

# CHALLENGES OF THE MIGRATION AND INTEGRATION OF ETHIOPIAN ENTREPRENEURS TO SOUTH AFRICA

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*'I have passed through a lot; I have been shoot more than 3 times, I was robbed many times. But this country has a good side; if you fail today you can rise up again, on the next day.'* (Kibur, Vosloorus, 2018)

## Introduction

The various routes of migration - resources, networks, formal and less formal agents and the capacity of individuals undertaking the migration journey - as well as their motivation for migrating from Ethiopia to South Africa are not well understood. Yet, this inquiry could offer important insights into the base factors of migration within this ethnic entrepreneurial community. This study, undertaken under the auspices of the Migrating Out of Poverty Research Consortium (MOOP)<sup>1</sup> at the African Centre for Migration & Society (ACMS) explored the migration industry that attends the migration of Ethiopians to South Africa. The study explored these issues through qualitative research that included long form interviews with 40 Ethiopian migrant entrepreneurs in Johannesburg and Durban. This was

supplemented with desktop research and key informant interviews.

The study found that a large number of Ethiopians migrate to South Africa to escape political and economic hardship. Many settle in metropolitan areas as well as in rural towns and villages as entrepreneurs. Their migration is irregular and they navigate extreme border restrictions and dangerous terrain in order to make the journey. They rely on smuggling as well as social networks. Once in South Africa these migrants face considerable risks that include crime, harassment and xenophobic attacks.

The study elaborates on detailed migration experiences of 40 migrants. It concurs with other studies that indicate that:

- The global narratives that surround migration do not accord with the realities of the industry that facilitates people's movement;
- The xenophobic context of migrant entrepreneurship within South Africa is severely constraining, breaches the rights of traders and inhibits their capacity to contribute meaningfully to the local economy; and
- The mismanagement of the South African asylum system renders Ethiopian migrant entrepreneurs - the largest group of asylum seekers with pending applications in the country (EU Knowledge Centre on Migration and Demography, 2018) - vulnerable to being undocumented and sometimes to corruption<sup>2</sup>.

These three leading issues that arise in the research demand the attention of policy makers.

## Background to recent Ethiopia-South Africa migration

South Africa hosts the largest single concentration of (non-camp) refugees and asylum-seekers in Southern Africa. Ethiopians are amongst the most significant of these migrant populations. We have no data to show how many Ethiopians journey to South Africa through irregular means each year. But over the last two decades tens of thousands of Ethiopians have migrated to South Africa. South Africa is a destination country for many of these migrants who often establish themselves on a long term or permanent basis. For some who seek better futures in the global north, South Africa is perceived as a transit country. And for many South Africa is a place to seek refuge from political or economic crisis with the intention of returning home once political conditions there have stabilized or once the migrant has established an economic base to sustain their household back home. Ethiopians are the largest group of asylum seekers with pending applications in South Africa (EU Knowledge Centre on Migration and Demography, 2018).

The journey of irregular migration from Ethiopia to South Africa carries very high risk. And there are significant risks present in the destination country. They face considerable limitations and threats to their livelihood and their legal status in the country. Despite the risks and the hardships that their friends and relatives encounter *en route* and also once they settle in South Africa, many would-be migrants are determined to head to South Africa. Migrants ostensibly enter a hospitable environment in South Africa where they enjoy a great deal of freedom within a migration regime that is not camp- based and that allows them to earn a living albeit within restrictions.

But the South African asylum system is struggling. Applicants can wait for years – more than ten years in some cases – for asylum seeker permits that have to be constantly renewed. The length of time before renewals varies;

sometimes it is as short as three months. The closure of Refugee Reception Centres (RROs) in Johannesburg, Port Elizabeth and Cape Town further adds to the burden of renewing asylum permits. In spite of court judgments in all three cases the department has still not implemented the ruling that Home Affairs must reopen the RROs and provide all necessary services.

Bribery, corruption and hostility at the remaining RRO compounds the difficulties faced by asylum seekers in ensuring that their permits do not expire. Furthermore, research conducted by ACMS and others shows that status determination interviews are very often flawed. For instance in one year over 90% of applications lodged at the Musina RRO were rejected. According to a study conducted by Amnesty International, the rejection rate for all refugee applications in the country currently stands at an appalling 96% (Tolmay, 2018). Applicants are therefore suddenly told to leave the country even if they have been living and working here for numbers of years. This has created a huge backlog in the appeal system, which the Refugee Appeals Board is unable to address.

The key legitimate means to enter South Africa as a low skilled migrant is to seek political asylum. It is well known that political and economic migrants use this route. Ethiopians are able to obtain a passport to travel but may not be granted a visa to enter South Africa - because they are suspected of entering with the intention of staying illegally – many would be migrants travel irregularly and attempt to regularise their status once they arrive in South Africa either through making asylum applications or through undertaking corrupt transactions with immigration officials.

This does not mean all the migrants that arrive in South Africa manage to regularise their status. Many are in state of limbo finding it difficult to secure an asylum permit, refugee status, or other residence permits. And many have spent two decades or more in an uncertain migration status as their asylum seeker permits<sup>3</sup> are renewed for short periods over many years. They have not been granted work permits or refugee status or residence permits to remain legally in South Africa for the long term and yet they live here for decades. This marginalises them, as they are unable to open bank accounts or to enter formal employment. And so they seek a livelihood in the informal economy of South Africa. This liminal status also means economic migrants are unable to visit Ethiopia to maintain their connections with their home country and social networks there.

Respondents in this study indicated that most recent Ethiopian migrants to South Africa settle and work in urban and rural black townships. This, on the one hand, has enabled them to learn the language and lifestyles of the townships. On the other hand, it exposes them to risks of various kinds, both violent and non-violent.

Many Ethiopians join other local and foreign migrants in the booming fast fashion informal retail sector in major metropolitan areas, particularly Johannesburg and Durban. There they follow in the footsteps of early Ethiopian migrants who pioneered the small-scale retail phenomenon in these enclaves and who have experienced enormous business and financial success.

## Migration journeys and the migration industry

The migration of Ethiopians to South Africa cannot be reduced to a supply-driven human trafficking narrative. The findings from this study indicate that, more often than not, it is the migrants or the future hosts of migrants who are approaching brokers, agents and smugglers to facilitate migration. This contests the argument that smugglers recruit migrants in the source country.

Smugglers certainly constitute an important part of the network. And in many cases they carry a high risk. Smuggling networks are often unreliable and unpredictable, particularly in border zones. Migrants thus lose contact with anticipated hosts in South Africa; are robbed; held for ransom; deported or imprisoned. But migrants also develop knowledge and awareness *en route* as well as social networks and aspirations. These contribute to migrants' own empowerment along the journey.

Respondents talk of the corrupt transactions that are effected as migrants approach South Africa. This occurs particularly between migrants and immigration officials in the Department of Home Affairs as well as officials in the Ethiopian embassy in South Africa. Interviewees also recounted that smugglers and migrants often have to bribe border police and immigration officials to continue their journey.

Smuggling networks seem to be a network of a small criminal groups located at various business nodes across source, transit and destination countries. However, it is more complex and subtle than it appears. Findings from this study indicate that migrants, their families and relatives as well as friends and other random actors actively participate in the smuggling process both *en route* and in settlement. Migration is financed through a number of means and may involve the individual, the household or even the surrounding village or relatives in the diaspora. Smugglers are one strand of multidimensional, broad, flexible, unreliable and unpredictable transnational social (and criminal) networks that have embedded geographical, temporal and structural dimensions. These networks and processes encompass the whole gamut of social circles including parents, family members, close friends and kinships, those who abuse religion for their own vested interests, hosts, migrants and would-be migrants, government officials at various bureaucratic and administrative ranks, police and other law enforcement officers, legally established financial institutions such as banks, local and diaspora brokers and smugglers as well as regular residents. The stories show the involvement of migrants (and their families) from the sending end as well as their hosts from the receiving end in complicating the operation of transnational social networks.

## Ethiopian migrants in Johannesburg's informal economy

A combination of the apartheid legacy of spatial configuration, of regulation and absence of regulation and of transnational economic circumstances have made it possible, albeit at considerable risk, for migrants with small amounts of capital to open a business in parts of Johannesburg. The inner-city component of this trading phenomenon has emerged in a highly accessible city centre of modernist buildings that were abandoned in the 70s. In the late 1990s these buildings, along with a well-developed transportation system and good supporting services, offered the infrastructure for economic opportunity. And it was asylum seekers- turned-migrant entrepreneurs (primarily Ethiopian) who took advantage of this infrastructure and of the retail opportunities that flowed from the combination of a liberalising South African economy, Chinese retail expansion into South Africa, and a dearth of retail in the rest of sub Saharan Africa.

Driven by informal shoppers, this enterprise has transformed space and pioneered a retail phenomenon in the inner city for the sale of cheap clothing, shoes, household wares and accessories. These shoppers make frequent trips to Johannesburg to buy relatively small quantities of goods with which they travel – mostly by bus – to their home countries including Mozambique, Zimbabwe, Malawi, Lesotho, Swaziland, Botswana and Zambia – countries where increasing populations fuel a demand for goods that are not available in a retail scarce environment. It has been estimated that the inner city cross border trade that centered in the so-called Ethiopian quarter accounts for a turnover of R10billion per year (Zack, 2017). In the process these migrant

entrepreneurs upgraded buildings, increased property prices and stimulated an intense economy attached to retail. The booming retail enterprise is a site of employment and of many add-on services in transport, accommodation and logistics.

Other sites of informal trade that attract Ethiopian migrants are small towns, rural areas and townships surrounding major metropolitan areas. Migrant entrepreneurs have the right<sup>4</sup> to trade in South Africa. But they face enormous obstacles in growing their enterprises. Interviewees confirm a number of these concerns:

- Their contribution to the economy is often misrepresented as a threat;
- They are often subject to harassment and extortion by officials;
- Their status means they cannot open bank accounts and are dependent on cash. This increases their exposure to violent crime; and
- In some instances there are indications that police officers have coordinated the looting of foreign owned/run informal businesses.

In addition to these concerns there are draft business policy provisions that seek to constrain the rights of foreigners to trade<sup>5</sup>.

## Implications of the study to policy framing

### Highlighting the contribution of Ethiopian traders to the local economy

The role of migrants in the economy generally and the informal economy in particular has not been positively recognised in policy. Rather the focus if any on their economic activities has been on regulation and registration. Public messages about small-scale migrant businesses do not foreground their positive contributions.

Yet Ethiopian migrant traders have contributed to local economies through their retail trade. They have made affordable fashion available, stimulated a massive cross border shopping trade, created jobs, increased property values and created opportunity for many associated businesses in support services and logistics to service this trade. It is important that the message of migrant traders who contribute to the South African economy be made public and be carried by policy makers and politicians to their constituencies.

### Challenging the narrative around trafficking

Migration decision making and migration processes including the journey and settling in the host country are deeply socially embedded. They are most often not individual decisions but are decisions and actions that are taken within a thick social network. Nevertheless, migrants are key agents in making their own migration decision. The policy environment (for example the Trafficking in Persons Act, 2015) needs to respond to this with a more nuanced view of migratory movement as a flow of persons that is not linear or simply channeled via professional smuggling networks. Relatives, friends, social leaders, financiers, government officials and networks in the sending, transit and host countries all provide support or interrupt the movement of migrants from Ethiopia to South Africa.

## Protecting migrants in transit

The socially embedded nature of migration does not mean that there are no risks and that there are no criminal networks that endanger the lives of migrants. Intensified border controls have influenced the proliferation of irregular migration routes and facilitation. A new development that responds to intensified border controls on the land route to South Africa is the emerging sea routes on the Indian Ocean rim. These are partly responses to increased border control and establishment of anti-immigration rules and regulations in transit countries such as Kenya and Tanzania and beyond. This presents a conundrum within a migration regime of increased securitisation of national borders – which can criminalise migrants.

While border controls are unlikely to be relaxed in the short term, the protection of persons on the move is an immediate imperative.

There is evidence that migrants are well informed of the journeys and risks they may face *en route*. Nevertheless, knowledge building and sharing is an important policy response. In order to increase the safeguarding of migrants in transit, a responsible information campaign about the realities of migration and the rights of migrants, both *en route* and in destination countries, may assist people to make informed, safer choices.

## Improving the safety of migrants in South Africa

The safety of migrants in South Africa is not assured. Xenophobic attacks, a hostile political discourse and high levels of violent crime impact on the security of asylum seekers and other migrants. A concerted political commitment to international rights and protocols around migration, considered and consistent messaging about the rights of migrants and programmes to enable social cohesion are important policy interventions required in the receiving country. This also requires high level political championing of a different face of South Africa – as inclusionary and welcoming. Furthermore, it requires that the country be seen to be and to be acting against violence and violent rhetoric against foreign migrants. The efforts of the South Africa Human Rights Commission (SAHRC) in this regard are noted.

## Upholding the rights of foreigners to trade in the informal sector

Migrant entrepreneurs have the right to trade in the informal sector and in public space. This right needs to be protected.

Ethiopian entrepreneurs interviewed in the study experienced repression of their livelihoods through confiscation of goods, police corruption and removal of their right to trade in Johannesburg. In short local government must in the first instance act to prioritise the servicing of underserved areas of their municipal jurisdictions and to do so regardless of who lives in those areas. Secondly, the role of local government and local police forces must be unequivocal in acting within the law to protect all residents. The rights of migrants to trade need to be strongly articulated in municipal informal trade policies around the country.

In a bid to grow the productivity and employment creation within informal business, it is imperative that the state government takes a broad view of all informal business that has the potential for growth and for contributing to the economy. Foreign entrepreneurs should be embraced within this broader view, not as distinct

entrepreneurs or as separate from the wider informal economy.

## Increasing the efficiency of the asylum management system

Whilst many Ethiopians are moving to escape poverty, and are undertaking enormous risks to do so they are forced through migration regimes to travel irregularly and as political refugees. Embracing Ethiopian entrepreneurs within the broader view that they are not distinct entrepreneurs or separate from the wider informal economy, proposals to the White Paper on International Migration (2017) that seek to take away the right to work must be revised. Rather, there is a need for a coherent, systematic and enabling policy approach to the movement of people and goods for economic benefit as well as for refuge. This requires South Africa to put in place measures that make the asylum system more efficient, with a broader understanding that the current scenario is a breeding ground for corrupt officials to solicit bribes from desperate asylum seekers.

## Endnotes

1. This material has been funded by UK aid from the UK government. However, the views expressed do not necessarily reflect the UK government's official policies.
2. This state of affairs will be compounded if the proposals in the White Paper on International Migration to strip away the rights of asylum seekers to work are incorporated into the Refugees Act (1998).
3. The Refugee Act (1998) regulates asylum seekers and refugees' rights to enter and live in South Africa. An asylum seeker's permit, often referred to as a Section 22 permit (Refugees Act No. 130 of 2008), allows asylum seekers to stay in South Africa, and work or study, while their application for Refugee status is being processed. The Refugee's permit, often referred to as a Section 24 permit (Refugees Act No. 130 of 2008), officially recognises an asylum seeker as a refugee in South Africa. It is valid for a period of two years and has to be renewed no less than three months prior to the expiry date. All Section 24 permit holders may apply for a refugee identity document and a travel document. People who have refugee status can access most of the same rights as South African citizens (except the right to vote). Having a refugee status means that the person has the protection of the South African government and cannot be forced to return home until it is deemed safe to do so. However, the amendments to the Refugees Act that are being proposed in the White Paper on International Migration (2017) seek to strip away the right to work.
4. The Constitution outlines the basis for the way in which local government is required to govern informal economic enterprise and those who participate in it. The Constitution, affords residents the right to choose one's trade, occupation or profession. This right applies to citizens as well as foreign nationals who are in the country legally. The SCA has found that this right refers to wage earning or self-employment. The rights of foreign nationals who are in the country illegally are activated through Section 10 of the Constitution stating the right to human dignity (SERI, 2017).
5. Although the Constitution promotes the rights of foreign nationals to participate in the informal economy, recent national policies (The 2013 draft Licensing of Businesses Bill and the 2014 National Informal Business Upliftment Strategy) that impact on the informal economy propose to curtail the participation of migrants in the economy (Rogerson, 2015). Anti-foreigner sentiments are echoed in the 2014 National Informal Business Upliftment Strategy (Rogerson, 2015).

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