



## **INFORMAL EMPLOYMENT AS AN ALTERNATIVE TO WORK IN THE FORMAL SECTOR, WITH SPECIAL REFERENCE TO IMMIGRANT OWNED BUSINESSES**

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In a world of more than 7 billion people, 80% live on less than \$10 per day. Five (5) percent of global income is generated by the poorest 40 percent of the world's population; while the wealthiest 20% of the population generates 75 percent of world income. Economics attempts to define or describe behavior and it ventures into the realm of predicting. Economics should therefore accept responsibility for controlling/directing realities. If we can understand, define and predict behavior, we should accept the responsibility for changing behavior, and as economists, bring that to bear on material upliftment of the greater majority of the earth's populace. . Since 1847, numerous role-players have debated and worked tirelessly to promote the welfare of those who are marginalised from mainstream society. To what avail? Exactly one hundred and fifty eight years later, one of the iconic statesmen of the twentieth century, Nelson Mandela, stated: "Massive poverty and obscene inequality are such terrible scourges of our time – times in which the world boasts breathtaking advances in science, technology, industry and wealth accommodation – that they have to rank alongside slavery and apartheid as social evils" (as quoted in Green 2009:2). Clearly, significant progress in addressing the issue has not been made. A concerted drive by the United Nations led to the adoption of the Millennium Development Goals in September 2000, and was endorsed by 189 world leaders. Some progress has been made during the past decade, but it is apparent that many countries are not going to be able to reach their goals. Hence, in order to address poverty at its root, attention is increasingly focused on the contribution of the informal sector and small, medium and micro enterprises. This paper explores such and offers alternatives to combat the spectres of structural unemployment and poverty.

**Keywords:** Poverty, unemployment, informal business sector, immigrants.

### **Introduction**

The world of work has moved through definitive contextual shifts over the last 50 000 years. During the Old Stone Age there were no formalized work systems. Instead, the world population of approximately 5 million people subsisted through hunting. Approximately 10 000 years ago, the Agricultural Revolution occurred, and this led to an increase in the magnitude of human numbers. The Industrial Revolution, which took place in the eighteenth century, was the next major substantial shift in the nature of work patterns- steam irrevocably altered the world of work. During the second half of the nineteenth century, the Second Industrial Revolution took place, and as a consequence, oil and electricity succeeded in turning man and horse into less marketable commodities. By the end of the Second World War, computers and numerically

controlled machines heralded in the Third Industrial Revolution, and this was a precursor to the Information Revolution, where Globalization and Internationalization are the hallmarks of the modern world of work.

As a science, economics exists due to three functions: understanding, defining and predicting. Economics attempts to understand human behaviour in terms of the production and utilization of goods and services. It also attempts to define or describe such behaviour in rational terms, and finally, it ventures into the realm of predicting. If x occurs, y is bound to follow. This framework is valid for a number of sciences, primarily within the ambit of the so called soft sciences or the humanities. This framework is inherently flawed, or stated more euphemistically, one-dimensional in nature. Economics should accept responsibility for a fourth function – that of controlling/directing/altering realities. If we can understand, define and predict behaviour, we should accept the moral-and ethical responsibility of changing behaviour, and as economists, bring that to bear on material upliftment of the greater majority of the earth's populace.

### **Unemployment and Poverty**

The present day scenario is characterized by wide opposites on the wealth continuum. The three richest people in the world (Bill Gates, Warren Buffett and Carlos Slim Helu) have more money than the 48 poorest countries. The 15 richest people have more money than the total GDP of Sub-Saharan Africa. On the other end of this continuum, 191, 8 million people are unemployed worldwide, according to the International Labour Organization Global Employment Trends Brief. Further, of the 2, 8 billion workers in the world, 1, 4 billion subsist on incomes which are not adequate to lift themselves and their families above the \$2 a day poverty line. Of these, 520 million exist in extreme poverty on less than \$1 a day. This very real wealth gap is steadily widening, and has fundamental implications for all humanity. The wealth gap can be equated to the concept of the so-called digital divide, as the primary driver of economic activity today is the computer. The question arises as to whether this digital divide can be breached, or whether information technology will continually drive a monetary wedge ever deeper between the wealthy and the disposed of this world.

In a world of 6, 7 billion people, 80% live on less than \$10 per day. Five (5) percent of global income is generated by the poorest 40 percent of the world's population; while conversely, the wealthiest 20% of the population generates 75 percent of world income (<http://www.globalissues.org/article/26/poverty-facts-and-stats>). UNICEF (2010) estimates that during the period 1990 – 2009 child mortality (ages 5 and younger) has decreased by 33 percent. Despite this, it is alarming, and indeed not without despair, to note that 22 000 children under 5 die every day – as a result of poverty (<http://www.unicef.org/media/media-56045html>). Thus, in a calendar year, more than 8 million children do not progress past the age of 5 years.

Global capitalism has accelerated and institutionalized poverty, and the current level of poverty across the globe is endemically unnatural (Klein, 2003). Charles Darwin (cited in Kowalski 2000:3) once forewarned: "If the misery of our poor be caused not by the laws of nature, but by our institutions, great is our sin".

The increase in the rate of global poverty is well reflected in the widening divide between rich and poor. The UNDP (1996) reported that, "the world's poorest 2.5 billion people... have a collective income roughly equal to the collective wealth of the world's richest 225 billionaires". In 1990, Steve Ross, CEO of Times-Warner was paid the highest corporate executive salary of \$78.2 million, which was the same year that 605 employees of Times-Warner were retrenched into poverty. The payment to Ross would have covered the salaries of all discharged workers for

two and a half years (Cohen, 1992:30). Across the globe, the casualisation of employment relations and voluntary retirement packages to workers has intensified the scourge of poverty in most societies. In South Africa, the income level of the lowest strata of society has relatively declined, and the disparity in economic status has expanded mainly because the poor have been left behind (Adams, *et al*, 2006). The United Nations Development Report declared that “the income disparity between the top 20 percent and bottom 20 percent of the world’s population is now 150 to 1, double what it was 30 years ago” .

The World Bank ([www.worldbank.org/poverty/mission/up2.htm](http://www.worldbank.org/poverty/mission/up2.htm)) stipulates that the commonly accepted definition of poverty centers around income and/or consumption levels, and that a person is considered poor if his or her consumption or income level decreases to some minimum level which is deemed necessary to meet basic needs (the so called poverty line). The same organization claims that in 1999, 1.2 billion people worldwide existed on consumption levels of less than \$1 per day, a figure which equates to 23 percent of the population of the developing world. Further, 2.8 billion lived on less than \$2 per day.

In 1995 the World Summit for Social Development declared that each country should set time bound goals and numerical targets for reducing extreme poverty and implement national plans to achieve these ([www.undp.org/poverty/overview](http://www.undp.org/poverty/overview)). In 2000 at the Millennium Declaration, 191 nations committed themselves to halving poverty levels by 2015; realizing that focused and intensified efforts would be required.

Despite these grandiose undertakings, poverty remains a pervasive reality, not only in Least Developed Countries, but also in Middle-Income Countries, and is also an expanding phenomenon in Industrialized Countries. Supporting statistics succinctly illustrate that for the United States alone, the richest 1 percent of the population possesses more wealth than the total wealth of 90 percent of the population, and that while 16 percent of the US population lived below the poverty line in 1974, this figure increased to 19% in 1997.

It is conceivable that the present situation is deteriorating at an ever-accelerating tempo – this is illustrated by various reports and findings. Class polarization is assuming crisis proportions, and this issue will remain the focus of increasingly radical critiques of capitalist globalization.

In a briefing paper, De Wet (2002) describes globalization as follow:

A set of economic processes in which production, marketing and investment are integrated across borders and between firms. This is underpinned by neo-liberalism as a guiding ideology, and is designed to improve standards of living for everyone.

It is a powerful force for domestic reform, and as a result, distinct pressures are exerted on national- and local governance. With the above as background, note should be taken of the GEAR program, which was initiated by the post-apartheid government in South Africa. The acronym stands for growth, employment and redistribution. The program was based on a macro-economic policy which desired job growth and improved productivity in a country which is recognized as possessing a labour force with relatively low skill levels. When GEAR is considered vis-à-vis globalization, it is apparent that several dichotomies emerge. Further, the South African government’s RDP (Reconstruction and Development Program) merits attention. This program was designed to substantively alter the standard of living of those who were disposed under the previous regime. Thus, on the one hand, the Government was (and is) committed to a radical process of social/economic re-engineering, but is on the other hand confronted with the strident demands of globalization.

Unemployment in South Africa is a major problem and a fearful scourge in society. Some of the problems facing the South African government are the spiraling unemployment rate, exacerbated by labour market rigidities due to the current legislative framework, rationalization and re-engineering in the wake of increasing international competition, the lack of wage moderation, as well as the influence of work stoppages and industrial action (Mahadea, 2003:21).

According to Statistics South Africa (Labour Force Survey, March 2004) unemployment is at present 27, 8% of the workforce. This figure is misleading, as individuals who do not consult any further with the Department of Labour's offices, are not officially considered to be unemployed. COSATU estimates unemployment to be in the region of 47%. The real figure probably pitches between these two estimates.

Unemployment in South Africa has a gender dimension: a significantly higher proportion of females are unemployed; it has a regional dimension, where a significant number of the unemployed are rural; it has a significant age dimension: 71% are under 35 years of age; it has an educational dimension, where there is a linear link between level of education and unemployment, and it has a racial dimension, where the predominantly unemployed group is Black (Labour Force Survey, March 2004).

At present, a national census is underway in South Africa. Initial estimates by Statistics South Africa (<http://www.statssa.gov.za/publications/P0302/P03022011.pdf>), as well as its Quarterly Labour Force Survey for the third quarter of 2011 (<http://www.statssa.gov.za/publications/P0211/P02113rdquarter2011.pdf>) reveal the following:

- Total population: 50.59 million.
- Population grouping under 25 years of age: 25.89 million.
- Labour force: 17.77 million.
- Employed: 13.32 million.
- Unemployed: 4.44 million.
- Not economically active: 14.8 million.
- Discouraged work seekers: 2.2 million.
- Unemployment rate: 25 percent.
- Unemployment rate per population group:
  - Black 29%
  - Coloured 22.6%
  - White 5.9%
- Within the age group 15 – 24, 4.4 million people are unemployed.
- Within the age group 15 – 24, 7.7 million people are not economically active.

Hence, it can be determined from the above that unemployment, with its corollary poverty, is a fundamental issue within the 15 – 24 year black population, with profound political implications..

In a study by Slabbert and Uys(2012) it emerged that subjects were exceedingly negative about the economy and believed that they are now in a worse position than the year before, with negative expectations for the future. They believed that government cannot be trusted, and that their vote is meaningless in terms of effecting change. Government is not effective in addressing primary issues such as combating crime and corruption, as well as the income gap. What is of special concern is the fact that 60% of respondents indicated that they would be willing to participate in violent activities to overthrow government.

It could therefore be stated that the respondents appeared to be disillusioned, angry and desperate – a reality which holds inherent ramifications for government.

As mentioned earlier, of the total South African population of 50.59 million, 25.89 million are under 25 years of age. Of these 4.4 million are unemployed, and 7.7 million are not economically active. These individuals are the future generation and will play a cardinal role in the political/economic life of South Africa, and it is therefore imperative to integrate them into the societal fabric as widely and deeply as possible. Failure to do so, will lead to radicalised and marginalised people – a scenario which does not bode well for the future.

### **The Small and Informal Business Sector**

The small business sector has been acknowledged to be the backbone of every economy (Agupusi, 2007:2), so too has the fact that a healthy economy thrives on new business ventures. The belief in the favourable outcome for the economy associated with a significant small micro and medium-size enterprises (SMME) sector, has promoted both developed and less-developed countries to consciously put in place policies aimed at promoting the start-up, growth and development of the SMME sector (Gries & Naude, 2008:1). According to Chandra, Moorthy, Nganou, Rajaratnam, and Schaefer (2001:12), having a huge small, micro and medium-size enterprise sector (SMME) has been argued to form the basis for job creation and poverty eradication, which happens to be one of the fundamental indicators of development.

The foregoing is supported by the provisions contained in the constitution of South Africa Act, 1996 which prescribes a development agenda which is the focus of all public managers and leaders in all the spheres of government. In terms of South Africa's macro-economic goals and strategies, it is planned that the government must reflect a positive economic growth of between 3 to 6% (Lewis, 2001:5). As indicated elsewhere, a positive stimulus to this growth is private business and entrepreneurial development and growth; which reduces the social and welfare responsibility on public management due to this entrepreneurial environment.

In the United States of America (USA), in the last decade, SMMEs created 60 to 80% of the net new jobs (Markova & Petkovska-Mircevska, 2009:598). In this light, it has also been acknowledged that understanding the factors that promote or mitigate new firm birth is crucial for regional economic development (Lee et al, 2004:1) and the role of enterprising individuals or groups in particular cannot be overemphasized in this process. Many would argue that the entrepreneur is instrumental in combining the factors of production.

Despite the perceived and acknowledged role that small businesses and particularly entrepreneurs can play in the economy, one finds that several attempts by African states to strengthen the position of the small business sector have failed (Hallberg, 2000:1). Among the reasons acknowledged for constraining the development of this sector, the lack of finance has come up in numerous South African studies (Gumede, 2000:21; Luiz, 2001:65). Even in countries where attempts have been made to address the issue of lack of finance, more often than not, the marginalised informal sector and immigrant entrepreneurs have not benefited significantly (Tesfom, 2006). At regional level, Gries and Naude (2008:15) suggest that financial systems are skewed and inefficient. Claessens (2006:208) adds that banking systems and capital markets, especially in developing countries, are often skewed towards those who are already better-off, catering mainly to the large enterprises and wealthier individuals. The importance of a conducive regulatory environment has been highlighted in a number of studies (Rogerson, 2008:62). The list of obstacles to SMMEs tends to vary over time as a result of changes in the external and internal factors that influence business start-ups as well as their growth.

Against the backdrop of the Millennium Development Goals which, among other things, emphasise reducing world poverty by the year 2014, new business start-ups may become a necessity regardless of whether these start-ups are initiated by nationals or immigrants. This is particularly so because, regardless of the source, these new business start-ups benefit the economy as a whole in the short run, and even more in the long run as they mature. In sum, entrepreneurship and business start-up in particular provide a means of survival for immigrants, and the growth of such entities creates job opportunities for others.

Profiling South Africa's stock of entrepreneurs, the 2006 Global Enterprise Monitor (GEM) Report, which compares entrepreneurial activity across 42 countries, re-enforces the increasing need for new firm start-ups. According to the same study, the early-stage entrepreneurial activity indicates that the percentage of the population that is willing and able to undertake an entrepreneurial venture in South Africa is only 5.3%, as compared to 22.5%, 20.3%, 19%, and 16% for Columbia, Jamaica, Indonesia, and China respectively. Based on these statistics, one may conclude that South Africa lags behind with regard to new venture creation.

The recent upsurge of entrepreneurial activities and most importantly of new venture creation, brings to the fore their immense importance, although doubts are increasingly cast as to how these new business start-ups can be promoted. While many governments and aid agencies acknowledge the important role that the small business sector can play, especially from an economic and social development standpoint, small businesses need to overcome many obstacles (Jeppesen, 2005:465). Numerous studies conducted in both developed and developing countries have identified limited access to formal business resources, such as finance, as a major obstacle to the development of this sector, and it is even more acute when it comes to ethnic minorities and foreign nationals who quite often not only lack collaterals but also may not have the necessary documentations.

Under these circumstances, foreign nationals, in their dire need to earn a living, take the most available opportunities (including starting a small business) and avail finance for business start-up from any unconventional means. In contrast to the assumptions underpinning current South African government policy (notably that SMMEs development is dependent on formal financial support initiatives), enterprise among ethnic minorities in developed countries is based on informal finance, rather than credit from formal sources (CDE, 2004:25).

In countries such as the USA, Canada and the UK, studies have pointed to the important contribution that immigrant-owned businesses make to the overall economic and social development of the host countries, most especially in terms of job creation, contribution to GDP and poverty reduction (Saxenian, 1999). As indicated previously, the same scenario is applicable to the South African context. It has been argued that these immigrants are enterprising and would stop at nothing (not even lack of finance) to make a success of their businesses (Pinkoski, 2009:5). Against this backdrop, immigrant entrepreneurship has been vigorously promoted in these countries. Although SMMEs have been generally promoted in South Africa since 1994, immigrant-owned businesses have not been singled out for this purpose even though they are faced with different dynamics from the mainstream SMMEs cluster or native-owned businesses.

In order to assess the role of immigrant businesses there needs to be accurate data. Unfortunately, data about the extent and role of immigrant entrepreneurship in the national economy in South African, like in most African countries, is limited. Except for Rogerson (2004a), immigrant entrepreneurship in South Africa with particular reference to African immigrants has so far been a grey area. Even this study by Rogerson (2004a) has not been entirely focused on immigrant-owned businesses. In as far as South Africa is concerned, there is

no framework that promotes the effective start-up and operation of African immigrant-owned businesses.

Although immigrant entrepreneurs show a particular dynamism in creating enterprises, they also tend to experience more severe problems than other small and mainstream entrepreneurs. Access to finance, the correct residence permits, information and so forth, both for start-up and for growth, are typically perceived as major problems. Another well-known problem of new small businesses is the high dissolution rate. It has been suggested that for every 100 start-ups, only 50 firms survive the first three years (Van Praag, 2003:1).

On this basis, authorities should not only stimulate business start-up, but should also strive to minimize the number of dissolutions. In countries where entrepreneurship has been extensively studied, it has been approached from varying angles. With emphasis on what makes up a successful entrepreneur, some studies have looked in the direction of the personal characteristics of the owner, while others have turned to environmental conditions (Jiangyong & Zhigang, 2007:27). In view of the fact that personal characteristics tend to vary and are influenced by environmental conditions and vice versa, other studies have found regional variations in business start-ups to be associated with factors such as population, industrial structure (Gries & Naude, 2008:12), human capital (Jiangyong & Zhigang, 2007:27), the availability of finance (Luiz, 2001:65; Beyene 2002:143; SBP, 2005:75; Jiangyong & Zhigang, 2007:27; Rogerson, 2008:62) and entrepreneurial characteristics (Lee et al, 2004:3).

In the line of immigrant entrepreneurial activities, while empirical studies (Lee et al, 2004; Halkias et al, 2007) to date have commonly sought to explain variations in self-employment rates (new venture start-ups), the descriptive studies (Tesfom, 2006) often focus on owner traits as well as the operating environment of the immigrant firms. Despite the prevalence of these studies in developed countries, there is little coverage as far as developing countries are concerned.

With growing unemployment in most traditional countries of destination such as the USA, UK and South Africa in recent years, immigrants with little options turned to self-employment activities. According to Bates (1998:4), the motives for getting into business ownership can be grouped into two, notably the push versus pull factors. On the one hand, push factors force people into business ownership, while, on the other hand, the pull factors entice them into business ownership. The majority of entrepreneurs across the world claim that they are starting a business to capitalise on an opportunity (Halkias et al 2007:3). However, this may not be the whole story for immigrants.

Since entrepreneurship is one of the frequently used ways to escape unemployment in a host country, it is expected that immigrants would attempt to choose self-employment (Sahin et al, 2006:2). With the exception of Van Tubergen (2005: 709), most recent studies (Sahin et al, 2006; Halkias et al, 2007) that have investigated immigrant entrepreneurship with reference as to why immigrants turn to self-employment have often limited their analysis to the push and pull conditions in the host countries. These studies tend to overlook the influence of an immigrant's home conditions on his or her decision to take up self-employment and on how he or she mobilizes resources for new venture creation in the host country. In this regard, it may be argued that the decision to take up self-employment is, at times, influenced by the push and pull factors experienced by immigrants in their home country.

According to Van Tubergen (2005:710), immigrant groups originate from a certain country and the characteristics of their home country could affect the probability of self-employment irrespective of their destination. Using the Koreans and Mexicans in the USA, Van Tubergen (2005: 710) notes that while the former show a high self-employment rate (not only in the USA, but in other countries as well), the latter exhibit relatively low self-employment rates in these

destinations, and this can be attributed to characteristics of their countries of origin. From this domain, one may draw a distinction between politically and economically motivated migration. While commonly associated with those fleeing political persecutions, in terms of the 1951 United Nations convention relating to the status of refugees, in recent years, there has been increasing realization that those escaping from poverty and destitution could be called 'economic refugees' (Maharaj, 2009:2). In keeping with this distinction, Maharaj (2009:2) concludes that most immigrants in Durban, South Africa are economic refugees. Similar studies need to be done for the other provinces or on a national basis.

Various theories have been advanced as to why immigrants resort to self-employment as an economic activity in their host country:

The theory of 'blocked opportunities' or 'push factors' advocates that immigrants get into self-employment due to inherent bias and discrimination in the host labour markets (Levent et al, 2007:4; Heilbrunn & Kushnirovich 2008:693). In countries with high unemployment rates among natives, Van Tubergen (2005:711) notes that immigrants are pushed out of the labour market into self-employment.

The obstacles that stand in the way of immigrants tend to vary and are not limited to lack of educational credentials (Landau, 2010:72), inappropriate work experience, and limited facility of the English language (Aldrich and Waldinger, 1990:122). For instance, Greve and Salaff (2005:7) noted that the credentials of a doctor from China will not be accepted in Canada. In South Africa, Landau (2010:72) reports that even those immigrants with employment rights find that they are turned away by employers who do not recognize their papers or professional qualifications. Proponents of this theory argue that, on the one hand, immigrants take up self-employment due to the fact that they face limited employment opportunities, and on the other hand, business ownership allows them to use their human capital and class resources (Nee & Sanders 2001:393). Landau's (2010:72) report on South Africa supports this view when he states that when turned away because their credentials are not recognized, immigrants who do not have the money to pay for their credentials to be evaluated by the South African Qualifications Authority (SAQA) are left with no other choice but to seek alternative ways to generate an income.

Although discrimination may serve as motivation for self-employment, Guzy (2006:5) warns that, by contrast, discrimination can cause problems at different levels particularly when starting the business and dealing with administration, owners of business premises, suppliers, clients, banks, and so forth. Co-operating with small businesses in general will result in a win-win situation for all parties. Such co-operation can be in the form of sub-contracting, mentoring of small businesses, and so forth. Big businesses should be encouraged, as well as rewarded, for adopting or doing business with small businesses in general and African owned businesses in particular.

For this to be effective, an awareness campaign which aims to inform and educate businesses about the different residence permits issued to African immigrants, as well as the conditions attached to them, should be conducted by the government, but most importantly by the Department of Home Affairs. Such a campaign would boost their confidence, especially as they would know when they were breaking the law in any way.

International experience emphasizes the important role that civil society can play in promoting the development of immigrant-owned businesses. Although there are numerous organizations in South Africa dealing with small business development in general, there are not many organizations that are geared towards the development of immigrant-owned businesses in

South Africa. Owing to the negative perceptions about African immigrants, NGOs that understand the needs and plights of immigrants would have a great role to play as far as starting up and operating a business is concerned. For instance, an NGO that facilitates or negotiates start-up capital for immigrants would be in order.

Although immigrant entrepreneurs sometimes get into self-employment activities out of desperation, they must take the initiative to ensure that they have the right resources, and in the right quantities, to start-up a business as well as guarantee its success. Newly arrived immigrants should network with the older generation of co-ethnics in order to take advantage of the group's resources and experiences.

By acknowledging the high unemployment rate in South Africa, would-be African immigrants should see self-employment as the most likely route to go. Bearing this in mind and having a financial base upon arrival would give such an immigrant a head start.

## **Conclusion**

Both Duncan Green from Oxfam (2009) and Jeffrey Sachs, the renowned economist, agree that there is a solution to international poverty. The titles of two of their books indicate this in no uncertain terms: *From Poverty to Power* -how active citizens and effective states can change the world (Green, 2009) and *The End of Poverty: Economic possibilities for our time* (Sachs, 2005).

In order to reach this desired state of affairs, there is just one requirement: International commitment and willingness to change the status quo. This is not negotiable, and a necessary and sufficient ingredient for change. The rest is detail, and can be achieved through a process of hard work, involvement and essentially, compassion.

In a nutshell, there could be other better global alternatives to the current system. This particular view is reinforced by the recurring protests and confrontations around the world. The first large public protest against the current system came in Seattle, November 1999, at the WTO Ministerial Conference. This was followed by street protests in Bangkok in February (during the UNCTAD conference), Washington in April (during the World Bank-IMF spring meeting), in Melbourne (during the Asian Summit of the World Economic Forum), in Prague (during the World Bank-IMF annual meeting), in Cancun, at Doha, as well as the protests in Seoul in 2010, to name a few. These popular protests around the world are basic reflections of the majority's yearning for an alternative ideological global order. Hence, as opposed to Francis Fukuyama's assertion, history has not actually ended and there are many indications that capitalism may not be the final and definitive answer.

Hence, the state must not be a passive onlooker of the employment process, but must play a catalytic, facilitating role, encouraging and complementing the activities of private businesses and individuals. This alone would be the best remedy towards sustainable human, social and economic development in the current era, most especially in the developing nations.

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