Exploring the opportunities and challenges encountered by immigrant entrepreneurs in Eastern Cape Province Towns

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ABSTRACT

This research offers a comprehensive examination of immigrant entrepreneurship within Eastern Cape Province towns, with a specific focus on Sterkspruit and Aliwal-North. The purpose of this was to investigate the opportunities and challenges faced by immigrant entrepreneurs within towns in the Eastern Cape Province. The qualitative research approach which followed a phenomenological research philosophy was adopted. The non-probability purposive sampling technique was used to select 10 immigrant entrepreneurs. Thereafter, in-depth interviews were employed in gathering primary data from the selected sample which is African and Asian immigrant entrepreneurs operating in the selected towns (Aliwal-North and Sterkspruit) in the Eastern Cape Province of South Africa. The results of the study indicate that immigrant entrepreneurs enjoy some opportunities and also are faced with challenges in doing business in these towns. The results furthermore indicate that immigrant entrepreneurs know the causes of their challenges as they explained them. The results also indicate the possible ways the challenges can be managed or overcome. The study, therefore, concluded that some of the opportunities and challenges identified by the interviewed participants were of South African government policies and regulations. It was therefore recommended that as a way of improving the handling of business engagement, immigrant entrepreneurs attend business workshops and expos.

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Introduction

South Africa grapples with a multifaceted challenge, characterized by high rates of unemployment, pervasive poverty, pronounced economic inequality, escalating crime rates, and sluggish economic growth (Anwana, 2020). The detrimental repercussions of these issues reverberate across the nation’s economic landscape. According to the 2019 quarterly report from Statistic South Africa, the country experienced a substantial economic downturn in the first quarter, marked by a notable 3.2% decrease – the most significant quarterly decline recorded since 2009 (Statistics South Africa, 2019). Notably, major contributors to this economic contraction were the trade, mining, and manufacturing sectors, all of which found themselves in a state of recession. Of particular significance is the pivotal role played by entrepreneurship, primarily within the trade industry, in steering economic growth through business establishment and job creation (Ribeiro-Soriano, 2017). Additionally, entrepreneurship catalyzes economic advancement by introducing innovative technologies, products, and services, fostering market competition, and enhancing overall productivity. The deficiency of robust entrepreneurial activity is recognized as a substantial impediment to a country’s economic growth (Kritikos, 2014).

Immigrant entrepreneurship, plays a crucial role in elevating the overall level of entrepreneurship in host countries (Kalitanyi & Visser, 2010). South Africa, often referred to as a “rainbow nation” with diverse racial groups, experienced a significant influx of immigrants following its 1994 independence (Fleishman, 2015). Vargas (2005) attributes this influx to factors such as globalization, wars, and political upheavals in various countries. Immigrant entrepreneurs from Sub-Saharan Africa have become a critical element in the informal economy of post-apartheid South Africa (Fleishman, 2015). According to (Van der Zwan et al., 2016), individuals engage in entrepreneurial activities due to diverse motivations, distinguishing between positive factors driving "opportunity
entrepreneurship” and negative situational factors propelling “necessity entrepreneurship.” While global discourse acknowledges the pivotal role of immigrant entrepreneurship in propelling economic growth, the specific experiences of immigrant entrepreneurs in the Eastern Cape remain underexplored. A nuanced understanding of these experiences is indispensable for formulating policies that are both inclusive and effective in fostering economic growth and social cohesion. The Eastern Cape, with its distinctive socio-economic landscape, offers a compelling case study to unravel the intricate dynamics between immigrant entrepreneurship, local economies, and community interactions.

Despite its potential impact, there is a noticeable gap in empirical studies examining opportunities and obstacles in immigrant entrepreneurship within South Africa. This gap underscores the need for a more comprehensive exploration of immigrant entrepreneurship in the realm of entrepreneurship research. Studies, such as those by Fatoki (2013) and Kalitanyi and Visser (2010), acknowledge both the positive impacts and challenges faced by immigrant entrepreneurs in South Africa. However, a detailed analysis of these challenges is notably absent. Immigrant entrepreneurs in South Africa encounter a myriad of social, economic, political, and legal challenges. Crush and Skinner (2015) contends that despite these challenges, South Africa remains an attractive prospect for new businesses. However, the initial stages of business implementation often present the most formidable obstacles, requiring a thorough understanding of factors that promote business success in specific regions. (Halkias & Caracatsanis, 2016) advocate for a clear and comprehensive understanding of these factors at the onset to facilitate the penetration of the market and attract customers, emphasizing the importance of such knowledge for immigrant entrepreneurs in the Eastern Cape region seeking business growth. This study aims to investigate possible opportunities and challenges that immigrant entrepreneurs are faced with as they manage their businesses in South African towns using the qualitative research approach. This study seeks to answer the following questions:

i. What are the opportunities available for immigrant entrepreneurs in managing their businesses in South African towns?
ii. What are the causes of the challenges that immigrant entrepreneurs face in South African towns?
iii. What recommendations can be made to immigrant entrepreneurs to maximize the available opportunities and overcome the challenges they meet in managing their businesses in South African towns?

Literature Review

The literature review delves into the existing body of knowledge surrounding immigrant entrepreneurship, specifically within the South African context and the towns of the Eastern Cape Province. Immigrant entrepreneurship is a multifaceted phenomenon, influenced by a myriad of factors ranging from economic policies and regulatory frameworks to cultural dynamics and societal perceptions. By critically examining relevant scholarly works, this literature review aims to elucidate the opportunities and challenges that immigrant entrepreneurs encounter in their endeavors. It explores the broader landscape of immigrant entrepreneurship in South Africa, providing a foundation for understanding the unique circumstances within the Eastern Cape Province. Through an examination of the prevailing theories, empirical studies, and gaps in the literature, this section seeks to contribute to a more nuanced understanding of the intricate interplay between immigration, entrepreneurship, and regional development within the South African context.

Theoretical and conceptual framework

The theory of entrepreneur and entrepreneurship was developed by Schumpeter in his books in 1911 and 1940s. He referred to the two terms as “new men and their actions” respectively (Schumpeter, 2008). The theory is derived from the concept of self-care and knowing oneself by wanting to build a new self from the old (Schumpeter, 2008). He describes entrepreneurs as small minority individuals who utilize available opportunities in the passive economy to shake equilibrium. Schumpeter’s Theory Schumpeter assumed a perfectly competitive economy within a stationary equilibrium. In this stationary state of equilibrium, there are no interest rates, no profits, no savings, no unemployment or involuntary manner, no investment is present. There are different types of distinctive characteristics found in the East Asian lifestyle. Their culture and all other things vary from each other (Stones et al., 2019). Schumpeter theory helps in understanding the importance of innovation in business development and entrepreneurship. The phenomenology of the lifestyle of migrants is different from each other. The basic lifestyle of the citizens of East Asia is different from the others. Thus, innovative planning is required for developing the business (Stones et al., 2019). Innovative ideas in market planning, management, resources, and business strategies helped a lot to develop the business, and it was very useful to start up any business.

Criticisms of the Schumpeter theory

According to the critics, Schumpeter ignored different kinds of functions associated with the risk-taking of entrepreneurs (Gagliò & Katz, 2001) Whenever any entrepreneurs establish new combinations of different factors, there are some risks involved. However, these risks may be associated with the rate of production of other issues. Another issue with this theory is the lack of explanation. There is paucity associated with innovative entrepreneurs in developing countries (Greve & Salaff, 2003). Thus, entrepreneurs need to adapt to different kinds of challenges for their development in the business. Entrepreneurship talent skills are not described in this theory. Despite all these criticisms, the author considered this theory as a landmark for an explanation of different kinds of entrepreneurship-related theories. Cyclic changes because innovation is wrong, which is a major drawback of this theory. Though
there are different advantages of this theory, it also includes some faults. However, this theory includes some beneficial information which helps to understand entrepreneurship skills better. Figure 1 depicts the conceptual framework of the study.

![Conceptual framework](image)

**Figure 1: Conceptual framework**

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**Immigrant entrepreneurs in South Africa**

According to Muchineripi et al. (2019), the immigrant entrepreneurs in South Africa face different kinds of challenges and facilities to improve the economic growth in the corporate world. According to the Government of South Africa, immigrant entrepreneurship had played an important role in recruiting more people in the corporate world. Entrepreneurship helped to increase the economic growth of South Africa (Rambe & Mpiti, 2017). It helped to maintain a social relationship with different types of people who generally came from different countries. Immigrant entrepreneurs had a vital role in improving the economic growth of South Africa.

The challenges facing immigrant entrepreneurs in South Africa

Ngota et al. (2018) revealed that South African immigrant entrepreneurs had faced different types of challenges with starting their business in a completely unknown place. Regarded by many previously researched contexts, these people were bound to suffer different types of critical factors. All these critical factors were responsible for making a boundary before the business performances. The critical factors were responsible for slowing down business growth all over the business market. One of the greatest threats to immigrants’ entrepreneurial spirit has been “Xenophobia” (Crush & Ramachandran, 2015). Xenophobia means dislike or prejudice against immigrants. The fear of racism has hindered immigrant entrepreneurship to some extent. The past Xenophobic attacks in South Africa and the uncertainties of future incidence have forced immigrants to close businesses on a permanent basis leading to huge losses (Muchineripi et al., 2019). Very few cases show that the business has stalled temporarily. Such attacks have not only led to the loss of income but the loss of livelihood too. The local government has failed to take precautionary steps as the officials shared the same preconception with its’ indigenes about immigrants. For immigrant entrepreneurs, it is hard to obtain funds for the business. The financial institutions have to adhere to strict requirements for granting loans to foreigners. Since immigrant companies lack proper paperwork because the owners are not permanent residents or citizens, they are prevented access to funds (Tengeh & Nkem, 2017). Similarly, Fatoki (2013) revealed that access to formal debt and equity markets is restricted to immigrant entrepreneurs, occasioned by lack of credit history and collateral security among other issues. Apart from access to financial credit, Goldstuck (2015) claimed that competition is another challenge faced by immigrants. The author argued that since the majority of the immigrants’ small businesses are still at infancy or teenage stages, they, however, cannot enjoy retained earnings when compared to large firms which could negate their inability to stand fierce competition (Goldstuck, 2015). Moreover, the lack of information and credit adds to further woes of not being able to arrange for funds. Ineffective education and training of the immigrant entrepreneurs affect the kind of business success expected. Being entrepreneurs in one’s own native country is easier than in a foreign country (Vinogradov & Jørgensen, 2017). In a foreign land, to be a successful entrepreneur, higher educational-level and high order skill is required. Lack of proper education can affect business. This is one of the reasons why immigrant entrepreneurs have engaged in a small-scale business. Immigrant policies in South Africa are not very strong. As a result, immigrant entrepreneurship has not been
able to gain the support it needed. Furthermore, more and more immigrants are entering the country. This is making it hard for policymakers to control them and local entrepreneurs cannot be neglected. That is one of the reasons for immigrant entrepreneurs receiving a comparatively lower amount of support from the government. An increased number of criminal activities aimed at the immigrants have affected immigrant entrepreneurship. The attacks have no link to the economic competition but are wholly personal in nature (Högberg et al., 2016). It is a kind of prejudice directed against immigrants.

**Opportunities for immigrant entrepreneurs in South Africa**

Despite the presumed challenges of immigrant entrepreneur’s faces in running or starting their business, the opportunity for entrepreneurship also abounds greatly. These are detailed below:

**Infrastructure for growth**

It was necessary to have a proper infrastructure in the workplace to maintain business performances in an effective way (Agada & Zeb-Obi, 2018). Immigrant entrepreneurs got the proper infrastructure in the workplace. The government of South Africa had provided lots of facilities to these immigrants for the maintenance of their business growth. According to Kushnirovich et al. (2018), it can be said that all South African entrepreneurs were intended to find out proper location or building to develop their business in a successful way. They have the facilities to find appropriate locations or infrastructures to get enough motivation from the workplace. Governmental policies helped them to get proper business infrastructure (Desiderio, 2014). Proper infrastructure in the workplace helped the people to get enormous motivation for the improvement of economic growth. Immigrant entrepreneurs of South Africa were responsible for motivating more people for better performance in the workplace.

**Economic policies**

According to Hoque and Zaidi (2019), it can be stated that economic policy was an important factor to explore in doing business in the entire global market. South African immigrant entrepreneurs used different economic facilities for getting effective economic growth from their business (Beinart & Delius, 2018).

**Positive business environment**

Wadhwa and Madan (2017) stated that a positive environment in the business organisation is very important for getting success from the workplace. South African entrepreneurs have a proper business environment to get motivation from other entrepreneurs. Creating a positive business environment in the workplace helped these people to get enough motivation to maintain the workflow in the workplace. Immigrant entrepreneurs maintain a positive business environment in the workplace for their better performances.

**Gateway to Africa**

Immigrant entrepreneurs will be able to provide supplier contact to the company so that the raw materials could be bought at the lowest possible price (Zhan et al., 2018). Furthermore, local people have a good knowledge regarding conditions prevailing in the local market. They will prove beneficial to the company regarding the marketing of products in the local region. They will guide the company regarding what kind and what quality of products to be manufactured, what quantity of products are to be sold in which regions (Zhan et al., 2018). Since immigrants are from different countries, their style of working and their thinking process are different. This will make it possible to bring in innovations and will make the immigrant entrepreneur different from other local entrepreneurs within the same domain of business (Zhan et al., 2018).

**Easy access to marketers**

South African entrepreneurs got the chance to get easy access to the global market. Improvement of business organization was dependent on the easy access in the business market. These immigrant entrepreneurs got the facilities to measure the product quality in the global market. These types of facilities in the global market helped them to understand and measure the product's quality (Halloran et al., 2016). In addition to this, they have facilities for the continuation of the product's import in the global market. Marketing is very essential to grow business in a proper way. This will enable the company to formulate a strategic plan to carry out their business unhindered. With respect to buying raw materials and products, local people can help a lot. Furthermore, mixing up of local ideas and styles of entrepreneurship with that of immigrants will create new ideas and ways of functioning (Lee & Stephanie, 2020). The amalgamation of the ideal parts of foreign and local will create a better form of entrepreneurship. This will help in the fast development and growth of the immigrant company.

**Competitiveness**

Immigrant entrepreneurs employ both local people as well as immigrants. Most companies begin by employing indigenous people. They will have a clear understanding of how the entrepreneur will function and what will be its approach. This makes it possible to have a good amount of availability of employees. The biggest advantage of employing people from the host country is that there will exist a healthy amount of understanding (Guercini et al., 2017).

**Value of the local currency**

Different countries have different currencies in order to meet the daily expenses of individuals. When converted to any other currency, the money either gain value or loses value. It gives a particular result whether an entrepreneur suffers with a loss or a profit. The
currency of South Africa is Rand and when converting money to Rand and to Dollar, Rand comparatively proves to be much cheaper than Dollar. This creates a big opportunity for migrant entrepreneurs to invest in businesses in South Africa (Light et al., 2017). While converting their currency to Rand, more money is available. This makes it possible to make a healthy investment and to the stock amount of money for emergency purposes.

**Research and Methodology**

**Research design and setting**

A qualitative research approach which followed a phenomenological research philosophy was adopted. The research setting encompasses towns within the Eastern Cape Province of South Africa, specifically focusing on Aliwal-North and Sterkspruit. These towns, nested within the diverse landscape of the Eastern Cape, serve as the backdrop for the investigation into the opportunities and challenges faced by immigrant entrepreneurs. The Eastern Cape Province, known for its cultural richness and economic intricacies, offers a unique context where immigrant entrepreneurs navigate various factors such as economic policies, cultural dynamics, and regulatory frameworks. Aliwal-North, constituting 60% of the selected business locations, and Sterkspruit, comprising the remaining 40%, are chosen as representative settings due to their distinctive socioeconomic and cultural characteristics.

**Sampling**

The non-probability sampling technique was used in this study to collect reliable data. The target population is African immigrant entrepreneurs and Asian-immigrant entrepreneurs operating in the selected towns in the Eastern Cape Province of South Africa. The criteria include: (a) engaging in entrepreneurial activities (b) located in Aliwal-North or Sterkspruit in Eastern Cape; (c) own and manage by immigrant from the selected countries (d) must have been in the business in the area for the minimum of two years and maximum of five years. Studies have found that the age of the business matters in determining the growth phase while businesses grow most between two to five years (Gombert et al., 2017:65). Given the criteria for inclusion in the sample, it was evident that few of the small businesses in Aliwal-North and Sterkspruit would be part of the research sample size. Thus, a sample size of 10 was deemed enough for the present study. Ten immigrant entrepreneurs out of which six are operating in Aliwal-North while the other four are operating in Sterkspruit all in Eastern Cape. The following table describes the research participants. The study focused mainly on Ghanaians, Senegalese, Congolese, Nigerians, Somalis, Pakistanis, Bangladeshis, and Chinese. This is because most immigrant entrepreneurs in the selected towns are from these countries. The selected towns are Aliwal-North (with a population of 3992) and Sterkspruit (with a population of 1893). The two towns are selected as they record a high number of immigrant entrepreneurs and for their proximity to the researcher.

**Data collection**

The semi-structured interview was used to collect qualitative data in this study. Questions related to respondents’ business profiles, demographic information, personal experiences, business knowledge, and management procedures of the business were covered during the interview. Also, a set of questions to determine the opportunities and challenges they encounter in their businesses were covered. The study data were collected by a face-to-face semi-structured interview which required the interviewer to visit each respondent. The time limit of the interview was relatively short and lasted between 20 minutes to 45 minutes.

**Data analysis**

At the time of the interview, transcripts were generated from respondents’ responses and transformed into detailed analysis. As opined by Fletcher (2017), written information was interpreted, analysed and transcribed in order to categorise the responses of the interviews properly. The data transcription, analysis, and interpretation were done using techniques and analytic techniques that enabled the researcher to categorise interview questions and responses according to the research objectives. On this note, “thematic analysis” was used to analyse qualitative data collected.

**Trustworthiness and credibility**

The pilot study tested a portion of the semi-structured interview with a sample size of three. The respondents were selected using the inclusion and exclusion criteria of the main study. The pilot study used the semi-structured interview as an instrument for data collection and found it appropriate for the main study. To maintain credibility, an appropriate sampling method was used to select study subjects. The semi structured interview questions were worded carefully and precisely even with questions that were not pre-planned before the interview. On maintaining reliability, the data collection method was applied consistently. Each measurement followed the same steps. Responses are compiled in a secure manner, while questions are constructed the same way for each subject.

**Ethical considerations**

In accordance with the MANCOSA research protocols, informed consent was obtained from all participants before they participated in the study. The participants were assured of confidentiality, and that their responses will be kept anonymous. Participants were further informed of their right to withdraw from the study at any time without consequences.
Findings and Discussions

Socio-demographic information

Table 1 shows the basic demographic information in relation to gender, age, country of origin, years in business, type of business and education. The sample of immigrant entrepreneurs in the Eastern Cape Province exhibits a gender distribution where 70% are male and 30% are female. In terms of age, the majority fall within the age brackets of 30-39 years, with 30% aged 30-34 years and 40% aged 35-39 years. Business locations are predominantly in Aliwal-North (60%) compared to Sterkspruit (40%). The duration of businesses varies, with 30% operating for 4 years and the remainder distributed across 3, 5, 6, and 7 years. The types of businesses are diversified, with 60% engaged in product-oriented activities and 40% in services. Educational qualifications differ, with 40% having a university degree, 40% completing primary school, and 20% having no formal education. Nationalities represented include Congo, Pakistan, Ghana, Bangladesh, Senegal, Somali, Nigeria, and China, each contributing 10% or 20% to the overall sample.

Table 1: Demographic characteristics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency (n=10)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>7</td>
<td>70</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-34 years</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td>35-39 years</td>
<td>4</td>
<td>40</td>
</tr>
<tr>
<td>40-44 years</td>
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<td>20</td>
</tr>
<tr>
<td>45-49 years</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td><strong>Business location</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aliwal-North</td>
<td>6</td>
<td>60</td>
</tr>
<tr>
<td>Sterkspruit</td>
<td>4</td>
<td>40</td>
</tr>
<tr>
<td><strong>Years in business</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 years</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>4 years</td>
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</tr>
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<td>20</td>
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<tr>
<td>7 years</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
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<td></td>
</tr>
<tr>
<td>Product</td>
<td>6</td>
<td>60</td>
</tr>
<tr>
<td>Service</td>
<td>4</td>
<td>40</td>
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<tr>
<td><strong>Education qualification</strong></td>
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<tr>
<td>University</td>
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<tr>
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<td><strong>Nationality</strong></td>
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<td>Pakistan</td>
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<td>10</td>
</tr>
<tr>
<td>Ghana</td>
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<td>10</td>
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<tr>
<td>Bangladesh</td>
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<td>10</td>
</tr>
<tr>
<td>Senegal</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Somali</td>
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</tr>
<tr>
<td>Nigeria</td>
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<td>20</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>20</td>
</tr>
</tbody>
</table>

Themes and subthemes

Table 2 summaries the themes and subthemes generated from the interview.
Table 2: Emerging themes and subthemes

<table>
<thead>
<tr>
<th>Theme</th>
<th>Subthemes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opportunities</strong></td>
<td>Favourable business condition</td>
</tr>
<tr>
<td></td>
<td>Cost of doing business</td>
</tr>
<tr>
<td><strong>Challenges</strong></td>
<td>Burden of government regulation</td>
</tr>
<tr>
<td></td>
<td>Constance cost increase</td>
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<tr>
<td></td>
<td>Low level of education/formal training and/or experiences</td>
</tr>
<tr>
<td></td>
<td>Language/communication barriers</td>
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<tr>
<td></td>
<td>Direct and Indirect cost of crime</td>
</tr>
<tr>
<td><strong>Causes of Challenges</strong></td>
<td>Government regulations and policies</td>
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<td></td>
<td>Attitudes to immigrant nationals</td>
</tr>
<tr>
<td><strong>Overcoming the challenges</strong></td>
<td>Security consciousness</td>
</tr>
<tr>
<td></td>
<td>Increase level of education</td>
</tr>
<tr>
<td></td>
<td>Alternative Financial assistance</td>
</tr>
<tr>
<td></td>
<td>Corporate Social Responsibility</td>
</tr>
</tbody>
</table>

**Theme 1: Opportunities**

Different subthemes were uncovered in theme 1. These are detailed below.

**Subtheme 1.1: Favourable Business Environment**

Politics, regulations, economics, and the natural environment constitute favourable business environment. The interviewed participants pointed that one of the opportunities they enjoy in doing business in the selected town in South Africa is that the business environment is favourable. Under this sub-theme, “South Africa economy” and “Adequate returns” were reported to be favourable by the participants.

**Economy**

Most of the interviewed participants stated categorically that one of the reasons for migrating to South Africa and being entrepreneurs was the high value of its currency compared to that of their home countries. Simply put that they find South Africa Rand more attractive than their local currencies. Some of the interviewed participants opined that money they make in South Africa when converted to the currencies of their home countries is very huge.

“I came to South Africa to open my own business because my country’s currency is very bad; nothing is stable because of war and corruption”. (A, Aliwal-North)

“... you see, even our currency is of low value; if I make five thousand rands (R5000.00) here and travel home, it will give me almost eighty thousand Naira (#80,000.00), you see that is big money.” (B, Sterkspruit).

**Adequate Returns**

The majority of the interviewed participants pointed out that their businesses are profitable owing that they make adequate returns from the investments they make in their businesses. In particular, the participants from Sterkspruit town attributed this to the size of the market.

“... business is good here, there are too much people buying from us; we sale a lot of things in this shop every day and make a lot of profit.” (C, Sterkspruit).

**Subtheme 1.2: Cost of doing Business In South African Towns**

The majority of the participants reckoned that the cost of doing business in the selected towns is relatively low compared to that of cities like Johannesburg, Cape Town, and others. Some of the interviewed participants mentioned that this was evident from the information they gathered from their friends and families that do businesses in South Africa cities. However, few of the interviewed participants have first-hand information on this as they have previously managed their businesses in South Africa cities before relocating to town for one reason or the other. They emphasised categorically that doing business in South Africa cities is more capital intensive compare to doing business in South Africa town. Some of the areas mentioned are advertising costs and the low salary of the retail salesperson.

**Advertising cost**

Most of the interviewed participants pointed out that they do not spend money on advertising their business and this saves them money in the business.
“I can’t remember spending one rand (R1.00) in advertising my business, people in this town live together and talk to one another. They tell each other everything including what they buy from our shops.” (D, Aliwal-North)

“My business is advertised by word of mouth and it does not cost. Sterkspruit people live a communal life unlike people in the cities. The news of what we sell goes fast even the good and the bad one.” (B, Sterkspruit).

Low salary of retail salespersons

The interviewed participants mentioned that they pay little as a salary to their retail salespersons compared to people in the city. They pointed out that this saves them money as well.

“There is no law that regulates how much we pay our salesgirls here. We pay them any amount we feel comfortable paying them as salary.” (E, Aliwal-North)

“We don’t pay our sale girls and boys much because a lot of people are looking for a job here, so you see we don’t spend much on that side.” (F, Sterkspruit)

Theme 2: Challenges

Subtheme 2.1: Burden of Government Regulations

The interviewed respondents reported that some of the government regulations hinder the success of their business. Unfavourable immigration policy and bank policy were coded under this subtheme.

Unfavourable immigration policy

All the interviewed participants pointed out that the South African immigration policy is unfavourable to them. They said that getting work or business permit seems unachievable for them in South Africa unless they get them through dubious means. They said that they can’t meet the requirements of these permits. Most of them are doing business with refugee papers which limit them access to any official help or benefits they would have received from the South Africa government.

“I am only concerned about the immigration policy, many of us did not come to South Africa as asylum seekers but we end up using refugee paper to stay here. Yes, this is the only way some of us can stay legally in this country because we don’t meet the requirement for a business permit.” (G, Sterkspruit)

“I have to marry a South African woman to get my business permit, it sounds funny, but it is true.” (H, Aliwal-North)

Bank Policy

Some of the interviewed participants emphasised how their inability to get financial assistance from the bank affect the growth/expansion of their businesses. They explained that the requirements the banks need from them to access bank loans are very much different from that they require from South African citizens. Some mentioned that those requirements are unachievable in the short term and therefore is a real turn off whenever they need immediate financial help from the banks.

“The bank can never give us a loan, first you must be a permanent resident (PR); even when you get your PR, other stories will follow; they always demand something we don’t have.” (B, Sterkspruit)

“We don’t meet the bank loan requirements as we are immigrants.” (I, Sterkspruit)

Subtheme 2.2: Constant Cost Increase

Some of the costs of business daily needs were reported to be increasing constantly in South Africa. The cost of electricity, petrol, and rent was reported under this sub-theme.

Cost of Electricity

Most of the interviewed participants pointed out that they spend more on electricity these days than before. The said that they spend more to buy electricity units and also spend more to buy petrol to maintain their generators due to ratational load shedding introduced by Eskom recently.

“As of two years back, I could use R50 to buy 50 units of electricity but these days, the amount can buy you about 40 units” (E, Aliwal-North)

“I was losing my customers due to load shading, so I bought a generator for my shop; it is costing me more to buy petrol for the generator” (H, Aliwal-North)

Cost of Petrol

The interviewed participants emphasised the need for the use of petrol in their business. They use it for transportation and electricity purposes. They pointed out that the cost of petrol fluctuates and most of the time is high price.
“... I use petrol for my car for the business and when I don’t use my car, I use public transport, any option I choose, I have to pay more whenever the price of the petrol goes up.” (C, Sterkspruit)

“My main concern is using petrol for my generator; the cost is much, and I cannot do business without electricity. I pay more to access electricity here. The load shading is reaping me off my profit. The customers are not ready to pay more just because you are serving them with a generator.” (E, Aliwal-North)

Cost of Rent

All the interviewed participants in Aliwal-North mentioned that they pay more on rent for their shops and residential apartment nowadays whereas participants in Sterkspruit did not. They attributed the cost increase to the existence of middlemen (agents) that exist when one wants to rent a shop or a house/apartment.

“We pay a lot of money to secure a shop in this town, the agents just want the foreigners to pay more than what the landlords want because they know that we don’t have access to the landlords.” (D, Aliwal-North)

“It is not easy again to rent a house or a shop these days, we are paying more because we are foreigners.” (H, Aliwal-North)

Subtheme 2.3: Low Level of Education/Formal Training and/or Experience

Some research participants both in Sterkspruit and Aliwal-North reported that low levels of education, formal training, and/or previous business experience pose some challenges to the running of their businesses.

Low Level of Formal Education

Few of the interviewed participants pointed out that they are not being able to attain a high level of formal education challenges their ability to run their businesses successfully. They mention that they sometimes struggle with the administrative and financial aspects of their businesses.

“I didn’t go to school, my stock keeping, and calculation is bad, my salesgirls cheat my businesses every time.” (I, Sterkspruit)

“I am sure that my business will be better if I am educated.” (D, Aliwal-North)

Subtheme 2.4: No Previous Business Experiences

Few of the participants mentioned that they never had previous business experience before they started their businesses in South Africa. They pointed out that having previous experience will help them a lot to make an informed business decision in a very delicate situation.

“... this is my first business, sometimes it is difficult to decide because you are scared of what will come out of it, I don’t have the experience you know” (L, Aliwal-North)

“...it is not easy to do business here without experience because you meetups and down that if you are not careful will force you to close down your business; I guess ‘am having the experience now.” (J, Sterkspruit)

Subtheme 2.5: Language/Communication Barrier

Most of the participants explained that they experience language/communication barriers in their business. Differences in languages may impede effective communication. Non-fluent speakers of the local language may find it challenging during trading or customer service. They may have difficulty understanding customers and proving appropriate responses or information. Customers that find it challenging to understand a business owner may choose to buy from another business that poses less or no challenges.

Inability to speak South Africa languages

Most of the interviewed participants emphasised that not being able to speak South Africa local languages such as Xhosa and Sesotho is a big challenge in the day to day running of their businesses. They pointed out that doing business in the towns are not like the cities where most people can speak English as a common language.

“I cannot speak Xhosa or Sesotho and it is driving my local customers away, they expect me to converse in their local language when they come to my shop” (K, Aliwal-North)

“I have forced myself to start learning Xhosa because it is very important in my business, if I don’t know it, some people will be scared to come and buy from me.” (I, Sterkspruit)

Inability to speak English well

Very few of the interviewed participants mentioned that it will help their businesses a lot if they can speak the English language adequately.

“To know English is very good here since I cannot speak Xhosa or Sesotho.” (D, Aliwal-North)
Subtheme 2.6: Direct and Indirect Cost of Crime

The negative effect of crime could cost the business directly or indirectly. The direct cost could be money or values of goods and damages to the property due to robbery or vandalization. Indirect cost is the cost the business suffers indirectly such as what it cost the business during a business disruption or temporary closure due to crime. It includes increased insurance premiums and medical aid. The immigrant entrepreneur may decide to take precautionary measures by increasing security costs to protect the business.

Crime has both direct and indirect costs.

The direct costs are made up of the value of goods or money stolen and/or the cost of damage to property or goods. Indirect costs include the cost of the disruption to business/lost work hours owing to staff time off work, loss of necessary equipment or temporary closure of the business, as well as medical expenses, loss of staff, increased insurance premiums or precautionary cost.

Fear of expansion of business

Most of the interviewed participants reported that they are afraid to expand their businesses because they will attract burglaries and thieves. They mentioned that they want to keep their businesses as simple as it is because of these hoodlums.

“To have big business in this town is a very big risk especially as a foreigner. If your business is big, then expect thieves and burglaries every time.” (L, Aliwal-North)

“When you expand your businesses, the armed robbers will think that you have too much money and they will attack your shop or even your home” (C, Sterkspruit)

Fear of competition

Most of the interviewed participants reported that competing with the local competitors is a very big risk for them therefore it prevents them to do their businesses properly. They pointed out that local business owners attack them whenever they pose a threat to their businesses.

“We do not want to cause a xenophobic attack, so we do our businesses quietly as immigrants. The local competitors see us as their enemies, it is not easy at all.” (H, Aliwal-North)

“We don’t want to compete with South African owned shops because it is very risky. We don’t want to be attacked or killed.” (I, Sterkspruit)

Theme 3: Causes of Challenges

Subtheme 3.1: Government regulations and policies

Government regulations and policies were pointed out by the interviewed participants as one of the challenges they face in business in the selected towns.

Immigration policy

Most of the interviewed participants pointed that South African immigration policy is not favourable to them and they see it as one of the major causes of the challenges they face as they do their businesses in the selected South Africa town. They reported that it restricts access to many South Africa resources as they mentioned under the ‘challenges’ section.

“South African immigration policy should be reformed. It is scaring us aware; it is not friendly at all.” (E, Aliwal-North)

“I love it here, but the immigration policy is stressing me. I do not have the right permit to operate my business well.” (A, Aliwal-North)

Bank policy

Most of the participants reported that South Africa bank policy does not allow them access to banking services. They suggested that bank policy should be revisited to allow immigrant entrepreneurs access to bank services.

“I cannot open a bank account because I am using refugee paper. You know what it means for businessman not to have a bank account.” (I, Sterkspruit)

“I opened an account in Absa previously and when my permits expire, they denied me access to all my money. That is wickedness!” (B, Sterkspruit)

“It is very difficult to get a loan from a bank here as an immigrant even if you are a permanent resident which I am.” (G, Sterkspruit)

Education institutions’ policy

Few of the interviewed participants mentioned that they would have loved to further their education in South Africa but could not do that due to some obstacles they encountered when they attempted to enroll in the schools. They pointed out that the high cost of
education and admission requirements for immigrants could not allow them to achieve their aims of acquiring more knowledge through education in order to help their businesses succeed.

“I cannot attend school here because the school fees are high for me and they also wanted me to bring along many things and no one wants to explain to me how to do it. They only told me that it will cost me money. I just want to go to school again.” (L, Aliwal-North)

Very little punishment for criminals

Some of the interviewed participants said that they believe that the government is not doing enough to prosecute the criminals in the country. They pointed out that as immigrant entrepreneurs are at the receiving end of crime and have little to do to stop it. They believe that the government should put more effort in combating crime in the towns.

“...the criminals always go free in this country; they go in and out of the jail and brag about it.” (H, Aliwal-North)

...the crime is much in the towns because the government cares less about it.” (I, Sterkspruit)

Subtheme 3.2: Attitudes to immigrant nationals

It was reported that the attitude of South Africans to immigrants is not encouraging as it is negative and constitutes challenges. If this is changed, it will go a long way making the interviewed participants’ business activity easier in the town in which they operate their businesses.

High illiteracy level among South Africans in the rural areas

All the interviewed participants pointed out that most of the South Africans in the towns lack the knowledge and see them as intruders and enemies. They blame this on a lack of knowledge and understanding on the part of South Africans. The participants pointed out that if they are well informed, they will know that we mean no harm to the community or the local business owners.

“They are not well informed; I think that is why they see us as bad people and treat us like enemies sometimes.” (I, Sterkspruit)

“Most of the people in this town are not educated, so they assume a lot of things that make them see us as enemies.” (H, Aliwal-North)

This study also finds the attitude of the business communities to immigrant entrepreneurs as one of the major causes of the challenges they face. It is reported that this is due to the high illiteracy level among the people in rural communities. The local communities lack knowledge when it comes to accepting the immigrant entrepreneurs in their communities which causes unnecessary tension between the locals and the immigrant entrepreneurs. This finding resonates with Halkias, Thuram, Harkiolaskis and Caracatsanis (2015: 20) who noted that cultural adaptation, racism, and the fear of foreigners are the greatest threat of immigrant entrepreneurs.

Theme 4: Overcoming the Challenges

Subtheme 4.1: Security Consciousness

Being security conscious was one of the ways the participants pointed that they can overcome the challenges they face.

Use of security guard/security alarm system/security company

Two of the interviewed participants pointed out that they should not allow the effect of crime in their businesses to limit their growth plans for their businesses. They suggested that the use of security guards, security alarm system, and Security Company could help them prevent the armed robber’s access to their businesses.

“I know that if I installed security alarm system or use security guard around my business, those hoodlums will not be able to steal or vandalise my businesses or home.” (L, Aliwal-North)

“...alarm system installed by the security company will go a long way scaring thieves away or even catching them if they try.” (C, Sterkspruit)

The proposal for self-security help may be related to the distrust immigrant has against the South African police. Barnes, Beaulieu and Saxton (2018: 143) opined that police corruption in South Africa is seen as the norm. Due to this concern, the police are described by some of the Chinese immigrants to be worse than criminals as they noted to feel unsafe with them (Lin 2014: 181). This concern may have a necessity for the suggestion of personal security to protect themselves from violence and attack.

Subtheme 4.2: Increase level of education

Some of the interviewed participants pointed out that ‘education is power’, and that it will do them well if they can upgrade their level of education.

Informal education/workshops/seminars
Some of the interviewed participants mentioned that having informal education, attending business seminars and workshops will help them handle some business challenges very well. The suggested looking out for business seminars and workshops that give an open invitation to the public or business owners.

“I know the importance of education but since I cannot afford it, I can still attend some meetings that are informal which I can learn from. I know that some business workshops that invite the public to attend, those can help as well.” (A, Aliwal-North)

“...attending business seminars and workshops can help one acquire valuable business knowledge.” (L, Aliwal-North)

Subtheme 4.3: Alternative Financial Assistance

Since it is difficult for the participants to obtain bank loans, they suggested that looking for alternative financial help will benefit their businesses.

Private money lenders

The participants pointed that borrowing money from private money lenders is very easy and may serve as an alternative to bank loans. They pointed that it has its disadvantages, but they cannot do away with it.

“Loan sharks are trouble, but they could help at immediate loan needs. I know that they don’t require lots of paperwork like bank so it could help at the time of need.” (H, Aliwal-North)

Borrowing from the friends

Friend was another source of loan mentioned by the participants. They pointed that a true friend can lend a helping hand in time of need.

“I usually go for friends’ help when I need money but when I need more money than one person has, they can do contribution. I also contribute for some of my friends.” (I, Sterkspruit)

Borrowing from private organisations

Some of the organisations in the town lend money to the people and could help the participant secure some loans as well. One of the participants opted that he has borrowed from them previously.

“Those people that do meetings help a lot, they lend money to the people and I have tried them before.” (E, Aliwal-North)

Corporate Social Responsibility

Showing the community that you care for their well-being will go a long way changing their negative attitudes towards the immigrants. The participants suggested that if they get involved with the locals and show them that they care, it could help change the locals’ perceptions about then.

Employing workers from the community

Some participants opted that employing a retail salesperson from the community members will help pass a positive message to the community. They also pointed out that it will help in solving the language problem which arises when they are unable to speak local languages.

“I know that some immigrant entrepreneurs that employ from the community are seen as friends. The locals feel at home when they are at those shops.” (G, Sterkspruit)

“I think that if you have salesgirls from the town, the people will know that you value them and regard them as important to your businesses. They stop seeing you as an enemy.” (L, Aliwal-North)

Attending community functions

One of the interview participants pointed out that attending community functions such as weddings and funerals make the locals see you as one of them. It changes the negative feelings they have about immigrant entrepreneurs.

“... I think they just want us to show them care and value them. Though we are not one of them, we can still attend their functions like funerals and weddings. When they see you there, I am sure they will start seeing you as a brother or sister.” (G, Sterkspruit)

Discussion

The present study has helped in understanding the present state of immigrant entrepreneurs in South Africa towns. According to the findings, it is recognised that the immigrant entrepreneurs enjoy some opportunities as well as meet some challenges as they do their businesses in selected South African towns. However, not all the opportunities and challenges found in the literature review were found in the study. On the same note, some of the study findings agree with some points in the literature review.
The opportunities for immigrant entrepreneurs in South Africa towns

A sound economic policy is one of the opportunities of doing businesses in South Africa (Beinart & Delius, 2018). This is agreeable with the study which found that the South Africa economy is favourable as the currency is stronger than the currencies of the respondents’ home countries. The strength of Rands is closely tied to the economic strength of South Africa (Park et al., 2019). The country’s disciplined fiscal framework aims to promote domestic competitiveness, employment, and growth and help increase the inward orientation of the country. The economic reform gave rise to a high level of macro-economic stability (Embassy of the Republic of South Africa-Portugal, 2008). There is a reduction in taxes, tariffs are lowered, the fiscal deficit is under control, and exchange controls relaxed. The low cost of doing business in South Africa in terms of the low cost of advertising and low salary of retail salespersons remains an advantage of immigrant entrepreneurs. The findings acknowledged that business start-up costs are low.

The exchange rate in South Africa makes it one of the least expensive countries for foreigners to live and do business and enjoy the standard infrastructure and high living standards which ensures good value for money (Embassy of the Republic of South Africa-Portugal, 2008). The value of Rand serves as an advantage for the immigrants when converting money from Dollar to Rand and Rand comparatively proves to be much cheaper than Dollar. This creates a big opportunity for migrant entrepreneurs to invest in businesses in South Africa (Light et al., 2017). While converting their currency to Rand, more money is available. This makes it possible to make a healthy investment and keep reserves for miscellaneous. Favourable business environment is an opportunity available for immigrant entrepreneurs (Moloi et al., 2022).

According to the present study, favourable business environment exists but only in terms of a strong economy and making adequate returns. This research also finds that the favourable business environment is also attributed to the size of the market which is the high population of their business communities. There is recognition that the major determinant of profitability in business is the market share (Etale et al., 2016). Mostly, entrepreneurs with high market shares are considered more profitable than their counterparts with smaller market shares. Many consultants and corporate executives have recognised the strong connection that exists between profitability and market share, and this is demonstrated in the findings of this study.

The challenges immigrant entrepreneurs meet in South Africa towns and the causes

Immigrant entrepreneurs face the challenge of having limited access to finance needed in business operations. Often, small businesses struggle to secure credit for business due to a lack of collateral. Muchineripi et al. (2019) noted that difficulties in obtaining finance, regulation, and taxation are barriers to entrepreneurial success. This resonates with the finding of the study there is poor access to finance and other start-up capital necessary to support entrepreneurial activity. Certain bank policy denies the immigrant entrepreneurs access to financial help from the bank thereby limiting them access to finances need in their businesses. Govori (2013) notes that a lack of financial resources or capital could be a major barrier to entrepreneurs and SMEs. Equally, another plausible explanation for lack of access to loans may be attributed to a lack of proper papers. It is noted in the literature that financial institutions adhere to strict requirements for granting loans to foreigners. According to Tengeh and Nkem (2017), since immigrants’ entrepreneurs lack proper paperwork such as permanent residence and or citizenship, they are denied access to funds. This perhaps may be responsible for the challenge face by the immigrants accessing loans from the bank.

Furthermore, it was uncovered that government regulations and policies such as immigration policy and bank policy impose challenges on immigrant entrepreneurs. Several rules and regulations are established by the government and businesses change their operations in line with these rules and regulations. Business profitability and competitiveness largely depends on Government economic policy and market regulations (Bennett, 2014). Businesses try to comply with regulations from the federal level to the local level. This may include business permits and licenses (Falavigna et al., 2019). Most times, businesses spend time and money making sure they are compliant to the regulation even when certain regulation is not favourable to them. However, the regulation that is effective favours and promotes business growth. Inefficient regulations increase the time and cost required to set up or run a business, making it somewhat hard for the business to succeed or grow (Bennett, 2014). Given this concern, Tengeh and Lapah (2013) pointed out that immigrant entrepreneurs need the support of the government. Accordingly, the authors advocated that policymakers need to develop different sets of policies to support opportunity and necessity entrepreneurship.

Constant cost increase is another challenge recorded from the study. This includes the increasing costs of electricity, rates, and taxes, and unionised labour forces. The entire economy tends to be affected in a period of the rising price of energy, commodities, food, and other goods and services (Ball, 2014). The rising price which is referred to as inflation affects various costs such as the cost of living, doing business, mortgage, loan, corporate and government bonds, and various aspects of the economy. The entrepreneurs do not have control over these cost increases therefore should always remember to make provisions for them. Lack of education and training is a challenge for immigrant entrepreneurs. This study finds that low level of education of the immigrant entrepreneurs affect their business growth. It is observed that poor education could lessen a person’s employability or weaken their entrepreneurial skills (Manzano et al., 2012). Formal education enriches entrepreneur’s human capital which is required in maintenance and growth of the venture. Moreover, it is noted in the literature that being entrepreneurs in one’s own native country is easier than in a foreign country (Vinogradov & Jørgensen, 2017). In a foreign land, for being a successful entrepreneur, higher educational-level and high order skill is required. Lack of proper education can affect business. It is noted as one of the reasons for a large percentage of new business failures. Management capacity is reduced by lack of education and training; this limits the survival and growth of new businesses.
Williams and Krasniqi (2018) note that lack of marketing skills and managerial or financial expertise are barriers to entrepreneurial performance. This is one of the reasons why immigrant entrepreneurs have engaged in a small-scale business.

However, the crime rate in South Africa appears to be challenge and constitutes a form of direct and indirect costs; which could negatively impact on the growth of businesses. Muchineripi et al. (2019) investigated the impact of crime on the performance of small and medium enterprises in South Africa and found that crime negatively affects the small and medium enterprises sector. Crime increases business expenses as more money is spent to replace what is lost while spending more to invest in security measures to eliminate or minimize the likelihood of reoccurrence. It has been noted in the literature that the fear of racism has hindered immigrant entrepreneurship to some extent. Muchineripi et al. (2019) reveal that past Xenophobic attacks in South Africa and the uncertainties of future incidence have forced immigrants to close businesses permanently leading to huge losses. Equally concerning, the high rate of crime, particularly those directed to immigrant entrepreneurs was cited for the reasons for their unwillingness to expand businesses. This supports the assertion made by Högb et al. (2016) that an increase in criminal activities has affected immigrant entrepreneurship. For example, it is reported that some immigrants’ entrepreneurs have been robbed and beaten after withdrawing money from the bank (Crush & Tawodzera, 2017).

**Recommendations for overcoming challenges faced by immigrant entrepreneurs**

While there is evidence that of the challenges immigrant entrepreneur faced in South Africa, however, the immigrant entrepreneurs have roles to play to keep their business flourishing by finding possible solutions to the challenges. Some of the participants proposed self-security. The proposal for self-security help may be related to the distrust immigrant has against the South African police. Barnes et al. (2018) opined that police corruption in South Africa is seen as the norm. Due to this concern, the police are described by some Chinese immigrants to be worse than criminals as they noted to feel unsafe with them (Lin, 2014). This concern may have a necessity for the suggestion of personal security to protect themselves from violence and attack.

Williams and Krasniqi (2018) found that specific business training in the country of residence has a positive impact on immigrants’ entrepreneurship. Equally essential, Muchineripi et al. (2019) point out that education and training are key to the success of immigrant entrepreneurs. Given the importance of education and training, finding a way to increase the immigrant entrepreneurs’ level of education will go a long way eliminating challenges they face in managing their businesses as it is seen that poor level of education hinders business growth (Manzano et al., 2012). Seeking alternative financial assistance rather than solely depending on the bank is found by this study as one of the ways to overcome the challenges posed by bank policy which does not make it easy for the immigrant entrepreneurs to access financial help from banks in South Africa. Alternative financial help can be borrowed from friends, family members, private organisations, and private money lenders. This echoes the view of Bizri (2017) that given the financial challenge immigrant entrepreneur faced in accessing funds from banks, they now adopt various bootstrapping strategies to survive. For example, Garg and Phayane (2014) reveal that immigrants’ source of start-up capital was sourced from their home country.

This study also finds that corporate social responsibility is one of the suggested ways to overcome the challenges posed by local communities’ attitudes to immigrant entrepreneurs in their business communities. Corporate social responsibility can be defined as the “economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 2016). Corporate social responsibility concept indicates that every organisation has additional responsibility namely ethical, moral, and philanthropic added to their primary responsibility to a fair return on their investment with compliance with the law. Corporate social responsibility is a balancing act to demonstrate the commitment of business towards society (Singh et al., 2017), implying that it can change the perception of the business community towards the business and its owners.

**Conclusions**

While studies have been done on immigrant entrepreneurs in South Africa, but the opportunities and the challenges they face as they manage their businesses have not being investigated. This study done in the Eastern Cape Province of South Africa identified different opportunities and challenges the immigrant entrepreneur face in Sterkspruit and Aliwal-North communities. The findings of this research suggest that immigrant entrepreneurs in the selected towns enjoy favourable business environment which is due to the South Africa economy and adequate returns. The immigrant entrepreneurs attributed the cause of having adequate returns to the size of the market in which they operate. The overpopulated communities especially the Sterkspruit community is the major reason they make adequate returns from their businesses. The findings of this research also revealed that immigrant entrepreneurs enjoy the low cost of doing business in the selected communities which they see as an opportunity. This they attributed to the low advertising cost and low salary of retail salespersons.

The findings of this research suggest that immigrant entrepreneurs are faced with a lot of challenges than the opportunities they enjoy in doing business in the selected towns. These challenges include the burden of government regulations which are unfavourable immigration policy and bank policy; Constant cost increase which includes the cost of electricity, petrol, and rent. Low level of education on the part of the immigrant entrepreneurs and language/communication barriers which is due to their inability to speak South African languages moderately. The direct and indirect cost of crime was seen as another major challenge they face as this prevents them from either being actively in competition or prevent them from expanding their businesses. The present research suggests from the findings that the government, the immigrant entrepreneurs, and the business communities have a major significant role to play in the opportunities and challenges these immigrant entrepreneurs face in Sterkspruit and Aliwal-North communities.
Areas for Further Research

Research on aspects of immigrant entrepreneurship is beneficial to the country and has positive impacts on the populations. Therefore, a study on the effect of South Africa bank policy on immigrant-owned businesses is advisable. Also, the impact of South Africa immigration policy on immigrant entrepreneurs on the bases of business growth should be studied. Lastly, a study on the inclusion of immigrant entrepreneurs in financial support facilities should be considered.

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