

African immigrants self-employment journey: navigating contextual challenges in South Africa

Received 1 February 2022
Revised 21 March 2022
7 June 2022
28 July 2022
Accepted 29 July 2022

Justice Muchineripi, Willie Chinyamurindi and Tendai Chimucheka
Department of Business Management, University of Fort Hare, Alice, South Africa

Abstract

Purpose – The study explores experiences of African immigrants in their self-employment journey. South Africa has been receiving many African immigrants seeking for socio-economic survival. This presents a gap to understand the self-employment journey of such immigrants post-settlement.

Design/methodology/approach – A qualitative inquiry is used with semi-structured interviews using a sample of African immigrants based in South Africa. Narrative enquiry was utilised in trying to understand the African immigrant self-employment journey.

Findings – The findings show strategies used by African immigrant entrepreneurs in their self-employment journey. These include immigrant relying on established relationships to respond to contextual challenges. Further, immigrant entrepreneurs turned to borrowing from family, including personal savings and using fronts as a capital generation strategy.

Originality/value – Based on the findings strategies are suggested as a useful precursor in advancing understanding of the African immigrant self-employment journey. This becomes useful especially considering ideals for assisting post-settlement of migrants.

Keywords Immigrants, Challenges, Self-employment, South Africa, Narratives

Paper type Research paper

1. Introduction

The theme of immigrant entrepreneurship has been receiving global attention (e.g. [Dabić et al., 2020](#); [Kerr and Kerr, 2020](#); [Ndoro et al., 2019](#); [Zolfagharian and Iyer, 2020](#)). Immigrants are more likely to venture into entrepreneurial activities in their host countries ([Cobbinah and Chinyamurindi, 2018](#)). This can be attributed to such activities offering attractive earnings and a sense of independence ([Shinnar and Zamantili-Nayir, 2019](#)). Immigrants face a number of challenges. These include (a) language barriers, (b) lack of recognition of their academic and professional achievements in the host country and (c) post-settlement adjustment issues to the host country's culture ([Cooney and Licciardi, 2019](#); [Louw et al., 2019](#); [Udah et al., 2019](#)).

In South Africa, there is a perceived Afrophobia where local citizens often identify foreign African nationals as a threat ([Gordon, 2015](#)). This has led to attacks on foreigners ([Muchineripi et al., 2019](#)). The challenges faced by immigrant entrepreneurs appear more

© Justice Muchineripi, Willie Chinyamurindi and Tendai Chimucheka. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licences/by/4.0/legalcode>

The authors are grateful for funding from The National Institute for the Humanities and Social Sciences (NIHSS) in South Africa. An earlier version of the paper was presented with scholars from Zambia, Zimbabwe and Uganda under the Mobility grant with reference AMG20/1032 funded by the NIHSS.

Disclosure Statement: No potential conflict of interest was reported by the authors.



severe than those of their local counterparts. Immigrant entrepreneurs do not enjoy government support in terms of finances in supporting their businesses (Cobbinah and Chinyamurindi, 2018). Such a situation potentially limits the participation of immigrants as entrepreneurs (Beresford, 2020; Pike *et al.*, 2018).

As a survival strategy, immigrant entrepreneurs engage in self-employment activities (Cobbinah and Chinyamurindi, 2018). The challenges immigrant entrepreneurs face seem peculiar (McGregor *et al.*, 2019). These on-going challenges have necessitated immigrant entrepreneurs to devise strategies on how to navigate the obstacles (Cobbinah and Chinyamurindi, 2018). Calls exist to understand these strategies within the post-settlement context (Muchineripi *et al.*, 2019).

Immigrants have played an essential role in shaping the drive towards developing small micro and medium enterprises (SMMEs) in South Africa (Malgas and Zondi, 2020; Muchineripi *et al.*, 2019). As SMMEs continue searching for new opportunities in the market, the survival of these enterprises relies heavily on their ability to innovate and grow (Chipunza, 2020). Compared to their local counterparts, immigrant entrepreneurs often face unique challenges in running their businesses (Cobbinah and Chinyamurindi, 2018). This often affects the survival of immigrant owned businesses (Van Vuuren and Alemayehu, 2018). Such a situation presents an opportunity for this study to proffer solutions to the challenges faced by immigrant entrepreneurs.

Calls exist within the literature for a nuanced understanding of the challenges faced by immigrant entrepreneurs and strategies of resolution (Mafico *et al.*, 2021). These become important in understanding immigrants' post-settlement issues (Harry *et al.*, 2019). In South Africa, such a study can assist African immigrants in their post-settlement (Gordon, 2016). This also includes suggesting strategies related to the establishment and support of immigrant run businesses (Malgas and Zondi, 2020; Muchineripi *et al.*, 2019). This warrants the necessity to understand response strategies to the challenges immigrant entrepreneurs face especially in the host country (Varani and Bernardini, 2019). The study finds its expression and importance even within the current hostility African immigrant entrepreneur's face.

The following research question is proposed: "*what are the experiences of African immigrants in their self-employment journey post-settlement in South Africa?*" The need for this study is justified on three fronts. First, South Africa is experiencing a high unemployment rate (Harry and Chinyamurindi, 2022). A need exists to find alternative ways of employment creation (Cobbinah and Chinyamurindi, 2018). The angle of employment creation from the immigrant community has the potential to assist in addressing these contextual challenges (Mafico *et al.*, 2021). Second, South Africa is also witnessing a growth in the number of African immigrants (Ndoro *et al.*, 2019). These African immigrants are noted for their entrepreneurial efforts (Muchineripi *et al.*, 2019). A continued need as part of the post-settlement experience is to understand aspects related to the self-employment journey taken by African immigrants in South Africa. Potentially, this can assist in coming up with support interventions while also addressing the unemployment challenge (Cobbinah and Chinyamurindi, 2018).

2. Literature review

This section discusses the theoretical framework underpinning the study. It also introduces the immigration and entrepreneurship concept and reviews the empirical literature on the challenges African immigrant entrepreneurs face and their strategies to overcome the obstacles.

2.1 Theoretical framework

This study adopts institutional theory to understand the experiences of self-employment from the lens of African immigrants (Meyer and Rowan, 1977). This includes the experience

of being an entrepreneur within a complex social context. Through institutional theory, we understand such interactions in society and how aspects such as resilience, the meaning of life and resourcefulness emerge (Scott, 1995). Using the experience of being an entrepreneur, through institutional theory, an understanding is attained of how entrepreneurs relate to society's social, economic and political dynamics (DiMaggio and Powell, 2000). Within entrepreneurship research, the work of an entrepreneur cannot be separated from the influence of societal, national and global structural institutions (Wang *et al.*, 2018; Williams and Bezeredi, 2018).

In essence, an entrepreneur's success is not just reliant on an individual's effort but also on the incorporation of aspects related to the structure of society and its institutions. These include and are not limited to values, rules, expectations and material infrastructure (Iles *et al.*, 2010; Tolbert *et al.*, 2010). Equally, institutional forces may also serve as potential barriers to the experience of being an entrepreneur (Kuijpers and Eijdenberg, 2021). Through assisting the developmental activity of an entrepreneur, a need exists to understand the practice of entrepreneurship also from a social structure lens (Eijdenberg *et al.*, 2019; Roy, 1997; Zaman *et al.*, 2021). An efficiently operating institutional structure reduces uncertainty and risk for entrepreneurs. Weak and unsatisfactory systems leave room for arbitrary behaviour, leading to informal relationships such as local networks (Scott, 1995). Institutional theory is an appropriate compass for this study as it accepts the existence of challenges from both the micro and macro perspective of the entrepreneur and explains response mechanisms adopted by entrepreneurs to survive.

2.2 Challenges faced by immigrant entrepreneurs

South Africa receives immigrants from all over the world. A large number of these immigrants are from African countries (Ngota *et al.*, 2019). With the entrance of such migrants to an already difficult economic system, some perceptions exist. First, with specific reference to African immigrants, the framing is that they are here to steal jobs for locals (Noyoo *et al.*, 2021). This line of thinking has affected the way locals think and leading to societal segregation (Cobbinah and Chinyamurindi, 2018). African immigrants are often to the periphery with less room for mobility (Moyo and Nshimbi, 2020; Noyoo *et al.*, 2021).

Concerning entrepreneurial activity, such segregation limits the full participation of immigrants to an already challenging economic environment. Challenges that face immigrant entrepreneurs include institutional factors and non-institutional factors (Cobbinah and Chinyamurindi, 2018). Institutional factors include both formal and informal institutions. Mainly legal institutions refer to government regulatory bodies which set rules and regulations that control socioeconomic behaviour in the country (Muchineripi *et al.*, 2019). Informal institutions deal with customs, norms and social routines in the community or environment (Tolmie *et al.*, 2020). According to Abd Hamid (2020), institutional challenges faced by immigrant entrepreneurs include a lack of funding to even run their businesses.

Immigrant entrepreneurs are unable to access credit lines from banks and the host government (Muchineripi *et al.*, 2019). In host countries, banks and financing institutions do not support immigrant entrepreneurs requiring capital (Abd Hamid, 2020). In raising funding for their business, immigrant entrepreneurs rely mostly on funding from their ethnic communities, friends and family (Duan *et al.*, 2021). Immigrants also find it challenging to legalise their business due to bureaucratic processes put in place by the government. Regulatory bodies that are supposed to assist business owners in regularising their operations are deemed inaccessible and inhibit immigrant entrepreneurship growth in South Africa (Asoba and Mefi, 2020). Besides the institutional challenges which immigrant entrepreneurs face, there are also non-institutional challenges such as high fragmentation and disorganisation (Asoba and Mefi, 2020). Fragmentation refers to the lack of unity

amongst immigrant entrepreneurs; while disorganisation refers to the lack of proper structures for immigrant entrepreneurs.

South Africa has a high crime rate (Bushe, 2019). Such a high crime rate is noted to affect the business community (Khoetsa, 2019). An attribution that African immigrants face is to be the cause of the high crime rate (Govender, 2019). Such stereotypical attributions often portray a negative picture of African immigrants (Mbhele *et al.*, 2020). This limits not only the experience of being an entrepreneur but also access to the spaces where African immigrants can stay and establish their ventures (Kelsay and Haberman, 2021). Often the spaces where African immigrants settle have their own challenges in terms of access to service amenities (Kelsay and Haberman, 2021). This also makes African immigrants to be vulnerable to crime and possible discrimination (Manik, 2020; Han and Piquero, 2021). African immigrants often face hostility from the locals in which they settle in Bisignano and El-Anis (2019).

African immigrants enjoy little or no support through government assisted programmes (Khambule, 2020). This makes it difficult for African immigrants to start their own businesses (Joshi and Ingle, 2020). Immigrants also struggle get collateral to help their start-ups (Greenhalgh and Lowry, 2020). This results immigrant entrepreneurs resorting to renting business premises that are dilapidated making it difficult to operate their businesses.

2.3 Strategies to overcome immigrant entrepreneurship challenges

The literature records some strategies used to overcome challenges faced. Some call on African immigrants to take a social responsibility to allow their integration into society (Van der Walt and Whittaker, 2020). Conversely, the responsibility should also rest with the locals to support the integration of Jones and Muller (2016). Such integration should be facilitated also by dialogue incorporating both groups (Gordon, 2020). Efforts should be put in place to assist such groups (Santoro *et al.*, 2020). These efforts should be supported by resources (Munoz and Cohen, 2018). This places the need for necessary support especially at a community level (Rogerson, 2018). Efforts can also include coaching and mentoring African immigrants in how to run their businesses (Fatoki, 2019). This can help in the acquisition of business skills to assist (Johnson, 2019). Such steps can be useful in the establishment of more start-ups (Kuratko *et al.*, 2021). Finally, strategic partnerships become crucial in assisting the post-settlement phase of African immigrants (Ngota *et al.*, 2019). Such partnerships help form networks and potential social capital (Alrawadieh *et al.*, 2019).

3. Methodology

3.1 Research method

In answering the research question, an interpretivist research philosophy was used relying on qualitative research approach. Such a philosophy and approach helps understanding complexity that follows the human experience (Bryman *et al.*, 2018; Chinyamurindi, 2020). This becomes an important platform to understand also individual sense-making (Delpont *et al.*, 2018). Semi-structured interviews were used as a data collection tool (Wiid and Digginis, 2013).

3.2 Sampling and research participants

A non-probability sampling approach was adopted, using a convenience sample of participants most available to the research team (Smith-Easterby *et al.*, 2012). A sample of 23 African immigrant entrepreneurs took part in the study. All interviews were conducted in English. Table 1 provides a summary of the participant characteristics. Concerning, gender, 22 participants were male and only one participant was female. The industry experience of

Table 1.
Demographic
characteristics

Participant	Gender and race	Years in South Africa from home country	Country of origin
1	Female	5	Zimbabwe
2	Male	9	Ghana
3	Male	13	Nigeria
4	Male	9	Cameroon
5	Male	8	Uganda
6	Male	7	Ghana
7	Male	6	Zimbabwe
8	Male	8	Nigeria
9	Male	9	Kenya
10	Male	9	Lesotho
11	Male	8	Ghana
12	Male	6	Zimbabwe
13	Male	6	Zimbabwe
14	Male	7	Ghana
15	Male	8	Nigeria
16	Male	9	Nigeria
17	Male	9	Ghana
18	Male	9	Ghana
19	Male	8	Zimbabwe
20	Male	7	Zimbabwe
21	Male	7	Nigeria
22	Male	8	Swaziland
23	Male	7	Nigeria

interviewed participants ranged from 1 to 8 years, primarily in the service industry. [Table 1](#) further provides a summary of the participants' characteristics.

Interviews were conducted in East London in the Eastern Cape Province of South Africa. East London is well known as a hub for immigrant entrepreneurs as small city away from the more established locations like Johannesburg, Durban and Cape Town. Participants were approached at the varying places of work. The participants were then informed of the purpose of the research including a request for their participation through an interview. Before the interview commenced, participants were informed of their rights including the necessity to sign the necessary forms as consent in taking part in the research.

3.3 Data analysis

In analysing the data, the authors followed previous studies which used narratives in understanding human experiences ([Blustein et al., 2013](#)). The analysis followed the three levels of meaning-making ([Chinyamurindi et al., 2021](#)). The procedure starts by writing a brief piece that develops into a much longer narrative. The process was done by re-reading each interview and listening to the recordings. The study ensured that all ethical issues were adhered to following the standard practice of conducting research ([Paquin et al., 2019](#)).

An ethical clearance certificate with reference number CH145SMUC01 was issued by the participating institution. The three major ethical issues which were considered in the study are: (a) informed consent; all participants were made aware of the implication of taking part in the study, (b) confidentiality; all participants of the study were notified that all the information which they disclosed will remain confidential and will solely use for the study purposes and (c) the authors also declared to the participants their right to participate; that is whenever they felt uncomfortable they can pull out of the interview as it was strictly voluntary. This follows suggestions from the literature ([Devlin, 2018](#); [Ferreira, 2018](#); [Patten](#)

and Newhart, 2018). The following section presents the findings of the research under study.

4. Findings

The study explored experiences of African immigrants in their self-employment journey post-settlement in South Africa. In leading to the findings of the study, Table 2 presents the coding scheme arriving to the findings of the study.

Table 2 reports on the initial question asked to the immigrant entrepreneurs, which was around a need for them to detail their responses to the challenges faced within the eco-system they operated in. Based on the initial question some codes emerged. These codes were subsequently using the three levels of meaning-making (Chinyamurindi *et al.*, 2021). From this process, strategies used by African immigrant entrepreneurs emerged as part of their self-employment journey. These strategies include African immigrants relying on established relationships to respond to contextual challenges. Further, immigrant entrepreneurs turned to borrowing from family, including personal savings and using fronts as a capital generation strategy. These findings are presented next.

4.1 The use of established relationships

Collated stories amongst the African immigrant entrepreneurs place priority on established relationships in coping with challenges faced. Having a good relationship especially with the local community allowed for navigation within the community. One participant by the name of John narrated how he had to devise a way to manoeuvre through the challenges of being an immigrant entrepreneur with relationship building featuring:

As much as it was wrong, and from what I had experienced in the area where I operate, it made a lot of sense when I was told to make a relationship with the criminals around the area I was using. I was once robbed while doing my daily routine at the shop late at night. The relationship with the criminals is regarded as “paying tax” in street language, which means you will be immune to robbery

John narrated that he was a victim of a robbery at his shop, which prompted him to find ways of protection to safeguard his wares. Through a local confidant, who was a criminal, the participant was advised that to operate in the area as a foreigner, he needed protection to stop the recurrence of the robbery incident. Though John knew that the way he sought protection was not legally and morally acceptable, he felt he had to secure protection this way for the existence of his business. He felt this was the only way to be safe from criminal activities – by

Initial Question	Emerging Codes	Narratives based on the Ordering of Codes
Given the documented challenge being experience by immigrants like you, how are you responding to such within the South African context?	Uncle support.	Established relationships
	Father & mother support	
	Loan from family member	Borrow from family
	Loan from members of immigrant community	Rely on personal savings
	Use South African citizen to get state support	
	Remittances from family members at home	
	Support from wife or intimate partner	
Find local partnerships to lead	Use of fronts	
Take a back seat and let the local partner lead		

Table 2. Coding scheme

paying off the criminals themselves. In her quote, Natasha also supported the strategy which John employed as a way of protection:

After the robbery of my shop and customers' belongings, my husband and I talked with people who surrounded us, and they advised us to talk with suspected criminals for them to spare us. The criminals said our intention is not to rob people who work in this area, but at least you should give us something here and there so we can make sure no one robs you again.

Natasha explained that it seems the criminals are paid in exchange for protecting the immigrant entrepreneur. As she had been robbed before, she regarded the strategy of paying the criminals the 'so-called tax' in return for protection as a way of protecting her business. Donald also concurred with the strategy employed by John and Natasha in safeguarding his business from being robbed and said:

As my business is still small, I cannot afford to hire private security. I ended up bribing police officers for protection. What I realised is even if you are a victim of a crime and you go and report to the police nothing was done they will just tell you we are still investigating. I ended up getting a few police officers whom I give some money in return for protection which has helped.

Donald's decision of working with the police helped him to keep his business safe from robberies as he realised that going the legal channel of reporting the robberies was useless. A perception here was that the police services never solved any criminal cases timeously. His narrative pointed out the sad reality of police deliberately not pursuing suspects of crimes as it is thought that they work with criminals and hence could not make an arrest. Donald's story reflects that after creating a sort of relationship with some of the members of the South African Police Services, he never experienced any robberies. Creation of relationships by immigrant entrepreneurs as a strategy is aligned to the intuitional theory.

4.2 The use of fronts

Immigrant entrepreneurs face challenges of legitimising their businesses which they attribute to the bureaucratic process involved. Due to this challenge, several participants alluded to using fronts in legitimising their businesses. The immigrants said they decided to work behind the scene and try to get a South African citizen to act as the owner of the business. Alex narrated how he resorted to using his wife as the owner of the business:

[...] as I have been staying in South Africa for a couple of years. I am married to a South African lady so after trying everything to register my business without success had to try another option. I decided to register the business in my wife's name.

After realising that his efforts to register his business were not being dealt with in the time he had anticipated, Alex attributed this problem to his status as an immigrant. He decided to utilise his wife's citizenship as a local to register his business under her name. This enabled him to run his nightclub business with all the required paperwork.

Another participant, Joe, used a similar strategy, although, in Joe's case, it was with a business partner, not his wife:

I had to use someone with South African citizenship to front my tender bids. I managed to get two white partners who are the faces of all the tender procedures. After this partnership, I managed to get a tender to repair a fleet of cars.

To get jobs or tenders as an immigrant entrepreneur, Joe was desperate to involve a local partner to front his tender bidding. This decision yielded fruits for Joe as he managed to get two contracts with big companies. These contracts would not have been for South African citizens. Another narration by Desmond also shows how difficult it is to join specific sectors of the economy:

When it comes to my business, I am involved in you need to have a South African in front of you. The taxi bosses make it impossible for you to join their associations, especially if you don't know anyone within their circles. I had to find a South African partner who would do everything at the surface while running the business in the background.

As a foreigner and thus due to his nationality, Desmond could not become involved in the transport or taxi industry. The taxi industry is regarded as one of the dangerous businesses to venture into, even for South African citizens. This is possibly due to alleged corrupt associations and there is fighting for routes amongst taxi drivers. In countering the challenge, Desmond resolved to have a South African partner who was the face of the business. Desmond only handled the background work. The strategy worked for Desmond as the business has managed to run efficiently.

4.3 Relying on family loans and personal savings

Due to frustration, immigrant entrepreneurs sought funding to run their business. This included going to reputable and registered financial institutions for assistance. Further, immigrant entrepreneurs devised ways of supporting themselves through the immigrant community. Blessed, in her narrative, pointed out the following as a way to raise capital:

I used the little money I had saved and started small. And I realised starting my business, you do not necessarily need a lot of money. I took a risk with the little that I had, invested in the business and grew there.

Blessed as an immigrant entrepreneur realised that if he had kept on procrastinating in starting his business on the pretext that there was no other financial assistance line, he would not fulfilled the dream of owning a company of his own. He had to manage with the little that he had to start his business. As much as he was ambitious, he realised he had to start small with the little he had and grow his business there.

Joe's account also corroborated the use of family and friends to raise capital:

A friend of mine lent me R1000 from that amount I managed to pay rent for a month and for the rest I had to buy essential tools for instance, test meters. Then I had to serve from my daily jobs to pay rent.

For Joe to kick start his business, he borrowed from a friend. Joe had all the knowledge and experience of repairing cars as an auto mechanic and was ready to start his own business. Despite his skill, what Joe could not afford was the capital; however, this did not deter him from realising his dream. He had to be content in starting small with the money he had borrowed for him to be significant.

I had to make sure I started my business with the little savings I had and look for an alternative, cheaper location to operate my business until I was on my feet.

Donald explained how he had to utilise the little savings he had saved to open up his business. He also tried to save as much as possible when he started looking for cheaper locations to rent. Another interview with Kuda revealed almost similar reservations on how he had sourced capital for his business:

As for capital, I had to sell some of my belongings and borrow from friends and family.

For Kuda to raise the much-needed capital, he had to borrow from friends and family and sell his personal belongings. It shows that if you want to start a business as an immigrant, you have to be prepared to take any risk.

Alex expressed that for him, it was easy to start as he followed his brothers' plan of action:

My brother was already running his business when I came to South Africa. He gave me insights into what was needed to survive in the business world, and also he provided me with the much-needed capital to start my own thing.

Alex sought assistance from his brother, who was already involved in entrepreneurship in his own business. Alex's brother provided him with the much-needed capital to start his business. With the experience he had already gained, Alex's brother taught him how to invest and manage the capital he had borrowed from him. As an immigrant entrepreneur, he had to find assistance from other sources as no financial institutions were willing to help.

5. Discussion

The study explored the experiences of African immigrants in their self-employment journey. The backdrop is that South Africa is receiving a large number of African immigrants seeking economic survival. It is apparent that the processes involved in setting up and running a viable business are a tall order for most immigrant entrepreneurs, and they need to find ways to navigate and address these obstacles.

Participants highlighted that they face many challenges as immigrant entrepreneurs, but this has not deterred them from running their businesses as they devised strategies to counter the obstacles (Fatoki, 2019). The research findings noted that the participants bemoaned the intricate bureaucratic processes when trying to legalise their businesses as immigrant entrepreneurs (Tengeh and Nkem, 2017). This claim is also supported by literature from Abd Hamid (2020), who indicated that immigrant entrepreneurs face institutional and non-institutional challenges.

To avoid delays and the tortuous processes, immigrant entrepreneurs engaged with locals as business partners or as mere fronts in a bid to legalise their businesses. The use of fronts appears to work for some. However, for others, the fronts led to the loss of investments due to misunderstandings arose between the parties involved. Due to the arrangement not being legal, immigrant entrepreneurs cannot report the misunderstanding as there is no proof of them being the rightful owner of the business. The law only recognises the person whose name appears on the business books and registration. Some of the participants revealed their ability to adapt quickly to the entrepreneurship career through the interviews. Their occupational challenges triggered a sense of urgency and devised coping mechanisms to deal with these challenging circumstances. Their ability to adapt quickly has helped them navigate, modify coping mechanisms and make them better-equipped entrepreneurs no matter the circumstances.

In terms of criminality, such as theft and general attacks on the businesses, immigrant entrepreneurs said they resorted to any means of protection which included both legal and illegal. The findings are corroborated by similar empirical studies in South Africa, which revealed how immigrant entrepreneurs are pessimistic about relying on the police for protection (Bushe, 2019). Due to their status as second-class citizens in the republic, immigrant entrepreneurs feel they do not receive the same protection as their local counterparts. For this reason, a sizeable number of them devised creative ways to be protected, a situation which has also been noted in previous work (Chipunza, 2020).

Some participants said they had resorted to bribing police officers in exchange for protection from criminality, affecting their business existence. In resorting to this method of protecting themselves, there was a consensus amongst the participants that reporting their cases to the police was not helping, as many cases remain unsolved without any hope of being solved. Hence, to safeguard their businesses, some of them are paying the SAPS members for protection. However, this trend mainly applies to those participants who operate their businesses in high-density suburbs with a high prevalence of crime. The finding is in line with a previous study by Han and Piquero (2021) where immigrant entrepreneurs usually find

themselves operating in socially disorganised areas where there is a high crime rate. Instead of paying the police for protection, some participants have resorted to paying the criminals themselves, as this seems safer and more effective. The criminals term this type of payment “paying tax” which means they will spare your business from robberies.

Capital is another major stumbling block for immigrant entrepreneurs, like any other business in its embryonic or infancy stage. Many business ideas were shelved since there was not enough capital and no one to approach how to raise the capital. Accessing financial assistance as a foreigner is a nightmare to many. These findings are supported by empirical studies where immigrant entrepreneurs sighted lack funding sources as they cannot access credit lines from banks and the host government. Many have thus resorted to raising capital amongst friends and family. The findings are also consistent with previous work by [Duan *et al.* \(2021\)](#) where immigrant entrepreneurs rely on funding from their ethnic communities, friends and family. And some of the immigrants have devised their financial schemes, for instance, they have created savings clubs known as stokvels that help those who would like to venture into business but with no access to funding. According to many participants, the lack of funding has stalled some businesses’ growth, and they have had to settle for less. This is similar to the findings of previous work by [Tengeh and Nkem \(2017\)](#). The study’s findings also show that by pursuing financial assistance from unregistered money lenders, the immigrants are now paying high-interest rates compared to those offered by registered financial institutions.

However, there are testimonies of successful cases, such as the participant who started with minimal capital but managed to transform his business into a reputable auto mechanic company to receive tenders with large reputable companies. Hence, the study concurs with previous work on immigrant entrepreneurs ([Dabić *et al.*, 2020](#)) that there is a need for one to be resilient and look for ways to navigate through the challenges one faces instead of giving up.

6. Implications of the study

This study attempted to investigate and identify techniques used by immigrant entrepreneurs to navigate through the challenges of running their businesses. The findings of this study can be helpful to policymakers, the community, and immigrants who want to venture into entrepreneurship. The research gives hindsight to policymakers to relax laws and accommodate immigrant entrepreneurs as their presence can also positively impact the communities. According to the research findings, participants have encouraged the communities they operate in to embrace immigrant entrepreneurs and not to view all of them as criminals or as people who have come to take their jobs. What immigrant entrepreneurs expect from the community is patronage, to be similar to everyone who is involved in business, regardless of their country of origin ([Asoba and Tengeh, 2016](#)). In the wake of the high unemployment rates South Africans face, locals can learn to adopt survival strategies used by immigrant entrepreneurs ([Khosa and Kalitanyi, 2015](#)). Immigrant entrepreneurs can also transfer their skills to local SMEs, such as resilience and their spirit of not giving up no matter the adversities they face in running the business. For instance, one respondent trained locals who have eventually opened their workshops for motor mechanics even though they do not hold any tertiary qualification. Immigrant entrepreneurs create employment for people in the community who find it difficult to get jobs in the mainstream industries due to different factors ([Kerr and Kerr, 2020](#)). Having immigrant entrepreneurs around also helps the community to learn new ideas or skills that the immigrants bring from their native countries. The study also highlighted the contribution of immigrant entrepreneurs to the host country in promoting self-employment and in creating employment for the citizens.

The findings of the study show the potential value of immigrants to the wider community. Entrepreneurial pursuits are a potential vehicle through which immigrants can make a

contribution (Cobbinah and Chinyamurindi, 2018). Given this, a need exists to support immigrants through their entrepreneurial pursuits. From the findings, the African immigrants resorted to using fronts as a way of getting ahead. Strategies can be put in place through partnerships between immigrants and the local community in working together to support entrepreneurial efforts. These could be in the form of partnership agreements and support models. Such schemes can also allow for transfer of skills between the partners. This could help avoid the use of fronts as shown in this study and making the process of business operation transparent.

Another implication from the study suggests the need to make available financing options to support immigrants as they run their businesses. The findings from the study show a lot of self-reliance from personal savings and support from family in financing the business. Local banks can tailor make packages that could assist immigrants in their post-settlement. Finally, training can also be provided to immigrants post-settlement on two possible issues. First, given the findings showing reliance on family and friends, psycho-social support training can be given to immigrants. Second, given the findings showing the desire to run businesses post-settlement by the immigrants, business support services can be provided. One crucial issue concerns issues related to financial management support.

7. Future research

Future research can be extended to include immigrant entrepreneurs operating at a much bigger scale. Future research opportunities could also be comparing immigrant entrepreneurs to South African entrepreneurs. There is also a need to conduct more research that pays attention to the qualitative method rather than quantitative-based approaches, as a considerable amount of research has used the quantitative method. Finally, researchers also need to investigate the relationship between immigrant entrepreneurs and corporate social responsibility. It is vital to explore how immigrant entrepreneurs can benefit from the phenomena in corporate social responsibility. With recent unrest in parts of Johannesburg in South Africa, the community is accusing foreign “spaza shops” (tuck shop) owners of selling expired products in their communities. It will be essential to investigate how immigrant entrepreneurs’ relationship is when they are considered socially responsible.

8. Conclusion

In conclusion, the study findings enable a better understanding of the challenges encountered by immigrant entrepreneurs and how they manage to manoeuvre their way around the problems. The fight for survival, likened to a matter of life and death, pushes immigrant entrepreneurs to come up with strategic ways to navigate through the challenges faced. They consider the host country to be a difficult place to adjust to due to social and economic constraints. As a response, immigrant entrepreneurs may need to look for strategies to adjust to these constraints.

References

- Abd Hamid, H. (2020), “Challenges experienced by immigrant entrepreneurs in a developing non-Western country: Malaysia”, *Entrepreneurial Business and Economics Review*, Vol. 8 No. 3, pp. 7-25.
- Alrawadieh, Z.E., Karayilan, E. and Cetin, G. (2019), “Understanding the challenges of refugee entrepreneurship in tourism and hospitality”, *The Service Industries Journal*, Vol. 39 Nos 9-10, pp. 717-740.
- Asoba, S.N. and Mefi, N.P. (2020), “The accessibility of institutional support services to immigrant-owned survivalist craft businesses in Cape Town”, *Academy of Entrepreneurship Journal*, Vol. 26 No. 3, pp. 1-17.

- Asoba, S.N. and Tengeh, R.K. (2016), "Analysis of start-up challenges of African immigrant-owned businesses in selected craft markets in Cape Town", *Environmental Economics*, Vol. 7 No. 2, pp. 97-105.
- Beresford, M. (2020), "Entrepreneurship as legacy building: reimagining the economy in post-apartheid South Africa", *Economic Anthropology*, Vol. 7 No. 1, pp. 65-79.
- Bisignano, A.P. and El-Anis, I. (2019), "Making sense of mixed-embeddedness in migrant informal enterprising: the role of community and capital", *International Journal of Entrepreneurial Behavior and Research*, Vol. 25 No. 5, pp. 974-995.
- Blustein, D.L., Kozan, S. and Connors-Kellgren, A. (2013), "Unemployment and underemployment: a narrative analysis about loss", *Journal of Vocational Behavior*, Vol. 82 No. 3, pp. 256-265.
- Bryman, A., Bell, E., Hirschhorn, P., Dos Santos, A., Du ToitMasenge, J.A., Van Aardt, I. and Wagner, C. (2018), *Research Methodology: Business and Management Context*, Oxford University Press, Cape Town.
- Bushe, B. (2019), "The causes and impact of business failure among small to micro and medium enterprises in South Africa", *Africa's Public Service Delivery and Performance Review*, Vol. 7 No. 1, pp. 1-26.
- Chinyamurindi, W.T. (2020), "Breaking through the morass': narratives of resistance and persuasion by individuals in creative economy careers", *African Review of Economics and Finance*, Vol. 12 No. 2, pp. 68-83.
- Chinyamurindi, W.T., Masha, A.K. and Tshabalala, N. (2021), "The impact of the COVID-19 pandemic on Industrial Organisational Psychologists in South Africa: imagining new professional roles", *South African Journal of Industrial Psychology*, Vol. 47, pp. 1-10.
- Chipunza, L.T. (2020), "Innovation in small accommodation businesses: a comparative study of Zimbabwe and South Africa", *Acta Commercii*, Vol. 20 No. 1, pp. 1-10.
- Cobbinah, C. and Chinyamurindi, W.T. (2018), "Motivational factors for engaging in dirty work entrepreneurship among a sample of African immigrant entrepreneurs in South Africa", *Journal of Human Resource Management*, Vol. 16 No. 1, pp. 1-9.
- Cooney, T.M. and Licciardi, M. (2019), The same but different: understanding entrepreneurial behaviour in disadvantaged communities. In *Entrepreneurial Behaviour*, Palgrave Macmillan, Cham. doi: [10.1007/978-3-030-04402-2_13](https://doi.org/10.1007/978-3-030-04402-2_13).
- Dabić, M., Vlačić, B., Paul, J., Dana, L.P., Sahasranamam, S. and Glinka, B. (2020), "Immigrant entrepreneurship: a review and research agenda", *Journal of Business Research*, Vol. 113, pp. 25-38.
- Delpport, C.S.L., Fouché, C.B. and Schurink, W. (2018), "Theory and literature in qualitative research", in De Vos, A.S., Strydom, H., Fouché, C.B. and Delpport, C.S.L. (Eds), *Research at Grassroots for the Social Sciences and Human Service Professionals*, Van Schaik, Pretoria.
- Devlin, A.S. (2018), *The Research Experience. Planning, Conducting and Reporting Research*, Sage, London.
- DiMaggio, P.J. and Powell, W.W. (2000), "The iron cage revisited institutional isomorphism and collective rationality in organizational fields", *Economics Meets Sociology in Strategic Management*, Emerald Group Publishing.
- Duan, C., Sandhu, K. and Kotey, B. (2021), "Understanding immigrant entrepreneurship: a home-country entrepreneurial ecosystem perspective", *New England Journal of Entrepreneurship*, Vol. 24 No. 1, pp. 2-20.
- Eijdenberg, E.L., Thompson, N.A., Verduijn, K. and Essers, C. (2019), "Entrepreneurial activities in a developing country: an institutional theory perspective", *International Journal of Entrepreneurial Behavior and Research*, Vol. 25 No. 3, pp. 414-432.
- Fatoki, O. (2019), "Entrepreneurial stress, burnout, intention to quit and performance of immigrant-owned small businesses in South Africa", *International Journal of Entrepreneurship*, Vol. 9 No. 8, pp. 1-16.

- Ferreira, R. (2018), "Writing a research proposal", in Maree, K. (Ed.), *Complete Your Thesis or Dissertation Successfully: Practical Guidelines*, Juta, Cape Town.
- Gordon, S.L. (2015), "Xenophobia across the class divide: South African attitudes towards foreigners 2003-2012", *Journal of Contemporary African Studies*, Vol. 33 No. 4, pp. 494-504.
- Gordon, S.L. (2016), "Welcoming refugees in the rainbow nation: contemporary attitudes towards refugees in South Africa", *African Geographical Review*, Vol. 35 No. 1, pp. 1-17.
- Gordon, S.L. (2020), "Understanding the attitude-behaviour relationship: a quantitative analysis of public participation in anti-immigrant violence in South Africa", *South African Journal of Psychology*, Vol. 50 No. 1, pp. 103-114.
- Govender, D. (2019), "The use of the risk management model ISO 31000 by private security companies in South Africa", *Security Journal*, Vol. 323, pp. 218-235.
- Greenhalgh, L. and Lowry, J.H. (2020), "Minority business success is a national priority", *Minority Business Success*, Stanford University Press, CA.
- Han, S. and Piquero, A.R. (2021), "Is It Dangerous to Live in neighborhoods with more immigrants? Assessing the effects of immigrant concentration on crime patterns", *Crime and Delinquency*, Vol. 68 No. 1, pp. 52-79.
- Harry, T. and Chinyamurindi, W.T. (2022), "Still haven't found what I am looking for": rural black students' perceived work readiness and assessment of labor market access", *Education + Training*, Vol. 64 No. 2, pp. 276-286.
- Harry, T., Dodd, N. and Chinyamurindi, W.T. (2019), "Telling tales: using narratives and story-telling to understand the challenges faced by a sample of self-initiated expatriates in South Africa", *Journal of Global Mobility*, Vol. 7 No. 1, pp. 64-87.
- Iles, P., Preece, D. and Chuai, X. (2010), "Talent management as a management fashion in HRD: towards a research agenda", *Human Resource Development International*, Vol. 13 No. 2, pp. 125-145.
- Johnson, R.C. (2019), "A new career in a new town: entrepreneurship among Syrian refugees in Germany and The Netherlands", *International Journal of Entrepreneurship*, Vol. 31, pp. 1-22.
- Jones, H.S. and Muller, A. (2016), *The South African Economy*, Springer, New York.
- Joshi, V.K. and Ingle, L. (2020), "Government initiatives for financing informal businesses in selected countries—A literature review", *Journal for the Study of Research*, Vol. 12 No. 4, pp. 134-148.
- Kelsay, J.D. and Haberman, C.P. (2021), "The influence of street network features on robberies around public housing communities", *Crime and Delinquency*, Vol. 67 No. 9, pp. 1353-1380.
- Kerr, S.P. and Kerr, W. (2020), "Immigrant Entrepreneurship in America: evidence from the survey of business owners 2007 and 2012", *Research Policy*, Vol. 49 No. 3, pp. 1-18.
- Khambule, I. (2020), "The effects of COVID-19 on the South African informal economy: limits and pitfalls of government's response", *Loyola Journal of Social Sciences*, Vol. 34 No. 1, pp. 95-109.
- Khoetsa, T. (2019), "Conflict management in the South African police service as an essential service: a case study of Tshwane regional policing", (Doctoral dissertation, University of Pretoria).
- Khosa, R.M. and Kalitanyi, V. (2015), "Migration reasons, traits and entrepreneurial motivation of African immigrant entrepreneurs", *Journal of Enterprising Communities: People and Places in the Global Economy*, Vol. 9 No. 2, pp. 132-155.
- Kuijpers, F.M. and Eijdenberg, E.L. (2021), "Showcasing entrepreneurs' responses to severe drought: qualitative findings from Cape town, South Africa", *Economic Effects of Natural Disasters*, Academic Press, pp. 131-146.
- Kuratko, D.F., Neubert, E. and Marvel, M.R. (2021), "Insights on the mentorship and coachability of entrepreneurs", *Business Horizons*, Vol. 64 No. 2, pp. 199-209.
- Louw, M.J., Louw, L. and Geyser, F. (2019), "Case 6: setting up small, medium and micro enterprises by Chinese entrepreneurial immigrants in Maputo, Mozambique", *Managing Chinese-African Business Interactions*, Southern African Migration Programme, Cape Town.

- Mafico, N., Krzeminska, A., Hartel, C. and Keller, J. (2021), "The mirroring of intercultural and hybridity experiences: a study of African immigrant social entrepreneurs", *Journal of Business Venturing*, Vol. 36, pp. 1-23.
- Malgas, M. and Zondi, W.B. (2020), "Corrigendum: challenges facing small business retailers in selected South African townships", *The Southern African Journal of Entrepreneurship and Small Business Management*, Vol. 13 No. 1, pp. 1-10.
- Manik, S. (2020), "'Unwanted but needed' in South Africa: post pandemic imaginations on black immigrant entrepreneurs owning spaza shops", *COVID-19 and Migration: Understanding the Pandemic and Human Mobility*, Transnational Press London, London.
- Mbhele, N.M., Mphatheni, M.R., Mlamla, N.E. and Singh, S.B. (2020), "The impact of the private security industry regulation act and other legislative frameworks on private securities operating in drinking establishments in South Africa", *International Journal of Criminology and Sociology*, Vol. 9, pp. 1811-1821.
- McGregor, S., Walker, C. and Katz-Gerro, T. (2019), "It's what I've always done': continuity and change in the household sustainability practices of Somali immigrants in the UK", *Geoforum*, Vol. 107, pp. 143-153.
- Meyer, J.W. and Rowan, B. (1977), "Institutionalized organizations: formal structure as myth and ceremony", *American Journal of Sociology*, Vol. 83 No. 2, pp. 340-363.
- Moyo, I. and Nshimbi, C.C. (2020), "Of Borders and fortresses: attitudes towards immigrants from the SADC region in South Africa as a critical factor in the integration of southern Africa", *Journal of Borderlands Studies*, Vol. 35 No. 1, pp. 131-146.
- Muchineripi, J., Chinyamurindi, W. and Chimucheka, T. (2019), "A narrative analysis of barriers encountered by a sample of immigrant entrepreneurs in the Eastern Cape province of South Africa", *The Journal for Transdisciplinary Research in Southern Africa*, Vol. 15 No. 1, pp. 1-9.
- Munoz, P. and Cohen, B. (2018), "Entrepreneurial narratives in sustainable venturing: beyond people, profit, and planet", *Journal of Small Business Management*, Vol. 56 S1, pp. 154-176.
- Ndoro, T.T.R., Louw, L. and Kanyangale, M. (2019), "Practices in operating a small business in a host community: a social capital perspective of Chinese immigrant entrepreneurship within the South African business context", *International Journal of Entrepreneurship and Small Business*, Vol. 36 Nos 1-2, pp. 148-163.
- Ngota, B.L., Rajkaran, S. and Mang'anyi, E.E. (2019), "African immigrant entrepreneurship: a catalyst for skills transfer", *Academy of Entrepreneurship Journal*, Vol. 25 No. 2, pp. 1-20.
- Noyoo, N., Matsea, T. and Dlamini, N. (2021), "Promoting healthy human relationships with Sub-Saharan African immigrants and South Africans", *Promoting Healthy Human Relationships in Post-Apartheid South Africa*, Springer, Cham, pp. 67-79.
- Paquin, J.D., Tao, K.W. and Budge, S.L. (2019), "Toward a psychotherapy science for all: conducting ethical and socially just research", *Psychotherapy*, Vol. 56 No. 4, pp. 491-502.
- Patten, M.L. and Newhart, M. (2018), *Understanding Research: An Overview of the Essentials*, 10th ed., Routledge, New York.
- Pike, A., Puchert, J. and Chinyamurindi, W.T. (2018), "Analysing the future of Broad-Based-Black-Economic-Empowerment through the lens of small and medium enterprises", *Acta Commercii*, Vol. 18 No. 1, pp. 1-10.
- Rogerson, C.M. (2018), "Informality and migrant entrepreneurs in Cape Town's inner city. Bulletin of Geography", *Socio-economic Series*, Vol. 40 No. 40 pp. 157-171.
- Roy, W.G. (1997), *Socializing Capital: the Rise of the Large Industrial Corporation in America*, Princeton University Press, NJ.
- Santoro, G., Ferraris, A., Del Giudice, M. and Schiavone, F. (2020), "Self-efficacy and success of disadvantaged entrepreneurs: the moderating role of resilience", *European Management Review*, Vol. 17, pp. 719-732.
- Scott, W.R. (1995), *Institutions and Organizations*, Sage, Thousand Oaks, CA.

- Shinnar, R.S. and Zamantılı-Nayır, D. (2019), "Immigrant entrepreneurship in an emerging economy: the case of Turkey", *Journal of Small Business Management*, Vol. 57 No. 2, pp. 559-575.
- Smith-Easterby, M.R., Thorpe and Jackson, P.R. (2012), *Management Research*, Sage, London.
- Tengeh, R.K. and Nkem, L. (2017), "Sustaining immigrant entrepreneurship in South Africa: the role of informal financial associations", *Journal of Sustainability*, Vol. 9 No. 8, pp. 1-16.
- Tolbert, P.S., David, R.J. and Sine, W.D. (2010), "Studying choice and change: the intersection of institutional theory and entrepreneurship research", *Organization Science*, Vol. 22 No. 5, pp. 1332-1344. Nos.
- Tolmie, C.R., Lehnert, K. and Zhao, H. (2020), "Formal and informal institutional pressures on corporate social responsibility: a cross-country analysis", *Corporate Social Responsibility and Environmental Management*, Vol. 27 No. 2, pp. 786-802.
- Utah, H., Singh, P., Hiruy, K. and Mwanri, L. (2019), "African immigrants to Australia: barriers and challenges to labor market success", *Journal of Asian and African Studies*, Vol. 54 No. 8, pp. 1159-1174.
- Van der Walt, A.G. and Whittaker, L. (2020), "Exploring migrant micro-entrepreneurs use of social capital to create opportunity in South Africa's informal market: a qualitative approach", *South African Journal of Economic and Management Sciences*, Vol. 12 No. 1, pp. 1-12.
- Van Vuuren, J. and Alemayehu, B.Z. (2018), "The role of entrepreneurship in transforming efficiency economies into innovation-based economies", *Southern African Journal of Entrepreneurship and Small Business Management*, Vol. 10 No. 1, pp. 1-12.
- Varani, N. and Bernardini, E. (2019), "Globalisation, migration flows and sustainability", *Geopolitical, Social Security and Freedom Journal*, Vol. 2 No. 2, pp. 108-126.
- Wang, S., Li, J. and Zhao, D. (2018), "Institutional pressures and environmental management practices: the moderating effects of environmental commitment and resource availability", *Business Strategy and the Environment*, Vol. 27 No. 1, pp. 52-69.
- Wiid, J. and Diggins, C. (2013), *Marketing Research*, Juta, Cape Town.
- Williams, C.C. and Bezeredi, S. (2018), "An institutional theory of informal entrepreneurship: some lessons from FYR Macedonia", *Journal of Developmental Entrepreneurship*, Vol. 23 No. 03, pp. 1-22.
- Zaman, S., Arshad, M., Sultana, N. and Saleem, S. (2021), "The effect of family business exposure on individuals' entrepreneurial intentions: an institutional theory perspective", *Journal of Family Business Management*, Vol. 11 No. 4, pp. 368-385.
- Zolfagharian, M. and Iyer, P. (2020), "The effects of intergroup boundary permeability and hierarchy legitimacy on immigrant entrepreneurs' affective states, exchange strategies, and intentions toward suppliers", *Industrial Marketing Management*, Vol. 89, pp. 373-388.

Further reading

- Ngota, B.L., Mang'unyi, E.E. and Rajkaran, S. (2018), "Factors impeding African immigrant entrepreneurs' progression in selected small and medium enterprises: evidence from a local municipality in South Africa", *South African Journal of Business Management*, Vol. 49 No. 1, pp. 1-19.
- Saunders, M., Lewis, P. and Thornhill, A. (2012), *Research Methods for Business Students*, Pearson, Edinburg.

Corresponding author

Willie Chinyamurindi can be contacted at: wchinyamurindi@ufh.ac.za

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com