

The role of family in the township informal economy of food and drink in KwaMashu, South Africa

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Abstract

Purpose – The purpose of this paper is to provide a qualitative investigation of family employment dynamics in the KwaMashu township economy.

Design/methodology/approach – Using a small area census research method, the researchers identified 1,556 businesses located in a settlement of 2 km². Of these enterprises, 694 (45 percent) traded in fast moving consumer goods, notably food and/or drink. The main retailers were small shops (spaza shops) and liquor outlets (bars or shebeens), greengrocers, sellers of meat and poultry products, house shops, restaurants, takeaways and tuckshops. Firm surveys were conducted with 270 businesses in four predominant sectors: liquor retail, grocery retail, early childhood educators and hair care businesses.

Findings – The research found that 40 percent of the surveyed firms in these sectors employ family members on a full-time basis, whereas merely 26 percent of firms employ family members on a part-time basis. In the grocery retail sector, about half of family employees are remunerated on a wage basis, the other half are paid in-kind (40 percent of the total) or on a profit share arrangement. In liquor retail and education sectors, the majority of family members are paid wages. Female-run enterprises employ less family members on a full-time basis (except in the grocery sector), yet employ more family members on a part-time basis with a higher portion of wages paid in-kind.

Research limitations/implications – Family plays an important role in township enterprises. Beyond direct employment, township enterprises fulfill an important social protection and neighborhood relationship function for business operators and their families. The familial relationship to micro-enterprises should be seen through the lens of bricolage (Gras and Nason, 2015).

Originality/value – In this respect, the authors confirm three benefits of family firms: the creation of social protection through family beneficence, the provision of employment and work experience and the strategic use of family resources.

Keywords Family, Informal economy

Paper type Research paper

1. Introduction

South Africa's cities display a wide variety of retail business types and outlets in formats comparable to other westernized urban economies. Beyond the formal retail economy in high streets, CBDs and shopping malls, lies a realm of business activity which is typified by micro-entrepreneurship in urban residential township settlements. These businesses are considered to be informal in that they (and their employees) generally lie outside the legal and institutional regulatory framework, and are generally unregistered and unincorporated (Statistics South Africa, 2010). The enterprises form part of the informal economy. In this paper, we refer specifically to that component of the informal economy situated geospatially within poor communities, where small-scale, unregistered and typically family-based firms with less than five employees predominate. These firms can



best be described as micro-enterprises. Most of these micro-enterprises are informal in an involuntary sense, operating outside of the legal-institutional framework as a result of their smallness in size and the stringency of the business regulatory environment (see Ligthelm, 2008).

Informal micro-enterprises provide an important safety net and opportunity for home-based survivalist economic activity in a context of high unemployment. Research has shown how micro-enterprises enhance food security in culturally and geographically important ways (Cohen and Garret, 2009; Crush and Frayne, 2011). The scope and scale of these businesses are difficult to measure since many micro-enterprises are not captured in national enterprise and labor force surveys. Area-based studies, such as Charman *et al.* (2014) and Mahajan (2014), provide a more fine-grained insight in the kinds of business activities undertaken in the township context as well as information on their spatial distribution. Petersen and Charman (2018) analyzed data on micro-enterprises in nine township sites and revealed the importance of the informal businesses retailing food and drink in the township economy. The research found that food and drink retailers comprise 56 percent of all township business activities. Despite the role of township micro-enterprises in providing access to goods and services, there remains a dearth of knowledge on the human dynamics of these businesses. Little is known, for example, on the extent and dynamics of employment, including the role of family members within informal food and drink retailing micro-enterprises. By building on research conducted in the township of KwaMashu, KwaZulu Natal in South Africa, this paper seeks to explore the varying roles and influences of family members in the informal economy of food.

1.1 *Informal sector and the family*

The relationship between family and informal businesses will be explored through three thematic areas, namely, social protection, employment opportunity and business strategy. These areas reflect a range of interrelated disciplines, each of which has an important role to play (in both positive and negative respects) in business sustainability.

Social protection. In developed countries, financial resources for individuals facing economic hardships are typically provided by a comprehensive and functioning social security system (pension, insurance, banks and credit unions). In developing countries, these institutions are most often limited to the poor (Mokomane, 2012, p. 4). “In Africa, as in many other developing regions, the extended family is a long established institution which provides its members with sophisticated social security system, an economic support to meet their basic needs for food, shelter, and clothing, and a wide circle of relatives on whom to fall back in times of crisis, unemployment, sickness, poverty, old age, and bereavement” (African Union, 2004, p. 3). Indeed economic survival in informal settlements requires strong family, neighborhood and cultural bonds and networks. Considering the extensiveness of poverty in such contexts, family thus represents one of the few sources of resources (cf. Danes *et al.*, 2008) and governance in business (cf. Carney, 2005).

It is essential to take culture into account when studying the dynamics of family relations and business. The Ubuntu philosophy of Sub-Saharan Africa is one that has become of great interest to sociologists in the recent years. An important feature of this culture reflects its emphasis on a non-individualistic way of life. In essence, Ubuntu is to live within a community/family and to act in a manner that will positively benefit the community over that of oneself. Such communal characteristics are still witnessed in South African communities today and although diluted through western capitalism, the culture is still ingrained in the roots of many Africans. Embodied in the phrase “I am, because we are; and

since we are, therefore I am” (Lutz, 2009, p. 314) the concept of Ubuntu forms the epitome of what it means to be human. Research has found that it is generally true that Africans are less individualistic, in comparison to westerners today. (Lutz, 2009, p. 315) The philosophy provides a certain insight into why family businesses are predominant in the South African informal economy.

Employment. In the case of Indian slums, Gras and Nason (2015) considered family and business to be deeply intertwined with one another to the point where family can be seen as a collective economic actor where the boundaries between family and business are fluid. Family members commonly have overlapping roles and responsibilities in their collective economic endeavors, with this feature potentially broadening the scope and opportunity of business activity while allowing for balancing of business and personal life roles such as caring for dependents. This is shown by Petersen and Charman (2018) who noted how in a sample of 50 informal township foodservice outlets, only two enterprises employed non-family members. In these micro-enterprises assistance was commonly rendered by wives, husbands and children—primarily in food preparation. Such arrangements speak to Neves and du Toit’s (2012) assertions of reliance and transfers between the domestic and enterprise economy. Practical examples of this are the common case of women who operated informal foodservice enterprises from home and were able to simultaneously care for their children. Such cash-based, family supported enterprises can then be geared and operated to suit a range of lifestyle considerations and responsibilities. These business-family arrangements are what du Toit and Neves (2008) called a “form of social protection,” with businesses being income producing, household food provisioning and accommodating of household labor requirements. Even in the case where enterprise profitability is modest, such businesses represent a pragmatic activity to simultaneously support but also enlist family members into enterprise usefulness in what are otherwise potentially limiting economic circumstances. In some respects, this recruitment can be seen as a form of bricolage (Penrose, 1959), in other words by improvising and creatively combining what is at hand, entrepreneurs can create something out of nothing in an impoverished setting (Baker and Nelson, 2005). Zellweger *et al.* (2012) argued that it is through such capacity for improvisation and flexibility that the family can fulfill an influential role in stimulating local economic activity.

Business strategy. Family being included in informal businesses has positive benefits on social protection and employment; however, it does not always result in the best business strategy according to several research studies. Much private sector work activity is reliant on family links for business support in the form of labor, raising of capital and logistics (Edwards and Rothbard, 2000). Yet, while families often have strategic usefulness in micro-enterprises, they can also present a challenge for business practice in terms of demands on the business, financial requirements or personal crises (such as death or illness) that can detract from business activity. In a study of the causes of business failure in Cape Town’s Delft South, Hartnack and Liedeman (2016) found that excessive demands from family members upon the business or the labor of the entrepreneur imposed idiosyncratic shocks on the household. These shocks—financial withdrawal or diversion of labor (by child-rearing needs or sickness, for example)—could cause the business to slump or even fail. In a Khavul *et al.* (2009) study from East Africa, it was found that family obligations (Stewart, 2003), the burden of tradition and inflexibility (de Vries, 1993), as well as a lack of professionalism (Lank and Neubauer, 1998) may in fact undermine the entrepreneurial process in family businesses.

These three thematic areas of social protection, employment opportunity, and business strategy form an important set of parameters from which evaluating the role of family within informal economy micro-enterprise. In this case, drawing upon data collected as part

of a small enterprise census including a range of business types, and interviews with 50 respondents from informal food-related businesses within the township of KwaMashu the authors intend to determine the roles and importance of family within South Africa's township economy.

1.2 Study aims

The paper aims to contribute toward addressing the knowledge gaps on the role of families in informal enterprises in South African townships. Through studying primary data on firm dynamics, the paper aims to illuminate the significance of business-family linkages, addressing questions on the contribution of businesses toward family well-being and the role of the business in creating intergenerational entrepreneurship. Our focus is on micro-enterprises in four sectors, namely, liquor retail, grocery retail and educare (child care and education) and hair care services (hair salons and barber shops). The research was undertaken in the township of KwaMashu, situated in the metropolitan area of the City of Durban (eThekweni), South Africa.

2. Methodology

2.1 The study area

The township of KwaMashu falls within the eThekweni Metropolitan Municipality, which encompasses Durban, the largest city in the KwaZulu Natal province and the third-largest in South Africa. The township was established by the Apartheid government in the 1960s as a settlement exclusively for the residence of black South Africans. The portion of KwaMashu under consideration in this study had a population of 74,037 people in 2011 (Statistics South Africa, 2011). The settlement has a preponderance of state-built small brick houses on allocated land portions, interspersed with privately built homes in increasingly informally designated settlements. The area is well serviced with electricity, reticulated water supply and municipal rubbish removal. Roads are generally tar sealed. Yet despite the sufficient level of local government services, the community is poor. While the unemployment rate in eThekweni metro is approximately 30 percent for working age people (Statistics South Africa, 2011), this is disproportionately higher for black South Africans and in the township settlements where they commonly reside. Using a broad definition of unemployment, 47 percent of the workforce in KwaMashu are unemployed. Scholars point out that youth (aged 15–35 years) are particularly affected by unemployment, with up to 80 percent not working (Albert *et al.*, 2013). High unemployment has fostered the rise of a self-help economy within KwaMashu of informal business activities, including grocery and liquor retailing, child care, hair care and informal foodservice micro-enterprises.

2.2 Data collection process

Over the course of 18 days in July 2013, the researchers undertook a census of all micro-enterprise activity within the research site. The research approach has been described by Charman *et al.* (2015a, b) as a small area census approach. Data collection was undertaken by a team of experienced researchers, diverse in linguistic skills, racial profile and gender. Each day, the research teams set out on bicycle (or foot) with clipboards containing the questionnaires, GPS devices, video cameras and sound recorders, proceeding with the aim to comprehensively traverse all streets, thoroughfares and walkways within the site boundaries with the objective to record all business activity. In the informal settlements, the researchers used high-resolution aerial photographs to locate and confirm traversed pathways. The researchers' use of bicycles to conduct the investigation created considerable local interest and amusement and as a result, many residents openly engaged with the research team to find out what they were doing or simply to introduce themselves

to the team. In this way, a business census of all enterprises was conducted. All businesses and livelihood income streams, regardless of the economic sector or enterprise size, were identified and data recorded electronically. GPS devices logged the coordinates of identified micro-enterprises. Simultaneous to the business census process, the researchers conducted a firm survey of all businesses in locally predominant business sectors. In terms of local business numbers the key sectors were liquor retailers, grocery retailers, educare services and hair care salons.

The researchers sought to survey every identified business within the selected sectors, preferably interviewing the business owner. The business owner (or representative) was informed of the objectives of the research and interviews conducted on securing consent. The great majority of the identified research participants agreed to participate in the study, though a minority refused to be interviewed. The survey took approximately 20 minutes to complete. Specific interview forms were utilized for each sector. The questionnaires comprised both quantitative and qualitative investigation, recording socioeconomic and demographic characteristics and exploring themes of business characteristics, pricing, supply chains and business challenges. Open-ended questions and informal discussions allowed the researchers to inquire without unintended influence and were iterative through allowing a broader discussion to emerge. In essence, a “conversations with purpose” approach was utilized (Drury *et al.*, 2011). This qualitative component allowed new topics to emerge and provided insights into the sector that could not have been obtained through quantitative surveys, not least because many participants desired to contextualize their views.

3. Results

3.1 *The micro-enterprise landscape*

The business census revealed a total of 1,556 micro-enterprises. In terms of population, the census identified 13 enterprises per 100 households and 55 per 1,000 head of population. The result indicates a low level of entrepreneurship in contrast to other localities in which a similar business census was undertaken (Charman *et al.*, 2014). The census identified business activities across a wide range of sectors including liquor and grocery retailers, recycling, street traders, child care, hair care and micro-manufacturing. The five prominent sectors were (in declining order) liquor retailers (shebeens), recycling (of glass and plastic), house shops (individuals working from private homes and selling a basic range of grocery items such as chips, sweets and paraffin), spaza shops (specifically defined as having independent business premises, a dedicated product fridge and at least eight of ten staple food products) and street trade (of various products including plasticware, clothes, bric-a-brac). The full results of the census are shown in Table I. Three of the top five sectors are involved in the retail of food or drink, while the recycling micro-enterprises are directly allied to the liquor sector in respect of the collection of empty glass bottles. The distribution of the identified enterprises is shown in Figure 1.

Of the total 1,556 micro-enterprises, 694 businesses (45 percent) were engaged in the trade of food and liquor. Apart from shops and liquor retail outlets, the other sectors in this category were greengrocers (persons selling fruit and vegetables), meat and poultry traders, house shops, restaurants, businesses selling takeaways and tuckshops selling a mixture of fast food, grocery items and drinks (both alcoholic and non-alcoholic).

3.2 *Firm survey results*

Of the total of 444 liquor retailers, grocery retailers, hair care businesses and educare enterprises located in the community (29 percent of all enterprises), the researchers were able to conduct firm interviews with 270 entrepreneurs. The broad socio-demographic characteristics of the sample are shown in Table II. The average age of entrepreneurs in

Sector	Agriculture	Appliance repair	Building services	Business services	Car wash	Community service	Drug dealer	Educate	Entertainment service	Green grocer	Hair care	Health services	Home maintenance services	House shop	Liquor retail (shebeen)	MSC liquor sales	Meat, poultry and fish retail	Total
Number of enterprises	57	18	6	49	11	2	11	26	13	3	39	32	52	156	252	9	3	
% of total Enterprises	4	1	0	3	1	0	1	2	1	0	3	2	3	10	16	1	0	
per 100 hh Enterprises	0.34	0.11	0.04	0.29	0.07	0.01	0.07	0.16	0.08	0.02	0.23	0.19	0.31	0.94	1.51	0.05	0.02	
per 1,000 pop.	0.77	0.24	0.08	0.66	0.15	0.03	0.15	0.35	0.18	0.04	0.53	0.43	0.70	2.11	3.40	0.12	0.04	
Sector	Mechanical services	Micro-manufacture	Personal services	Phones	Recycling	Religious services	Restaurants	Shoe repair	Grocery retail (spaza)	Specialist store	Street trade	Tailor	Tavern	Takeaways	Transport services	Tuck shop	Wood and coal	
Number of enterprises	49	55	4	21	194	42	1	6	127	4	122	9	21	101	38	21	2	1,307
% of total Enterprises	3	4	0	1	12	3	0	0	8	0	8	1	1	6	2	1	0.1	
per 100 hh Enterprises	0.3	0.3	0.0	0.1	1.2	0.3	0.0	0.0	0.8	0.0	0.7	0.1	0.1	0.6	0.2	0.1	0.0	
per 1,000 pop	0.7	0.7	0.1	0.3	2.6	0.6	0.0	0.1	1.7	0.1	1.6	0.1	0.3	1.4	0.5	0.3	0.0	

Table I.
Business census
result – by sector
category (July 2013)

Figure 1.
KwaMashu survey
site and position of
identified micro-
enterprises (July 2013)

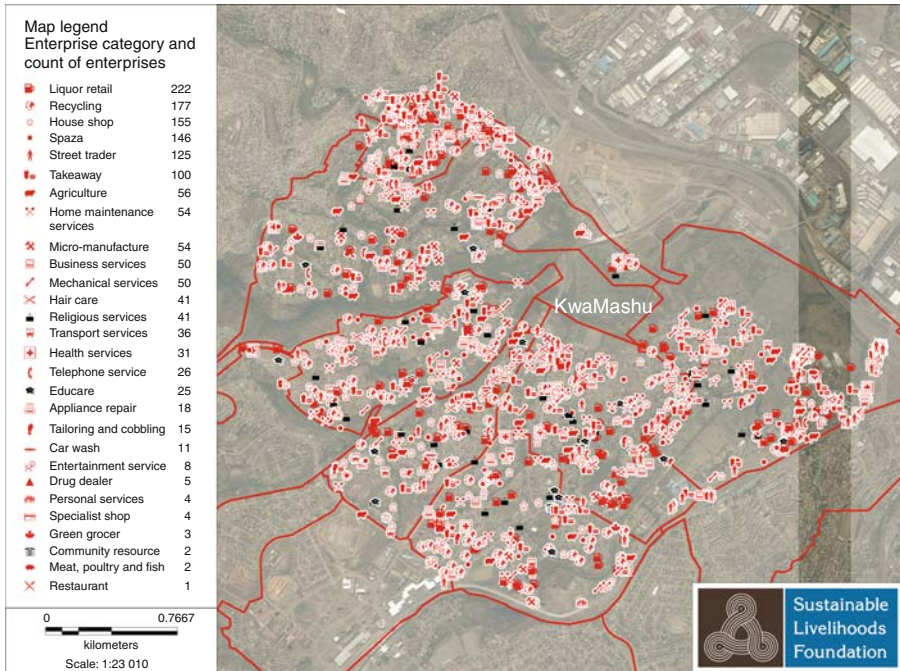


Table II.
Broad socioeconomic
characteristics of the
firms surveyed

	Number	Average age	Male	Female	% Female	SA	Non-SA	% SA	Average time in business
Liquor	107	42.5	58	46	44	107		100	7.9
Grocery	126	40.4	72	53	42	112	13	90	6.5
Educare	16	50.2		15	100	15		100	10.1
Hair care	24	31.6	12	11	48	20	2	91	7.2
Total	273		142	125					

the liquor, grocery and educare sectors was notably higher than in the hair care sector (a finding which might explain the relatively low levels of family employment in this sector). Women entrepreneurs comprised a minority of respondents in the liquor, grocery and hair care sectors, but account for all respondents running educares. In both liquor and educare sectors, all the respondents were South Africans, while in both grocery and hair care sectors, immigrant entrepreneurs comprised about 10 percent of the sample. These figures are comparatively low as research has shown that immigrant entrepreneurs have come to dominate the market share in both grocery retail and hair care in other township economies (see Charman *et al.*, 2017). The sample comprises micro-enterprises that have been in operation for a considerable timeframe, with the average operating time exceeding six years in all sectors. It is arguable that the sample might not adequately represent startup enterprises which, in turn, could have different dynamics of family dependencies.

In terms of employment, 188 (68 percent) of the 270 business surveyed employed persons on a full-time basis with some of these also employing persons on a part-time or casual basis. Family members were employed part-time in 110 businesses (40 percent of

the total), though predominantly in grocery and liquor retail. In these sectors, family members comprise over 60 percent of permanent employees. In addition, family members comprise 57 percent of part-time employees in the liquor sector and 71 percent of part-time employees in the grocery sector. The rationale for the reliance on family members in the liquor and grocery sectors is possibly related to the business structure: these are residential home-based businesses, trading beyond conventional office hours. The data are shown in Table III. Employing family members in some capacity is evidently a common strategy across sectors in KwaMashu.

The researchers found that of the micro-enterprises which employ family members, 94 percent (of full-time) and 96 percent (of part-time) cases reported employing only one family member. These figures may be underreported as field observation revealed how family members often help out with the business, but are not considered to be formal employees, benefitting rather from profit generated by the business to support the whole family. Our experience from the field leads us to conclude that the data underreport the extent to which families help with and support business activity. Many enterprises are reliant on family involvement, with assistance commonly rendered by wives, husbands and children in a variety of tasks including shopfront management, deliveries, food preparation, cleaning through to complex activities of financial bookkeeping and management. These field observations align with Neves and du Toit's (2012) assertions that transfer between the domestic and enterprise economy are critical in informal microenterprise operations.

Gender and age dynamics. Men are to some extent more likely to be business owners, running 55 percent of all businesses. Furthermore, a gendered analysis indicates that men are more likely to employ outside of family than women. The data in Table IV show that 52 percent of employees in the liquor sector, 69 percent in the grocery and 60 percent in the hair care sector are related within family. In the educare sector, merely 23 percent of the employees are relatives, a finding which is not surprising given that the sector tends to focus on employing persons with experience and/or training in child care. Female liquor traders are less reliant on family labor than women operating grocery stores. The finding may reflect the preferential role of men in liquor businesses for fetching stock and providing

	Full-time family	Full-time non-family	Total full-time	Family members as % of total full-time employees	Part-time family	Part-time non-family	Total part-time	Family members as % of total part-time employees
Liquor	40	24	64	63	28	21	49	57
Grocery	59	39	98	60	40	16	56	71
Educare	7	10	17	41	1	1	2	50
Hair care	4	5	9	44	1	5	6	17
Total	110	78	188		70	43		

Table III.
Employment in the informal economy sectors of liquor, grocery, educare and hair care micro-enterprises

	Full-time family	Full-time non-family	Total full-time	Family members as % of total full-time employee	Women part-time family	Women part-time non-family	Total part-time	Family members as % of total part-time employees
Liquor	14	13	27	52	14	11	25	56
Grocery	25	11	36	69	23	10	33	70
Educare	3	10	13	23	1	1	2	50
Hair care	2	1	3	67	2	3	5	40
Total	44	35			40	25		

Table IV.
Employment in female-operated businesses

security and conversely the preferential role of child dependents in grocery stores in operating the shop while the owner is attending to other duties. The data indicate that female businesses are comparatively more dependent on family support for part-time labor requirements with 56 percent of employees in the liquor sector and 70 percent in the grocery sector related to the business owner. In summary, the findings indicate that women are more likely to turn to family for employment, perhaps because women are more likely to draw on their children for business support.

In terms of the age of the business owner (see Table V), the results indicate that the most likely employers in the township economy are aged in the 30–39, and 40–49 quintiles who collectively make work opportunities for 52 percent of full-time family members, 59 percent of part-time family members and 55 percent of non-family members.

The data on employment by nationality are inconclusive. In this sample, there are too few non-South African micro-enterprises to accurately compare employment practices with South African businesses. That said, in the grocery sector 10 percent of the businesses were run by immigrant entrepreneurs from Ethiopia, Somalia and the Democratic Republic of the Congo. Within this cohort, most of the enterprises were reliant on family connections for labor, though these connections often relate to a much broader concept of family than applied in the case of South African micro-enterprises.

Incomes and social protection. Of the specific study group sample, 46 percent of the informants reported that the business was the primary source of income to the operator’s household; 4 percent had secondary businesses; 9 percent operated multiple micro-enterprises; and 46 percent received a social grant. Within this range of strategies, it is apparent that informal economy enterprises reflect, for many, economic survival. In some cases, the businesses change in their nature and purpose to suit local markets, but remain critical components of income streams within a household, as implied in the field worker notes below:

The business first started as a shebeen, then expanded to spaza shop. The owner is a single mother, who cannot find employment but needs to support her children (Field researcher notes, 2013).

Started business because was unemployed and has twin girls with girlfriend so needs to do something to take care of them (Field researcher notes, 2013).

Most family workers tend to earn cash income over and above other means (in-kind or profit share). But the data do suggest differences between sectors and gender (refer to Tables VI and VII). A relatively high portion (42 percent) of workers in the grocery retail sector is

Table V.
Age of business owner and employment

Age of business owner	Full-time family members <i>n</i> = 110	Part-time family members <i>n</i> = 72	Non-family <i>n</i> = 58	Total <i>n</i> = 316
> 30	22 (20%)	12 (17%)	9 (16%)	33
30–39	32 (29%)	24 (33%)	18 (31%)	64
40–49	25 (23%)	19 (26%)	14 (24%)	58
50–59	19 (17%)	11 (15%)	8 (14%)	38
< 60	9 (8%)	6 (8%)	2 (4%)	17

Table VI.
Employee remuneration by sector (all businesses)

	In-kind	Profit	Wages	Total	% In-kind	% Profit	% Wages
Liquor	14	4	50	68	20.6	5.9	73.5
Grocery	44	6	53	103	42.7	5.8	51.5
Educare	1		13	14	7.1	0.0	92.9
Hair care	2	4	7	13	15.4	30.8	53.8

paid in-kind. In female-owned businesses, this figure rises from 42 to 57 percent, highlighting the greater dependence of female-run businesses in the grocery sector on both family labor and in-kind payments. These in-kind payments take various forms, including the provision of food and lodging, clothes (particularly items of fashion ware) and “pocket-money.” In the educare sector, where employers have a greater degree of work experience, skills and responsibility (caring for young children), most employees are reportedly paid in cash wages. In the hair care sector, roughly one-third of the employees are remunerated on a profit-share basis for the work undertaken, a finding that is consistent with formal business practice in this sector.

A possible explanation for the reliance on in-kind payments in some enterprises is their social orientation and priorities. In this respect, Neves and du Toit (2008) referred to economic activity within the context of highly gendered care chains that include money, care work and household labor. For example, a woman who operates an unregistered shebeen is likely to be able to simultaneously care for her children or run other business enterprises. Furthermore, the enterprises are cash based and often operate for limited hours, opening at times that suit the entrepreneur. With respect to income, informal businesses in these situations are at least as important as other sources of cash in the form of social grants – including old age and disability pensions and child support grants. Family labor in these sorts of micro-enterprises fulfills a primarily social, rather than economic function, enabling micro-entrepreneurs to meet social needs (such as child care) without neglecting economic needs. Despite the rates of secondary businesses being low, it was clear that working within strong family networks brought about potential for new business opportunities, as indicated in the field notes:

I had money in 1999 to start a business. Since then I now have a business complex where each member of the family owns and runs a different part of the business. This includes a butchery, hardware, bottle store, and spaza shop (Male business owner in liquor sector; survey ID 445).

4. Discussion

Township micro-enterprises provide an important local economic opportunity within the KwaMashu residential settlement. An even distribution of micro-enterprises is apparent throughout the community. The dominant sectors are retail businesses selling liquor and grocery items. These businesses play an important role in meeting daily food/drink/recreational/social demands for township residents. Products and services retailed from these outlets are geared to or respond to local consumer budgets and tastes in an immediate local setting. This distinct informal economy (Trienekens, 2011) appears well suited to local circumstances outside of formal and regulatory frameworks. Focusing the interview process onto a limited number of enterprise types, the researchers were able to investigate the extent of family involvement in supporting these micro-enterprises. The research found considerable family linkages and involvement in day-to-day activities. Family is engaged in these businesses as formal and informal employees, and beneficiaries, while the business itself is situated within the family culture (in that it is often a vital form of social and economic family support). A number of clear familial

	Women in-Kind	Women profit	Women wages	Total	% In-kind	% Profit	% Wages
Liquor	4	1	24	29	14	3	83
Grocery	24		18	42	57	0	43
Educare	1		13	14	7	0	93
Hair care	1	2	3	6	17	33	50

Table VII.
Employee
remuneration by
sector (women
enterprises)

relationships and opportunities were revealed in the research, some of which hold relevance in respect to the “making do” concept of bricolage (Gras and Nason, 2015). The micro-enterprises located in KwaMashu confirmed the following three features of family involvement within township micro-enterprises the creation of social protection through family beneficitation, the provision of employment, and the important effect family has on business strategy through working within the “circle of trust.”

4.1 *Social protection*

Informal micro-enterprises represent important sources of economic opportunity within the township context of deep informality and economic disadvantage. These enterprises are also commonly shaped around the direct demands of the family. The KwaMashu businesses revealed high participation rates for women—many of whom were of child-rearing age and who potentially adjust opening hours to suit other their child care considerations and responsibilities. In this way, such businesses reflect assertions by du Toit and Neves (2008) that social protection arises from such businesses which are income producing, household food provisioning and accommodating of household labor requirements (such as child care and sick care). The knowledge and capital sharing emanating from micro-entrepreneurial activity appears commonly borne out of necessity where the enterprise represents an economic survival strategy for the owner to support their family.

Family beneficitation through informal enterprise is an important feature of the broad benefits of informal entrepreneurship beyond the individual business owner. Yet, as noted by Khavul *et al.* (2009) this social protection role also restricts the flexibility of (particularly) female entrepreneurs in pursuing growth opportunities or experimenting with new or unrelated businesses. In the case of informal foodservice where some 70 percent of businesses are owned by females who care for dependent children (Petersen and Charman, 2018), it is likely that many KwaMashu micro-enterprises may be somewhat shackled by family obligations. It is likely (and worthy of future research) of considering how opportunities that entrepreneurship provide for males and females with respect to how their familial responsibilities may differ.

With respect to such obligations, many business owners highlighted the challenges of managing cash flow when family crises emerge. For some, an event such as a funeral or wedding can bring about considerable cost implications which can effectively create business disinvestment. Khavul *et al.* (2009) took this notion further where potential family challenges of “free riders” and expropriation by family members who are otherwise uninvolved in the business is a possibility. This, in turn, reduces the motivation of individuals to take advantage of opportunities and forces entrepreneurs to adopt strategies that temper the control of family on business. This appeared to be indicative of women entrepreneurs in rural East Africa. Interestingly in the case of KwaMashu micro-enterprises working largely within the family labor pool was a predominant feature of employment, with business owners preferring to employ family members (possibly from within a “circle of trust”) over and above non-family. Although data on enterprise success were not systematically obtained, open-ended discussions with informants indicate that family ties can either inhibit or enhance entrepreneurial action with family potentially both an enabler of daily enterprise operations, but an impediment to strategic business development.

4.2 *Employment*

While social protection is indeed a valuable outcome of this business approach, Gras and Nason (2015) pointed out how, through circumstance, informal firms in the poverty context may have little choice but to rely on family household members. This is certainly apparent in the KwaMashu micro-enterprises which have not only considerable ties to family members as beneficiaries but also direct employees or in some cases as partners.

Yet, in the spirit of bricolage, family roles also manifest in other ways, such as helping to manage or run the business (without clearly being employees on the payroll, rather benefitting as a family), in running linked businesses, or in teaching the skills/helping to collect the capital/having the right networks to start businesses. Such strategies can potentially bring about longer term business activity through, for example, the passing down of skills and knowledge within the family (e.g. a mother will start a business and pass to her child) to ensure the longevity of the business and self-employment across generations.

4.3 Business strategy

Beyond being direct beneficiaries, in the case of KwaMashu, we found that the support and assistance of family can create fruitful conditions for business experimentation or expansion.

Family arrangements can suit the business owner by keeping business activities within a “circle of trust.” Business owners are able to leave family members in charge without the fear of theft or legality issues. Wages and hours worked are often not set and are flexible around business productivity. In this way, family becomes important members in a trust network for the business. Where this is well managed there is a sense that such models can bring about useful benefit the owners.

In a more indirect manner for bringing benefit to the business is the practice of benefitting from family members who may not be directly employed but who hold strategic positions which can benefit the business practice. Khavul *et al.* 2009 showed how East African entrepreneurs use both strong family and strong community ties to establish and grow businesses. In the South African case having family working within the broader community can create an important strategic advantage in a variety of ways to benefit business and the family unit. For example, within KwaMashu one shebeen owner highlighted that having a daughter in the police service meant that his (unlicensed, illegal) business was never raided.

Furthermore, family employment can bring about direct strategic advantages of being able to employ staff without necessitating complex legal agreements or requiring cash wages—with family members implicitly benefitting from their association with the business. The closure of South African enterprises in the case of business failure no doubt also brings about large and direct familial employment consequences beyond the business owner.

5. Conclusions

This study of family township enterprise was able to review a data set of 1,556 micro-enterprises compiled from a 2013 small area census of one section of the KwaMashu township. Interviews took place with 273 micro-enterprises in four business sectors (liquor, grocery, educare and hair care) with liquor and grocery trade being both predominant and major local employers of family. Despite their informality, collectively these enterprises—in particular, the liquor and grocery economy—represent a prominent family business activity responsible for a range of important social protection mechanisms including direct employment for family members, intergenerational sharing of business knowledge and culture and informal strategic advantage through networks. This finding affirms Gras and Nason’s (2015) assertion of the important role of the family household as an informal institutional force. In this respect, the findings assert the importance of such enterprises within models of local economic development, wherein these firms fulfill valuable roles and employment opportunities that may not necessarily be replaced through formal sector jobs or respond to policies such as legal conditions for employment. An important characteristic of family businesses in the township context is the duality of family, potentially both an enabler of daily enterprise operations, but also as an impediment to longer term strategic business development where excessive demands have potential to detract from enterprise success.

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