Risky business and geographies of refugee capitalism in the Somali migrant economy of Gauteng, South Africa

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Abstract:
Research on migrant livelihoods in South Africa reveals links between social exclusion and diverse migrant business strategies. This study explores how social and economic dynamics of Somali migration converge within the local economy and post-apartheid urban fabric in Gauteng Province, South Africa, which encompasses the cities of Johannesburg and Pretoria. The analysis draws on data from ten months of participant observation, structured interviews, and informal discussions among Somali migrants in Gauteng during 2010-2012 to outline how human mobility and capitalist enterprise across multiple scales intersect to produce distinct social and spatial patterns of integration within and beyond South Africa. Since the end of apartheid, Somali migrants have carved out an economic niche in risky township retail markets where contingency and frequent movement characterise the lives of refugee workers. The Somali ethnic enclave in the neighbourhood of Mayfair serves as a migrant hub, linking local and national circulations of people, goods, and money to international circuits of the Somali migrant economy (which includes individuals belonging to other borderland groups from the Horn of Africa). These flows produce a distinctive migrant space and unique patterns of livelihood embedded in a multi-scalar geography of mobility, remittance, investment, risk and opportunity.

[Keywords: Somali migration, South Africa, Transnationalism, Immigrant business, Tactical cosmopolitanism]
Introduction

During the 2010 FIFA World Cup, virtually everyone in South African became familiar with the work of at least one Somali refugee: ‘Wavin’ Flag,’ by Somali-Canadian singer K’Naan, blared in shops and could be heard hummed in Johannesburg’s taxi ranks and whistled in the streets. Many of Johannesburg’s youths knew every word of the song describing a proud African hope, written by a singer who embodies possibilities of refugee transnationalism. For less-known refugees and other migrants in South Africa whose work has produced more visible impacts on the economic and social landscape, these ideals of African unity and transnational possibility are uncomfortably juxtaposed to realities of violent exclusion for African migrants (Neocosmos 2010). Somali businessmen in South Africa’s townships feature in press and research as targets of ‘xenophobic’ violence (Moftah 2015; Fihlani 2011; Mail & Guardian 2009). Vicious anti-foreigner spectacles circulate in online videos, such as the YouTube clip showing Abdinasir Mahmoud being stoned to death near Port Elizabeth in 2013 (Essa 2013). Despite such dangerous prospects, Somalis continue to operate shops in South Africa’s townships and to consolidate close-knit enclaves in inner-city areas.

Socially and discursively defined by their displacement, migrants may adopt sets of practices that Landau and Freemantle (2010: 382) term ‘cosmopolitan tactics,’ entailing multi-sited socialities, economies, and categories of belonging ‘that transcend national borders and are, in some cases, so fluid as to almost transcend territory altogether.’ Such decentred sets of practices reveal the limitations of bounded concepts of transnationalism as a linkage between ‘home’ and ‘abroad’ (Portes, Escobar & Radford 2007) and indicate the need to reconceptualise specific geographies of migrant mobility and financial networks. While cosmopolitan idioms of belonging and transnational activities may transcend territories, everyday practices of migrants
are inscribed in South Africa’s urban fabric as groups carve out spaces of belonging and livelihood, such as business enclaves, ethnic malls, and economic networks that exploit niche markets (Grant & Thompson 2015; Zack 2015).

This article explores how cosmopolitan tactics and more grounded modes of belonging among Somali migrants in South Africa articulate within processes of migration and financial circulation across multiple scales. Migrant mobility and diverse economic networks are mapped onto the fractured post-apartheid socio-economic landscape of Gauteng Province—the site of South Africa’s most populous city-region (cf. Murray 2011; Crankshaw 2008)—in ways that produce distinct social, economic and physical infrastructures and opportunities. Global financial networks draw on township business to multiply remittances, township violence reinforces labour mobility, and migrant capitalist investment produces enclave infrastructure to facilitate these two forms of circulation. As the Somali ethnic economy draws upon and generates transnational economic flows, it produces a unique combination of disembodied cosmopolitan practices and migrant fixed capital investments that financially integrate the inner-city Somali enclave with far-flung townships through diverse movements of people, goods and money.

The paper proceeds in four main sections. The first briefly reviews conceptual underpinnings of transnationalism and forms of migrant integration. The second outlines the methodology of the study, which draws on ten months of participant observation, focus group discussions, informal conversations, and approximately 60 structured interviews with Somali shopkeepers in twelve sites across Gauteng. The third section contextualizes Somali migration and business in South Africa within established research and broader patterns of Somali migrant economies. These provide the background for the fourth and fifth sections, which explore the two primary spaces of Somali economic and social life in Gauteng—the township and the ethnic
enclave—and offer a glimpse into how these spaces reflect the articulation of a broader Somali diaspora society and economy with the post-apartheid landscape of South African urbanism.

Migration, transnational finance and forms of integration

By mid-2011, the displacement of Somalis in the wake of the Somali state’s 1991 collapse was estimated to reach nearly 1.5 million persons. At the outset of the conflict, many fled to the Somali regions of Kenya and Ethiopia, but hundreds of thousands also dispersed across the Middle East and refugee-receiving countries of the Global North (Hammond 2013). By the late 1990s as the United Nations High Commission for Refugees (UNHCR) resettled Somali refugees in Europe and North America, many households relied on money transfer networks and instant communications technologies as they adopted strategies that separated families according to labour market conditions and resettlement opportunities. As an example of the numerous social-spatial differentiations within the global Somali diaspora, by 2000 it was estimated that 80% of Somalis living in Saudi Arabia were men, while over 60% of those in the United Kingdom were women (Ahmed 2000). Likewise, hundreds of Somali women pursue domestic jobs in Italy and send money to husbands and children residing elsewhere (Decimo 2007).

The multi-sited networks of the Somali diaspora reflect certain aspects of migrant transnationalism—defined as ‘grassroots’ international activity ‘conducted by the foreign-born as part of their daily lives abroad’ (Portes, Escobar & Radford 2007:252). Perhaps the most widely studied facet of migrant transnationalism is the flow of money back to migrant communities of origin, through which migrants participate in ‘globalisation from below’ (Vertovec 2004; Portes 2003). Remittance flows to the Horn of Africa are immense, comprising
an estimated 25-40 per cent of Somaliland’s GDP in 2013. Remittances from Somalis in America in 2012 (estimated at over US $200 million) approached the total humanitarian and development assistance provided to Somalia by the US government that year (Orozco & Yansura 2013). Some studies argue that the regularity with which migrants engage in transnational activity reflects deterritorialized orientations that discourage integration into a host society (Basch, Glick-Schiller & Szanton Blanc 1994), but recent analysis suggests that transnational activism may enhance forms of integration. For example, transnational engagement leads Somali migrants to seek social and economic security in the UK in order to be more effectively involved in the Horn of Africa, even if this does not mean becoming ‘more British’. While most Somali migrants in the UK engage in transnational activism, those who have citizenship and enhanced access to education and employment generally have the greatest capacity for fulfilling transnational obligations (Hammond 2013). Differentiation within migrant groups appears to reflect and reinforce different patterns and scales of financial and political engagement.

Today’s massive system of Somali money transfer operators (MTOs) that facilitate networks of transnational finance evolved from the *franco valuta* system utilized by Somali migrants working in Persian Gulf oilfields during the 1970s. Aid agencies working in Somalia after the collapse of the government in 1991 encouraged the growth of ‘informal’ financial infrastructure, frequently using Somali MTOs to pay employees and local contractors (Lindley 2009). The international expansion of Somali MTOs undergirds multinational Somali business networks (Little 2013) and complex patterns of human mobility that stretch beyond relations between ‘home’ and ‘abroad.’ Durand’s (1988) term ‘migradollars’ conveys the multidirectionality and numerous uses of these financial flows. Remittances to families constitute the largest flow of migradollars and are crucial for fulfilling the basic needs of individuals left
behind in the Horn (Hammond et al. 2011; Lindley 2010). Yet migradollars are also important for other uses: an estimated 80 per cent of all business investment financing in Somalia is diaspora money, and many businesses in Somalia are run by Somali migrants returned from abroad (Sheikh & Healy 2009). Steady migradollar flows reinforce the argument that the Somali diaspora’s success in transnational development is due to ownership and trust kept within the Somali community and the common experience of disjuncture and displacement (Hammond et al. 2011).

Despite the hailed status of the Somali diaspora as ‘the very epitome of transnationalism in its outlook and behavior’ (Jones, Ram & Theodorakopoulos 2010:566), practices of multinational mobility and migradollar flows that are not ‘remitted’ to home countries push the conceptual boundaries of transnationalism. Consider the case of an Ethiopian Somali migrant who received citizenship in Norway and learned Norwegian and English before moving to South Africa with his wife and children to start a business. Through his South African enterprise, he provides intermittent income for his father in Ethiopia, while he also occasionally receives financial support from his mother and sister in Sweden. Perhaps this example reflects a more deterritorialized ‘cosmopolitan’ relationship to globalizing processes, entailing philosophical individualism, cultural openness, and disembeddedness from local contexts (Hannerz 1990; Pogge 1992). Nijman (2007: 182) conceptualizes cosmopolitans as ‘highly mobile’ and ‘generally affluent’, many of them holding dual citizenship and international connections in the form of homes in more than one country. Landau and Freemantle’s (2010) tactical cosmopolitanism entails shallowly-rooted practices that draw on local institutions and socio-legal structures while avoiding close association with either locals or other migrants. Vernacular cosmopolitanisms may exhibit various scales, from acting as bulwarks against ethnic
mobilization in certain neighbourhoods (Landau 2015) to distancing migrants from compatriots even within ethnicized spaces. In Johannesburg, tactical cosmopolitanism’s de-centred nature appears in migrant discourses that reveal ‘a tactical effort to gain access to the city, but without a view of becoming exclusively or even partially bound to it or any other concrete locale’ (Landau & Freemantle 2010: 384).

While individual migrants voice cosmopolitan idioms, ethnic and immigrant economies in South Africa have anchored themselves in concrete locales, particularly in inner-city areas. Exclusion from the host society and soaring unemployment rates encourage migrant self-employment in niche markets, giving rise to such discernible migrant concentrations as the Ethiopian business district on Jeppe Street and the Somali ethnic enclave of Eighth Avenue, Mayfair (Grant & Thompson 2015; Zack 2015; Jinnah 2010). The intersection of transnational practices and cosmopolitan orientations in these migrant zones of the city raises fascinating questions about how different types of mobility and multi-scalar economic flows connect with social and spatial patterns of migrant lives and livelihoods. While the discourses surrounding foreigners in South Africa may unite immigrants under one label, an exploration of how transnational capital and cosmopolitan practices intersect in the Somali migrant economy reveals the interplay of stratification and solidarity inherent in Somali ‘refugee capitalism’ in Gauteng. From its beginnings as a self-employment strategy that took advantage of expanding purchasing power in South Africa’s Black-dominated peripheral townships after the desegregation of the early 1990s, Somali refugee capitalism has become a hot but risky investment niche. Some migrants ‘make it’ to become business owners or investors, and others remain caught in exploitative work; nevertheless, the Somali ethnic economy presents opportunities and
constraints for capitalist investors, entrepreneur-workers and refugee labourers as it draws together diverse scales of mobility and investment.

**Methodology**

Participant observation in the Somali migrant community began in June-July 2010, primarily through informal language lessons, time spent in Somali restaurants and lounges in Mayfair, and participation in community social events. In 2011 and 2012 the author conducted research while staying in a Somali lodge on Eighth Avenue, which provided significant insight into the daily workings of the ethnic economy as well as a better understanding of spatial patterns in the enclave. Three focus groups with Somalis in Mayfair centred on perspectives about the Somali economy, the role of xenophobic violence in Somali township business, and the relative safety of townships around Gauteng. Most individuals involved in the focus groups (predominantly men) had previously worked in townships, which Somali migrants refer to almost exclusively as ‘the locations’ (tuulooyinka, Somali for rural villages).

Informed by focus group results, in late 2011 and early 2012 the author conducted 20 semi-structured interviews with Somali men in Mayfair and 43 in selected locations surrounding Johannesburg and Pretoria (see Fig. 1). Rather than attempting to randomly visit migrant shops in townships because it could draw unwanted attention, a snowball method was used to locate township shops, and two to eight shops were visited in each location. Interviews were also conducted in Pretoria West and in the Asiatic Bazaar area of Pretoria. The interviews were conducted in English or in mixed English and Somali, with a translator assisting to ensure clarity of information. Interviews focused on (1) firm and worker attributes and histories; (2) economics of the enterprise; and (3) connections with and perceptions of the host society in Gauteng. Some
informants preferred not to offer specific, detailed information, and it was often difficult to interview more than one employee per shop due to the busy nature of business operation. Many migrants volunteered to share the entire history of their migration and life in South Africa, and selections have been drawn from some of these narratives.

(Fig. 1: Study areas in Gauteng)

Somali migration and settlement in South Africa

Somali migrants from Kenya and Ethiopia joined refugees fleeing the collapsed state of Somalia during the 1990s, drawn by economic opportunity in South Africa’s newly opened
markets. Following the transition from apartheid to democracy in 1994, South Africa’s concentration of Somali housing and businesses—which some informants referred to as Johannesburg’s ‘little Mogadishu’—gradually took over several blocks along Eighth Avenue in Mayfair, an inner suburb west of the Johannesburg central business district (CBD). The Somalis joined an established South Asian Muslim community in the neighbourhood (Sadouni 2009).

Through a combination of exclusion and choice, Somalis differentiated themselves from the beginning, quickly establishing their own mosque and madrasas (although many Somalis continue to worship at mosques with predominantly South Asian congregations) and setting up a shopping centre that caters primarily to Somali customers.

While studies have suggested that Gauteng’s Somalis ‘are located almost exclusively in the neighbourhood of Mayfair’ (Krause-Vilmar & Chaffin 2011: 4), it was amidst the burgeoning populations and growing purchasing power in the predominantly Black peripheral townships that Somalis discovered a retail market niche. Sprawling, largely impoverished residential townships lie on the margins of most of South Africa’s cities and exemplify the continued racial and economic divisions that linger decades after apartheid (Crankshaw 2008). Historically, most townships were residential zones where Blacks were barred from conducting formal business. The collapse of apartheid opened opportunities for entrepreneurs to bridge spatial divisions by purchasing goods from urban (usually White or Indian) wholesalers and re-selling the goods in socially marginalized and sometimes dangerous areas where many investors were reluctant to take the risk. Early Somali migrants report having begun business as itinerant hawkers and eventually saved enough money to open small convenience stores known as spazas (cf. Gastrow & Amit 2013). Other migrant groups also entered this economic space, but Somali informants claim that the Somalis came to predominate in more dangerous areas partly because of the
willingness of young Somali men to take the risk in order to provide for their families left at home in the Horn. Low wages required by newly arrived refugees (and sometimes free labour), ethnic social capital facilitating trust and employment, and networks with South Asian wholesalers in Mayfair and Fordsburg also enabled Somalis to enter this niche.

Somali migrants have continued to move southward through the present, drawn by chain migration and pushed by insurgent violence. Recent estimates place the number of Somalis residing in South Africa between 25,000 and 45,000 (Krause-Vilmar & Chaffin 2011). Generally spoken of as a ‘refugee’ community (Krause-Vilmar & Chaffin 2011; Jinnah 2010; Sadouni 2009), South Africa’s Somali population exhibits heterogeneity in background, wealth and migration status, suggesting the usefulness of conceptualizing the group as ‘practical’ rather than strictly bounded by ethnicity or refugee status (Bourdieu 1985). The ethnic economy is constructed and reproduced by practices differentiating spaces and networks characterized by shared region of origin and experience of displacement. It includes individuals from groups such as Borana (Oromo) and Gabbra that hail from the East African borderlands where, in the words of one Oromo informant, ‘the government wasn’t looking after us’ (Z, Mayfair, January 2012). Sloughing off their identification with their home countries, ethnic Somalis from Ethiopia and Kenya often seek and receive the same legal status as refugees from Somalia; Ethiopian nationals are also granted political asylum in the country. Meanwhile, wealthy Somalis frequently obtain business visas or become citizens in South Africa while remaining engaged in the Somali migrant economy and community. Somali citizens of North American and European countries also play a significant role in the ethnic economy, whether by moving to South Africa for business or by investing from abroad.
Two contexts of violence—war at home and xenophobia in South Africa—frame Somali migrant identity and experience in South Africa, frequently described along the lines of ‘out of the fire, into the frying pan’ (X, Mayfair, January 2012). The journey from Somalia to South Africa is no walk in the park, either. Increasing numbers of migrants moving southward after 2006 provided targets for corrupt police and border officials in countries along the way. One informant reported that she and the Somalis with whom she travelled spent 10 days in jail in Tanzania, and 17 days behind bars in Mozambique. Mozambican police released the group of Somalis by taking them back to the border of Malawi. In a tragic comedy of errors, Malawian officials then arrested them and took them back to the border of Mozambique to release them. Their second attempt to transit Mozambique proved successful. After arriving in South Africa, many Somalis look for opportunities to move on to other countries. Xenophobic violence encourages this, enabling migrants to open hardship cases for UNHCR resettlement.

The danger perceived outside of the migrant community contributes to a geographical concentration of Somalis in Mayfair, and labour market exclusion reinforces self-employment. Research elsewhere suggests that the extent to which economic and spatial practice contributes to the reproduction of the migrant identity may make Somali migrant communities ‘more Somali’ than families in Somalia (Isotalo 2007), indicating how ‘Somaliness’ (Soomaalinimo) is constituted through practices that enact group boundaries. A typical statement reveals the intersection of identity and economic practice: ‘When we came to South Africa… we never got people to employ us. So we employed ourselves’ (E, Pretoria West, January 2012). Closely concentrated in space and niche markets, and loosely bounded by ethnicity, language, and a sociality of statelessness, the Somali ethnic economy is rife with competition and rivalries, clan
divisions and intra-ethnic violence, paralleling the complex interplay of homogeneity and division in the Horn of Africa (Thompson & Grant 2015).

The expansive distribution of Somali-owned shops in townships generates the financial backbone of the Somali economy. Migradollar networks in which these shops are inserted are an important and yet under-theorized aspect of Somali migration in South Africa, though they have recently received heightened attention amidst media charges of ‘funding African terror’ (Child 2015). Unlike countries of the Global North, where high standards of living and relatively high employment rates may, for some observers, justify migrants’ extraction of some finances from the economy, South Africa’s unemployment rate remains upwards of 25% (Statistics South Africa 2014) and poverty continues to haunt the country after apartheid. Migrant extraction of finances from the country provides reasonable grounds for questioning the contribution of migrants to the local economy. Furthermore, migrants seem to face an uphill battle against xenophobia and exclusion in order to simply conduct business in the country. The remainder of this article explores the dynamics at the intersection of refugee flows into and within South Africa and migrant investment in the country’s township markets and urban spaces.

**The Somali location (township) niche**

Somalis’ work as middlemen connecting White- and Indian-owned wholesalers in cities with customers in surrounding townships places them in a particularly dangerous social space. Surveys of townships around South Africa reveal that migrant shopkeepers are more frequently targeted in violence against businesses than are South African nationals (Gastrow & Amit 2013; CDS 2010). Attacks are often fomented by rival business owners or local leaders seeking to strengthen their political and economic positions (Krause-Vilmar & Chaffin 2011), but are
undergirded and legitimated by anti-immigrant rhetoric and official practice that tends to inspire little fear of reprisal or imprisonment (Neocosmos 2010). Polzer (2010) has shown that violence is most likely to occur in poor (but not the poorest) townships with a high population of young males. Misago (2009) points to the increasing number of Somali-owned shops and the low cost of Somali goods as factors leading to violence-inducing business competition. Somalis report that their business strategies that facilitate business competitiveness involve low margin and high turnover, long hours of operations, breaking down goods into small quantities (a single tea bag or \( \frac{1}{4} \) cup of sugar), and extension of credit to impoverished customers.

From its beginnings as a self-employment survival strategy for Somali migrants, spaza business in the locations has expanded into capitalist enterprise characterized by shops with multiple shareholders and usually 3-5 employees (see Fig. 2). While many shareholders work in location shops, the business space is increasingly dominated by investors who do not necessarily work in the shops themselves, instead employing recent refugees and spreading risk by holding shares in multiple businesses. The expanding markets even drew investment from wealthier Somalis who had already established themselves in Europe or North America but sought to extend their investments while keeping finances within trustworthy kin and clan networks. The locations serve as the entry point for the majority of young Somali men entering South Africa in hopes of providing remittances to families in the Horn. Upon arrival, a Somali migrant will look for his or her family, and ‘if he doesn’t have family, he will get his tribe. So his tribe will help him when he is a newcomer’ (Q, Mayfair, January 2012). Obtaining a job, however, in some cases requires special connections, and it is common for a recent migrant to work as a ‘helper’ in a shop before obtaining a paid position. Somali location firms are largely, though not universally, characterized by clan ties or shared cities of origin. Seventeen of twenty-three township shops
that provided information on ethnicity and clan ties reported that all employees were members of the same clan or originated in the same region (gobol) of Somalia.

(Fig. 2: Somali-owned township spaza shop. Photo by author.)

Within the social infrastructure of the Somali migrant community (cf. Simone 2004), family and clan ties serve as social capital that facilitates employment, but this social capital may also present obligations that place individuals in dangerous or exploitative situations. New arrivals may also be hired without clan connections because of their ignorance of the situation in the locations: migrants may have arrived thinking ‘that they are going to change their life. And at last they will find different things… different from the previous opinion they had about [South
Africa] (K, Mayfair, January 2012). The story of informant Q reveals the reliance of business owners on hiring relatives and newly arrived Somali migrants, and shows how social capital that provides employment and income can also endanger employees. A wealthy South African citizen, Q’s uncle owned a shop near Rustenburg that became the sight of several dramatic incidents:

[Thieves] killed in my uncle’s shop in the locations…. They killed two guys; they shot them…. My uncle called me. I left my job here [in Mayfair] and went to my uncle’s shop…. My uncle gave me a gun. He said I must stay there, I was working—me and my uncle’s brother’s son were there—only the two of us…. Early in the morning they came to us—the same guys who killed those [other Somali workers]. They just tied us up. That day I survived. I could have died… I told [my coworker], ‘Give whatever money you have. Let them take it.’ Because life is more important than money.

One of the assailants was someone that Q knew by sight, who lived near the shop. Q reported that this man asked the other thief in Zulu if Q had seen his face, and the other said he had not.

But that guy saved me, man. God saved me, but that guy talked, he says, ‘he didn’t see you.’ He should have killed me. Same time I called my uncle, I said, ‘Uncle, here is your gun, here is everything. I’m out of here. Whatever money you pay me, I’m not staying here.’ But Somali newcomers came… they worked in the shop. Three months back, another Somalian guy got killed there. (Q, Mayfair, January 2012)

In another shop in Katlehong, southeast of Johannesburg, the shopkeeper reported that a newly arrived Somali youth was shot to death inside the shop within a week of his arrival. One informant testified that he had been shot in the leg nine days into his first job in South Africa, in a location near Butterworth, Transkei. Such experiences highlight one role of newly arrived and poorly informed migrants in bolstering the Somali location economy by working in dangerous areas. A significant number of Somalis continue to brave the location context for years after their arrival, some earning enough to invest in their own businesses and dramatically increase their wealth. Yet the perspectives of many Somalis who have fled the locations reflect the combination of lucrative and tragic possibilities that the townships hold: according to an
informant who had previously worked in Soshanguve and Mamelodi, in the locations ‘you can make more money, but it’s not safe’ (S, Pretoria, January 2012).

Indeed, among the primary motivations for undertaking risky work in the locations are the prospect of making enough money to support family members in the Horn of Africa and the possibility of saving enough money to branch out into other business. The need for remittances was most commonly expressed by informants: ‘I left behind brothers, mom, other close relatives…. It was the main reason I arrived in this country, to work for them, so it was compulsory’ (K, Mayfair, January 2012). Families left at home ‘are waiting for something from me every month’ (AO, Mayfair, January 2012). Of 22 township shopkeepers who provided information on remittances, 19 (86%) reported sending money every month, two (9%) said they could only afford to send money occasionally, and one had brought his family to South Africa and did not regularly send remittances. The average reported monthly income of the ten township informants who provided this information was about $412 US. The three informants who both worked and held shares in township spazas reported much higher earnings of $780 per month on average, while the seven employees reported an average of just under $260 per month (the lowest reported income for shareholders was $650 and the highest for employees was $300). The average amount spaza shopkeepers reported remitting was $167.50 US per month, with employee remittances averaging nearly 54% of their income and shareholders about 40% of theirs. These self-reported figures may be exaggerated, but informants consistently emphasized that a major draw of location employment is that employers provide housing (usually in a back room of the shop or in an adjacent structure) and food is taken from the stock, which allows employees to remit more money.
These practices also enable employees to save money in order to start their own businesses in the future. The small amount of start-up capital required and the high turnover make the locations a potential stepping-stone for entrepreneurs. ‘In town actually the sales are so small. In the locations it’s better,’ reported one informant who in 2011 became a shareholder in a large shop in Pretoria West after working in other locations for over seven years. ‘That’s our foundation we started from’ (E, Pretoria West, January 2012).

Township violence and social relations

Many informants had previously worked in townships of Eastern Cape, and even those who had not consistently reported that the townships around Port Elizabeth are the most dangerous. Within Gauteng Province several locations were named as more dangerous than others—including Soweto, Atteridgeville, Mamelodi, Katlehong, and Thokoza. Interviews were conducted in each of these locations except for Mamelodi, and also in several other townships (Tembisa, Matholesville, Kagiso, Bram Fischerville). Of the 43 location shops visited, three reported attempted robberies within 24 hours prior to the interview. One of these attacks was allegedly carried out successfully by the thieves and sent a Somali employee in Soweto to the hospital with a skull injury. An additional four shops reported an attempted or successful armed robbery within the previous ten days. The average for all 43 shops was about one attack every three months. One employee in Soweto reported having worked there for two years without ever seeing an attack. In some areas, violence appeared very localized: in Thokoza, for example, one shop reported one month since the most recent violent incident while two nearby shops reported attempted robberies within the previous 48 hours.
Most of the violent incidents reported were robberies or attempted robberies rather than murders or shop burnings like those that characterize broader outbreaks of xenophobic violence such as those in 2008 or early 2015. However, several shopkeepers reported being shot, being shot at, or having their shop burned. ‘Every night we are at war … especially weekends,’ reported a shareholder in a shop in Katlehong that had bullet holes in the roll-down sheet metal door. In a nearby spaza the Somali operating the till held a handgun beneath the counter in his left hand while distributing change to customers with his right. Only a month prior to our interview a local gang had attempted to burn the shop down with paraffin while the three workers were sleeping inside. The shopkeepers phoned the neighbouring Somali shop (the one with the bullet holes in the door), whose employees put out the fire with wet blankets.

Somali experiences with law enforcement in the locations portray social divides and fragmented legal order. Shopkeepers consistently reported police negligence and even abuse. A common claim was that police arrive hours after emergency calls are made and turn on the lights and sirens of the squad car en route to warn thieves of their approach. A shopkeeper near Katlehong reported a story of police corruption that he had experienced during a previous stint of work in Tembisa:

The criminals came and robbed while I was away. After six months they came back and robbed again. The police came to write the case number and the criminals were there outside the shop. They hid the loot, then came back and they had different clothes. So the police left, we caught the criminals … and took them to the police station…. One policeman took me outside, said ‘that’s my brother. We’ll pay you back for what they stole if you drop the case.’ So we agreed…. At the police station the biggest officer was an Indian, another policeman already told him about the case. So the Indian said even if you drop the case, this is the law, it must go through. The [policeman] who told [the Indian officer] was killed after that…. The same police officer came to us and told me the policemen had fought because one was Xhosa and the other was Zulu … the police threatened us when the police case went to court. The night the case was there in court the shop was raided. (M, Katlehong, January 2012)
In attempting to draw on migrant rights of access to justice in South Africa—a facet of ‘tactical cosmopolitanism’—this informant found rejection not in exclusion from a unitary ‘host society,’ but in the complex interplay of tight-knit kinship socialities and social fractures within South African society that obstructed justice. Informants repeatedly described differences in dealing with South African Blacks, Indians, and Whites in the contexts of business, social relations, and interactions with police and officials.

Such distinctions refract the dynamics within the Somali community, where ethnic divisions provoke similar conflicts in township enterprise:

Somalis have difficulty understanding each other… Like another Somalian tribe will come in the location, and see some shops… They will see your shop selling 20,000 or 30,000 [rand] per day—in maybe a month you can save 150,000 rand… They see your shop and they open a shop next to you—maybe one block or two blocks from here. That guy will take out a gun… he chases him away from there, or creates trouble’ (Q, Mayfair, January 2012).

Tensions also simmer between ethnic and migrant groups over township opportunities. Somali shopkeepers in Tembisa indicated that in the past several years more Ethiopians and Bangladeshis had bought Somali shops in the area. According to discussions with Bangladeshi community leaders in Fordsburg, many of the Bangladeshi spazas are owner-operated. While most Somali spazas must earn enough profit to satisfy a group of investors, owner-operated shops are more survivalist than capitalist enterprises and thus require lower profit margin. Conflicts among and between these migrant groups centre on access to prime spaza sites on main roads and important crossroads, and migrants complain about other groups setting up shop in close proximity to an existing establishment (CDS 2010).

Given the heterogeneity perceived within the host society and the complex intra-group dynamics, at what ‘level’ is one to understand social integration and social distinction? Survival
in South Africa relies on some level of participation in the broader Somali migrant community to provide employment opportunities and business networks, but these networks and spaces of opportunity are mapped onto a landscape that is heterogeneous, dangerous, and rapidly changing due to market penetration and decreasing profits. Consequently, location labour tends to be highly mobile across these risky spaces, but typically remains firmly within ethnic and clan networks that constitute a social infrastructure (cf. Simone 2004).

The ethnic enclave

Most Somali _spazas_ in Gauteng report that owners or significant shareholders are based in Mayfair; even those owned by Somalis living in Europe or North America have financial links to Mayfair, the hub of the Gauteng Somali community and of Somali MTO infrastructure in the province. Located just west of the Johannesburg CBD, Eighth Avenue, Mayfair is a migrant-dominated area of mixed business and residence in which Somali residential concentration and transnational financial flows shape a distinctly Somali space targeting ethnic customers (Grant & Thompson 2015; Jinnah 2010). Eighth Avenue functions as a vibrant ethnic enclave (cf. Portes & Jensen 1987), but also as a space of unemployment and marginality through which township workers and newly arrived migrants circulate. Researchers point to statistics of shared living quarters in Mayfair as an indicator of poverty: ‘44.1 per cent of Somalis share a room with four to six people … A third of Somalis surveyed lived in hostels or boarding houses, compared to 13 per cent of other migrants’ (Krause-Vilmar & Chaffin, 2011: 14). Somali migrant capitalism reproduces and benefits from the circulation of newly arrived migrants (usually refugees), highly mobile township shopkeepers, and money.
Fridays (prayer days), Muslim holidays, and flare-ups of township violence bring
location shopkeepers flocking to the enclave. The circulation of migrants through the enclave
requires facilitative infrastructure, a link between various scales of shallow-rooted cosmopolitan
mobility and more embedded forms of belonging and investment. Many shopkeepers visiting
Mayfair stay in the numerous lodges along Eighth Avenue that present a range of costs and
housing options (see Fig. 3). The primary residence option is a room with multiple beds for men
traveling alone, catering specifically to these highly mobile migrants and to newly arrived
refugees waiting for work. More luxurious lodges in the centre of the enclave serve Somalis
visiting from abroad on temporary business, who also frequently share sleeping quarters during
their visit. Lodges at either end of the enclave offer low rates for long-term residents and are
inhabited by male migrants who are unmarried or whose wives and children live abroad. The
prevalence of shared living quarters suggested as an indicator of poverty (Krause-Vilmar &
Chaffin, 2011) may indeed be such in some instances, but also points to a culture of transience,
remittances, and social ties across diverse geographies.

(Figure 3: Lodge on Eighth Avenue. Photo by author.)
Often within these lodges or near them are leisure areas such as lounges and hookah bars lined with comfortable seating and frequently the site of long sessions of qat chewing in the evenings (an illegal activity in South Africa). One lodge purchased several pool tables and between 2011 and 2012 converted two former sleeping quarters into a space where competitive pool tournaments are played weekly. Similar lodges, restaurants and leisure spaces characterize smaller Somali enclaves in other South African cities such as Durban and Port Elizabeth. On weekends township shopkeepers sometimes take turns spending a day in Mayfair chewing qat, smoking hookah, and drinking tea and soda. This has led to a plethora of competing qat dealers and transporters who purchase plant shoots from farms in South Africa or import stalks from Kenya and Ethiopia. The qat grown in South Africa is smaller and perceived as lower-quality than imported varieties, and in 2012 fresh local qat sold for R 25-30 (about US $3.50) per bunch.
(called ‘kg,’ though weighing less than a kilogram) while fresh imported qat usually cost well over R 100 per bunch. Qat brought into the Somali enclave also makes its way into the Ethiopian community centred in Jeppe Street, as many Ethiopian highlanders also chew qat.

The concentration of Internet cafés on Eighth Avenue signals the multinational orientation of the neighbourhood, and at the same time this business niche is at least partially a product of Somali international investment. One Somali capitalist moved from Southall, London, after completing a Master’s degree in Public Health at Middlesex University. He invested in the first internet café on Eighth Avenue, expanded the enterprise to two other sites, and in late 2011 was constructing a new dry-cleaning business on the west side of the enclave. Raised in Mombasa, this informant says that he did not even speak Somali well until he moved to South Africa (Author field notes, August 2011). Numerous internet cafés have sprung up across the neighbourhood and receive constant business from migrants desiring to make phone calls, check email or facebook, or Skype with friends and family members living abroad.

On a daily basis, Eighth Avenue’s lodges and leisure spaces host an assortment of unemployed Somalis (many of whom previously worked in locations); location shopkeepers seeking work, taking a day off, or sheltering from violent flare-ups in the townships; individuals awaiting refugee resettlement; and business owners who live largely on enterprise profits. Overall, informants residing in Mayfair had been present in South Africa on average more than twice as long as those working in the locations (6.38 years for the 19 informants in Mayfair; 3.12 for the 37 location shopkeepers who reported a date of arrival); enclave workers had also worked at their current jobs more than twice as long on average as township shopkeepers (30 months in Mayfair, 13 months for locations). Most informants in Mayfair had worked in at least three or four locations prior to finding work in Mayfair, ‘retiring’ from township business (sometimes to
live off of township shop investments), or establishing their own enterprises on Eighth Avenue. The tactics bringing these individuals to Mayfair may shift over time, eluding simple categorizations as ‘cosmopolitan’ or ‘transnational.’

For example, informant AG had left his wife and two children in Kenya while he worked in Gauteng’s townships to send them remittances. When UNHCR resettled AG’s family to Minnesota, he quit his spaza job and relied on remittances from his wife while completing paperwork for family reunification. After completing the paperwork, AG again took a position at a spaza in Tembisa to pass the months until his resettlement and to earn some money to take gifts to his family when he re-joined them in 2013 (Author field notes, 2011-2013). Temporary strategies reflect varying degrees of practical ‘integration’ in South Africa at different points in migrant trajectories. Nevertheless, these shifting practices are crucial to the sustenance of the Eighth Avenue enclave as they provide business for lodges, MTOs, restaurants, and the numerous Somali Internet cafes in the neighbourhood.

**Circulations, investment and differentiation**

Somali MTOs (*hawilaad*) such as Amal and Kaah, tucked away inside buildings on the east end of Eighth Avenue, provide an invisible anchor for the Somali ethnic economy. Somali workers in the most distant townships of the province send money through these MTOs in Mayfair on a monthly basis, and based on a conservative estimate of $150 sent home per month by a majority of workers, the annual remittance outflow alone could be estimated at several million dollars. But these MTOs are not merely agents of extraction: recent Somali migrants report carrying as little cash as possible during their overland journeys to South Africa, relying on family members to send money through MTOs upon their arrival in Mayfair. Investors from
North America or Europe also send money through MTOs to agents acting on their behalf in South African business ventures. The influxes of money for investment in township businesses have the effect of multiplying the number of remittance flows by providing income for Somalis who send part of their wages home. These circulations are grounded in the local economy and increasingly visible in the infrastructure of the Somali enclave as these financial transfers undergird construction and business diversification.

MTOs, lodges and leisure spaces are not the only enterprises benefiting from the articulation of migrant mobility and foreign investment. Numerous restaurants serve Somali and Oromo food, stores cater clothing and cultural goods and electronics imported from Dubai, and a few smaller wholesalers supply stock goods for location shops. The location economy has also generated an industry of self-employed real estate speculators and negotiators who either purchase township *spazas* and resell them to Somali investors, or serve as middlemen in negotiations when shops change hands. The three informants in Mayfair who were involved in this activity had significant experience working in location shops. Flipping *spazas* involves networks stretching beyond Gauteng: the three informants engaged in this sector reported selling shops across South Africa, and said that investors sometimes contact them from abroad seeking to invest in a location shop. Entrepreneurship in this sector often involves long waits between transactions, but can be more profitable than location employment: ‘Maybe I can get 3000 [rand] per month,’ reported one informant, ‘but it comes all at one time. Today and tomorrow maybe I don’t get a cent’ (M, Somali, Mayfair).

Increasingly in 2011 and 2012 Somali investors were visiting South Africa from the US, UK, Netherlands, Belgium, Norway, and Sweden. One informant who lived in Mayfair had spent eight years in Norway prior to arriving in South Africa in 2004. With about US $6,000, he
bought his own shop in Khayelitsha, Eastern Cape. Over the next three years he bought three different shops, employing some of his cousins. After his shop was looted during an upsurge of xenophobic violence, he fled and began working as an employee in a spaza near Plettenberg Bay, eventually saving enough money to buy the shop for $8,000 US. He still owns this shop and lives relatively comfortably in Mayfair on its profit. He also receives some remittances from his mother and sister in Sweden. With his savings he was able to bring his wife and children to Mayfair from Norway. Individuals involved in such business may be difficult to differentiate at first blush from unemployed Somali refugees—some capitalist investors frequent the same spaces, chewing qat with their unemployed and impoverished compatriots, somewhat masking the economic and social segmentation within the community and the scales at which opportunities are available to different individuals.

While the location economy is dominated by males, Eighth Avenue and other central urban areas present examples of women gaining economic power. Somali women own a number of the restaurants and lodges along Eighth Avenue. Amal plaza offers a space in which many women sell cultural goods and clothing to Somali consumers, drawing on overseas connections to secure their positions. Though rarely seen chewing qat in public, some women sell the popular stimulant, with wealthier individuals distributing from within their houses or lodges and poorer women sometimes selling it on street corners along Eighth Avenue. Women own enterprises in other towns as well. Two female informants had previously worked in the small Somali enclave of Durban Street, Port Elizabeth, before moving to Pretoria to attempt resettlement through UNHCR. One male informant in Pretoria West was ‘helping’ in a shop owned by his wife and another migrant. His wife had received 5,000 rand from Jesuit Refugee Services (JRS), which
she invested as a shareholder in a small shop. The informant did not appear to consider himself as sharing in his wife’s ownership of the shop.

Although South Africa presents many opportunities for investment, for most Somalis, life in Gauteng is ‘just business’. About half of Somalis interviewed in a previous study felt excluded by South Africans and South African institutions (Grant & Thompson 2015), a dynamic that reinforces the exclusive orientation of the Eighth Avenue enclave as Somalis self-segregate to create a safe space. The geographic concentration in some ways sharpens the divisions within the migrant community from the Horn of Africa. For migrants without sufficient capital or networks, the urban enclaves are frequently spaces of unemployment and waiting in which migrants may draw on the work of family members in locations or even abroad to sustain their livelihood. Sometimes husbands continue working in the locations while their wives remain in Pretoria to pursue resettlement. ‘It’s a bad life,’ one woman said, ‘because now I’m living lonely without my husband. I’m living with the ladies now, like a single, but I’m not single—I’m married. But my husband, he doesn’t have nothing to pay the rent and my food’ (F, Pretoria West, January 2012). For those with financial resources and/or social capital and connections—including many who come from the Global North to invest—these enclaves are spaces of opportunity to profit from the mobility of location shopkeepers, the period of waiting for individuals seeking relocation, and the desire of Somali migrants to participate in Somali culture and eat Somali food. Overall, Somali men working in Mayfair reported higher incomes than those in the locations, but the sample from Mayfair included more shareholders, business owners, and self-employed entrepreneurs. Many of Mayfair’s unemployed were reluctant to disclose how much money they received in remittances.
Conclusion

Varying temporal and spatial scales of mobility, migrant tactics, and migradollar flows converge in Gauteng’s fragmented social and economic setting, where these circulations produce a particular social and economic geography of migrant livelihood. As the Eighth Avenue ethnic enclave has increasingly linked international diaspora circuits with the township economy, these circulations have become grounded in social, financial, and physical infrastructures that generate a distinct Somali space in Johannesburg that differs from other immigrant-dominated areas (Grant & Thompson 2015). The dominant economic niche for Somalis, refugee capitalism in South Africa’s townships is a make-or-break business that involves intense risk but also potential for high rewards, including the possibility for impoverished refugees to become investors in multiple businesses across South Africa or even beyond. Foreign investment in this niche market creates jobs and multiplies remittance flows back to the Horn of Africa, but also invites Somali migrants to risk their lives in order to support their families and seek a better life.

The outward-oriented location business reproduces the inward-oriented dynamic of the enclave, which is at the same time a space of ethnic solidarity and of class division as the consumption of location workers and unemployed individuals awaiting refugee resettlement generates profits for Somali investors from overseas and local Somali capitalists. On an individual basis, the Somalis of Gauteng meet the unpredictable setting through a strategy entailing high mobility and transnational orientations, relying on shifting cosmopolitan tactics (cf. Landau & Freemantle 2010); yet the ethnic economy as a whole bridges divides between city
and township, provides goods to township South Africans with purchases from city wholesalers, and brings foreign capital investment into the country.

At the intersection of these networks, the Mayfair enclave is characterized by a fundamental duality: a highly mobile labour force facilitates the establishment of more entrenched business interests, reflected in infrastructure investment and lower frequency of mobility among those working in the ethnic enclave. The circulation of township shopkeepers here meets a larger scale of international mobility, sometimes entailing back-and-forth migration to Europe or North America, or else refugee resettlement to the Global North. The Somali enclave of Eighth Avenue is neither merely a shelter from the violence of the townships, nor a vibrant space of business opportunities and social belonging. Rather, the township and the enclave co-constitute each other as spaces of different types of circulation. Shared identification with a common ‘home’ community in the Horn and family and clan networks become a basis for involvement in diverse and multi-scalar processes that constitute a complex form of transnationalism in which different individuals are differentially integrated within the South African setting or within international networks (cf. Hammond 2013). The circulation of labour in the townships ensures that Somali shopkeepers rarely become attached to communities in which they work, reinforcing their transnational orientation and the feeling of dislocation associated with life in South Africa. The circulation of labour and capital through the Eighth Avenue enclave generates a more embedded space of ‘Somaliness’ in Johannesburg that is nested within multiple scales of mobility and financial networks held together by loose and stratified practices of migrant solidarity.
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Notes:

1 Formal research was supplemented during the study period by informal discussions with Somali migrants in Johannesburg, Pretoria, Port Elizabeth, Durban. Between trips to South Africa in 2010-2012, the author also spent time with Somalis in Eastleigh (Nairobi), Kenya; Juba, South Sudan; Arusha, Tanzania; and Atlanta, Georgia, USA.

2 Despite changing gender roles among Somalis in Mayfair, the distinct gendering of social and physical spaces in the neighborhood made it difficult for a male researcher to interview a representative sample of women. Three interviews with women were conducted in Mayfair and Pretoria. No Somali women were observed working in the locations.

3 The term ‘location’ is used in this article exclusively to denote townships. ‘Location’ and ‘township’ are henceforth utilized interchangeably.

4 While located close to central Pretoria, Pretoria West was described by Somalis as a location and was characterized by sales to the Black South African community, and therefore was grouped with townships in the analysis.

5 No Somalis from Djibouti were encountered during the study.

6 Informants typically reported remittances and wages in US dollars (units used by MTOs) whereas profits were sometimes reported in US dollars and sometimes in Rand. Conversions are based on the January 2012 exchange rate of US$0.13 per 1 rand.