

## ANNOTATED BIBLIOGRAPHY

### Informal Economy

- [1] Abor, J., & Quartey, P. (2010). Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics*, 39

Very useful source. It gave an overview of what an enterprise is, whether it is micro, small, or medium. It highlighted the importance of small enterprises in Africa and how influential they are to the continent's economies. Gives a clear definition of the difference between a micro, small, and medium enterprise. It also gave an in-depth discussion on how South Africa specifically defines an enterprise through the National Small Business Act it passed.

*Submitted by: Devin Thomas*

- [2] Bisseker, C. (2006, March 17). Informal economy. Stimulation won't help create many jobs. *Financial Mail (South Africa)*

Talks about how stimulating the informal economy is not the best use of resources because spaza shops don't help the unemployment rates enough (there is typically one, occasionally two owners). The money it would take wouldn't stimulate enough jobs, and also the majority of the stores would remain survivalist. Published in 2006 the data is not too helpful but can be used sparingly in the background section. Pick 'n Pay and Shoprite are the two largest chain stores in South Africa. Shows where the average consumers' expenditures occur (on what goods). The data come from the BMR (maybe some of this data is more current from this source).

*Submitted by: Alexandra Hause*

- [3] Klasen, S., & Woolard, I. (2006). Surviving unemployment without state support: Unemployment and household formation in South Africa. *Journal of African Economics*, 18(1), 1-51.

Not very helpful, yet. Detailed study on unemployment in general in South Africa. Conducted in 2008 so maybe much of this information will still be relevant. However most of this document will only be relevant if we get into the large unemployment rates in the country in general.

*Submitted by: Alexandra Hause*

- [4] McKeever, M. (2006). Fall back or spring forward?: Labor market transition and the informal economy in South Africa. *Research in Social Stratification and Mobility*, 24(1), September 3, 2010-73-87.

A really helpful source. Although it's not very current, submitted in 2003, the change in size of the informal economy in South Africa could be helpful. The article concludes that white men use the informal economy as temporary workplaces, while others (non-whites, women and people with lower education) are less likely to use it as a step towards formal employment.

*Submitted by: Alexandra Hause*

- [5] Skinner, C. (2006). Falling though the policy gaps? Evidence from the informal economy in Durban, South Africa. *Urban Forum*, 17, 125

This article takes a scholarly approach in analyzing the different ways outside organizations could address the major issues that spaza shop owners themselves identified. One drawback is that the data found in the article is over five years old. This article mentions President Mbeki's address in 2003 when the idea of a "second" economy in South Africa was first introduced, and even comments on the idea of an informal economy in general. This will be

helpful in the background section. In 2003 there was a census of Durban's small shop keepers taken. The methods of this census could be used in the methodology on a smaller scale for Monwabisi Park. The more general results of the census will also be helpful in developing the background section.

*Submitted by: Alexandra Hause*

[6] Robert Rolfe, Douglas Woodward, ANDRÉ Ligthelm, Paulo GUIMARÃES. The Viability of Informal Micro-Enterprises in South Africa. (Whitman School of Management, Syracuse University, Syracuse, New York). 1-34. Presented April 2004.

According to this document's introduction, there can be much to obtain regarding micro-business in South Africa. Research was done by obtaining primary sources from business owners. Statistics are performed to analyze access to capital, ownership by gender, business training and size. It is concluded that access to capital and positive urban settlements have a strong impact in generating a sustainable livelihood for such entrepreneurs. Women are at a disadvantage to spawn such businesses.

*Submitted by Likuvi Chebelyon-Dalizu*

### **Spaza Shops**

[1] Bradford, W. D. (2007). Distinguishing economically from legally formal firms: Targeting business support to entrepreneurs in South Africa's townships. *Journal of Small Business Management*, 45(1), 94-115.

Very useful source. It made an effort to uncover the underlying problems small business owners are dealing with in South Africa. They surveyed informal businesses in Kayelitsha which makes the facts found in this study highly relevant to our efforts in Monwabisi Park. Because the source described in detail on how they surveyed shop owners in Kayelitsha, it will be very helpful in formulating what questions to ask spaza shop owners when we profile them.

*Submitted by: Devin Thomas*

[2] Chao, L. W., Pauly, M., Szrek, H., Pereira, N. S., Bundred, F., Cross, C., & Gow, J. (2007).

Poor health kills small business: Illness and microenterprises in South Africa. *Health Affairs*, 26(2), 474.

This source was useful in focusing on one of the challenges that microenterprises face. Not a lot of information covered the correlation between health and the health of micro-enterprises and this covered it in detail.

*Submitted by Devin Thomas*

[3] Co, M. J., & Mitchell, B. (2006). Entrepreneurship education in South Africa: A nationwide survey. *Education and Training-London Then Bradford*, 48(5), 348.

Useful source. The document covered the young people of South Africa and their level of education in terms of entrepreneurship and running a business. The group has been discussing not only current spaza shop owners but to address people who are interested in starting one. The recommendations the survey suggested called for collaboration between spaza shop owners and higher education institutions in potential internship/apprenticeship opportunities. The idea is compelling because spaza shop owners could gain a lot of knowledge from a business academic.

*Submitted by Likuvi Chebelyon-Dalizu*

[4] Dessing, M. (1990). *Support for microenterprises: Lessons for sub-saharan africa* World Bank Publications.

Useful source. It discussed different strategies and methods of assisting microenterprises in an effective way. They discuss a top-down and bottom-up strategy as two approaches of helping small businesses. The article also addresses that the socio-economic environment of an area must be taken into consideration when developing a programme to help microenterprises. They recognize the importance of government help in creating successful programme.

*Submitted by: Devin Thomas*

[5] Emongor, R., & Kirsten, J. (2009). Supermarket expansion in developing countries and their role in development: Experience from southern African development community

This article was very helpful in examining the impact of larger supermarkets in Southern African countries. The researchers included data from all South African countries, and based their conclusions on case studies in Botswana and Zambia. This article was of particular interest because it was written in 2009, and the data is largely still current and applicable. The paper focused on small-scale farmers (who would sell their goods to the supermarkets) and consumers, and ultimately concluded that supermarkets had a positive impact on both. While the paper does not focus on the small shop owners left out by these large supermarkets, there is significant data and social research that will be helpful in the social Implications section particularly subsection Spaza Shops vs Established Retailers.

*Submitted by Alexandra Hause*

[6] Geoffrey Irungu. (2010, Thursday, 15 July 2010 12:10). Analysis: Why agency banking will not replace kiosk owner as unbanked's top leader. *The Citizen (Dar Es Salaam)*,

Mr. Irungu argues that informal enterprises established on the under-established developments will hold a stable front as creditors. The government has contemplated implementing their network to the country's (Kenya) total financial sector since the poor account for a significant portion of the population. Kiosk owners think that this effort will benefit them through unforeseen benefits. The government, however are not overly convinced and are deterred by the popular, overzealous need to move this initiative in that direction. The article concludes that the government would inherently impose too many regulations and might discourage investors. It is seen that stringent rules would be essential in order to establish a steady sector.

*Submitted by Likuvi Chebelyon-Dalizu*

[7] Gulyani, S., & Talukdar, D. (2010). Inside informality: The links between poverty, microenterprises, and living conditions in Nairobi's slums. *World Development*.

Useful source. It highlighted how important microenterprises are to the poor areas of Nairobi. Micro-enterprises and self-employment have risen out of the slums because of the lack of jobs available. It tried to understand what factors allowed for micro-enterprise to be created from gender to living conditions.

*Submitted by Devin Thomas*

[8] Hlengani, T. (2007, April 27). Sowetho's investment boom. hot property. *Financial Mail (South Africa)*, 34.

Much of their sources of labor came from studies commissioned by the city of Johannesburg. The reports can be downloaded from [www.fm.co.za](http://www.fm.co.za). They are fixing this problem by opening malls that have huge well-known retail stores. The residents complain that these stores have not helped unemployment rates. And they are taking jobs from the local shopkeepers. However the consumers like the new shops because they save them lots of money. One shopkeeper dealt with these issues by catering to "fast-moving" items (sweets, and specialty

sandwiches. Another shopkeeper sold drinks at the wholesale prices, and relies on personal relations. There have also been studies done that have shown that proximity to these malls correlates with a decrease in business. The city has started to combat this by implementing the Soweto Empowerment Zone.

*Submitted by Alexandra Hause*

[9] Kalpana Hiralal. (2010). The "invisible" workers of the informal economy - A case study of home-based workers in Kwazulu/Natal, South Africa. *J Soc Sci*, 23(1), 29-30-37.

Hiralal provides a slight argument that the "invisible" workers (women) of micro-enterprises are stressing and its telos is to provide a means for sustainment. Hiralal examines several societies in Latin America, Africa and Asia. The report draws upon a meld of discoveries and expectedly, does not parallel each other. In the observed Latin American and Asian societies, women work informally to gain some income while in the studied African society (KwaZulu/Natal), both women and men supported such economies to support themselves. There are a lot of factors that compel these entrepreneurs: cultural, educational, financial hardships and diseases. In all, the unaware are given a better idea of the hardships that force such people to conduct their own businesses.

*Submitted by Likuvi Chebelyon-Dalizu*

[10] Knowledge at Wharton. (2007, May 30, 2007). In South Africa, poor health can kill small businesses. *Knowledge at Wharton*

The striking tale told in this article is that the business owner's poor health correlates to the "illness" of the business. Professors and associate researchers sought to measure the impact of diseases, particularly HIV/AIDS, had on the informal sector. Primary interviews of owners or relevant persons were recorded, those involving the future of the business. Two years later, the researchers returned to examine the health of both the business leader and the business. These communities are impacted since the business did not show any sign of recovery nor imminent business development. *Submitted by Likuvi Chebelyon-Dalizu*

[11] Krauss, Stefanie I., Frese, Michael, Friedrich, Christian & Unger, Jens M (2005).

*Entrepreneurial orientation: A psychological model of success Among Southern African small business owners.* Department of Psychology, Interdisciplinary Research Unit on Entrepreneurship and Management: Evidence-based Best Practice, Justus-Liebig-University.

This source could be useful in understanding the approach small business owners in South Africa take in starting/operating their shop. This report tried to measure their business performance by a number of factors related entrepreneurial goals. The results of the study could influence us in ways in which we approach educating business owners through the Shop-Net programme.

*Submitted by Devin Thomas.*

[12] Ligthelm, Prof AA (2002). *Characteristics of Spaza Retailers: Evidence From a National Survey (Media Release).* University of South Africa Bureau of Market Research

This source may be useful in understanding key information about spaza shops including its importance to the economy of South Africa. The report reveals products that most profitable among spaza retailers. We can evaluate this information in assisting spaza owners in ways to become quickly successful and profitable. At a minimum, the report will provide an overview of the influence of spaza shops to the economy of South Africa

*Submitted by Devin Thomas.*

[13]Manana, Z. (2009). Antecedents of store patronage and cross-shopping: The case for increasing grocery spend in Soweto.

This 148 page dissertation examines the consumer trends in choosing larger established retail stores compared to smaller Spaza shops focused in the town of Soweto. There is an in depth statistical analysis of the relationships between consumers and both small spaza shops and larger retail stores. This source will be very helpful in the background section with social implications. It will also aid in the understanding of current business practices of small spaza shop owners, and in the methodology when creating questionnaires for shop owners.

*Submitted by: Alexandra Hause*

[14] Palmer, R. (2007). Skills development, the enabling environment and informal micro-enterprise in Ghana.

Useful source. Providing an overview of the variety of challenges spaza shop owners faced. It presented opportunities done by the government of Ghana to train micro-enterprise business owners. The article recognized the importance of skills development in not only running an individual business, but opening doors to other forms of employment.

*Submitted by: Devin Thomas*

[15]Rogerson, C. (1991). Home-based enterprises of the urban poor: The case of spazas. *South Africa's Informal Economy*, 336–344.

Helpful but uses a loan company to base its surveying of spaza shops on (seems like a bad idea since most spaza shops don't get tons of loan). Includes a classification of the informal economy. There was a survey of spaza shop owners that participated in a loan scheme by the Quatro Trading company (they have a somewhat lenient approach). They don't include the shops that are less than 6 months old.

*Submitted by: Alexandra Hause*

[16] SPAZA News. (2010). *Spaza News Real Issues For Spaza Shop Owners*. Spaza Media.

This source was very useful. This company has been piloting a programme to educate spaza shop owners by releasing monthly newsletters with stories on spaza shop owners and advice on helping to grow their business or to quell bad business practices. Spaza news is not available for distribution in Monwabisi Park but it could potentially be made available to spaza shop owners there.

*Submitted by Devin Thomas.*