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Will Xenophobia Solve South Africa's Economic Problems? A critical review

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Abstract

South Africa’s unemployment, weak investment and uneven public services encourage migrant scapegoating amid economic distress. This article asks whether xenophobia, defined as prejudice, discriminatory exclusion, vigilantism or violence against people perceived as foreign, can address them. Using a structured narrative review of official statistics, policy documents and reviewed empirical research, it distinguishes xenophobia from lawful migration control and examines claims concerning jobs, wages, public services, township retail, fiscal effects and growth. The evidence does not support xenophobia as an economic remedy. Census 2022 recorded 2.418 million international migrants, representing 3.9 per cent of the population, while official unemployment reached 32.7 per cent in Q1 2026. Labour-market findings are heterogeneous: some black South African workers experience competitive losses, whereas national and province-industry analyses identify no general displacement and sometimes positive employment or wage effects. Historical estimates attribute about 9 per cent of 2011 GDP to immigrant workers and indicate positive fiscal contributions. Xenophobic violence destroys assets, disrupts supply networks, deters investment and weakens the rule of law. Exclusion may redistribute opportunities but creates no productive capacity. South Africa instead requires competent, rights-based migration administration, labour-law enforcement, support for receiving communities, and structural reforms promoting investment, infrastructure, skills and effective local government.

JEL classification: F22; J15; J61; O55; Z13

1. Introduction

Can excluding foreign nationals solve South Africa's economic problems? The question has moved from the margins of public debate into electoral rhetoric, street mobilisation and everyday disputes over work, trade, housing and health care. Its appeal is understandable. When economic opportunity is scarce, a visible out-group offers a simple explanation: remove the competitor and the job, customer, dwelling or clinic place will become available to a citizen. The logic converts a complex production and distribution problem into a contest over a fixed stock of resources. It also promises rapid action in a setting where structural reform has been slow.

The depth of the distress should not be minimised. Statistics South Africa (2026a) recorded an official unemployment rate of 32.7 per cent in the first quarter of 2026 and a combined rate of unemployment and the potential labour force of 43.7 per cent. Real GDP grew by only 1.1 per cent in 2025 after 0.5 per cent in 2024, and gross fixed capital formation contracted by 2.2 per cent (Statistics South Africa, 2026b). These aggregates describe a country in which millions of people have legitimate reasons to demand more jobs, reliable services and effective border administration. They do not, however, identify immigration as the cause.

The scale of immigration is also routinely misperceived. Census 2022 estimated 2,418,197 international migrants, equal to 3.9 per cent of the population and slightly below the 4.2 per cent share recorded in 2011 (Statistics South Africa, 2024). Enumeration may miss recent, temporary, circular and

undocumented migrants, so the figure is not exact. Yet even a material undercount would not make migration large enough to explain an unemployment rate above 30 per cent by arithmetic alone. The central empirical question is not whether immigrants participate in the economy—they do—but how their participation affects native-born workers, firms, consumers and public budgets after adjustment.

Public beliefs differ sharply from much of the economic evidence. In a nationally representative 2025 Afrobarometer survey, 69 per cent of respondents described immigrants' economic impact as negative, while 83 per cent favoured reducing or eliminating entry by foreign job seekers (Mpako and Ndoma, 2026). This gap between perception and measured aggregate effects does not mean that all local complaints are imagined. Competition can be concentrated by occupation, neighbourhood, documentation status and bargaining power. Municipal services can be strained where population growth is rapid and grants or infrastructure adjust slowly. Employers can use precarious migrant status to violate labour standards. The analytical error is to generalise from real local pressures to the claim that hostility or collective expulsion will increase national prosperity.

The distinction between xenophobia and migration management is therefore foundational. A democratic state may determine admission rules, verify status, remove individuals after lawful process, regulate scarce-skill visas, inspect workplaces and secure borders. Xenophobia instead assigns blame or inferior entitlement on the basis of actual or perceived foreignness and commonly operates through discrimination, intimidation, hate speech, vigilante identity checks, dispossession or violence. The two are not synonyms. Indeed, mob enforcement can obstruct legitimate administration by creating fear, encouraging concealment and substituting arbitrary appearance-based judgment for verified status.

This article evaluates the proposition that xenophobia can solve South Africa's economic problems. It asks three questions. First, are international migrants a sufficiently important cause of low growth, mass unemployment and weak services for their exclusion to produce a macroeconomic remedy? Second, what direct and indirect economic effects follow from xenophobic discrimination and violence? Third, what policy package can respond to legitimate concerns about irregular migration and unfair competition without collective blame? The conclusion is deliberately qualified: some workers and traders may face genuine displacement or competition, but xenophobia cannot produce the investment, infrastructure, skills, productivity and institutional capacity on which sustained growth depends.

2. Concepts and analytical framework

2.1 Xenophobia, Afrophobia and lawful control

Xenophobia is used here to describe attitudes, institutional practices or collective action that devalue, exclude or attack people because they are, or are perceived to be, foreign. In South Africa the burden falls disproportionately on black Africans, leading some authors to prefer 'Afrophobia' or 'xeno-racism'. The broader term remains useful because victims may include migrants from outside Africa, naturalised citizens and South Africans misidentified through language, name, complexion or place of origin.

Xenophobia is consequently not reducible to citizenship status. It is a politics of belonging in which unofficial actors decide who may work, trade, reside or receive services (Dodson, 2010; Landau, 2010).

Legal status must nevertheless be treated seriously. Citizens, permanent residents, refugees, asylum seekers, work-visa holders, visitors and undocumented migrants possess different statutory entitlements. Those distinctions are administered by public authorities subject to the Constitution and legislation, not by private groups. In November 2025 the Gauteng Division of the High Court confirmed that private actors may not demand identity documents under section 41 of the Immigration Act and interdicted Operation Dudula from specified forms of harassment, intimidation, interference with schools and health care, unlawful eviction, removal of traders and hate speech (Kopanang Africa Against Xenophobia v Operation Dudula, 2025). This boundary protects migrants and citizens alike from arbitrary policing.

The constitutional stakes are direct. Sections 9, 10 and 12 protect equality, dignity, and freedom and security of the person using the term 'everyone', subject to lawful limitation (Republic of South Africa, 1996). The National Action Plan adopted in 2019 similarly treats xenophobia as a form of intolerance to be prevented and remedied (Department of Justice and Constitutional Development, 2019). These norms do not create an open border. They require that migration rules be administered by authorised institutions, on evidence and with due process, rather than through collective punishment.

2.2 An economic test of the fixed-job claim

The simplest anti-immigrant model assumes a fixed number of jobs. If an immigrant occupies one, a citizen necessarily loses one; removing the immigrant reverses the loss. This may approximate a particular vacancy in the very short run, especially where workers are close substitutes. It is not a model of the whole economy. Workers are also consumers, taxpayers, suppliers and entrepreneurs. Their spending creates demand; their skills may complement those of other workers; and their firms may employ citizens. Wages, prices, capital and technology adjust. The net employment effect therefore depends on substitution, complementarity and the response of output—not merely on headcounts.

A useful accounting identity is that output depends on labour, human capital, physical capital and productivity. Removing workers lowers labour supply, but it can also reduce demand, entrepreneurship, tax revenue and the productivity of complementary inputs. If firms cannot replace specialised or experienced workers, investment and output may contract. If, by contrast, employers have recruited undocumented migrants solely to pay below legal wages, effective labour inspection and regularisation or lawful removal may improve job quality and bargaining power for citizens. The economically relevant intervention targets illegality and employer conduct; nationality-based hostility is both over-inclusive and poorly targeted.

Public services require a parallel distinction between average and marginal cost. Additional residents increase demand for clinics, schools, water, sanitation and policing. The fiscal effect depends on their age, income, tax payments, eligibility and location, as well as whether intergovernmental transfers follow

actual population. A young employed migrant may pay consumption and income taxes while using relatively few age-related services. An asylum-seeking family may require immediate support. National averages can conceal severe pressure in a receiving ward, while a crowded clinic does not establish that migrants caused the underlying shortage of staff, medicines or facilities.

The informal economy adds another layer. A migrant-owned shop may compete with a citizen-owned shop, but it also pays rent, buys from wholesalers, provides proximity and extended hours to consumers, and may create work. Excluding it can transfer market share to a rival, but it may also raise prices, reduce choice and destroy supplier credit or landlord income. Violence intensifies the loss by destroying rather than reallocating productive assets. The correct counterfactual is thus not 'one foreign shop versus one local shop'; it is the local economy with different combinations of firms, rules, prices, security and investment.

3. Methodology

3.1 Review design and evidence hierarchy

The article uses a structured narrative review. It does not estimate a new causal model or claim to be a statistical meta-analysis. Searches covered Statistics South Africa, the Departments of Home Affairs, Employment and Labour, and Justice, the Presidency, the South African Human Rights Commission, the World Bank, OECD, ILO, IMF, Afrobarometer, African Centre for Migration and Society/Xenowatch, and academic publisher platforms. Search terms combined South Africa with immigration, xenophobia, labour markets, wages, entrepreneurship, public finance, services, violence, unemployment and growth.

Sources were weighted by the question they can answer. Census and labour-force publications establish scale and current conditions. Peer-reviewed and institutionally reviewed econometric studies estimate associations or causal effects under stated designs. Fiscal and macroeconomic models reveal mechanisms but depend on calibration and historical data. Surveys measure beliefs and intended behaviour, not the truth of the beliefs. Legal and policy documents define authority and feasible responses. Repeated claims without a traceable method were excluded from the quantitative synthesis.

Conflict

ing estimates are retained rather than averaged mechanically. Broussard (2017), for example, identifies negative employment and income effects for black South Africans using skill-space variation and an instrumental-variable strategy, whereas the World Bank (2018) reports positive province-industry effects on local employment and wages. The studies use different units, outcomes, samples and assumptions; disagreement is economically informative because it indicates distributional heterogeneity. A national positive effect can coexist with losses for specific groups, and a local negative association can be affected by selective location or mobility.

3.2 Limitations

The review faces four limitations. First, the most influential economic estimates use data ending in 2011 or 2012 and cannot be read as measurements of the 2026 economy. Second, undocumented and circular migration is intrinsically difficult to count, while census under-enumeration may be non-random. Third, immigrants select into growing regions and sectors, making causality difficult; citizens may also move in response. Fourth, xenophobia is not a single treatment. Attitudes, bureaucratic discrimination, consumer boycotts, deportation, vigilante raids and lethal violence have different effects. The article therefore makes a directional and institutional assessment, not a single rand estimate of xenophobia's cost.

4. The economic problems to be explained

4.1 Slow growth, weak investment and infrastructure

A credible causal explanation must fit the scale and timing of South Africa's stagnation. Real GDP growth of 1.1 per cent in 2025 remained too weak to absorb a growing labour force, while fixed investment contracted (Statistics South Africa, 2026b). The IMF's 2025 Article IV assessment identifies entrenched structural rigidities, inadequate infrastructure, governance weaknesses and rising public debt as constraints on job creation and potential growth (IMF, 2026). Electricity availability has improved relative to the worst load-shedding period, but network investment, freight logistics, municipal infrastructure, crime, policy uncertainty and administrative capacity continue to shape firms' willingness to expand.

None of these constraints is repaired by hostility toward migrants. A vacant job is not equivalent to a new power station, functioning port, serviced industrial site or investable municipality. Where an excluded migrant had been productively employed, the immediate effect may be a vacancy; whether a citizen fills it depends on location, skill, wage and firm survival. If the firm contracts or closes, the vacancy disappears. The distinction between reallocating existing activity and creating additional productive capacity is central to evaluating the claim in the title.

4.2 Unemployment, inequality and spatial exclusion

South Africa's unemployment is rooted in a long history of dispossession, spatial separation, unequal schooling and capital-intensive development. Transport costs separate many job seekers from employment centres; firms report skill shortages alongside mass worklessness; and entry-level experience is difficult to acquire. Labour demand has not grown fast enough, particularly for young people without completed secondary or post-secondary education. These conditions predate the contemporary immigration debate and affect provinces with very different migrant shares.

Scarcity nevertheless changes political behaviour. In poor communities, competition over informal trading sites, rental income, public works, leadership positions and access to municipal representatives can be intense. Misago (2017) shows that outbreaks of xenophobic violence cannot be explained by poverty alone: similarly deprived communities often remain peaceful. His case research instead

identifies local 'violence entrepreneurs' who mobilise foreignness to consolidate authority or capture economic opportunities. Structural deprivation supplies combustible material, but organisation, local politics and weak accountability help determine ignition.

4.3 Governance, services and perceived state absence

Migration becomes a proxy for state capacity when residents see porous borders, documentation backlogs, corrupt enforcement, informal settlements and crowded facilities. A government that cannot state confidently who is present, regularise eligible applicants, remove those who have exhausted lawful process, or allocate funds to high-growth areas creates room for rumours and private enforcement. The resulting anger may be directed at migrants, but its institutional source is often unreliable administration. Competent migration governance is therefore part of the solution; denial of irregular migration is no more defensible than vigilantism.

Current policy already recognises the need for balance. The 2025 White Paper on National Labour Migration Policy adopts a rights-based approach while linking labour migration to skills, employment creation, decent work and national priorities (Department of Employment and Labour, 2025). Home Affairs' migration reform agenda similarly seeks more coherent citizenship, immigration and refugee systems. The relevant economic test is whether these instruments improve verification, labour-market matching and enforcement. Their legitimacy does not depend on hostility to foreign nationals.

Table 1
Selected indicators relevant to the migration–economy debate

Indicator	Estimate	Reference period	Interpretive caution
International migrants	2,418,197; 3.9% of population	Census 2022	Census may undercount recent, circular and undocumented migrants.
Origin and location	83.7% SADC-born; 50.2% resident in Gauteng	Census 2022	National shares conceal concentrated municipal and neighbourhood effects.
Official unemployment	32.7%; LU3 underutilisation 43.7%	Q1 2026	Rates describe labour-market distress; they do not identify its cause.
Real GDP growth	1.1%; fixed capital formation − 2.2%	2025	Production growth and expenditure measures differ; figures are annual official estimates.
Immigrant GDP contribution	About 9.1% of GDP	2011	Sectoral accounting estimate based on historical employment data, not a current causal effect.
Income-per-capita effect	Up to + 5%	Model using 2001–2011 data	Conditional macro-model result; should not be extrapolated mechanically to 2026.
Recorded xenophobic harm	612 deaths; 122,298 displaced; 6,306 shops/properties damaged or looted	2008–30 Nov. 2021	Monitoring is affected by under-reporting; totals are minimum recorded counts.

Sources: Statistics South Africa (2024, 2026a, 2026b); OECD/ILO (2018); Misago, Bule and Mlilo (2021). LU3 combines unemployment and the potential labour force.

5. The scale and economic role of immigration

5.1 A regional and spatially concentrated population

Census 2022 confirms that South African immigration is predominantly regional. Approximately 83.7 per cent of recorded immigrants were born in the Southern African Development Community; Zimbabwe and Mozambique accounted for 48.5 and 20.0 per cent respectively (Statistics South Africa, 2024). These patterns reflect long-standing labour, kinship, trade and transport systems rather than a wholly new post-apartheid phenomenon. South Africa's mines, farms, cities and border economies have been embedded in regional mobility for more than a century.

Spatial concentration matters more than the national share for lived experience. Gauteng hosted 50.2 per cent of immigrants in 2022 and the Western Cape 15.6 per cent. Even within those provinces, settlement and work cluster in particular corridors, townships and inner-city areas. Residents of a fast-growing ward may therefore encounter much greater change than the 3.9 per cent national figure suggests. Policy should respond with population-sensitive infrastructure and municipal finance, not with the inference that the national economy would prosper if the newcomers disappeared.

The data also warn against treating 'foreign national' as a labour-market category with uniform effects. Migrants include highly skilled professionals, cross-border traders, mine and farm workers, domestic workers, refugees, students, entrepreneurs, dependants and people without permission to work. Some compete directly with low-skilled citizens; others fill scarce occupations or create firms; many move between formality and informality. Legal status changes bargaining power, exposure to exploitation and access to services. A policy based only on nationality misses the mechanisms that matter.

5.2 Employment, complementarity and displacement

The strongest available studies reject a single national displacement coefficient. OECD/ILO (2018), using the 2001 and 2011 censuses and the 2012 labour-force survey, reports no significant negative national effect of immigrant workers on native-born employment. Some subnational specifications indicate lower employment but higher income, while more recent immigrants appear to raise both employment and income among the native-born. The report's conclusion is not that competition never occurs, but that labour-market adjustment and complementarity offset a simple one-for-one effect.

The World Bank's province-industry analysis of 1996–2011 data reaches a stronger positive result. Its instrumental-variable estimates suggest that a 1 per cent increase in immigrants relative to the previous period raised local employment by about 0.2 per cent—summarised as approximately two local jobs per immigrant worker—and increased earnings and wages in several specifications (World Bank, 2018). The proposed mechanisms are occupational complementarity, high employment among migrants and entrepreneurship. Because the estimate is retrospective, aggregate and model-dependent, it should not be converted into a prediction that every additional migrant creates two jobs today.

Broussard (2017) provides an important counterweight. Using census and community-survey data for 2001, 2007 and 2011 and an instrumental-variable design based on immigrant location, the study finds that immigrant inflows reduced employment-to-population ratios and total annual income for black native-born South Africans, including negative effects in the formal sector and shifts between formal and informal employment. These results establish a credible distributional risk. They imply that aggregate gains can coexist with losses for workers whose skills and location make them close substitutes for new arrivals.

The policy implication is compensation and enforcement, not xenophobia. Where a sector experiences substitution, government can strengthen placement, apprenticeships, transport access and training for affected citizens; enforce minimum wages and occupational safety for every worker; prosecute

fraudulent documentation and labour broking; and adjust visa rules to verified needs. Attacking migrants does none of this. It neither identifies the employers creating unlawful conditions nor equips citizens for vacancies, and it can push migrants further underground where monitoring becomes harder.

5.3 Entrepreneurship, output and public finance

Entrepreneurship complicates the job-taker narrative. In the World Bank's 2011 comparison, self-employment accounted for 25 per cent of immigrant employment and 16 per cent of local employment. A migrant-owned enterprise can compete with an existing citizen-owned firm, but it may also add a new establishment, employ family and non-family labour, purchase wholesale goods, rent premises and expand consumer access. Which effect dominates is empirical and varies by market. Removing entrepreneurs cannot be assumed to leave demand and supply unchanged.

Historical macro estimates are consistent with a substantial productive contribution. OECD/ILO (2018) attributes approximately 9.1 per cent of GDP in 2011 to immigrant workers, close to their 9.2 per cent employment share, and a macro model suggests that they may have raised income per capita by up to 5 per cent. The same report estimates a positive average per-capita net fiscal contribution by foreign-born residents in 2011, largely because of income and value-added taxes. These are not contemporary budget accounts: they rest on historical data, cost-allocation assumptions and models. They nevertheless contradict the presumption that immigrants are necessarily a net national fiscal drain.

Fiscal incidence is especially sensitive to documentation and formality. Workers paid off the books may not contribute personal income tax, but they still pay value-added tax on consumption. Employers who evade payroll rules gain an unfair cost advantage and shift burdens onto compliant firms. The appropriate remedy is to make lawful work and tax registration administratively feasible while imposing credible sanctions on employers and intermediaries who profit from irregularity. Collective exclusion may reduce expenditure on some services, but it also removes revenue, production and demand; without a current full-accounting model, claims of a large fiscal windfall are speculative.

6. Will xenophobia solve the problems?

6.1 Jobs and wages

Xenophobia may redistribute individual opportunities, but redistribution is not equivalent to job creation. If a restaurant dismisses an undocumented worker and hires a citizen at the legal wage while maintaining output, the citizen gains and labour standards improve. If the restaurant mechanises, reduces hours or closes because its business model depended on unlawful pay, employment may not rise. If a skilled foreign engineer leaves and a project stalls, complementary South African jobs can be lost. The sign of the effect depends on the production response.

Violence and intimidation make the production response more negative. Employers cannot plan around arbitrary raids, workers may avoid transport routes, shops close preventively, and inventories are

destroyed or moved. Citizens employed by migrant-owned firms or linked suppliers lose income. Consumers face reduced convenience and potentially higher prices. Any wage gain accruing to a narrow group must therefore be evaluated against lost output and employment elsewhere. Neither the national OECD/ILO evidence nor the World Bank analysis supports mass exclusion as a high-employment strategy, while Broussard's distributional findings support targeted assistance rather than collective punishment.

6.2 Public services and the fiscal balance

Claims about services contain a real planning issue but a weak xenophobic remedy. Additional residents require water, sanitation, waste collection, clinics and classrooms. If national transfers use outdated population estimates, receiving municipalities can be underfunded. Undocumented residence makes forecasting harder. Yet denying a patient care or a child schooling does not install a new clinic, recruit a nurse, fix procurement or expand a classroom. It shifts harm to a vulnerable person and can create broader public-health, safety and social costs.

The national migrant share and the historical positive fiscal estimate make it implausible that migrant exclusion would close South Africa's general service-delivery gap. Localised pressure should instead trigger more frequent population estimation, contingency grants, multilingual access points, interoperable documentation and reimbursement arrangements where appropriate. Frontline verification should be conducted by trained officials under clear rules. Private gatekeeping at clinics and schools is economically inefficient as well as legally suspect because it replaces needs assessment and status verification with appearance, accent or rumour.

6.3 Township commerce and local accumulation

Competition in township retail is one of the strongest settings for the fixed-market argument. Citizen traders may experience falling margins when migrant retailers pool purchases, extend hours or operate through dense family networks. Some local business associations seek reserved market space or nationality restrictions. These concerns warrant competition policy, zoning clarity, safety enforcement, access to wholesale markets and finance for historically excluded entrepreneurs. They do not justify dispossession. Charman and Piper (2012) show how violence against Somali shopkeepers in Delft South is entangled with criminality and 'violent entrepreneurship', not simply spontaneous consumer preference.

Driving out a competitor can transfer a trading site to an insider, and looting can generate an immediate private gain. Such gains are predatory, not developmental. They destroy capital, reward coercive organisations and weaken security of tenure for every small business. Once political entrepreneurs demonstrate that property can be reassigned through force, citizen-owned firms and investors face the same institutional risk. Sustainable township accumulation depends on predictable rules, affordable premises, logistics, credit, policing and demand. Xenophobia substitutes a contest over existing turnover for an agenda that expands the market.

6.4 Violence, regional relations and investor risk

The direct record of harm is substantial. Xenowatch recorded at least 612 deaths, 1,184 physical assaults, 122,298 displaced people and 6,306 shops or properties looted or damaged between 2008 and 30 November 2021; under-reporting means these are minimum counts (Misago, Bule and Mlilo, 2021). The destruction includes productive assets, inventories, housing and informal credit relationships. It also generates humanitarian, policing, court and resettlement costs that would not exist under peaceful, rules-based administration.

Violence changes regional behaviour. Using a household survey conducted after the 2008 attacks, Friebel, Gallego and Mendola (2013) find that migration intentions among Mozambican household heads fell, with the largest reductions among families lacking protective networks. Deterrence is not costless if it removes workers, traders and skills that were productive or pushes migration into more dangerous channels. It can also damage relations with neighbouring states whose citizens, firms and consumers are economically connected to South Africa.

Investor effects are difficult to quantify, but the direction is clear. Recurrent attacks signal weak policing, uncertain property rights and political willingness to mobilise identity against economic actors. Even when targeted investors are not migrants, they price the wider risk of supply interruption, reputational damage and arbitrary local authority. The President's June 2026 address explicitly warned that legitimate concerns about illegal immigration must not be exploited for political, personal or criminal agendas and reaffirmed that only the state may enforce immigration law (The Presidency, 2026). That institutional distinction is itself an economic asset.

6.5 Net assessment

The answer to the title question is no. Xenophobia fails three tests of an economic solution. It is badly targeted because perceived foreignness is an unreliable proxy for legal status, unfair employment or fiscal cost. It is incomplete because it does not address electricity, logistics, investment, education, spatial mismatch, crime, debt or municipal capability. It is dynamically harmful because discrimination and violence can destroy capital, demand, skills, tax revenue and the rule of law.

This conclusion does not require the implausible claim that every immigrant benefits every citizen. Some citizens lose from competition; some migrants work unlawfully; some employers exploit status; and some local services face genuine pressure. The decisive point is that these problems can be addressed only through specific instruments—status administration, labour inspection, sector policy, municipal finance and social protection. Xenophobia is a collective attribution of blame and a method of coercive allocation. It may reward selected insiders, but it cannot raise national productive capacity on a sustained basis.

Table 2
Testing prominent claims against the available evidence

Claim	What the evidence supports	Likely effect of a xenophobic response
'Foreigners take South African jobs.'	Competition exists for close substitutes and Broussard finds losses for some black workers; other national and province-industry studies find neutral or positive aggregate effects.	Possible short-run transfer of selected jobs, offset by lower demand, firm closure, lost complementarity and evasion.
'Foreigners depress wages.'	Effects vary by sector, skill and status. Exploitable undocumented labour can weaken standards; several aggregate estimates find positive or insignificant wage effects.	Intimidation targets workers rather than non-compliant employers and can push employment further underground.
'Migrants overload services.'	Population growth can strain receiving localities, especially when funding lags. Historical national fiscal estimates are positive for immigrants on average.	Denial of services shifts harm without expanding capacity and may worsen public health, safety and data quality.
'Foreign shops crowd out citizens.'	Retail competition can reduce incumbent margins, while migrant firms also supply consumers, rent premises, buy inputs and sometimes create jobs.	Looting or expulsion transfers assets to a few actors but destroys capital, security and supply relationships.
'Mass removal will restore growth.'	Migrants are 3.9% of the recorded population; structural constraints dominate current growth diagnoses, and migrants contribute to output and taxes.	Lower labour supply, demand, entrepreneurship and investor confidence; no repair to infrastructure or institutions.
'Rejecting xenophobia means open borders.'	Constitutional rights coexist with visas, status checks, deportation after due process, labour regulation and border control.	False dichotomy encourages either denial of irregular migration or unlawful vigilantism; both weaken governance.

Source: Author's synthesis of Broussard (2017), OECD/ILO (2018), World Bank (2018), Statistics South Africa (2024) and the legal-policy sources reviewed.

7. Why xenophobia remains politically attractive

7.1 Scarcity, threat perception and attribution

Macroeconomic evidence does not automatically displace lived perception. People compare themselves with visible neighbours, not with a national counterfactual model. A citizen who sees a migrant employed while remaining jobless may infer direct substitution even when the migrant's consumption or enterprise supports other employment. A patient in a queue observes demand but not the budget formula, staff absenteeism or procurement failure behind limited supply. These cognitive shortcuts are intensified by material deprivation and low trust.

Survey evidence links perceived threat to willingness to participate in violence. Using three rounds of the South African Social Attitudes Survey, Gordon (2020a) finds perceived threat to be a robust predictor of potential participation in anti-immigrant violence. A related analysis shows that many respondents externalise the causes of xenophobic hate crime and blame victims, shaping the solutions they prefer (Gordon, 2020b). Information matters, but fact-checking alone is insufficient when beliefs are embedded in status competition and institutional failure.

7.2 Political entrepreneurship and impunity

Xenophobia can be instrumentally valuable to organisers. It creates a constituency, identifies a target, legitimises raids and may open access to trading sites, housing, protection payments or local leadership. Misago's (2017) fieldwork shows that attacks are often organised by identifiable local actors rather than emerging from anonymous poverty. Everatt (2011) similarly emphasises the relationship between state response, society and recurring violence. The absence of consistent investigation and prosecution lowers the expected cost of mobilisation.

Denial compounds the problem. Officials may describe violence as ordinary crime to avoid reputational damage, while activists may treat every concern about documentation as xenophobic. Both responses erase distinctions needed for policy. Naming targeted violence accurately permits hate motivation, organisation and victim selection to be investigated; recognising legitimate border and labour concerns channels them to authorised institutions. A state that performs these functions credibly reduces the market for vigilante substitutes.

7.3 Data gaps and the politics of numbers

Uncertain estimates of undocumented migration create fertile ground for exaggerated numbers. Census undercount is real, but uncertainty is not evidence for any chosen figure. Statistics South Africa (2024) calls for better integration of census, survey and administrative data and warns that migrants are unevenly distributed in household samples. A trusted system should publish definitions, confidence intervals where possible, visa and asylum backlogs, work authorisations, removals, border interceptions and geographic estimates while protecting personal data.

Better data also permit more honest fiscal and labour analysis. Researchers need recent linked information on status, sector, occupation, wages, taxes, service use, firm ownership and locality. Without it, estimates derived from 2001–2012 remain disproportionately influential and public debate is driven by anecdotes. Transparency will not eliminate normative disagreement about admission levels, but it can narrow the space in which fabricated magnitudes justify collective punishment.

8. A policy agenda beyond scapegoating

8.1 Restore growth and expand labour demand

The first anti-xenophobia policy is a credible jobs strategy. Reliable electricity and freight systems, safer commercial districts, functioning municipalities, predictable regulation and faster infrastructure procurement raise the return to investment. Apprenticeships, foundational education, technical colleges, work-search support and affordable transport help citizens reach new demand. These reforms are slower than expulsion rhetoric because they create capacity rather than redistribute scarcity; that is also why they are economically durable.

Policy should prioritise labour-intensive sectors in which South Africa can expand total output—construction and maintenance, agro-processing, tourism, care, green infrastructure, digital services and township manufacturing—while enforcing standards. Procurement and finance programmes for historically excluded citizen entrepreneurs should be transparent and performance-based. Their purpose should be to enlarge competitive capability, not to create rents allocated through nationality or political affiliation.

8.2 Build competent, lawful migration administration

Home Affairs and border agencies need interoperable digital identity, timely visa and asylum decisions, secure civil registration, risk-based inspections and reviewable case records. Eligibility routes should be intelligible enough that employers and migrants can comply. People with no lawful basis to remain may be removed through individualised procedures, while refugees and other protected groups receive the status to which law entitles them. This combination is firmer and fairer than periodic raids because it reduces both impunity and arbitrary treatment.

Enforcement priorities should follow harm and evidence. Fraud networks, corrupt officials, traffickers, abusive labour brokers and employers systematically hiring undocumented workers at unlawful wages create larger governance risks than appearance-based street checks. The 2025 High Court judgment provides a practical line: only authorised officers may demand proof of status, on legal grounds. Police should protect peaceful protest while prosecuting intimidation, assault, arson, looting and incitement regardless of the victim's nationality.

8.3 Enforce labour standards for all workers

A two-tier labour market invites both exploitation and resentment. If undocumented migrants can be paid below the minimum wage or denied safety protections without consequence, compliant employers and citizen workers are undercut. Inspections should focus on sectors with high informality and subcontracting, permit confidential reporting, coordinate with status-resolution services and impose meaningful penalties on employers. Equal enforcement raises the floor rather than attempting to improve citizen wages by making another group more vulnerable.

Work-permit policy can be calibrated to verified shortages and sector conditions. Scarce-skill channels should be fast enough to support investment, while lower-skilled programmes may use transparent quotas, bilateral arrangements or seasonal permits where justified. Impact assessments should track native employment, wages and compliance rather than assume either harm or benefit. The National

Labour Migration Policy's emphasis on rights, labour-market needs and regional commitments provides a basis for this evidence-led approach (Department of Employment and Labour, 2025).

8.4 Support receiving communities and township enterprise

National transfers should respond more quickly to actual population growth, including internal and international migration. High-pressure municipalities need formula adjustments, emergency capacity and reliable registration data. Community liaison must explain entitlements and complaint routes without requiring vulnerable people to reveal status to unauthorised groups. Service improvements should be universal where possible, because citizen and migrant residents share water systems, clinics, schools, streets and policing.

Township enterprise policy should reduce the costs that make competition destructive. Secure and affordable trading space, group purchasing platforms, wholesaler access, digital payments, bookkeeping support, safety partnerships and appropriately designed credit can help citizen-owned firms improve scale and margins. Legal migrant firms should register and comply with the same tax, health, zoning and labour rules. Competition authorities and police should address collusion, extortion and violence without presuming that foreign ownership is itself an offence.

8.5 Prevent mobilisation and implement accountability

The National Action Plan requires operational budgets, named responsibilities, incident indicators and public reporting. Early-warning systems should combine police, municipal, civil-society and migration data to identify threats, forced closures and inflammatory mobilisation. Rapid protection of people and property is economically cheaper than displacement and reconstruction. Prosecutors should record bias motivation and organisation so that apparently isolated offences can be linked.

Political leaders carry a special obligation to separate policy disagreement from dehumanisation. They can argue for lower admission, stronger borders or different work-visa rules while rejecting collective guilt and vigilante action. Public communication should publish verified numbers, explain uncertainty and report enforcement outcomes. This does not guarantee consensus; it makes democratic disagreement compatible with security, dignity and investment.

9. Research agenda and limitations

South Africa urgently needs post-2012 causal evidence. Priority designs include linked employer–employee data to estimate substitution and job creation by skill; longitudinal household studies of citizen and migrant mobility; municipal analyses connecting population change to grants and service outcomes; and firm-level measurement of migrant entrepreneurship, supplier linkages and employment by nationality. Natural experiments created by permit changes or local shocks could improve identification, provided researchers avoid treating violence as an ethically neutral policy instrument.

The economic cost of xenophobia itself also requires direct study. Researchers should measure days of closure, destroyed capital, price changes, citizen job losses in migrant-linked firms, policing and court expenditure, insurance effects, school interruption, health consequences and regional trade or investment responses. Xenowatch provides essential event data, but under-reporting and inconsistent official classification remain obstacles. A common incident protocol would improve both prevention and causal research.

The conclusions of this review remain conditional. Current migrant stocks are uncertain; historical econometric estimates may not transport to a changed economy; and national averages cannot resolve every local conflict. The manuscript also does not determine an optimal immigration level, which requires political choices about humanitarian duties, regional integration, distribution and administrative capacity. It establishes a narrower result: evidence does not support xenophobia as a substitute for growth policy or lawful migration governance.

10. Conclusion

Xenophobia will not solve South Africa's economic problems. It may produce visible short-run transfers: a dismissed worker's job, an emptied trading stall, a looted inventory or a dwelling can pass to someone else. Such transfers are easily mistaken for national gain because the beneficiary is observable while lost demand, tax, investment, complementarity and institutional trust are dispersed. Economic growth requires the creation and more productive use of capital, skills, infrastructure and organisations. Hostility creates none of them.

The evidence is neither a case for open borders nor a denial that immigration creates costs. Some black South African workers face competitive pressure; particular municipalities absorb disproportionate demand; and undocumented employment can undermine labour standards. These are serious distributional and governance problems. They call for lawful status determination, targeted enforcement against abusive employers and corrupt networks, municipal support, worker adjustment and transparent visa policy.

South Africa's choice is therefore not between xenophobia and disorder. It is between arbitrary, identity-based allocation and capable public administration. A state that secures borders, decides cases promptly, enforces labour law equally, protects property and expands opportunity can address legitimate concerns while upholding constitutional rights. A politics that blames migrants for structural stagnation may postpone accountability, but it cannot postpone the economic consequences of failing to reform.

Declarations

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Author Contribution

R.K. developed the main idea of the research. R.K and F.F wrote the main manuscript text and prepared the tables. All authors reviewed the manuscript.

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Footnotes

1. Terminological note: xenophobia means prejudice, discriminatory exclusion or violence directed at people perceived as foreign. It is analytically distinct from lawful, evidence-based migration administration by the state.