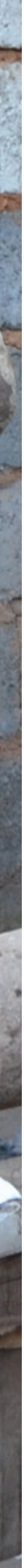


1
INTRODUCTION

This book provides a unique insight into township informal businesses and entrepreneurship. The principal focus is on micro-enterprises, the business strategies of township entrepreneurs and the impact of autonomous informal economic activities on urban life.

Chapter 1

Introduction

This book provides a unique insight into township informal businesses and entrepreneurship. It is set in the post-apartheid period, in the third decade of South Africa's democracy and draws on evidence collected from 2010–2018 in 10 research sites, nine of which are in South Africa, and one in Namibia. The location of the sites is shown in Figure 1.1.

The principal focus is on micro-enterprises, the business strategies of township entrepreneurs and the impact of autonomous informal economic activities on urban life. This topic cannot be understood without taking cognisance of the dynamic of urbanism which has reshaped old townships and created new settlements at a speed that has outpaced the state's development strategies of urban planning, infrastructure installation and housing provision. Our focus has an intentional spatial and economic lens that considers livelihoods and entrepreneurship in order to analyse the urban fabric of townships of Southern African cities with similar histories of racial and spatial segregation. Within the place of the township, the book explores the precise spatial influences on business activities, from the area level of specific settlements and their neighbourhoods to the street and micro-context of individual actors. At these various gradients, we witness a profusion of entrepreneurship which responds to market impulses, activates social relationships, and profoundly disrupts the urban form desired by development planners. Our analysis of these processes has the objective of highlighting the significance of the township as not just a dormitory suburb for black South Africans (as was originally intended) but as an emerging sphere of economic activity, wherein micro-enterprise activities hold transformative potential. In this sense, the book provides an analysis of what constitutes the suitable conditions for maintaining and enhancing township enterprise potential, through identifying the influences that enable economic opportunities, and those that hinder, disturb and constrain them.

The businesses that constitute a central component of townships have been a neglected field of research. We shall refer to these businesses as micro-enterprises. The notion of a micro-enterprise is defined in terms of the South Africa's National Small Business Act (No. 26 of 2003) as an enterprise which employs fewer than five persons, having an annual turnover below R200 000 and assets worth less than R100 000. We do not use these criteria in a rigid manner as micro-enterprises have a highly malleable structure and close linkages to the household. Apart from their general smallness in employment absorption and financial turnover, micro-enterprises in our usage are informal businesses in that they operate outside the regulatory framework, possibly fulfilling some regulatory criteria but most are neither incorporated nor registered for taxation. While weak in linkages to formal institutions, which include laws, regulations, supporting state agencies

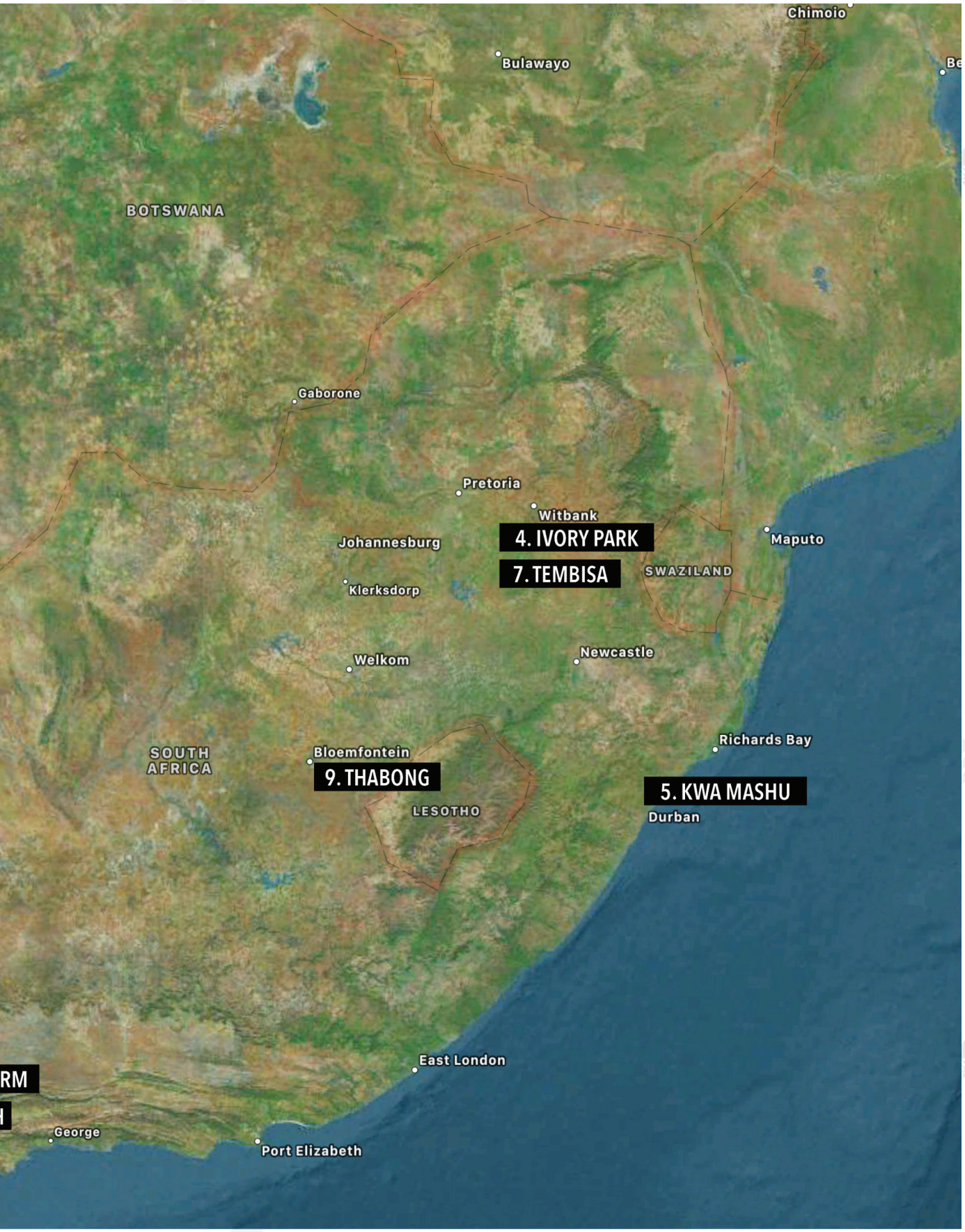
and financial services, informal micro-enterprises have strong linkages to informal institutions, which include societal norms, values and cultural practices. This means that although most township micro-enterprises operate outside the framework of formality, and are hence illegal in some or all aspects, the businesses operate according to legitimate local practices and are largely considered legitimate endeavours within the township population. This point is necessary to draw a distinction between the subject of this book, legitimate informal micro-enterprises, and informal business activities that are illegal and seen as illegitimate. These include activities such as robberies, organised drug-selling by gangsters, the production of contraband and extortion by criminal syndicates. We restrict our consideration of such 'renegade' activities (Webb, Tihanyi, Ireland & Sirmon 2009) to situations where illegitimate practices directly impinge on legitimate business endeavours, though we recognise that the 'renegade economy' has an important influence on micro-entrepreneurship in the townships. For many enterprises featured in this book, economic informality is not necessarily a strategic choice. The literature draws a clear distinction between informal micro-entrepreneurs who engage in business on an involuntary basis, for reasons of poverty or structural constraints, and informal micro-entrepreneurs who voluntarily choose to pursue informal strategies, for example, to reduce the costs of regulation and compliance or to trade illegally and in illicit goods (Maloney 2004; Perry 2007). The latter avoid formal institutions through choice.

Knowledge foundation

Both the informality of the micro-enterprises and the opaqueness of their relationship to informal institutions present a challenge of data and research. The first challenge is that since informal micro-enterprises are not accessible and visible to state processes of enumeration or statistical capture, there is a paucity of quantitative and qualitative data on the scope and scale of these businesses and their internal workings. This has hindered research endeavours historically, especially among economists and scholars of business practice (Fourie 2018a). In 2000, Statistics South Africa (StatsSA) introduced a biannual Labour Force Survey (LFS) and subsequently, in 2008, a Quarterly Labour Force Survey (QLFS). The LFS and QLFS are the primary instruments of statistical surveys on employment and micro-enterprises. The LFS and QLFS data on micro-enterprise dynamics is of low granularity and the aggregation of the sample means that these instruments have limited potential to explain the behaviour of micro-entrepreneurs and their operation in geographically specific area contexts where the dataset is no longer statistically reliable.

In broad terms, research using LFS and QLFS data indicates that the South African informal sector (informal micro-enterprises and informal employees, paid or unpaid) provides employment to about 2.5 million persons (about 18% of the non-agricultural labour force). Worryingly, it has not expanded in size or share since 2008, whereas the total labour force has expanded by around 13% (Rogan & Skinner 2018). Seen against South Africa's unemployed population of around 6.655 million people (StatsSA 2019), the level of participation in the informal sector is low in absolute terms and also in comparison to similar middle-income developing countries. The unusual situation of high unemployment and low participation in the informal sector puts South Africa in the situation of an 'international outlier' (Yu 2012). In comparable countries in Asia and Latin America, the informal sector provides employment for more than half of all non-agricultural jobs (Chen 2018). The surprisingly small size of the South African informal sector has prompted labour economists to investigate why persons who are

FIGURE 1.1 Map of sites


Chimoio
Bulawayo
BOTSWANA
Gaborone
Pretoria
Witbank
4. IVORY PARK
Johannesburg
7. TEMBISA
Maputo
SWAZILAND
Klerksdorp
Welkom
Newcastle
Richards Bay
SOUTH AFRICA
Bloemfontein
9. THABONG
5. KWA MASHU
LESOTHO
Durban
East London
George
Port Elizabeth

otherwise unemployed do not initiate micro-enterprises. The answer to this remains unclear. There is evidence that the labour market is highly 'turbulent' as people move in and out of employment (formal and informal), while amongst those starting new businesses, around 40% are thought to 'exit' the enterprise within six months (Lloyd & Liebrandt 2018). Where these survive, there is evidence informal enterprises create jobs (Fourie 2018b) and reduce poverty (Cichello & Rogan 2018). For these reasons alone, the nurturing of informal businesses has been identified by development economists as important state strategy to reduce unemployment and create inclusive economic growth (see Fourie 2018a).

The second data challenge is that the relationship between informal micro-enterprises and the informal institutions that provide arrangements for undertaking business and reducing risks, is difficult to research using quantitative methodologies. Within the limits of national datasets, economists have postulated that the impediments to running an informal business include weakness in human capital (as a result of the apartheid legacy), the inadequacy of support services such as training and finance, high operational costs (especially transport) and the pervasiveness of crime (Kingdon & Knight 2004). There is also recognition that the nature of the business premises and its spatial location has a bearing on enterprise growth and employment creation, though the precise influence is unknown (Fourie 2018b). There is a substantial body of scholarship from a business management and social science perspective to examine socioeconomic contextual and sectoral influences on informal micro-enterprises. Much of this research uses qualitative research and shifts the methodological emphasis away from the sole reliance on quantitative data towards a mixed methods approach. The literature includes area studies, such as the World Bank supported research on Diepsloot Township (Mahajan 2014), and research on specific sectors such as grocery retailing, traditional healing, liquor trading and educational services. There has also been substantial research on street trading, though these studies are less influential to our enquiry as much of this literature focuses on the inner-city and municipal market contexts whose spatial characteristics are not reflective of the situation in township settings (Skinner 2008).

Sector studies are foundational to our understanding of the dynamics of informal micro-enterprises. While we draw upon these works in subsequent chapters, a note of caution is necessary as a result of the tendency for scholars to focus on a single sector, usually in a solitary site. This presents a double-edged challenge to the validity of the results; first, through focusing on a sector, the enquiry transposes business concepts and categorisation intended for formal businesses onto informal entities, thus ignoring the fluidity of the micro-enterprise in its relationship to home and income-generating opportunities. We will demonstrate that micro-enterprises should be understood as an explorative response, reacting in tentative ways to social and economic opportunities, rather than businesses which can be understood as fixed categories (such as a grocery retail shop) with common strategic elements. Second, single-sector research obscures the relationship between micro-enterprises in different sectors as well as the broader spatial influences that shape the conditions where, when and how people can run businesses legitimately.

Aside from noting these cautions, we learn from this research that informal micro-enterprises are indeed constrained as a result of limitations in human and financial capital (Woodward, Rolfe, Ligthelm & Guimarães 2011). Furthermore, we learn that crime is a challenge, particularly to cash businesses which account for virtually all township informal micro-enterprises (Mbonyane & Ladzani 2011). There is evidence that regulations do present an obstacle to businesses which seek to formalise, in other words

register and comply with formal regulations, even though this finding is not reflected in quantitative studies or the earliest wave of informal business studies (Charman, Petersen & Piper 2013; Preston-Whyte & Rogerson 1991; Rogerson 1996). We see evidence that the encroachment of large formal businesses into township markets reduces opportunities for informal micro-enterprises which consequently struggle to compete in service or price (Ligthelm 2005). Phillip (2018) argues that the corporate dominance within the structure of the economy, as a consequence of an unusually high concentration in ownership and vertical integration in supply chains, imposes severe limits on market opportunities for small and micro-enterprises. In comparing different township businesses within sectors, there is evidence that while some businesses are on the trajectory of modernising, in other words becoming capital-intensive, utilising technologies, and expanding employment, the majority of informal business activities can best be described as livelihood strategies focused on supplementing needs (Mahajan 2014). It is argued that livelihood activities should not be seen through a lens focusing on profit or employment but understood in terms of the social context of mutual support and reciprocity (Neves & Du Toit 2012). As a collective, studies of township micro-enterprises reiterate rather than refute the concern that the informal sector has limited potential for growth in scope, scale and enterprise sophistication. The conclusion tends towards the argument that though less promising than formal businesses in development terms, informal micro-enterprises fulfil an important 'safety-net'-type function. The resulting policy implication, though subtle in articulation, is that the state should concentrate on stimulating growth in formal businesses which, it is hoped, will translate into employment opportunities.

In contrast to the conservative scenario of micro-enterprises as safety-nets, observers of the township are often struck by the vibrancy of entrepreneurship. In his dissection of the political economy of Diepsloot, the academic and journalist Anton Harber (2011) writes of a place intense in enterprise activity and resourcefulness. In his words:

> [t]he amount of business and trade is overwhelming. Everywhere I look, people are offering goods and services: large grocery or hardware stores rise next to shacks offering hair styles or internet cafes; roadside traders are selling anything you can think of from car and computer parts to clothing, caps and shoes, car wash and car repair; the flash of welding adds to the visual assault of the signs and advertising banners and prices lists that are hanging everywhere. (p. 29)

Observations such as his are less burdened with the weight of expectation from comparative perspectives across the global South and instead concentrate on the adaptations and innovations through which entrepreneurs make business. It was precisely with an eye to the possibilities of micro-enterprises, rather than to their (comparative) limitations, that the social anthropologist Keith Hart (1973) introduced the notion of an informal entrepreneurship. Writing about the urban poor in Accra, Hart described how, through informal income opportunities, the unemployed acquired a means of generating an income and facilitating a redistribution of wealth from formal wage earners to themselves. In doing so, their strategies comprised both the provision of services and wealth transfers, some undertaken on terms of mutual agreement and some unjustly enforced. Just as Hart was enthusiastic over the inventiveness of actors in the informal economy, so too have market researchers found optimism in seeking out pathways for corporates to venture into frontier markets at the bottom of the pyramid. This term was proposed by Prahalad and Hart (2002) in advocating an approach to provide goods and services to the poorest people. In his book *KasiNomics*, which applies these ideas in the South African context, Alcock (2015) argues that although non-formal markets have enormous potential to generate wealth and create new opportunities, and do in fact achieve both objectives,

to enter these markets requires a very different mindset. This is one that appreciates and understands the social relations and instructions which underpin enterprise strategies and institutional functions. In marketing to informal economies, he writes, 'we need to understand, recognise and open our eyes to the invisible matrix' (p. 172).

Our objective in this book is to help 'open our eyes' on hidden productive processes. We embark on this objective not because we believe a 'fortune' is obscured – quite the contrary – but to square the sincere concerns of the academic findings on the under-performance of township micro-enterprises with the ethnographic evidence of an environment in which business is vibrant, responsive and creative. Having spent eight years studying informal micro-enterprises across the Southern African region, we are certain that micro-enterprises are a means to uplift people from poverty and create wealth, though we recognise that much of this potential is structurally and politically constrained. So, our first objective is to provide a theoretical framing and evidence to advance our understanding of the constraints on township business and the local economy more broadly. A second objective is to highlight state and non-state actions that could unlock opportunities to sustain growth for existing businesses, accommodate new entrants within informal markets, and enable the more robust businesses to embark on a 'modernising' trajectory. A third objective is to take stock of the collective impact of township entrepreneurship on the place and space of townships, in order to highlight what are clearly sustainable but 'non-Western' forms of development. This ambition seeks to show how micro-enterprise activities continuously contribute towards the transformation of urban conditions, in ways that are anticipated and unanticipated, supportive and disruptive. Here we seek to stimulate an appreciation of what Pieterse and Simone (2013) refer to as rogue urbanism, or urban dynamics that are 'pregnant with possibility' (p. 12). The practices which give rise to such dynamics are central to the process of dismantling the apartheid urban form which, as geographers have argued (Pieterse 2009; Turok 2001), has hindered the emergence of commerce and restrained access to economic opportunities in marginalised geographies. Townships were intended to be devoid of commercial activities; thus, the rise of township micro-enterprises reveals an autonomous affront on the residential landscape, and the changing form and function of neighbourhoods.

In this book, we will illuminate the role of micro-enterprises in bringing the city to the township, carving out spaces for interactions, engagements and networking while provisioning goods and services in ways that are accessible, affordable and socio-culturally embedded. We will show that this development has taken place without – or indeed, in spite of – the modernist systems and institutions associated with orderliness and security. In embracing this perspective, we do not seek to make the argument that all informal entrepreneurship or 'rogue practices' (disruptive actions with unplanned outcomes) are necessarily good. We are acutely aware that informality, violence and political conflict (to name some of the everyday challenges of township life) can, in combination or separately, threaten the predictability and regularity on which economic and social development is premised. We have signposted warnings of these dangers throughout the book. But recognising the potential of entrepreneurial and disruptive processes, we believe, is a necessary first step towards developing appropriate strategies that can simultaneously harness the power of entrepreneurship while disrupting the spatial legacy of apartheid. The book will demonstrate, to use the notion of Roy (2009), that township informal micro-enterprises are 'examples of insurgence' (p. 85) within an economy structured around the requirements of corporate and large formal businesses. To this, we argue that the township economy remains a spatial entity from which surplus

is extracted. Under apartheid, the redirection of wealth was undertaken through the allocation of low-cost labour to urban industries and services, a subject that has been extensively theorised and researched (Legassick 1974; Morris 1976). In our time, the perpetuating situation of low-cost labour continues to aid the accumulation of wealth outside the township. Unlike the apartheid era, township-based businesses increasingly fulfil a complementary role in the process of surplus extraction. We will show how both corporates and emerging businesses operate to extract profits from the township economy rather than investing in growing business, developing social capital or place making. Our focus, in respect to this process, is primarily on micro-enterprises; we only consider corporate actions in so far as these actions support particular business strategies. We argue that the state has enabled and afforded extractive businesses with institutional room to manoeuvre, in part through apartheid-inspired restrictions on where, when and how township residents are able to operate businesses, and in part through the state's inability and sometimes reluctance to intervene in certain business investments and practices. Throughout this book, we seek to unpack these contradictory logics (over-regulation versus under-regulation), in particular geographic spaces and places, sectors, role-players and timeframes.

Conceptual framework

We use a conceptual framework informed by an understanding of the relational and spatial dimensions on informal economic activities. Our insights draw from ethnographic and sociological research on enterprise activities, theorisation from urban geographers on processes of city-making and architectural studies of market spaces and infrastructure. In collecting data, a topic we address in Chapter 2, we were attuned to the social and reciprocal exchanges between micro-enterprises and the extension of these relationships to clients (Neves & du Toit, 2012). There are spatial dimensions to these exchanges. Charman and Govender (2016), for example, document how township street traders negotiate the use of space, share access to utilities such as water and electricity and cooperate in providing surveillance in anticipation of state intervention and criminal threats. Socio-spatial relationships can also serve to create disadvantage, through for example, the gendered constraints on women who are often socially confined to home-based activities. Another dimension of these relationships pertains to the use of infrastructure, both physical (material) and non-physical (non-material). The use of business infrastructure offers a visual narrative of the strategies of entrepreneurship. Scholars of architecture have deciphered the spatial position of such infrastructure, the materials used and composition, the thresholds and lines of connectivity, to name some of the directions of inquiry (Mörtenböck & Mooshammer 2015). Yet an invisible infrastructure is also extant in informal economies. Simone (2004) gives the example from his research in inner-city Johannesburg of people as 'infrastructure' to draw attention to strategies of collaboration used to 'derive maximal outcomes from a minimal set of elements' (p. 11), while subverting state authority. In a similar vein, social networks provide a (hidden) infrastructure for cooperation and strategy. In their research on the township grocery retail market, Petersen, Thorogood, Charman and du Toit (2019) show how ethnic networks have enabled cooperative strategies to enhance competitiveness and thus dominate neighbourhood markets.

Our theoretical framing prioritises space/time considerations in different contexts and scales. Foregrounding of space and time enables us to shift between different research sites and from the area level of one site down to the micro-context of the street and person where we consider their particular sociological situations. The authors personally

interviewed micro-entrepreneurs, spending time in each site to assemble evidence. The nine South African sites and their municipal locations, listed in the chronological order in which the research was undertaken, are: Delft South (City of Cape Town), Vrygrond (City of Cape Town), Sweet Home Farm (City of Cape Town), Browns Farm Philippi (City of Cape Town), Ivory Park (City of Johannesburg), Tembisa (City of Ekurhuleni), Imizamo Yethu (City Cape Town), KwaMashu (eThekwini Municipality) and Thabong (Matjhabeng Local Municipality). The Namibian site is situated in Goreangab settlement of the City of Windhoek. In Chapter 2, we describe our research methods in detail. The originality of our data, its breadth and scope, along with a substantial body of socio-spatial, ethnographic and visual evidence enables us to compare micro-enterprises in different sites and sector dynamics. There is no existing study of the topic that operates across such a wide diversity of scale or has access to the range of evidence on micro-enterprise trends across time.

In analysing township business dynamics, we differentiate between six levels of spatiality which we describe in descending orders of magnification. First, the comparative level wherein we assess multiple sites and compare quantitative data. Second, the city level wherein our research examines the relationship between specific settlements and their urban geography, including spatial situation and infrastructure connections. Third, the small-area level wherein the book relates to particular township sites, using a mixture of quantitative and qualitative sources to understand and compare entrepreneurial responses. Fourth, the neighbourhood level wherein we examine particular spatial dynamics such as a high-street or transport node. Fifth, the micro-context level wherein we discern intimate spatial and relational dynamics in particular sites or businesses. Finally, the sixth level of invisible infrastructure that constitutes the social relationships which secure and safeguard conditions for doing business. Through these six levels, our analysis transcends across space from making comparative arguments to the city-wide context wherein we consider township taxi routes, to the cadastral boundaries of individual properties, to settings in people's homes, or trader-stands on the high street or activities on open ground, and to the placement of objects in specific spaces for particular uses.

From a time perspective, our analysis operates in the context of past, present and future situations, but also embraces an understanding of the processes of change over time. We take cognisance of three different historical influences. First, the apartheid period of modernist town planning in which the urban segregated landscape was established in accordance with the mono-functional objective to house a labour supply while enabling state control. In this period, the state intentionally shut out opportunities for micro-entrepreneurship. Second, the post-apartheid period in which spatial adjustments and interventions have retained the core modernist preoccupation in spatial ordering and urban control, but where settlement establishment has been undertaken with expediency, to intensify the pace of building and density of residential houses. While the state has sought to provide core social and physical infrastructure, the support for township entrepreneurship has been peripheral. It is important to note that nearly all the business activities which we shall document in this book operate from market spaces which entrepreneurs have self-constructed. The burgeoning of informal settlements over the past three decades has shone a light on the inability of the state's development programmes to match urban demographic growth and demand for housing and economic opportunities. The pervasive reach of informality leads to our third situation, which is the unknown future, where we postulate imagined outcomes based on current trends and structural constraints. In respect to change over time, our conceptual framing

takes consideration of seasonal change (from summer to winter, for example), episodic change in response to crises (such as the disruption of electricity supply or personal trauma), cyclical change over short-run cycles such as a shift in business activities from day to night, and transformative change such as institutional framework conditions.

In our consideration of the varying influence of space and time, we recognise two predominant intersecting influences that shape or determine livelihood opportunities and entrepreneurial responses. We characterise these as people-centred responses and power responses. Our analysis is preoccupied with two people-centred responses in particular. First, the livelihoods responses embedded in social and cultural mechanisms, including informal institutions, an understanding of which helps to explain why people trade particular products/services and the seemingly unusual spaces and places in which they conduct business. Second, the people-centred spatial responses, as expressed in vernacular architecture, building processes, and the use of space (with or without supporting physical infrastructure), an understanding of which helps to recognise the complexity of infrastructure forms in the township economy and the centrality of social relationships in choreographing the built environment.

Power responses are (sometimes) more self-evident where, for example, people are disallowed from trading in particular places, though it is important to recognise that power response are predicated on political processes and outcomes. With our focus on micro-entrepreneurship, we take into consideration power responses in diverse situations. One situation is the institutional power of the state across the three spheres of government. This is the power that derives from policy and is encountered in the execution of laws or the anticipation thereof. It is the power of law to restrict when, where, and how township residents can legally pursue economic opportunities. The absence of the state to fulfil these roles is also a matter of power, whereby state inaction such as the failure to uphold laws regulating business practice enables opportunities for the most powerful whose power enables them to dominate informal processes of regulation. Seen in the context of state power, our analysis seeks to identify the power of entrepreneurs and businesses to dominate markets and disadvantage other micro-enterprises. This form of power can advantage corporate retailers over township micro-enterprises through the substantial difference between their financial and institutional resources. Such power enables shopping-mall developers or corporates to comply with statutory processes which, in comparison, present insurmountable obstacles to micro-enterprises. Similarly, this is the power of bigger informal township enterprises to engage in business practices that challenge informal institutional rules and norms. Another situation is the power of organised groups to control and influence who should benefit from economic opportunities and under what arrangements. This is the power of community civic organisations to grant or deny permission to entrepreneurs to open business within the neighbourhood. A different example is the mobilisation of power through ethnicity or nationalism or race to influence de facto rights and opportunities. This power is witnessed, periodically, in xenophobic mobilisation against immigrant businesses.

At the local level, we recognise the power of personal politics, which includes patriarchy within homes and the gendered responsibilities of social reproduction which shape (and limit) opportunities for women. An important thread in our analysis is the contrasting gendered constraints and opportunities for women and men to operate businesses. These differences are seen in the involvement of women and men in specific sectors, with men dominant in mobility-related businesses and women often restricted to home through social pressures. Then, there is ideological power. This form of power can be embedded

in cultural or religious practice that influences the way people pursue livelihoods, for example, restricting the charging of interest on the sale of particular products, or in a less benign manner, providing opportunities to use supernatural influences in pursuit of economic benefit. Finally, our analysis recognises the 'silent' power of resistance through which entrepreneurs push back against the powerful, selling products illegally (though the products themselves might be legally acquired), encroaching onto forbidden spaces, and mobilising informal institutions to sustain business. The collective weight of this power, in scale and persistence, has led political scientists to conclude that 'significant parts' of township life are 'ungoverned altogether' (Anciano & Piper, 2019 p. 15). While this might be true in specific spaces and moments of time, we agree with Du Toit and Neves (2014) in the argument that the poor 'live assertively' within the law, 'evading the law when they need to but insisting, when they can, on the rights and entitlements due to them as citizens' (p. 846).

Outlook

The book has been organised into 12 chapters. Each chapter concludes with a statement of outlook in which we seek to project the main message forward into time. Chapter 2 provides a detailed examination of the research methods through which we assembled the primary evidence upon which our analysis is founded. Since the originality of this book lies in the breadth and combination of mixed methods, it is necessary to explain the research processes and analytical approach in drawing upon quantitative data from surveys, qualitative evidence from interviews, ethnographic note-taking, participatory action research and visual representations, using geospatial maps, drawings, illustrations, photography and infographics. We do not repeat our explanation of the research methods in subsequent chapters. In Chapter 2, we include a description of the settlement characteristics and socio-demographic profile of the research sites, including maps to indicate their situation on the national and city-level scales. We explain the rationale for our research and acknowledge some of the limitations of our experiences, as non-township residents whose life histories are far removed from the subject matter, to interpret the domain of micro-enterprises and particular sensitivities of participants in this economy. In addition, we discuss the ethical considerations of undertaking research based on primary data, including knowledge sources which were co-produced with township residents and entrepreneurs.

We commence the evidence-centred content in Chapter 3, wherein we present an overview of the scope and scale of township micro-entrepreneurship in nine townships. In spatial terms, the analysis operates at the comparative and area levels specified above. Our dataset comprises the geospatial records of 10 842 micro-enterprises and firm surveys of 3 188 cases. The quantitative portion of the survey dataset is publicly accessible, though we include qualitative insights to bolster evidence at various points in the book. Having provided a macro-perspective of the different categories of business in the township economy and their respective significance, the book order follows a logic that begins with an analysis of formal and informal land use in Chapter 4, wherein we elucidate the institutional constraints and implications for entrepreneurship. Through case studies, we show that much current use of land for business is misaligned to formal frameworks with aspects of the land-use system presenting an obstacle to micro-enterprises that need or desire formalisation. In Chapter 5, we examine how micro-enterprises are spatially ordered and utilise infrastructure within the township in response to market opportunities. We describe the main spatial implications of the distribution of micro-enterprises at the area, neighbourhood and street levels. The concern with spatial

ordering is advanced in Chapter 6, where we focus on the high street. Taking the analysis to Eveline Street in Namibia, we detail a case where development has been disruptive and transformative, reshaping the urban form and enabling a wave of entrepreneurial responses. We show how an intervention by the City of Windhoek to address one aspect of land-use system constraints resulted in the intensification and diversification of micro-enterprise activities over a period of eight years. Furthermore, we present evidence to illustrate spatial transformation in which the land potential has been unlocked through a combination of private investment, supportive micro-entrepreneurship, a nuanced approach to town planning and state actions to enhance public usability.

In Chapter 7, we consider the dual role of township transport services in the form of taxis, first, in connecting residents to the formal economy and second, in providing an internal network that connects homes to transport nodes. In spatial terms, the taxi sector includes evidence from the city-wide and neighbourhood levels. We argue that while minibus taxis are a relatively efficient mode of public transport, its collective operational system has negative externalities, one of which is the marginalisation of informal sedan taxis from fulfilling a role which could better enhance the township economy and activate spatial transformation. In Chapters 8 to 11, we provide an in-depth examination of the major sectoral components. In Chapter 8, we describe the struggle for grocery market capture, explaining why informal businesses that were bigger in scale than the micro-enterprises which historically operated in this segment were able to dominate the market, aided by their 'unconstrained' informality and state weakness to police the sector. We contrast this situation with the case of township businesses selling liquor products, in Chapter 9. This sector is the most heavily policed of all our categories and yet we show how micro-enterprises who are unable to acquire business licences chose to resist state pressure by conducting business illegally. As these businesses do not simply sell liquor products, but provide a social space, the chapter concentrates on informal drinking venues and examines the intimate micro-strategies through which business is conducted and the social space is managed to reduce risk. In Chapter 10, we examine businesses which retail food. Our core concern is with fast-food micro-enterprises. These micro-enterprises respond to consumer demand for accessible, affordable and culturally sensitive foods, though increasingly mirroring corporatised ideals. Unlike the drinking venues, township fast-food sellers do not directly support social engagements around the consumption of food. In Chapter 11, our analysis turns to the provision of personalised services. We focus on the common business strategies amongst hairdressers, childcare services and traditional healers. There are two strands that are common to these sectors: one is the centrality of social relationships in defining the relationship between the entrepreneurs and their clients; the other is the socio-spatial role of these micro-enterprises in place making.

The penultimate Chapter 12 examines some of the main informal institutions in the township economy. These institutions inform entrepreneurial strategies, enable micro-entrepreneurs to cope with risk and provide stability, predictability and integrity to the business environment. We show why successful township micro-entrepreneurs commonly seek to avoid raising their community profile through strategies such as fronting, divestment and building human and social capital within the family rather than the business itself. The conclusion, in Chapter 13, summarises our core arguments, restates the major themes and shows how our evidence and interpretation add value to the current understanding of the township economy. We end the book with a brief consideration of the kinds of actions which could enable productive responses and nurture transformative outcomes. These actions fall into three groups: entrepreneurial responses

that ought to be protected; entrepreneurial responses that should be constrained; and entrepreneurial responses that would benefit from the disruption of prevailing systems of economic organisation, including power structures.

As we note above, the novelty of the book lies in the research approaches, the data itself, and our interpretation of micro-entrepreneurship through a spatial and ethnographic lens. Through embedding our research and engaging with hundreds of township entrepreneurs over years of field research, we have gained a rich understanding of business dynamics that simply cannot be learnt through quantitative surveys. One set of insights relates to the social and cultural context that frames responses to business opportunities. The use of photographs helps to show the intimate nature of socio-spatial relationships and the connections between actors, objects and specific localities, to name but some of the dynamics investigated. To explore complex spatial dynamics, we have documented the precise infrastructure configuration and spatial footprint of particular micro-enterprises using architectural drawings and sketches, thus allowing the reader to get as close as possible to the contextual situation. In the studies of land use, these drawings help distinguish between commercial and residential uses and show how actual land use deviates to property boundaries and building restrictions, a subject which may otherwise come across as abstract and distract the audience from complexities which entrepreneurs would need to navigate to align with formal land institutions.

Our analytical approaches include statistical examination of datasets, geospatial mapping of micro-enterprise distributions, and interpretation through diagrams, illustrations and image notation. To comprehend complex socio-cultural-entrepreneurial spaces, architectural sketches and annotated photographs are employed to understand the manner in which infrastructure has been configured to influence social outcomes, to differentiate businesses into niche segments, and maintain separation between public and private realms. In another instance, the use of sketches and photographs illuminates the relational dynamics of businesses, showing how micro-enterprises operate in symbiotic relationships and how vernacular infrastructure seeks to benefit from existing objects and structures (and space availability). Using architectural sketches, we are able to interpret the changes in high-street buildings in their spatial evolution to provide commercial space oriented towards the street (thus public realm) while simultaneously supporting the development of accommodation (in the private realm). Through using a combination of geospatial and planning data, we are able to identify the nodal characteristic of the high streets. Then using sketches, we are able to describe the relationships within these nodes and hence confirm the central role of small informal taxis in connecting people to businesses. Finally, through working with township entrepreneurs in the co-production of knowledge, we are able to draw on their personal accounts (through devices such as video stories and photographic narratives) in specific circumstances to comprehend the invisible, bolster evidence and substantiate our claims. We take full responsibility for the analysis. We trust that we have made wise use of some of the stories we have heard, while responding to the multiple concerns with enduring structural, socio-political and regulatory constraints in a manner which balances individual perspectives against broader collective interests, keeping our eye on our ultimate goal of contributing knowledge towards the cause of inclusive economic growth.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