

Migrants and Small Enterprises In Post-Apartheid Pretoria/ Tshwane: A Focus On The Hair Salon Business In Sunnyside

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Abstract

Since South Africa's democratization in 1994, major spatial, social and economic changes have occurred in Sunnyside - a high-density inner city area of Pretoria. This period has also seen a dramatic increase in the flow of foreign, predominantly African migrants into the area. Sunnyside is becoming a vibrant, dynamic business area for small black owned businesses. This is due largely to positive policy measures (by the Pretoria Municipal Council) such as decentralization, decongestion, desegregation and the creation of City Improvement Districts (CID). Against this background, the paper investigates aspects of emergent migrant small enterprises operating in post-apartheid Pretoria. The results are presented from a survey of hair salon operators in Sunnyside and a series of in-depth interviews undertaken with key institutional actors dealing with Sunnyside as a CID.

Introduction

Economic, social and political forces have ensured the continued migration of humans throughout history. The democratisation of South Africa, an event with immense political, economic and social implications, has dramatically increased the flow of migrants, from far and near, into the country. According to Crush (1997) the number of legal and undocumented migrants to South Africa, especially from Southern African Development Community (SADC) has grown rapidly since 1990.

These migrants, like those locals who find themselves out of formal employment (because they have been underprivileged, are unskilled, unqualified, retrenched, took voluntary severance packages or for some other reason), often turn to informal, small-scale economic activities for earning a livelihood. With the rate of unemployment in South Africa (unofficially estimated to be 40%) as high as 29.5% in 2001 (Statistics South Africa, 2003: 54), the informal sector is increasingly becoming a focal point for employment seekers.

The investigation of Pretoria's small, medium and micro enterprises (SMME) sector and the role of immigrants in it unfolds through two major sections of material. First, an overview is furnished on the SMMEs in general highlighting the international and local contexts in

terms of successes and failures and the factors thereof. In the second section, the focus shifts to the presentation of empirical data on the hair salon business in Sunnyside, as a typical immigrant-dominated small-scaled inner-city enterprise. Underpinning the entire study is the theme of inner-city renewal - as has been induced, in this case, by the democratisation of South Africa. First though is an overview of migrants and small enterprises in South Africa.

Migrants and Small Enterprises in South Africa

Historically, apartheid era South African immigrants have tended to confine their economic activities mainly to mining and agriculture. Relative to other sectors of the economy, a considerable amount of literature exists on the role of temporary workers from surrounding countries in South Africa's mining and agricultural sectors (Crush & James, 1995).

Latter-day migrants however, appear to be focusing on informal enterprises such as trading, hairdressing, barbering, cloth/dress making and shoe repairing. Indeed, their activities have attracted violent, sometimes fatal, xenophobic reaction from some local small scale entrepreneurs and unemployed South Africans, who object to the increasing number of aliens in what they consider to be their exclusive business turf (Sowetan, 1994; City Vision, 1996; Sunday Times, 1998).

In fact, the SMME sector has always played an important role in black employment. The White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa states that:

In the past black people have made far greater progress in the micro - and small - enterprise segments of the economy than in medium-sized and large enterprises. Thus, the SMME sector has - all its impediments notwithstanding - proven to be a highly significant vehicle for black economic empowerment (South Africa, 1995: 12).

It has been observed by Crankshaw & White (1995); and Rogerson (1997) that South Africa's inner cities, like those of Johannesburg and Durban, have experienced dramatic changes in their organisation, residential completion and business make-up over the past decade. It is contended that Pretoria is no different. A pronounced increase in black residents in the inner city and the rise of a black-dominated informal economy are some of the key components of this re-organisation. Some of Pretoria's inner-city areas such as Sunnyside have witnessed a proportionally higher increase in black residents and businesses relative to adjacent areas such as Hatfield. And perhaps the 'blackening' of Sunnyside is by itself the push factor responsible for the movement of white residents and their businesses to Hatfield and elsewhere.

Donaldson *et al* (2003: 2) have observed that the apartheid state protected only the interests of whites. Inner-city areas were white spaces until 1994 and as 'protected' spaces, were not

adversely affected by the general process of suburbanisation. The out-migration of white business, white bureaucrats, and white residents from central inner-city areas became a reality after 1994. Since then, the impact on the social transformation, housing and property market, the built environment and investment in places like Sunnyside has been remarkable. The negative externalities for inner-city social transformation, such as fiscal decline and the deracialisation and desegregation of urban space, are important factors making these areas more accessible for the lower-to middle - income groups previously marginalised to informal areas and townships on the city's outskirts. This process is similar to the Brazilian experienced as described by Del Rio (1997). Like in Brazil, the inner-city transformation process in South Africa was accompanied by inner-city decay – perceived or real. Morton (1998) cites several references identifying Johannesburg's inner city as a typical international scenario in terms of the diversity of population groups that live there, the physical conditions of the area, its transformation into a typical racial ghetto, increased crime, dirt, poverty and over-crowding with semi-skilled and unskilled residents. Donaldson *et al* (2003: 2) comment that despite these spatial images portrayed from a distance by academics, the media and the white public in general, the inhabitants' own spatial images of urban living are no different from their images of living on the outskirts of the city. A similar comment could be made on the spatial images of international immigrants to the inner cities such as Sunnyside. Some of these immigrants find the economic opportunities and living conditions better, by far, than where they emigrated from.

Internationally though, the too familiar trend of urban decay (and transformation) in inner cities has its roots in the modernist town planning principle of creating mono-functional spaces with an utopian belief in the possibility of creating liveable suburbs on the outskirts of the city (Donaldson *et al* 2003: 3). As correctly observed by Daniel and Hopkins (1994:192), there is no single panacea for solving inner-city problems as different inner-city areas display different characteristics. Nonetheless, the position taken in this research is that a positive attitude to inner-city transformation through sustainable urban development principles, economic growth and employment creation is the answer to solving the problems of inner-city decay. Central to all of these is a vibrant, sustainable informal economic sector. To this end, the research will investigate aspects of the small enterprise economy of one of South Africa's urban centres – Pretoria – with particular regard to the increasing role of immigrants in this sector.

The Dynamics of SMMES

The success of the small enterprise economy is greatly dependent on the formulation and implementation of appropriate policies. To this end, Farbman and Steel (1992) called for research on SMMES, which would furnish policy makers with the tools for providing an appropriate mix of support interventions for the sector. It has been argued, by Mead (1998) and also Rogerson (2000) that the dynamics of small enterprise development can be best understood through the pursuit of longitudinal studies. Such studies seek to monitor the conditions of individual SMMES or the small-enterprise economy over a period of time. Aspects such as the problems of these enterprises at different phases in their development

cycle from start-up, through growth or survival, to potential graduation or closure are examined (Steel, 1994; Liedholm & Mead, 1999).

SMMEs in Africa: Success and Failure

According to Liedholm and Mead (1999), there is a rapid turnover of entrepreneurs and new enterprises in most countries in Sub-Saharan Africa. A high percentage of the new enterprises tend to be one-person establishments (Mwega 1991). It is common knowledge that enterprise start-ups occur because of their supply-push or demand-pull considerations. Rogerson (2000: 688) observes however that the majority of start-ups are the result of 'enforced entrepreneurship' rather than the pull of market opportunities. There is overwhelming evidence, from many countries in Africa which suggest that typically these kinds of one-person businesses are the least efficient and least remunerative of small enterprises (Arnold *et al*, 1994; Mead 1994; 1998). Typically, "they tend to start-up in greater numbers, particularly in low-return activities with minimal barriers to entry, when the overall economy is languishing" (Mead & Liedholm, 1998: 65). In contrast to these new start-ups, which are driven by the search for new livelihoods, are those enterprises which reflect market demand and growth by expansion and are likely to prove more secure (Arnold *et al*, 1994.)

Though there is no conclusive evidence on the factors which influence the duration of SMME survival, recent research on hazard modelling on SMMEs in Africa points to the specific features of those small enterprises that are most likely to survive (McPherson, 1995, 1996). Some revelations from the analysis are that those enterprises that added workers were more likely to survive than those that remain the same size from start-up. Secondly, survival rates were shown to vary considerably by sector. On the average, enterprises in the service and manufacturing sectors have a greater chance of survival than those in the wholesale and retail sector (Mead & Liedholm, 1998). A third factor which influences the survival rate of SMMEs is that of location, with enterprises which were located in commercial districts exhibiting higher survival rates than home-based enterprises. McPherson (1996) observes from across a range of studies that firms that benefit from agglomeration externalities show better prospects than those operating as home-based enterprises. Rogerson (2000: 690) however cautioned against isolating a universal sectoral growth pattern without considering other factors.

With regards to gender, Rogerson (2000) holds that a number of important issues are recognised in terms of investigating successful SMME development in Africa. Core to these is the fact that domestic responsibilities borne by African women limit the time and scope of their business strategies. In general, women entrepreneurs have different goals and different business strategies from those of male entrepreneurs. Downing (1991) holds that the goal of women, more so than of men, entrepreneurs is to feed, clothe and educate their children. Rogerson (2000: 689) concurs and concludes that: "to achieve these goals, women seek means to secure their incomes in diverse ways, whereas men pursue individual strategies, taking business risks in pursuit of profits". Steel (1994: 9) also observes that

many women entrepreneurs fit business activities around household and child-rearing responsibilities, and therefore find the graduation to a larger business outside the home/ neighbourhood unsuitable.

In terms of job creation, McPherson (1996) made a key finding that the majority of small enterprises do not grow at all – as measured by indicators of employment. Earlier, Mead (1994) observed that only an estimated 20% of small enterprises do grow, even then most grow only by a little. However, there is ample evidence that when small enterprises expand by adding even only one or two workers, this growth is associated with increases in economic efficiency (Arnold *et al*, 1994). It is important for the purpose of policy making to understand the factors that will cause some enterprises to grow and become successful, thus creating sustainable or long-term employment opportunities.

Rogerson (2000: 689) observes that a number of broad factors such as human capital, firm location and local comparative advantage impact upon enterprise expansion and on the potential for creating successful enterprises.

King & McGrath (1998) also hold that human capital is critical to firm survival. The level of 'human capital' in the entrepreneur has a positive impact on firm growth. In Kenya, for example, Kinyanjui (1996: 157) identifies two types of entrepreneurs - one dynamic the other not. The dynamic enterprises are large and continue to expand whilst the less dynamic are small and dwindling. The most distinguishing feature that marks entrepreneurs' dynamism is educational qualifications. Overall, those entrepreneurs with larger stocks of human capital, in terms of education and/or vocational training, are better able to adapt their enterprises to constantly changing business environments (McGrath and King 1996). In the face of globalisation the survival and growth are outcomes of the enterprises ability for "learning to compete" (Afenyadu *et al*, 1999). The more educated entrepreneurs stand a better chance of sustaining growth in a 'globalized' environment.

The following sections describe the hair salon business in Sunnyside, as a small-enterprise dominated by immigrants. The dynamics of the salon business - which translate into success or failure, are examined. First though, the research methodology is described and findings analysed.

Study Area, Study Aims and Methodology

The study area is limited to Sunnyside and the scope to hairdressing. This enabled a detailed study. Interviews were conducted in the 28 hair salons that cluster into a 0.6 kilometre square area along Esselen Street in Sunnyside.

Ownership and Employees in Hair Salons in Sunnyside

There are a total of 28 hair salons in the study area. Of these one is Chinese-owned, two white South African owned and three black South African owned. Ownership of the remaining twenty-two is as follows: five are by entrepreneurs from other SADC countries such as

Zimbabwe, and 17 (60%) by migrants from other non-SADC African countries such as Cameroon.

Migrants dominate the hair salon business in Sunnyside. They constitute 63% of the workforce and 82% of ownership (see Table 1). Of the 137 people who work in these hair salons, 50 (37%) are South Africans; 19 (15%) are from other SADC countries, the majority of 66 (48%) are from non-SADC African countries.

Table 1: Ownership and workforce in hair salons (Sunnyside)

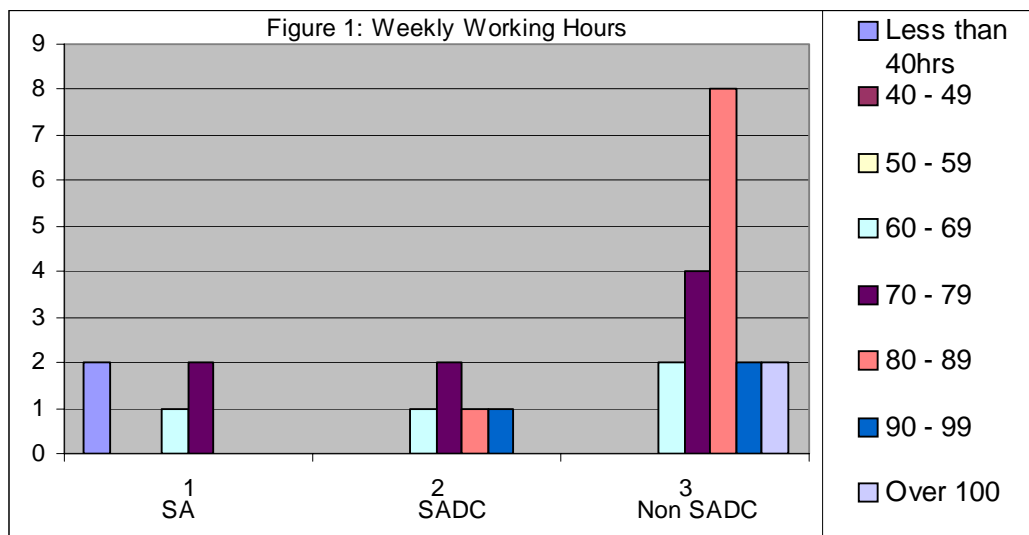
Nationality of owner.	Number of salons	Number of employees:	South African	Non-South African	Female	Male
South African						
(Black)	3 (11%)	18 (13%)	18 (36%)	-	11 (11%)	7 (19%)
(White)	2 (7%)	5 (4%)	5 (10%)	-	5 (5%)	-
SUB TOTAL	5 (18%)	23 (17%)	23 (46%)	-	16 (15%)	7 (19%)
Other SADC						
Mozambique	1 (4%)	6 (4%)	2 (4%)	4 (3%)	5 (5%)	1 (3%)
Zambia	3 (11%)	15 (11%)	5 (10%)	10 (7%)	11 (11%)	4 (11%)
Zimbabwe	1 (4%)	5 (4%)	-	5 (4%)	4 (4%)	1 (3%)
SUB TOTAL	5 (18%)	26 (19%)	7 (14%)	19 (14%)	20 (20%)	6 (17%)
Non SADC						
Cameroon	2 (7%)	11 (8%)	3 (6%)	8 (6%)	7 (7%)	4 (11%)
China	1 (4%)	4 (3%)	2 (4%)	2 (2%)	3 (3%)	1 (3%)
DRC	3 (11%)	14 (10%)	3 (6%)	11 (8%)	10 (10%)	4 (11%)
Ghana	9 (32%)	42 (31%)	10 (20%)	32 (23%)	34 (34%)	8 (22%)
Nigeria	3 (11%)	17 (12%)	2 (4%)	15 (11%)	11 (11%)	6 (17%)
SUB TOTAL	18 (64%)	88 (64%)	20 (40%)	68 (50%)	65 (65%)	23 (64%)
Total	28	137	50 (37%)	87 (63%)	101(73%)	36 (26%)

The two white owned hair salons service a limited but loyal niche market -mainly White pensioners. Their working hours and modus operandi differ greatly from the other hair salons in the area. On Mondays, Tuesdays, Thursdays and Saturdays they open from 08:00h to 13:00h. On Fridays, from 08:00h to 16:00h and remain closed on Wednesdays and Sundays. The findings concerning working hours is shown in Table 2 and illustrated in Figure 1.

On average the white-owned salons operate for less than 40 hours per week; compared with black South African owned which averaged 72 hours per week; other SADC-owned salons averaged 79 hours and; non-SADC (including the Chinese owned) averaged 84 hours per week.

Table 2: Length of weekly working hours

Hours	S A	Other SADC	Non-SADC
Less than 40	2		
40 – 49			
50 – 59			
60 – 69	1	1	2
70 – 79	2	2	4
80 – 89		1	8
90 – 99		1	2
Over 100			2



Place preference and target market

The migrants indicated overwhelmingly that the choice of South Africa in general and Pretoria in particular for setting up business is not coincidental. The reasons for the choice however vary from individual to individual and from country to country. The general trend though is that immigrants from Mozambique and the Democratic Republic of Congo (DRC) identified the political instabilities in their countries as the main driving force behind their move. They consider Pretoria as peaceful and conducive to their businesses. Majority of the migrants, particularly those from Cameroon, Ghana, Nigeria and Zambia however gave the availability of economic opportunities, as the main incentive for coming to SA and Pretoria for that matter. Indeed the majority of interviewees (67%) gave ‘the economy’ of South Africa as their reason for being in South Africa. Most of the migrants (68%) are registered refugees, though.

Why Sunnyside, Pretoria?

Sunnyside has undergone drastic changes in its racial composition in recent years – this has created a good market for black hair salon owners. A brief review of changes in the racial make-up of Sunnyside residents will illustrate the point.

Demographic transition in Sunnyside Pretoria

Donaldson *et al*'s (2003: 25) study showed that racial transition in the Suburb of Sunnyside increased from 19% for blacks in 1996 to 58% in 2001. In terms of Indians and Coloured categories, no significant change occurred in the period. They concluded that: “the replacement of whites by blacks is thus the main phenomena”.

The national census data, as shown in the Table 3 reveals a similar but more pronounced change in racial composition in Pretoria's inner city areas. The table shows a comparison of the census data for a number of suburbs in and around the CBD of Pretoria from 1991 through 1996 to 2001. The most notable changes are that there was a general decrease of whites in all the inner-city suburbs. For example, in the 10-year period (1991 to 2001), Travenna's white population declined from 97% to 11% whilst the black population increased from 3% to 81%. For Sunnyside, there was a decrease of 62% in white population and an almost equal percentage increase (57%) in black population. The picture is similar for Pretoria's other inner-city areas such as Acadia and the CBD.

This transformation is certainly of relevance to black enterprises especially service businesses such as hairdressing which, target blacks. Also of importance to the hair salon business is the age and sex-composition of the new population, which is replacing whites in Sunnyside. In terms of age composition, the argument is that the working class and young adults are more likely to use the services of hairdressers more often than the other age groups. Donaldson *et al*'s (2003) survey revealed that the demographic transition that has been occurring in Sunnyside since 1994 has seen a higher proportion of the working age group and young adults rather than the aged moving into Sunnyside. They concluded that “almost 80% of blacks (in Sunnyside) are younger than 30” (Donaldson *et al*, 2003: 26). This coupled with the fact that only 2% of household members in Sunnyside were unemployed at the time of the survey (Donaldson *et al*, 2003: 26) bodes well for the hair salon business.

Viewed against this background, it is not surprising that many of the migrant entrepreneurs have positive things to say about Sunnyside (see Table 4). The highest percentage of immigrant hair salon owners (48%) thought Sunnyside is ‘good for business’, 17% see it as ‘a peaceful/secure environment’ and a further 39% based their choice on positive recommendations of friends and relatives.

Table 3: Comparison of the 1991, 1996 & 2001 census data according to race for selected suburbs

	Black 1991	Black 1996	Black 2001	Coloured 1991	Coloured 1996	Coloured 2001	Indian 1991	Indian 1996	Indian 2001	White 1991	White 1996	White 2001
Arcadia	1179 7%	2912 22%	8515 51%	36 0.2%	323 2%	615 4%	16 0.1%	267 2%	684 4%	15677 93%	9785 74%	7025 42%
CBD	614 4%	7004 40%	19295 78%	24 0.1%	675 4%	1289 5%	49 0.3%	171 1%	255 1%	16045 96%	9820 56%	3912 16%
Sunnyside	757 3%	4180 20%	16002 60%	30 0.1%	377 2%	909 3%	19 0.1%	249 1%	610 2%	21675 96%	16447 77%	9250 34%
Trevenna	40 3%	552 38%	1314 81%	2 0.1%	59 4%	66 4%	6 0.4%	38 3%	67 4%	1551 97%	796 55%	185 11%
Lukasrand	141 29%	94 24%	111 19%	0 0%	1 0.3%	1 1%	2 0.4%	3 0.8%	6 1%	346 71%	301 75%	447 79%
Muckleneuk	557 10%	842 18%	2540 44%	16 0.3%	83 2%	175 3%	0 0%	47 1%	156 3%	4984 90%	3801 80%	2943 51%

Source: Adapted from Census 1991, 1996 & 2001 (Statistics South Africa)

Table 4: Reason for choosing Sunnyside for locating hair salon

Response	Number	Percentage
Cheap rentals	1	4
Upon advice from friends/relatives	7	30
A peaceful/secure environment	4	17
Good for business	11	48

Social demographics

Women dominate the hair business in Sunnyside. They constitute 73% of the workforce (Table 1) and 82% of ownership. A little over 36% of the total population in the business are married. The figure is highest (72%) for the non-SADC women. The married women have husbands whose occupation range from medical doctors, accountants, building technologist, engineers, teachers, academics, civil servants (many of whom work in the formal sector) to cobblers, tailors and informal traders. One could thus draw the conclusion that while some of the male partners provide highly skilled labour in important sectors of South Africa's economy, the women show enterprise and refuse to be 'housewives'. Indeed some of the answers given for becoming hairdressers include: "I don't want to be a housewife"; "I want to help my husband"; "I don't want to dependant on my husband", and "we have come to South Africa to make money"

The age profile of dependants is shown in Table 5. The oldest participant in the industry is a 51 year Ghanaian and the youngest an 18 year old Zimbabwean lady. Most of the hairdressers (80%) are in the age groups 20 to 35. On the average 81% of SADC and 74% of non-SADC participants are in these age groups. In terms of formal education, there is only a slight difference in qualification between SADC (excluding South Africa) and non-SADC participants. Table 5 shows that 42% of SADC participants and 44% of non-SADC have a minimal qualification of matriculation. Between immigrants and South Africans however, the difference is significant. None of the five White South African hairdressers attained matriculation and only nine (18%) of the 45 Black South Africans have matriculated. The highest formal qualification of a participant is a Bachelors degree.

Migratory/business history and current performance

What emerged with regards to the dates for migrating to South Africa, and the setting up of hair salons, is shown in Table 6. Comparatively the non-SADC owned businesses started operating in Sunnyside a little earlier than SADC and SA owned salons. On average, the non-SADC-owned ones started operating around 1995 (43%) and the SADC-owned salons started around 2001 (53%). However, it is also evident that many of the proprietors of the non-SADC hair salons had been in the salon business for a long while and thus bring years of experience into the business. Indeed, some of them indicated that they had owned hair salons in the former homelands of Transkei and Ciskei before moving to Pretoria.

Table 5: Socio-demographic data on workers in the hair salons

Age Group	South Africans	SADC	Non-SADC	Total
Under 20	1 (2%)	2 (10%)	2 (3%)	5 (4%)
20 – 25	19 (39%)	3 (14%)	8 (12%)	30 (22%)
26 – 30	18 (37%)	10 (47%)	24 (36%)	52 (38%)
31 – 35	6 (12%)	4 (19%)	17 (26%)	27 (20%)
36 -40	-	2 (10%)	12 (18%)	14 (10%)
Over 40	5 (10%)	-	3 (6%)	8 (6%)
Total	49	21	66	136*
Education				
No education	2 (4%)	1 (5%)	3 (5%)	6 (4%)
Primary to grade 5	17 (34%)	4 (19%)	20 (30%)	41 (30%)
Grade 6&7	22 (44%)	7 (33%)	14 (21%)	44 (32%)
Matric (O Level)	6 (12%)	9 (42%)	17 (26%)	32 (23%)
Post- Secondary	3 (6%)	-	12 (18%)	14 (10%)
Post - graduate	-	-	-	
Total	50	21	66	137

* One participant did not disclose her age

Table 6: Migration History & Experience in salon business

Period	SADC			Non SADC		
	Period in SA	Period in salon business in Sunnyside	Total period in salon business	Period in SA	Period in salon business in Sunnyside	Total period in salon business
After 2004	7(33%)	9(43%)	2(10%)	12(18%)	10(15%)	5(8%)
2001 – 2004	10(48%)	11(53%)	2(10%)	22(33%)	26 (39%)	12(18%)
1995 – 2000	4(19%)	1(5%)	13(62%)	29(44%)	28(43%)	38(57%)
Before 1994			4(19%)	3(5%)	2(3%)	11(17%)

The years of experience, of participants in the hair business, range from three weeks to 16 years. Apprenticeship is usually for about four weeks. One could then start handling the basics, such as some types of hair cutting, hair washing and hair setting. With time and experience one graduates to more complex procedures.

All the non South African participants provided their own initial start up capital, as against only 20% of South African participants. The capital comes from a variety of sources outside the formal loan system. Some of the hair salon owners had worked elsewhere in South Africa, saved money, before establishing their own enterprise. This source of capital accounts for 53% of non-South Africa owned businesses. In this way they, not only saved money for capital, but also gained experience in how to run the hair salon business. Another source of

start up capital was money from spouses, relatives and friends, based in South Africa, their home countries, America or Europe. These “soft-loans” are paid back, sometimes with minimal interest, as the business progressed. Also significant is the fact that 37% of the foreign owned businesses transferred their start-up capital from outside South Africa. This money is mainly from other business interest in their home countries. A few of the non-SADC entrepreneurs had worked in countries other than their own, from where they transferred part or all of their start-up capital. This in itself is a good thing for the South African economy - foreign investment, no matter how small, has its ripple effects in an economy.

In terms of employment creation, South Africans hold only 24% of the jobs in foreign-owned hair salons. The business owners attribute this low percentage of South Africans in their employment to the fact that foreigners are ‘hungrier for work’ and thus willing to stand the rigours of hard work entailed in the hair salon business. Other reasons given are that, the nature of the work requires certain technical skills as well as human relation skills. This coupled with the long working hours (see Table 2; Figure 1) require huge sacrifices which many home-based South Africans are not prepared for, or willing to.

Asked why there are so few South Africans employed in their salons, many of the foreigners had negative things to say, such as that the locals only work for a few days then disappear without notice. Though some of the foreigners blame South Africans for being “*too lazy, too ambitious, not serious*” and so on, others sympathise with their inability to cope with the demands of the business. As observed by a Nigerian hair salon owner: “I don’t blame them. If I were home, I will not work on Sundays and on holidays. Instead I will visit family and friends or attend social responsibilities such as weddings or funerals”

Indeed the working hours are long and odd. As observed by a Zambian: “It is a very competitive business and you have to sacrifice in order to get business”. She further explained that because Sunnyside is a high-density residential area most of the customers only come to the hair salons after work or after school. At month ends hair salons have to stay open till late. It is not uncommon to work till 22:00h on such days. The hours are not only long but also unusual, for example, on some weekends, work starts from 07:00h to 22:00h flat out on Saturday, then from 6:00h the following Sunday, when clients have to be attended to before church service. On lean days (such as, before pay-days in the winter season) however, salons may remain open, but without clients for long periods.

All the non-South African and 60 % of South African hair salons open seven days a week. Table 2 (Figure 1) gives an indication of the hours of work per week. The negative comments about local South African employees not being able to cope with the demands of the hairdressing business should be viewed against the background of these uncompromising working hours.

Table 7: Employment size of hair salons

	Number of enterprises (SA)	Number of enterprises (Other SADC)	Number of enterprises (Non-SADC)	Total
Less than 5	5	4	14	23 82%
6 -10	-	1	2	3 11%
More than 10	-	-	2	2 7%

In general terms, the employment size of the salons could be categorise as ‘micro-enterprises’ defined as business set-ups which involve the owner, some family member(s), or at most four paid employees. As can be deduced from Table 7, as many as 23 (82%) of the hair salons have less than 5 employees. There are exceptions though. For example, the largest salon is Ghanaian-owned with a total of 13 workers.

Problems and prospects for the future

A number of problems confront the salon owners and their workers. These entrepreneurs identified the high mobility of labour in the industry as perhaps their greatest headache. “You train and provide experience to a person and she just disappears without a word”, a Zambian salon-owner complains. Indeed the findings of the research confirm the fact that except for workers, who are relatives of the owner, workers stay with the same salon for only 8 months on the average. The men seem to be more mobile (6 months) than the women (9 months). The high degree of mobility makes the industry highly competitive. A form of contract system operates whereby commission is paid based on output. The salon owner provides all material including electricity and retains 65 to 70 % of the workers earnings. While this ensures high productivity, it fails to bind a worker to a particular hair salon and thereby increases the degree of inter-salon mobility.

Furthermore, the unregulated market has pushed the industry to the cutting-edge of competition. The sheer concentration of hair salons is an indication of this. Along a 1.5 kilometre stretch of road (Esselen Street) and covering an area of approximately 0.6kilometre-square are 28 hairdressing salons. Apart from the wild interchange of employees, often employees having established a clientele base, break away (with a high percentage of their clients) only to open a new salon in close proximity to the salon they broke away from, or join a nearby salon. One salon owner cynically observed: “Sometimes I fear we may end up like the taxi industry and start killing each other for customers”.

Another competition related problem identified by 90% of hair salon owners is the allegation that there are a number of informal hairdressers, in Sunnyside, who operate from their flats. Because they do not pay the high rentals that hair salon owners pay for their shops, these ‘pirates’ (as one hair salon owner called them) are able to charge lower fees and thereby woo customers away from the more formal hairdressing salons

Some owners claim that uncontrolled competition has also reduced profits to the barest minimum. Whilst some of them talk about the thought of moving out of the salon business to other businesses such as retail trading, the fact that since the commencement of the research (over 10 months ago) 3 new salons have opened, 3 changed hands and only 1 closed is perhaps an indication that demand for hairdressing still outstrips supply in what the researcher considers as a near-perfect competitive market.

The high demand is perhaps a good reflection on the 'positive growth' of Sunnyside. There are indeed positive developments, which stem from the fact that Esselen Street in Sunnyside is located within the City Improvement District (CID) of Pretoria. One of the first urban management strategic policies emanating from the White Paper on Urban Centres is the Gauteng City Improvement Districts Act (No 12 of 1997). The essence of the CID policy is to reduce crime, fear and general decadence and thereby provide an environment, which revives a declining inner city. This policy therefore aims at easing the growing concern among property owners, residents and business owners about the degeneration of city centres. In this regard, the CID can contribute to improved security and safety, cleanliness, better standards for shop owners, increased control of trading, and higher standards in terms of the types of businesses permitted – especially to control seedy activities (Gauteng Provincial Gazette, 2000).

The Provincial Government Notice for the Sunnyside CID stipulates that in year one of the 3-year development plan the following services will be provided:

- Management of the area and supplementary cleaning and maintenance;
- Negotiation and implementation of an informal trading policy;
- Co-ordination of the Pretoria City Council's existing security and tourist patrols;
- Development of a plan in conjunction with appropriate social service providers to deal with social problems such as homelessness, street children, prostitution and drug abuse, and
- Management of a car guard system (Gauteng Provincial Gazette, 2000).

It is generally observable that the CID has already achieved significant improvements in Sunnyside by way of the provision of stalls for hawkers and cleaner streets. This is confirmed by a recent survey, which shows that over 90% of respondents are happy with the cleanliness of Sunnyside (Sunnyside News, 2004). The CID has also put in place policies, which have considerably curtailed the growth of the sex industry (brothels, sex shops, striptease bars, etc). It is hoped that the CID initiatives and strategies will contribute to the rejuvenation of Sunnyside and that it will not become completely racially segregated, like Hillbrow, for example. It is for this reason that the Department of Trade and Industry (DTI) stepped in and along with the City of Tshwane, has committed itself to getting the area back to the way it once was by building its new campus in the heart of Sunnyside, along Esselen Street (Mail & Guardian, 2004).

So far, some significant improvements have been brought to Sunnyside by the decision of the DTI to relocate to Sunnyside. In the first place, the partial completion of the DTI campus and the moving in of 1000 staff members has boosted the area in many ways. Business turnover along Esselen Street has appreciated markedly with some shops in Sunny Park reporting 60% to 70% increase in turnover (Sunnyside News, 2004). It is anticipated that by the time the DTI campus fills to its full capacity of 2500 employees, Sunnyside would have seen even more remarkable improvements in its socio-economic outlook. Inside the DTI campus itself, there are only three food service establishments, supporting the DTI's commitment to push as much of its internal demand for services out into the community along Esselen Street.

On the whole the CID manger and his officials are pleased with the progress, so far, in reviving Sunnyside. They are also of the opinion that immigrants are playing a positive role in this process. The Sunnyside police officials, on the other hand, are less optimistic about the impact of foreigners on the inner city's socio-economic state. Quizzed on why the residents of Sunnyside are so concerned about security and crime, as reported in Sunnyside News (2004), the police pointed to the in influx of immigrants as the main cause.

Summary of Findings

In terms of employment creation for South Africans the findings of this research are that relatively few jobs are created (only 24% of employees in foreign owned hair salons are South Africans). However, the fact that the foreigners invest their own capital and create their own jobs is a good thing in the sense that these foreigners, 68% of them refugees, are not only independent of hand outs from the South African government but most importantly are not taking South African jobs as often claimed by xenophobic elements in the local population.

It is argued here that South Africa has a chronic shortage of artisans, particularly among the black population. The legacy of apartheid-crafted education has ensured that blacks, by and large, are short on skills acquired through apprenticeship such as tailoring, masonry, plumbing, hairdressing, carpentry and other forms of handiwork. One would tend to agree with the former Minister of Home Affairs, Dr Buthelezi, who was quoted as holding the following opinion on migrants in South Africa: "Skilled labour is the most crucial form of foreign direct investment. When a skilled individual immigrate to the country, with him or her comes a sum of past investments as well as a stream of future revenues" (Mkhondo 2001: 3).

Another important finding of the study is that gender distribution of workers in the hair salon business displays a distinct bias towards females, who constitute 73% of the workforce. This finding holds huge potential for addressing the quest for women empowerment. A number of studies done on inner city small enterprises found a high death rate among such businesses (Manning & Mashigo, 1993; Rogerson & Rogerson, 1997). For example, Rogerson & Rogerson (1997: 94) noted that "... of the new black businesses which occupied

the inner city, between 50 and 60 per cent failed to survive". Contrary to these, there is a high survival rate among the hair salon outfits in Sunnyside. The reason for this high survival rate, particularly among the migrant-owned hair salons relate to the business skills of these migrant entrepreneurs, the advantage of locating their businesses in a thriving CID, the ability to access their own business capital, a strong support network and above all, their sheer determination to succeed through hard-work.

In relation to the location and clustering of these hair salons in Sunnyside, it is found that a pattern similar to chain migration whereby informal networks influence new entrants in their choice, is at work. Over 60% of migrants indicated that it is either through a friend or relative that they ended up in the hair salon business in Sunnyside.

Most of the participants have very positive things to say about the inner city. They consider it a good area for 'business', with a peaceful and secure environment. The one major problem they identified is crime and what they perceive as police inefficiency in dealing with it. Quizzed further on this question, it is discovered that some of the respondents worry about crime not so much because it directly affects them but because it gives them a bad name. Comments such as "we are getting a bad name because of other foreigners who are drug dealers" explain the position of some of these migrants on the issue of crime. Overall though, they expressed satisfaction with Sunnyside as choice of location for their businesses.

Undoubtedly, this inner-city area has a crucial role as a zone of opportunity for small business development. One of the empowerment goals of the current government is to redress apartheid legacies by creating an enabling environment for black-owned small enterprises to thrive (South Africa, 1995). The findings of this study confirm that the inner city of Sunnyside is being supported by government framework and policy to play the incubator function of nurturing black entrepreneurs and their small businesses.

Suggestions for Future Research

This study reveals a number of areas where further research is needed. A large-scale comprehensive study of the positive and negative impacts of foreigners in Sunnyside and its surrounds - in the face of government effort to rid inner cities of crimes such as drug abuse and prostitution would be of use. This section describes specific research questions that are worth addressing in future research.

First, is the possibility of local government introducing regulations to cover specific aspects of the hair salon business. Without such regulatory measures, the proliferation of hair salons could negatively affect the profit margins of entrepreneurs and thereby their clients. With them, the salon owners are protected from unhealthy competition, the customers are in turn protected from a situation where profit margins are so low that hair salon owners resort to the use of inferior or diluted hair products, which could be harmful to the customers in the long run.

Second, the research suggests that a form of local government intervention will ensure that hairdressing salons whose profit margins qualify them to pay tax are made to do so. Further research would be important in understanding how tax breaks could be used as incentives to ensure that foreign - owned salons employ South Africans, teach them the skills of the industry and thereby empower them.

Furthermore, investigation could be carried out on the following aspects of the hair salon business: Firstly, the possibility of local government using these migrants to train locals – by subsidising the ‘cost’ involved. Such training could probably be done through the relevant Sector Education and Training Authority (SETA). Also, the possibility of accrediting successful candidates with certificates within the National Qualification Framework (NQF) could be investigated. Such a study could be useful to local authorities. This is particularly relevant in the face of the acute shortage of vocational skills among the black segment of the South African population.

Third, the allegation by some hair salon owners that there are hairdressers who operate from inside their residential rooms (flats in Sunnyside) warrants further investigation. If these allegations are true, there might be serious environmental-health consequences emanating from using chemical products, in large quantities, in residential flats.

Lastly, whilst the property owners are happy with the immigrants for paying their rentals punctually, the police are not too pleased with the increasing number of migrants that are making Sunnyside their choice of residence. Indeed, there are serious allegations that some of the hair salons are used as smoke screens for illegal drug dealings. This warrants a thorough investigation.

Conclusion

Sunnyside is undergoing a rapid change in its socio-economic composition. This coupled with the changing regulatory environment, crafted through the CID concept, offers many new opportunities for small enterprises. Small businesses, which take advantage of this positive environment, tend to follow patterns of success similar to those in other developing economies. The study of hair salons in Sunnyside confirms some of the existing literature on the characteristics of successful small businesses in inner cities elsewhere in Africa. Three of these confirmations are presented here.

First, the general success and the high survival rate of the hair salon businesses could be attributed to the fact that their establishment in Sunnyside is a result of demand-pull rather than supply-push factors. New market opportunities (demand-pull) in Sunnyside are created by the ‘blackening’ of the area, mainly by young professionals and tertiary students – who form the clientele base for the hair dressing business. Blacks who constituted only 3% of Sunnyside’s population in 1991 had become the predominant group by 2001 making up 60%.

Second is the advantage of location. Along the lines of Rogerson (2000), the importance of geographical location is underscored by the possibilities of taking advantage of locating in 'an incubator zone'. The crowded inner-city area of Sunnyside provides such external economies of location. The added advantage stems from Esselen Street – the home of the hair salons - being part of the CID.

Third, it is generally agreed that education and training are positive influences that ensure the success of new small enterprises (Mead 1998; McPherson 1996; Rogerson, 2000). The relatively high levels of education and training that migrants bring into the hair salon business, is partly responsible for the levels of success that these businesses enjoy. Perhaps even more important than formal training, for the success of small enterprises, is the technical and management skills that entrepreneurs build up from learning on the job.

Finally, the study also confirms earlier studies (Rogerson, 1997; 2002), which highlighted the positive dimension that immigrant enterprises bring to the South African SMME. Immigrants import a fresh approach to a sector whose growth had been deliberately stifled by apartheid policies. Migrant capital, technical skills, entrepreneurship and managerial skills are essential for sustaining the revival of the economies of South Africa's inner cities.

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