
Hurdles to trade? South Africa's immigration policy and informal sector cross-border traders in the SADC¹

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1. Introduction

Stand at any of South Africa's border posts and watch who is crossing the border to neighbouring states. Women with heads and arms laden, bakkies and cars overloaded with goods, mini-bus taxis pulling trailers, and lorries—big and small filled to the brim. Trains and buses pull in with full baggage racks. Many of these vehicles are carrying informal sector cross-border traders, people who are better described as small entrepreneurs involved in importing and exporting, or trading, across one or more of the borders in the region. They are carrying goods ranging from fruit and vegetables to mattresses, stereos, duvets and other household goods. Travelling into South Africa, vehicles and hands are often empty—but not always. Refrigerated trucks and bakkies carry fish and shellfish. Other cars, buses, trains and pedestrians carry handicrafts and curios, wire, crochet work, traditional dresses, capulanas, coal and vegetables.

This paper explores the activities of these entrepreneurial traders and places them in the context of a number of South African policy initiatives. In particular it looks at impact of South Africa's current and proposed immigration legislation on informal sector cross-border trade. National and regional economic policy initiatives, particularly the SADC Free Trade Protocol, suggest that South Africa (along with other countries in the region) sees regional trade as part of the solution to the region's economic problems and a tool to promote regional integration and development as well as to alleviate poverty. Yet, it seems that trade policies have paid little attention to the activities of small entrepreneurs who are involved in what is called informal cross-border trade and who are also part of the movement of goods and capital through the region. Attempts to enact the SADC Facilitation of Movement of People Protocol have been less successful than its trade counterpart.

Similarly South Africa's immigration policy does not appear to have kept pace with initiatives to free the movement of trade and capital in the region. Neither current legislation, nor the Immigration Bill, contain provisions which facilitate (let alone encourage) the businesses of these entrepreneurs to trade across South Africa's borders. Instead, provisions in both cases put obstacles in the way of these traders. Again, the activities of small entrepreneurs involved in cross-border trade appear to have been overshadowed by attempts to support the activities of big business and capital.

¹ This paper draws heavily on a paper presented to a trade training course of the British Department for International Development (DFID) in March 2002. The paper is based on a number of studies conducted by the author. The research has been condensed to provide an overview of this sector of trade. Details can be found in: Peberdy, 1999; 2000a; 2000b; 2000c; Peberdy & Rogerson, 2000; Peberdy & Crush, 1998, 2001. When the paper refers to research for this paper it is referring to these studies. The research was kindly funded by the Canadian International Development Agency and the International Development Research Centre.

The term informal sector cross-border trade is used to describe the activities of small entrepreneurs who are involved in buying and selling across the national borders. In the South African context they include:²

- traders who travel to South Africa for short periods (1-4 days) to buy goods (usually from formal sector retail and wholesale outlets and farms) to take back to their home country to sell. These goods are sold in markets, on the street, and to formal sector retail outlets and to individuals. This category of trader appears to be the most numerous and can be called “shoppers”;
- traders who travel to South Africa for longer periods (1 week to 2 months) who carry goods to sell in informal and retail markets. The profits are then invested in buying goods which are then taken back to their home countries for sale in informal and formal sector markets;
- traders who travel across three or more countries including South Africa, buying and selling as they go;
- a seemingly small category of traders who only bring goods from their home country to sell in South Africa without taking goods out for sale in their home country; and
- South Africans who take goods to sell in other Southern African countries in markets, on the street and to formal sector retail outlets.

This kind of cross-border trade is usually called informal as:

- it involves (relatively) small entrepreneurs;
- traders do not access preferential tariff agreements;
- traders may buy, or more often sell, in informal sector markets; and
- traders do not always pass through formal import and export channels and may be involved in smuggling of part or all of their goods;

However as this paper suggests, the characterization of this trade as informal may be a misnomer as:

- it obscures the multiple linkages between the formal and informal sectors in buying and selling;
- the process encompasses a wide range of entrepreneurial activity ranging from small survivalist activities associated with the informal sector to relatively large amounts of goods across a wide range;

² In South Africa a more geographically expansive import and export trade is carried out by small and medium entrepreneurs from West and Central Africa who are resident in South Africa (Rogerson, 1997a, 1997b; Simone, 1998a; 1998b; Peberdy & Crush, 1998; Peberdy, 2000a; Peberdy and Rogerson, 2000). Much of this trade appears to be in handicrafts and curios and possibly grey goods (clothes, textiles, shoes etc.) from East Asia. The majority of these traders are men. It has close ties to West and Central African transnational networks of trade and will not be addressed in this paper.

- most traders pass through formal border control mechanisms—even if all of their goods do not;
- it suggests levels of illegality and non-regulation that are not always present; and
- it implies marginality which hides the relatively significant role these entrepreneurs play in regional trade.

Although still limited, increasing attention is being paid by policy makers to this sector. But, despite the prominence and seeming importance of these activities to regional trade, economic development, poverty alleviation, the organisation of regional markets and regional integration it remains a significantly under-acknowledged and under-researched area of South African, regional and continental trade activity. The lack of attention paid by policy-makers to the activities of informal sector cross-border traders reflects, in part, the limited amount of information about their activities as well as who they are. However, recent research, suggests that informal sector cross-border trade comprises a significant proportion of regional cross-border trade (Ackello-Oguto, 1996; Minde & Nakhumwa, 1997; Macamo, 1998). These studies suggest:

- volumes of trade are large;
- volumes of informal sector trade may exceed formal sector cross-border trade between certain countries;
- the trade bears a direct relationship to food security in these countries (positively and negatively depending on the circumstances);
- it comprises a significant part of small, micro and medium enterprise activity in countries in the region;
- it may have a significant impact on formal and informal retail markets; and
- it plays a significant role in regional trade relationships.

Other studies have focused on the traders themselves, their activities, and the role of trade in their lives and entrepreneurial development (Brand *et al.*, 1995; Muzvidziwa, 1998; Peberdy & Crush, 1998; Archivo do Patrimônio Cultural (ARPAC), 1999; Peberdy, 1999, 2000a, 2000b, 2000c; Peberdy and Rogerson, 2000).³ These studies emphasise the demographics of cross-border traders, and their activities. They suggest:

- that informal sector cross-border trade in the region is an important income earning opportunity for small entrepreneurs;
- women comprise a significant proportion of people active in this trade and the trade provides specific empowerment opportunities (and problems) for women;
- it contributes to the development of informal and formal sector retail markets;
- it provides employment opportunities to traders and their employees;

³ For other mentions of informal sector cross-border trade by small entrepreneurs in SADC, particularly the DRC, see MacGaffey & Mukohya, 1991; MaMavambu Ye Beda, 1991; Emizet, 1998; McGregor, 1998).

- for those with access to some capital it provides a significant opportunity for poverty alleviation.

The paper starts with a brief overview of SACU (and therefore South Africa's) trade with the rest of the region and of relevant trade and economic policy initiatives undertaken by South Africa. It then moves on to outline some key aspects of informal sector cross-border trade by identifying what is known about the demographics of people involved in informal sector cross-border trade. It then identifies some key features of the type and volume of trade and its relationship to the formal and informal sectors and the immigration and customs regulatory regimes. It then discusses the potential impact of this trade on poverty alleviation. The paper concludes by identifying how the current and proposed South African immigration regime places obstacles (or non-tariff barriers) in the way of the cross-border trading activities of small entrepreneurs. It concludes by making recommendations for changes in the Immigration Bill.

2. Relationship to trade and economic policies

Africa is an important export market for South Africa and this market is dominated by southern African countries. The significance of this trade lies not only in its quantity but also in the kinds of goods traded as well as South Africa's commitment to the development of the rest of the region and the continent. In 2001, African markets constituted 13.7% of SACU's total export trade, while non-SACU, SADC countries accounted for 8% of the same trade—or 59.2% of exports to non-SACU African countries (South African Revenue Service (SARS), 2001).⁴ SACU's export trade with the rest of Africa (including SADC countries) increased more than 3.5 times, while trade with non-SACU SADC countries almost tripled (Peberdy, 2000). The volume of imports has also increased but not at the same rate.⁵

South Africa enjoys an enormous trading advantage over its African trading partners (Table 1). This trade imbalance grew significantly in the 1990s increasing from 3.9:1 in 1994 to 5.7:1 in 1998 to 8.5:1 in 2001 (Peberdy, 2000; SARS, 2001).

SACU's export markets in Africa are dominated by machinery, electronics, chemical products, cars, metals and minerals. All, with the exception of minerals, are important areas for South Africa's manufacturing industry (Davies, 1997). Foodstuffs and vegetables also figure prominently in SACU trade with the rest of the continent.

Like trade, South Africa's direct foreign investment in the rest of Africa has grown significantly in the 1990s. Much of this investment is in the retail sector. Checkers and Clicks stores can be found

⁴ Trade figures are provided for SACU countries, not South Africa alone.

⁵ South Africa's links with countries outside the SADC may appear tenuous. However, although sanctions restricted trade between South Africa and the rest of the continent during the apartheid years, trade still took place. By 1988, 10% of South Africa's trade went to the rest of Africa (Bouillon, 1996: 4-5). Countries that are the source of "new" migrants and refugees—particularly the DRC, Kenya, Ghana, Nigeria, Mali, Cameroon and Senegal—have strong or rapidly growing trade links with South Africa. In 1998, South Africa's largest trading partners outside the SADC were Nigeria, Kenya, Ghana, Cote d'Ivoire and Uganda (Peberdy, 2000).

in Zambia, Zimbabwe and Mozambique. South African clothing retailers and fast food outlets are visible across the region.

As noted above South Africa's commitment to the SADC Free Trade Protocol reflects the country's commitment to regional trade, integration and development. Should these corporate businesses be the only ones to benefit from regional retail and wholesale markets and the opportunities provided by the new regional trading regime? Should we be looking to see how opportunities can be created (or facilitated) for SMMEs and new entrants into the regional trading market?

2.1 Relevant policy initiatives

Informal sector cross-border trade intersects with a number of South African and SADC policy initiatives that emphasise the importance of developing regional trade, regional export markets and SMMEs. Relevant policy initiatives include:

- *NePAD*—emphasises political and economic development in Africa together with integration and an African focus on development.
- *SADC Free Trade Protocol*—the Protocol emphasises tariff reduction as a means to encourage regional economic growth, integration and development and to promote regional trade and integration with the aim of creating a free trade zone by 2008.
- *The Growth, Employment and Redistribution Strategy* (RSA, 1996)—which stresses the need for growth in the export sector to realise goals for GDP growth and job creation and which encourages expansion in private sector capital formation.
- *Cross-border and Spatial Development Initiatives* (de Beer *et al.*, 1998; Harrison & Todes, 1996; Mitchell, 1998; Rogerson, 1998a, 2000)—stress their importance for achieving higher rates of economic growth and job creation and promoting areas of export manufacturing. Increasing emphasis is being laid on using these policies to develop and support the growth of a southern African regional economy and localised border economies.
- *Manufacturing and export promotion policies*—these emphasise developing certain sectors of South Africa's manufacturing industry including: textiles, electronics, machinery and food products. All of these are important goods in informal sector cross-border trade.
- *Local economic development policies*—in certain key cities (Johannesburg, Durban and Nelspruit), local economic and tourism development plans are recognising the opportunities offered by cross-border trade and are putting policies in place to attract cross-border traders from the region and the rest of Africa.
- *Strategy for the Development and Promotion of Small Business in South Africa*—published in 1995, the strategy commits the government to uplifting the role of SMMEs. Fundamental to the process are: fostering an enabling environment, stimulating sector-focused economic growth, facilitating income earning opportunities and promoting black-owned business.

This paper argues that the potential positive impact of these policies (particularly the SADC Free Trade Protocol) on regional trade and particularly SMMEs involved in cross-border trade are not

being realised by these entrepreneurs, in part because of obstacles placed in their way by the South Africa's immigration policies. The advantages of these policy initiatives should not be confined to large formal sector companies. The business of small entrepreneurs involved in cross-border trade should also be facilitated as a means to encouraging the development of the SMME sector in South Africa and the region, as well as regional trade and integration, poverty alleviation and the economic empowerment of women.

3. Who are cross-border traders?

As noted above, these traders largely fall into four categories. The business involves traders from a range of SADC countries, primarily: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Zambia and Zimbabwe. To a much lesser extent, South African small entrepreneurs are also involved in cross-border trade. There is also increasing evidence to suggest that refugees and other third country nationals resident in South Africa are becoming involved in this sector (Nethengwe, 1998).⁶

Regional informal sector cross border trade involves both men and women. The research used in this study suggests:

- this sector of cross border trade involves a greater number of female than male entrepreneurs, thus promoting the economic empowerment of women. Studies of trade between Mozambique and South Africa found over 70% of traders were women (Peberdy & Rogerson, 2000: 31) Similarly a study of trade between Zimbabwe and South Africa found over 65% of traders were women (Nethengwe, 1999: 88). Furthermore, South African immigration officials in Zimbabwe and Mozambique have indicated that 80-95% of applicants for visitors visas for trading or shopping are female (Peberdy & Crush, 1998).
- While women were more likely to be involved at the survivalist level they were found amongst those entrepreneurs trading in the largest volumes.
- Most traders are aged between 25 and 39 years.
- Traders have a relatively high level of education for the country they come from. With the exception of Mozambicans (where education levels are low) most traders from SADC countries had some secondary education, and some had tertiary education (including university).
- Their businesses enable these entrepreneurs to meet the education, housing and other basic needs of a significant number of dependents. Research shows that traders supported on average 3.2 children as well as 3.1 dependents who were not children or spouses.

⁶ In South Africa a more geographically expansive import and export trade is carried out by small and medium entrepreneurs from West and Central Africa who are resident in South Africa (Rogerson, 1997a, 1997b; Simone, 1998a; 1998b; Peberdy & Crush, 1998; Peberdy, 2000a; Peberdy and Rogerson, 2000). Much of this trade appears to be in handicrafts and curios and possibly grey goods (clothes, textiles, shoes etc.) from East Asia. The majority of these traders are men. It has close ties to West and Central African transnational networks of trade and will not be addressed in this paper.

3.1 Employment opportunities

The trade provides employment. Traders employ people in their home countries and in countries they trade in. The number of people employed by interviewees in these studies ranged from one to eight per entrepreneur.

- On average 1.2 people were employed by SADC traders in their home country (1.3 for South Africans in South Africa).
- Over 60% of Mozambican respondents employed people in their businesses in Mozambique.
- At least 20% of SADC entrepreneurs involved in the handicraft/curio sector of street trade in South Africa employ people (usually South Africans).

4. *What goods are traded and where are they bought and sold?*

These small entrepreneurs carry a wide variety of goods. The kind of goods traded depends on demand in various countries, and traders appear to be sensitive to changing trends and opportunities. The goods traded reflect many of those recorded in formal regional trade statistics (where part, if not most, of this trade is also recorded). It also reflects South Africa's export and manufacturing promotion sectors. Goods taken by these entrepreneurs out of South Africa to other SADC countries include:

- new clothes and shoes
- second-hand clothes and shoes
- electronics (TV's, hi-fi's, CD players; videos; radios, etc.)
- household appliances (stoves; fridges; toasters, etc.)
- household goods (pots, plates, cutlery, etc.)
- bedding (blankets, duvets, sheets, etc.)
- furniture (particularly mattresses and plastic tables and chairs)
- cosmetics
- car parts
- bicycles
- machinery
- processed foods (rice, oil, sugar, tinned foods)
- meat, chicken, eggs and milk (particularly to Mozambique)
- vegetables and fruit (particularly to Mozambique where much of the fruit and vegetables in Maputo's markets is brought by these entrepreneurs), and
- indoor and outdoor plants.

Goods brought into South Africa often target particular markets and include goods not available in South Africa:

- curios and handicrafts
- wire to make wire goods
- crochet work
- traditional dresses
- *capulanas*
- fish and shellfish
- nuts (particularly cashews), and
- vegetables

4.1 Patterns of movement

The research suggests that patterns of movement across the borders vary widely. It seems that the majority of traders who come to South Africa only to buy goods cross the border at least once a week, but many travel as often as two to three times a week. A significant proportion of traders who only shop in South Africa travel two to three times per month. Traders who come to South Africa with goods to sell have more erratic patterns of movement as they are dependent on the length of permit issued at the border and how long it takes them to sell their goods. It seems the majority cross the border at least once a month—others every two to three months.

4.2 Volumes of goods carried

The volumes of goods carried each journey vary widely as the trade encompasses people whose business is transporting lorry loads of vegetables and fruit worth R10,000 to R20,000 (sometimes 2-3 times a week) to people who carry bags of chips and cold drinks to sell at the border valued from R200-300. The value of goods carried by individual interviewees in the studies forming the basis of this paper fell within the range of R1,000-5,000 each journey. While it is difficult to know the accuracy of the figures, respondents indicated that the average profit on each journey ranged from 15-40%.

4.3 Purchase and selling markets

In South Africa goods for sale are usually bought in formal sector retail and wholesale outlets where VAT is paid on goods bought (and rarely reclaimed on leaving the country). Fruits, vegetables and plants are bought from farms and nurseries in the border farming areas. It is unclear whether VAT is paid on these goods, but it appears that this trade provides a market for agricultural surpluses and less than premium quality fruits and vegetables. Goods taken out of South Africa are sold in markets, on the street, to formal sector retail shops and restaurants, as well as to individuals. Goods taken for sale from other countries are bought in the informal and formal sectors or are produced by the sellers.

5. *Commitment to entrepreneurship*

The traders interviewed in these studies showed a strong commitment to cross-border trading and entrepreneurship, despite the difficulties and hardships of regular travel and the business itself. Most traders interviewed saw themselves as entrepreneurs and were committed to their businesses. Less than 50% said they were interested in finding formal sector employment and only 5% of those who said they wanted to work in formal sector jobs were actually looking for work.

Most of the traders involved in these studies already had small (mostly informal sector) businesses where they sold their goods and had been involved in the informal sector prior to starting cross-border trading. Importantly, significant numbers of people interviewed were actively involved in developing small businesses in their home countries by investing the profits from their cross-border trade. It seems their ambitions were to stop cross-border trading so that they could live a more settled, but still entrepreneurial and profitable lifestyle. Some said that they would then employ someone to continue their cross-border trading activities. Businesses which traders had established, or were in the process of setting up included: retail shops (informal and formal), beauty and hair salons, an ice-cream making business, a construction company, a chicken farm, a bottle store, a guesthouse and a restaurant.

6. *Visa status and issues of legality and illegality*

6.1 Immigration status

The research suggests that the overwhelming majority of these traders hold visitors visas that suggests they wish to travel and trade legally. No country in the region has a specific category of permit for traders. Most have to provide paperwork (extensive when getting a visa for South Africa in Zimbabwe), and Mozambicans have to pay relatively costly visa fees to enter South Africa. Interviewees found the increasing restrictions and demands for documents costly (in time and money), difficult to get, and a hindrance to their businesses. For instance, traders from Bulawayo need to travel to Harare and provide a series of documents (including a bank account and a letter of invitation from someone with a valid SA identification number) to get a visitors permit before they can travel to South Africa. The use of single entry visas adds to their problems. Notwithstanding these difficulties interviewees showed a strong commitment to wanting to enter legally with appropriate visas.

Because these traders rarely qualify for business permits they are issued visitors permits (with the knowledge of immigration officers). Technically these do not allow cross-border traders to participate in street trade in South Africa, which leaves them vulnerable to arrest by police and Home Affairs officials. More often it seems it leaves them vulnerable to corrupt officials who elicit bribes rather than arrest them.

The ambiguous use of single entry visitors visas therefore:

- increases opportunities for corruption among officials when the issuing of visitors visas tacitly acknowledges that it will be used by traders;

- makes it difficult for the Department of Home Affairs to monitor and regulate patterns of migration as there is no way of distinguishing between traders, visitors, and people using visitors visas to find employment;
- the use of single entry visas increases administrative pressures and costs to government (except in the case of Mozambicans who pay for their visas);
- creates uncertainty for traders as they are unsure if, when and for how long they will be allowed into South Africa; and
- adds running costs to the businesses of these entrepreneurs.

6.2 Issues of illegality

Issues of illegality and corruption obviously arise when discussing informal sector cross-border trade. Illegal goods, drugs, guns and stolen goods form part of the volume of goods that cross the border. However, research suggests that there is a separation between criminals involved in the trafficking of illegal goods and cross-border traders who carry legal goods.

However, many traders are involved in the evasion of at least part of the customs duties owing on goods and therefore are involved in the smuggling of goods (even if they are legal, and legally bought). In part this appears to be a reflection of high customs duties imposed by states in the region on certain goods (notwithstanding the reduction in tariffs following the introduction of the SADC Free Trade Protocol).

It also seems that these small entrepreneurs find it difficult to (or cannot) access reduced tariff or non-tariff quotas (for instance those between South Africa and Mozambique). Access to these tariffs is difficult because traders do not know about them, cannot do the paperwork, do not have the time to apply for them, or do not qualify for them. Furthermore evidence from interviewees suggests that even when reduced tariffs have been introduced, corrupt customs officials continue to charge at old rates as traders are not informed of reductions in tariff rates.

This latter practice may be made easier by what seems to be the predominant form of evasion of duties. Most traders appear to try to take their goods through the border post with them. They then pay bribes to customs officials to let the rest of the load through without paying duties. As one trader said: “For instance, if you have 50 boxes of *Cerelac* (babies milk formula) you can pay for 20 at customs (which gives a receipt) and give some money to the officer who checks your luggage” (Peberdy, 2000b: 373). Passengers on buses may also take a collection to pay an officer to let the bus through without being checked. Others pay people to cross the border to carry the goods across the border illegally (often at night). There is some disturbing anecdotal evidence which suggests that children are sometimes used to carry goods over the border illegally which raises questions about their involvement in illegal activity as well as in child labour. There is also abuse of informal border crossing points.

Despite the avoidance of duties traders interviewed indicated that they were willing to pay duties, but that the rates currently demanded were too high to enable them to make sufficient profits. While those who carry large amounts of goods are no doubt able to stand the cost questions do arise about the economic viability of charging duties on small amounts of goods (for instance, below R5,000). The administrative costs and creation of opportunities for corruption may outweigh the revenues received as well as the cost to these small entrepreneurs. Certainly facilitating legal movement across-borders in SADC is likely to encourage traders to pass through formal border crossing points and to have the proper documents so customs control can be exercised.

7. *What is the impact of this trade?*

The research suggests that informal sector cross-border trade comprises a significant slice of informal sector economic activity in the region. Entrepreneurs engaged in this trade may not be numerically dominant in the informal sector but still play an important role. The trade therefore has an important impact on entrepreneurial development. It also provides a significant income earning opportunity for those who have access to capital which:

- develops entrepreneurial skills and activity;
- provides opportunities for entrepreneurial development in home countries through the accumulation of capital and expertise;
- provides a significant independent income earning activity for women;
- supports a significant number of child and adult dependents;
- provides employment for entrepreneurs but also for their employees.

It also has a wider impact as a significant component of regional trade. Questions can be raised about the impact of trade in certain goods on the development of certain countries manufacturing and agricultural sectors (particularly Mozambique). However as the goods traded reflect those exported and imported by large formal sector traders, informal sector trade cannot be singled out. Complex questions also arise about its impact on food security (Minde & Nakhumwa, 1997; Macamo, 1998) where at times it appears to have a negative effect, but at others appears to enable a fast response to food shortages.

However, if the region is promoting the development of SMMEs and regional trade and integration as tools to development and poverty alleviation it appears that this trade should figure much larger in the minds of policy makers involved in developing trade, tariff, migration and economic policies and those concerned with empowering women. Informal sector cross-border trade appears to play a relatively significant role in alleviating poverty and promoting women's economic empowerment—from those traders carrying goods worth R300 to those carrying goods worth R15,000.

8. *Immigration policies*

Each country in SADC has its own immigration policy. However, no country in the region has a specific visa which allows cross-border traders to cross legally but with access to markets.

However, within each country migration regulations may be applied unevenly and with special dispensations. Thus, certain countries have instituted formal and informal bi-lateral agreements which allow traders to move more freely across certain borders at certain times (and even on certain days). However, these are not uniformly applied and often only affect local cross-border traders and specific border posts.

South Africa has been undergoing immigration policy transformation since 1997. The Green Paper on International Migration made strong recommendations for the introduction of a traders permit which would allow for the activities of informal sector cross-border traders (RSA, 1997). The White Paper made similar recommendations—although less strongly (RSA, 1999). However, the final version of the Immigration Bill, currently under debate, makes no provision for permits for cross-border traders and it seems is likely to make it even harder for them to access visitors visas over a sustained period of time (unless exceptional provisions are invoked). Furthermore, there are no indications from the Department of Home Affairs that regulations will be introduced to account for the movements and activities of informal sector cross-border traders.

Thus, it seems that the policy environment remains unfavourable—or at least blind—to the activities of these entrepreneurs. Inclusion of informal sector trade in the vision of policy makers could help to facilitate their individual economic empowerment as well as a significant part of regional trade activities.

9. *Conclusions and recommendations*

Informal cross-border trade should be included in conceptions of regional patterns of trade and in policies concerned with developing a regional economy and poverty reduction through the promotion of regional trade and economic linkages. Including South Africa's immigration policy. These entrepreneurs travel with the goods being traded. Obstacles that are placed in the way of their movement are also obstacles to trade.

Failure to facilitate this sector of regional trade means that it will not be able to develop the potential of the sector to: contribute to poverty alleviation, the empowerment of women, the development of new regional markets and entrepreneurs or to bring together informal and formal sector activities.

The goods carried by informal cross-border traders mirror those of formal sector trade. In the case of South Africa, goods bought for export by these traders lie in areas which the South African government is promoting in its manufacturing export strategy (Davies 1997; Creamer 1998).

The growing trade between South Africa and the region, the SADC Free Trade Protocol, the new language of borderlands among southern African policy makers, as well as attempts by certain regional governments to develop cross-border development projects suggest that southern African and South African officials are moving towards a transnational conception of development and trade relationships (Rogerson 1998). Literature on borderlands, globalisation, transnationalism and

the globalisation of capital often imply that national borders are diminishing in importance. So, it is often argued migrants and capital are less constrained by national boundaries, capital and entrepreneurs straddle and may even be constituted by (in identity and practice) borders. While these arguments resonate with the activities of these traders, the studies referred to in this paper suggest that, notwithstanding their movements, the activities of these entrepreneurs are constrained and slowed by regulatory frameworks, particularly the immigration regime, and a lack of attention to their activities by policy makers which do not acknowledge the transnational nature of their business and movements.

10. Recommendations

Many of these entrepreneurs do not meet the requirements for a “Business Permit”. Those that sell break the rules applicable to Visitors Permits. Furthermore, restrictions placed on the number of Visitors Permits that can be issued to a single individual and special permission required to get a multiple entry permit also hampers their activities. The Immigration Bill should be amended so that:

EITHER:

A new category of temporary resident permit, a “Traders Permit” is introduced

OR:

The Visitors Permit category should be amended to facilitate the issue of permits to traders to enable them to trade, and to have easier access to multiple entry permits.

Either option could:

- Offer options for multiple entry
- Allow traders to sell goods in informal and formal sector markets
- Be limited to people carrying goods under a certain amount (e.g. R10,000)
- Have strong penalties for anyone found working on such a permit
- Be limited to citizens of SADC countries—or be extended to citizens of all countries or just African countries

Such a permit would allow traders to sell in the informal sector and allow multiple entry. This would reduce administrative costs and release Home Affairs and embassy officials to deal with more pressing immigration concerns. Like other temporary permits it would recognise the multiple reasons that people enter South Africa (to the country’s benefit). It would also remove the ambiguous status of non-South African traders, remove opportunities for corruption and improve the regulation and management of the system. Reciprocal trading permits (bi- or multi-lateral should be negotiated to enable South African traders similar access to regional markets.

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