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Trading Places: Cross-Border Traders and the South African Informal Sector

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CROSS-BORDER TRADERS
AND THE SOUTH AFRICAN
INFORMAL SECTOR

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SALLY PEBERDY & JONATHAN CRUSH

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SALLY PEBERDY & JONATHAN CRUSH

SERIES EDITORS:
JONATHAN CRUSH & DAVID McDONALD

SOUTHERN AFRICAN MIGRATION PROJECT
1998

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EXECUTIVE SUMMARY

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. The findings of this study challenge some of the basic myths about non-South African street traders and their activities. The study also makes policy recommendations for changes in both immigration and customs policy on informal cross-border trade.

The study examines the participation of non-South African street traders in regional cross-border trade and its implications for customs and immigration policy.

The study focuses on traders in the handicraft and curio sector, as they are significant participants in cross-border trade. The report is based on semi-structured interviews with 107 non-South African (73 from the SADC region) and 21 South African traders of handicrafts and curios in Johannesburg and Cape Town.

We also interviewed 22 South Africans who were employed by non-South African traders and 23 Zimbabwean curio sellers in Harare and Masvingo, Zimbabwe.

We then interviewed key informant traders as well as local government officials and representatives of the South African Department of Home Affairs. Mozambican traders, under-represented in the study, will be the subject of a subsequent report.

The findings of this study contradict or challenge much of the conventional wisdom about the informal sector and the migrants who work in it.

Myth: Participants in the informal sector are poorly educated and illiterate or semi-literate.

In this study, over 90% of non-South African respondents had some secondary education. Nearly 40% had a formal qualification. Over two-thirds had some form of further education or training; and 9% had some university experience. With one exception all the South African respondents had some secondary school education.

Myth: Informal sector participants are poverty-stricken and desperate people engaged in a struggle to “survive”.

The majority of respondents are pursuing a future as small entrepreneurs. Less than 50% were interested in finding formal employment and less than 5% were actively seeking employment. Some 29% said they had entered the business because they “enjoyed” trading and self-employment and 7% categorised themselves as artists.

Myth: Foreign migrants are flooding to South Africa to flee a desperate situation at home.

Some 27% of the sample cite as the reason for coming to South Africa the opportunities offered by South Africa's tourist market; 24% cited the strength of the economy or the rand; some 17% spoke more generally of South Africa's attractions.

Myth: The presence of non-South African traders is a new phenomenon.

Most non-SADC traders are recent entrants. However, most traders from the SADC region have been travelling to South Africa to trade since at least 1990, and some before.

Myth: Non-South Africans want to settle permanently in South Africa.

Some 71% of readers identified their home country as their "permanent home". Only 4% said "South Africa". The overwhelming majority of married respondents and those with children said they did not want to bring their families to South Africa.

Myth: The participation of non-South Africans in South Africa's economy is a net drain on the country. Foreigners drain wealth, they do not create it.

Cross-border traders invest the majority of their profits within the country in the (formal) retail and manufacturing sectors.

Traders assist South African exports by taking goods out of South Africa to sell in the region. Over 56% of all non-South Africans, but 78% of SADC respondents, take goods out of South Africa to trade. Only 27% do not.

Exported goods include electronics, appliances, clothes, shoes, household goods, and foodstuffs. These items are South African products which are being promoted by industrial and SADC export policy.

Estimates of the value of goods taken out of the country range from R500 to R10 000 per trip. The majority take out goods valued between R2 000 and R3 000. Most traders returned home between four and eight times a year.

Official South African policy is to encourage trade with its SADC partners. There is no sound economic reason why such trade should be monopolised by large South African formal sector companies.

More than 50% of traders spend between 40% and 50% of their earnings in South Africa.

Myth: Non-South African street traders compete unfairly with South Africans and take away economic opportunity.

More than 20% of foreign traders employ South Africans in their business operations.

Only 15% of traders did not bring goods with them to sell. Curios, wood and stone carvings comprise 90% of the goods imported. The remaining 10% consisted of wire, clothes and crochet work and leather goods.

Mozambican traders bring vegetables, nuts, and cloth. None of these products are readily available within South Africa itself.

Myth: Non-South African traders from the continent have all entered South Africa “illegally”.

Most traders from the region enter on visitors visas, which allow people to enter but do not officially allow them to trade. There is no system of trading permits in place. African traders from outside the SADC region tend to be asylum seekers or refugees who are allowed to trade. Most traders pass through official border posts and pay duty. Some 63% said they had problems with customs officials. Most cited the high cost of duties, bribery and overcharging.

Myth: The Aliens Control Act is a suitable and efficient instrument for regulating cross-border trade.

The present system of restrictive regulation has negative consequences for informal cross-border traders as well as for the South African government. The issue of single-entry visas increases the workload of the issuing officers as traders have to constantly re-apply. Costs to government and traders are high.

The ambiguous visa status of traders and complex tariff schedules present opportunities for corrupt Home Affairs and Customs and Excise officials as well as police.

Duties paid at the border are a significant drain on the profit margin of traders. They also come with costs to the Department of Customs and Excise who have to administer the gathering of relatively small amounts of duties against complex tariff schedules.

Based on the findings of this study, various policy recommendations can be made:

- The introduction of a new temporary permit category for individual informal sector cross-border traders, as recommended in the Draft Green Paper on International Migration, should be considered. The permit would allow multiple entry, reducing administrative costs and releasing Home Affairs officials to deal with more pressing concerns. It would also remove the ambiguous status of non-South African traders, remove opportunities for corruption and improve the regulation of the system.
- A duty free allowance on goods carried by persons holding a trading permit should be considered. It would reduce administrative costs for Customs and Excise officials; free them to pursue smugglers of illegal goods; reduce opportunities for corruption; and encourage the development of small enterprises.
- Reciprocal arrangements should be negotiated with neighbouring countries to ensure that South African traders are not disadvantaged.

- Training in accounting and marketing should be introduced for South African informal sector participants as black South African entrepreneurship was suppressed by apartheid.

The Department of Arts and Culture could follow the example of the Zimbabwean government and offer training in traditional skills in arts and crafts as South Africa currently only produces a small range of handicrafts and curios for the tourist market.

Access to start-up capital is problematic for new entrants to the market. Micro-financing schemes should be considered as they would place South African traders in an advantageous position.

At the same time as South African traders have been attacking non-South African traders, the South African government has endeavoured to build trade links with neighbouring and other African states. The study places the activities of informal cross-border trade within the wider context of regional trade networks and flows of goods. The policy recommendations made here reflect the move to free up regional trade and a concern that small entrepreneurs should not be disadvantaged.

INTRODUCTION

In August 1997, protests on the streets of Johannesburg against non-South African street traders erupted into violence and intimidation (see Vignette A). The demonstrators physically assaulted the traders, stole their goods and forced them from their stands, sometimes at gunpoint. These attacks were accompanied by angry and vitriolic anti-immigrant rhetoric. Many traders lost not only their stock but also the sites allocated to them by the City Council. But most non-South African traders in the Central Business District (CBD) and Hillbrow were able to return to their stands within days. Traders in Yeoville stayed off the streets for another week, returning only after council officials intervened. The official response to the attacks was surprisingly muted, although it is clear that some in public office are not immune from the misconceptions that motivated the attacks.

The results of this study challenge some of the more common myths about non-South African street traders. In the handicraft/curio sector of street trade, at least, the traders are not ill-educated people fleeing poverty and seeking to survive but are more likely to be relatively well educated entrepreneurs seeking business opportunities.

The participation of traders from the SADC region in the South African informal sector and in informal cross-border trade is not a post-1994 election phenomenon, but dates back to 1990, if not earlier.

Most traders do not intend to settle in South Africa, dividing time between South Africa and their home countries. They leave their families at home, and so should be called cross-border traders or migrants, not immigrants. Most want to stay in the informal sector (or move into formal sector) trade.

Only a minority is interested in formal employment in South Africa, and it is doubtful that many are seeking work, or would be able to find any. The overwhelming majority of traders see themselves as self-employed entrepreneurs, not frustrated wage workers.

Cross-border trade forms a significant part of the business of traders from South Africa's neighbours. Rather than being a drain on the South African economy, as is commonly assumed, they contribute to the economy through their expenditures when in South Africa, as well as in the goods they purchase for export.

The goods bought into, and taken out of, South Africa not only mirror formal sector trade in the region, but come from sectors of manufacturing that South Africa is trying to promote in its export market in the SADC region (machinery and appliances, vehicles, plastic and rubber products, foodstuffs and textiles and clothing).¹

VIGNETTE A

RIOTING CITY HAWKERS

“It’s easy to moralise when your own livelihood is not at stake, but it is worrying that South Africans — forgetting the foreign havens of the struggle years — should have become so intolerant”
(Editorial in *The Star*, 28 August 1997).

Hawkers protesting against foreign vendors in Johannesburg’s city centre went on the rampage yesterday, smashing windows, looting shops and other hawkers’ goods, and assaulting foreigners. About 300 hawkers left their stalls on the pavements empty to attend a meeting at the Library Gardens, where the “invasion” of the hawking trade by foreigners was discussed.

The foreign traders had also abandoned their stalls because they feared attacks from the South Africans. The locals vented their anger at the foreigners for “infesting the city streets and killing our businesses” and expressed their frustration at the Government for “doing nothing to rid the streets of foreigners”.

Police said hawkers later marched towards Hillbrow, smashing windows and looting shops on the way. They assaulted foreign and local hawkers who had not heeded the “no-selling” call. Several hawkers were arrested.

Moffat Sebulelo, a spokesman for the Greater Johannesburg Hawkers’ Planning Council, said the locals would forcibly remove the foreigners from Johannesburg city streets today.

He said they would do this because business had become unprofitable since foreigners started flocking into South Africa. “They sell their goods cheaply and we cannot compete with them. This way our business is destroyed. And they also sell counterfeit goods,” he claimed.

But Sebulelo, 37, who became a hawker in 1970, distanced his organisation from the unruly behaviour of the looters yesterday. He said the hawkers’ meeting was “hijacked” by a group of jobless people who then marched without permission.

On 9 July the hawkers (had) marched to the Metropolitan Centre in Braamfontein, where they delivered a memorandum demanding the suspension of the construction of stalls until their problems were addressed. The hawkers plan to march to the Department of Home Affairs on 7 September to demand the expulsion of foreign hawkers from the city centre.

Source: *The Star*, 14 August 1997.

Informal cross-border trade may therefore indirectly help to create formal sector employment in South Africa. By reinvesting their informal sector profits in the purchase of stock and goods for export, the traders challenge the notion that they simply drain money from the South African economy.

By using the proceeds to build enterprises in their home country and educate their children, they may also lessen the number of future migrants seeking income-earning opportunities in South Africa. By employing South Africans, the traders challenge the idea that they are taking opportunities from, not providing opportunities for, local people.

This study examines the participation of non-South African informal sector street traders and hawkers in regional cross-border trade and the implications of this trade for immigration and customs policy.

The study focuses on traders in the handicraft and curio sector who are significant participants in cross-border trade. This is the first such study to examine the participation of non-South Africans in cross-border trade and street trading from a South African locus.² As such, it provides an introduction to the complex network of trade conducted by small entrepreneurs in the region.

The first section provides a brief overview of relevant information and debates on the nature of the informal sector and volume of regional trade. In the second, the actual research design and methodology is discussed. The ensuing sections present the main findings of the research and analyse the regulatory framework which governs informal cross-border trade. The study concludes with policy recommendations.

SOUTH AFRICA'S TRADE ADVANTAGE WITH AFRICA

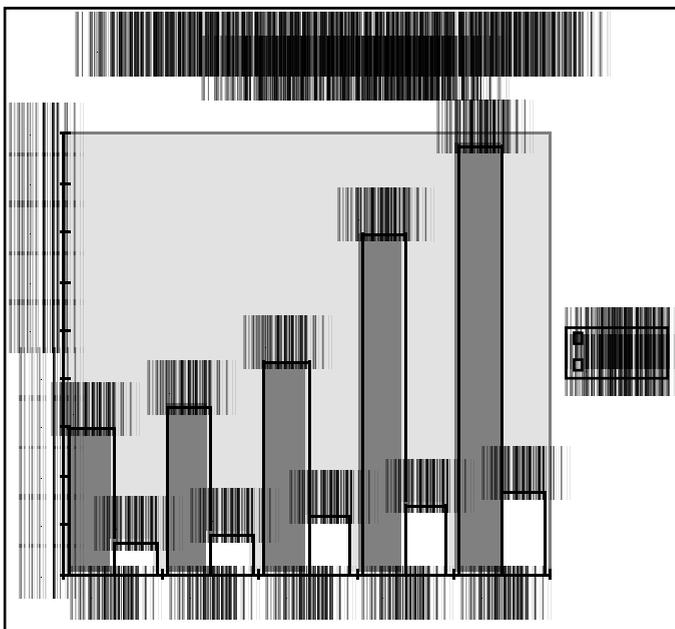
Over the past decade, and particularly since 1990, South African trade with other African countries has grown rapidly (Figures 1 and 2). Export trade with Southern African Development Community (SADC) countries outside the Southern African Customs Union (SACU) almost tripled between 1992 and 1996.³

South Africa's export trade with Customs Union partners amounted to over R15 billion in 1993. Trade with other SADC countries reached R9.2 billion in 1995 and R17.5 billion in 1996. Including the SADC and SACU countries, 31.7% of South Africa's total export trade in 1993 was with Africa. Excluding trade with SACU, trade with other African countries amounted to 12.8% of export trade.⁴

Table 1 shows the enormous advantage that South Africa enjoys with its major trading partners in Africa. The primary trading partners

outside SADC are Kenya, Ghana, and Nigeria.

The question raised by Vignette B is: Why should South Africa expect it to be all one-way traffic? If South African merchants are making a “big push”



into Africa virtually unhindered, then surely non-South African traders ought to enjoy reciprocal rights and privileges in South Africa?

This observation is as relevant for informal as formal trade.

VIGNETTE B

SOUTH AFRICANS FLOOD INTO AFRICA

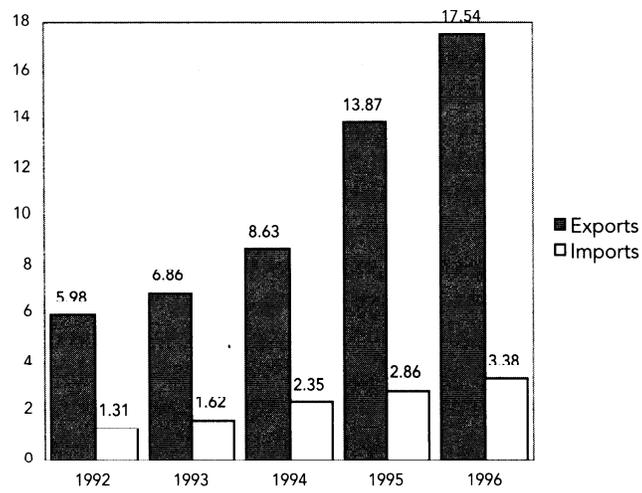
Since South Africa-based Game stores opened a discount outlet last year in Windhoek, shoppers from Namibia’s northern neighbour, Angola, have been arriving in waves.

The Angolans travel by bus and truck more than 600km south from the border to purchase furniture, appliances and clothing, often to take back home to sell.

Cross-border shopping happens at other Game outlets as well: In Pietersburg, Zimbabweans are prominent buyers, and the Game store in Nelspruit has become synonymous on weekends with droves of Mozambicans. With 24 stores already in South Africa and two in neighbouring countries, Game has launched a strong expansion drive that will take its products to the rest of Africa in 25 stores it plans to open by 2006.

“It’s becoming a natural progression for us to move further and

Figure 1: South African Trade with Africa, 1991–1996 (R billion)



further north," said Dan Barrett, managing director of the Durban-based discount chain. "You can dominate a market pretty quickly."

Once rejected as the economic storm troopers of white-minority rule and rapacious Western capitalism, South African businesses are cutting a path through the continent.

Led by the gold and diamond mining houses that have long been the vanguard of its multinational economic power, the expansion of South African business ties on the continent has spread into a host of other sectors. South African fast-food shops and clothing stores are in Zimbabwe. South African Breweries is in eight African countries, including Uganda, where it purchased a controlling stake in a brewery last month.

A South African cable TV network, Multichoice, can be viewed as far north as Kenya. South African supermarket chains are sprouting in Zambia and Mozambique, and all over the continent one can find South African hotels, banks, restaurant chains, construction companies, rail and road engineering projects, sugar processors, paper manufacturers, mineral, oil and gas exploration efforts, even auto service centres.

Since 1990, direct foreign investment by South Africa's private sector has increased at least threefold, to \$25 billion in 1995, the latest year for which figures are available. Investments in Africa account for a small portion of this total, but foreign exchange requests in the pipeline indicate that Africa's share will grow dramatically, an official of the SA Reserve Bank said.

Among shoppers, demand for the growing South African presence is high. In August, when a Shoprite Checkers supermarket food chain opened in Maputo, the Mozambican capital, a near riot broke out amid the crush of the thousands clamouring for the grand opening sale.

Governments are clamouring too — for investment. Kenya's officials recently appealed for more, in part to help level its trade imbalance with Pretoria.

In Zambia, which has virtually rolled out the red carpet to all comers as part of its privatisation drive, recent figures show that South African firms have overtaken the British to become the leading foreign business licensees.

Angola was a Cold War enemy yet Angolan business officials are running ads in South African newspapers inviting joint venture investors. As South Africa emerges after dismantling apartheid, it has become not only a target of the economic trend toward globalisation, but a player in it as well.

Source: *Sunday Times Finance*, 9 November 1997.

The trade balance between South Africa and the SADC countries outside SACU is extremely uneven. According to some experts, it will become even more imbalanced as regional trade develops.⁶ Between 1994 and 1996 the ratio of exports to imports with non-SACU SADC countries increased from 4.4:1 to 6.9:1.⁷ The imbalance could have serious negative implications for employment opportunities in the region.

South Africa's links with countries in East and West Africa may appear to be more tenuous. Sanctions and the isolation of the apartheid years restricted trade between South Africa and the rest of the continent. Trade still occurred. By 1988, 10% of South Africa's export trade went to the rest of Africa and the country had become the seventh largest trading partner of the rest of the continent.⁸ Since 1992, export trade with the rest of Africa has increased almost threefold from R1.5 billion in 1992 to almost R5.5 billion in 1996.⁹ The trade imbalance between South Africa and non-SADC African countries is not as acute as with SADC countries. However, the ratio of exports to imports grew from 2.8:1 in 1994 to 3.9:1 in 1996.¹⁰

Countries that seem to be the source of "new" migrants and refugees trading on the street — particularly the Democratic Republic of Congo (formerly Zaire), Kenya, Ghana, Nigeria, Mali, Cameroon and Senegal — have strong or growing trade links with South Africa. Zaire, the Ivory Coast and Gabon established political links with the previous government in the 1980s. In 1988, trade with Zaire ranked second among all

African countries.¹¹ By 1996 Zaire was South Africa's largest export market in Africa outside the SADC, closely followed by Mauritius and Kenya.¹²

With the exception of Cameroon, all these countries show an increase in the volume of

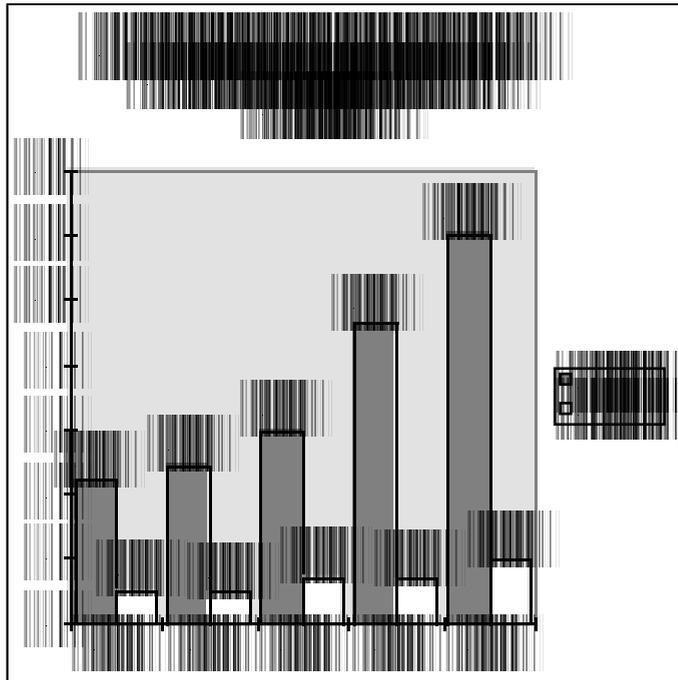
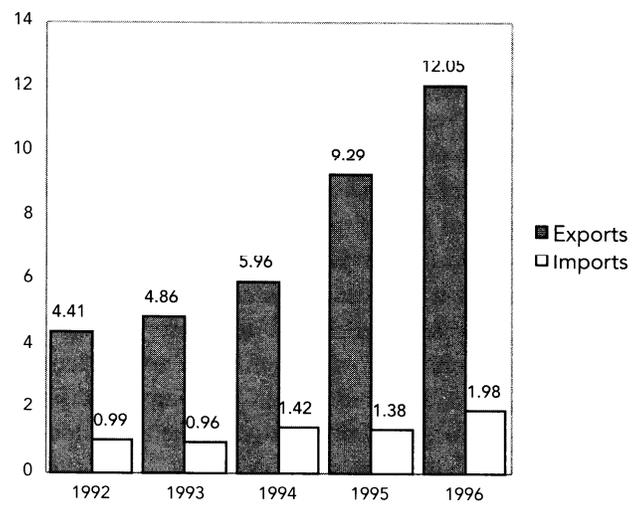


Figure 2: South African Trade with Southern Africa, 1992-1996 (R Billion)



export trade between 1992 and 1996. The export markets of Ghana, Mali, Nigeria and Senegal, all countries that are establishing new ties with South Africa, have shown massive increases in trade.

The growth in South Africa's trade with the region and the rest of Africa, and the re-negotiation of trade agreements, has implications for informal cross-border trade. Like formal trade, informal trade between South Africa and

other countries in the region is growing. There are indications that South Africans are aggressively participating in this movement of goods throughout the region (see Vignette B).

The growing informal sector trade as well as the establishment of formal sector South African retail outlets in the region indicates that, although the other countries' economies are not as strong as South Africa's, a market exists for South Africa's manufactured goods. Given the limitations of the handicraft/curio sector it may be useful if other possible imports from the region could be identified to encourage the participation of South Africans in informal sector regional trade. Informal trade should be seen as an integral component of a broader movement of goods and be included in regional trade agreements. Informal trade provides support, income and development to a significant number of people from the region. The present study, though focused on only a small sector of street trading, indicates that informal cross-border trade forms an integral part of the regional economy.

Country	Rands (billion)		
	Exports	Imports	Trade imbalance in SA's favour
SADC			
Zimbabwe	15.69	4.59	11.10
Mozambique	7.66	0.39	7.27
Zambia	6.75	0.49	6.26
Malawi	3.55	0.97	2.58
Mauritius	3.01	0.09	2.92
Angola	2.91	0.28	2.63
DRC (Zaire)	2.62	1.47	1.15
Tanzania	1.42	0.08	1.36
Rest of Africa	16.26	4.70	11.56

DIMENSIONS OF THE SOUTH AFRICAN INFORMAL SECTOR

How significant is the informal sector in South and Southern Africa? In 1994 the World Bank estimated that the contribution of informal sector output to the total GDP of African countries ranged between 20% and 50%.¹³ In Mozambique, De Vletter estimates the contribution of the informal sector at around 40% of GNP in 1996.¹⁴ Informal

sector street trading in South Africa's cities has grown significantly in the 1990s following the lifting of restrictions on movement and street trading. The sector encompasses a wide range of vending, productive, service and trade activities in rural and urban areas, in the inner city, peri-urban and suburban communities as well as in informal settlements. Although distinctions are made between the informal and formal sectors, close relationships exist between them. These range from the subcontracting of work to the informal sector to the use of inputs in informal sector trade and production which have been purchased in the formal sector. Street trading and cross-border trade are just components of these diverse informal sector activities.

We do not know quite how many people participate in this diverse and mobile sector of economic activity. In 1996, the South African Institute for Race Relations (SAIRR) estimated that 16% of South Africa's economically active population was engaged in the informal sector.¹⁵ However, the number of traders certainly fluctuates seasonally as well as over the course of a month. Little is also known about the extent of informal cross-border trade between South Africa and the region and its relationship to formal trade patterns and to street trading, although one or two suggestive studies have been conducted outside South Africa.

A 1994 study of female informal traders in Zimbabwe, for example, highlights the complex network of informal trade relationships that exist in the region. The study shows that strong networks exist between Zimbabwe and South Africa, Zambia, Mozambique and Botswana. Of the 23 traders interviewed, 22 travelled to South Africa, but many also visited Botswana, Zambia and Mozambique. Significantly, the majority of the cross-border traders interviewed had started cross-border trading in the early 1990s or before.¹⁶ A 1996 study of the informal sector in Maputo identifies informal cross-border trade with South Africa as an important source of goods for informal sector vendors. Significantly, the study identifies South African informal and formal sector traders in fruits and vegetables as a major source for Mozambican vendors in Maputo.¹⁷

The Greater Johannesburg Transitional Metropolitan Council (GJTMC) recently estimated that there were 10 000 informal traders within the official CBD of the city.¹⁸ A second report by the GJTMC estimated there were approximately 20 000 traders operating within the purview of the GJTMC.¹⁹ A survey by the Community Agency for Social Enquiry (CASE) in 1995 found that the number of stalls in the central CBD ranged from 3 167 to 6 893 in separate counts. A further enumeration found 4 569 stalls. The study discovered much lower densities of traders in the CBDs of Randburg, Roodeport and Sandton.²⁰ A

study of Mitchells Plain Town Centre in Cape Town in 1993 counted between 332 and 557 stalls.²¹ In 1994, 44 152 licences for street trading were issued in Pretoria (since then the licensing system has been abandoned).²² In a rapidly changing and unregulated sector, such figures are already dated and only provide an indication of the relative densities of hawkers in different parts of the cities.

These studies pay little attention to the presence of non-South African street traders. However, the CASE study found that 14% of its interview sample of 1 114 were non-South African. The ratio of South African to non-South African traders was similar (8-12%) over most of the CBD. In high-density blocks, the proportion of non-South Africans increased to 34%.²³ Other recent studies of retailing in Johannesburg suggest that non-South Africans are playing an increasing role in the informal and small enterprise sector of the city's economy.²⁴

RESEARCH METHODS

The research material for this particular study was gathered from four main sources. Firstly, a thorough search and review of relevant literature on the South African informal sector, street trading activities and cross-border trade was undertaken. Secondly, a newspaper clippings file was compiled to monitor public debates as well as conceptions and representations of non-South African street traders.²⁵ The report is based primarily on the third source: extensive interviews with non-South African and South African street traders in Johannesburg and Cape Town. Short interviews were also conducted with traders in Harare and Masvingo and with employees of non-South African traders. Fourthly, open-ended interviews were conducted with Home Affairs and local government officials in Harare, Maputo and Lebombo as well as in Johannesburg and Cape Town (see List of Interviews).

Interviews with traders were conducted in Johannesburg (November to December 1996) as well as Cape Town and Stellenbosch (January 1997). The study focused on men and women working in the handi-craft/curio sector of street trading. Although not the focus of the study, South Africans participating in the selling of handicrafts and curios were also interviewed. As Mozambicans are under-represented in this sector (none were identified in our initial study), a separate interview schedule was established for Mozambican traders in August 1997.

Johannesburg was chosen as an appropriate site for investigation as it has been identified by a number of official and other authorities as a leading destination for non-South African African immigrants. Cape

Town was selected as a comparative location as well as for city-specific reasons. Firstly, it is the country's largest foreign (and national) tourist destination and is expanding economically, providing a market for handicrafts and curios from the region. Secondly, the history of marketing and selling in Cape Town differs from that of Johannesburg. Thirdly, street trading in Cape Town has largely been the preserve of coloured South Africans but both the profiles of street traders and trading activities are changing. Fourthly, a number of immigrant street traders interviewed in Johannesburg indicated that they were thinking of moving to Cape Town to pursue their activities.

In each city, sites were chosen where handicraft and curio sellers are concentrated, including the William Nichol Highway (3 sites), Rosebank, Greenside and Bruma Lake in Johannesburg. Interviews with Mozambicans were all undertaken in areas of Johannesburg where the Mozambican community and traders congregate: the Kerk Street area of the CBD and Hillbrow. In Cape Town, interviews were conducted in Greenmarket Square, Green Point Market, St George's Mall, the station area, on the roads to Cape Point, and in Stellenbosch.

A total of 107 non-South Africans (69 in Johannesburg, 38 in Cape Town) were interviewed in the initial study. Only 10 Mozambicans could be interviewed in August 1997. Unfortunately, in the interests of safety, the interviews with Mozambicans had to be terminated following the attacks on non-South Africans in Johannesburg in August 1997. Some 21 South Africans trading in handicrafts and curios were also interviewed. The questionnaire asked both open-ended and closed questions and took approximately one hour to administer.²⁶ Longer open-ended interviews were conducted with key informants from Zimbabwe, Zambia, Kenya, Ghana and Mozambique. The focus on the handicraft/curio sector excluded Mozambican and other traders who do not participate in this sector, but who, according to key informants, form a significant part of informal sector cross-border trade. Some 22 South Africans employed by non-South Africans in Cape Town were also interviewed using a short questionnaire. Later, 23 Zimbabwean curio sellers were interviewed in Harare and Masvingo.

All of the traders interviewed

	Male	Female	Total
Zimbabwe	34	6	40
Malawi	23	2	25
Kenya	5	5	10
Mozambique	6	4	10
Zaire	4	3	7
Sudan	6	-	6
Swaziland	2	1	3
Angola	1	2	3
Zambia	2	-	2
Senegal	2	-	2
Ethiopia	2	-	2
Not disclosed	-	2	2
Totals	87	25	112

for this study were African. It seems that non-African traders do not tend to engage directly in the handicraft/curio sector of street trading. Whites and non-nationals from other countries certainly participate in the sector, but largely in a more formal capacity as our interviews with curio shop owners confirmed.

The majority of our interviewees came from Zimbabwe and Malawi. Traders in Cape Town were more likely to have come from Central, West and East Africa and to be refugees or asylum seekers than those in Johannesburg. These differing demographic profiles in part reflect the importance of cross-border trade to the businesses of regional traders and the distance of Cape Town from borders with neighbouring states.

No Mozambicans were identified in the initial study as they are not significant participants in the handicraft/curio sector. The supplementary study, before it was interrupted, was intended to redress this imbalance. Other traders in handicrafts and curios may also be under represented. Interviews with key informants suggested that many Swazi traders travel only as far as Mpumalanga to buy and sell.

Similarly, women traders from the region appear to be under represented. Interviews with women traders in Harare suggest that not only do they participate in less visible forms of trade (eg the sale of “traditional” dresses), but are only in South Africa for short periods, usually at the month’s end.²⁷ Further research is necessary to explore the role of women traders in cross-border trade and to examine gender specific issues.

The gender and national origins profile of the interview sample is shown in Table 2.

In addition, several individuals from Uganda, Cameroon, Nigeria, Mali and Ghana were interviewed. The demographic and social profile of the sample shows the following:

AGE AND FAMILY STATUS

- Only four of the traders were under 20. The majority (almost 60%) were aged between 20 and 29 years. Women traders tend to be older than their male counterparts. An earlier study found that non-South African traders were younger than South African traders (77% under 35 compared to 63% of South Africans).²⁸
- Just under 50% of the men interviewed were married, compared with 66% of the women. Of the married traders, only 15% had spouses living in South Africa. Of these, half were refugees and one was married to a South African citizen.
- Over 50% of male traders had no children. However, only 25% of the women were childless. Family size ranged from one to

nine children. The average family size of the men and women with children was 2.76.

- The traders also supported other dependants. More than 70% said they had dependants to support. Of those without dependants, half lived in Cape Town and were predominantly refugees. The number of dependants ranged from one to 13. Most dependants who were not spouses or children were other family members, particularly parents and siblings.

EDUCATION

Because of its associations with marginality and the struggle for survival, studies of the informal sector tend to suggest that participants are poorly educated. Certainly African migrants are often portrayed in South Africa as illiterate peasants. However, the majority of traders in this study indicated that they had some education. Only two said that they had not been to school at all. The levels of education and training suggest that they would rate among the more educated in their home countries. In this sample:

- Only 6% had no secondary education (and are therefore probably functionally illiterate) while over 90% had some secondary education.
- Nearly 40% had formal qualifications including 12 with O Levels, six with A Levels, and nine with university experience.
- Over two-thirds had some form of further education or training. This included university degrees; teaching experience; diplomas (IATA airline ticketing, computing, graphic design, forestry, photography, accountancy, catering, printing); secretarial, clerical and bookkeeping skills, welding, electrical and mechanic certificates; artisanal and art training; sewing and cooking. One Zimbabwean had been trained as a professional footballer.
- A number of Zimbabwean handicraft and curio sellers had been trained at both private and government run institutions. Men selling wire and tin goods (which have a significant market in South Africa — far greater than in Zimbabwe, according to respondents) said that they had been taught their craft at school.
- With one exception, all the South African traders had some secondary school education, seven had matric and eight had some form of further education or training. One was studying part-time for a B.Comm. degree.

The CASE study of the Johannesburg CBD (which surveyed 160 non-South Africans and 984 South Africans) found that foreign traders were invariably better educated than South African traders. More than

16% of non-South Africans had matric or higher compared to 9% of South Africans. Only 4% of the non-South Africans had no education compared to 11% of South Africans.

The stronger educational qualifications of South African traders in our sample probably reflect the initiative and capital required to establish oneself in the handicraft/curio niche of street trading.

Both studies confirm that street selling (particularly of handicrafts) is a profession dominated by people with a surprisingly high level of formal education. CASE found, for example, that 59% of the traders they interviewed (including South Africans) had some secondary education and 10% had matric.²⁹ The Zimbabwean study of female informal sector traders found that cross-border traders had more education than those who did not participate in the sector.³⁰ The study of Mozambican hawkers found they had, on average, higher levels of education than workers in the formal sector.³¹ The reasons why educated people are involved in this sector are quite complex but it does indicate that informal traders generally possess a level of skill and education that make them formidable entrepreneurs. In this context, the traders stated reasons for their participation are of particular interest.

REASONS FOR TRADING

The traders were asked why they had entered the business. Some 42% mentioned survival or income-earning opportunities. Another 29% said it was because they “enjoyed” trading and self-employment. A further 7% categorised themselves as artists selling their own work.

Traders in Cape Town (particularly asylum seekers and refugees) as well as women traders were more likely to cite income earning or survival as a reason for starting as informal sector traders. Cape Town traders were more likely to be refugees and more highly qualified, but found difficulty obtaining employment which matched their educational qualifications. Consequently they tended to be less satisfied with their participation in the informal sector than many other traders. A larger proportion of South Africans (76%) cited survival as their primary reason for entering the sector.

Traders citing survival as a motive made comments like “I need to survive”, “my mother needed help”, “to earn a living”, “I want to survive”, and “It’s just a means of survival”. Several remarked on the lack of formal sector job opportunities in their home countries and (in the case of South Africans and refugees) South Africa itself:

“Yes, I want to be doing something else, but I can’t get a job with my qualification (accountancy) as I am a foreigner and South Africans get first preference. I came to Cape Town looking for employment but couldn’t find any so decided to sell goods.”³²

Others had found that formal sector employment did not offer them the same opportunities. A significant number said that they had entered the trade as they wanted to be self-employed.

People who had chosen to enter the sector were more likely to have entrepreneurial aspirations.

“I found it easy for me. I can’t work as a beautician because the money isn’t good and I don’t want to work like that. First I sold African clothes in the market, now I am selling African art in the market and also to other shops and other traders and I send art to my uncle in the US. But now there is no more business in the arts so now I want to mix this work with having a restaurant. I am looking for capital, but I already have the chef, he is from Belgium.”³³

“I am selling something everybody needs like bags and shoes — I am looking for money to start something bigger (import/export). I started with R300 of stock now I have about R15 000-R20 000 (two years later). I already have a South African (business) partner.”³⁴

A Malawian man noted that he was trading “so I can raise money to become an importer and exporter”.

Several traders said they had chosen the handicrafts sector because of their training and talents. Those that had identified themselves as artists and sculptors emphasised that they were doing what they were trained to do. The overwhelming majority of this group were Zimbabwean men. They had been taught wire and metal work at school and carving at government and private courses in carving. One noted that “it is my talent and I like doing it”. Another that “I have been doing wire crafts since I was 12 years old”. A man from Cameroon noted that mask carving was “in the family”: “My grandfather used to make these masks so I am trying to keep the tradition.” A South African told us that he had learned to carve during exile in Zimbabwe and Botswana.

There is a perception that the informal sector is something of a stop-gap for the unemployed who, given the opportunity, would quickly abandon it for a regular job. Of those interviewed, however, less than 50% were interested in finding formal employment.³⁵ Even those who had entered the informal sector for survival seemed to have no desire to get out once they were established. Few of those interested in entering the formal sector were actually seeking employment (less than 5%). A small number (four) said they were studying as well as running their businesses.

Those uninterested in formal sector employment fall into two categories. The first, and larger group, were content with working as informal sector cross-border traders. They repeated their satisfaction with self-employment, “independence” and “selling and trading”. The second, smaller group were actively building their enterprises to enable them to establish businesses both in the informal and formal sector, in their home countries and in South Africa. A number wanted to expand their cross trading activities into more formalised import and export business (based mainly in South Africa). Among the sample were:

- A Malawian man with two stalls selling curios who was returning to Malawi with a commercial ice-cream maker. He intended to establish an ice-cream selling business in his home town of Blantyre.
- A Malawian man who was slowly building a construction company in Malawi — “I want to open a construction company...I am presently buying equipment for the company”. He had been taking back equipment bought in South Africa with his profits to establish his new enterprise.
- A Malawian who said “I want to make enough to have a bottle store, restaurant and rest house in Malawi”. Another said “I just need money to enlarge my business. I want to raise enough to start my own business in Malawi”.
- A woman from Zimbabwe who was trading in Cape Town and building a chicken farm. She said she already had 100 chickens in Zimbabwe which were cared for by her paralysed husband and children: “I keep doing this so it can be big enough so I can stay at home.”

Those who wanted to re-enter formal sector employment tended to have qualifications that they wanted to use. They included a teacher and electrician from Zimbabwe, a graphic designer from Ethiopia, an airline employee from Sudan, and a woman from the former Zaire with two years of medical school.

Another obvious question is whether the non-South African traders have turned to the informal sector after entering South Africa for other reasons. The traders were asked if they had been involved in the same business in their home country and what

	SADC	Other African
“always”	2	-
1976	1	-
1984	2	-
1985	2	-
1986	1	-
1987	1	-
1988	1	-
1989	2	-
1990	11	-
1991	6	1
1992	13	1
1993	2	2
1994	9	4
1995	7	6
1996	8	17
1997	1	-
unknown	4	3

work they did before they started trading in curios and handicrafts. The majority (some 61%) said that they *had* been involved in the trade in their home country. Two traders volunteered the information that they also had stalls in Harare.

The 40% who had not previously been involved in handicrafts trading had engaged in a wide variety of activity. Five had been sales people in the formal sector, four had sold goods other than curios informally and eight had been in some form of self-employment.

One Ghanaian salesman started selling clothes in rural areas of Ghana before coming to South Africa. A Zimbabwean woman ran her own sewing business. Another “was doing poultry and knitting”. She still kept her poultry business in Zimbabwe: “I have to work, my husband is paralysed and we have the children.” Others owned a photography business, traded in freezers, and sold ironmongery and hardware. Three were formerly university students, while one had worked at the polytechnic in Kenya.

Among the traders there was clear evidence of accumulated expertise and broad international connections:

“I used to trade in Zaire (where I grew up). My family are also in this business. I have sold in Namibia, Congo. I like to travel and changing, doing business, buying and selling. I used to buy in Angola and Congo and sell in Namibia. I liked Namibia.”³⁶

“I had my own agricultural export company, exporting beans, seeds and Arabic gum to the Middle East. I left to come to South Africa in 1995 due to displacement. I would like to register my company in South Africa.”³⁷

“I am in the exportation business. I make an order, or get sent an order and export to the USA. I was in the US last year (Connecticut). I get 100% profit on the orders.”³⁸

CHOOSING SOUTH AFRICA

Official responses to immigration in South Africa tend to suggest that the numbers of immigrants have increased significantly since the election of the new government in 1994. In the present sample, this is certainly true of non-SADC traders. The overwhelming majority first arrived in the post-election period (Table 3).

Traders from the region, however, have been travelling to South Africa to trade since at least 1990, if not before, as Table 3 shows.³⁹

Their reasons for coming to South Africa (as opposed to elsewhere) were unsurprising, given the purposeful nature of their migration. Some 27% cited the opportunities offered by South Africa's tourist market.

Another 24% mentioned the strength of the South African economy or the strength of the rand. About 17% spoke more generally of South Africa's attractions (including its new democracy). Refugees with "no choice" made up 5%, and the remainder cited other factors or had no specific answer.

Hence, the responses were heavily influenced by participation in the handicraft curio sector. Some traders also mentioned the absence of a strong indigenous curio producing sector:

"Business and trading is not doing well elsewhere in Africa. South Africa is a big tourist country and South Africans don't have the ability to do arts and crafts."

"There are more tourists and it is not landlocked like my home country. Also my products are not found anywhere in South Africa so I am providing a service to South Africa."

There were a large number of comments on the relative strength of the South African economy and currency. One man said he came because "the money had good value". Another because "the rand is the strongest currency in Africa". South Africa is "a big free market" and "a good place with lots of business potential". Other reasons for preferring South Africa included its proximity to home and the cheapness of travelling there. Interestingly, only one person said they had come because they had relatives or friends already trading or living in the country.

Others emphasised the attractions of a new democratic government and lack of corruption, while others had learned about South Africa and wanted to see the country. A refugee from Sudan noted: "It is a rich country, a democracy and you can make anything here — it is an open country." A Malian said that he had "read about it in school and liked the look of it". One Kenyan called South Africa "a brother country" and said he came "to mix with South Africans and exchange ideas". Another called the country "very bright" because "there's no corruption".

Some refugees said they really had no choice: "Circumstances chose South Africa, I didn't have much say in it," said one. "I came here by accident," said another. A third, a woman from Zaire, noted: "I didn't choose to come. When it was horrible in Zaire the first transport was to South Africa."

TWO-WAY TRADING

The trade identified in this study represents but a small slice of the volume and variety of goods which pass through South Africa's border posts. However, with the exception of agricultural products and other food items (which are under-represented), interviews with key informants indicate that the range of goods taken across the border by the traders do reflect more general patterns of informal cross-border trade.⁴⁰

The overwhelming majority of traders (70%) said that they brought goods to South Africa. Only 15% said that they definitely did not. The remainder did not want to answer the question or said it did not apply to them (mainly refugees and asylum seekers who had settled permanently in South Africa).

Curios, wood and stone carvings as well as raw stone comprise over 90% of the goods imported. The remaining 10% consists of wire (to make wire goods); doilies, crochet and baskets; and three traders said they brought clothes and leather goods. Traders in Harare and key informants said that women traders also bring "traditional dresses" to South Africa. Mozambican cross-border traders bring vegetables eaten in the Mozambican community, which are unavailable in South Africa; cashews and other nuts; and cloth.

Most handicrafts and curios sold on South Africa's streets are imported as South Africans produce only a limited range of handicrafts and curios (largely Ndebele and Zulu beadwork, pottery, doilies and crochet work). Informal sector traders bringing curios into South Africa from the region also sell to South Africans and other traders. There is also a prior trade in curios between other states. Thus, some Zimbabwean traders also sell goods from Zambia and Malawi. Other sources include wholesalers (or formal sector importers) in Johannesburg and Cape Town. Central and West African curios are brought in

Trade Goods	% of Traders
Clothes	28
Electronic equipment (TVs, videos, hi-fi's)	15
Appliances (stoves, fridges, washing machines)	15
Shoes	12
Household goods (blankets, pots, irons etc.)	12
Groceries and foodstuffs	8
Cosmetics and "lotions"	7
Car parts	6
Cars	5
Machines/tools	2
Bicycles	2
Stationary	2
Money for exchange	2
Jewellery	1
Wines	1

by traders or are sent by family members and business partners. The majority are brought in by large-scale importers who pay customs duties before sale to traders.

Just over 47% of all traders said that they had goods sent to them in South Africa. Of these, 35% had sent the goods themselves, 28% had them sent by friends or relatives, 11% had them sent by business partners, and 10% obtained goods sent by other traders. Goods sent from outside the country, and not carried with traders, were brought by road (car and bus), rail, and air. Some 19 traders had their goods sent by air, 17 had them sent by road and seven by train. Only two had used the post office.

Interviewees were asked how they knew what to bring to South Africa. Most said that they copied what other traders were bringing and saw what was selling well when they came. A number remarked on the problem of competition in curio markets. Zimbabwean male carvers and wire makers “invent” and create new items to expand and sustain the market. Certainly the range of products of the wire makers has expanded considerably over the past two years.

Some traders were very aware of the spatial unevenness of their market, travelling around the country in search of customers. Six traders interviewed in Johannesburg in December 1996 were seen again in Cape Town in January 1997. One trader outlined the route taken by him and his three friends, all of whom called themselves carvers:

“We go to Johannesburg in November and come to Cape Town in January. We will stay here, sometimes in town, sometimes here in Stellenbosch. We don’t have a permanent stall because we want to be able to pack up and go where the people are. I like to go home in April when its cold and spend some time with carvers and family. We come back for Grahamstown and go to Knysna and Hermanus for the whales.”⁴¹

Taking goods back to their home countries to sell is a significant part of the business of regional traders in South Africa. Over 56% of all non-South Africans interviewed said that they took goods out of South Africa to trade, and only 27% said that they did not. The majority of those who did not take goods out were refugees or were new entrants to the market and/or low income earners. Among the SADC traders, the proportion of exporters rises to 78%.

Informal sector traders export a wide range of

Value of goods	% of traders
under R500	10
1 000	9
1 500	4
2 000	21
3 000	17
4 000	9
5 000	9
6 000	4
8 000	9
10 000	6

South African-made goods to the rest of Africa (Table 4).

The traders were asked how they chose what to take back. Just over 50% said they took orders, either through family members or from shops. They tended to call home before returning to take orders. One woman trader who had been a domestic servant in Harare took orders from her previous employer and their neighbours: "I get orders from the white people for wine, car parts and things. I go round before I go." Others said they simply knew what sold well and was profitable to take, or observed what others were taking to sell.

Not all took goods to sell. Three said they took things for their family only, while two others said that they took things "especially" for their family. Regional migrants who did not take goods home with them to sell or bring them to South Africa are more likely to be young males. Their non-participation in cross-border trade may reflect either poor business skills, an inability to negotiate customs and immigration, or that they may have entered South Africa illegally. As one young male respondent said: "The border is a problem. If the border wasn't such a big problem I would take stuff."

Quite clearly, the much-maligned foreign trader in South Africa is also a significant exporter of South African-made goods. Electronics, appliances, clothes, shoes, household goods, groceries and foodstuffs are all-important South African products prioritised by industrial policy and SADC export policy.⁴² The investment of profits by non-South African traders in locally manufactured goods shows the interaction between the formal and informal sectors. It also suggests that informal sector cross-border trade may have a positive impact on formal sector employment in South Africa. As one respondent said: "If they stop us what would happen to Oriental Plaza?"⁴³

A small number of traders indicated that they sold to exporters or people living in the United States and Canada. None had a regular, formal relationship, only once-off or short term arrangements. However, one Angolan trader said she had a regular arrangement with her uncle in the United States. She sends him shipments and "I expect him to send the same value of goods in return".

This trade also makes a small contribution to VAT revenue as purchases of these goods usually include VAT. Although VAT can be reclaimed at the border, most said they do not do this as they are paid in cheques which they would then have to spend at the expensive duty-free shop "and it's too much work".

The traders were asked to estimate the value of goods they took out of the country. Estimates ranged from R500 to R10 000 (Table 5).

Income-earning activity by non-South Africans in South Africa is often portrayed as a drain on the country. The information gathered

from cross-border traders indicates, however, that most profits are recycled into the South African (formal) retail and manufacturing sectors. Goods are purchased for export and profits are reinvested on the return of the trader to South Africa.

Supplementary interviews with key informants and officials show that the informal sector in the cities of countries like Zimbabwe, Swaziland and Mozambique is closely tied to South Africa's formal economy. Citizens of neighbouring states often travel to South Africa to "shop" for their businesses in the informal (and formal) sector. Interviews with key informants from Mozambique indicate that people travel from Maputo and Ressano Garcia to Nelspruit and Swaziland to purchase goods. They buy car parts, electrical goods, cosmetics, food stuffs (particularly meat and olive oil), and fruit and vegetables to sell in the informal sector.

What sort of incomes and profits do the traders command? Unfortunately, the seasonal and irregular nature of trade, as well as cross-border trading activities made it difficult to elicit accurate and comparable estimates. The question is also a sensitive one and answers may have been inflated or deflated.

Responses varied widely, reflecting the different sizes of businesses and whether they participated in cross-border trade. Reported incomes ranged from R800 to R8 000 a month. Most reported incomes of less than R2 000 a month. One respondent (from Zambia) stated that he sometimes sold R14 000 or R15 000 worth of goods a month (selling to curio shops and other traders as well as through his own stall).

Migrants are often viewed as having a negative impact on the South African economy. This overlooks their wealth-creating capacity as well as the fact that when in South Africa they pay rent and purchase goods, food and services.

Estimates of the proportion of income spent in South Africa ranged widely. Over half said they spent between 40% and 50% of their earnings inside the country.

Most traders prefer to invest their profits in goods to trade across the border, or more stock, rather than remit money home. Purchase of goods for trade was a priority for over 85% of traders. New capital was to be used for expansion, or was invested in the development of income-earning opportunities in their home country.

Money remitted or left in the home country is invested in business opportunities, and left there for the support of families and the education of children and siblings.

However, for most traders there is no doubt that reinvestment in their business is priority.

Refugees spent most of their earnings in South Africa:

“Sometimes I spend 100%-140% of my profits. Rent is expensive, then there is water and school fees. I have nine children and pay R130 per month each for four children at a Cape Town high school, in Observatory. Then I have four other children in another high school. I don’t satisfy my needs in the house. I have problems because all my family are outside South Africa so I have to employ a domestic worker.”⁴⁴

As the research progressed it became apparent that a significant number of traders employed South Africans. People were employed on both a full- and part-time basis. All employees identified were women. In Cape Town the overwhelming majority were from the Eastern Cape. Employers were more likely to come from countries outside the region. Nationals may also be employed where employers fear identification by the police or Home Affairs.

PATTERNS OF INFORMAL TRADING

Patterns of movement across the South African border vary enormously. Some traders cross once a year, others as frequently as once a month. Refugees and asylum seekers did not tend to go back across the border and were therefore largely unable to participate in cross-border trade as their freedom of movement is limited.

Most traders return home more than eight times a year. A significant minority returned less than four times a year. Time spent at home varied from one week (for regular migrants) to three months. Patterns of movement are also affected by time limits on visas.

Women traders are more likely to visit South Africa once a month (usually at the month’s end) for a week or two. Male traders are more likely to stay for longer periods but still return home regularly.

Patterns of movement are also seasonal. Applications for visas peak in November and December (peak tourist season and Christmas), and reach their lowest point in South Africa’s winter months. Not only is the weather inclement (particularly for street traders), but it is the low point in the tourist season.⁴⁵

Cross-border traders who come to South Africa simply to buy goods tend to make very short trips. A representative of the Indigenous Business Women’s Organisation interviewed at the High Commission in Harare said that her co-operative in Bulawayo took three bus loads (68 on each bus) of women from Mashonaland once a month to Louis Trichardt “only to buy, we don’t encourage selling”. The purpose is “to

help women to have something to do, a source of income” and to “encourage women to work”. The organisation has been taking women to shop in South Africa for over a year on a regular basis, although trips have been organised for three years.⁴⁶

The study of women traders in Zimbabwe also found variable and flexible patterns of movement. Conducted before new procedures relating to the issue of visas were introduced in 1996 (see below), the women indicated that the length of stay outside Zimbabwe varied from two days to more than three weeks, with two weeks the most common. Some made only one trip outside Zimbabwe every six months. Most went every month or other month. The study also found that traders were staying outside Zimbabwe for shorter periods in 1993 than in 1992.⁴⁷

Traders were asked why they did not cross the border more often. Most felt they already went often enough, or they could not afford to go more often. Some needed to spend more time trading in South Africa to build capital or only went “when I need stock”. Others identified the constraints of transport cost and distance, particularly from Cape Town. A third group spoke of the obstacles presented by the visa application procedure and customs duties. Some cited the costs of duties, others the additional costs of bribery: “I have to bribe the customs officials at the border.”

IMMIGRANTS OR MIGRANTS?

Are the traders migrants or immigrants, temporary or permanent residents? The traders were asked if they would like to stay in South Africa. The responses were variable and difficult to interpret since there was no time limitation on the question. More instructive perhaps were responses to the question “where is your permanent home?” Some 71% identified their home country as their “permanent home” and only 4% said “South Africa”. Of the 14% who “did not know”, half were refugees.

Of the 4% who saw South Africa as their permanent home, one said that it was “only until the war in Sudan ends”. Two who saw their permanent home in their home country said they had applied for permanent residence in South Africa.

One of them (a man from Malawi) said that he did not want his family to live in South Africa. The other, a Zimbabwean, said: “I want to stay and do business. I and my children have applied for permanent residence, but my wife will stay [at home].”

Although public opinion in South Africa seems to suggest that the

children of African immigrants could be a burden on the education system, this study found that (with the exception of two Mozambican respondents and refugees who had no option) the overwhelming majority of regional traders wanted their children to be educated in their home countries.

Significantly, given the allegations that non-South Africans are anxious to settle and bring their families to South Africa, the overwhelming majority of married traders and those with children said they did not want to, and had no intention of bringing their families to join them.

Various reasons were given by traders for not wanting their families to join them. They were “only trading in South Africa”. Others said that their living conditions were better at home and that they had better property and schools at home. Still others cited cultural differences. As one Malawian commented: “It is a different culture here. My children would be learning a new culture, not ours.” Others were anxious about crime and that their children would “get bad habits from *tsosis* in school” or that “it is too dangerous”.

A few did say that they wanted their families to join them. Those who were most keen were women traders and those whose families were furthest away. A woman trader from Kenya said that she “would like my child to be near me, his mother, where he should be”.

Traders from the SADC region said that their families had occasionally visited them and travelled with them. One older Malawian trader who had started his business in the past year said that he wanted to be able to bring his wife and children for a visit as he wanted “to show them South Africa, so they can see all the things that are here. There are too many things they don’t see in Malawi”.

However, he was adamant that he did not want them to stay permanently as not only did he own a sugar cane holding in Malawi, but he felt that they should “live in their own culture”.

Not surprisingly, most traders indicated that although they saw their permanent home in their home country, they wanted to retain access to South African markets for buying and selling and to sustain their businesses:

“I don’t want to be based here always. I want to be able to move up and down. I have to look for indigenous craft in Africa. I can be based here, but I still like Ghana. You can leave your door open at night, you don’t need a panic button.”⁴⁸

Others made it clear that they were here for a specific business purpose and some said that they would only trade in South Africa for about

five years at most, sooner if they could establish a business at home.

Among reasons given for not remaining in South Africa in the long-term were persistent references to the crime situation: “I feel unsafe”; “the crime rate is too high. Life is very uncertain” and “I am worried about the future of South Africa”.

SOUTH AFRICAN REACTIONS TO FOREIGN TRADERS

South African informal sector operatives could always respond to the presence of non-South African traders by themselves becoming cross-border traders. This study can do no more than highlight this possibility as a research and policy issue. Of our own small sample of 21 South African traders, one third said that they had travelled outside South Africa to purchase curios and handicrafts for their business.

One exported goods overseas. Two remarked that although they had been buying from non-South African traders they had decided they should try for themselves. One woman trader in Johannesburg said:

I am always going to Zimbabwe. This year I went to Malawi for the first time — it was good. Yes I will go again. I started buying things from people here, but now I go outside for things.

The Controller of Customs and the Chief Immigration Officer at the Lebombo border post said that South Africans comprise a significant proportion of informal sector traders crossing the border. They said that the majority were carrying agricultural produce to sell in Ressano Garcia and Maputo. De Vletter also identifies South African formal and informal cross-border traders as important suppliers to informal sector fruit and vegetable sellers in Maputo.⁴⁹

A more pervasive response, however, seems to be outspoken and active hostility to the participation of non-South Africans in street trading. City Council officials in Johannesburg and Cape Town said they received strong representations from South African traders' associations to stop non-South Africans obtaining licences and selling on the street.⁵⁰ The traders' associations actually represent only a small percentage of traders (less than 10%) and often have their own political agendas.⁵¹ Nonetheless, traders who are not members of associations may sympathise with the aims of associations, and some may be coerced into acting with them.

In stark contrast to the actions and sentiments of South African traders in Johannesburg in August 1997, those we interviewed had

mainly positive things to say about both immigration and migrant street traders. However, their opinions may have been influenced by involvement in a sector traditionally dominated by non-South Africans and by interaction with non-South Africans who supply them with stock. Of those interviewed, 50% expressed positive or tolerant attitudes towards migrant traders coming to South Africa. Less than 10% held strongly negative views.

These positive attitudes were, in turn, reflected in the responses of non-South Africans. Some said that they had been subject to abuse by South Africans generally but the overwhelming majority said that their relationships with South African traders were good.

However, perhaps reflecting increasingly active opposition to non-South African street traders and their location in Hillbrow and the CBD of Johannesburg, all but one Mozambican interviewed said that they had experienced hostility from South Africans.

REGULATING TRADE

VISA POLICY

One of the defining features of informal sector activity is its unregulated character.⁵² Nonetheless, participants in the sector do encounter a number of statutory bodies and regulations in the course of their activities.⁵³ The informal traders interviewed in this study have to negotiate government regulations and officialdom at various levels.

Under current South African immigration policy (as codified in the Aliens Control Amendment Act of 1995), there is no such thing as a “trading permit”. Refugees and asylum seekers hold temporary residence permits issued under Section 41 of the Act which allows them to trade in the informal sector. Informal cross-border traders do not qualify for business, work seeking or work permits either. The majority of SADC traders and street vendors therefore appear to enter under visitors visas and permits. Visitors visas are free to Zimbabwean citizens, but Mozambican citizens must pay R140 per permit. Officials at the South African High Commission in Harare and the Embassy in Maputo confirmed that the majority of applicants are traders.⁵⁴ According to one source, as many as 90%-95% of women applicants for visas in Harare were going to trade or buy goods in South Africa.⁵⁵

Handicrafts traders are not, by and large, border jumpers. To conduct their business, they need visas to enter South Africa. Most take the bus to the border and then the train or taxis to their destination, crossing

through official border points. It is difficult to carry large quantities of stone and wood carvings and metal through illegal entry points. Also, most trade in public places, which makes legality a desired status.

While visitors' visas allow traders to enter South Africa, they do not officially permit them to trade. In many cases issuing officers and immigration officials at the border are perfectly aware that the applicant will trade once in South Africa, but issue the permits anyway. Traders are thus in an ambiguous position; they have entered the country legally, but are not allowed to trade under the conditions of their visas. The confusion was articulated by one respondent:

“Why do they issue us with visitors permits when they know we will trade. If they don't want us to sell then they shouldn't let us bring our goods with us. They should just let us bring our handbags.”⁵⁶

In July 1996, in a zealous attempt to deal with what the Department of Home Affairs claims are large numbers of undocumented migrants in South Africa as well as large numbers of applicants for visas, the government imposed tough new visa restrictions on all Zimbabweans. Since then, the South African High Commission in Harare has only issued single entry visas. Visa applicants now have to provide bank statements showing they have sufficient funds, and letters of invitation from friends or relatives in South Africa.⁵⁷ Multiple entry visas are only issued in Harare in “special circumstances”. The procedure is costly and time-consuming for everyone involved.

The new regulations are particularly problematic for traders as they have to re-apply each trip since many travel once a month to South Africa. As a female trader waiting at the High Commission pointed out:

“I come from Mutare (250km away), I may sleep here three nights before I get a visa, then its only a single entry. Then I go back to Mutare to get my things, then I take the bus to Beit Bridge.”

Other traders bring their goods with them and leave from Harare, but still said “we need a multiple entry so we can go every month”. The letter requirement is an unrealistic expectation for those intending to make short visits. Not surprisingly, a vibrant industry in fraudulent letters has developed in the streets outside the South African High Commission.⁵⁸ The validity of a visa is arbitrarily set by the issuing officer. According to interviewees in Harare, the time given rarely agrees with the time asked for. A spokeswoman for waiting applicants said:

“The visa is a big problem. You don't know if they will give you five days or three weeks. One will get five days, another

er a week, another one month. We all come with the same papers and get asked the same, but we get different visas.”

The validity of the visa can be further reduced by immigration officers issuing entry permits at the border.⁵⁹

The single-entry, short-term visa poses significant business restrictions on cross-border traders. As one man noted: “I get very little time on my visas to spend in South Africa so I have to trade quickly and leave.” A Zimbabwean woman said that she had “to leave on Tuesday so I am selling everything cheap. You don’t know how long they will give you. If they give you a short time it is difficult.”

The workload of the Visa Section at the South African High Commission is heavy and has become even more onerous since the new restrictions were imposed. This is despite the fact that the visa policy has become a rather transparent attempt to reduce the number of people travelling to South Africa from Zimbabwe. The High Commission sees between 350 to 400 people per day on busy days (less than 200 on others) and processes between 1 000 to 2 000 postal applications a week.⁶⁰ Most applications are for visitors’ visas. The new procedures have certainly reduced the number of applications received. Applications received between January and July 1997 had declined by 27% from the equivalent period in 1996. The number of refused applications increased by 120% over the same period. In September 1996, the number of refusals reached a peak 14 times higher than the monthly average prior to the introduction of the new procedures.⁶¹

CUSTOMS

All persons entering South Africa are allowed a single R500 duty free allowance of personal goods. All other goods are subject to duties which are calculated according to a complex set of regulations.

Some 63% of traders interviewed said they had problems with customs officials. Many find the high cost of duties a problem, though this was “mainly with South African customs, they say what the price is, usually duty is another 30% of the price paid”. Some resented the haggling with customs officials at the border, the bribery and overcharging:

“Sometimes I have problems. One time they wanted to charge me piece by piece, I negotiated but they still charged me an exorbitant price.”

“I don’t like the way they search you and they over-charge.”

“There are the high prices of duties on everything and they may want bribes.”

“Duty isn’t constant, it depends on the mood of the officer. And then there is corruption.”

“The railway people are the worst, they are rude. They charge R200 but write R50. If you complain then they just say do you want me to make you pay more?”

The customs duties received by the South African government come with hidden costs to traders:

- Duties paid at the border when importing and exporting goods are a significant cost to traders and a drain on their already small profit margins (to the extent that duties limit their ability to trade across the border).
- Allegations that duties seem to be imposed arbitrarily or that different duties can be levied on the same amount of goods, cause confusion and resentment.
- Some officials are either not charging properly, or acting dishonestly. Small traders are in a vulnerable position when trying to cross the border as they lack the resources, time and money to pursue legal avenues of complaint.

They also come with costs to the Department of Customs and Excise:

- Complex tariff schedules are difficult to administer and carry a cost in time and paperwork for officials who have to extrapolate the correct duties for the correct goods.
- Tariff schedules still reflect apartheid regional relationships relating to differential bilateral tariff and trade agreements between South Africa and other SADC countries.
- The amounts of goods being carried mean duties paid are insignificant (comparative to formal sector trade) given all the effort involved to collect them.

TRADING PERMITS AND LICENCES

Both the Johannesburg and Cape Town Metropolitan Councils are currently trying to re-organise and develop new policies regarding street trading and the issuing of licences. Currently most traders on the pavements do not hold licences, but have other forms of permission to trade. In Cape Town large trading areas are leased to trading associations which then issue permits to sell. Traders in Cape Town indicated that at certain sites permits were not issued to non-South Africans.⁶² In the Johannesburg CBD, the Anglo-American Corporation leases pavement space to South African citizens, but many then sub-let their space to non-South Africans for much higher rents.⁶³ City Council officials are

VIGNETTE C

THE RESPECTED SCULPTOR

Raphael Mavudzi was not the first visitor to South Africa from north of the border to fail to have his papers in order. Nor was he the first to be arrested for that failure, under the Aliens Control Act, and thrown into the dismal holding cells of the Sea Point police station. But unlike the six men packed into the tiny cell with him, waiting for the police to take some action, Mavudzi, a respected sculptor from Zimbabwe, knew he had the right to a lawyer. And a series of phone calls from friend to friend brought Cape Town attorney Gary Eisenberg to his cell. Mavudzi, who had been invited to South Africa in April by the Bartel Arts Trust in Durban, had been in police custody for two days by the time Eisenberg got to him, following a tip-off from a friend.

“The conditions were appalling and unhygienic,” said Mavudzi at the weekend, just before he flew home, “The blankets were wet with pee and there was garbage on the floor...we had to beg them for a broom to sweep it up. The police did not treat us with dignity. The food was awful — there were no washing facilities. We had to buy our own drinks.”

By the time Eisenberg had got Mavudzi out of the cell, the rest of the men in the cell had signed themselves up as his clients. Until they had met Mavudzi, none had known they were entitled to legal counsel, or that they could challenge the law under which they were held on its lack of constitutionality. Nobody had read them their rights.

“I went to the cells and saw a bunch of people in little cages,” Eisenberg said. “Some of the people I spoke to had valid holiday permits, but had been arrested on suspicion of working or hawking illegally. Home Affairs did not interview the people they were holding in the cells and it is clear from what I saw they do not assess each case on its own merits.”

Mavudzi said negotiations between Eisenberg and the Barrack Street Home Affairs Department had been slow because they had not been able to raise anybody on Friday. Most senior officials were at a party to bid farewell to a senior director who was leaving to set up a private immigration consultancy. Between cellphone calls to Home Affairs officials, Eisenberg started chatting to Mavudzi about his artwork and soon they were swapping notes on Cubism, Picasso and the influence of African art on European artists. Eisenberg offered to provide a R1 900 deposit to Home Affairs to release

Mavudzi (the deposit is supposed to be refunded once Mavudzi crosses the border) and helped Mavudzi buy his air ticket to Harare. He also gave Mavudzi cash, which Eisenberg said he needed because he could not return to his wife and son empty-handed. In exchange, Mavudzi sold Eisenberg a sculpture, and left a number behind for Eisenberg to sell for him through tourist shops. The sculptures fetch between R15 000 and R30 000.

Mavudzi came to South Africa six months ago, invited by art gallery curators to conduct stone sculpture workshops with victims of the KwaZulu/Natal war as part of rehabilitation therapy. He displayed two sculptures at the Zimbabwe National Gallery in 1993 and 1994.

The acting exhibition director, Rose West, said the works were original, and differed from curio-type sculptures. The sculptures had been called *The Bomb-blast Victim* and *The Sleep-walker*. Mavudzi was to have done a further workshop at the South African National Gallery in Cape Town this week. But officials had refused to give him a work permit because he was an artist. He had to travel instead on a holiday visa.

"It's very difficult to come to South Africa from Zimbabwe. I do rehabilitative work with young people of all races and art to me has no boundaries," he said. "It's not because I want to leave my country that I'm here, but because I want to expand my knowledge and share my experience with all people."

Eisenberg organised the release of the rest of the other detainees on condition that they would see themselves out of the country by train. He said this week that he will make it a habit to check on the holding cells from time to time. His anger is not directed at the Home Affairs officials, but at the law that prompts and governs their actions, which he says is unconstitutional.

"The Constitution says nobody can be detained after arrest for longer than 48 hours, but the Act allows Home Affairs to detain immigrants indefinitely without them being formally charged," he adds.

"Home Affairs officials say they persist in following this rule because it is practice, although they know about the constitutional provisions. Their loyalty is to the carrying out of the law, but since the law itself is rotten, this leads to all kinds of irregularities."

Said Home Affairs officials: "We went out of our way to treat him in a fair and reasonable manner." Police said they treat "all detainees well".

Source: Marion Edmunds, "Foreign artist held at police whim" *Mail & Guardian*, 7 March 1997.

reluctant to do the work of Home Affairs and Safety and Security, but their most vociferous constituents place pressure on them not to issue licenses and sites to non-South Africans.⁶⁴ Zimbabweans trading in Cape Town said that they “suffered” from Home Affairs officials:

“The immigration people disturb us, they choose us (Zimbabweans) only and say we mustn’t sell. They don’t arrest us. But we have to pay bribes to some. They can come any time, any minute, any day. ... If you leave money in your passport they take it.”⁶⁵

Some traders also reported that the police attempt to elicit bribes. Several said that the police had taken their documents and then demanded money. Bribes paid ranged from R50 to R300. Others said that the police searched them and took what money they could find. Traders who are arrested are regularly subjected to harsh and unconstitutional treatment (see Vignette C).

CONCLUSIONS AND RECOMMENDATIONS

The inherited system of migration control in South Africa makes no special provisions for informal cross-border trade and is increasingly at odds with the more general attempt within Southern Africa to break down trade barriers within the region and to free up regional trade. Why, it has to be asked, should South African business be allowed to open stores and supermarkets in neighbouring states, while small traders from those states are hounded off the streets of South Africa? On the ground, at border posts and in customs sheds, there is an implicit recognition of the need to facilitate cross-border trade, whether it be formal or informal. Traders who are obviously entering South Africa and returning home with trade goods are allowed entry on visitors permits, primarily because the archaic Aliens Control Act makes no provision for the *de facto* reality of growing interaction.

The present system has negative consequences for both the South African government and non-South African traders:

- The costs and difficulties in obtaining visas add significantly to the running costs of these small businesses in both time and money.
- The system creates uncertainty for traders as they are unsure if, when and for how long they will be allowed to enter South Africa, hampering their ability to trade and plan.
- It places many people, who because of their business interests, would like to regularise their status to enable them to pursue

their business legally in an ambiguous legal position. Bribery and extortion are the inevitable consequence.

- The ambiguous use of visitors visas makes it difficult, if not impossible, for the Department of Home Affairs to monitor and regulate patterns of migration as there is no way of distinguishing between visitors, traders and those using visitors visas to seek employment.
- The use of single entry visas creates work for hard-pressed Home Affairs officials as individuals apply repeatedly (often every month) to have their permits renewed.

TRADING PERMITS

The creation of a new temporary permit category for individual informal sector cross-border traders, as recommended in the Draft Green Paper on International Migration, should therefore be seriously considered.⁶⁶

The permit could be limited to citizens of SADC countries or extended to citizens of other countries.

Such a traders' permit would allow traders to sell in the informal sector and allow multiple entry. This would reduce administrative costs and release Home Affairs and embassy officials to deal with more pressing immigration concerns. Like other temporary permits (eg work, study, visitors, business), the trading permit would recognise another of the multiple reasons that people enter South Africa. It would also remove the ambiguous status of non-South African traders, remove opportunities for corruption and improve the regulation and management of the system. So, for example, those abusing the right to enter for trading purposes could be identified and have their permits withdrawn. Reciprocal trading permits (bilateral or multilateral) should be negotiated to enable South African traders similar access to regional markets.

CUSTOMS AND EXCISE DUTIES

The current system of levying duties on informal traders is inconsistent and imposes a heavy burden. It dissuades rather than encourages regional trade and will not encourage ordinary South Africans to get involved in trading across borders:

- Customs and excise duties are a heavy burden to informal cross-border traders, whether South African or non-South African. Unlike their formal sector counterparts, they are not always eligible for reductions in duties under bilateral trade agreements as their consignments are too small. Duty-free allowances do not cover their needs.

- The collection of duties from informal sector traders is a heavy burden for Customs and Excise officials who have to calculate, collect and administer the charging of duties on small amounts of goods. The cost of charging duty may exceed the duty exacted. Customs officials who could be searching for illegal goods such as drugs and guns instead fritter away their time charging insignificant duties on small amounts of goods.

The introduction of a duty-free allowance on goods worth, say, less than R15 000 for persons holding a trading permit would eliminate some of these problems.⁶⁷ Such an allowance would:

- Reduce administrative costs in time and money to the Department of Customs and Excise who waste time, money and paper processing (relatively) small amounts of levied duties.
- Free customs officials to concentrate their efforts on the smuggling of illegal goods.
- Reduce opportunities for corruption by dishonest officials.
- Encourage the development of small businesses.

Again, reciprocal arrangements should be negotiated with neighbouring countries to ensure that South African traders are not disadvantaged. Criteria would have to be carefully examined to ensure that formal sector importers and exporters do not abuse the introduction of trading visas by employing individuals to bring goods across the border.

EDUCATION AND TRAINING FOR SOUTH AFRICAN TRADERS

The recent attacks on non-South African street traders by South Africans indicates that the latter feel threatened by competition. Black South African entrepreneurship was suppressed by apartheid which, by restricting movement and banning informal sector activity, disrupted trading networks and marketing skills. South African entrepreneurs are now having to develop new business skills. However, it is questionable whether the draconian removal of non-South African traders will provide a solution or remove “competition”.

A more productive strategy would be to introduce training for South African informal sector traders in accounting and marketing skills. The Johannesburg Metropolitan Council is to introduce such training for informal sector entrepreneurs, and if successful it may help them use their “local” advantages in a competitive market. South African traders may also be able to learn skills from partnerships with their non-South African counterparts.

Access to start up capital and finance for expansion is difficult to obtain for many participants in the informal sector. Consideration could also be given to the provision of micro-finance for South African informal sector traders.

South Africa produces only a small range of handicrafts and curios for sale to both the tourist and internal market. The Zimbabwean government provides training opportunities for traders (among others) to enable them to learn skills so that they can make and not only sell curios and handicrafts.

The Department of Arts and Culture could offer similar encouragement to the development of South African traditional skills in arts and crafts and the ways that these could be “exploited” for the growing tourist market. Consideration should also be given to the development of training centres which would allow artists to develop their skills. They would also train artisans to produce handicrafts and curios rooted in South Africa’s history and cultures which could be sold in the handicraft/curio sector.

APPENDIX: LIST OF EXTENDED INTERVIEWS

- Anonymous Kenyan trader (m), Cape Town, 3 February 1997.
 Anonymous Ghanaian (m), Johannesburg, 15 September 1996.
 Anonymous Mozambican trader (f), Johannesburg, 4 April 1997.
 Anonymous Mozambican (m), Johannesburg, 14 May 1997.
 Anonymous Mozambican (f), Johannesburg, 3 August 1997.
 Anonymous Mozambican (m), Johannesburg, 3 August 1997.
 Anonymous Zambian (m), Johannesburg, 15 October 1996.
 Anonymous Zimbabwean trader (m), Johannesburg, 8 August 1996.
 Anonymous Zimbabwean trader (f), Johannesburg, 8 September 1996.
 Anonymous Zimbabwean (m), Johannesburg, 15 October 1996.
 Anonymous Zimbabwean (f), Johannesburg, 10 September 1996.
 Badenhorst, I, Chief Immigration Officer, Lebombo Border Post, 3 March 1997.
 Brewis, A, Acting First Secretary for Immigration, South African High Commission, Harare, Zimbabwe, 25 April 1997.
 Human, L, Chief Controller of Customs and Excise, Lebombo Border Post, 3 March 1997.
 Meiring, J, First Secretary for Immigration, South African High Commission, Maputo, Mozambique, 27 August 1997.
 Mueller, C, Department of Urban Planning, Cape Town City Council, 31 January 1997.
 Mupanda, H.L, Indigenous Business Women's Organisation, Harare, Zimbabwe, 25 April 1997.
 Pernegger, L, Urban Planning Department, Johannesburg Administration, Greater Johannesburg Metropolitan Council, 23 August 1996 and 12 February 1997.
 Philbrick, A, architect (consultant to Johannesburg Administration, Greater Johannesburg Metropolitan Council), 2 September 1996 and 4 June 1997.
 Other nationals of Mozambique, Malawi, Zimbabwe, Swaziland, Ghana, Senegal and Mali - traders and non-traders - provided valuable background information in informal (but informed) interviews during the course of the project.
 Brief interviews were also conducted with two of the clearing agents working outside the border post at Lebombo.

FOOTNOTES

- 1 R Davies, "The Impact of Trade on Migration in SADC", Briefing paper presented to the Green Paper Task Group on International Migration, January 1997.
- 2 A study of the participation of women in the informal sector in Harare conducted between 1992 and 1993 included interviews with female Zimbabwean cross-border traders. See V Brand, R Mupedziswa and P Gumbo, "Structural Adjustment, Women and Informal Trade in Harare" In P Gibbon, ed., *Structural Adjustment and the Working Poor in Zimbabwe* Uppsala: Nordiska Afrikainstitutet, 1995. F de Vletter, "The Informal Sector in Maputo and Beira" Consultancy Report, Maputo, 1997, refers to South African and Mozambican cross-border traders as sources of goods for the informal sector in Mozambique.
- 3 R Davies, op cit., pp 4. Department of Customs and Excise, *Monthly Abstract of Trade Statistics*, January-December, 1993-1996, Table 3. The SACU includes Botswana, Lesotho, Namibia, South Africa and Swaziland. The countries of the SADC are currently renegotiating trade and tariff agreements. The lengthy negotiation process reflects the complexity of regional trade networks.
- 4 R Davies, op cit., pp 4-5.
- 5 Department of Customs and Excise, *Monthly Abstract of Trade Statistics*, January-December, for the years 1993-1996, Table 3.
- 6 R Davies, op cit., pp 5.
- 7 R Davies, op cit., pp 4.
- 8 A Bouillon, "New' African immigration to South Africa." Paper presented to the South African Sociological Association Conference, Durban, 7-11 July 1996, pp 4-5.
- 9 Department of Customs and Excise, *Monthly Abstract of Trade Statistics*, January-December, 1996, pp 213.
- 10 Department of Customs and Excise, *Monthly Abstract of Trade Statistics*, January-December, 1996, pp 211.
- 11 A Bouillon, op cit., pp 4.
- 12 Department of Customs and Excise, *Monthly Abstract of Trade Statistics*, January-December, 1996, pp 213.
- 13 World Bank, *Adjustment in Africa: Reforms, Results and the Road Ahead*, Washington, DC: World Bank, 1994. Attempts to define the "informal sector" have proved to be problematic as the term covers a wide range of economic activities. An International Labour Organisation (ILO) report in 1988 suggested that the main characteristics of the informal sector are "activities in the lower-end of small-scale enterprises, with self-employment and very limited initial capital". Other characteristics associated with informal economic activity are, being outside the regulatory framework, low productivity and

incomes, instability, employment of family members or few workers, and that the activity is a route to economic survival rather than a chosen income earning opportunity. These definitions imply marginality, disguising the significant disparities in the size and income earning potential of such activities as well as their contribution to national economies. See International Labour Organisation (ILO), *African Employment Report*, Geneva: ILO, 1988; ILO, *The Dilemma of the Informal Sector. Report of the Director General*, Geneva: ILO, 1991; De Vletter, "The Informal Sector in Maputo and Beira"; R Hirshowitz, *NTB/HSRC Investigation into Training for the Informal Sector*, Pretoria: HSRC, 1991.

14 F de Vletter, op cit., pp 6.

15 F de Vletter, op cit., pp 6.

16 V Brand et al, op cit., pp 196-197. The findings of the Zimbabwe study tend to be confirmed by the results of this survey. Interviewees indicated that South Africa is just one destination in a network of routes which straddle the region traversing Mozambique, Swaziland, Tanzania, Malawi, Zimbabwe, Zambia, Zaire, Angola and Namibia.

17 F de Vletter, op cit., 13-14.

18 Greater Johannesburg Transitional Metropolitan Council, "Informal Trading Policy for the GJTMC Area", 26 October 1995. Policy paper prepared for "All Administrations", approved by the Promotion of Economic Development Committee, 12 October 1995 and the Executive Committee, 17 October 1995, pp 2.

19 L Pernegger, *Informal Trading*, Activity Report submitted by Local Economic Development (Urbanisation Department), Johannesburg Administration, GJTMC, September 1996, pp 1.

20 R Jennings, R Hirschowitz, Z Tshandu and M Orkin, *Our Daily Bread: Earning A Living on the Pavements of Johannesburg. Part 1: the Census*. Johannesburg: Community Agency for Social Enquiry (CASE), May 1995, pp 3.

21 Cape Town City Council, "Hawking at Mitchells Plain Town Centre" Cape Town: City Planners Department, August 1993.

22 R Gaoyu, *A Sociological Study of Street Traders in Pretoria*, unpublished PhD dissertation: University of Pretoria, 1996, pp 18.

23 R Jennings, K Segal, R Hirschowitz and M Orkin, *Our Daily Bread: Earning A Living on the Pavements of Johannesburg. Part 2: the Survey*, Johannesburg: CASE, May 1995, pp 6.

24 Most relevant is a SAMP study of the participation of international migrants in the small and medium enterprises in Johannesburg, see CM Rogerson, *International Migration, Immigrant Entrepreneurs and South Africa's Small Enterprise Economy*, April 1997. Other studies include: A Bouillon, "The 'New' African Immigration into South Africa"; A Bouillon, "Francophone Immigration in Johannesburg", *Le magazine de l'Institut Francais d'Afrique du Sud*, 5, 1996b, pp 2-3; CM Rogerson; "Urban Poverty and the Informal

- Economy in South Africa's Economic Heartland", *Environment and Urbanisation* 8(1), 1996 pp 167-181; JM Rogerson, "The Changing Face of Retailing in the South African City: the Case of Inner-city Johannesburg", *Africa Insight* 25, 1995, pp 163-171; CM Rogerson and JM Rogerson; "The Changing Post-apartheid City: Emergent Black-owned Small Enterprises in Johannesburg", *Urban Studies* 34, 1997, pp 85-103. A recent dissertation examined street traders in Pretoria, focusing on the participation of Chinese immigrants, R Gaoyu, *A Sociological Study of Street Traders in Pretoria*.
- 25 These are housed in the SAMP Media Data Base at Queen's University, Kingston, Ontario.
- 26 The interviews in Johannesburg and Cape Town were undertaken by Sally Peberdy and two South African research assistants. Interviews were mainly conducted in English. Francophone immigrants were interviewed in both French and English. Some kiSwahili was used with Kenyan interviewees. The interviews with Mozambicans were conducted by two Mozambican research assistants in Portuguese. Although the bulk of the interviews were conducted by South Africans, with few exceptions, there appears to have been little resistance to participating in the study. Refusals were grouped in two locations, a corner of William Nichol Highway in Johannesburg and Greenmarket Square in Cape Town. It became apparent that the refusals in Greenmarket Square reflected insecurity resulting from the activities of Home Affairs officials and the police. Those that terminated interviews part way through said that it was taking too long and they wished to return to work.
- 27 The CASE study found that non-South African traders were more likely to be male (60% of their sample) than South African traders (48% of the total sample). R Jennings et al, op cit., pp 6.
- 28 R Jennings et al, op cit., pp 6.
- 29 R Jennings et al, op cit., pp 6.
- 30 V Brand et al, op cit., pp 201.
- 31 F de Vletter, op cit., pp 18.
- 32 Interview with Nigerian trader (m), Cape Town, 26 January 1997.
- 33 Interview with Angolan trader (f), Cape Town, 26 January 1997.
- 34 Interview with Ghanaian trader (m), Johannesburg, 13 December 1997.
- 35 Similarly, a study of the informal sector in Mozambique found that 60% of respondents were not interested in wage employment. F de Vletter, op cit., pp 21.
- 36 Interview with Angolan trader (f), Cape Town, 26 January 1997.
- 37 Interview with Sudanese trader (m), Cape Town, 29 January 1997.
- 38 Interview with Zimbabwean trader (m), Johannesburg, 19 December 1997.
- 39 Female cross-border traders interviewed for the study of women traders in Zimbabwe indicated that they had been travelling to South Africa since the late 1980s and early 1990s. V Brand et al, op cit., pp 196.
- 40 Mozambicans are more likely than other regional traders to return with food-

- stuffs and not appliances and electrical goods. Key informants suggested that both customs duties and bribes elicited by customs officials and police at security checks in Mozambique discouraged them from taking electrical goods (interviews with anonymous key informants, Johannesburg, 14 May 1997 and 3 August 1997; and with questionnaire respondents, August 1997).
- 41 Interview with Zimbabwean trader (m), Stellenbosch, 30 January 1997.
 - 42 R Davies, op cit., pp 5.
 - 43 The Oriental Plaza is a shopping centre in central Johannesburg where many traders buy goods to take home.
 - 44 Interview with Zairean trader (f), 25 January 1997.
 - 45 From statistics of visas issued kindly provided by the Department of Home Affairs and the High Commission in Harare.
 - 46 Interview with HL Mupanda, Indigenous Business Women's Organisation, Harare, Zimbabwe, 25 April 1997.
 - 47 V Brand et al, op cit., pp 198.
 - 48 Interview with Ghanaian trader (m), 13 December 1997.
 - 49 F De Vletter, op cit., pp 13-14.
 - 50 Interviews with L Pernegger, Local Economic Development (Urban Planning Department), Johannesburg Administration, 23 August 1996 and 12 February 1997; C Mueller, Urban Development and Planning, Cape Town City Council, 31 January 1997.
 - 51 Interviews with L Pernegger, 23 August 1996 and 12 February 1997; A Philbrick, architect (Johannesburg), 2 September 1996 and 4 June 1997; C Mueller, 31 January 1997. The CASE study found that only 15% of traders belonged to an association. R Jennings et al, *Part II: The Survey* op cit., pp 64.
 - 52 R Hirschowitz, *NTB/HSRC Investigation into Training for the Informal Sector*.
 - 53 F De Vletter, op cit., pp 12, 21; Gibbon, op cit., pp 6.
 - 54 Interviews with: Anton Brewis, Acting First Secretary for Immigration, South African High Commission, Harare, Zimbabwe, 25 April 1997; I Badenhorst, Chief Immigration Officer, Lebombo Border Post, 3 March 1997; L Human, Chief Controller of Customs and Excise, Lebombo Border Post, 3 March 1997; J Meiring, First Secretary for Immigration, South African High Commission, Maputo, Mozambique. I am grateful to these officials for their time and assistance.
 - 55 Interview with A Brewis, 25 April 1997.
 - 56 Interview with Zimbabwean trader (f), Cape Town, 26 January 1997.
 - 57 The letter must contain a valid South African identity or permanent resident permit number. These are checked by officials.
 - 58 Interview with A Brewis, 25 April 1997.
 - 59 Non-South Africans entering South Africa who hold a visa are then given an entry permit, issued by immigration officials, when they cross the border.
 - 60 Interview with A Brewis, 25 April 1997.
 - 61 Statistics kindly provided by the Department of Home Affairs in Pretoria and

- the Visa Section in Harare.
- 62 Interview with C Mueller, 31 January 1997.
- 63 Interview with A Philbrick, 4 June 1997.
- 64 Interviews with L Pernegger, 23 August 1996 and 12 February 1997; A Philbrick, 2 September 1996 and 4 June 1997; C Mueller, 31 January 1997.
- 65 Interview with Zimbabwean trader (f), Cape Town, 26 January 1997.
- 66 "Draft Green Paper on International Migration", *Government Gazette*, vol 383, No 18033, May 30, 1997.
- 67 The actual figure is less important than the principle it would establish.

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