The nature and operations of African migrant informal enterprises in the Mandeni Local Municipality, Kwa-Zulu Natal, South Africa

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Abstract

This study investigated the nature and operations of African migrant informal enterprises in Mandeni municipality. The study utilised a qualitative approach with an exploratory research design. The participants were sampled using the purposive sampling and the semi-structured interviews were used to collect data from research participants who were African migrant informal enterprise owners. Thematic analysis was employed as tool for data analysis. The study established that African migrants own different informal enterprises in which they sell a variety of goods and most African migrants do not start businesses out of their own free will, rather, they do so in response to a lack of other alternatives, which makes starting a business appear to be the only possible option. These enterprises vary in size, scale, and operations.

Keywords:
African migrants; informal enterprises; Mandeni local municipality

Introduction

Migration is a global phenomenon (United Nations (2016a). In relation to the present global setup, it can be observed that internal and external conflicts of within and between sovereign states compel people to leave countries. The best example would be the migration of people from Afghanistan, Iraq, Libya and Syria due to civil wars. On the other hand, poverty and lack of decent jobs have become reasons for leaving countries, which is considered as economic migration (Wimalaratana, 2017). This is often seen in inter-country migration, especially in migration from developing countries to developed countries and there is a global tendency for people of developing countries to move to developed countries in search of more comfortable lives. Further, more travel options and a speedier flow of information have made migration easier to happen around the world. Migration therefore has emerged as a major demographic force throughout the world in the past few decades, especially with globalization (Wimalaratana, 2017).

South Africa have also received the number of people migrating to country, particularly those originating from the African continent, has increased since the early 1990s, and more so after the first democratic elections in 1994. The migrants primarily come from South Africa’s traditional labour supply areas, which include members of the Southern African Development Community (SADC), e.g., Mozambique, Zimbabwe, Lesotho and Malawi. However, migrants have also come from other African countries, such as Nigeria, the Democratic Republic of the Congo and Kenya. As a result, more than 75% of foreign-born migrants living in South Africa came from the African continent (Stats South Africa [Stats SA], 2013). Political unrest, economic instability and even environmental degradation in the African region have contributed to increased numbers of displaced persons, which has led to a significant rise in the number of both documented and undocumented migrants in South Africa (Stats SA 2013). The majority of the migrants from African countries previously came looking for job opportunities, but, because South Africa currently experiences a high rate of unemployment, a shift has been seen in the majority of migrants opening their own businesses mostly in the informal sector (Crush et al., 2015; Ncwadi, 2010; Peberdy, 2016; Moyo, 2017; Dithebe & Makhuba, 2018).
The informal sector encompasses a wide variety of retail, services and manufacturing activities, and ranges across a spectrum from survivalist businesses to enterprises employing relatively large numbers of people. The informal enterprises involve the sale of a variety of foodstuffs (including sweets, chips, fruit and vegetables, as well as cooked foods) and items such as clothes and shoes (new, used and hand-made by the vendor), accessories, cosmetics and other beauty products, books, DVDs and CDs, hardware, electrical goods, soft furnishings, furniture, art and sculptures. Informal entrepreneurs also provide a range of services including hairdressing, production and repairing of shoes and clothes, car repairs and welding (Crush et al., 2015; Newadi, 2010; Peberdy, 2016; Moyo, 2017; Dithebe & Makhubu, 2018). Some technologically-savvy individuals have businesses selling and repairing cell phones and providing computer and internet services. Other informal economy entrepreneurs make and manufacture goods such as metal gates, furniture, and art and crafts, or run construction and artisanal businesses (Peberdy, 2016; Moyo, 2017).

Therefore, it is important to investigate the nature and operations of the African migrant informal enterprises in the Mandeni municipality, Kwa-Zulu Natal, South Africa. This paper covers an objective that seeks to identify the role of the African migrants’ informal enterprises in improving the socio-economic status of the local people with the study area. There paper’s outcomes are expected to add an important contribution to the body of knowledge. The study further seeks to address the myths and stereotypes around African migrant economic activities against hard evidence and to initiate a narrative bordering on the positive contribution the African migrant entrepreneurs make to the South African economy.

**Literature Review**

According to Williams (2013), the nature and operations of businesses in the informal economy vary from country to country and from sector to sector. African migrant informal businesses operating in South African cities cover a wide range of retail, service, and manufacturing activity and run the gamut from survivalist firms to businesses that employ a sizable number of people. The majority of the African migrant informal business owners participate in retail as their most significant entrepreneurial activity. The African migrants’ informal enterprises sell various foods, including candies, chips, fruits, vegetables, and pre-packed foods, as well as things like accessories, cosmetics, and other beauty products. Books, DVDs, CDs, hardware, electrical items, soft furnishings, furniture, artwork, and sculptures are also sold. The businesses also offer a variety of other services, such as welding, shoe and clothing repair, hair styling, and shoemaking. Some tech-savvy people run businesses that sell and fix cell phones as well as offer computer and internet services (Crush et al., 2015; Newadi, 2010; Peberdy, 2016; Moyo, 2017; Dithebe & Makhubu, 2018).

Geographically, African migrant informal businesses operate from residential yards, converted garages, homes, abandoned factories, and old office buildings. Some of these businesses are very visible at traffic lights, road intersections, mini-bus taxi ranks, alongside the road, and in marketplaces (Rapidere, 2014). Due to the low entry barriers, these markets, where African migrants operate, are typically quite competitive (Kloosterman et.al, 2002). About 60% of all African migrant informal enterprises can be found in sectors such as wholesalers, retail and restaurants where fledging businesses do not require large amounts of capital and specialised skills.

To survive in these markets, they do not always conform to the prevailing laws and regulations, hence some of their activities may take on an informal character (Rath & Kloosterman, 2001).

Study conducted by the Southern African Migration Programme (SAMP) in Cape Town in 2017 found that African migrant entrepreneurs focus their business on high-traffic areas and supply the community with the goods and services they require daily. Gastrow & Amit (2015), found that African migrants establish small shops that sell all the daily necessities and household items often very close to the residential places of their customers.

The study by Bennett (2017) in Cape Town also shows that African migrants operate through co-investment. Many shop employees save enough to start their own shops after two to three years of working. The amounts of savings vary greatly, ranging from R5,000 to R15,000. Somali spaza employees often pool their savings with two or three similarly positioned employees to invest in a shop together. Furthermore, study by Bennett (2017) showed that African migrant informal enterprise owners hold shares in multiple shops. The African migrant shopkeepers frequently own shares in more than one shop. One of the co-owners then moves to the new shop to manage it, sometimes with the help of an employee. Co-owners usually reported having invested in two or three other shops. However, one trader interviewed owned small stakes in five shops.

The Crush & Mc Cordic (2017) report shows that African migrant informal enterprise operations include early opening and late closing times in their shops. Somali shops opened as early as 6 am and stayed open until past 10 pm. Later hours helped traders compete with supermarkets that residents were more likely to frequent during the day. The early morning and late evening hours also targeted customers on their way to and from work. Finally, traders kept their shops open late in response to customer demand.

Gastrow & Amit (2015) suggested that by establishing their enterprises very close to the residential areas of their customers, selling daily necessity household items such as sugar, milk, and cool drinks, and in some cases giving credit without interest to their customers was of mutual benefit for both the African migrant shop owners and the local customers. They are also able to effectively run their businesses and the flexible working hours make their shop attractive to customers in South Africa (Gastrow & Amit 2015).
Research and Methodology

Research approach and design

This is a qualitative study and the exploratory research design was used to investigate the nature and operation of the African migrant informal enterprises in the Mandeni municipality. According to Carrasco & Lucas (2015) qualitative research helps to untangle complexity and pinpoint processes that will be pursued during the investigation. Creswell (2013) points out that in qualitative research, researchers gather information through written or spoken communication, as well as through observations that are documented in language, in this study the semi-structured interviews were utilised.

Sampling method and size

A non-probability sampling technique of purposive sampling was utilised in this study to select participants in the Mandeni municipality. In this study the number of African migrant informal enterprises was uncovered via the researcher who visited and counted about 25 African migrant enterprises in Mandeni between January and August 2019. This number of African migrant enterprises therefore provided a population from which a sample was determined. This number of African migrant enterprises therefore provided a population from which a sample was determined. During the interviews the participants provided the researcher with the data and the researcher critically analysed the data that given by the participants. The responses of 25 participants formed the basis of the article. The African migrant came from different African countries, which include DRC, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal, Somalia, Swaziland, and Zimbabwe.

Data collection and analysis

This study utilised semi-structured interviews with open-ended questions as a data collection instrument. There are various approaches of interpreting the results of semi-structured interviews. In this study, thematic analysis was used during data analysis. Thematic analysis is a logical, repeatable method for condensing communication into fewer topics to determine the meaning of that communication (Erisen, 2015). It made it possible for the researcher to thoroughly sort through a lot of data with reasonable ease. Thematic analysis was performed in the current study using Creswell (2009) framework for analysing qualitative data, which states that the analysis must include the following steps: gathering and organizing the data for analysis, reading through all of the data, coding the data, developing descriptions and themes, interpreting the meaning of the findings, and conducting validation of the findings. Relevant words, phrases, statements, or observations were extracted from each participant’s transcript to identify the nature and operations of African migrant informal enterprise in the Mandeni local municipality. The codes were identified from portions of the data which involved breaking down the data from the memos written by the researcher and data taken by recorder during and after the interviews. By comparing and analysing the inter-relationships between the initial codes, the codes were reassembled into more abstract categories using thematic analysis. All the initial codes identified in the data fitted into these categories and this coding process became the basis of concept development.

Findings and Discussion

Overview of participants

As shown in Table 1, a total of 25 participants were engaged in this study. These participants are African migrant who owned their enterprises around the Mandeni municipality. Data collection took place on the 21st of October to the 21st of December 2020. Participants came from ten (10) different countries. The African migrant came from different African countries, which include DRC, Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal, Somalia, Swaziland, and Zimbabwe, as shown in Table 1. Thirty-six per cent of respondents came from Mozambique, followed by 20% from Zimbabwe, 16% from Somalia and 4% of participants came from Ethiopia, Ghana, Malawi, Mozambique, Nigeria, Senegal, and Swaziland.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Number of participants</th>
<th>Number of Males</th>
<th>Number of females</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRC</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Ghana</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Malawi</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Mozambique</td>
<td>9</td>
<td>5</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Senegal</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Somalia</td>
<td>4</td>
<td>4</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Swaziland</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>16</td>
<td>9</td>
<td>57</td>
</tr>
</tbody>
</table>

Table 1: Country of birth of African migrants
The nature and operations of African migrant informal enterprises in the Mandeni Local Municipality

Several studies have pointed out that foreign migrants are increasingly becoming significant role players in the informal economy of many South African cities (Crush et al., 2015; Ncwadi, 2010; Peberdy, 2016; Moyo, 2017; Dithebe & Makhuba, 2018). There is little data available, however, on how many African migrants are involved in the informal economy of Mandeni and the nature and operation of these African migrants’ informal enterprises in particular.

The nature and operations of the African migrant informal enterprises in this study refer to what the African informal migrant enterprises are involved in, for example, retail, manufacturing, services etc. and everything that happens within the informal enterprise that keeps them running and earning money. The results of this research suggest that the African migrant informal enterprises encompass a variety of retail, services and manufacturing activities. In this study, 36% of the interviewed African migrant enterprises were involved in the clothing and footwear business, 12% operated spaza shops, 8% operated hair salons, and 8% cell phone fixing, cell phone accessories, DVDs, and CDs. Another 8% had electrical goods shops as well as another 8% operated panel beating enterprises and the last 8% were in the fruit and vegetable shops. In addition, 4% were involved in car maintenance and the fast food (restaurant) business. The other 4% were involved in selling hair products like hair extensions.

Table 2 summarises the nature and operations of the African migrant informal enterprises.

<table>
<thead>
<tr>
<th>Nature and operations of the African migrants’ enterprises</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nail technician</td>
<td>2</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
</tr>
<tr>
<td>Hair salon</td>
<td>2</td>
<td>8.0</td>
<td>8.0</td>
<td>16.0</td>
</tr>
<tr>
<td>Upholstery</td>
<td>1</td>
<td>4.0</td>
<td>4.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Cell phone fixer, cell phone, accessories, DVDs, CDs and electrical goods</td>
<td>2</td>
<td>8.0</td>
<td>8.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Fast food restaurant</td>
<td>1</td>
<td>4.0</td>
<td>4.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Panel beater and car mechanic</td>
<td>2</td>
<td>8.0</td>
<td>8.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Clothing &amp; footwear enterprises</td>
<td>9</td>
<td>36.0</td>
<td>36.0</td>
<td>76.0</td>
</tr>
<tr>
<td>Hair products, cosmetics, and other beauty products</td>
<td>1</td>
<td>4.0</td>
<td>4.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Fruit and vegetable</td>
<td>2</td>
<td>8.0</td>
<td>8.0</td>
<td>88.0</td>
</tr>
<tr>
<td>Spaza shop</td>
<td>3</td>
<td>12.0</td>
<td>12.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Based on this, it is clear that African migrants were involved in different types of informal enterprises which range from manufacturing, retail and services. But a careful look suggests that it is possible to associate certain types of nationalities with certain informal enterprises, for instance, Mozambicans specialise in car panel beating and repair businesses. The reason for this is that the education system in Mozambique emphasizes skills training for employment which gives students hands-on experience with the daily tools that form their profession and also strengthens their skills. In the interview, a Mozambican who owns a panel beating and car repairing workshop indicated that:

“When I was a student in Mozambique, I attended the Institute Industrial de Matundo in Tete which focused on mechanical maintenance, electrical maintenance and civil construction streams. That helped me a lot because I was able to acquire skills as a car mechanic and when I decided to migrate to South Africa, it was difficult for me because most of the positions I was getting in the formal sector required strenuous manual work but also, they were paying very low. As a result, I decided that was a tough life for me and thus I resorted to using the money I had been saving to open my own workshops where I would repair people’s cars. This was not a hard decision for me because even when I was working in the formal sector, I used to do side jobs on weekends and so when I decided to open my business that helped me because I was already known by the community members” (Mozambican, Interview, April 2021).

The other Mozambicans who owned enterprises selling a variety of foodstuffs (including sweets, chips, fruit and vegetables, and cooked foods) suggested that they are involved in these informal enterprises because more customers purchase their goods regularly, so they re-stocks regularly as well and this enables them to make profit faster.

Nigerian and Senegalese participants who participated in the study also owned informal clothing and shoe enterprises. The Congolese and Malawian participants owned informal enterprises selling hair accessories, cosmetics and other beauty products. Meanwhile, Ghanaians owned the hair salons and Swati’s informal enterprises provided a range of services including hairdressing as well as manicures and pedicures. The Somali and Ethiopians own spaza shops in Mandeni municipality.
Zimbabweans in this study owned different informal enterprises where they were selling a variety of foodstuffs (including sweets, chips, fruit and vegetables, and cooked foods). Other Zimbabweans were selling clothes and shoes (new, used, and made by the vendor), while some turned out to be technologically savvy because they were repairing cell phones and providing computer and internet services and selling cell phone accessories, DVDs and CDs, hardware, electrical goods. Several Zimbabwean participants were also involved in upholstery and sofa making. The fact that Zimbabweans were involved in a bit of everything is consistent with similar studies based in Johannesburg (see e.g., Moyo, 2015; Moyo et al., 2016; Moyo, 2017). These studies established that Zimbabweans did this to spread the risks and also to increase profits. Some Zimbabweans were involved in these enterprises in their country of origin. For example, some of them were farm workers and when they migrated to South Africa, they engaged in selling agricultural products or related enterprises. Others were employed in the retail sector in Zimbabwe; hence they started similar businesses after migrating to South Africa. In addition, some engaged in certain businesses because it was easy to do so.

For instance, a Zimbabwean who sold clothes and shoes (new, used, and made by the vendor), stated that:

“The reason I choose to own the clothing and footwear business is that this business does not require sophisticated equipment, such as quality shelves. I use the top of the shoeboxes to display the shoes. As for the clothes, I am selling I use plastic hangers to display them but what is most important is that clothes and shoes are easy to store, even if I do not handle clothes and shoes careful there will be relatively little or no damage”. (Zimbabwean, Interview, April 2021).

Beyond previous experience in the types of businesses the African migrants engaged in or previous training, in Mandeni, there were structural as well as institutional factors which influenced the migrant informal enterprise. For example, a Mozambican who owns a panel beating and car repairing enterprise indicated that:

“I decided to open my workshop because of the failure to get a work permit as a result I couldn't be employed in the formal sector. Most of the time I was vulnerable to the potential employers in the formal sector as in most cases they would offer me lower salaries on shorter-term contracts without any benefits” (Mozambican, Interview, April 2021).

This finding is similar to that in which Peberdy (2019) stated that the South African political economy is highly restricted which makes it difficult for African migrants to participate in the formal economy. This is because African migrants are likely to face devaluation of their human capital as a consequence of their migration which excludes African migrants from securing a job.

On the other hand, African migrant informal enterprise owners from Senegal indicated that:

“The reason I am involved in the clothing and footwear sector is that South Africans seems to be a fashion-driven society where people are aware of and are very sensitive to new clothing products reaching the market, so this helps me to make money out of this behaviour” (Senegalese, Interview, March 2021).

Nigerian participant who own informal clothing and shoe enterprises suggested that:

“My business is targeting mostly my fellow migrants whose mode of dressing is very different from other Mandeni residents so I provide them with ethnic clothing, similar to that found in their home countries. (Nigerian, Interview, March 2021).

This finding can be compared to that of Rogerson (2018) who confirms that many migrants are clustered in the clothing and footwear sector where they are involved in the making of traditional African clothes including wedding dresses and general tailoring activities. Meanwhile, the Somalian spaza shop owners around Mandeni townships indicated that the reason they are involved in these types of informal enterprises is because of the idea of “small profit, quick returns”. This means that the African migrant enterprise owners will keep their prices low and make little profit but the trick to it is the quick returns. It also means that if more customers require goods frequently, the owner would be making a small but frequent profit. As customers buy, the enterprise owner re-stocks because during the interview they pointed out that they sell things required daily and they sell them in singles, the profit is made faster no matter how small it is.

The Swazi participants operating salons indicated during the interviews that they showed great interest in this type of enterprise because of the inexpensive resources required to set up the business. It was also noted that salons are frequently operated by female African foreign entrepreneurs. But Ghanaians suggested the reason for owning the salon or becoming a hairdresser was motivated by the interactions and personal relationships with other Ghanaian hairdressers which they consider very cordial. During one of the interviews, the participant said that:

“Resources and support are always given in a mutual relationship. I have worked in this salon for almost seven years now and what I can tell is that Ghanaian migrants who work as hairdressers in this salon all have a spirit of assisting each other and we all benefit from this kind of relationship. We have different support programs and projects that are highly effective and empowering. One specific type of support project is the one in which money is saved for an emergency. In this project, we do monthly contributions of R100 per person which comes into our project account. This money is used to assist anyone who requires assistance related to the hairdressing business. For example, I might need money to buy a new hair blower or anything related to the business. Anyone who borrows has to return with a 15% interest. However, at the end of the year, money and profit that are cumulatively collected are equally shared with everyone who contributed” (Ghanaian, Interview, April 2021).
A Zimbabwean stated that besides having a formal qualification in information and technology it has not assisted him in finding suitable employment in the formal sector, as a result he decided to put his education and qualification to good use by opening a shop where he repairs cell phones and provides computer and internet services. He also sells cell phone accessories, DVDs and CDs, hardware, and electrical goods. This finding concurs with that of Moyo et al., (2016) who established that African migrants suffered exclusion and devaluation of their qualifications which contributes to their entering the informal sector. If one observes the nature and operations of African migrant informal enterprises, it can be seen that the phenomenon is widespread and growing in all parts of South Africa including small towns like Mandeni.

Looking even in Mandeni it can be seen that they are also different types of informal enterprises which range from manufacturing, retail and the provision of different services. Mozambicans specialise in car panel beating and repair and Zimbabweans are involved in the enterprises which sell a variety of foodstuffs (including sweets, chips, fruit and vegetables, and cooked foods), others were selling clothes and shoes (new, used, and made by the vendor). Some owned informal enterprises from where they repair cell phones, provide computer and internet services and sell cell phone accessories, DVDs and CDs, hardware, and electrical goods. Several were involved in upholstery and sofa making. The Nigerian and Senegalese owned informal clothing and shoe enterprises while the Congolese and Malawian respondents both owned informal enterprises selling hair accessories, cosmetics and other beauty products. Meanwhile, Ghanaians owned hair salons and Swati’s provided a range of services including hairdressing and manicures and pedicures in their enterprises. The Somali and Ethiopians owned spaza shops.

Conclusions

This study showed that African migrants engage in a wide range of business activities, but retail and service activities are dominant, including groceries, fast food, electronic appliances, household furniture repair, hardware, and computer and mobile telephony products and personal care products. These findings are in line with existing research (see e.g. Crush et al., 2015; Ncwadi, 2010; Peberdy, 2016; Moyo, 2017; Dithebe & Makhuba, 2018). The study results also showed that certain types of nationalities specialised in certain informal enterprises, for instance, Mozambicans generally specialised in car panel beating and repair businesses. The reasons for this are that the education system in Mozambique places emphasis on skills training for employment which gives students hands-on experience that forms their profession and also strengthens their skills (Cho & Honarati, 2014). The Nigerian and Senegalese who participated in the study also owned informal clothing and shoe enterprises. But the Congolese and Malawian participants owned informal enterprises selling hair accessories, cosmetics and other beauty products. Meanwhile, Ghanaians owned the hair salons and Swati’s informal enterprises provided a range of services including hairdressing, manicures and pedicures. The Somali and Ethiopians own spaza shops in Mandeni townships.

Zimbabweans in this study owned different informal enterprises in which they were selling a variety of foodstuffs (including sweets, chips, fruit and vegetables, and cooked foods). Others were selling clothes and shoes (new, used, and made by the vendor). Some Zimbabwean participants turned out to be technologically savvy because they owned informal enterprises where they were repairing cell phones and providing computer and internet services as well as selling cell phone accessories, DVDs and CDs, hardware, and electrical goods. Other Zimbabwean participants were also involved in upholstery and sofa making. The fact that Zimbabweans were involved in a bit of everything is consistent with similar studies based in Johannesburg (see e.g., Moyo, 2015; Moyo et al., 2016; Moyo, 2017). These studies established that Zimbabweans did this to spread the risks and also to increase profits. Some Zimbabweans were involved in these enterprises in their country of origin. For example, some of them were farm workers and when they migrated to South Africa, they engaged in selling agricultural products or related enterprises. Others were employed in the retail sector in Zimbabwe; hence they started similar businesses after migrating to South Africa. In addition, some engaged in certain businesses because it was easy to do so.

Beyond previous experience in the types of businesses African migrants engaged in, there were structural as well as institutional factors which influenced the choice of migrant informal enterprise in Mandeni. That is to say, the South African political economy is highly restricted which makes it difficult for African migrants to participate in the formal economy (Peberdy, 2019). African migrants are likely to face devaluation of their human capital as a consequence of their migration which excludes them from securing a job. The economic marginalisation of African migrants in the host countries has forced many to seek economic opportunities in the informal economic sector through entrepreneurship. The majority of the study participants could not secure jobs in the formal economic sector and this led them to them searching for and find employment in the informal economic sector. Thus, given the challenge that comes with employment in the formal economic sector, African migrants opted for entrepreneurship.

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