Small-Scale Migrant Businesses and Development in Dakar, Senegal. A Post-colonial Urban Approach.

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Abstract

Over the last decades research investigating the relation between migration and development has led to controversial results. In many countries remittance flows are larger than official development aid, therefore raising questions about the ways in which these resources are utilised that can be beneficial for local development. Studies from around the world show that the share of remittances that goes towards productive forms of investment is however very small compared to what is used for consumption. In addition, research on the small business activities that are initiated by migrants has revealed that these may not always be innovative and can be exposed to high failure rates, as they tend to concentrate in already saturated sectors. This article argues that focusing exclusively on the economic success and innovation capacity of migrant-initiated businesses is a limited view, as it fails to take into account other ways in which these activities positively affect the lives of people in the home country.

This paper adopts a combined meso- and micro-level perspective, inspired by recent advancements in post-colonial urban studies and a human approach to the understanding of development. Based on ethnographic data collected among Senegalese migrants, their families and local non-migrant populations in the city of Dakar, this paper shows that small-scale commercial activities of migrants have flourished in particular in certain areas of the city. Here, the bustling economic activity resulting from migrant investment opens the city to larger domains, allowing participation in broader spheres. Although when taken individually many migrant businesses are scarcely innovative, subject to unstable fortune and present a high turnover, considered as a whole they can be said to have a developmental impact on the local context. The clustering of these activities in the peripheral neighbourhoods of the city's *banlieue*, in fact, has promoted an upgrade of popular neighbourhoods on the one hand positioning them within broader processes of global exchange and, on the other, enhancing the capabilities of local inhabitants.

Introduction

Since the turn of the millennium the debate about the impact that migration can have on development processes in the country of origin has gained a strong momentum both within policy and academic circles. The predominance of optimistic views among the former is however alternatively supported or disproved by controversial results emerging from concrete research in this field. The first section of this paper reviews this debate with a focus on remittances, migrant savings and investments. The fact is acknowledged that research evidence may discern diverse development outcomes on the basis of the scale of observation utilised. This paper therefore advocates for the adoption of a combined meso- and micro- level approach to the issue, inspired by recent advancements in post-colonial urban studies and an understanding of development that is in line with the capabilities approach introduced by Amartya Sen. The rest of the paper is organized into sections first providing insight into the research methodology used and then discussing the findings emerging from data collected on migrant investments in the capital city of Dakar, Senegal. Finally, some conclusions are drawn in the last section.

1. Migrant investment in the home country: a post-colonial urban approach

In 2010, an estimated US$325 billion were transferred to developing countries alone (World Bank 2011), largely surpassing the amount of funds invested through official development aid. For many countries of the South, migrant remittances have become an important source of foreign exchange and exceed foreign direct investment. The amount of remittances travelling through official channels such as banks or money transfer services has been steadily increasing over the past decades, and it is accompanied by substantial funds that are transferred by other means and thus are not captured in official figures. This leads many to believe that financial remittances carry a huge potential for local development processes (Ratha 2003).

In order to understand how remittances may be linked to economic investment and, in turn, to local development there is however a need to move beyond the mere evidence on the amounts of remittances transferred, as this data gives little indication of the reasons motivating migrants to remit as well as of the subsequent uses that are made of these resources in countries of origin. A first stream of research suggests that because remittances are largely motivated by altruism rather than being profit driven, they mainly compensate for bad economic performance of recipients in home countries instead of serving as capital for economic development (Chami, Fullenkamp *et al.* 2005). Research, in fact, confirms that the most significant share of remittances is used for consumption purposes. This may generate remittance dependency and stifle local production when funds are used for the purchase and use of consumer goods that are largely imported. Evidence, however, is increasingly available that altruistic transfers sent to the family may be also accompanied by *origin savings* (Osili 2007: 447), i.e. remittances that are used for capital accumulation and to finance investments in the home country. Various studies from around the world, in fact, have found that households receiving migrant remittances are more inclined to make investments compared to others. Along these lines, research has confirmed that migrants are prone to invest in housing and land acquisition (Adams 1991; Osili 2004; Smith and Mazzucato 2009; Tall 2009; Taylor, Arango et al. 1996; Tiemoko 2004), as well as in setting up their own microenterprises (Dustmann and Kirchkamp 2001; Mesnard 2004; McCormick and Wahba 2001; Nicholson 2004; Woodruff 2007). This justifies the currently popular idea among policy makers that remittances «carry a huge potential for poverty reduction and local business and infrastructure investment» (Faist and Fauser 2011: 2). How this might impact on local development, however, still remains an issue open to discussion.

Literature focusing on the macro-economic scale has acknowledged that when migrants invest in productive ways, their initiatives have to face many challenges due to the poverty of the skills they

acquired during migration, or to their mismatch with local markets. In addition, the countries from which migrants originate usually present difficult investment environments. Research, in fact, has found that migrant savings are in a better position to generate positive outcomes in the country of origin when existing barriers to investment are addressed through the introduction of favourable policies and financial tools (Anderloni 2007; Wimaladharma, Pearce *et al.* 2004). Difficulties such as barriers in access to credit, cutthroat competition in saturated markets, or insecure property rights can pose serious obstacles to the small-scale businesses initiated by migrants, against which they are largely powerless.
In some cases, the nature of migrant investments may characterise them as unable to contribute to national economic growth. Much debate has arisen, for instance, around the economically unproductive nature of investments in property and housing. A closer view at the dynamics taking place at the micro-scale, however, has recognised that even in such cases remittances and local investments can improve the welfare of individuals, households and communities. In undertaking research on housing investments in Ghana, for instance, Smith and Mazzucato (2009) argue that there is a need to move beyond a merely economic view of such investments to look also at their social and cultural implications. Migrants, in fact, «are seldom able to realise investments in their country of origin on their own. […] Thus, migrants' housing investments are not only of importance to them, but also impact the lives of urban actors who help them with these investments» (Smith and Mazzucato 2009: 663). On a slightly different note, research on the investments of Chinese entrepreneurs in Cape Verde suggests that their businesses have thrived thanks to the demand for certain commodities resulting from large influxes of remittances. The sale of goods in large quantities and at accessible prices in response to this new demand has not only «transformed local retail», but also «significantly affected people's purchasing power» (Østbø Haugen and Carling 2005: 639). Investments of all kinds (from business creation down to 'unproductive' economic investments and social or community projects) therefore generate multiplier effects by making employment opportunities and other resources available to non-migrants. If we shift away from an interpretation of development exclusively understood in economic terms, towards a broader idea of 'human' development as inspired by the work of Sen (1985), we therefore find that migrant investments enhance development by improving people's capabilities and wellbeing[1]. When it comes to incoming financial flows thanks to migration, in particular, the extra-economic dimensions of remittances are equally important and call for «a broad definition of development, one that includes social, community, and political development» (Goldring 2004: 800).

In a recent article reviewing the debate on the development potential of migration, de Haas (2010) suggests that the truth lies somewhere in between the binary opposition between optimistic and pessimistic interpretations. He notes that «significant empirical and theoretical advances that have been made over the past decades highlight the fundamentally heterogeneous nature of migration-development interactions as well as their contingency on spatial and temporal scales of analysis» (de Haas 2010: 228). Improvements in livelihoods at the scale of individual households may therefore not correspond to national economic growth, and migrant investments (for instance in the education of future generations) may produce effects that generate long-term positive impacts but have scarcely visible immediate outcomes. According to de Haas, the development consequences of migration are therefore better understood by adopting a theoretical perspective that is able at once to integrate a focus on agency and on structure, which allows to take into account the diverse impacts on development of migration. He suggests doing this by integrating the perspectives of the New Economics of Labour Migration, livelihood approaches to development and the transnational approach to migration. These perspectives all converge towards an understanding of migration as a household strategy through which families spread risks by diversifying (and increasing) income sources. This allows de Haas (*ibid.*) to infer that remittances are indeed beneficial for home

[1] In Sen's work, capabilities and wellbeing are understood as the opportunities available to individuals to achieve a given state (i.e. what they can do), as well as the results achieved (i.e. what they can be).

communities, but also that they are powerless in removing the structural constraints that ultimately affect broader development outcomes of their small scale investments.

In a similar vein, this paper proposes to shift away from strictly economic interpretations of the local benefits of migrant investment in businesses and to adopt an understanding of development at the micro-scale of individuals, families and communities that looks at shifts in people's wellbeing and capabilities. This is coupled with a meso-level perspective that focuses on the repercussions of migrant investments on cities in the countries of origin. Cities have always and everywhere gone hand in hand with migration, making the latter a theme that has often been addressed within the field of urban studies. Since the arrival of globalisation, the centrality of cities as regards migration has even more prominently come to the fore. Urban scholar Saskia Sassen, for instance, notes that they «have re-emerged not only as objects of study but also as strategic sites for the theorization of a broad array of social, economic, and political processes central to the current era», including «economic globalization and international migration» (2002: 37). In the global South, cities have often been sites for the study of migration, with much research focusing on urbanization resulting from internal migration from rural to urban areas. The effects of international migration, instead, have been a privileged topic for research and theorisation in cities of the global North ever since the times of the Chicago school. Within a plethora of studies analysing the relationship between migrants and cities under different aspects, a number of recent contributions in this field are of particular interest for the topic at stake in this paper and advance an understanding of migrants as actors with a power to change the urban environment around them. Along these lines, Glick Schiller and Caglar (2009) argue that migrants contribute to the restructuring of cities by acting as urban scale-makers. Rath and colleagues have also shown how migration triggers processes of urban change (Nell & Rath 2009), including the transformation of ethnic neighbourhoods into places of leisure and consumption Rath (2007). Some literature even has an explicit focus on urban change as a result of migrant entrepreneurship, with evidence on the effects of the transnational commercial activities of African migrants coming from cities such as New York (Stoller 2002) and Marseille (Bertoncello and Bredeloup 2000). Despite very few exceptions (Smith 2007; Smith and Mazzucato 2009; Sinatti 2008 and 2009; Nagy 2006; Beauchemin and Bocquier 2004), most of the literature analysing the transformation of cities as a result of migration has focused on the insertion of immigrants in receiving cities. Much less is known about the effects of distant investment and return in migrants' cities of origin. In addition to being extremely relevant for the debate about the development implications of migration at the core of this paper, such an interest is also in line with the reflections of an emerging stream of post-colonial thought in the field of urban studies. Post-colonial urban theorists advocate for research that is able to bridge across different urban experiences and incorporate cities of the South (Robinson 2006 and 2011) that have traditionally been regarded as «sites of intensifying and broadening impoverishment and rampant informality operating on highly insubstantial economic platforms through which it is difficult to discern any sense of long-term viability» (Simone 2001: 16). Post-colonial urban theory challenges the assumption that developing cities are mired by insurmountable structural deficits and observes that the inhabitants of these cities are also the initiators of creative strategies allowing them to act effectively within larger domains (Simone 2001, 2004). The main argument put forward in this paper is that viewing the business investments of migrants in their hometowns in such a light allows to see them as opening up developing cities by reaching out to global markets. Cities become «a vehicle through which the 'native' aspirations for freedom and self-determination» can be achieved (Simone 2011: 130). This corresponds to the attempt, on behalf of migrants and their home communities, to engage in strategies that contrast the structural constraints that their cities pose for productive investment and sustainable livelihood. Regardless of their individual economic success and performance, small-scale migrant-initiated businesses generate change at the aggregate urban scale by positioning cities within global processes of exchange and they benefit locals at the level of households and communities, affecting their capabilities to access and obtain improved livelihoods.

2. Research methodology

This paper is based on research conducted in peripheral neighbourhoods of the capital city of Senegal, Dakar. The data was collected over a period of a few years and in successive waves of mainly ethnographic research. Data consists of the transcripts of semi-structured and un-structured interviews conducted with Senegalese migrants, their relatives and other key informants, ethnographic notes from participant observation (with migrants, their families and non-migrants), and the results of a survey conducted among the commercial activities along one of the city's major routes in 2004. This data is integrated with a mapping of the policies and initiatives of the Senegalese government and other actors to reach out to the Senegalese diaspora, including those with a specific focus on the promotion of self-employment among (aspiring) return migrants. Specific neighbourhoods for fieldwork in Dakar were identified through multisite matched sampling (Marcus 1995; Falzon 2009). They correspond to the areas of provenience of Senegalese migrants who were contacted in Italy and, in Senegal, they represent privileged sites hosting the newly initiated small-scale businesses of many migrants (living in, or returning from, also other countries of destination). Ethnographic and interview data ensures access to rich information about people's life histories, including their experiences and perceptions related to migrant business investments. In addition, this qualitative data is able to capture the longitudinal dimension of how these investment experiences and perceptions might have changed over time. The survey, instead, provides an instant snapshot of small-scale commercial activities at a given moment, but offers more systematic data collected through standard forms. Given the relatively limited coverage of the survey[2] and the small scale that is associated with all qualitative samples, this paper does not attempt to advance general conclusions on the diffusion of migrant-initiated businesses, nor on the factors affecting their success or failure. This paper does, however, draw a number of considerations regarding the development implications of the migrant investments analysed.

3. The case study: Senegalese migration and the city of Dakar

Migration has always played an important role in Senegal. Internal migration has historically been significant and involved large numbers of people moving from rural areas to larger cities, particularly Dakar. Since the 1980s, increasing importance has also been acquired by international out-migration, evaluated at present in approximately 2 million people[3]. Current international Senegalese migrants are primarily young men within the age group 18-35[4] and belong to the Wolof ethnic group. They have few qualifications and usually migrate alone, leaving their families behind. Senegalese migration is chiefly directed towards other African countries within the region (Gambia, Ivory Coast, Mauritania, Guinea Bissau, Gabon, Guinea), although Southern Europe (Italy and Spain) and the US have been steadily gaining importance and represent the main destination for those who are emigrating today. Similarly to the reasons behind earlier rural-urban migration flows, international migration from Senegal takes the form of a household strategy for the reduction of economic risks. Increasingly, this strategy is adopted by urban populations in order to face shrinking markets for formal and informal employment.

Dakar has always occupied a key position within these migratory phenomena. Internal migration towards the capital city was observed as far back as the 1940s and 1950s. In subsequent years, migration to Dakar shifted from seasonal migration to permanent settlement, contributing to the expansion of the city's periphery or *banlieue*. The same *banlieue* that grew as a result of yesterday's internal migration constitutes the prime sending area for current international migrants, who

[2] The survey covered a total of 214 commercial activities.
[3] I.e. one tenth of the national population.
[4] Source: Enquête Sénégalaise Auprès des Ménages, or ESAM II (DPS 2004).

progressively tend to be recruited among young urbanites (Eurostat 2000). For most individual migrants, Dakar represents an important step at some stage of their paths. As mentioned above, it has become an important sending area for current international migrants, while still constituting a stepping-stone for those international migrants who originate from other parts of the country: Dakar represents a major gateway to the West. In addition, it is also a privileged target for migrants planning their homecoming in the country of origin, attracting various forms of migrant investment ranging from housing, to the establishment of commercial enterprises. I have argued elsewhere that the positioning of this city along the diversified routes of many migrants generates a continuous flow of people, resources, symbols and aspirations that contribute to the social construction of this city as a shared 'translocality' (Sinatti 2008: 69).

Today Dakar is the centre of government, seat of Ministries and national and international institutions, and an active international port. As many cities in developing countries, it follows a macro-cephalic urban model and has developed a dual nature: alongside an administrative centre derived from the colonial city it also has an enormous periphery. Over the years, Dakar has sprawled well beyond its former 'downtown' into what appears a solid urban mass. Yet the different areas of town are interested by diverse social and economic processes. The rapidity of its urban growth has turned Dakar into a highly spatially segregated metropolis, with problems of overcrowding and irregular settlement (including the emergence of slums), difficulties in transport and lack of adequate infrastructures.
Prospects of finding employment for urban youth are extremely low. Government policies since the turn of the millennium have been guided by two main slogans: 'accelerated growth' and 'fight against poverty' are seen as interrelated strategies through which sustainable development might be achieved. These goals are however a challenge to attain for a country with an active population rated only at 22.6% in 2007 (Fall 2010). This situation means that large numbers of people are dependent on the income of the few who do work. Difficulties in access to employment or financial resources are therefore at the origin of widespread poverty situations. The informal sector represents a common alternative, providing employment to one in two Senegalese workers, particularly those who have no qualifications. This situation encourages many to turn to emigration as the only chance to ensure improved livelihoods for themselves and their kin.

4. Senegalese migrants and investment: policies, programmes and current knowledge

In recent years, the Senegalese government has developed policies and created institutions to target its diaspora, with a view to favour the development potential of migration. These include the establishment of the Ministry for Senegalese of the Exterior in 1993 and of various other consultative and operational organs. Numerous agencies and programmes specifically focus on promoting self-employment among Senegalese migrants wishing to invest in their home country[5]. A notable example is the Direction de l'Assistance Technique (DAT), which supports migrant business projects within a Franco-Senegalese co-development initiative. The results of this programme however show that the projects receiving support tend to come from relatively highly educated Senegalese migrants, a large part of whom continue to regularly alternate periods in the home country with periods spent in the country of immigration (Fall 2010). Many national and international NGOs have also set up projects promoting migrant investments in the country of origin and supporting the creation of small-scale economic activities. Interviews with the people in charge of some of these projects, however, indicate that preference is given to migrants whose business projects have higher chances of rapidly generating economic returns, and that this applies only to a small minority of migrant investors. Alongside these institutional and civil society initiatives, the

[5] For an extensive review of which, see Fall (2010), Ndione and Broekhuis (2006).

financial sector has also been very active in the country in introducing tools targeting migrants and their remittances. Despite the availability on the market of transfer, savings, credit and insurance products specifically tailored for migrants and with the aim of enhancing the investment potential of financial flows, migrants are however still making limited effective use of these services (Fall 2010).

Given the widespread introduction on behalf of many institutional, development cooperation and private sector actors of policies and programmes to foster migrant investment in Senegal, a thorough understanding of the dynamics behind the small-scale investments of migrants and of their implications for local development is an important priority. An extensive number of studies and research programmes have been conducted on this issue in Senegal, which largely confirm that remittances and investment lead to diversified development outcomes.
A recently conducted study promoted by the Senegalese government found that expenditure in households receiving transfers from overseas migrants is increased by 95% and therefore concludes that remittances have a huge importance in poverty reduction (DPEE 2008). This, however, may be encouraging a passive dependency on incoming remittances that is counterproductive for development. This is the conclusion advanced by Azam and Flore (2006) on the basis of their analysis of survey data from Mali and Senegal. Later survey research, instead, has found direct experience of international migration to stimulate personal investment. According to results from the MAFE project[6], in fact, migrants invest from their overseas destinations in housing and land, whereas return migrants privilege engagement in the business sector (Mezger and Beauchemin 2010). The proportion of migrants who are setting up small-scale businesses, however, is found to be relatively small. Other research, in fact, has shown that whereas many Senegalese migrants aspire to return to the home country, scarcity of their overseas earnings and limited opportunity investments at home make this an unaccomplished dream for the majority (Fall, Tall *et al.* 2006). In addition, the businesses set up by migrant entrepreneurs are threatened by the little skills most of them possess. Those with high qualifications, for instance thanks to higher education obtained overseas, also have a higher tendency to remain abroad due to the lack of attractive opportunities in the Senegalese market (Fall 2010). For a combination of all these reasons, those initiating small-scale investments in view of a permanent return to Senegal more often end up having to engage periodically in repeat migration, therefore becoming transnational ‘comers and goers’ (Sinatti 2011). In addition, ‘unproductive’ investments in housing are also confirmed by existing research as a privileged sector for investment (Tall 2009). Qualitative insight into these building projects has nonetheless shown that many people around a migrant investor gain fringe benefits such as employment on the building site, donations of raw materials for construction and free hospitality (Sinatti 2009).

5. An urban outlook on migrant investment

In order to overcome the impasse of existing research on migration and small-scale investments that is unable to reach a unitary conclusion as far as their development implications, this paper suggests to adopt a broader, urban outlook. This is done by mapping the presence of businesses initiated by Senegalese migrants within the city of Dakar in order to better capture the effects of their geographic distribution. A rich tradition of research exists on the commercial networks established by the Senegalese thanks to migration, particularly among members affiliated to the Murid Islamic brotherhood. Most of these studies, however, have focused on the transnational linkages that have

[6] “Migration between Africa and Europe” (MAFE) is a research project initiated by the French institute INED and undertaken in collaboration with various European and African partners. With a focus on Senegalese, Congolese and Ghanaian migrants, the project created a data set on Afro-European migration that covers different sending and receiving countries. The data provides insights on the changing patterns and determinants of migrations between Africa and Europe, as well as on the socioeconomic changes associated with international migration, with attention paid to return migration, circulation and transnational practices. See http://mafe.site.ined.fr.

been established with distant places worldwide and how the latter have been affected by them. When attention has been paid to the local repercussions of these commercial networks on urban Senegal, the focus has primarily been on a few main markets in Dakar's *Plateau* or city centre. Here, research has found that the transnational commercial networks of the Murid are rooted in collaboration between retail sellers based in Dakar and members of the Senegalese diaspora overseas. The progressive insertion of migrant networks has led them to take over Dakar's downtown and has contributed to the transformation of the city centre (Ebin 1996; Ebin and Lake 1992; Sarr 2004) where markets such as Sandaga, HLM and Colobane are nowadays teeming with their activities. Most importantly, however, Murid merchants have contributed to the diffusion of symbols of success, as veritable legends have spread among migrants about petty commerce having allowed some to accumulate significant fortunes. This has spurred many to follow down the same route. Today, a productive investment – preferably in the commercial sector – is seen by Senegalese migrants as a necessary condition for returning to the country of origin (Sinatti 2011: 158). Many dream of setting up a self-employment activity, in the form of a local business or of an import-export enterprise that can benefit from the networks they have established during migration.

The room for investment offered by Dakar's *Plateau* is however limited. Already saturated by economic activity, this downtown also swarms with informal vendors selling their wares in the open air of its busy streets. For those starting out with a new business venture, competition is fierce and profit margins are minimal. Migrant investors therefore turn to their own neighbourhoods in search for alternative business locations. Evidence also from other developing cities shows that when saturation occurs (i.e. when the increase in the number of businesses operating in a given sector leads to declining demand and shrinking profits), 'geographical expansion' may be one of the survival strategies available to businesses (Østbø Haugen and Carling 2005: 643). This requires the existence of accessible new areas for business establishment with a demand that is not yet locally met. This is the case behind the growth of retail trade in many peripheral neighbourhoods of Dakar, where the rising demand for certain goods and services is due also to increases in household resources thanks to remittances. In short, migrant businesses that are initiated here can be said to respond to new demands that they themselves are generating. Commercial activities that were once to be found only in the city centre now offer their wares and services on people's doorstep also in peripheral areas. In addition, a number of small-scale retail activities offering products and services that were previously unavailable on local markets are more easily encountered.

The Route des Niayes stands as a testimony of this tendency. This thoroughfare is an important traffic artery leading towards out of town and that cuts through some important neighbourhoods of the city's *banlieue*[7]. From anonymous and bare peripheral road, over the past years it has seen the rise of the bustling economic activity of many small-scale merchants who have been pushed out of the overcrowded city centre. Many of these commercial activities reveal that behind them there is a migrant investor and in their names and signs they openly indicate the country of destination that made the investment possible. Thanks to the business investments of migrants along the Route des Niayes, as well as in other peripheral neighbourhoods experiencing similar transformations, in people's imaginary this road has come to symbolize the economic and commercial vigour of Senegalese migrants (Sinatti 2008: 68). Despite this common opinion, however, data from our own survey however shows that the commercial activities initiated by migrants tend to concentrate very strongly only in a restricted number of sectors. The sale of imported goods (ceramic tiles, spare mechanical parts, second-hand furniture and electronic appliances), and the provision of certain services (particularly those relying on imported technologies such as cyber cafes and computer maintenance centres) are particularly dominated by migrant investors[8]. These also tend to be activities that have made their widespread appearance on the Senegalese market in relatively recent times, a fact that signals that migrant businesses can bring with them a certain degree of innovation.

[7] In particular, the neighbourhoods of Parcelles Assainies and Guediawaye were covered by the survey conducted for this research. Both figure as important areas of origin for current Senegalese migrants.

[8] Up to 86% of the businesses surveyed within these sectors were being run by returned migrants or had been set up thanks to migrant capital.

Identifying an original investment ideas however remains a challenge for the majority of Senegalese entrepreneurs. Most of those consulted within the frame of this research had acquired little experience abroad that they could transfer to the benefit of an economic activity back home, having mainly engaged in unqualified blue-collar work. Many interviewees suggested that the combination of poor qualifications and of a general mismatch between the employment experience acquired abroad and the reality of home country markets encouraged many to passively emulate their peers who had been successful in establishing an innovative enterprise. Such a diffusion of copycats, however, has the ultimate effect of renewing the problems of market saturation that initially forced migrant investors out of the city centre towards the *banlieue*. Despite being somewhat more diversified, shops along the Route des Niayes today still concentrate in a handful of sectors and appear to be selling largely the same goods.
Migrants do nonetheless have a strong advantage over aspiring non-migrant entrepreneurs in the same communities, insofar as overseas residence is a hugely facilitating factor for the accumulation of savings that can be put towards setting up a new business. In addition, migrants return to the home country with a web of contacts (social capital) that are essential to ensure supplies and other forms of support and collaboration for their business in Dakar. Shops selling second-hand wares as diverse as home furnishings, household appliances and mechanical parts all benefit from knowledge of suppliers of merchandise in Europe. Similarly, retail sellers of ceramic tiles for the booming housing industry in Dakar have mostly returned to this city after migration in Italy or Spain, from where they import the goods for sale. In Senegal, migrants' social capital is also essential to access information that helps identify and establish successful business opportunities at home. For the majority, «family and friends were the main source of information assisting them in choosing a business opportunity and in developing a web of relevant local contacts» (Sinatti 2011: 159). Relatives are also heavily involved, as partners or labourers, in the later management of migrant businesses. On the one hand, the direct involvement of families in projects the outcomes of which personally affect them is a strong incentive for every effort to be put towards ensuring the success of a business. On the other hand, the required skills and knowledge may not always be available within a migrants' immediate circle of relations, therefore exposing the enterprise to mismanagement and failure. In order to avoid this, one of the businesses I investigated had hired a suitably qualified professional to launch a haberdasher shop during its first year of activity. Only after having verified the positive turnover generated in this period and learned the tricks of the trade, the migrant decided to entrust the activity to a closer relative. This case, however, was the exception rather than the rule.

The survey data collected along Dakar's Route des Niayes provides information about the distribution of migrant businesses in the city, showing that geographic expansion has followed saturation in the city centre. It also confirms that migrant investment has brought new kinds of economic activities to the *banlieue*. However, once an innovative field for investment is identified by a successful pioneer, many other entrepreneurs tend to follow, thus rapidly transferring problems of saturation also to *banlieue* areas. Alongside market saturation, migrant businesses face a number of other frequent challenges, among which their general scarce innovativeness, the dearth of managerial skills and capacities among migrants and their immediate support circles, limited capital with which they are usually initiated. Survey data alone is however unable to give any indication of the economic success of migrant businesses, nor to capture their turnover rates. For this, it is best to turn to the longitudinal insight offered by the personal histories of people interviewed within this research.

6. From urban transformation to livelihood improvement

Interview material strongly confirms that despite being seen as successful examples within their communities, the majority of migrants struggle to uphold their businesses in Dakar. Many of the business that migrants were engaged in at the time of the research were only one of a long series of successive attempts that they had undertaken to set up a viable small-scale activity. This suggests that failures among migrant business are relatively widespread. Many interviewees reported the stories of business failure among their peers and spoke profusely of the difficulties in achieving economic sustainability without relying on regular alternation of migration and return (Sinatti 2011). For individual migrants this means living through periods of shifting fortune and oblivion. As has been noted by others, African cities such as Dakar «are full of stories of sudden and inexplicable transformations and resurrections – of people who have nothing suddenly accumulating significant amounts of wealth, only to lose it overnight and then have it "resurrected" at a later time» (Simone 2004: 3). These oscillations however have little effect on the transformations that are characterising Dakar's periphery as a whole. Considered collectively, the *banlieue* is still served by many small-scale retailers responding to new local demands. Although when driving through Dakar one has the impression of a unique urban continuum, definite changes have been taking place as a result of the geographical expansion of economic activities beyond the *Plateau*. The city's fragmentation is proved by structural constraints affecting people's territorial mobility. Particularly from certain parts of the *banlieue*, travelling to the city centre can easily require a painstaking three hours. In a city paralysed by such transport constraints, the expansion of retail trade in the *banlieue* therefore means that goods and services, but also opportunities for employment, are accessible to people within the neighbourhood. Migrant investment, in such a sense, becomes a means to overcome some of the structural constraints posed by the city of Dakar. Taken as a whole migrant investments enhance local livelihoods through improved access to work, goods, services. While many of these new opportunities generate benefits for people's lives that are enjoyed locally, they derive from the spaces created by migrant investments that have turned Dakar's *banlieue* into «a platform for people to engage in processes and territories elsewhere» (Simone 2001: 25). The small-scale economic investments of migrants described in this paper are therefore embedded in a context that sees African cities not so much as sites without hope, but as sites that are extremely creative in generating new livelihood strategies and in reaching out, while doing so, to larger domains.

Conclusion

This paper set off to analyse the development implications of the small-scale entrepreneurial activities set up by migrants in the city of Dakar. The specific approach adopted by this paper has combined a micro-level perspective looking at the effects of such investments for migrant households and communities with a meso-level perspective focusing on the aggregate effects at the urban scale. The data illustrated in the preceding pages allows to draw a few conclusions.

Firstly, the findings of this paper confirm that there is little that migrants can do individually to contrast existing structural constraints to investment in their home countries. Despite good will and a strong desire that their businesses may be successful and thrive, they are constantly under the threat of external conditions, as well as of their own lack of skills.

Secondly, the data illustrated in these pages largely confirms the findings of other research with a focus on the micro-level of individuals, households and communities. It acknowledges the positive multiplier effects that even economically unviable migrant investments may generate at this level. The small-scale commercial activities initiated by the migrants analysed in this paper are making new commodities and opportunities available in home communities. Migrants are therefore promoting a development that corresponds to an enhancement of people's capabilities, or the freedoms that they enjoy.

Thirdly, by adopting an approach inspired by recent advancements in post-colonial urban studies and looking at the aggregate impact of small-scale migrant investments on cities in the sending country, this paper takes the analysis one step further. The findings suggest that changes in the spatial distribution and numeric diffusion of opportunities to access resources and employment resulting from small-scale migrant enterprises correspond to collective strategies to contour existing structural constraints. Individually, there is little that migrants can do to effectively remove barriers to sustainable investment. Collectively taken their economic activities are however effective in working their way round structural constraints and developing strategies that are still successful in allowing their communities to benefit from reaching out to global markets. Although migrants effectively investing as entrepreneurs in the home country may only be a small minority and although their businesses may be subject to turnover and failures, the everyday life of many other local actors is affected by the opportunity to act within the spaces created by them. Adopting a post-colonial urban studies perspective has therefore allowed this paper to reveal that at the aggregate level of sending cities migrants are fostering forms of positive change.

This paper shows that the analysis of the relation between migration, investment and development may benefit from looking beyond the streams of literature that have traditionally dealt with these issues. Theories of migration and of development have variously highlighted the positive and counterproductive effects on local growth and wellbeing, leading to an impasse. By adopting an urban perspective on homeland development, this paper has shown a possible alternative interpretation of the effects of migrant investment in small-scale enterprises.

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