer insight into migrants in the informal economy. However, these studies can be consolidated to give meaning to migrants in the informal economy, mainly those who are self-employed, by using Payne's (1989:472) definition of socio-economic mobility. He defines it as a flow of people from social origins to social destinations. Since most of the migrants are fairly young, it would be very difficult to determine their mobility without considering their parents' socio-economic conditions. This requires us to see both ascription and achievement (performance) as part of a continuum of this mobility, affecting the outcome. Moreover, most of the research participants had been in South Africa for less than five years, a time frame which made any effort in analysis of socio-economic mobility premature. Thus, this attempt at exploring socio-economic mobility can only be a cursor, as opposed to a full-blown analysis of the matter. In addition, it cannot be considered as a systematic analysis of mobility; rather for the most part, it is an exploration of what the research participants felt about their socio-economic mobility.

The trend in the socio-economic mobility of Somalis might have been, in some ways, influenced by individuals' social background and largely by the availability of strong

social capital. It has been argued that social background has a paramount effect on educational attainment, thereby, on occupational attainment. Prior work experience and individuals' assets (such as educational qualifications) also seem to have some influence on mobility. However, for individuals participating in the informal economy, analysis of any sort needs to draw different parameters. For the purpose of this analysis, I tried to compare past and present socio-economic features, such as income level, educational attainment, housing, and access to services etc and focused on performance, with the present ones.

Many of the research participants felt that they had made a difference in their lives, against all odds. Clearly, for some, coming to South Africa presented a new set of opportunities, while for others this proved to be a loss, to some extent. This topic often raised mixed feelings among the research participants. On really gloomy days, the responses had a propensity to be more negative, often whiney, while on bright days the responses tended to be more positive. So was the outlook. Often, I was not able to tell what the person really felt about his/ her personal growth and socio-economic development.

However, two distinct categories of feelings clearly emerged: those who had sponsors in Europe and America, but still felt stuck in this country, and, those who were determined to make it on their own. Isaac falls into the second category. Isaac came from a nomadic pastoral family, whose whereabouts he has not known of since he left Somalia 14 years previously. Isaac asserted that for him life had just started in a place he could barely relate to. For a very long time, he was dependent on relatives and clan members. Now, by trading in the street, however, he has proved himself to be self-reliant. On the contrary, Abdu claimed that he came from a well-to-do family. They had always been supportive. He also indicated that his brothers and sisters residing in Europe and North America were willing to support him in his endeavours to make to the West. Coming to South Africa reduced him to a street-trader.

For those who had hoped that they would use South Africa as an en-route to Western destinations, life had changed direction and they often saw themselves as making progress in their lives, especially if they were still trading in the street. I thought to myself, that this could be a case whereby expectations did not match the reality. There

were stories of individuals who had managed to accumulate a sufficient capital and had left the country for the West. Many others opened shops (wholesale and retail) and became ever more successful. In these cases, I tried to measure success based on the research participants' understanding of it, which was capital and assets accumulated. In addition to this, moving from hawking and street trading [which entails limited capital], to owning a shop was also another measure success.

Nonetheless, some of the research participants earned more money at the time than they ever had before; while others saw that their income had declined compared to what they used to earn prior to coming to South Africa. Muhammad claimed that he was a businessman when he was in Somalia. He traded coffee and sugar on a large scale by ferrying them between Kenya and Somalia. Since his arrival in South Africa, he had taken various odd jobs for meagre salaries. Yet, Muhammad felt that he had become better now compared to when he first started the street-trade in Durban.

Contrary to Muhammad's experience, Hamid was working as a shopkeeper for most of his life in Kenya where he started as an urban refugee. He claimed that he had since become better off. Hamid expressed his feelings in these words:

Thanks be to God, I stay in a flat and I pay the rent. I cook my own food there. Secondly, I have got a [large] stock now. I have a lot of stock. I don't need anybody to lend me money to buy stock and pay them later. I am independent now.<sup>143</sup>

Those who had been engaged in the street-trade for more than five years were likely to make better profits than the more recent ones. This was perhaps an outcome of accumulated capital, which was reflected in the quantity of merchandise. In general, however, the average turnover of Somalis in the informal economy of Durban was higher than many of their counterparts. The highest reported turnover is R2500 per week (Khosa and Naidoo, 2002). Using this measure, Somalis would definitely be lumped with the street-traders with the highest turnover. For example, Hassim usually made no less than R200 everyday. On Friday and Saturday, the daily turnover went up to over R500. On average, he made between R1500 -2000 per week. This turnover was exclusive to the location on the West Street corner which he ran himself. One

---

143 Interview with Muhammad [translator] – 06 December, 2003

block away. he had another stand where his assistant sold. A total turnover would yield a higher figure. even though he often complained that his girl did not make as much money as he expected her to be doing.

Furthermore, along with their flourishing businesses, some of Somalis are advancing in their education qualification. They attended colleges and technical schools in order to have what they perceived to be a reliable asset. Invariably, trends of socio-economic mobility among Somalis in the informal economy of Durban could be viewed in light of the presence of strong support structures.

#### **6.4 THE NEED FOR ASSOCIATION**

The social ties that Somalis have been enjoying are partly developed within the conditions they are subjected to in the host country. Exclusion from various spheres of life and having common experiences brings them together. In a society that is highly divided, they have found one another as supporting and comforting in times of hardship. These social ties, however, are being tested with the influx of Somalis to South Africa, specifically to Durban. The supportive nature of the Somali community has resulted in drained individual resources and in an effort and interest of self-preservation, some Somalis were opting for more reclusive life styles. According to Adbu, more migration has lead to more people looking for help, so people had started to see one another as burdens and had started to lose the social ties that were so vital in this country a few years ago. Enhancing these community ties through structured organisation might enable these people to become real partners in business.

Discussions that I had with Somalis in Durban revealed that their lives in South Africa involved tremendous risk and uncertainty, not only economically, but also socially. Even though to a large extent they received the support they needed from these social ties, there were plenty of issues and problems which the community was unable to solve. In relation to this was the point raised about organising themselves based on association or structured organisation, enhancing the already available social support. They could collectively tackle some of their problems. Most of all, they could be able to negotiate better terms with government officials concerning issues related to their lives.

My contention and concern emerged from Sinclair's (1998) observation. Sinclair (1998) argues that migrants' emerging ethnic communities have not acted as vehicles in dealing with the structural conditions that generated the problems they face. Various conversations I had with a number of Somalis revealed that the idea did not occur to them. However, they agreed that it would help them protect their rights and could solve some of their problems. And yet, the entry points on how, and with whom, they could organise and initiate others, remained the difficult task. Their knowledge of the institutional environment where they work and their information about their rights in respect to organising themselves seemed to be limited. Diverse interests and the unsettled nature of their lives in South Africa were also possible problems in the idea of association. Lack of interest in this trade activity was likely to create an indifferent response from the other Somali street-traders.

Association or organisation produces a comparative advantage to existing community ties. A better way of social protection and support for the group can be attained through well-organised associations. Community-based associations or organisations with membership are likely to create better conditions for them in defending many of their rights. Essentially this would allow them to negotiate a better terms with local government officials, at the very least, in terms acquiring market spaces. However, their prior and urgent demands of being allowed to run their businesses freely without any intrusion from the police and other city official could also be raised. The only problem they would have would be who would run the campaign and how they could go about organising themselves. This would require initiatives from the individuals as well as facilitation from NGOs and concerned parties.

Creating the condition for them to organise themselves and make links with other existing organisations and informal trade associations would be an important role of the facilitating agents. The other dilemma would be how they could be incorporated into the existing local organisations as non-citizens. This is crucial for they share the problem with local street-traders and it is important that they deal with their problems together. This is only possible when these foreign street-traders become accepted as part of the community.

## 6.5 CONCLUSION

Generally speaking, Somali migrants in Durban have favourable conditions for growth provided that those conditions last. The availability of strong social capital and networks constitute a large part of the favourable conditions and are the ones that strongly influence their success in the informal trade. In addition to this, they have good business sense which is crucial in any form of trade. Moreover, having the right business attitudes and positive perceptions shape the way individuals engage in the informal economy. A number of Somalis who participated in the study perceived the informal trade as a route to capital accumulation and full of possibilities for success, provided that there were strong work ethics and commitment.

Accumulation of capital is believed to be very important, as it is perceived as allowing the engagement in more profitable businesses as well as access to formal premises to run businesses. Opening a shop is viewed as an indication of success as well as providing a get-away from the inconveniences of the street trade. As noted in this chapter, a number of the research participants saw themselves heading towards opening businesses in formal premises. The emphasis here is the strongly held perception held among them that this is possible in the foreseeable future. The existence of strong social capital among the Somali community, as well as with other migrants, has a propensity to enforce the above beliefs. Social capital is mainly concentrated in trading and opens the space conducive for growth in trading as well as socio-economic mobility.

However, perceptions which they have about the host country, and uncertainties that surround their lives in the host country, seem to hinder committed engagement in the informal trade. As noted in various aspects of this chapter, Somalis in the informal trade have an intention to travel to the countries perceived to provide better opportunities.

## CHAPTER SEVEN: CONCLUSION

In this dissertation, I have attempted to address the following issues: Firstly, to provide insight into the Somali migrants' experience as migrants and the nature of their participation in the informal economy of Durban; Secondly, to explore the influence and impact that the institutional and policy environments have on the Somali migrants' participation in the informal economy of the city; Thirdly, to look at the Somali migrants' relationships and interactions with the local traders and workers in the informal trade; Finally, to explore the opportunities and challenges Somali migrants encounter during their engagement in the informal economy of Durban. The paper further relates these issues with the prevailing social and economic conditions of the Somali migrants in Durban.

The study revealed that Somali migrants' participation in the informal economy of Durban is concentrated predominantly in the street trade, with supplementary engagements in other alternative hidden trades, such as the *miraa* trade and informal hotel and restaurant businesses. These hidden informal economic activities, however, do not seem to be consistently popular and are often infrequently practiced, unlike the street trade. There is a possibility that Somali migrants find asylum in the informal and unregulated economy, for their own survival and mobility, especially when their legal status and conditions of migration create an environment hardly conducive to pursuing a desired career. The availability of alternative economies allows the socially and legally marginalised group to make use of the ones that do not place strict rules or enforce restrictions on them. On the one hand, their implicit social and economic exclusion from the formal economy by virtue of their being foreign migrants has led them to choose the informal economy as an alternative. It is this phenomenon that I referred to as 'getting asylum' in the informal economy. The existence of an alternative economy, however, is not a precondition for social marginality; neither is social marginality a condition for the existence of an alternative economy.

What should be noted here is that Somalis, as migrants, are subjected to certain conditions that, in turn, affect their decisions in pursuing particular economic activities. This is principally related to the policy environment and structural conditions. Particularly, in the policy field, this study considered the immigration

legislation and the political economy of the country. As noted throughout the discussion of this paper, South Africa's policy of protectionism, mainly of the formal economy, as the case on the Somali migrants demonstrates, has left foreign migrants with little access to formal employment. In terms of structural conditions, the study considered the economic situation of the country and focused mainly on the unemployment and 'jobless growth'. This paper argues that those conditions create a circumstance under which foreign migrants make decisions to engage in the informal economy of the country.

On the other hand, the possibility for growth and easy entry, coupled with direction and influences of their social capital and ties, has drawn the Somali migrants to the informal trade. The social network Somali migrants have established seems to have a pull-effect into the informal economy, particularly street trading, in which the majority of them are engaged. Somalis cooperate with one another and encourage newcomers by improvising loans and credit in forms of money and merchandise for the newcomers. Obtaining merchandise on consignment is very common among the Somali traders in the country, which often benefits the newcomers. Senior Somalis assist newcomers in starting businesses. Most arrive in this country without money and rely on the community for food and shelter until they are able to stand on their own two-feet. This would mean eventually starting a business, which is also facilitated and supported by the seniors. I have also learned that some individuals, upon starting the street trade, receive assistance from their families and relatives in Diaspora.

Informality is, therefore, preferred since it serves two purposes for the Somali migrants in Durban. On the one hand, it is a function of agency as it allows and enhances their entrepreneurship, and eventually their success away from home; on the other hand, it is a reaction to the policy and legislative environment and structural conditions which place constraints on their participation in the formal economy.

Somalis in the informal economy of Durban believe, and also demonstrate, that there is a greater potential for success and growth in this economy. This is evident in the prevalent attempts in expanding trading places and accumulating capital which is often reflected in the quantity of the merchandise. Their economic condition at the

moment has benefited much from the community ties which they have developed as migrants, particularly as Somalis, in sharing information, guidance and support in their social and economic activities. Therefore, it is worth considering the enhancement of these community ties and ensuring their continuity through various means. One way could be by establishing an association based on the already established ties. Facilitating this requires the participation of the concerned parties that have the comparative advantage of knowing the institutional environment. Along with these links, affiliation with the existing associations of informal economic actors and trade unions organisations needs to be sought. The challenge could be in maintaining and enforcing the social ties that allow them to become more competitive and which have also been continued sources of support as their success in various ventures, still relies on their social capital. Organising themselves perhaps would benefit and enhance the already existing social ties and community based mutual aid, to extend and strengthen them in order to defend their rights and to negotiate policy issues.

This study also noted that one of the major challenges in their participation in the informal economy of Durban is that they constantly have to negotiate for space with the local traders as well as the shop owners in the area. They have to deal with the stern police action and abide by and respect the city's regulative legislation. For these and other reasons, Somalis in the street trade express preference in opening shops. The reasons that came up more often were the need to get away from police action and disruptions, (which indirectly means the city's restrictive by-laws) and the belief in the superior potential of the financial gain from shops. It is believed that customers prefer buying goods from shops than from the street-traders. Perhaps, one positive result that has emerged from the police action in enforcing the city's street trade by-laws is that, as a result, Somali migrants' determination to search for established business premises has increased more than ever. Understandably, a number of Somalis feel that having formal premises might remove them from the hassles that police inflict on the street-traders. Yet, lack of sufficient capital continues to hold up in this process in the search for formal business premises.

What has emerged from the discussion is that Somali traders have a great potential for making progress in their lives, provided that the institutional environment is adjusted

to be conducive. There has been a clear indication that the institutional and social conditions have an impact on their lives, more specifically in the economic activity of their street-trade. Institutionalised involvement, at some level, is likely to enhance effectively, the way that the informal economy functions. It is, however, crucial that this intervention determines and tames the level of this involvement as it might pose a danger. This study also indicates how this intervention should consider foreign migrants, as their participation in the informal economy is paramount. Moreover, this intervention needs to understand the particular situations in which foreign migrants, such as the Somalis, find themselves.

The traditional understanding of foreign migrants does not convey much about today's migrants. The stressed legal understanding of the controlled migrants' movement, especially of the labour migrants, is most likely to be employed in the formal economy. When one tries to see beyond this, the informal economy, which is unregulated and seldom controlled, has a great potential to harbour most of the unregulated or otherwise discriminated against, foreign migrants.

The policy environment needs to reconsider how it should approach migrants in the informal economy. Understandably, the policy framework attempts to create this environment, yet with no clear provision in terms of how to deal with the matter. It is perhaps important to consider a proper policy which includes foreigners working in the informal economy in order to enhance their contribution to the economy. Attempts should also be made to incorporate these migrants into the community, which is likely to make them beneficiaries of other services and programmes.

The dilemma emerges from the need to incorporate and manage foreign migrants in the informal economy, or even any participant for that matter, in which case the state needs to determine the nature of the involvement. Portes (1994) indicates that the paradox of the informal economy remains in the form of intervention. He argues that the extremes of intervention are very dangerous. Yet lack of control and proper intervention leads the informal economy into a vicious and rampant system which is likely to cause chaos. Portes (1994) relates this to what anarchy does to social systems and organisations as well as individuals within it. The other end is extreme control.

This leads to further informalisation, and attempts to escape the control, will inevitably result in the drive to growing informality.

The city of Durban has a commendable and progressive policy framework, but translating it into practice has been most difficult. The practicality of managing and controlling the informal economy, especially that of street trading, seems to bring about a number of concerns. This paper noted that the matter is related to two particular dynamics. The first is the increasing number of participants in the informal economy (the street-trade), and the second is the degree of control. Informality occurs in an attempt to circumvent any form of control in the first place. However, this does not mean that to promote informal economy, the local government should leave the economy alone and unchecked. The formula lies in knowing the degree of involvement and intervention.

It has become clear at this point that Somali migrants in the informal economy of Durban provide a great contribution in creating jobs, thereby realising the most wanted result of curbing unemployment. However, the created jobs come with a price to be paid by the informal workers, especially considering the conditions under which they work. The informal economy is accessible for many, yet it is a shield for the majority simultaneously being a means of exploitation of unprotected workers.

## APPENDIX I

### REFERENCES

- Adepoju, A. (1998) 'Emigration dynamics in Sub-Saharan Africa,' *Emigration Dynamics in Developing Countries: Sub-Saharan Africa*, Vol. 1. Edited by R. Appleyard. Ashgate: Aldershot
- Babbie, E. and Mouton, J. (2001) *The Practice of Social Research*. 6<sup>th</sup> Ed. Oxford: Oxford University Press.
- Bangasser, P. E. (2000) 'The ILO and the Informal Sector: An Institutional History'. Employment Paper 2000/ No. 9, Geneva: ILO, Employment Sector.  
<http://www.ilo.org/dyn/dwresources/docs/307/F1244097103/Bangasser%202.pdf>  
(September 20, 2003)
- Bian, Y. (1997) 'Bringing Strong Ties Back in: Indirect Ties, Network Bridges, and Job Searches in China,' *American Sociological Review*, 62, pp. 266-285.
- Bromley, R. (1990) 'A New Path to Development? The Significance and Impact of Hernando de Soto's Ideas on Underdevelopment, Production, and Reproduction,' *Economic Geography*, 66, pp. 328-48.
- Bryman, A. (1984) 'The Debate about Quantitative and Qualitative Research: A Question of Method or Epistemology?,' *The British Journal of Sociology*, 35 (1), pp. 75-92.
- Bourgois, P. (1995) *In Search of Respect: Selling Crack in El Barrio*. New York: Cambridge University Press.
- Capecchi, V. (1989) 'The Informal Economy and the Development of Flexible Specialization in Emilia-Romagna' in A. Portes, M. Castells and L.A. Benton (Eds.) *The Informal Economy: Studies in Advanced and Less Developing Countries*. Baltimore: Johns Hopkins University Press.

Card, D. (2001) 'Immigrant Inflows, Native Outflows, and the Local Market Impacts of Higher Immigration,' *Journal of Labor Economics*, 19 (1), pp. 22-64.

Castells, M. and Portes, A. (1989) 'World Underneath: The Origins, Dynamics and Affects of the Informal Economy' in A. Portes, M. Castells and L.A. Benton (Eds.), *The Informal Economy: Studies in Advanced and Less Developing Countries*. Baltimore: Johns Hopkins University Press.

Chen, M. A.; R. Jhabvala and F. Lund (2002) 'Supporting Workers in the Informal Economy: A Policy Framework'. A Working Paper on the Informal Economy 2002/No.2, Geneva: ILO, Employment Sector.

<http://www.ilo.org/public/english/employment/infeco/download/wp2.pdf> (May 20, 2003)

Coleman, J. S. (1988) 'Social Capital in the Creation of Human Capital,' *American Journal of Sociology*, Vol. 94, Supplement: Organisations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure, pp.95-120.

Cornwell, K. and Inder, B. (2004) 'Migration and Unemployment in South Africa: When Motivation Surpasses the Theory,' Working Paper, 02/04, Monash University, Department of Econometrics and Business Statistics, Australia.

<http://www.buseco.monash.edu.au/depts/ebs/pubs/wpapers/2004/wp2-04.pdf>  
(November 13, 2004)

Crush, J. (2003) 'South Africa: New Nation, New Migration Policy?,' *Migration Information Source*, June 2003.

<http://www.migrationinformation.org/feature/display.cfm?ID=131> (November 10, 2003)

Crush, J. (2000) 'The Dark Side of Democracy: Migration, Human Rights and Xenophobia in South Africa,' *International Migration*, 38, pp.103-34.

Damm, A. P. and Rosholm, M. (2003) 'Employment Effects of Dispersal Policies on Refugee Immigrants, Part II: Empirical Evidence'. Institute for the Study of Labor (IZA), Discussion Paper Series No. 925, November 2003.

<ftp://repec.iza.org/RePEc/Discussionpaper/dp925.pdf> (July 23, 2004)

Dasgupta, S. (2003) 'Structural and Behavioural Characteristics of Informal Service Employment: Evidence from a Survey in New Dehli,' *Journal of Development Studies*, 39 (3), pp. 51-80.

De Haan, A. (2000). 'Migrants, Livelihoods and Rights: The Relevance of Migration in Development Policies,' DFID Working Paper No.4.

De Soto, H. (1990) *The Other Path: The Invisible Revolution in the Third World*. New York: Harper and Row.

Emerson, P.M. and Pollner, M (2001) 'On the Uses of Members' Responses to Researchers' Accounts,' in A. Bryman (Ed.) *Ethnography: Sage Benchmark in Research Method*, Vol. 3. London: Sage Publications

Farah, Nuruddin (2000) *Yesterday, Tomorrow: Voices from the Somali Diaspora*. London: Cassell.

Fay, B. (1996) *Contemporary Philosophy of Social Science*. Oxford: Blackwell.

Friman, H. R. (2001) 'Informal Economies, Immigrant Entrepreneurship and Drug Crime in Japan,' *Journal of Ethnic and Migration Studies*, 27(2), pp. 313-333.

Geertz, C. (1962) 'The Rotating Credit Association: A 'Middle Rung' in Development,' *Economic Development and Cultural Change*, 10 (3), pp. 249 – 254.

Geertz, Clifford (1973) *The Interpretation of Cultures: Selected Essays*. New York: Basic Books.

Gerry, C., and Birkbeck, C. (1981) 'The Petty Commodity Producer in Third World Cities: Petit bourgeois or 'disguised' proletarian?,' in F. Bechhofer and B. Elliott (Eds.) *The Petite Bourgeoisie: Comparative Studies of the Uneasy Stratum*. London: Macmillan.

Gherzi, E. (1997) 'The informal economy in Latin America,' *CATO Journal*, 17 (1).  
[http://ehostvgw7.epnet.com/ehost.asp?key=204.179.122.141\\_8000\\_-2008874949&site=ehost&return=y](http://ehostvgw7.epnet.com/ehost.asp?key=204.179.122.141_8000_-2008874949&site=ehost&return=y) (April 13, 2002)

Giddens, Anthony (1984) *The Constitution of Society: Outline of the Theory of Structuration*. Cambridge : Polity Press.

Granovetter, M. (1994) *Getting a Job: A Study of Contacts and Careers*. 2<sup>nd</sup> Ed. Chicago, IL: University of Chicago Press.

Granovetter, M. (1973) 'The Strength of Weak Ties,' *American Journal of Sociology*, 78(4), pp. 1350-1380.

Grest, J. (2002) 'Urban Citizenship: Governance, Regulation, Development and Participation. Some thoughts on the Warwick Junction, Durban,' in A. Bouillon, B. Freund, D. Hindson and B. Lootvoet (Scientific Committee, Durban) *Governance, Urban Dynamics and Economic Development: a comparative analysis of the metropolitan areas of Durban, Abidjan and Marseilles*. Durban: Plumblin Publishing.

Halperin, R. H. (1990) *The Livelihood of Kin: Making Ends Meet 'the Kentucky Way'*. Austin, Texas: University of Texas Press.

Hammersley, M. (1992) *What's Wrong with Ethnography*. London: Routledge.

Hammersley, M. and Atkinson, P. (1995) *Ethnography: Principles in Practice*. 2<sup>nd</sup> Ed. London: Routledge.

Hammersley, M. & Atkinson, P. (1983). *Ethnography: Principles in Practice*. London: Tavistock Publications Ltd.

Handmaker, J. (2000) 'Foreigners in South Africa - a New Racism?' (English translation of: 'Arbeitsmigration: Ursache für neuen Rassismus in Südafrika?'), *Zeitschrift für Friedenspolitik, Swiss Peace Journal*, No.1  
<http://www.reahamba.nl/documents/frizarticle.htm> (25 August, 2003)

Hart, K. (1973) 'Informal Income Opportunities and Urban Employment in Ghana,' *The Journal of Modern African Studies*. 11(1), pp. 61-89.

Human Rights Watch (1998) '*Prohibited Persons*': *Abuse of Undocumented Migrants, Asylum Seekers, and Refugees in South Africa*. New York: Human Rights Watch.

Hurd, G. E. and Johnson, T.J. (1967) 'Education and Social Mobility in Ghana,' *Sociology of Education*, 40(1), pp. 55-79.

Hunter, N. and Skinner, C. (2002) 'Foreign Street Traders Working in the Inner City Durban: Survey Results and Policy Dilemmas'. Research Report No.49. Durban: School of Development Studies.

ILO (2002) *Decent Work and the Informal Economy: Sixth item on the agenda International Labour Conference 90th Session 2002*. Report VI, International Labour Office, Geneva.

iTRUMP (2001) *Resource Document: Towards an Economic Strategy for the Durban Inner-City*. Durban: Economic Development Department and Department of Development Facilitation.

Jacobsen, K and Landau, L. (2003) 'Researching Refugees: Some Methodological and Ethical Considerations in Social Science and Forced Migration'. *New Issues in Refugee Research*, UNHCR, Working Paper No. 90.

[http://www.unhcr.ch/cgi-bin/txis/vtx/home/+4wwBmeiu\\_nCwwwrwwwwwwwhFqo20I0E2glFqoGn5nwGqrAFqo20I0E2glcFqtcwDmwIDzmxwwwwww/opensoc.pdf](http://www.unhcr.ch/cgi-bin/txis/vtx/home/+4wwBmeiu_nCwwwrwwwwwwwhFqo20I0E2glFqoGn5nwGqrAFqo20I0E2glcFqtcwDmwIDzmxwwwwww/opensoc.pdf) (June 13, 2004)

Kalleberg, A. L. (2000) 'Nonstandard Employment Relations: Part-time, Temporary and Contract Work,' *Annual Review of Sociology*, 26, pp. 355-356.

Khosa, M and Naidoo, K. (1998) 'Linking local economic development to poverty 'Durban Inner City: Kwa-Zulu Natal'. Local Economic Development Report: Department of Constitutional Development.

<http://www.local.gov.za/DCD/dcdindex.html> (August 14, 2004)

Landau, L. B. and Jacobsen, K. (2003) 'Forced Migrants in the New Johannesburg.' Forced Migration Working Paper Series No. 6, University of Witwatersrand.

Lin, Nan (2000) 'Inequality in Social Capital,' *Contemporary Sociology*, 29 (6), pp.785-795.

Lin, Nan (1999) 'Social Networks and Status Attainment,' *Annual Review of Sociology*, 25, pp.467-87.

Lincoln, Y. S. (2001) 'Emerging Criteria for Quality in Qualitative and Interpretive Research,' in A. Bryman (Ed.) *Ethnography: Sage Benchmark in Research Method*. Vol. 3. London: Sage Publications.

Losby, J. L.; J. F. Else, M. E. Kingslow, E. L. Edgcomb, E. T. Malm and V. Kao (2002) *Informal Economy Literature Review*. Washington, DC: ISED Consulting and Research, and The Aspen Institute,  
<http://www.ised.org/research&evaluation/documents/IE%20final.pdf> (July 13, 2003)

Lund, F.; J. Nicholson, and C. Skinner (2000) *Street Trading*. Durban: University of Natal, School of Development Studies.

Lyons, M. and Snoxell, S. (2004) 'Migration, Informality and Sustainable Urban Livelihoods: The Role of Social Capital in Four West African Markets'. Migration and Social Capital Working Paper 1/04, London South Bank University, Urban and Peri-Urban Research Unit. <http://w3.uniroma1.it/soccap/NV-eng-povertyother.htm> (September 10, 2004)

Massey, D. S.; J. Arango, G. Hugo, A. Kouacouci, A. Pellegrino and J. E. Taylor (1998) *Worlds in Motion - Understanding International Migration at the End of the Millennium*. Oxford: Oxford University Press.

Massey, D. S. and Espinosa, K. E. (1997) 'What's Driving Mexico-U.S. Migration? A Theoretical, Empirical, and Policy Analysis,' *The American Journal of Sociology*, 102 (4), pp. 939-999.

Massey, D. S. and Denton, N. A. (1985) 'Spatial Assimilation as a Socioeconomic Outcome,' *American Sociological Review*, 50 (1), pp. 94-106.

Mattes, R.; D. M. Taylor and D. A. McDonald (2000) 'South African Attitudes to Immigrants and Immigration,' in D. A. McDonald (Ed.) (2000) *On Borders: Perspectives on International Migration in South Africa*. Kingston: SAMP.

May, J.; C. A. Phelan and S. V. Van Schalkwyk (1997) *Street Traders Survey of the Durban Metropolitan Area*. Durban: Durban Metropolitan Council Department of Economic Development.

McDonald, D. (1997) 'Greener Pastures?: Attitudes Towards Cross-border Migration in Southern Africa,' *Southern Africa Report*, 13 (1).

McDonald, D.; L. Mashike and C. Golden (2000) 'The Lives and Times of Migrants and Immigrants in Post Apartheid South Africa,' in D.A. McDonald (Ed.) (2000) *On Borders: Perspectives on International Migration in South Africa*. Kingston: SAMP.

McGrath, S. (2000) 'Coming in from the Cold? Further Education and Training in South Africa,' *Compare: A Journal of Comparative Education*. 30 (1), PP. 67-84

McKeever, M. (1998) 'Reproduced inequality: Participation and Success in the South African Informal Economy,' *Social Forces*, 76 (4), pp. 1209-1241.

Meagher, K. (1995) 'Crisis, Informalization and the Urban Informal Sector in Sub-Saharan Africa,' *Development and Change*, 26, pp. 259-84.

Moser, C. (1994) 'The Informal Sector Debate, Part 1:1970-1983,' in C. Rakowski (Ed.) *Contrapunto: The Informal Sector Debate in Latin America*. Albany: State University Press of New York

Moser, C. O. N. (1993) *Gender Planning and Development: Theory, Practice and Training*. London: Routledge.

Musiolek, B. (2002) 'Decent Work in the Informal Sector: CEE/CIS Region'. Working Paper on the Informal Economy No. 7, Geneva: ILO.

<http://www-ilo-mirror.cornell.edu/public/english/employment/infeco/download/cee.pdf>

(July 17, 2003)

Nesvång, S. I. (2002) 'The Development of Mass Street Trading in Durban: The Case of Muthi Trading,' in B. Freund and V. Padayachee (Ed.). *(D)urban Vortex, South African City in Transition*. Pietermaritzburg: University of Natal Press.

Nesvång, S. I. (2000) 'Street Trading from Apartheid to Post Apartheid: More Birds in the Cornfield?,' *International Journal of Sociology and Social Policy*, 21(3/4).

Neuman, W. L. (2000) *Social Research Methods: Qualitative and Quantitative Approaches*. 4<sup>th</sup> Ed. Boston: Allyn and Bacon.

Patton, M. Q. (1990) *Qualitative Evaluation and Research Methods*. 2<sup>nd</sup> Ed. Newbury Park, CA: Sage Publications.

Patton, M. Q. (1980) *Qualitative Evaluation Methods*. Beverly Hills, California: Sage.

Payne, G. (1989) 'Social Mobility,' *The British Journal of Sociology*, 40(3), Special Issue: Sociology in Britain, pp. 471-492.

Peattie, L. (1987) 'An Idea in Good Currency and How it Grew: The Informal Sector,' *World Development*, 15, pp.851-860.

Peberdy, S. (2000) 'Mobile Entrepreneurship: Informal Sector Cross-border Trade and Street Trade in South Africa,' *Development Southern Africa*. 17 (2), pp. 201 – 220.

Peberdy, S. and Crush, J. (1998) 'Trading Places: Cross-Border Traders and the South African Informal Sector,' *Migration Policy Series*, NO.6, SAMP.

Portes, A. (1999) 'The Hidden Abode: Sociology as Analysis of the Unexpected; 1999 Presidential Address,' *American Sociological Review*, 65 (1), pp.1-18.

Portes, A. (1998) 'Social Capital: Its Origins and Applications in Modern Sociology,' *Annual Review of Sociology*, 24, pp. 1-24.

Portes, A. (1994). 'The Informal Economy and Its Paradoxes,' in N. J. Smelser and R. Swedberg (Eds.) *The Handbook of Economic Sociology*. Princeton: Princeton University Press.

Portes, A. and Schauffler, R. (1993) 'Competing Perspectives on the Latin American Informal Sector,' *Population and Development Review*, 19 (1), pp 33-60.

Portes, A. and Sensebrenner, J. (1993) 'Embeddedness and Immigration: Notes on the Social Determinants of Economic Action,' *The American Journal of Sociology*, 98 (6), pp.1320-1350.

Portes, A.; M. Castells, and L. A. Benton (Eds.) (1989) *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore, MD: Johns Hopkins University Press.

Portes, A. and Jensen, L. (1989) 'The Enclave and the Entrants: Patterns of Ethnic Enterprise in Miami before and after Mariel,' *American Sociological Review*, 54 (6), pp. 929-949.

Portes, A. and Walton, J. (1981) *Labor, Class and the International System*. New York: Academic Press.

Rakowski, C. (1994) 'The Informal Sector Debate, Part 2: 1984-1993,' in Rakowski, C. (Ed.) *Contrapunt: The Informal Sector Debate in Latin America*. Albany: State University Press of New York.

Rogerson, C. M. (2000) 'Emerging from Apartheid's Shadow: South Africa's Informal Economy,' *Journal of International Affairs*. 53 (2), pp. 673-695.

Rogerson, C. M. (1997) 'International Migration, Immigrant Entrepreneurs and South Africa's Small Enterprise Economy,' *Migration Policy Series*, No.3, Cape Town: SAMP.

Rogerson, C. M. (1996) 'Urban poverty and the informal economy in South Africa's Economic Heartland,' *Environment and Urbanisation*, 8(1): 167-81.

Rogerson, C. M. and Preston-Whyte, E. (1991) *South Africa's Informal Economy*. Cape Town: Oxford University Press.

Rogerson, C. M. (1989) 'The Deregulation of Hawking: Rhetoric and Reform,' *South Africa Review*, Vol. 5, pp. 136 -148, Edited by Glenn Moss and Ingrid Obery, Johannesburg: Ravan Press.

Sassen, Saskia (1997a) 'Immigration in the Global Cities,' *APA Immigration Project*.

Sassen, Saskia (1997b) 'Informalization in Advanced Market Economies,' *Issues in Development*, Discussion Paper 20, Geneva: ILO

<http://www.ilo.org/dyn/dwresources/docs/440/F474401529/Informalization%20in%20advanced%20market%20economies%20sask.pdf> (July 20, 2003)

Sassen, Saskia (1994) *Cities in a World Economy*. Thousand Oaks, California: Pine Forge Press.

Sassen-Koob, Saskia. (1989) 'New York City's Informal Economy,' in A. Portes, M. Castells, and L. A. Benton (Eds.) *The Informal Economy: Studies in Advanced and Less Developed Countries*. Baltimore, MD: Johns Hopkins University Press.

Sinclair, M. R. (1998) 'Solidarity and Survival: Migrant Communities in South Africa,' *Indicator South Africa*, Autumn 1998.

<http://www.und.ac.za/und/indic/archives/indicator/autumn98/Sinclair.htm> (August 13, 2004)

Skinner, C (2000) 'Getting institutions right? Local Government and Street Traders in Four South African Cities,' *Urban Forum*, 11 (1), pp. 49-71.

Skinner, C. and Valodia, I. (2001) 'Globalisation and Women's Work in South Africa: National and Local Approaches to Economic Transformation,' *Agenda*, 48, pp. 75 – 87.

Smith, M. E. (Ed.) (1990) *Perspectives on the Informal Economy*. Lanham, MD: University of America Press.

Spener, D. and Bean, F. D. (1999) 'Self-Employment Concentration and Earnings among Mexican Immigrants in the U.S.,' *Social Forces*, 77 (3), pp. 1021-1047.

Stephenson, S. (2001) 'Street Children in Moscow: Using and Creating Social Capital,' *Sociological Review*, 49 (4), pp. 530 – 547.

Taylor, A.; Z. Millei, L. Partridge and L. Rodriguez (2004) 'The Getting of Access: The Trials and Tribulations of the Novice Researcher,' *Issues in Education Research*, 14 (1). <http://education.curtin.edu.au/ijer/ijer14/2004conts.html> (October 13, 2004)

Telscher, S. (1994) 'Small Trade and the World Economy: Informal Vendors in Quito, Ecuador,' *Economic Geography*, 70 (2), pp. 167-187.

Todaro, M. P. (1997) *Urbanization, Unemployment and Migration in Africa: Theory and Policy*. Policy Research Division, Working Paper No. 104. New York: Population Council. <http://www.popcouncil.org/pdfs/wp/104.pdf> (June 11, 2003)

Tokman, V. E. (1978) 'Competition between the Informal and Formal Sectors in Retailing: The Case of Santiago,' *World Development*, 6, pp.1187-1198.

UNHCR (1995) *The State of the World Refugees: In Such Solutions*. A report by UNHCR: Geneva.

Valodia, I. (2001) 'Economic Policy and Women's Informal and Flexible Work in South Africa,' *Development and Change*, 32(5), pp. 871-892.

Van Maanen, J. (1988) *Tales of the Field: On Writing Ethnography*. Chicago: The University of Chicago Press.

Williams, C. C. and Windebank, J. (1998) *Informal Employment in the Advanced Economies: Implications for Work and Welfare*. London: Routledge.

Xaba, J.; P. Horn and S. Motala (2002) *The Informal Sector in Sub-Saharan Africa*, Working Paper on the Informal Economy No. 10, Geneva: ILO, Employment Sector <http://www-ilo-mirror.cornell.edu/public/english/employment/infeco/download/ssafrika.pdf> (August 11, 2003)

Zhou, M. (1997) 'Growing Up American: The Challenge Confronting Immigrant Children and Children of Immigrants,' *Annual Review of Sociology*, 23, pp. 63-95.

## THESES AND UNPUBLISHED PAPERS

Bremner, L. (2000) 'Re-inventing the Johannesburg Inner City'. Paper presented at a Research Seminar, Department of Architecture, University of Witswatersrand.

Busse, S. (2001) 'Strategies of Daily life: Social Capital and the Informal Economy in Russia'. <http://home.uchicago.edu/~sbusse/scie.pdf> (October 21, 2003)

Briggs, X. de Souza (2002) 'Social Capital and Segregation: Race, Connections and Inequality in America'  
[http://ksgnotes1.harvard.edu/research/wpaper.nsf/d745629e080d1fe88525698900714934/ede8b5ae23a0aae385256b65002511f7/\\$FILE/sc%20+%20segreg%2002%20v9.doc](http://ksgnotes1.harvard.edu/research/wpaper.nsf/d745629e080d1fe88525698900714934/ede8b5ae23a0aae385256b65002511f7/$FILE/sc%20+%20segreg%2002%20v9.doc) (August 21, 2003)

Carr, M. and Chen, M. A. (2001) 'Globalization and the Informal Economy: How Global Trade and Investment Impact on the Working Poor'. Background paper commissioned by the ILO Task Force on the Informal Economy. Geneva, Switzerland: International Labour Office.  
<http://www.ilo.org/public/english/employment/infeco/download/wp1.pdf> (November 12, 2003)

Chen, M. A. (2003) 'Rethinking the informal economy' Paper Presented at Footloose Labour: a Symposium on Livelihood Struggles of the Informal Workforce, November 2003. <http://www.india-seminar.com/2003/531/531%20martha%20alter%20chen.htm> (January 13, 2004)

Cross, J. C. (1995) 'Entrepreneurship and Exploitation: Measuring Independence and Dependence in the Informal Economy' Presented to The American Sociological Association. <http://www.openair.org/cross/infentr.html> (November 10, 2003)

Geyevu, S. A. (1997). *The Socio-Economic Impact of Ghanaian Non-Professional Illegal Aliens in Durban Metropolitan Area and Suggested Policy Framework*. Masters Dissertation. University of Durban-Westville.

Grest, J. (2001) 'Urban Management, Urban Citizenship and the Informal Sector in the New South Africa: A case study from Central Durban'. A draft paper for discussion at the conference Out of the Shadows: Political Action and the Informal Economy. Centre for Migration and Development Princeton University, November 15-17, 2001.

Gema, G. (2001) *The Social and Economic Integration of Ethiopian Asylum-Seekers in Durban and South Africa Immigration Policy*. Masters Dissertation. Centre for Social and Development Studies, University of Natal, Durban.

Lund, Frances, (1998) 'Women Street traders in Urban South Africa: A Synthesis of Selected Research Findings' Durban, South Africa: University of Natal Centre for Social Development Studies. <http://www.wiego.org/papers/lund9.doc> (August 21, 2003)

Lund, F and Skinner, C. (2003) 'The Investment Climate for the Informal Economy: A Case of Durban, South Africa'. Background Paper for the 2005 World Development Report, 15 September 2003.

[http://siteresources.worldbank.org/INTWDR2005/Resources/477407-1096581040435/lund\\_skinner\\_SA\\_durban\\_case\\_study.pdf](http://siteresources.worldbank.org/INTWDR2005/Resources/477407-1096581040435/lund_skinner_SA_durban_case_study.pdf) (January 11, 2005)

Maharaj, B. (2000) 'Urban Decline and Renewal: A Case Study of the Inner City in Durban'. Draft working paper.

McCarthy, J. (1998) 'The Greater Durban Area: A Development Perspective (With Special Reference to Government White Paper on Local Government)'. Paper Delivered to the City of Durban Conference, July 1998.

Rogerson, C. and Peberdy, S. (2000) 'Integration or Isolation? African Entrepreneurs in Johannesburg's Urban Economy'. Draft paper prepared for presentation at a meeting of the Thematic Network 'Working on the Fringes: Immigrant Businesses, Economic Integration and Informal Practices', on the theme of 'The Economic Embeddedness of Immigrant Enterprises', at The Hebrew University, Jerusalem, 17-20 June, 2000.

Sabet- Sharghi, Fariba (2000) *The Social, Economic and Political Circumstances of Congolese Refugees in Durban*. Masters Dissertation, Development Studies, University of Natal.

Skinner, C and Valodia, I. (2002) 'Local Government Support for Women in the Informal Economy in Durban, South Africa'. Research Paper, School of Development Studies, University of Natal.

Vawda, S. (1999) 'Foreign Migrants; Governance and Local Development Strategies: A Case Study of International African Migrants in Durban'. Draft paper prepared for the 4<sup>th</sup> Congress of Ales Hrdlicka 'World Anthropology at the Turn of the Centuries'. 31 August – 4 September 1999. Prague, Czech Republic.

## **POLICY DOCUMENTS**

Durban Unicity Council (2001) *Durban's Informal Economy Policy*. December 2001.  
<http://www.streetnet.org.za/espanol/policydurban.htm>

Government gazette, 13 March 1998 No. 18739, Article one – white paper on Local Economic Development policy paper (need to refine this) <http://www.local.gov.za>

Government Gazette, Republic of South Africa, *Draft Immigration Bill*, Vol. 432, No. 22439, June 2001. <http://www.info.gov.za/gazette/bills/2001/22439.pdf>

Government Gazette, Republic of South Africa, *Refugee Act*, Vol. 402, No. 19544, December 1998.  
<http://www.queensu.ca/samp/sampresources/migrationdocuments/documents/1998/refugee.pdf>

Republic of South Africa (2000) *Immigration Bill*, August 2000.  
<http://www.queensu.ca/samp/sampresources/migrationdocuments/documents/2000/ib0800.pdf>

Government of South Africa (1995) 'White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa,' Government Gazette, 357 (16317). PP. 9-46

North Central and South Central Local Council, (2000) 'Durban's Informal Economy Policy,' Durban.

## **WEBPAGES AND NEWS ARTICLES**

Borg, Tonio (2002) 'Coping, but under much strain,' in *Malta Today*, 29 September 2002 <http://www.maltatoday.com.mt/2002/09/29/t3.html> (October 2004)

Davies, Ruth (2004) 'Another 37 illegal immigrants make it to Malta,' in *Malta Media*, June 23, 2004  
<http://www.maltamedia.com/cgi-bin/artman/exec/view.cgi?archive=1&num=2262>  
(August 2005)

Durban Metro, 1999 'Street Traders', State of the Environment and Development.  
<http://www.ceroi.net/reports/durban/drivers/economy1/traders.htm#traders>

IMF (2004) 'Public Information Notice: IMF Concludes 2004 Article IV Consultation with South Africa,' December 02, 2004  
[http://www.imf.org/external/np/sec/pn/2004/pn0467.htm#P30\\_348](http://www.imf.org/external/np/sec/pn/2004/pn0467.htm#P30_348) ( August 2004)

Israely, Jeff (2003) 'The Desperate Journey,' in *TIME Europe*, December 22, 2003  
<http://www.time.com/time/europe/magazine/article/0,13005,901031222-561424,00.html> (October 2004)

Müter, Jan (2003) 'Precarious Labour,' in *Europe Marches*, August 2002, Amsterdam/IJmuiden [http://www.euromarches.org/english/02/precar\\_n102.htm](http://www.euromarches.org/english/02/precar_n102.htm)  
(September 03, 2003)

Preston-Whyte, R. (2002) 'Restaurants', (*In*)*equalities in Access to Leisure Facilities*.  
[http://impuls.kulak.ac.be/south\\_africa/mod5\\_sports/case12.asp](http://impuls.kulak.ac.be/south_africa/mod5_sports/case12.asp) (March 05, 2004)

## **APPENDIX II**

### **INTERVIEWS**

#### **FORMAL INTERVIEWS WITH SOMALI STREET TRADERS**

Jabir	November 29, 2003
Hamid [translator]	December 06, 2003
Wahida [translator]	November 21, 2003
Muhammad	December 03, 2003
Khalid	September 25, 2003
Sultan	December 10, 2003
Nureidin [translator]	July 17, 2003
Jemal	November 26, 2003

#### **INTERVIEWS WITH SOMALI STREET TRADERS ASSISTANTS**

Assistant –1	December 08, 2003
Assistant – 2 [Ali's assistant]	December 08, 2003
Assistant – 3 [Hassim's assistant]	December 08, 2003
Assistant – 4	December 08, 2003
Assistant – 5	December 08, 2003

\*\* All of these interviews except for one were conducted with a help of a translator.

#### **INTERVIEWS WITH OFFICIALS**

Philip Sithole, Manager, ITSBO	December 09, 2003
Roxanne, Police Officer [part of the illegal trade control unit]	December 16, 2003
Snele Ntsele, Head, Business Support	November 23, 2003
Hassen, Police Commander [in charge of the illegal trade control unit]	December 16, 2003
Rassid, Head of Refugee Support Office in Durban	July 17, 2003