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University of Cape Town



Department of Social Development

***‘Exploring the challenges facing micro enterprise immigrant traders in the Western Cape Metropole: Greenmarket Square and the Hout Bay Harbour Markets.’***

A minor dissertation submitted in partial fulfilment of the requirements for the award of the degree of Master of Social Science in Social Development

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# ABSTRACT

This study explored the challenges facing immigrant traders in the Western Cape Metropole at the Greenmarket Square and the Hout Bay Harbour markets. A purposive / convenience sample was drawn of twelve immigrant traders and five key informants (seventeen participants). An exploratory, qualitative approach was adopted using semi-structured interview schedules to guide face to face interviewing. The data was analysed using Tesch's (1990) approach. The main findings were:

- That twelve immigrant traders indicated failure to access loans from banks due to a lack of documentation and / or their transitional status.
- That twelve immigrant traders failed to integrate into local communities. Two key informants felt that the xenophobic attacks confirmed this lack of social integration.
- That twelve immigrant traders felt that taxation on their businesses was unfair in relation to the small profits they were making.
- That eleven immigrants were unaware of the services provided by NGOs serving refugees despite key informants claiming that their organisations promoted the welfare of immigrants in Cape Town.

The main recommendations were:

- That NGOs providing services to immigrants increase their lobbying and advocacy role to speed up the process of finalising the documents that immigrants require.
- That NGOs providing services to immigrants disseminate information regarding the challenges facing immigrants as well as their rights. Education and training should be provided to key role players.
- That immigrants be made aware of their rights of services rendered by these NGOs and other institutions.
- That further research be undertaken.

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## **LIST OF ABBREVIATIONS**

<b>ANC</b>	African National Congress
<b>ARESTA</b>	Agency for Refugee Education, Skills Training and Advocacy
<b>CoRMSA</b>	Consortium for Refugees and Migrants in South Africa
<b>CTRC</b>	Cape Town Refugee Centre
<b>CWD</b>	Catholic Welfare and Development
<b>DHA</b>	Department of Home Affairs
<b>DTI</b>	Department of Trade and Industry
<b>ID</b>	Identity Document
<b>MFI</b> s	Micro Finance Institutions
<b>MSE</b> s	Micro and Small Enterprises
<b>NGO</b> s	Non Governmental Organisations
<b>OAU</b>	Organisation of African Unity
<b>PAYE</b>	Pay As You Earn
<b>RSA</b>	Republic of South Africa
<b>SADC</b>	Southern Africa Development Community
<b>SAPS</b>	South African Police Services
<b>SARS</b>	South African Revenue Services
<b>SME</b> s	Small and Medium Enterprises
<b>SMME</b> s	Small, Micro and Medium Enterprises
<b>TRC</b>	Truth and Reconciliation Commission
<b>UCT</b>	University of Cape Town
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNHCR</b>	United Nations High Commission for Refugees
<b>VAT</b>	Value Added Tax

# CHAPTER ONE: INTRODUCTION

## 1. Introduction

In this chapter, the researcher presents the setting of the study, background of the study, rationale, the research topic, main research questions, objectives and assumptions of the study, clarification of concepts, ethical considerations and the layout of the research report.

During the past decade, South Africa's growing economy has attracted a large number of immigrants from the rest of Africa, especially from countries where they could not make a decent living or where their lives were endangered. However, unemployment in South Africa continues to be a major challenge to social and economic development with the unemployment rate being 25.7% (StatsSA, 2011). The South African Government policies on migration have been amended in an effort to accommodate non-citizens. Although the South African immigration policies are regarded as the most progressive on the entire continent, many immigrants in this country still struggle to establish themselves. Jacobsen (2004) argues that immigrants fail to get the sort of employment that gives them a living wage. Consequently, many immigrants engage in micro business initiatives to make a living. Micro enterprises are one of the major sources of income and employment generation for immigrants in many parts of South Africa despite many challenges. Some of these challenges include failure to access micro credit loans, lack of business locations, police harassment, inability to access documents and failure to integrate into South African society.

There is insufficient literature dealing with the particular challenges faced by immigrants who make a living from micro enterprises in South Africa. The failure of the immigrants to be socially integrated into various communities has contributed towards their social exclusion and added hardship.

This study focuses on the issue of refugees' status in South Africa; the difficulties in accessing micro-credit loans for their businesses; harassment experienced from the South African citizens as well as the police force and other authorities towards foreign Africans; as well as the difficulties faced by immigrants in accessing business permits. Micro businesses can be classified as micro, very small, small or medium enterprises and they are normally encompassed by the term SMMEs [Small, Micro and Medium Enterprises] (RSA, 1996). For the purpose of this study, the researcher will only look at micro enterprises.

The term immigrant is used throughout the paper to refer refugees, asylum seekers, documented and non-documented foreign nationals.

## **1.1 Setting of the Study**

The study was done in the Western Cape Metropole in South Africa at two flea markets. These are the Greenmarket Square and the Hout Bay Harbour markets. The Western Cape Province is one of South Africa's nine provinces, located in the South-western part of the country (Marindo et al, 2008). It comprises of the City of Cape Town, five districts municipalities which are the West Coast, Central Karoo, Overberg, Eden and Cape Winelands. These five district municipalities are subdivided into 24 local municipalities (Marindo et al, 2008). The Western Cape Province has positive socio-economic development trends. The favourable socio-economic indicators highlight the growth and development in the Province. These include the fertility rate, life expectancy, infant mortality rate, education level, unemployment, rate poverty index and in-migration level (Marindo et al, 2008).

Even though poverty levels are lower compared to other provinces, disadvantaged people in the Western Cape have continued to become poorer and more marginalised than at any time before. According to Marindo et al (2008) the fragmentation between communities has increased, with associated social and economic dysfunction.

## **1.2 Background to the Study**

People mostly migrate to seek opportunities for trade, selling of expert knowledge or to find better living and working conditions (Jacobsen, 2004; Lubbe, 2008). Most immigrants have left their countries of origin in the hope of a better life and opportunities in South Africa. The country has not created refugee camps for foreign nationals because the South African government believed that immigrants would integrate well into the local communities. The South African government's failures to provide for the basic needs of the immigrants have forced them to find alternative ways of surviving. Khan (2007) indicated that immigrants struggle to access the most basic services, which has resulted in them struggling to live in South Africa. These include access to employment, health care, schooling and accommodation.

Crush and Pendleton (2007) have indicated that since the early 1990's, South African nationals have shown increasingly hostile and aggressive attitudes towards foreign nationals. Harassment from the South African police and South African nationals has contributed to the erosion of immigrants' self-esteem and dignity and livelihoods.

Greenmarket Square was built in 1696 for sailors who were traders. They used the area for trading merchandise and stocking up on produce. It also served as a slave market, a vegetable market, and now it is a flea market run mainly by African immigrant traders. These traders sell curios, masks, African materials and clothes, paintings and African jewellery. The Hout Bay Harbour market was mainly a fish market before African immigrant traders established the flea market there. The two markets operate in the same way and they sell similar goods. These markets have been established to attract tourists who come from all over the world.

### **1.3 Rationale and Significance of the Study**

The main reason for undertaking this research study was to get a deeper understanding of the challenges faced by immigrants who run micro enterprises in Cape Town, South Africa. By exploring the challenges faced by these immigrants, the insights arising from the study could inform policy and benefit NGOs dealing with immigrants. Non-profit organisations could use the findings to advocate for changes to the current policy in light of the realities that immigrant traders and local communities face. Not many studies have been done in this area.

The rationale and significance of this study is different from previous studies because it concentrates on economic and social challenges faced by immigrant traders. Being a Zimbabwean, the researcher knew of firsthand accounts of immigrants' harassment. The voices of the immigrant traders would be "heard" through such a study. The insights or opinions offered by the immigrant traders would be corroborated by the insights or opinions offered by the key informants, who work for NGOs that provide services to immigrants. Although a limited study, the findings could open up a wider debate.

## **1.4 Problem Formulation**

The research topic has been formulated as follows:

**“Exploring the challenges facing micro enterprise immigrant traders in the Western Cape: Greenmarket Square and the Hout Bay Harbour markets.”**

In the next section the main research questions, objectives and assumptions are discussed.

## **1.5 Main Research Questions**

The main research questions are:

1. What are the major challenges faced by immigrants in relation to accessing micro credit loans?
2. What are the major challenges facing immigrants with regard to social integration in the South African context?
3. What are the difficulties encountered by immigrants in establishing locations for their small businesses?
4. What challenges are faced by immigrants in relation to the South African Police; Department of Home Affairs and other traders?
5. What is the nature of the relationship that immigrants have with Refugee NGOs?

## **1.6 Main Research Objectives**

1. To explore the major challenges facing immigrants in relation to accessing micro credit loans.
2. To ascertain the challenges facing immigrants with regard to social integration in the South African context.
3. To examine the difficulties encountered by immigrants in establishing locations for their small businesses.

4. To determine the challenges faced by immigrants in relation to the South African Police; Department of Home Affairs and other traders.
5. To examine the nature of the relationship between immigrants and Refugee NGOs.

## **1.7 Main Research Assumptions**

Some underlying assumptions are:

1. That immigrants may have difficulty in accessing micro credit loans.
2. That immigrants may face challenges with regard to social integration in the South African context especially in the light of past xenophobic attacks.
3. That immigrants may encounter difficulties in establishing locations for their small businesses especially with regard to permits.
4. That there may be challenges immigrants face in relation to the South African Police; Department of Home Affairs and other traders.
5. That there may be challenges that immigrants face in relation to their dealings with Refugee NGOs, (i.e. NGOs dedicated to serving refugee communities).

## **1.8 Clarification of Concepts**

The following concepts are defined according to the way they are used in this study.

- **Immigrants**

Immigrants are defined as people who have left their countries of origin and have settled in another country in search of a better standard of living. These people are classified into two categories: legal and illegal immigrants. The illegal immigrants are those people who enter a foreign country but do not meet that country's requirements for legal entry (UN, 2000). The term "immigrant" is used to refer to all immigrant traders in the Western Cape. For this study, this term encompasses refugees, asylum seekers, legal and illegal immigrants in South Africa.

- **Legal Requirements**

In the case of this study, ‘legal requirements’ pertain to the legal documents that lay out the rules and regulations that govern immigrants. These permits and documents are accessed through the South African Department of Home Affairs (DHA). The immigrants must abide by these rules and regulations if they wish to stay in the country legally. There are varieties of legal documents issued by the DHA office, which circumscribes various conditions under which immigrants may stay in South Africa. The asylum seeker permit and the temporary permit allow immigrants to access employment and other social and economic services. However, despite being in possession of these documents, many prospective employers do not understand the contents of these documents, thus limiting employment opportunities for immigrants (UNHCR, 1998).

- **Refugee**

According to the 1951 United Nations Convention relating to the Status of Refugees, Article 1 (2), the term ‘refugee’ means, *“every person who, owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country, or who, not having a nationality and being outside the country of his former habitual residence as a result of such events is unable or, owing to such fear, is unwilling to return to it”* (UN, 2000:15; UNHCR, 1979).

- **Asylum Seeker**

The United Nations has defined an asylum seeker as someone who has made a claim that he or she is a refugee, and is waiting for that claim to be accepted or rejected. The term asylum seeker describes the fact that someone has lodged the claim. Some asylum seekers will be judged refugees and others will not (UN, 2000; UNHCR, 1979).

- **Micro Credit**

Micro credit refers to a small loan given to an individual client or to a group by a bank or other institution (Bamu, 2005).

- **Microfinance**

Microfinance refers to savings, loans and other finance related services and products aimed at low income earners (Bamu, 2005).

- **Small Business**

Small business can be defined as “*a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy*” (RSA, 1996:2).

- **Micro Enterprises**

Micro enterprises are very small businesses, often involving only the owner, some family members and at most one or two paid employees. They usually lack formality in terms of business licenses, value-added tax (VAT) registration and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, micro enterprises can differ widely, depending on the particular sector, the growth phase of the business and access to relevant support (RSA, 1995).

- **Xenophobia**

Xenophobia can be defined as irrational fear of strangers or foreigners by nationals of a country. Thus, it can be viewed as ‘deep dislike of foreigners’ (McDonald and Jacobs, 2005: 295). Based on McDonald and Jacobs’ (2005:295) definition, xenophobia exists within South Africa’s own population groups. Fear and suspicion amongst the different racial groups still abounds. So, one may argue that social integration amongst the various population groups in South Africa is still limited largely due to the devastating impact of past Apartheid laws and regulations. Under Apartheid, different ‘race’ groups were deliberately kept apart at their schools, work places and recreational spaces. Thus, South Africans may still be suspicious of each other and the arrival of immigrants into their country before the inequalities and deprivations of the past have been fully addressed may have ignited further fears of ‘foreigners’ taking away what is rightfully theirs.

## ▪ **Social Integration**

Social integration can be defined as the “inclusion and acceptance of immigrants into the core institutions, relationships and positions of a host society. Therefore, it is regarded as an interactive process between immigrants and the host society” (Bosswick & Heckmann, 2006:11). Because of historical circumstances, social integration of different ethnic (or racial) groups within South Africa’s own population is problematic. Africans, Whites, Indians and Coloureds have not fully integrated. Racism is still alive in South Africa (BBC Africa News, 2008; Gibson, 2004) and much work has still to be done to heal the wounds of Apartheid. The presence of yet another group of people (i.e. refugees) does not make the situation any easier. In addition, the South African Government has not delivered in terms of social services to the poor of this country. Hence, the ideal of social integration of local and immigrant communities may take a long time to be realised (Bosswick & Heckmann, 2006:11).

## **1.9 Ethical Considerations**

When conducting a qualitative research study, the researcher needs to be aware of certain ethical considerations. According to, Strydom in De Vos et al (2005:63) ethical guidelines serve as standards and the basis on which the researcher ought to evaluate his or her conduct. The necessary ethical considerations are outlined below.

### • **No harm to Participants**

The researcher took into consideration that participants would not be emotionally or psychologically harmed during the research (Strydom in De Vos et al, 2005). Sensitivity would be exercised in dealing with immigrants who did not want to disclose their real status for fear of repercussions.

### • **Anonymity / Confidentiality**

The researcher guaranteed the anonymity of all participants (NGO persons as well as immigrants). They were told that they could use aliases. Any information that could directly impact on the safety of the immigrants would not be disclosed. This anonymity would be safeguarded when writing the research report and disseminating the findings.

- **Informed Consent**

All the participants were informed of the purpose of this study. The objectives were made clear and they understood that the researcher was a Masters student registered at the University of Cape Town.

Participation was voluntary. The respondents were invited to co-operate in the study, and they were informed that they could withdraw from the study whenever they wished. The researcher made sure that she did not raise any unrealistic expectations on behalf of the immigrants.

- **Actions of the Researcher**

Researchers are ethically obliged to ensure that they are competent and adequately skilled to undertake proposed investigations. The research study must be conducted in an ethically correct manner (Strydom in De Vos et al, 2005). Hence, the researcher followed the University's protocols for ethical research and took guidance from her supervisor.

## **1.10 Reflexivity**

In carrying out this research, the researcher is aware of her own biases as a Zimbabwean studying in Cape Town, South Africa. The researcher may be more inclined to believe what immigrants are saying, rather than being critical of their comments. The researcher is aware that she should not raise any expectations regarding improvements to the immigrants' situation. Carrying out seventeen in-depth interviews could be an overwhelming prospect for a novice researcher. However, the guidance of a supervisor was helpful in this regard. The researcher was aware that it might be difficult to gain the commitment of key informants and immigrants to participate in this study due to time constraints and/or suspicion of the research motives.

## **1.11 Structure of the Research Report**

The research report will consist of five chapters:

- Chapter One: Introduction.
- Chapter Two: Literature Review.

- Chapter Three: Research Methodology.
- Chapter Four: Presentation and Analysis of Findings.
- Chapter Five: Conclusions and Recommendations.

## **1.12 Conclusion**

This chapter dealt with the background to the study, its rationale, the problem formulation, clarification of concepts, main ethical considerations and a note on reflexivity.

The following chapter introduces the reader to a review of the literature.

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# CHAPTER TWO: LITERATURE REVIEW

## 2. Introduction

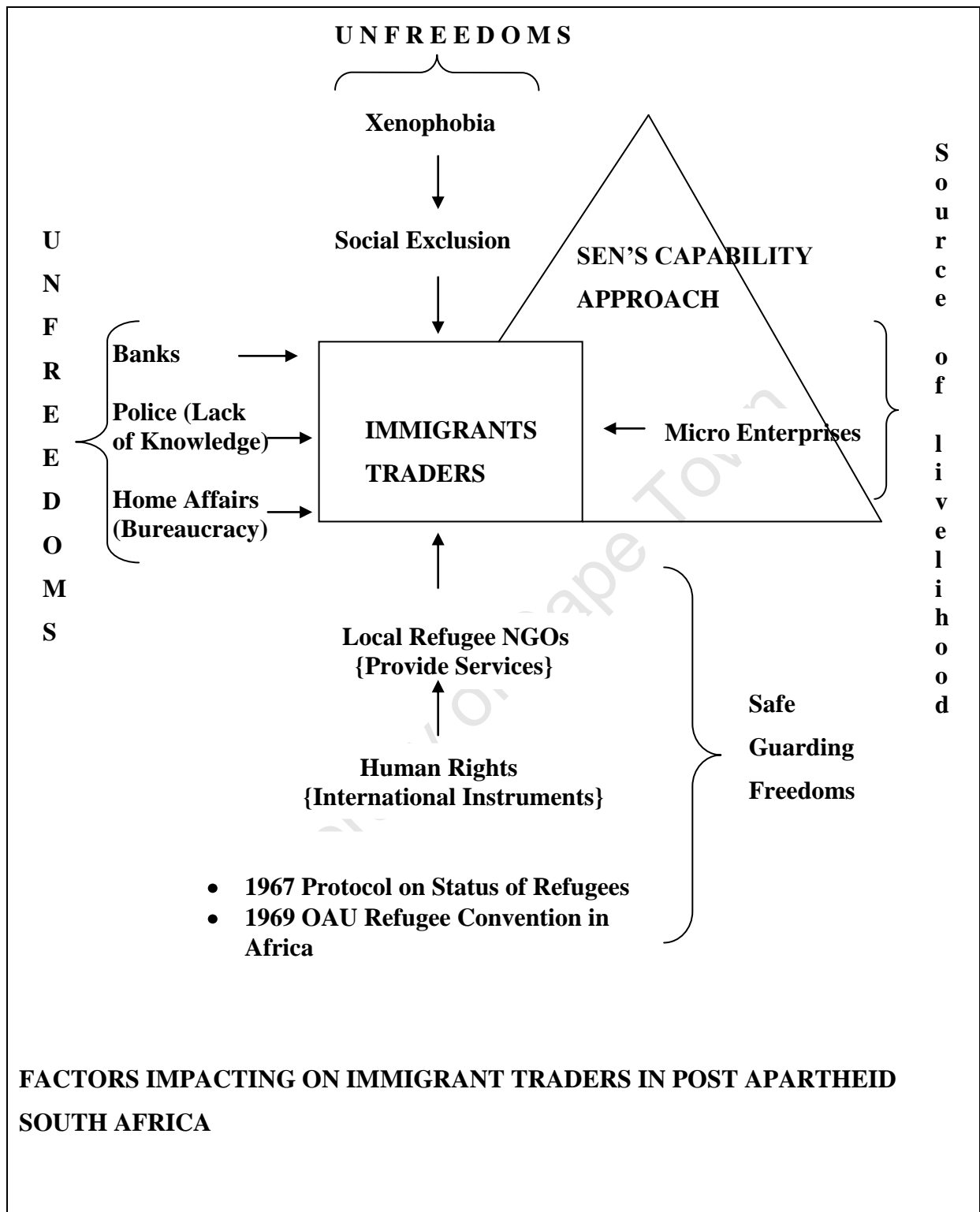
A review of literature pertaining to the research question was undertaken. Various conceptual models, previous studies done in this area as well literature pertaining to the objectives provided a theoretical framework for this study. The capability approach, the people-centred approach and the human rights perspectives are presented as the main theoretical models underpinning this study. Thereafter, the historical background of South Africa, is discussed as well as legislation and policies for migration; migration and xenophobia in South Africa; problems with social integration; the existing organisations that support immigrants in South Africa; the role of micro enterprise initiatives in the South African context; the South African Government regulations on micro and small enterprises and problems with establishing micro enterprises.

### 2.1 Theoretical Models

Figure 1 provides a conceptual framework for this study. It illustrates the immigrant traders' situation in the post-Apartheid South African context. Immigrant traders' capabilities to empower themselves are enhanced through micro enterprise initiatives. The immigrants are able to make a living through self-employment despite the 'unfreedoms' that surrounds them. These 'unfreedoms' include: xenophobia, social exclusion, police abuse / lack of knowledge about immigrants, DHA's bureaucracy and limiting bank regulations. Micro enterprises are a major source of livelihood for immigrants since they are limited in accessing social and economic services in South Africa. Various Refugee NGOs provide some of the needed services for the immigrants. These NGOs protect and promote their rights.

The theoretical approaches were based on theory courses covered in the M. Soc. Sc in Social Development degree. The researcher used this research as an opportunity to integrate knowledge gained from the entire Masters course in relation to a particular area of study.

**Figure 1: The Research Problem in relation to Sen's Approach.**



### 2.1.1 Capability Approach

Amartya Sen an economist, who was awarded the 1998 Nobel Prize in Economic Science for his contributions to the development and welfare of the marginalised people, views development as a practice for expanding and increasing people's real freedoms (Sen, 1999). Sen (1999:3) adds that in expanding people's real freedoms, the focus is directed "to the ends that make development important, rather than merely to some of the means that, *inter alia*, play a prominent part in the process". He brings a deeper understanding of social and economic change, focusing on individual freedom as both the means and the end of development. Development is therefore perceived as the enhancement and promotion of basic freedoms, and the elimination of major sources of 'un-freedoms', which are poverty, poor economic opportunities, systematic neglect or any element that leaves an individual or people with little choice (Sen, 1999).

Development therefore includes five freedoms: political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security and their inter-connections (Sen, 1999). It is clear that deprivation in one area may lead to deprivation in another. For example, economic opportunities, political freedoms and social facilities strengthen each other, in addition to being important in increasing the individual's freedoms.

The capability approach is concerned with the person's actual ability to function. "A functioning is an achievement of a person; what he or she manages to do or to be" (Sen, 2005:5). Some of these 'functionings' are very elementary such as being adequately nourished, being in good health and others could be achieving self-respect (Sen, 1999). It is clear that the immigrant traders do not only need an income for their survival in South Africa but the realisation of all the aforementioned 'functionings'.

Relating Sen's (1999) ideas to the situation of immigrant traders in South Africa it can be argued that their lack of capabilities are linked to their poor access to life enhancing resources and opportunities for them to be able to do what they want to do and be who they want to be. The inequalities that keep immigrant traders sidelined on the periphery of development must be removed in order to create opportunities for them to live fulfilling lives. Sen's (1999) work promotes human development which improves human lives by expanding the range of things that a person can be and do, such as to be healthy and well nourished, to be knowledgeable, and to participate in community life (Fukuda-Parr, 2003:305). In this approach, people are an active participant in change, rather than a passive beneficiary of instructions and assistance.

Development can thus be concluded as a way of removing obstacles in a person's life. These obstacles include illiteracy, ill health, lack of access to resources, or lack of civil and political freedoms.

### **2.1.2 People-Centred Approach**

Korten (1990:76 in Davids, et al. 2009:17) has pointed out that people-centred development is a process by which people increase their personal capabilities to mobilize and manage resources in an effort to produce sustainable and improved lives consistent with their own aspirations. According to Burkey (1993), a people-centred development approach is about development based on people. Thus, individuals become the motivators of their own development. Sen (1999) stresses that economics is not only concerned with generating income but also making good use of that income to enhance people's lives and their freedoms. He points out that development should come from within and should not be imposed (Sen, 1999). This is done through a people-centred development approach focusing on empowerment and emancipation of individuals and communities (Davids et al, 2009).

Burkey (1993) also adds that the needs of people should be the foundation for development with social and economic development as the supporting pillars. The people-centred approach is relevant in the context of immigrant traders because it allows the traders to fully participate in their own development. Employment is the key to removing poverty in one's life. Thus, empowering an individual to find employment or become self-employed is important. Sen (1999) concludes that income should be viewed as one of the means of achieving people's well being.

Coetzee (1989:1-14 in Davids, et al. 2009:17), has proposed that people-centred development should create opportunities for everyone and people should actively participate in development initiatives. This theory allows the poor to be involved and engaged in their own development process. People-centred approaches emphasise the importance of participation, which promotes self-reliance, self-confidence, pride, initiative, creativity, responsibility, cooperation, skills and capabilities necessary for human development (Davids et al, 2009).

Besides enhancing capabilities and promoting people-centred development, the human rights framework is central to this conceptual understanding of situating the plight of immigrants in this study.

### 2.1.3 Human Rights

Chapter Two of the South African Constitution of 1996 describes the rights of everyone who resides in South Africa. These include the right to equality, human dignity, the right to life, freedom and security of person and the right not to be subject to slavery, forced labour, regardless of their origin, status, or other circumstances. The recognition and comprehension of human rights is an essential characteristic and aspect in human development (Sen, 1999). These rights also include explicit socio-economic rights for refugees but unfortunately the requirements and commitments remain unfulfilled and unsatisfied (Luiz, 2001).

Non-South Africans living in South Africa are not placed in refugee camps because the South African Refugee Act 130 of 1998 allows free movement and settlement anywhere in the country without any restrictions. The human rights based approach was adopted to encourage integration and access to service delivery. However, in practice, this integration and access mechanisms are vague (UN, 2009), though South Africa prides itself for having a comprehensive and progressive Bill of Rights enshrined in the South African Constitution (1996).

The rights of citizenship are essentially norms that define the membership of a large-scale democratic community hence these rights have a direct bearing on the value of social solidarity in modern societies. Three main types of rights, namely civil, political and social rights, guide the theory of citizenship rights (Marshall quoted in Mishra; 1977). Mishra (1977) argues that Marshall's analysis of the social rights is concerned with the impact on social inequality. Thus respecting the rights of refugees is crucial within South Africa itself.

The United Nations (2009:2) defines the right to development as the right by which an individual is entitled to participate in, contribute to, and enjoy economic, social, cultural and political development. The key elements of this UN approach include express linkages to rights, non-discrimination and attention to vulnerable groups, participation, empowerment and accountability (UN, 2009:3). The UN recognises that the best way of improving people's lives requires giving the poor and vulnerable a stake, a voice and real protection in the societies where they live. Thus, a human rights-based approach goes beyond expanding people's choices and capabilities to achieving empowerment of people to decide what this process of expansion should look like (UNDP, 2010:2).

The theoretical models discussed emphasise development promoting human rights and individual capabilities. Once these immigrant traders are included in the social and economic activities in South Africa, they are able to break the culture of poverty in their lives and promote sustainable livelihoods.

The historical background of South Africa is presented in the following section.

## **2.2 Historical Background of South Africa**

The Afrikaner Nationalist Party, which came into power in 1948, aimed to extend racial separation and divisions while maintaining white supremacy. Apartheid became the system of government through the enactment of apartheid-related laws and legislation (Hayward, 1989). Racial discrimination was entrenched with the enactment of these apartheid laws, and it resulted in the 'racialisation' of every aspect of life (Hayward, 1989).

Apartheid legislation was designed and implemented to keep people apart from each other. South African people were forced to live in separate residential areas, employment and education were also racially defined (Esler, 1996; Gibson, 2004). The apartheid policies and laws prevented the non-white races from voting or striking (i.e. participating in the political and socio-economic structures of the country). The apartheid era was characterised by negative experiences that left many deep scars among the South African population (Esler, 1996; Mermelstein, 1987). The systematic marginalisation of black South Africans in particular left them with no ownership of land, poor education and limited access to resources compared to white people (Aliber, 2001).

The Apartheid migration policies were implemented on principles of control and deportation and not management and provision of services (Crush, 1998). The Aliens Control Act controlled the movement of foreign nationals in South Africa. It limited African nationals from migrating into South Africa. Reitzes in Crush (1998) suggested that the Aliens Control Act violated a number of human rights, for example the right to freedom.

Thus, Apartheid created anger, resentment and suspicion among the different races and ethnic groups in South Africa. Apartheid had a dehumanising effect on South Africans regardless of whether they were perpetrators, victims or survivors of human rights violations. The end of apartheid indicated the collapse of segregation laws (Lowis, 1996).

During the apartheid struggle, many of the black liberators in South Africa played a key role in supporting the anti-apartheid struggle (Mermelstein, 1987). Individuals like Steve Biko, Nelson Mandela, and Desmond Tutu advocated against racial violence South Africa, aiming to achieve a non-racist democratic system of Government. The anti-Apartheid movement also sought to bring peace between the different racial groups as a way of ending apartheid (Mermelstein, 1987). The African National Congress (ANC) was the primary source of resistance to the apartheid laws for almost eighty years. It was in the forefront of the Apartheid struggle for a non-racial, democratic South Africa (Hayward, 1989).

The South African post-apartheid migration policies have since changed (Klaaren and Ramji, 2001) and attempted to welcome immigrants into the country. However, this attracted multi-national / multi-cultural immigrants, which led once again to the re-adjustment of the migration policies and legislation in South Africa (Klaaren and Ramji, 2001).

The new South African Government in 1994 sought to address the human rights abuses of South African citizens by attempting to achieve social cohesion and integration among the different races. The Truth and Reconciliation Commission (TRC) was set up to facilitate the process of restorative justice and reconciliation (TRC, 1998). However, the TRC has by no means addressed all the issues of the South African people. Despite the transition, fear still remains in South Africa among all races.

South Africa's historical circumstances have shaped the prevailing poverty and the disparities in opportunities across the racial groups. After a long struggle for freedom, the end of apartheid was a great victory for black people, but South Africa has a long way to go before the apartheid mentality really ends. There are still inequalities between the rich and the poor.

The new government wants to pay back its debt to African countries that helped the liberation struggle in South Africa (TRC, 1998). Thus, by allowing immigrants into the country without being restricted to 'refugee camps' the South African Government expected that some amount of integration would happen. They did not anticipate the backlash of the black South Africans who were still trapped in poverty.

## **2.3 Social Integration in South Africa**

Social integration is the process whereby people with different cultures, values and norms depend on each other and fulfil functions contributing to social order (Bosswick &

Heckmann, 2006; Turner, 2006). The main characteristic of social integration is the cohesion that exists in the community to form a unit. South Africa is still in the process of developing this cohesion at many levels. The influx of immigrants has not made the process easier.

Social integration is a dynamic and principled process where all members of a community regardless of nationality participate in a discourse to attain and preserve peaceful social relations. Social integration therefore, seeks to bring about harmony between immigrants and South Africans because it brings people from different backgrounds and cultures together and allow them equal opportunities, rights and services (Cheong et al, 2007). Bosswick and Heckmann (2006:11) suggest that social integration connotes the relationship between people in a society. It can be argued that the concept of social integration implies that the way people live and organize themselves in a community could lead to a peaceful co-existence.

The issue of socially integrating non-South Africans into different communities is very complex, and it has resulted in violent actions. Social integration is a process, which requires time and patience. The main issue linked to problems with social integration can be traced back to the apartheid period. During this period, the system created division of classes and ethnic groups and made people suspicious of each other. This has continued to manifest even after fourteen years of democracy. Thus, the lack of social integration can be regarded as one of the causal factors of conflict, violence and xenophobia in South Africa (Crush, 2001).

There are limited studies done in South Africa about causes of xenophobia. It is clear that the studies focus on the triggers of xenophobia and not the root causes of it. The fact that South Africa has not yet achieved its own sense of national identity and is still experiencing issues of racial segregation in access to the economic resources is part of the problem. Thus, the situation would be worsened if the local communities who are struggling to survive perceive the immigrants as taking what belongs to them or that they are able to make a living in South Africa. Marshall (1994) argues that social justice promotes social cohesion and social integration in communities. Marshall also states that “Social integration refers to the principles by which individuals or actors are related to one another in a society” (1994:488).

### **2.3.1 Dimensions of Social Integration**

Bosswick and Heckmann (2006) refer to the four dimensions of social integration that pertain to the South African context.

- **Structural Integration**

Structural integration can be defined as the ability to access basic rights mainly the social and economic services. These include access to employment, education, health care and housing. This process of integration determines immigrants' socio-economic status, the opportunities and resources available to them in the host country. Thus, structural integration is essential for individuals and households since it focuses on the welfare and well-being of immigrants (Bosswick & Heckmann, 2006).

- **Cultural Integration**

Cultural integration is a process by which immigrants acquire knowledge, language and experiences needed to interact successfully in the host country. Cultural integration does not necessarily mean that immigrant groups have to give up their own culture but they learn both cultural standards. Therefore, this process of integration allows immigrants to fit into the host country and be able to communicate (Bosswick & Heckmann, 2006).

- **Interactive Integration**

Interactive integration means the acceptance and inclusion of immigrants in relationships and social networks of the host community. These include social networks, friendships, partnerships in the working realm and marriages. Immigrants thus find different ways of mixing with the citizens of the host country (Bosswick & Heckmann, 2006:10).

- **Identificational Integration**

The feeling of belonging is important in the integration process. This usually develops as a result of participation and acceptance of immigrants into the host communities. Identificational integration is indicated by feelings of belonging to, and identification with, groups, particularly in ethnic, regional, local and national identification (Bosswick & Heckmann, 2006).

One could argue that black South Africans themselves have been treated as outsiders or immigrants in their own country and have not yet fully negotiated any one of these dimensions of social integration. The immigrants in this study are battling with the four dimensions.

### **2.3.2 Social Integration Strategies**

Immigrants have employed different methods and strategies to fit into the local communities. These social integration strategies include self-employment and establishing social support networks, speaking their host's country's language and marrying into the host culture or country.

Serrie (1998:212 in Kalitanyi & Visser, 2010:379) argues that self-employment is one of the powerful strategies immigrants employ for economic and social integration. This approach enables immigrants to address their poverty and empower themselves. However, such self-employment strategies have been met with competition, rivalry and envy from other South African traders.

Social support networks can either limit or allow immigrant traders in micro enterprises to succeed or fail. However, it is regarded as a successful strategy to achieve self-employment (Urban, 2007:326). Social support networks are created when immigrants live in the same communities together (Urban & Shaw, 2010:494). Providing shelter and other social services are essential for immigrant communities. Therefore, social networks focus on the welfare of the members. This includes granting social security and protection, and assisting each other in all spheres of life (Urban & Shaw, 2010). Thus, social networks provide immigrants with support and opportunities to retain their culture and values.

Language and marriage create a level of interaction between immigrants and the citizens of the host country (Bosswick & Heckmann, 2006). It is clear that immigrants now use language and employment as a way of integrating in South Africa.

The issue of migration and xenophobia in South Africa is explored in the next section.

## **2.4 Migration and Xenophobia in South Africa**

Migration is defined as a process of people moving from their country to another country in search of a better life and these people can be classified as legal or illegal immigrants (Forced Migration Studies, 2008). In the South African context, it is clear that there are several reasons or causes for migration. People leave their countries of origin in search of employment in both formal and informal sectors (Cholewinski, 2003; Lubbe, 2008). Through their labour, they contribute to the South African economy and their countries by sending

money home to help those they have left behind. He adds that this has benefited many African countries.

Africa has been devastated by wars over the past years and issues such as revolution and military coups have brought instability (Lubbe, 2008). Another reason or cause for migration is fleeing from war and violence in countries of origin. Thus, people leave the countries for their protection and security. Immigrants try to adapt to their host countries but are often met with hostility. Furthermore, accessing residence permits and ID documents have proved to be major challenges for these immigrants.

Olowu (2008) asserts that xenophobia manifests itself in different ways. Some of the ways is discrimination in work places, discrepancies in salaries, housing, educational opportunities, as well as access to health, water, and service delivery or social profiling. Xenophobia may arise from a deeply ingrained prejudice resulting in mistrust and hostility towards those who are immigrants (Olowu, 2008).

Furthermore, the present economic and social factors that impact on the lives of poor South Africans may also trigger xenophobic attacks. It is clear that through the black economic empowerment (BEE) and affirmative action in South Africa, only a small population of black people benefited and were economically empowered. The majority of black people are still economically disempowered and are living in the informal settlements (Nell, 2008). O'Brien (2009) asserts that failure to address these socio-economic needs of the poor or disadvantaged people in South Africa threatens the fragile democracy.

There is convincing evidence that economic inequality plays key a role in violent crime. Wilkinson (2005) in Nell (2008:6) has proven that there is a higher prevalence of crime in countries where there are big differences in income. Poor service delivery, poverty and inequality may have contributed to the xenophobic attacks in 2008, where immigrants' houses and businesses were destroyed (Singh & Francis, 2010). Nell (2008) attributes these violent actions to the frustrations of poverty stricken South Africans who feel neglected and betrayed by their government. The South African citizens also accused immigrants of taking their jobs, wives and houses (Nell, 2008). By marrying South African women, the immigrants hope to access social and economic services provided to citizens.

## **2.5 Legislation and Policies for Migration**

Migration legislation and policies are discussed. These include the international, regional and local contexts.

### **2.5.1 International Context**

The 1951 United Nations Convention was designed to solve the problems faced by refugees in Europe after the World War II (UNHCR, 1998). The change in the migration patterns contributed to the limitations of the Convention in addressing the problems and challenges faced by immigrants across the world. The 1967 Protocol relating to the Status of Refugees was then introduced with the notion of improving the lives of the immigrants. The Protocol removed the geographical and time limitations found in the original Convention. The expansion of the 1967 Protocol relating to the Status of the Refugees was seen as an instrument, which would benefit everyone worldwide. The Convention or the Protocol recognises the refugee crisis across the world and thus it aims for international cooperation to tackle the problems of refugees worldwide (UNHCR, 1998).

The 1951 United Nations Convention and 1967 Protocol on the Status of Refugees are key legal documents that define a refugee, the refugee's rights and the legal obligations of states. These rights include freedom of religion and movement, the right to work, access to health facilities, education and accessibility to travel documents (UNHCR, 1998). Another key provision of the Convention and Protocol requires that immigrants should not be returned to their countries where they fear persecution. The Convention obliges the government to help the immigrants who have left their countries. Thus, there is no limit to the number of immigrants or refugees South Africa can accommodate (UNHCR, 1998).

The Convention and the Protocol clearly outlines the role of governments to its citizenry. The government should provide its citizens (i.e. nationals and non-nationals) with civil, political, economic, cultural and social rights and services including, for example protection by police or relevant Government departments. The protection should thus be available to both nationals and non-nationals citizens. The 1951 Convention and 1967 Protocol relating to the Status of the Refugees have also helped inspire important regional policy, which is known as the 1969 OAU Refugee Convention in Africa.

Unfortunately, the experiences of immigrants in South Africa are marred by complex challenges. These complex challenges require international community involvement (Kobia and Cranfield, 2009).

### **2.5.2 Regional Context**

The OAU Convention governing the specific aspects of Refugee problems in Africa was adopted in 1969 and came into force in 1974. The different African Heads of States implemented the OAU Convention's Protocols on Refugees. The main reason for this implementation was to improve the issues of migration on the African continent. The OAU Convention employed a humanitarian approach in dealing with the issues of immigrants in Africa (UNHCR, 1974).

Focusing on the UN Charter on Human Rights, the OAU aims to respect the dignity of foreign nationals, by improving the quality of their lives. The OAU Convention has thus aimed at reducing conflict among the African States by recognizing the need for all the African countries to work together. Article 1 of the OAU Convention defines a refugee as:

*“every person who, owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country, or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it”* (UNHCR, 1974:3).

It is clear that the African continent aims to promote issues of social integration, protection of human rights and promoting social and economic development among the immigrants.

### **2.5.3 South African Context**

South Africa is a signatory to the International and Regional Conventions. The South African Constitution is generally regarded as being amongst the most progressive and inclusive in the world. The Bill of Rights, guarantees a host of basic political, cultural and socio-economic rights and freedoms to all who are living within the boundaries of the nation-state. Only two sets of rights are expressly reserved for its own citizens, that is, the right to vote and the right to engage in freedom of trade, occupation and profession (Crush & McDonald, 2002:111). All other rights are extended to all persons in the country.

South Africa has thus set an incredibly good standard for promoting the rights and dignity of non-South Africans (Khan, 2007). Thus, the standards are clearly articulated in the Constitution and the Refugee Act (No. 130 of 1996), which was amended in 2000. The United Nations in 1951 through the UN Convention Relating to the Status of Refugees, indicated that the refugees have rights to access all the basic social services provided by the country they are residing in.

Khan (2007) argues that the South African laws and legislation on refugees were designed to protect the dignity of these people as well as giving them shelter and protection. International agreements and measures on refugees' status have been created to direct countries across the world in dealing with the crisis of refugees (Khan, 2007; Kobia & Cranfield, 2009). It is clear that South Africa is among the few countries in Africa and even across the world, which does not restrict movement of refugees in the country. As a result, there are no 'refugee camps' so that integration among the nationals and the non-nationals could occur (Crush, 2000; Khan, 2007).

## **2.6 Immigrants and Institutional Support in South Africa**

In order to facilitate the peaceful co-existence and integration into society, the police force should also play its role in protecting the immigrant population.

### **2.6.1 Immigrants and the South African Police Service**

The police force has failed to provide protection to the immigrants. The police officers contribute to the problems facing immigrants in South Africa through detentions and harassment (Klaaren & Ramji, 2001; Masiloane, 2010). The police act as watchdogs for the Department of Home Affairs but there is no close working relationship between these two institutions (LHR, 2002).

Immigrants in South Africa have been victimised by corrupt and fraudulent police officers, targeting them for unlawful bribes. Such practices by the South African Police Service (SAPS) personnel have undermined the integrity of the police and its efforts to foster good relations with all the communities in South Africa (Klaaren & Ramji, 2001). Van Garderen and Algotsson (2001) have also reported that immigrant cases are not properly registered at police stations. This has promoted corruption, harassments and abuses, which are contrary to the best police practices in South Africa. The SAPS is seen as promoting ill-treatment and

abuse of immigrants in South Africa. There is little trust between the migrant population and the SAPS. This has contributed to wide scale fear of police among the majority of immigrants in South Africa (Van Garderen and Algotsson, 2001; Masiloane, 2010).

Landau and Jacobsen (2005) indicated that the police force in South Africa is contributing to some of the problems faced by immigrants. For example, the police officers in Johannesburg confiscated the immigrants' travel documents and ordered them to buy back their documents (Landau and Jacobsen, 2005). The immigrants therefore pay bribes to avoid arrests and deportations. Klaaren and Ramji (2001) also indicated that police officers initiated various 'operations' on immigrants like "operation crackdown" in Johannesburg which resulted in human rights abuses of the immigrants (Klaaren and Ramji, 2001).

Lawyers for Human Rights concluded that the South African Police Services (SAPS) should conduct training focusing on issues of xenophobia and the role of the police in protecting the rights and interests of foreigners. The South African police, particularly those working at refugee reception offices and immigration points should also receive training on the validity and availability of permits held by immigrants (LHR, 2006).

## **2.6.2 Immigrants and the Department of Home Affairs**

The Department of Home Affairs (DHA) in South Africa has had a reputation for unfair treatment of immigrants and the department has received a lot of criticism on the way they treat the immigrants in South Africa Landau and Jacobsen (2005). Machingambi (2005) argued that immigrants in South Africa are entitled to full legal protection for example protection from physical attacks and assistance to meet basic human needs. The department has thus failed to provide protection to immigrants and reports by HSRC (2008), Landau and Jacobsen, (2005) have shown that the DHA was encouraging corruption rather than the protection of the foreign nationals in South Africa. There has been widespread awareness and recognition of corruption in the Department of Home Affairs in South Africa. Applications for legal documents were being delayed because the DHA officials needed bribes to process them (Landau and Jacobsen, 2005). The current perception is that corruption is not being effectively punished. The HSRC (2008) argued that the more widespread corruption becomes, the more South African communities will take their own security in hand and the less they will trust these institutions.

The expulsion of foreigners from communities in a wave of violence is one such reaction (HSRC, 2008). The difficulty of regularising the residency and legality of non-South African citizens has been exacerbated by the apparently endemic corruption both within the Department of Home Affairs, local municipalities and within some relevant divisions of the South African Police Service. This applies both to the issuing of false identity documents and bribing local government officials to access facilities (HSRC, 2008). Cholewinski (2003) concludes that immigrant workers are considered to be vulnerable with regards to their protection in their host country.

### **2.6.3 Immigrants and Refugee NGOs**

According to Aall (2001), the definition of NGOs is broad. It covers an extensive variety of organizations from humanitarian NGOs to church groups and thinly disguised political parties. Aall therefore defines NGOs as “private, self-governing, not for profit institutions dedicated to alleviating human suffering; or to promoting education, health, economic development, environmental protection, human rights and conflict resolution; or to encouraging the establishment of democratic institutions and civil society” (2001:367).

The issue of immigrants in South Africa has raised much attention from different institutions. Various refugee organisations are working tirelessly in an effort to improve the lives of non South Africans. This is because immigrants have failed to get help from the government and they have turned to NGOs for help. The different NGOs working with refugees in South Africa are providing much needed services (CoRMSA, 2008).

The Consortium for Refugees and Migrants in South Africa (CoRMSA) is a non-governmental organisation committed to promoting and protecting the rights, lives and welfare of refugees, asylum seekers, and other international immigrants in South Africa (CoRMSA, 2008:3). The organisation uses a human rights based approach for refugees and immigrants in South Africa. The CoRMSA (2008) report indicates that most of the non South Africans are vulnerable in South Africa. The Government of South Africa has not done much in respecting the rights and dignity of immigrants, hence the NGOs are creating opportunities for non South Africans so that they can improve their lives. The CoRMSA report also outlines the different ways in which the non-nationals (i.e. refugees, asylum seekers, and other immigrants) are excluded from the services, welfare, and dignity guaranteed in South African Law and Constitutional commitments.

The Cape Town Refugee Centre (CTRC) is another humanitarian NGO working with refugees and asylum seekers in the Western Cape. According to Aall (2001), the humanitarian NGOs focus on humanitarian crises, relief and development efforts. Development involves long-term projects aimed at helping communities build sustainable social, economic and political structures (Davids et al, 2009). The organisation has attempted to improve the quality of life of refugees and asylum seekers by meeting their basic needs on a short-term basis, and enabling them to become self-reliant and self sufficient through various empowerment opportunities. The organisation engages refugees and asylum seekers in improving the quality of their lives through capacity building, education, psychological and emotional support, networking, lobbying, advocacy and integration into their host communities.

The UNHCR in South Africa plays a pivotal role in improving the lives of the non-nationals. It has an important role to play in the establishment of national refugee legislation that is in accordance with the 1951 Refugee Convention, and in supporting capacity-building efforts that enable the agents of the state, including the police, military, judiciary and local government officials, to adhere to such legislation (UNHCR, 2008). The organisation has also worked with other NGOs so that they can improve the plight of immigrants suffering in South Africa. The UNHCR also seeks ways to find durable solutions to refugees' plight, by helping them repatriate to their homeland if conditions warrant, or by helping them to integrate in their countries of asylum or to resettle in other countries (UNHCR, 2008).

Most immigrants try to set up small businesses in order to make a living. Micro enterprise in South Africa has therefore become a major pre-occupation for a large section of the poorer South African population.

## **2.7 Micro Enterprises in South Africa**

The South African economy is currently undergoing a period of structural adjustment because of the country re-entering the global economy after the apartheid era. This period of liberalisation may have profound effects on the nature of the economy as well as social development initiatives.

Small, Medium and Micro Enterprises (SMMEs) represent an important vehicle to address the challenges of job creation, economic growth and equity in our country. Throughout the

world, one finds that SMMEs are playing a critical role in absorbing labour, penetrating new markets and generally expanding economies in creative and innovative ways (Department of Trade and Industry, 1995). South Africa has clearly recognised the important role micro enterprises play in the country's economy.

Micro and small businesses play an important role in the economic and social development of South Africa because they are an essential mechanism for creating jobs and growing the economy (Bamu, 2005). The micro business initiatives sector can positively contribute to employment creation, at the same time it can shift the concentration from South Africa's formal economy (Luiz, 2001). (Chatson, 1997; Luiz, 2001) also indicated that micro business initiatives could create a meaningful contribution to the economy, if they are integrated into the mainstream. However, due to the unregulated nature of most small businesses in South Africa, it is difficult to estimate the size of this sector and its contribution to GDP (Mabena (1994).

The National Small Business Act of 1996 classifies small businesses into the following categories:

- micro enterprises which includes survivalist enterprises
- small business
- medium business

The most significant challenges and problems encountered by small business initiatives are insufficient and inadequate demand, cost of capital and infrastructure (Bamu, 2005; Luiz, 2001). The report added that these kinds of constraints affect the expansion of these small businesses. Furthermore, there are other challenges and obstacles that micro businesses face (Luiz, 2001). The biggest challenge is access to finance.

Accessing capital or loans from commercial banks has been a problem hampering traders from starting up their enterprises. Secondly, there is the problem of labour. Thus, Luiz (2001) explains that the labour legislation in South Africa has been criticised for raising costs associated with employment. In South Africa, it is clear that small businesses rely mostly on informal labour contracts to keep costs down and the labour laws (Luiz, 2001) have challenged this.

All businesses, large or small, have faced the challenges of globalisation (Graham, 1999). Small businesses view market access and the failure to sell their products and services as a serious threat to their sustainability. However, this is a worldwide problem. Although many of the marketing concerns and problems faced by small businesses are similar to those encountered by larger businesses, SMMEs are particularly challenged in many ways that bigger businesses are not (Chatson, 1997; Graham, 1999). These special challenges refer to a lack of resources and deficiencies in personnel, marketing knowledge and experience (Chatson, 1997). These problems or challenges are compounded when immigrants without business permits are trying to set up their businesses.

For purposes of this study, the researcher will only concentrate on immigrants who are operating micro enterprises businesses.

### **2.7.1 Immigrants in Micro or Small Businesses**

Micro enterprises, as discussed in this study, are very small businesses involving the owner, family members, and at most, four employees. Immigrant traders in South Africa involved in micro enterprises are mainly in retail business and not in the production sector. The activities usually involve selling curios, making traditional African clothes and foods, vehicle repairs or panel beating and operating hairdressing salons (Kalitanyi & Visser, 2010:379; Peberdy and Rogerson, 2000). These immigrant businesses have also created employment for South Africans and helped with the transfer of entrepreneurship skills from immigrant entrepreneurs to South African citizens. The 2010 study by Kalitanyi & Visser (2010) in Cape Town on immigrants creating employment for the local people clearly shows that immigrant businesses have contributed towards job creation.

Self-employment is a viable income earning option for immigrants living in South Africa. However, they face different challenges and problems such as acquiring business trading and import licences (Bamu et al, 2007). Market imperfections can also constrain small business initiatives' access to resources. This can affect negatively on their ability to invest in a particular asset, whether it is raw material, equipment, customer credit or finished products. In the urban environment, small businesses traders do not only sell goods but also create solutions that build on existing informal mechanisms, which enhance their capacity to make a living. In this respect, the South African trading laws and regulations should be adapted to meet this need.

In Kenya for example, many immigrants have indicated that there is need for micro credit loans to start up small business initiatives or micro enterprises (Jacobsen, 2004). Understandably, microfinance institutions are cautious in taking the risk of assisting those potentially transitory or temporary customers or clients who fall outside the Kenyan legal framework (Jacobsen, 2004). To address this, aid agencies have collaborated with microfinance institutions to provide training to these clients on loan management. Depending on the conditions, such aid agencies provide the microcredit loans institution with a reserve fund to compensate for defaults. With enhanced facility and ability, loan beneficiaries may reinvest earnings. Thus, micro finance institutions could develop creative partnerships with aid agencies and immigrant traders to facilitate micro loans that could be paid back.

Most immigrants bring important skills and important expertise into the host country (Jacobsen, 2004; Sommers, 1999) and they are able to impart their skills to fellow South Africans willing to make a living through trading. It is important to note that self-sufficient immigrants do not cause any strain on the economy of the host country. On the contrary, most refugees contribute positively to the economic and social sectors of the countries they are residing in. They revive the social and economic fabric of the communities, expand markets, bring new skills, and create transnational linkages (Landau & Jacobsen, 2005; Grabska, 2006; Jacobsen, 2004). For example in Nairobi, Kenya, the Somali refugees who are involved in small business initiatives have become an important aspect in the informal markets (Jacobsen, 2004).

### **2.7.2 The Role of Micro Credit in Small Business Initiatives**

Micro credit is a financial service where small amounts of money are loaned to poor people for use as capital to start or expand small businesses (Adebowale, 2011; Landau & Jacobsen, 2004). It is one of the most effective tools, which are available to combat and fight poverty in the developing countries (Yunus, 1999). According to Bamu (2005), the following are the obstacles low-income and no income groups encounter in accessing the formal finance sector:

- a) Many people in these groups do not have credit histories;
- b) Formal finance institutions have difficulty assessing their credit worthiness as prospective borrowers;
- c) The poor often lack collateral to use as security for loans.

Micro credit intends to increase access to banking amenities for the poor by granting credit for income generating enterprises (Bamu, 2005; Yunus, 1999). Micro credit financiers believe that the poor can change their lives through their own efforts. Micro credit has a developmental objective, which is predicated on the face that the provision of small loans to individuals will motivate and encourage economic activity, which will in turn strengthen communities and eventually change economies (Adebowale, 2011; Bamu, 2005; Bamu et al, 2007; Schraader et al, 2010; Yunus, 1999).

Kalitanyi & Visser, (2010) have reported that immigrant traders in South Africa have no access to finance and credit, which affects their businesses and this deters business investments as well as hindering the efficiency of the businesses, resulting in poverty and social exclusion (Jacobsen, 2004; Bamu et al, 2007). Immigrants' failure to find employment or access services has promoted micro enterprise initiatives (Bailey, 2004; Jacobsen, 2004). A direct consequence of the inability to access formal financial services is that immigrants do not have a safe and protected location for their money, making them targets for theft, robbery and extortion (Landau, 2006; Landau and Jacobsen, 2004).

Where micro loans are not forthcoming, people who share the same experiences and background have tried to help each other through social networks that assist with capital (Aldrich & Zimmer, 1986). Bamu et al (2007) argues that such social capital provided by communities in the same situation is important to entrepreneurial start-ups because it provides the necessary social and financial support needed. These communities may be in a position to offer some financial support to people who want to start up small businesses (Bamu et al, 2007; Davidsson & Honig, 2003). The support may be social, moral, material, work related and / or social advice. Alternative ways of raising money like stokvels are common in South Africa and immigrant groups have similar initiatives.

The immigrant traders in the Cape Town communities thus provide finances, skills, and knowledge on how to start and run micro enterprise initiatives. Bamu et al (2007) add that social support networks provided by family, friends, community-based or organizational relationships help with the dissemination of expertise, experience and financial capital.

## **2.8 South African Government Regulations on SMMEs**

The business regulations are very often complex which is why small businesses find it so difficult to comply with (Kristiansen, 2008; Smulders, 2006). The channels of bureaucracy created by the government are regarded as major obstacles to small businesses in South Africa (Hudson, 2004; Small Business Project, 2003; Smulders, 2006).

### **2.8.1 General Regulations**

The markets do not only influence businesses in South Africa but regulatory laws have an impact on the way they operate. These regulations and formalities usually discourage small-scale entrepreneurs.

World Bank (2002) indicated that higher regulatory costs are associated with more poverty, larger informal sectors, higher unemployment, lower productivity, and corruption. Hudson (2004) argues that in the developed countries the regulations on enterprises are much lower as compared to the developing countries. In South Africa, traders have to register their businesses and pay tax. Hudson (2004) ascertains that the procedure of registering a business is a long and expensive process, which has forced many traders not to register their businesses (Hudson, 2004).

Manual (2005) suggested, that reducing the regulatory burden on micro or small businesses in South Africa is an important element of Government's approach for encouraging employment creation. He adds that the Government must review the compliance burden on small businesses to promote growth and development.

Thus, it appears that government may be willing to consider the burden placed on small businesses through overregulation.

The people who are willing to start small businesses are not motivated to do so because of the “strict regulations” in South Africa. Kristiansen’s (2008) study indicated that people are aware of the government regulations concerning businesses but do not understand how these regulations apply to them. Therefore, there is need for the government to create advice offices across the country to provide the people with the necessary valid information about regulations. Hudson (2004) points out that government uses regulations to collect taxes, protect citizens and consumers from unsafe products, protect employers from unfair

employment practices, as well as to protect the environment for current and future generations.

### **2.8.2 Registration**

In the South African context, businesses need to be registered. However, this process is described as complex (Kristiansen, 2008). World Bank (2004) as quoted in Hudson (2004) indicates that the registration of small businesses in South Africa takes approximately 38 days. There are about nine procedural requirements, which are expensive for those who are starting their businesses. In the developed countries for example the Netherlands, China and Germany the process is faster as there are only two procedural requirements.

Kristiansen (2008:38) argues that the registration of businesses have been made expensive and complicated which has led to many failing to register their businesses. The failure to register businesses limits the traders with regards to providing employment, accessing financial assistance and growing their businesses.

### **2.8.3 Taxation**

Taxation of businesses across the world brings income to the governments. According to Hudson (2004), there are three forms of tax for micro enterprises in South Africa. These are Income Tax, Value-Added Tax and Pay As You Earn (PAYE). These different taxes vary according to the size of the business.

The former SARS Commissioner, Mr Pravin Gordhan, initiated a process to ease the burden of tax for SMMEs. He said ‘We take SMMEs seriously and want to assist them and at the same time want better compliance from them’ (Hudson, 2004:7). This fits into government’s broader agenda of reducing compliance burdens and removing the regulatory barriers to the advancement of the SMME sector. Taxation has been limiting a number of traders to register and succeed with their businesses. It is clear that micro enterprises fail to comply with taxation regulations due to the costs they have to incur to become and remain tax compliant (Hudson, 2004; Kristiansen, 2008; Smulders, 2006)

#### **2.8.4 Problems with establishing Business Markets**

Immigrants who desire to set up micro enterprises discover that government laws and policies from owning fixed assets such as equipment or buildings (Kalitanyi & Visser, 2010) limit them. Banks do not provide investment capital, and the private lenders of small sums charge exorbitant rates, which make it difficult for the immigrants to pay back (Kalitanyi & Visser, 2010; Weaver, 1988). The local authorities are not willing to give immigrants business licenses, or business markets. Apart from inconsequential trading and small stands, there are few immigrants found in the commercial sector (Weaver, 1988). Immigrants also experience problems caused by settlement restrictions and the lack of their social integration (Aldrich & Waldinger, 1990). Kalitanyi & Visser (2010) outlined the challenges faced by immigrant traders in South Africa; these include lack of resources and access to business market areas. Lack of suitable places to sell goods affects many immigrant traders who then settle for places where the market is unfavourable.

### **2.9 Conclusion**

This literature review has highlighted some of the major factors impacting on immigrants in South Africa wanting to make a living through micro enterprises. Their human rights have been negated in various ways as well as a range of freedoms (Sen, 1999). The South African context, as their host environment, has presented numerous challenges to immigrant small-scale entrepreneurs. Dealing with xenophobia, being unable to access finance and corruption in relation to dealings with the SAPS and the DHA have all made their adjustment to South Africa much more difficult. At the same time, various Refugee NGOs and Legal Aid institutions have tried to assist these immigrants. Earning a living through micro enterprises within the South Africa regulatory framework has also proven to be a major challenge.

The following chapter presents the research methodology.

# CHAPTER THREE: METHODOLOGY

## 3. Introduction

In this chapter, the research design; sampling; data collection, data analysis and research limitations will be discussed.

### 3.1 Research Design

In this study, a qualitative exploratory methodology was used to explore the challenges that immigrants who are involved in micro enterprise initiatives in two markets in Cape Town, face. A qualitative methodology was appropriate to explore some sensitive issues. The meanings participants give concerning 'immigrant realities' is central to this study. Research design refers to the overall planning and organisation of the research (De Vos et al, 2005). Creswell (1998:2) as quoted in De Vos et al (2005:271) defines qualitative research design as "the entire process of research from conceptualising a problem to writing the narrative". It is thus a logical arrangement of ideas in a research study.

Qualitative research is concerned with understanding the phenomena from the participants' perspective (Babbie and Mouton, 2005). Data is derived from observations, interviews, interactions that focus on the meanings and interpretations of the participants (Holloway and Wheeler, 1995). Exploratory research is directed at finding out about the nature and parameters of a problem that is unclear. Babbie and Mouton (2005) point out that exploratory research is conducted to satisfy the researcher's curiosity and desire for better understanding. Thus, it leads to insight and comprehension of the research question. Thus, a qualitative, exploratory approach was considered suitable for this study as it afforded immigrants and the key informants the opportunity to put forward their perceptions about the challenges facing immigrant traders.

### 3.2 Sampling

The participants were selected by means of purposive or convenience sampling. This is a non-probability sampling method. The purposive or convenience sampling method "is composed of elements that contain the most characteristic, representative or typical attribute of the population" (De Vos et al, 2005:207). The researcher targeted a group of immigrants

who run their micro enterprises at the Greenmarket Square and the Hout Bay Harbour markets. Both markets are in Cape Town, South Africa. These immigrants could provide information that would answer the research questions. The individual participants were selected based on their consent and willingness to participate in the research study. Key informants were also targeted.

The sample was made up of twelve immigrant traders from the two flea markets in Cape Town (See Table 1: page 42). Six participants were selected from each market. Five key informants were also asked to participate in this study (See Table 2: page 43).

The immigrants' sample consisted of:

- Three women and three men from Greenmarket Square
- Three women and three men from the Hout Bay Harbour market

The researcher chose an equal number of women and men to participate because she wanted to do justice by making sure that the voices are heard from both groups. Furthermore, there may be well be gender differences which could impact on the findings.

The key informants were

- Three persons from NGOs in Cape Town (Scalabrini, ARESTA and Jobstart Training Centre). All these NGOs assist refugees.
- One person from Legal Aid (UCT Law Clinic)
- One person who deals with refugee issues at the Department of Home Affairs

The researcher chose the key informants because they were the sources of rich information with regards to the research objectives.

Twelve immigrants and five key informants were the respondent groups. Thus, seventeen participants were interviewed.

### **3.3 Data Collection**

The data collection processes and methods are discussed.

### **3.3.1 Data Collection Approach**

Data was gathered from face to face interviews with the twelve immigrant traders and the five key informants. Face to face interviewing was the chief method of data collection used in this study. It involves the researcher asking questions and recording the participants' answers (Babbie and Mouton, 2005: 249). The researcher began by visiting the market areas and spending time with the traders. The traders explained the various products they had on sale. This allowed both the researcher and the participants to gain a level of trust and openness with each other. Informal conversations and observations enabled the researcher to gain an understanding of the circumstances under which the immigrant traders earned a living (Babbie and Mouton, 2005). A letter seeking permission was written and presented to both groups of respondents (i.e. immigrant traders and key informants).

The face to face interview allows the researcher the opportunity to observe the participants and seek clarification to deal with misperceptions. The in-depth interviews were conducted at a time and place that was convenient for the traders and key informants.

The interviews lasted 40 to 60 minutes and were conducted in English.

### **3.3.2 Data Collection Instrument**

Two semi-structured interview schedules were designed with key questions that were linked to the objectives. These schedules were used as a guide and not followed rigidly (See Appendices B: page 85 & C: page 91). The researcher employed in-depth face-to-face interviews using an interview schedule to collect the information. According to De Vos et al (2005), the use of a semi structured interview guide allows the researcher to gain a detailed picture into the problem.

### **3.3.3 Data Collection Apparatus**

A Dictaphone recorder was used to capture the interviews. This gave the researcher the freedom to observe non-verbal ones and to add relevant questions to the schedule. These discussions were recorded with the permission of the respondents. The recordings were transcribed in preparation for data analysis. The researcher also took notes afterwards.

### **3.3.4 Secondary Sources**

Secondary sources such as national legislation, policy documents and local council policy statements, which regulate the operation of the Greenmarket Square and the Hout Bay Harbour markets, were consulted as supplementary information sources.

## **3.4 Data Analysis**

Data analysis involves the detailed examination of complex data for the purpose of understanding the data or in order to identify the essential features of the data (Tesch, 1990). It can be described as an on-going process of meaning making. Qualitative data analysis practices are diverse as there is no prescribed way of analysing data (De Vos et al, 2005). Tesch's (1990) method of data analysis is used for the purposes of this study.

- Firstly, the researcher transcribed all the interviews.
- The researcher then read one transcript looking for meanings.
- In the margin of the transcript, the researcher then assigned labels to the meanings.
- All the transcriptions were subjected to the process of assigning labels.
- The researcher grouped the labels into themes and categories.
- The researcher then revisited the main themes and categories in order to make sure that the themes reflected the main objectives of the study.
- The categories were checked to make sure that they were mutually exclusive.
- A framework, which depicted the revised themes and categories, was developed (See Table 3: page 43).
- The researcher discusses findings using the themes as main headings and categories as sub-headings.
- The actual quotes of the research participants are given and linked to previous studies and literature reflected in the literature review. Critical commentary is also given as to the meaning of the findings.

## **3.5 Limitations of the Research Study**

The limitations of this study are discussed:

- **Research Design**

The qualitative approach investigates the respondents' personal perceptions thus, it is at risk of presenting biased views. However, this research design is appropriate for this kind of exploratory study, which seeks to establish the meaning that the participants give to the topic under investigation.

- **Sampling**

In non-probability sampling, every potential participant does not have an equal chance of being selected. The subjective nature of non-probability sampling does not permit making inferences, which apply to the entire population. In this study, the sample was small. The study is also limited to selected flea markets in Cape Town and the group of immigrants traders who volunteered their participation may be a distinctive group different to other immigrant traders in that area. Nevertheless, valuable insights could be gained from this purposively selected small sample, which could lead to a larger study being done.

- **Data Collection Approach**

The face-to-face interviewing method will allow the researcher to clarify issues. However, this approach presents a challenge if one is not an experienced interviewer. A further difficulty was that English was not the first language of the immigrants or that of the researcher. This approach is time consuming, but it can yield rich data. The sensitivity of the issues raised was best served through this approach.

- **Data Collection Instruments**

Using a semi-structured interview schedule is useful as guide to keep focused. However, the researcher also needs to be flexible and not stick too rigidly to the schedule. "Semi-structured interviews generally last for a considerable amount of time and can become intense and involved, depending on the particular topic" (De Vos et al 2005:303). Nevertheless, this approach helped build rapport and helped the immigrants to respond quite openly.

- **Data Collection Apparatus**

The use of a Dictaphone allows one to capture or record verbal data but this apparatus can distract the respondents or they may view it with suspicion. Nonetheless, it does allow the

researcher to capture and replay the interviews. Noise was another problem. The transcription process was time consuming.

- **Language**

Language was an important factor in this study, as English was used to communicate with all the selected participants. The disadvantage was that some of the participants were not fluent in English, which resulted in some interviews being shorter than others.

- **Data analysis**

Data analysis may lead to superficial or biased findings. It depends on the researcher's ability to analyse qualitative data in a critical way when seeking out themes and categories in the data. However, the researcher used supervisory guidance to assist her in this process.

- **Researcher**

The researcher is a novice researcher and has not had much experience in carrying out research. The researcher frequently consulted her supervisor for advice.

### **3.6 Conclusion**

This chapter introduced the reader to the research design, the sampling method, the data collection process as well as the steps taken in analysing the data. The limitations inherent in this study were also presented. The next chapter will present and analyse the findings.

# **CHAPTER FOUR: PRESENTATION AND ANALYSIS OF FINDINGS**

## **4. Introduction**

This chapter provides the participants' profiles, framework for analysis in the form of major themes, categories and sub-categories. The findings are discussed in relation to these themes and categories using the actual quotes and comparing these quotes to other studies.

### **4.1 Profiles of the Participants**

The researcher selected twelve immigrant traders who sell African sculptures and other products at two different flea markets. Six traders were from Greenmarket Square and six from the Hout Bay Harbour market. Five key informants from five "organisations" that deal with immigrants' issues were also selected to participate in this study.

#### **4.1.1 Immigrant Traders' Profile**

The twelve traders who were interviewed were foreigners (from various African countries) who are traders in the micro enterprise initiatives in the two selected flea markets in the Western Cape. Pseudonyms have been used to maintain anonymity and to protect the participants' real identities. Various reasons for coming to South Africa were given. A common motivation was the untenable political, social and economic instabilities within their countries of origin. The sample population included: five Zimbabweans, two Kenyans, one Nigerian, one Malawian, one Sudanese, one Senegalese and one Congolese. Their ages ranged from 25 to 49 years.

The twelve immigrant traders quite indicated that lack of employment led them to start micro enterprises in this country. The other challenges that they face are also explored in this study.

The following table presents the profile of the traders (Table1: page 42).

**Table 1: Profile of the Immigrant Traders**

Participant	Gender	Nationality	Age	Residential Location	First entry in SA	Marital Status	Name of Market
1. Eric	Male	Nigerian	42 years	Vredeheok	1999	Divorced	Greenmarket
2. John	Male	Senegalese	27 years	Cape Town	2005	Single	Greenmarket
3. Mary	Female	Zimbabwean	49 years	Maitland	2003	Widow	Hout Bay
4. Sam	Male	Zimbabwean	25 years	Hout Bay	2005	Married	Hout Bay
5. Matt	Male	Sudanese	32 years	Goodwood	2001	Single	Hout Bay
6. Mike	Male	Zimbabwean	45 years	Hout Bay	2001	Single	Hout Bay
7. Carol	Female	Zimbabwean	38 years	Muizenberg	2000	Divorced	Hout Bay
8. Alice	Female	Kenyan	29 years	Brooklyn	2001	Single	Greenmarket
9. Edna	Female	Malawian	28 years	Wynberg	2006	Divorced	Greenmarket
10. Freddy	Male	Congolese	40 years	Athlone	2000	Married	Greenmarket
11. Amira	Female	Kenyan	30 years	Summer Greens	2005	Single	Hout Bay
12. Susan	Female	Zimbabwean	30 years	Bellville	2000	Single	Greenmarket

#### 4.1.2 Key Informants' Profile

The five key informants who were interviewed as part of this research project included officials from the Agency for Refugee Education, Skills Training and Advocacy (ARESTA), the Department of Home Affairs (DHA), the Scalabrini Centre, Catholic Welfare and Development (CWD) Jobstart Training Centre and the University of Cape Town (UCT) Law Clinic.

**Table 2: Key Informants' Profile**

<b>Participant</b>	<b>Organisation</b>	<b>Purpose</b>	<b>Service Provided</b>
1 Org – A	University of Cape Town (UCT) Law Clinic	Legal Aid	They help with asylum application processes, appeals and reviews in cases of rejected asylum applications. They also help in voluntary repatriation, family reunification, relocation and resettlement of immigrants.
2 Org – B	Scalabrini Centre	Refugee NGO	They promote the basic human rights of immigrants. They also ensure that the immigrants have access to basic social services such as medical care, schooling, bank accounts, shelter and legal assistance to regularise their documentation.
3 Org – C	Agency for Refugee Education, Skills Training and Advocacy (ARESTA)	Refugee NGO	They promote immigrant issues through lobbying and advocacy
4 Org – D	Catholic Welfare and Development (CWD): Jobstart Training Centre	Faith based organisation	They run hospitality industry training and small business courses.
5 Org – E	Department of Home Affairs	Identity documents or permits	DHA issues legal documents to all non South Africans who come to South Africa. It has the power to deport illegal immigrants.

## 4.2. Framework for Discussion of Findings

After doing a first level analysis of all the transcriptions, the following table was constructed showing the major categories and sub-categories that were linked to five key themes. These themes, in turn, reflected the research objectives of the study.

**Table 3: Framework for Discussion of Findings**

<b>THEMES</b>	<b>CATEGORIES</b>
<b>Challenges in relation to micro credit loans</b>	<ul style="list-style-type: none"> <li>• Bank Regulations / IDs / Collateral</li> <li>• Lack of access to loans</li> <li>• Moneylenders</li> <li>• Accessing money from NGOs</li> <li>• Family Support</li> </ul>
<b>Challenges with regard to social integration</b>	<ul style="list-style-type: none"> <li>• Integration Strategies (self employment, language, marriage)</li> <li>• Attitudes to foreigners</li> <li>• Support Strategies</li> </ul>
<b>Difficulties in establishing the business</b>	<ul style="list-style-type: none"> <li>• Location</li> <li>• Registration and Taxation</li> <li>• Choice of product</li> <li>• Motivation for starting up businesses</li> <li>• Expansion/Improved lifestyle</li> <li>• Other Business challenges</li> </ul>
<b>Challenges in relation to the police; Home Affairs; other South African traders</b>	<ul style="list-style-type: none"> <li>• SAPS</li> <li>• DHA</li> <li>• South African Traders</li> </ul>
<b>Relationship with Refugee NGOs</b>	<ul style="list-style-type: none"> <li>• Services provided</li> <li>• Lack of knowledge about NGOs</li> </ul>

## 4.3 Challenges in Relation to Micro-credit Loans

The following responses are linked to the first research objective, which is to *‘explore the major challenges facing immigrants in relation to accessing micro credit loans’*.

### 4.3.1 Bank Regulations

It was important to note that five immigrant traders were aware that there are no micro financing institutions (MFIs) willing to give loans so they could start up or expand their businesses. This also affected the financial security of the traders. The traders clearly stated that some of the banks would not allow them to open bank accounts or borrow money since they only recognise temporary residence permits and not other immigrants’ documents.

*“... The bank doesn’t understand foreigners here. I failed to open a bank account because I had asylum papers. So I know I won’t get a loan”* (Participant 6, Mike).

*“Banks want foreigners to have ID and when you are an asylum seeker like me they don’t give you money. You can’t open a bank account because you are not South African...”* (Participant 2, John).

*“...They only give loans to South Africans my friend. In actual fact when you are not South African and you, want to open an account it is not easy. Most people are told that they cannot open bank accounts because they are not from here or they don’t have temporary residence permits. So for those who have the asylum or refugee papers getting things done here is hard...”* (Participant 7, Carol).

*“The banks do not give them money. Umm... banks like FNB are the only ones who allow refugees to open accounts, umm some banks don’t have time to help”* (Key informant 3, Org-C).

These responses highlight the fact that some banks do not always accept the legal documents issued to immigrants by the Department of Home Affairs (DHA). This has complicated the immigrants’ lives in South Africa because they need these documents to be recognized so that they can access social and economic services. Jacobsen (2004) makes the point that immigrant traders often fail to access funds in countries they have fled to, which affects their potential to make a living. Furthermore, possession of asylum seeker documents does not guarantee access to banking facilities (Jacobsen, 2004).

Respondents in this study were despondent about being able to access and benefit from the social and economic opportunities in South Africa. Hence, failure to access such services disadvantages immigrants and hinders social and economic development.

- **Identity Documents (IDs)**

Ten immigrant traders indicated that they failed to get loans from banks or to open bank accounts because they did not have South African identity documents.

*“Cause I don’t have a local ID and I am foreigner. When you are a foreigner here you can’t apply for a loan at a bank....” (Participant 6, Mike).*

*“They wanted my passport or ID. I said I am a refugee and I showed them the paper and they say go to Home Affairs and get a ID not this paper...” (Participant 11, Freddy).*

*“...I wanted to have an account at the bank and they tell them that they want a ID and I don’t have that. But others say you can now open an account but I don’t know the bank. But loans maybe they give them to foreigners but I don’t think I can go there. They embarrass you and tell you to go your country. I keep my money at home” (Participant 10, Edna).*

*“...So things like loans from the bank you know that you cannot even try cause you are not South Africa. First and foremost they need a South African ID so umm foreigners don’t have that...” (Participant 8, Susan).*

*“...The main problem is they want the green ID, you must be South African to get loan and as a foreigner you don’t have that...” (Participant 5, Matt).*

Thus, many of the respondents believe that without an ID they cannot open an account or access any loans. There seems to be a lack of information as to which bank will allow them to open an account. Rather than being embarrassed one respondent keeps her money at home and this may make her vulnerable to theft and robberies.

One immigrant also said that immigrants failed to access employment because they do not have the local ID card.

*“Plus you are a foreigner you don’t have the ID the local ID you know so it becomes more difficult for you to mmm get employed...” (Participant 6, Mike).*

One trader stated that he managed to get a South African identity document through marriage. The participant also indicated that the ID has allowed him to access some of the services that other immigrants cannot access.

*“...now I got a ID because I marry here in South Africa. So I can move around and pay anything using the bank. But if you are just a foreigner with no IDs or papers then you are in trouble because you can’t do anything...” (Participant 1, Eric).*

The immigrant traders clearly indicated that IDs determine their well-being in the country. The immigrants are not able to open bank accounts, find employment and access other

services because they do not have the South African IDs. The issue of identity documents for immigrants is one of the major challenges they encounter in South Africa (Jacobsen, 2004)

- **The Need for Collateral**

Another challenge experienced by immigrant traders which limit them from accessing micro credit loans, is the issue of collateral when they want loans. Four immigrant traders stated that lack of collateral has disadvantaged them in the business sector. This also makes it difficult for institutions and banks to offer loans to immigrants because they do not have the means of tracking them.

*“... In my country to get a loan from the bank you, need collateral. So now, when you don't have that it is hard. They don't give that. I don't have a house here; I don't have a job so they cannot give me that loan” (Participant 11, Amira).*

*“...The issue of no collateral really affects them. So they can't find money because they have been labelled as refugees” (Key Informant 4, Org- D).*

*“...So I can't apply for a loan as a foreigner here. They also need collateral and I don't have that. So they can't give me a loan without all those things...” (Participant 7, Carol).*

Some immigrants do not have collateral in their host countries because they are considered to be transitional immigrants, which hinders them from accessing loans for their businesses (Jacobsen, 2004).

Micro credit is a way of providing small, collateral-free loans to disadvantaged people who do not have the capital to start-up small businesses (Bamu, 2005; Yunus, 2004).

### **4.3.2 Difficulties in Accessing Loans**

When asked about the major challenges, all twelve traders stated that accessing funds was the major stumbling block. They needed loans for their businesses and without loans, their livelihood was threatened.

*“...Immigrants have major problems in accessing funds to start their programmes” (Key informant 2, Org-B).*

*“...it is difficult to start their business or make their businesses big because they don't have the money...” (Key informant 2, Org-B).*

*“Sometimes getting money is hard and your business is going down and you need some money. But you can't get it from anywhere” (Participant 3, Mary).*

*“...You see this business is... umm... I can say hand to mouth... umm... where you have money to do the basic but you can't save or extend your business...” (Participant 4, Sam).*

It is evident that the immigrant traders are faced with challenges when they need to access micro credit loans for their micro enterprises. The lack of micro credit loans also affects the growth and progress of their businesses (Bamu et al 2007; Kalitanyi & Visser, 2010).

With no or little possibility of accessing loans from banks, many immigrant traders may have to turn to moneylenders but some are unable to do so due to the high interest rates.

One person from the First National Bank indicated that the bank does not provide loans to foreigners who do not have the necessary documents but this also applies to the South Africans without collateral. The requirements for applying for microcredit loans include identity documents and surety.

### **4.3.3 Moneylenders**

One immigrant trader indicated that moneylenders charge higher interest rates, which hamper immigrant traders from accessing cash in this way.

*“Now the problem is they give you a lot of interest and it is hard to pay back. So you think I get this money and I pay times ten. So you see that people don't want to get money from them” (Participant 5, Matt).*

One key informant also stated that:

*“Those money lenders in South Africa are very expensive they have too much interest so you can't go there to get money... worse if you are a foreigner...” (Key informant 4, Org D).*

Jacobsen (2004) argues that moneylenders are easily accessible and uncomplicated, but they charge very high interest rates, which makes repayment difficult. Thus, although moneylenders are available it is not financially feasible for traders to take out loans from them because of the interest demanded. This places the traders in a ‘catch 22’ situation.

### **4.3.4 Accessing Money from NGOs**

Three key informants who work for NGOs indicated that they were unable to provide funding to immigrant traders even though they may help them in other ways.

Three key informants stated that:

*“Umm the main problems they face here in South Africa are to get places where they can get money for their businesses. Umm as I know right now is that, there are no ways of giving money to foreigners. So they cannot have money to develop their businesses... Umm here as a NPO we don't give the funds because we also don't have enough money.” (Key Informant 3, Org C).*

*“...We don't have funds to assist them so at the end of the day they don't do business...” (Key informant 2, Org B).*

*“...The government and NGOs don't give foreigners loans to start up businesses, now this is a fact. Why? Umm because in South Africa there are no organisations which lend money to those who want to start businesses when they are a foreigner or refugee...” (Key informant 4, Org D).*

When probed one key informant working for an organization stated that:

*“No we don't assist them financially. We used to do that but the main problem that we encountered was that once this foreigner is given money they flee the country. So the money was not returned...” (Key informant 4, Org D).*

It is clear that the NGOs and banks are reluctant to lend money to transitional immigrants. Given this situation immigrants turn to their family members for funds or start-up capital for their small businesses. Yunus (2004) has argued that NGOs could play an important role in providing microcredit to the poor and the disadvantaged people. However, some of these organisations face major obstacles in providing finance and opt to provide ‘welfare relief’ services.

#### **4.3.5 Family Support**

The immigrants lend money and products to each other. Such activities facilitated social capital amongst themselves. All the immigrant traders indicated that failure to access funds have led them to share resources among themselves.

*“My uncle helped me with the money that I needed to start this business and also my friends in the market ...” (Participant 5, Matt).*

*“My sister is the one who assisted me in doing this business. So she gave me some of her products to start my mine...But I had to pay her back after I was in the business” (Participant 6, Mike).*

*“Umm you see I had things that I was given by my uncle here. So I sold them to get capital. So I can actually say that my uncle gave me capital to start this business” (Participant 4, Sam).*

Lack of finances has greatly promoted the flow of social capital in communities (Bamu et al, 2007). Thus, social capital generates networks that facilitate the discovery of opportunities, as

well as the identification, collection and allocation of scarce resources (Bamu et al, 2007). Jacobsen (2004) concludes that immigrants use traditional sources of credit, such as extended family networks or the social capital found in their home communities in order to survive.

When probed ten immigrant traders indicated that, they had inherited or had joined a relative or friend's business.

*"...He had this business as well so I took over from my father" (Participant 9, Alice).*

*"And I got my uncle in this market so I decided to join him" (Participant 5, Matt).*

It is important to note that in order to do businesses immigrants build relationships among themselves. They inherit businesses from family members and learn from their family or extended relations how to run these businesses.

Friends and relatives often helped with money to start their businesses. Three immigrant traders stated that they started their businesses with their own money. They had acquired the money by working in restaurants and by cross border trading.

*"I was working before so I had saved some money. And the money I used to come and sell my things here was also money that I had..." (Participant 9, Edna).*

*"Umm I was working before and I started selling my own things before coming to the market. So I managed to raise some money. But sometimes I buy the things and I pay them later. So they come and collect their money month-end" (Participant 10, Freddy).*

*"I worked in the restaurants..." (Participant 12, Amira).*

Jacobsen (2004) states that immigrants find themselves in the lowest paid jobs but they saw this as a means to acquire finances to start up their own businesses.

The following section explores the nature of the challenges with regard to social integration.

## **4.4 Challenges with regard to Social Integration**

This theme is linked to the second research objective, which is to *"ascertain the challenges facing immigrants with regard to social integration in the South African context"*.

### **4.4.1 Social Integration Strategies**

One key informant indicated that self-employment was used as a strategy:

*“Some use self employment as a way of fitting into the South African communities. So we train business skills so that the immigrants can integrate easily...” (Key informant 4, Or-D).*

Serrie (1998:212) cited in (Kalitanyi & Visser, 2010:379) contends that self-employment is one of the powerful strategies that immigrants employ to achieve economic and social integration. It helps them deal with poverty and to establish a livelihood in a new environment.

Two key informants stated that learning the language spoken in their new context is another way of integrating.

*“Here in South Africa some organisations and individuals use language to integrate” (Key informant 4, Org-D).*

*“So we teach them Basic English so that they are able to use it with the other people... So now we think that the more they learn the language, the better able they will survive” (Key informant 2, Org-B).*

Another key informant said

*“The major problem of integration has to do with cultural differences, they don't know the language - they fail to communicate” (Key informant 1, Org-A).*

Two immigrants also stated that through marrying a South African they would be able to integrate into the local communities.

*“Some people now marry here so that they can be given papers as South Africans...” (Participant 2, John).*

*“...I got married when I come here... I got a ID because I marry here in South Africa...” (Participant 1, Eric).*

It is evident that marriage is a strategy immigrants use to get the South African identity documents. However, they are still treated like an immigrant regardless of possessing the South African documents.

Media reports have also indicated that for some immigrants, marrying South Africans may be fuelling tensions and even cause violence in the local communities.

Social integration can be argued as an inclusionary goal, because it is directed at gaining opportunities common human rights, thereby improving life chances (Cheong et al, 2007). It should also promote solidarity and mutual identification. However, as indicated by the

participants' responses, social integration is minimal, as there appears to be little mutual understanding between immigrants and South Africans. Valji (2003) has argued that social integration is difficult in South because of its own past history.

#### **4.4.2 Attitudes towards Immigrants**

Competition for scarce resources in the townships is another factor, which affects locals' attitude towards immigrants. All twelve participants said that South Africans perceive immigrants to be stealing jobs and undercutting local businesses because of their lower prices.

The following quotes emphasize these perceptions:

*"The South Africans say we take their jobs so they can't support us..." (Participant 11, Amira).*

*"People don't like foreigners and I don't know the reason. But I think it is foreigners work hard and they make sure that they survive here. With the South Africans, they are lazy; they want their government to provide everything for them. So they don't like foreigners, cause the foreigners can do any job and is satisfied" (Participant 5, Matt).*

*"...I have seen that the South African don't like foreigners cause they say foreigners are making their lives difficult and they are no jobs available for them. Foreigners have taken everything that they were fighting during apartheid. So it is hard..." (Participant 3, Mary).*

Thus, these negative perceptions are bound to fuel violence (Crush, 2001; O'Brien, 2009 & Valji, 2003).

Berger-Schmitt (2000) has argued that social cohesion is a state of promoting social inclusion of disadvantaged people through confronting the institutions or groups responsible for the exclusion. It is clear that there is very little social cohesion amongst the various population groups in South Africa and that those most disadvantaged still feel 'excluded' despite the new political arrangements.

The immigrants involved in micro enterprise initiatives in the Western Cape Metropole have to deal with competing for scarce resources with other disadvantaged South Africans who are also trying to make a living through micro-enterprise.

When probed two immigrant traders stated that:

*“...It’s funny that the blacks attack their own blacks and I never heard any white attacking another white in South Africa. And since I came to this country, I don’t see the blacks attacking the whites... foreigners. The xenophobia is black on black” (Participant 2, John).*

Thus, immigrants felt that some of the xenophobic attacks, which erupted in May 2008, specifically targeted black immigrants.

When one understands, the reality of black South Africans who have not seen the benefits of their new democracy and who now have to contend with other black foreigners who appear to be better able to make a success of their businesses then the conflict that emerges can be better understood even though it should never be condoned.

#### **4.4.3 Support Strategies**

All twelve immigrant traders have indicated that their failure to integrate into the local communities meant that they now have to create their own secure spaces to live free from fear. They informed the researcher that they had moved from the townships because they had failed to fit into local communities and were scared of xenophobic attacks. The participants had chosen to live in flats and homes where they can live together in shared accommodation. The immigrants also indicated that social support networks are built around the market places and there they can promote the businesses of other immigrants. Such networks have provided accommodation, funds and various services for immigrants.

*“I live in Wynberg with other foreigners in a flat. So I don’t see these people.... Those who stay in the townships they know better what is happening there... I don’t want to be close to them, they don’t trust us so I live far away from them” (Participant 9, Edna).*

*“I am living in town. Because you don’t have any problems with these people” (Participant 1, Eric).*

*“Umm where I stay is a flat” (Participant 11, Amira).*

*“But one thing I see here is that foreigners integrate on their own. Now when you move around you know that the Zimbabweans live on their own” (Participant 4, Sam).*

*“I live in a flat where we share with other Zimbabweans” (Participant 12, Susan).*

Thus, nine immigrants indicated that they had moved from townships to suburbs where they shared accommodation with their own fellow citizens. This strategy was adopted to safeguard their lives and livelihoods. They felt they were more vulnerable to violence and exploitation in the townships.

*“...my sister she stays in township. The landlord says she uses a lot of water so she opens water in the morning and the whole day there is no water. You can’t complain about this so you live like that...” (Participant 11, Amira).*

*“We are living in Maitland in a flat. So we have no problems with the South Africans cause we are separated from them .But in the townships it is different. People know where you are from so they also know what you are doing here...” (Participant 3, Mary).*

Moving into the suburbs has been an expensive choice .The twelve participants explained that township accommodation is cheap and they are better able to save money but the fear of violence has been the main factor in their exodus from the townships.

One key informant stated that

*“The foreigners are willing to integrate but the difficult part is the local people who want to fight” (Key Informant 3, Org- C).*

Thus, the challenges pertaining to social integration remain until more work is done to change attitudes.

The next section presents the findings, which relate to the difficulty in finding business locations.

## **4.5 Difficulties in Establishing Business Locations**

The discussion of this theme is linked to the following objective: *“To examine the difficulties encountered by immigrants in establishing locations for their small businesses”*.

For the immigrants in this study, setting up businesses in suitable locations was a great challenge. They had to overcome problems relating to future expansion.

### **4.5.1 Location of a Business**

Ten participants indicated that establishment of business places are difficult to find. Kalitanyi & Visser (2010) have outlined the challenges faced by immigrant traders in South Africa; these include lack of resources and locations in areas, which are their target market. A target market refers to a population or community that will want to buy the products. The setting of premises in or near a target market is vital to ensuring that their products will sell.

Nine immigrants could not find a good location:

*“Getting a place to sell your things here is now a problem... I was told that they didn’t want more people... But now the places were all full.” (Participant 5, Matt).*

*“Umm actually getting a place here was difficult because when I came here I didn’t have papers and I didn’t have money to start a business...” (Participant 2, John).*

*“So I am sure that the issue can be of finding the right place to market their products” (Key informant 2, Org-B).*

*“Getting a place was hard for me. I went to the Harbour master and tell him that I want a place to sell. He told me they don’t want people” (Participant 12, Amira).*

Three immigrants stated that establishing their businesses in suitable localities was not difficult for them, because they inherited their relatives’ places and businesses.

*“The place was not difficult for me because I took my sister’s place. The only thing I did was to change her name from the lease agreement and put my name” (Participant 7, Carol).*

*“You find that most of these people here got the place through their relatives who started this business a long time ago. So they come and these people are no longer here” (Participant 3, Mary).*

Three immigrants were able to establish their business in suitable localities with the help of relatives or friends. Immigrants arrange their businesses around family or community relationships (Jacobsen, 2004).

#### **4.5.2 Regulation and Taxation**

Eleven immigrants had no knowledge of the processes and requirements surrounding the registration of a business. They also revealed that they did not register their businesses because they could not afford to pay tax. They were only aware of the registration that the City Council required of them.

*“I can’t register with SARS because they will tax me and at the end of the day I will have nothing” (Participant 3, Mary).*

*“So I can’t register my business with other people again. I work here and this is where my business is. The money I am paying now is enough for me” (Participant 6, Mike).*

*“I register with the City Council...” (Participant 9, Alice).*

Kristiansen (2008:136) in her study that focused on South African micro business traders has suggested that though many traders are aware of the government regulations, which apply to businesses they do not understand how these regulations apply to them. Kristiansen (2008:38)

further argues that the registration of businesses has been made so expensive and complicated that it has led many people to disregard these regulations.

All the immigrants knew that businesses were taxed but did not understand how it operated. They also indicated that they did not want to pay because it was unaffordable.

*“Umm I am sure that if you register your business they now want you to pay tax and all those thing” (Participant 4, Sam).*

*“It is expensive to do that because the money that I get is not enough to pay tax again” (Participant 6, Mike).*

Two participants indicated that they did not understand how business taxation worked.

*“I don’t even understand how it works so umm I don’t want to complicate my life here.” (Participant 8, Susan).*

*“I don’t know that I need a business permit...” (Participant 10, Edna).*

Two immigrant traders were aware of the need to register their business.

*“If I get a permit that means that I will register my business” (Participant 2, John).*

*“I registered my business with revenue offices... My wife helped me to register the business so it was not difficult. But my friend he is now in Joburg, he tried and failed because umm they wanted a lot of things” (Participant 1, Eric).*

From the responses of the participants, it seems as if registration and taxation of micro enterprises is a major issue for these immigrant traders trying to make a living. It is clear that owners of micro enterprises failed to comply with regulations because of the costs they incur to become and remain tax compliant (Hudson, 2004; Kristiansen, 2008)

### **4.5.3 Choice of Product**

The products sold are mainly curios and handcrafts from different African countries. The immigrants indicated that they sold most of their goods to foreign tourists. Therefore, the tourist market influenced the choice of products.

The immigrant traders said:

*“Wooden things like elephants, rhinoceroses and different images made from stones. I also make beads and make necklaces and bracelets” (Participant 11, Freddy).*

*“I sell art stuff from my country Kenya and Malawi. So I have wire animals, the Masai beads, and other things like African curios” (Participant 9, Alice).*

*“I sell different Zimbabwean art. I have curios made of wood and stones; I have wire art with beads, Zimbabwean drums” (Participant 7, Carol).*

*“I sell African jewellery... I use African beads to make necklaces, bangles and earrings” (Participant 5, Matt).*

Immigrant traders who run micro enterprises are mainly involved in the retail and service sectors in South Africa. Immigrants in the retail sector have a tradition of selling curios and African carvings to tourists (Peberdy & Rogerson, 2000). The other reason for their choice of such products is that they have knowledge about these products and they are relatively easy to obtain (Kalitanyi & Visser, 2010).

#### **4.5.4 Motivation for Starting up Businesses**

All twelve immigrants indicated that lack of employment motivated their starting up micro enterprises.

*“Yaah first of all when you came here unemployment is number one thing which caused me to do this business. Cause I wasn’t employed and I came here in South Africa looking for a job you know...” (Participant 6, Mike).*

*“...So the business was the only way of making more and quick money. A business will help you have money for your family. Jobs here are not easy to get...” (Participant 3, Mary).*

One trader said that running a small business would empower him and help him attain a respectable position in society. This can boost his self-esteem.

*“...So the motivation was to have money and become someone here...” (Participant 5, Matt).*

Four participants stated that they needed to earn money so that they could take care of their families. These immigrants had different motivations for starting up their own businesses. These included the need of an income, or employment or to improve their living conditions. Micro businesses empower immigrants economically and socially. Sen (1999) has argued that once an individual has access to an income, he or she is able to change some crucial unfreedoms in his or her life, such as the right to subsistence, dignity, meaningful employment. Therefore, an individual is able to live the kind of life he or she wants and desires. However, in this study immigrants have no choice but to run micro enterprises in order to survive in South Africa.

#### 4.5.5 Business Expansion / Improved Lifestyle

Business expansion is discussed in this section. The immigrant traders stated that by running their own micro enterprises they were able to employ relatives, friends and even South Africans. Their living conditions have also changed for the better.

*“Like now I have one South African girl who is working for me” (Participant 9, Alice).*

*“We have employed a number of South Africans to help us with our business” (Participant 3, Mary).*

*“I now work with my sister I pay her at the umm end of month” (Participant 11, Freddy).*

The immigrant businesses in offering employment to South Africans provide the latter with the opportunity of acquiring entrepreneurial skills (Kalitanyi & Visser, 2010).

All the immigrants said that their businesses provided an income and enabled them to feed their families and send their children to school. They could also send money to relatives in their home country. The businesses also promote self-reliance among the immigrant communities.

*“I can have money for food and rent and sending my children to school” (Participant 3, Mary).*

*“I have money and I can help my brother and sister and my family back home” (Participant 12, Amira).*

*“...I can now have money in my house and pay rent and buy food for the family. Umm I can also send my kids to school. And I am progressing in life” (Participant 1, Eric).*

However, one immigrant trader clearly indicated that the micro business was only a means to survival and it was not possible for him to grow and expand his business.

*“... I started to sell a lot of things and I can have money for my family. So to me all I need is to be able to pay rent, buy food and send my children to school. So I can now do that. Umm with this business, you can never grow big. You can only manage to feed your family...” (Participant 8, Susan).*

Bamu et al (2007) have argued that micro businesses provide immigrants with jobs, which address poverty and inequality. Hence, they promote economic empowerment through job creation.

#### 4.5.6 Other Business Challenges

All the immigrants indicated that the market places were poorly designed and did not protect them from inclement weather patterns in the Western Cape. This disrupted their trading and consequently limited the possibility of growing their businesses. All participants stated that the lack of shelter left them, their goods vulnerable to wind, rain, and the sun.

*“Umm here the market is open so when the weather is raining then the market is disturbed. People don’t come here when it is raining so it affects the business. So we don’t have shades here so we pack our things when it is raining” (Participant 10, Edna).*

*“...the weather is the first problem. Here there are no shelters and tents to protect us from the rain. So when it is raining in winter we pack our things and we go home...” (Participant 5, Matt).*

*“So the rain and wind affect the business here” (Participant 12, Amira).*

All the immigrants indicated that the market places are very costly which is affecting their financial situation. The participants told the researcher that they pay high rentals every month at both markets.

*“I have a lot of expenses here. I pay rent, Ministry of Works and the containers to store my things” (Participant 3, Mary).*

*“The only difficulties I can think of was to get money to pay rentals” (Participant 7, Carol).*

All the immigrant traders felt that competition was a big challenge at both markets since they tend to sell the same or similar products.

*“Competition is always a challenge with other traders. We are trading the same crafts here if you have noticed” (Participant 7, Carol).*

*“...now competition is very high...” (Participant 9, Alice).*

*“Umm actually there is competition with the traders in the flea market. Sometimes competition is good cause you will now look for the best” (Participant 5, Matt).*

It is evident that the immigrant traders did not necessarily consider competition to be negative since it also encourages them to improve the quality of their products at the markets.

## **4.6 Challenges in relation to the Police, Home Affairs and other South African Traders.**

This section thus examines the traders' experiences with the police and the Department of Home Affairs (DHA) and other traders.

### **4.6.1 South African Police Service (SAPS)**

The main challenge was to do with corruption and bribes. Six participants indicated that members of the SAPS took bribes from immigrants.

*"...others are there to take bribes and corruption" (Participant 2, John).*

*"...others complain saying the police shouts at them, get money from them" (Participant 9, Alice).*

*"So they said give us money for drink so that you can go" (Participant 5, Matt).*

*"My other friends in the townships told me that they are beaten by the police when they are arrested; they are not given food there" (Participant 1, Eric).*

Two Key Informants also confirmed abuse by the police.

*"Umm the police sometimes harass the refugees and they come and complain to us. So such kind of harassment is like umm asking for papers and detaining them" (Key informant 2, Org-B).*

*"Umm with the police I can say they are abusive and sometimes the police take the laws into their hands" (Key informant 4, Org-D).*

Klaaren & Ramji (2001) have collected evidence that some police officers who are corrupt target immigrants in South Africa. Such practices by the South African Police Service (SAPS) have tarnished the integrity of the service and have undermined its efforts to foster good relations with all the various communities in South Africa.

However, on a more positive note, four immigrants indicated that the Cape Town Police officers were more flexible and humane than police officers in Johannesburg.

*"But here in Cape Town the police don't mind about the people, that's why most people are leaving Joburg and coming here. In Joburg the police are cruel. You see police officers then you know your money is going. And with us women from Zimbabwe they see us because of how we wear clothes. So they come and say give us papers or we take you to Lindela Detention Centre." (Participant 3, Mary).*

The issue of immigrants trying to make a living in another country is not as clear-cut as it may seem. Some immigrants are involved in criminal activities. A Key Informant from the Department of Home Affairs said.

*“We don’t bring problems to the immigrants but they bring problems to us. The police have to deal with issues of crime, corruption and bribes. Sometimes they attack the police that is why the police fight back” (Key informant 5, Org-E).*

Van Garderen and Algotsson (2001) have pointed out that there are cases against immigrants who have been arrested who were not properly registered at the police stations. This is contrary to legally prescribed police practices.

#### **4.6.2 Department of Home Affairs (DHA)**

When asked about the challenges in dealing with the DHA, all the participants stated that they had experienced delays in the issuing of their papers. Delays in regularising their legal status left them vulnerable to harassment from government officials. A key informant from the Scalabrini Centre said:

*“Umm the big problem is to get the permit so that they can stay here. Sometimes the refugees go there and wait for the Home Affairs to give them the papers but they take long. So the challenge is to get the papers on time” (Key informant 3, Org-C).*

One of the immigrant traders said:

*“Home Affairs umm you see it’s just that they are too slow you know processing your documentations. Umm they are too slow I don’t why they are slow but they are very slow. There are many people there and when you go you find many people in lines. You get there they can’t find your papers. You must go early and come back” (Participant 5, Matt).*

Another key informant stated that:

*“Umm the Home Affairs offices delay in the processing of immigrants applications. Umm you see when you don’t have papers you are classified as illegal and the police harass them. So the slow process is contributing to the Home Affairs harassing immigrants here” (Key informant 2, Org-B).*

Landau and Jacobsen (2005) have argued that the DHA and the police have been informed about the criticisms in the way they treat immigrants in South Africa. The process of applying for legal documents was being drawn out because some DHA officials were taking bribes (Landau and Jacobsen, 2005).

When probed further, three immigrants stated that they experienced physical and verbal harassments at the DHA offices in Cape Town.

*“Some say they kick them in lines and they stand there the whole day and they do nothing... You may go today and get your papers or you go tomorrow you don't get them” (Participant 10, Edna).*

*“Umm they don't work fast and they delay our papers. Some always tell you that we will deport you to your country if you talk too much. So you beg them to help you and they ignore you outside. The problem is that they want money from us” (Participant 2, John).*

*“Umm the home affairs people umm I don't like them at all. They are mean people here in South Africa. They don't even do their job and they like seeing foreigners suffering here. You find that if you go to their offices to get your papers you stand in long queues the whole day and no one is there to help you” (Participant 3, Mary).*

*“So the slow process is contributing to the Home Affairs harassing immigrants here” (Key informant 3, C).*

The Department of Home Affairs has indicated that they were trying to improve the lives of immigrants in South Africa.

*“The department of Home Affairs has been labelled, so all I can say is we are doing our work. The people are so many, such that working can be difficult. For those exercising corruption and harassment, we are investigating so that we end it” (Key informant 5, E).*

#### **4.6.3 South African Traders**

All the twelve immigrants stated that the South African traders feel that the immigrants take business away from them. The participants indicated that there was a lack of support from the South African nationals. It was clear that the participants were aware that South Africans do not want them in South Africa and they are not willing to be helpful towards immigrants.

*“A South African can never support a foreigner here. You have to work here so that you can live” (Participant 7, Susan).*

*“You can't get any support from South Africans. You have to work for yourself. These people here don't help foreigners. So it is strange to be helped. Just know that if you need help the people from your country can only help you (Participant 3, Mary).*

*“...South Africans will never help foreigners why? They think foreigners have all the skills, money and everything so they should help them...” (Participant 9, Alice).*

*“Umm no there is no support from the South Africans. They want us to go and leave their country...” (Participant 12, Amira).*

They all stated that South Africans perceive immigrants as people who have created problems in their country. Two participants said that South Africans label them as people who come to steal and destroy. All the participants agreed that the South Africans harassed them.

*“I stay in Goodwood and I didn’t stay in the townships where there is xenophobia” (Participant 5, Matt).*

*“South Africans don’t accept and treat foreigners in a good way. They harass them through xenophobia. So foreigners are attacked by the local people” (Key informant 3, Org-C).*

It is therefore, clear that much work needs to be done to address the issue of unemployment in South Africa since it may help South African nationals to feel more secure. On the other hand, much education about foreigners especially black foreigners is needed in the local townships to assist black South African township dwellers to deal with their prejudices.

## **4.7 Relationship with Refugee NGOs**

The following responses are linked to this research objective, which is to *“examine the nature of the relationship between immigrants and Refugee NGOs.”*

The Refugee NGOs in Cape Town play an important role in providing the necessary services to the immigrants. These organisations have created a good relationship with immigrants. Some immigrants were not aware that there were refugee NGOs that provided a number of services.

### **4.7.1 Services Provided**

The key informants were positive about the role they played in providing support to immigrants.

*“I can say that NGOs and NPOs are making enormous difference in the lives of the refugees. Sometimes the government is or I can say has failed to properly address the issues of refugees, so these organisations have done a lot of work. There are different organisations dealing with legal issues, financial support, assisting with education and training. Others are providing shelter, health facilities, and employment” (Key informant 1, Org-A).*

*“Yes, the NGOs are helping them with legal documents, advocacy, welfare assistance and things like that” (Key informant 3, Org-C).*

*“Yes as NGOs we have worked tirelessly to make sure that the refugees have all the help they need. The NGOs have made huge differences in the lives of the refugees. Today some of them are working and some have business. They get the knowledge from the NGOs who train them*

*to be in businesses. So the NGOs have improved their lives. Now some of them can put food on the tables, clothe themselves, and have accommodation” (Key informant 2, Org-B).*

There are several organisations serving the interests of immigrants and each plays a different role in providing support and protection to immigrants. Refugee NGO services include small business courses and skills training, counselling and basic assistance. However, these NGOs are reluctant to provide financial assistance, which is a key need for most immigrants wanting to start a business here in South Africa.

#### **4.7.2 Lack of Knowledge about NGO Services**

Interestingly, eleven immigrants were not aware that there were Refugee NGOs in South Africa that provided certain services.

*“Umm [laughs] umm we don’t even know them. I have never heard about Refugee NGOs in Cape Town. Yeah I don’t know about them” (Participant 3, Mary).*

*“...know about Refugee NGOs also helping foreigners. Where are they? Here in South Africa they don’t care about refugees or foreigners. I don’t know about that” (Participant 1, Eric).*

However, Refugee NGOs may be working tirelessly to alleviate the plight of immigrants but (CoRMSA, 2008) not all immigrants are aware of their existence. More information needs to be disseminated about them and their services.

#### **4.8 Summary of Findings**

In summary immigrants, face challenges in obtaining finances to set up small businesses. The lack of micro credit loans is a major concern. Banks are reluctant to give credit to “transitional immigrants”. Those without IDs or collateral cannot get a bank to advance them money to set up a business. Small moneylenders extort high interest rates thus immigrant traders turn to family and friends for the necessary finance. Immigrants are loathe staying in townships because of the threat of violence against them and prefer to live in the suburbs where they share accommodation with other foreigners. There is no social integration because of the hostility of local communities. They are aware that some South Africans view them with suspicion and claim that they ‘steal jobs’ and their women and compete for limited resources.

The registration of their businesses continues to be problematic since the process is complicated. The immigrants are unwilling to pay the prescribed fees and taxes given their

precarious financial situation. Most immigrant traders have improved their standard of living under very difficult circumstances, despite the various challenges for example the location of their businesses, lack of financial support and inability to expand. There are mixed feelings about the police force, some immigrant traders claim that Cape Town police are less aggressive than their Gauteng counterparts and others claim that bribery and corruption are rampant. Department of Home Affairs officials are not seen in a positive light. The immigrant traders also experience difficulties with other traders and with South Africans who are xenophobic. It is clear that South Africa has the most progressive policies on the protection of human rights especially the Bill of Rights yet the protection of vulnerable immigrants' rights is not safeguarded. Whilst Refugee NGOs claim good service delivery, the majority of participants did not know that these NGOs exist.

The following chapter brings together the main conclusions and recommendations emanating from this study.

University of Cape Town

# CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

## 5. Introduction

This chapter presents the conclusions and recommendations proceeding from this research study. This study clearly investigated the challenges which face immigrant traders in the Western Cape Metropole in South Africa. The challenges include accessing micro credit loans, problems with social integration, establishing small businesses, problems with the SAPS, DHA and other traders. Twelve immigrant traders from the Greenmarket Square and the Hout Bay Harbour markets were interviewed. Five key informants from organisations that deal with immigrants were also interviewed in this research study.

### 5.1 Conclusions

The main conclusions drawn from the research findings will be presented in relation to the objectives of the study.

**Objective One: To explore the major challenges facing immigrants in relation to accessing micro-credit loans.**

- **Bank Regulations and Accessing loans**

The main conclusions drawn from the findings regarding bank regulations are:

- That immigrants were aware of the restrictive bank regulations. They had been unable to access loans from commercial banks. The banks are not in a position to give loans to traders because they are regarded as transitional immigrants.
- That five immigrants indicated that banks did not recognise their asylum seeker permits. Three key informants indicated that banks only recognised the South African IDs.
- That four immigrants were aware that lack of collateral contributed to their failure to access funds and finance for their businesses.
- That despite failure to access business loans, all twelve immigrant traders stated that their micro enterprises had managed to improve their standard of living.

- That three key informants were aware of the difficulties that the immigrants had encountered with regards to accessing loans.
- **Moneylenders**
  - That immigrant traders felt that moneylenders charged exorbitant interest rates, which made it difficult for them to pay back. One key informant also mentioned that moneylenders were available but expensive.
- **Accessing Money from NGOs**
  - That NGOs did not provide financial loans since transitional immigrants could skip the country. However, partnerships with Government could seek ways to provide micro credit.
- **Family Support**
  - That immigrants indicated the importance of family support and their social networks in providing funds, skills and knowledge. All immigrant traders noted that there were benefits from such support systems.
  - That all immigrants benefited socially and financially from contacts with other immigrant traders. These networks provide sufficient assistance needed for them to set up micro enterprises.

**Objective Two: To ascertain the challenges facing immigrants with regard to social integration in the South African context.**

- **Integration Strategies**
  - That all immigrants indicated lack of social integration in South Africa. Two key informants felt that lack of social integration manifested itself in xenophobic attacks.
  - That three key informants explained the different strategies used by immigrants to help with their integration (i.e. self-employment, language and marriage).

- That self-employment was seen to promote empowerment and self-reliance of immigrants traders.
- That two key informants pointed out that the teaching of English to immigrants so that they could communicate with South Africans is important.
- That two immigrants employed marriage as way of integrating.
- **Attitudes towards Immigrants**
  - That all immigrants stated that South Africans had negative perceptions about immigrants in the country. They said that other South African traders felt that immigrants were stealing jobs and their presence contributed to the hiking of goods prices and the country's inflation.
- **Support Strategies**
  - That all immigrants felt that they had their own support systems, which were family members, friends and relatives.
  - That eleven of the twelve immigrants said that they had failed to integrate into township communities and that they now lived in the suburbs. Despite high rentals there, they said it is safer to move from the townships where they were exposed to xenophobic attacks.
  - That all immigrants felt that social support networks had improved their lives because they were able to share resources and to assist each other.

**Objective Three: To examine the difficulties encountered by immigrants in establishing locations for their small businesses.**

- **Location of a Business**
  - That nine immigrants had difficulties in finding favourable locations.
  - That three immigrants had inherited friends or relatives' businesses and that they had continued operating these businesses.

- **Registration and Taxation**

- That ten immigrants did not know anything about business registration process and they had not registered their businesses.
- That all immigrants found that taxation on businesses was too high compared to their small profits.
- That eleven immigrants stated that they had not registered their businesses because they did not want to pay tax.
- That only one out of twelve immigrants had registered his business. This participant also stated that he was aware of the registration process and the business tax.

- **Choice of Product**

- That the choice of product for all twelve immigrants was motivated by their target markets, which were foreign tourists.
- That all immigrants felt that competition was helping them improve the quality of products they sold.
- That the choice of product was determined by their knowledge of the product and availability of product.

- **Expansion / Improved Lifestyle**

- That all immigrants stated that the lack of loans prevented them from expanding their businesses but that their lifestyles had improved as a result of their businesses.
- That three key informants indicated that the immigrants had created employment for both immigrants and South Africans.

- **Other Business Challenges**

- That all immigrant traders perceived the market place rents as being very expensive.

- That all immigrant traders said that the weather affected their businesses because of the way the market areas were constructed. There was no permanent shelter against inclement weather or the hot sun.

**Objective Four: To determine the challenges faced by immigrants in relation to the South African Police; Department of Home Affairs and other traders.**

- **South African Police Services (SAPS)**

- That six immigrants stated that police took bribes from immigrants. It is clear that this promotes corruption and undermines the integrity of the police force.
- That four immigrants indicated that the Cape Town police force was more 'humane' than their Johannesburg counterparts.
- That one key informant felt that some immigrants were also responsible for violence, crime and corruption in South Africa.

- **Department of Home Affairs (DHA)**

- That twelve immigrants said that the Department was slow in issuing the asylum seeker permits, which impacted on whether or not they could stay in the country.
- All the five immigrants noted that the DHA in Cape Town was better than other Home Affairs Departments elsewhere in the country. This perception together with a more 'humane' police force has prompted immigrants in other cities to come to Cape Town.
- That three immigrants stated that some of the Home Affairs officials accepted bribes.
- That three immigrants had experienced physical and verbal harassment at the DHA offices in Cape Town.

- **South African Traders**

- That all immigrants felt that the South African traders thought that immigrants took business away from them.

- That the immigrants felt that other South Africans were not accepting of foreign persons.
- That immigrants were a source of job creation for some South Africans.

**Objective Five: To examine the nature of the relationship between immigrants and Refugee NGOs.**

- **Relationship with NGOs**

- That five key informants mentioned that the Refugee NGOs in Cape Town play an important role in providing the necessary services needed by immigrants.
- That five key informants said that they are trying to create a positive relationship with immigrants, by working with them.

- **Services Provided**

- That all five key informants stated that their organisations were aimed at promoting the well-being of immigrants in Cape Town through provision of services (getting documents) and lobbying.
- That two key informants mentioned that their organisation offered training in business skills to immigrants who want to run small businesses.

- **Lack of knowledge**

- That eleven immigrants were not aware that there were Refugee NGOs in Cape Town.
- That one immigrant trader knew about these NGOs and the services they provide but this immigrant also stated that the NGO was not able to assist him when he arrived in South Africa.

## **5.2 Recommendations**

Given the conclusions drawn, the following recommendations are made:

- That given the challenge facing immigrants with regard to accessing loans that NGOs who provide refugee services act as advocate in helping immigrants to access the necessary documentation which will allow them to access micro credit.
- That Refugee NGOs play a central role in assisting immigrants with problems related to xenophobia and other social integration issues.
- That Refugee NGOs assist immigrants with the registration of their small businesses and other challenges pertaining to their livelihoods.
- That Refugee NGOs play a key role in lobbying and advocating on behalf of the immigrants particularly in relation to the Department of Home Affairs and the South African Police force.
- That Refugee NGOs make their services more unduly known to immigrants.
- That Refugee NGOs play a key role in informing the broader public of the challenges facing immigrants in South Africa.
- That Refugee NGOs use the social media to change attitudes and prejudices about immigrants.
- That the South African Government should loosen up its policies in relation to the registering and taxation of small businesses in general so as to promote small businesses.
- That other institutions such as the Department of Home Affairs and the South African Police Service be made aware of immigrant issues and be trained to deal with immigrants in a more humane / sensitive manner. Refugee NGOs could play a role in this training.
- That a copy of the main conclusions and recommendations be given to the key informants (Department of Home Affairs, South Africa Police Service and Refugee NGOs).

- That more in-depth research be carried out using a larger sample and other methodologies so as to gain a clearer picture of the scale and impact of the problems facing immigrants trying to make a living through small businesses in South Africa.

### **5.3 Concluding Statement**

This study has explored the challenges facing twelve immigrant traders who run micro enterprises in the two selected markets in Cape Town. It has investigated the challenges that the traders face in trying to access funds and to integrate into local communities; it has explored their difficulties in establishing suitable business locations and it has investigated attitudes of certain members of the South African Police and Department of Home Affairs. The traders' relationship with Refugee NGOs was also probed. This is a limited study because it only targeted twelve immigrant traders and five key informants.

However, some deeper insight has been gained and the voices of immigrant traders have now been documented. Hopefully further studies will be done in this area.

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University of Cape Town

# APPENDICES

## Appendix A: Permission to Carry out Research

Dear Sir / Madam

### RE: Permission to Conduct Academic Research

My name is Tendai Chikamhi. I am studying for a Masters Degree in Social Development at the University of Cape Town, South Africa. This research study is part of the requirement for this Masters course. The topic of my thesis is “Exploring the challenges facing micro enterprise immigrant traders in the Western Cape: Greenmarket Square and the Hout Bay Harbour markets.”

I would like to conduct some interviews with you concerning the issue of immigrants in Cape Town, South Africa. By immigrants I include refugees, asylum seekers, all those coming into South Africa in search of making a living. I do not represent the interests of the Police, Home Affairs Department, and NGOs for Refugees or Legal Boards but am interested in what the perceptions are concerning immigrant entrepreneurs. .

The information received will be used mainly for academic purposes. The interviews will be approximately 40-60 minutes long. I will not use your names during the research process. The information that you will provide will be strictly confidential. As a researcher, I am bound to comply with the University’s Code of Ethics.

I am being supervised by Dr Connie O’Brien of the University of Cape Town.

I look forward to your participation in this research.

Miss Tendai Chikamhi

Contact Details: Cell +27 79 124 0160

Supervisor: Dr Connie O’Brien UCT Tel 021 650 3480

## **Appendix B: Interview Guide for the Immigrant Traders**

### Part One: Introduction

My name is Tendai Chikamhi, studying for a Masters degree in Social Development at the University of Cape Town, South Africa. I am undertaking this research project to explore the challenges facing immigrant entrepreneurs in Cape Town. I hope that the research findings will raise awareness amongst Refugee NGOs, Department of Home Affairs and South African Police about the challenges that immigrants face.

I am requesting your participation as an immigrant entrepreneur since I am interested in hearing your voice about issues that affect you. You have been selected to be part of my sample purely by chance since I have targeted two areas, Greenmarket Square and Hout Bay.

You can decide not to be part of this research. Obviously, I am dependent on your goodwill and would not like to interfere with your trade. You could give me a suitable time to interview you.

I need your permission to use a Dictaphone before we can start. I am not going to use your real name; I will use pseudonyms for confidentiality reasons. Therefore, I would like you to choose any name that I can use for the entire interview. The interview will be approximately one hour long.

### Part Two: Demographic Details

1. Please tell me about yourself.

(a) How old are you?

(b) Do you live in Cape Town? (Explore area, how far it is from the market, transport costs)

(c) What is your nationality?

(d) When did you come to South Africa?

(e) Do you have a family?

(f) Do you live with your family?

(g) Is this your business?

### Part Three: Research Questions related to study objectives

1. What are the major challenges facing immigrants in relation to accessing micro-credit loans?

(a) When did you start your business? (Explore who assisted you, was it difficult...)

(b) What motivated you to start a micro business? (Explore the need)

(c) What kind of products do you sell? (Explore the range of products and why this choice of products)

(d) How did you get initial cash to start your business? (Explore the sources)

(e) How much do you make a day on average (explore range of income) [option]

(f) Do you think your business is doing well? (Explore what they mean by doing well-which factors hampers him/her from making good business?)

(g) What have been your experiences from getting a loan from a bank? (Explore)

(h) What were some of the challenges in trying to get a loan? (Explore the nature of the challenges)

2. What difficulties do immigrants encounter in establishing localities for their small businesses?

(a) What are some of the difficulties you had in trying to get a place for your business? (Explore the nature of the difficulties)

(b) What have been your experiences in registering your business? (Explore the process and requirements of registering a business)

(c) How did you get this place? (Explore who assisted, the process and requirements of getting a place)

(d) What have you done to try and get a business permit? (Explore)

(e) Who has assisted or who will be assisting you in getting a business permit? (Explore the sources)

3. Which challenges do immigrants face with regard to social integration in the South African context?

(a) Describe your relationship with South Africans in the area you are living? (Explore the challenges...)

(b) What are the challenges you face with other entrepreneurs? (Explore the nature of difficulties...)

(c) Describe how you have dealt with these challenges? (Explore)

(d) Can you please describe the various kinds of support you have received from other South Africans? (Explore the kinds of support or the lack of support)

4. What challenges do immigrants face in relation to the South African police; Department of Home Affairs and other traders?

#### 4. 1 South African Police Force

(a) What do you think of the South African police system? (Explore perceptions and experiences)

(b) In which way has the South African police force supported you? (Explore)

(c) Have there been instances of harassment that you are aware of from the South African police? (Explore personal experiences or other traders' experiences)

(d) What have been your experiences with the police force? (Explore the nature of the experiences)

(e) In which way has the Police force presented challenges to you? (Explore the nature of the challenges)

(f) Are there any other issues related to the Police Force that you would like to share? (Explore)

#### 4.2 Department of Home Affairs

- (a) What do you think of the Department of Home Affairs system? (Probe perceptions and experiences)
- (b) In which way has the Department of Home Affairs supported you? (Explore)
- (c) Have there been instances of harassments that you are aware of from the Department of Home Affairs? (Explore personal experiences or other trader's experiences)
- (d) What have been your experiences with the Department of Home Affairs? (Explore)
- (e) In which way has the Department of Home Affairs presented challenges to you? (Explore the nature of the difficulties)
- (f) Are there any other issues related to the Department of Home Affairs that you would like to share? (Explore)

#### 4.3 Traders

- (a) What do you think of the South African traders, trading alongside you? (Explore interactions)
- (b) What has your experiences been of support received from the South African traders?
- (c) Have there been instances of harassments that you are aware of from the South African traders? (Explore personal experiences or other traders' experiences)
- (d) What are the main issues you face with the South African traders? (Explore the problems)
- (e) In which way have the South African traders and other traders assisted you? (Explore the nature of help)
- (g) In which way have the South African traders and other traders presented challenges to you? (Explore the nature of the challenges)

#### 5. How do immigrants relate to the Refugee NGOs?

(a) What have been your experiences with Refugee NGOs? (Explore the NGOs and their experiences of these NGOs)

(b) Do you have any support from the Refugee NGOs? (Explore the nature of support)

(c) In which way have the Refugee NGOs assisted you? (Explore)

(d) In your opinion how could the refugee NGOs make a difference to your life as a trader? (Explore the kinds of help and level of support)

(e) In which way has the Legal Aid been of assistance to you? (Explore)

#### Part Four: Concluding the interview

Before we close our interview, I would like to summarise the main issues we were discussing. These issues were as follows:

1. The major challenges immigrants face in relation to accessing micro-credit loans.
2. The difficulties immigrants encounter in establishing localities for their small businesses.
3. The challenges immigrants face with regard to social integration.
4. The challenges immigrants face in relation to the South African police, Department of Home Affairs and other traders.
5. The immigrants' relation to the Refugee NGOs.

I would like to thank you for the time you have spent responding to my questions. Are there any other questions that you would like to ask or comments you would like to offer concerning the interview? Please feel free to do so. I would like to get your contact details so that I can contact you if I need any clarity.

## **Appendix C: Interview Schedule Guide for the Key Informants**

### Part One: Introduction

My name is Tendai Chikamhi, studying for a Masters degree in Social Development at the University of Cape Town, South Africa. I am undertaking this research project to explore the challenges immigrant entrepreneurs face in Cape Town. I hope that the research findings will benefit some key role players like yourself (Department of Home Affairs, South African Police, and NGOs serving Refugees).

I have selected you to participate in the research as the key informants. I need to understand your experiences with immigrants in Cape Town. Your participation is voluntary but I hope you will agree to this interview.

I need your consent to use a Dictaphone before we can start. I am not going to use your real name; I will use pseudonyms for confidentiality reasons. Therefore, I would like you to choose the name that I should use for the interview. The interview will be approximately one hour long.

### Part Two: Demographic Details.

1. Please tell me about yourself.

(a) What is the role of your organisation? (Explore)

(b) How do you work with immigrants?

(c) What kind of relationship do you have with immigrants?

(d) What kind of support do you offer to them?

### Part Three: Research Questions related to study objectives

1. What are the major challenges facing immigrants in relation to accessing micro-credit loans?

(a) What are the challenges facing immigrants in businesses with regards to accessing finances? (Explore)

(b) Do you offer any kind of support to immigrants who want to start micro businesses?  
(Explore the kind of support)

(c) Do you assist the immigrants to access finances? (Explore the nature of support)

(d) How do you facilitate the rights of immigrants? (Explore)

2. What difficulties do immigrants encounter in establishing localities for their small businesses?

(a) What are the difficulties immigrants encounter in establishing localities for their businesses? (Explore the difficulties)

(b) Do you help the immigrant entrepreneurs in establishing localities for their businesses?  
(Explore how they help the immigrants)

(c) Do you provide any form of security with regard to their business localities?

(d) Do you help the immigrants to register their businesses? (Explore)

3. Which challenges do immigrants face with regard to social integration in the South African context?

(a) How do you perceive the level of social integration immigrants have in South Africa?  
(Explore the issues that facilitate or hinder it)

(b) Describe the major problems that immigrants are manifesting in the South African context? (Explore the nature of problems)

(c) Do you have any problems with the immigrants with regard to crime? (Explore the nature of the problems)

4. What challenges do immigrants face in relation to the South African police; Department of Home Affairs and other traders?

(a) In your opinion what challenges do immigrants face in relation to the police force, Department of Home Affairs and traders in their trading site?(explore the nature of the challenges)

(b) Do immigrants have any problems with the South African micro enterprises traders?

(c) What have been your experiences with immigrants? (Explore the experiences)

5. How do immigrants relate to the Refugee NGOs?

(a) In your opinion how do Refugee NGOs make a difference in the lives of immigrants?  
(Explore the nature of support and the difference it makes)

(b) What are some of the challenges that impact on immigrants? (Explore the challenges)

(c) What are some of the challenges immigrants experience with regards to refugee NGOs?  
(Explore the nature of challenges)

Part Four: Concluding the interview

Before we close our interview, I would like to summarise the main issues we were discussing. These issues were as follows:

1. The major challenges immigrants face in relation to accessing micro-credit loans.
2. The difficulties immigrants encounter in establishing localities for their small businesses.
3. The challenges immigrants face with regard to social integration.
4. The challenges immigrants face in relation to the South African police, Department of Home Affairs and other traders.
5. The immigrants' relation to the Refugee NGOs.

I would like to thank you for the time you have spent responding to my questions. Are there any other questions that you would like to ask or comments you would like to offer concerning the interview? Please feel free do so. I would like to get your contact details so that I can contact you if I need any further clarification.

## **Appendix D: Non-Plagiarism Declaration**

### **NON- PLAGIARISM DECLARATION**

1. I know that plagiarism is wrong. Plagiarism is to use another's work and pretend that it is one's own.
2. I have used the Harvard convention for citation and referencing. Each contribution to, and quotation in, this dissertation from the work(s) of other people has been attributed, and has been cited and referenced.
3. This dissertation is my own work.
4. I have not allowed, and will not allow, anyone to copy my work with the intention of passing it off as his or her own work.

**Signature** \_\_\_\_\_

**Date** \_\_\_\_/\_\_\_\_/\_\_\_\_