

Biennial Conference of the Economic Society of South Africa

2-4 September 2015

Title: Temporal and spatial enterprise change in a township informal economy: evidence from Delft South, Cape Town.

Authors: Andrew Charman and Leif Petersen

Presenter: Andrew Charman

Version 1; Date 24 August 2015

Note: This is an early working draft; further data analysis and commentary will be provided in subsequent drafts. Please do not cite without permission from the authors.

Abstract:

The paper will present the results of a socio-spatial investigation of the change in the scope and scale of micro-enterprises in Delft South over the period 2010-2015. In 2010 a team of researchers undertook a survey of informal micro-enterprises in the Cape Town township of Delft South. The researchers introduced a new approach to researching township businesses in a spatial context. The method has subsequently become known as the 'small area census approach' (Charman, Petersen, Piper, Liedeman, and Legg, 2015). The objective of this research approach is to identify all existing micro-enterprises within an area of sufficient size to adequately reflect the local spatial dynamics of business distribution. The Delft research resulted in the identification of 902 micro-enterprises. The spatial position of each business was recorded and most businesses were photographed.

In May –July 2015 the researchers returned to the field to resurvey the area. The objective of the research was to identify measurable evidence of enterprise growth and positive change. This second generation research project provides an opportunity to explore temporal social and spatial changes in the make-up of informal businesses and their distribution (numbers of enterprises / sector, types of businesses, locality and basic demographic information). Of particular interest is the question of how previously identified informal businesses change over time and how the business environment also changes, in terms of the spatial ordering between high street and residential areas. The 2010 data provides a unique opportunity to provide answers to these questions through resurveying the site using a similar methodology.

The paper presents evidence on: i) the change in micro-enterprise composition, ii) change in enterprise spatial distribution, and iii) change in enterprise dynamics, particular in the spaza and liquor retail sectors.

Acknowledgements:

The authors acknowledge the roles of Andrew Hartnack and Rory Leideman in managing the data gathering process in the second generation research phase. We acknowledge the role of the various field researchers who worked on data collection. The research was funded by the Sustainable Livelihood Foundation via the FIME Project, which in turn has benefited grant funding from the South African Breweries. SLF has been awarded an incentive grant Research Project on Employment, Income

Distribution and Inclusive Growth (REDI3x3) to undertake analysis of the data and produce a working paper. The findings, opinions and conclusions are those of the author and are not to be attributed to these projects, its affiliated institutions or its sponsors.

1. Introduction

This paper presents the findings of a comparative analysis of micro-enterprises in the informal economy of one South African township, comparing the data gathered in December 2010/ May 2011 with a resurvey undertaken in June-July 2015. The research is set in the neighbourhoods of Delft South and Eindhoven, two adjoining suburbs within the larger are of Delft. The research seeks to contribute towards knowledge on the question of how the township economy changes overtime. The significance of this endeavour lies in large measure the strategic policy concern around the seemingly stagnant level of economic activity with the informal economy and implication of this trend on communities with disproportionate levels of poverty and high unemployment (thus exclusion from the formal economy and higher wages).

The results presented below are tentative and should not be regarded as conclusive. This paper is an early working draft, writing for the purpose of introducing the research and initial results to a broader academic audience. The authors plan to undertake substantial further analysis once the data has been comprehensively cleaned and checked for errors. The envisaged additional analysis will include an assessment of changes in the geospatial distribution of the identified enterprises, with a particular focus on comparing the residential context and high street. In this paper the authors have simply focused on the quantifiable changes in the frequencies of micro-enterprises and sought to shed light on possible reasons for the observable shifts.

2. Background

In 2010 a team of researchers undertook a survey of informal micro-enterprises in Delft South. The researchers introduced a new approach to researching township businesses in a spatial context. The method has subsequently become known as the 'small area census approach' (Charman, Petersen, Piper, Liedeman, and Legg, 2015). The objective of this research approach is to identify all existing micro-enterprises within an area of sufficient size to adequately reflect the local spatial dynamics of business distribution. The area chosen was 2,93km² and comprised about 11,000 households and a population of 43 000. An important component of the small area census method was to conduct interviews using a semi-structured questionnaire with business owners in key sectors.

The Delft research resulted in the identification of 862 micro-entrepreneurs and 902 micro-enterprise activities. The spatial position of each business was recorded and most businesses were photographed. In-depth interviews were undertaken with 287 businesses owners in the sectors of spaza shop grocery retail, educare and liquor trading. The researchers also kept field notes relating to the general business environment, derived from systematic observations, the collection of artefacts (such as posters and flyers) and discussions with ordinary community members.

The quantitative and qualitative data from this wave of research has enabled the researchers to make an important contribution to understanding the business dynamics of enterprises within the township context. The research findings have, for example, supported a more in-depth understanding of the competitiveness dynamics within the spaza shop sector, resulting in the collapse of smaller,

predominately South African businesses (Charman, Petersen and Piper, 2013). The spatially referenced business census data enabled the researchers to analyse the distribution of micro-enterprises across the site. This has highlighted the localised nature of markets in certain sectors where businesses serve a narrow geographically defined market. It has also permitted the researchers to propose an analytical distinction between the 'high street', as a particular space for conducting businesses, and residential localities (Charman and Petersen, 2015).

Subsequent research in Delft South (Liedeman, 2013) found that some of the Delft businesses that were identified in the spaza sector have closed down, though some have shifted locality and now operate from different venues. The scale of this change was hitherto unknown. We have learnt from field research experience that there is a relatively high turnover in business ownership, especially in foreign run businesses. However, this observation has not been systematically studied outside the research on spaza shops and labour market analysis of churning as workers shift between unemployment, self-employment and employment (Altman, 2008). There are no studies, to our knowledge, which examine the issue of how and why businesses change ownership in the township informal economy. More broadly, the topic of temporal change in businesses within the informal economy, including the spatial dynamics of change (shifting from home locality to high street, for example), has been under-researched.

In investigating changes in micro-enterprise numbers and activities, the research seeks to understand whether the change in enterprise scope (an increase OR decrease in numbers and types of informal businesses) provide evidence of informal economy growth in Delft South. This question needs to be seen in light of the findings from analysis of macro data which indicates that the growth in the informal economy in terms of employment (including self-employment), both nationally and within Cape Town, has stagnated and some participants, such as women traders, have been 'pushed' out of the informal economy (Skinner, 2015; Ranchhod, Petersen and James, 2015). Is this finding evident in Delft South, and if not, why does Delft differ from broader trends?

3. Research questions

The core focus of the research was on identifying changes in the Delft South informal economy, in terms of businesses numbers, business type, business ownership and spatial dynamics. In comparing the 2010 / 2011 and 2015 surveys, the research sought to answer three questions:

One: In quantitative terms, how many businesses identified in 2010 are still in business and how many new informal businesses have set up since the initial survey?

Two: What quantitative changes have taken place in the three sectors in which in-depth surveys were conducted: namely, spaza shops, liquor traders and educare centres. In these sectors, the research will examine whether or not there is evidence of ownership change and to understand the reasons for the transition. This will enabled the researchers to illustrate the change process through a focus on sector trends.

Three: Is there any evidence of any shifts or changes in the spatial distribution of micro-enterprises within the study area? This question will directly respond to the observation from subsequent research activities in the areas with respect to the possible intensification of high street businesses. If there is evidence of enterprise growth within this geographic micro-context, does this

represent a change in local entrepreneurship or the investment by external entrepreneurs within the high street?

4. Methods

The research and data gathering process utilised an amended form of the 'small area census' method. We adapted both the questionnaire tool (refined and added new questions) and means of data collection. In undertaking the enterprise census component, we utilised an on-line data management platform using hand-held cell-phone network enabled devices. The research approach was to resurvey the geographic scope of the site and verify whether or not identified businesses in the first generation research were still operational. We sought to identify former businesses (in the spaza, liquor and educare sectors) via, first, their street location, second, business name, and third, their owners' details.

All interviews were conducted on site. The research was undertaken over a two month period, commencing in June and concluding in early August 2015. We are currently in the process of transcribing the data (where paper systems are utilised) and constructing a dataset. The findings presented below derive from the provisional dataset and contain only the information obtained through the business census process. We conducted over 100 in-depth firm interviews which data will subsequently become available to enhance our analysis. The micro-enterprise activities identified in the business census were classified according to the 42 enterprise categories used in the analysis of the initial study (see Charman and Petersen, 2015).

The field research process encountered a number of obstacles. Early encounters with criminals and threats from gangsters meant that we had to employ members of the Delft neighbourhood watch to provide security surveillance. We were unable to conduct lengthily in-depth interviews in streets of gang strongholds. Although the great majority of business people were willing to share information with the researchers, we encountered a higher degree of resistance to 'research data capture' than in previous survey studies. In certain sectors, notably the spaza sector, our capacity to undertake interviews were limited due to language barriers (among Ethiopian shop keepers in particular; we had an indigenous Somali employed as part of the team which reduced this challenge among Somalis) and the reluctance of employees to divulge information without authorisation from their 'boss'. Apart from the spaza sector (where both a high proportion of South Africans and non-South Africans were unwilling to be interviewed), other business sectors where we encountered hostility towards the research objectives were unlicensed liquor traders, Rastafarians selling fruit and vegetables and immigrants running hair salons and well as street traders.

5. Delft South micro-enterprise landscape in 2010

Delft South and Eindhoven is a residential township on the Cape Flats with formal housing. Most houses built in the period 1996-2000. The site is located adjacent to Cape Town International Airport on the northern side of the N2 highway and contiguous with the R300 motor way. The site is bounded by Hindle Road along its northern boundary and Symphony Road along its southern boundary. The demographic profile is shown in Table 1; Table 2 presents data on the employment status. The population comprises an equal mix of Black and Coloured South Africans, though the sub-place area of Eindhoven is predominantly (91%) a Coloured residential area. In the Delft South sub-area, 50% of

the population speak isiXhosa as their first language, whereas 38% speak Afrikaans and 6% speak English.

Table 1: Demographic Profile

Black population	Coloured population	Total population.	Households	Household size	% Pop. Female	% Pop. Formal Housed	% Pop. Informal Housed
22 311	20 046	43 185	11 322	3.8	51	100	0

Table 2: Employment Status (working age persons above 15)

Employed	Unemployed (Narrow)	Labour Force	Discouraged workseeker	Other not economically active
10 557	8 082	19 440	801	9 723
% Unemployed (Narrow Definition)	% Unemployed (Broad Definition)	Unemployed (Broad)	Employment not applicable	Dependency Ratio
42	46	8 883	14 022	43

Source: 2011 census (StatisticsSA, 2013).Notes:

Not applicable: Persons younger than fifteen years, institutional population and transients.

With respect to unpaid work, the census enumerators were advised not to count normal housework undertaken by housewives and children in household. See StatsSA, 2012, page 72.

Not economically active = People who are not available for work such as full-time scholars and students, full-time homemakers, those who are retired and those who are unable or unwilling to work.

Dependency ratio = economically active (employed and unemployed) compared to inactive.

The results of the 2010 survey are reported in Charman and Petersen (2015). Numerically the most significant micro-enterprises were, in descending order, grocery retail shops (spaza) (n=181), house shops (n=131), liquor retailing (n=120), hair care (n=63), and mechanical services (n=52). Spaza shops comprised 20.1% of identified businesses and house shops 14% of businesses, together making up over one third of business activity. The relative proportion of businesses per 100 households and 1000 population are analysed in Charman and Petersen (2015). In proportional terms of business activities per population, Delft South had the lowest level of business activity of the five Cape Town research sites that were surveyed using the same small area census approach between the period December 2010 and January 2013. In Delft, the relative frequency of common businesses such as liquor retailing, street trading and takeaways was noticeably lower than in the sites with a predominantly black African population makeup. But unlike these sites, the research identified a higher proportion of businesses engaged in mechanical repair services, a finding that was repeated in Vrygrond/ Seawinds, a site of a similar demographic profile to Delft.

6. 2015 Survey Findings

The 2015 survey identified a doubling of micro-enterprise activities. Whereas in 2010 the survey identified 862 micro-entrepreneurs engaged in 902 distinct business activities, the number of entrepreneurs increased to 1661 engaged in 1815 activities. The research endeavoured to enquire

into the longevity of each business. Although the data set is incomplete, we found that 789 micro-enterprises activities were initiated after the 2010/2011 survey, whilst 655 activities have been conducted for five or more years. This findings suggests a relatively high rate of business survival, though we are unable to verify whether all 655 micro-enterprise activities were recorded in 2010/2011, though many were (both anecdotal evidence and the business survey data).

The number and proportion of micro-enterprises per business category is shown in Table 3 and Chart 1. The research found growth in enterprise numbers across all categories, apart from two: phone shops recorded a -50% growth (halving) and spaza shops declined by -13%. The negative growth in these sectors is not surprising or unanticipated. The widening availability in cell phones has made fixed-line phone services largely redundant. Similarly, the relative drop in cell phone handset costs has meant that it is potentially cheaper to purchase a new phone than have an old phone repaired. In the case of the spaza sector, our previous research (Charman, Petersen and Piper, 2012 and Lieddman, 2013) identified the consolidation of the sector as an emerging trend as a result of the strong business competition from larger shops that are predominately run by immigrant entrepreneurs. This trend has resulted in the closure of less competitive businesses.

Figure 1: Micro-Enterprise Activities in Delft South, 2010 vs 2015

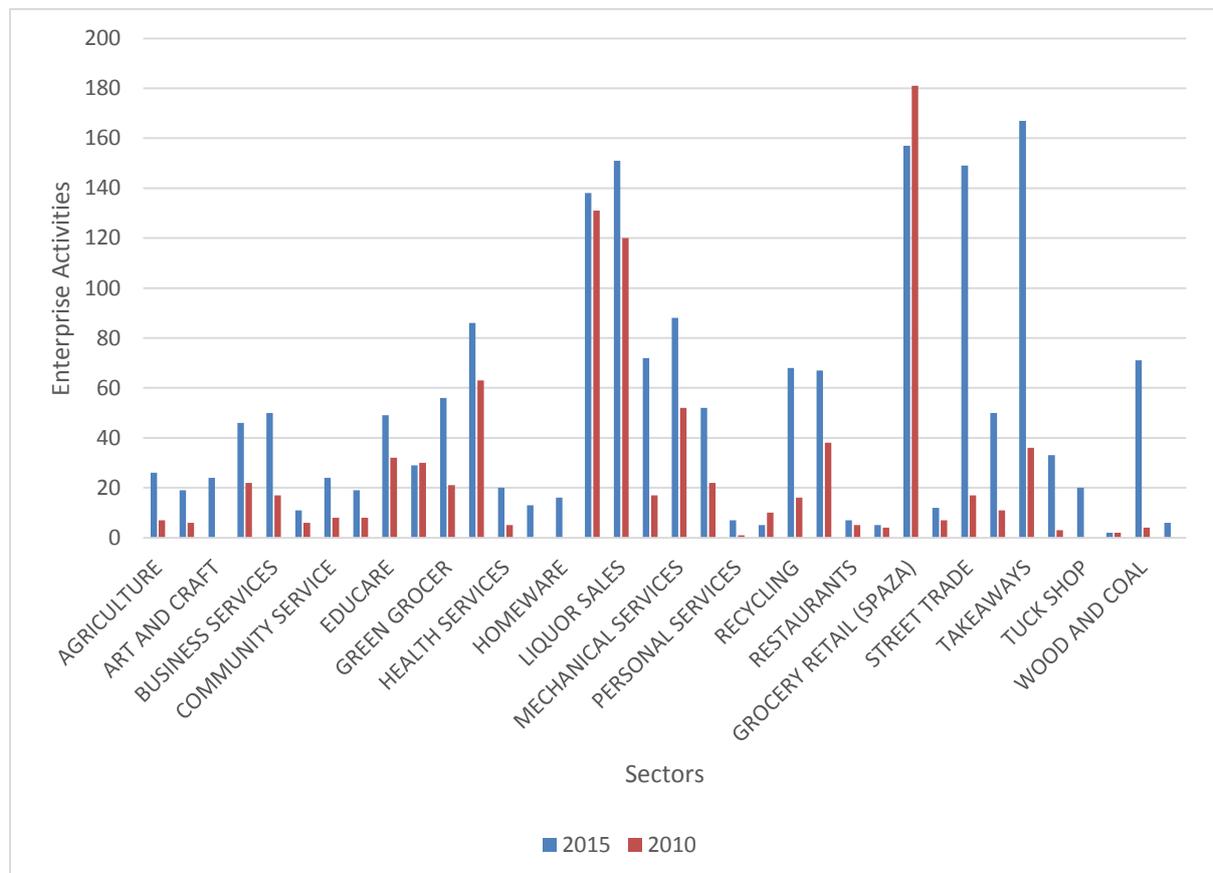


Table 3: 2010 and 2015 comparative data

SITE / ENTERPRISE CATEGORY	AGRICULTURE	APPLIANCE REPAIR	ART AND CRAFT	BUILDING SERVICES	BUSINESS SERVICES	CAR WASH	COMMUNITY SERVICE	DRUG DEALER	EDUCARE	ENTERTAINMENT SERVICE	GREEN GROCER	HAIR CARE	HEALTH SERVICES	HOME MAINTENANCE SERVICES	HOMEWARE	HOUSE SHOP	LIQUOR SALES	MEAT, POULTRY & FISH RETAIL	
DELFT SOUTH 2010	7	6	0	22	17	6	8	8	32	30	21	63	5			131	120	17	486
% OF TOTAL ACTIVITY	0.78	0.67	0	2.44	1.88	0.67	0.89	0.89	3.55	3.33	2.33	6.98	0.55			14.5	13.3	1.88	
DELFT SOUTH 2015	26	19	24	46	50	11	24	19	49	29	56	86	20	13	16	138	151	72	849
% OF TOTAL ACTIVITY	1.43	1.05	1.32	2.53	2.75	0.61	1.32	1.05	2.7	1.6	3.09	4.74	1.1	0.72	0.88	7.6	8.32	3.97	
% change	271	217	0	109	194	83.3	200	138	53.1	-3.3	167	36.5	300	0	0	5.34	25.8	324	
SITE / ENTERPRISE CATEGORY	MECHANICAL SERVICES	MICRO-MANUFACTURE	PERSONAL SERVICES	PHONES	RECYCLING	RELIGIOUS SERVICES	RESTAURANTS	SHOE REPAIR	SPAZA GROCERY RETAIL	SPECIALIST STORE	STREET TRADE	TAILOR	TAKEAWAYS	TRANSPORT SERVICES	TUCK SHOP	WHOLESALE	WOOD AND COAL	MISCELLANEOUS	
DELFT SOUTH 2010	52	22	1	10	16	38	5	4	181	7	17	11	36	3	0	2	4	0	409
% OF TOTAL SITE ACTIVITY	5.76	2.44	0.11	1.11	1.77	4.21	0.55	0.44	20.1	0.78	1.88	1.22	3.99	0.33	0	0.22	0.44	0	
DELFT SOUTH 2015	88	52	7	5	68	67	7	5	157	12	149	50	167	33	20	2	71	6	966
% OF TOTAL SITE ACTIVITY	4.85	2.87	0.39	0.28	3.75	3.69	0.39	0.28	8.65	0.66	8.21	2.75	9.2	1.82	1.1	0.11	3.91	0.33	
% change	69.2	136	600	-50	325	76.3	40	25	-13	71.4	776	355	364	1000			1675		

In many of the business categories, the strong growth is a reflection less of the change in the business environment than a statement about the low base level (business frequency) identified in 2010. This observation would most probably apply in the categories of wood and coal (1675% growth), transport services (1000% growth) and personal services (600%). Moreover, the low base might possibly be attributed to a methodological omission in which some of these activities were undetected in the 2010 research. This concern aside, the data does indicate a profound (and indeed startling) growth in micro-enterprise activities for which localised demand was possibly unfilled. Consider the example of the educare sector. This sector, in which Delft was comparatively well served in 2010, has seen a 53% growth in enterprise numbers. A similar story can be found in the case of hair care businesses which increased by 35%. Both enterprise categories are potentially indicators of increased disposable income within Delft.

The growth in enterprise categories that have a relatively low entry barrier are eye-popping. In takeaways (364%), tailoring services (355%), street trade (776%) and in the sale of meat, poultry and fish (324%), for example, the data reveals astounding growth. Also noteworthy is the growth in liquor retail businesses (of the very small micro-enterprise variety), which increased by 25%; a high growth given the risks of trading liquor illegally. We have sought to describe this process of ‘enforced informalisation’ in another paper (Charman, Petersen and Piper, 2013), suffice to add at this point that some of these survivalist liquor retailers reflect the inability of liquor trading enterprises to consolidate within localised markets in a manner now witnessed in the spaza sector. All of the above micro-enterprises, including wood and coal sales, are characteristically survivalist. Digging into the data we find that main entrepreneurs who account for this growth are South African women, predominantly in the 30-39 and 40-49 age categories. The research thus provides a clear example of people responding to long term unemployment (and limited formal job prospects) through engaging in informal activities. The data is summaries in Table 4. The role of women in these sectors is significant: 89% of tailoring, 81% of takeaways, 80% of street trade, 71% of meat, poultry and fish sales, 65% of liquor trade, and 58% of wood and coal. In each of these categories, more than 70% of the micro-entrepreneurs are of working age and fall into the 30-59 years age bracket. These individuals are characteristically people who cannot find employment and / or are compelled to remain in Delft to provide child care and home reproduction work.

Table 4: Survivalist Micro-Enterprises

LIQUOR SALES	MEAT, POULTRY & FISH RETAIL	STREET TRADE	TAILOR	TAKEAWAYS	WOOD AND COAL	TOTALS	
151	72	149	50	167	71	660	Total 2015
22.9	10.9	22.6	7.6	25.3	10.8		% of enterprise activity
120	17	17	11	36	4	205	Total 2010
13.3	1.9	1.9	1.2	4.0	0.4		% of enterprise activity
65	71	80	89	81	58		% of Women / Sector
0	0	1.6	2.6	2.9	5.8		% 0-19

7.5	14	15	0	8.8	12		% 20-29
24	21	28	24	25	31		% 30-39
42	26	31	32	34	33		% 40-49
18.9	29.8	18.5	28.9	23.4	15.4		% 50-59
8.49	8.77	6.45	13.2	5.84	3.85		% 60 or older
1.5	4.76	9.35	8.7	4.55	0		% Non-SA / Sector
6	19	20	4	30	19	98	# operating Less than 6 months
9	5	8	3	14	8	47	# operating 6-11 months
20	10	16	4	17	5	72	# operating 12-23 months
7	11	16	4	23	6	67	# operating 2-3 years
8	5	20	0	11	1	45	# operating 3-4 years

Immigrant businesses have had a role in Delft in both responding to market opportunities through providing more competitive services and introducing innovations. The case of the grocery retail (spaza) sector has been extensively examined, both in Delft and other localities. The identified trend of immigrant dominance (or 'takeover', historically speaking) is consistent with the 2015 data. Of the 157 spaza shops, 80% are now owned by immigrant entrepreneurs, with the great majority run by employees who have only recently come to South Africa. In 2010/2011 spaza market ownership was evenly split. Though outnumbered, many South African have remained in business, retaining their localised market stronghold and are able to make substantial profit (survey data yet analysed). Other sectors in which immigrant run businesses are numerically noticeable in terms of their disproportionate stake-holding are specialist shops (50%) hair care (49%), appliance repair (44%), art and craft (30%) and building services (24%). We hope to analysis the comparative spatial distribution of immigrant run businesses in these sectors to investigate whether or not the high street provides an entry point for business establishment.

7. Discussion

7.1. What accounts for the growth in micro-enterprise activity?

The research identifies evidence of enterprise growth both within firms themselves as well as across the research site in terms of an accumulation of micro-enterprises. We have able to disaggregate this growth by sector and demographic variables. It is evident that much of the new enterprise activity falls within the survivalist category and the purpose of the business is to supplement other more important income streams, such as employment (spouse) or welfare transfers. We have also encountered new forms of business activities, from business services to 'Avon' styled perfume sales, which indicates that micro-enterprises are becoming more sophisticated in their business strategies and better utilising social networks (selling at church, for example). There is no doubt that some of the positive change in the business environment can be attributed to internal firm dynamics and improved business skills or knowledge.

External influences may also have had an impact on the business environment. Eskom load shedding has had a disrupting impact on the retail cold chain within Delft, which in term creates opportunities

for sellers of fresh meat, poultry and fish. Similarly, many households have turned to paraffin for lighting and cooking, creating a localised demand (geographic niche) for resellers of this product (categorised under wood and coal sales). Amongst the range of external influences which have reshaped the business environment, three factors have potentially had the greatest impact: i) activation of the high street as a business and transport hub, ii) immigrants and non-resident entrepreneurs, and iii) pervasive insecurity. A further factor, long term unemployment and need for household survival, has already been discussed.

I. Activation of the High Street.

In 2010 the settlements adjacent to the research site had only just been settled. The new residents had not yet recognised and or exploited the proximate opportunities along high street feed roads and within the Delft high street in particular. Furthermore, the main taxi artery route connecting to Belleville / Cape Town / Mitchells Plain and Khayleitsha is located on the Delft high street, with three taxi ranks situated within the research site. The residents of the new settlements are thus compelled to travel into the research site boundaries in order to access public transport. It is important to note that the research team did not identify significant numbers of informal taxis operating within the site; as a result most resident access the high street via pedestrian routes.

II. Immigrants and non-residential entrepreneurs

Immigrants and non-residential entrepreneurs have begun to exploit the relatively weak competition and limited range of services / product offering within local markets as a result of the dualistic urban economy, wherein the township was deemed a place a residence and businesses investment was discouraged through a combination of the absence of commercial property, crime and competition from informal businesses on terms that the formal sector could not match. In the spaza sector, most shops are now owned by entrepreneurs who live outside Delft. Across the population of businesses survey, 65 of the entrepreneurs were recorded as non-residents (the dataset is incomplete). During the field research we encountered several cases of non-residents purchasing property which was then converted into income-generating opportunities, most notably rental units for immigrants.

III. Pervasive insecurity: reinforces localised economy; reduces growth of spaza shops.

Over the past 5 years, the community in Delft South has been sorely affected by gang violence and territorial battles between rival gangs. Between June 2014 and January 2015, for example, there were 43 murders within the research site (data obtained from a community crime monitoring project). The impact that this spike in violence has had on businesses is uncertain. Although it has not seemingly resulted in the spatial displacement of businesses (still to be further investigated) it has certainly impacted on the way business operate. Spaza shops, for instance, have been further fortified. Furthermore, under the guise of gang violence, there evidence of 'violent entrepreneurship' where business entrepreneurs have sought market domination (or fought turf battles) through the mobilisation of violence against competitors (the notion of violent entrepreneurs comes from Volkov, 2002). This is well documented in the case of the Delft taxi sector, but might also have a role in the spaza sector.

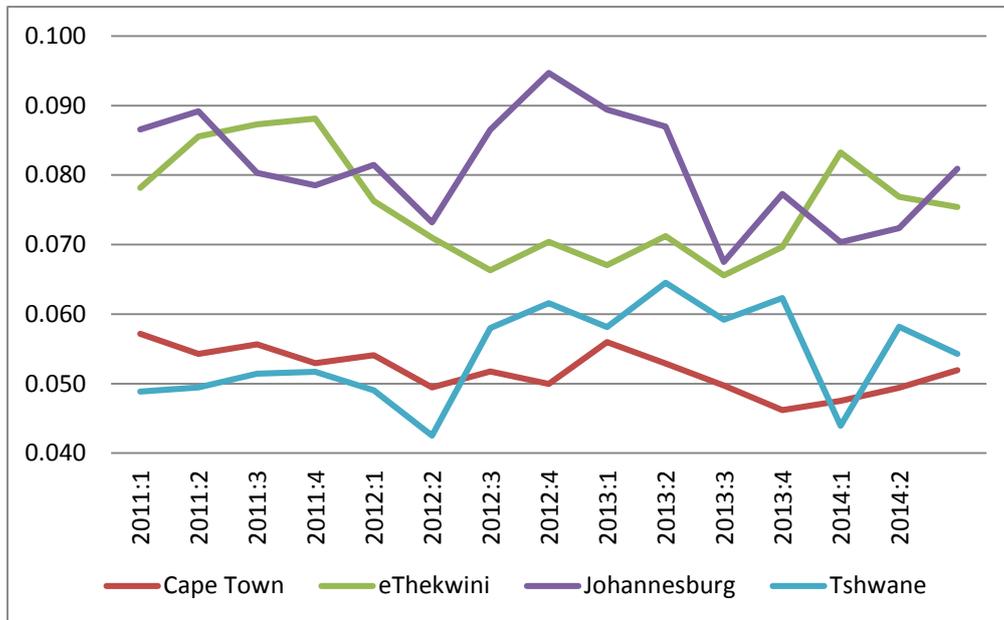
The use of crystal meth is endemic in Delft south. 'Tik' addicts have become very entrepreneurial in their survivalist activities to obtain cash, which apart from theft,

including recycling, casual labour, and transport services (fetching building sand, beers for shebeens etc.).

7.2. What is the implication of the findings in terms of regional / macro trends derived from official statistical sources?

A recent study by Ranchhold, Petersen and James (2015) of the QLFS data on employment within the Cape Town metro region found that the weighted average proportion of the working age population over the period 2011-2014 was 5.58% across each wave. See figure 2. Importantly, the study shows that the proportion of informal employment in the Cape metro is, first, considerably lower than the other major metros, and second, relatively stagnant. The authors thus conclude: ‘the informal sector, as measured by the proportion of working aged people employed in the informal sector, is relatively small and has been decreasing in Cape Town in the recent past’ (2015:19).

Figure 2: Proportion of working age population (15-64) employed in informal sector, by Metro area (QLFS)



Source: Ranchhold, Petersen and James, 2015.

The micro-enterprise re-survey in Delft South, 2015, has produced a results which contest the QLFS tend. Potentially twice as many people are working in the Delft informal economy. The major trend of a massive survivalist response to supplement household income is absent in the QLFS dataset. Is this because these actors are simply not captured, either as a result of resistance to state quantification or because the businesses are so small that have been overlooked in the process of data capture during the enumeration? But nor does the QLFS reflect the growth in more substantial business sectors, such as hair care, business services, mechanical services and micro-manufacturing. It is important to recognise that in the comparative analysis of Delft south against four other sites, Delft the laggard not the trend setter. Are the results a unique Delft story; a township outlier? Or is the QLFS profoundly misleading or rather misreading the informal economy trend through a survey approach that captures what people want the state to think?

8. References

- Charman, A.J.E., Petersen, L.M., Piper, L.E., Liedeman, R., Legg, T., 2015. Small Area Census Approach to Measure the Township Informal Economy in South Africa. *Journal of Mixed Methods Research*. doi:10.1177/1558689815572024.
- Charman, A., Petersen, L., Piper, L., 2012. From local survivalism to foreign entrepreneurship: the transformation of the spaza sector in Delft, Cape Town. *Transformation: Critical Perspectives on Southern Africa* 78, 47–73.
- Charman, A. and L. Petersen, 2014. Informal micro-enterprises in a township context: a spatial analysis of business dynamics in five Cape Town localities. REDI3x3 Working Paper.
- Charman, A., Piper, L., 2012. Xenophobia, Criminality and Violent Entrepreneurship: Violence against Somali Shopkeepers in Delft South, Cape Town, South Africa. *South African Review of Sociology* 43, 81–105. doi:10.1080/21528586.2012.727550
- Charman, A.J., Petersen, L.M., Piper, L., 2013. Enforced informalisation: The case of liquor retailers in South Africa. *Development Southern Africa* 30, 580–595. doi:10.1080/0376835X.2013.817306
- Liedeman, R., 2013. Understanding the Internal Dynamics and Organisation of Spaza Shop Operators: A case study of how social networks enable entrepreneurialism amongst Somali but not South African traders in Delft South, Cape Town. MA thesis. University of the Western Cape.
- Ranchhod, V., L. Petersen and A. James. A consideration of the Cape Town informal economy through publically available datasets. A research report submitted as part of the City of Cape Town Informal Economy Development Study. 2015.