

DETERMINANTS OF IMMIGRANT ENTREPRENEURS' BUSINESS SURVIVAL: SECURITY AND BUSINESS SKILLS IMPERATIVES

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ABSTRACT

This study sought to determine the major drivers of immigrant business survival in OR Tambo District Municipality in South Africa. While the study adopted Aldrich and Waldinger's Interactive Theory, the positivist (quantitative) research approach was used to determine how relevant data were collected and analysed. A sample of 100 immigrant entrepreneurs was selected through a convenient random sampling technique. Correspondingly, a survey instrument was used to collect the required data from the sample, while descriptive statistics, correlation, principal component analysis, factorial ANOVA, and regression tools were applied to analyze the data and generate results. This study found the use of burglary bars for security, understanding what people need, satisfying the customers' needs, and accumulation and use of personal savings as the major strategies being used amongst immigrant entrepreneurs in keeping their businesses afloat. Besides, demographic and locational attributes such as the high educational status of the business owner, being single in South Africa, having longer years of trade in the country, trading in the urban area, and being of East African origin are positively associated with business survival in the study area. Surprisingly, the study did not support the conventional assumption that staying longer in an area may translate to business survival. The major implication of this study borders on implementing relevant policies and practices to transfer these business survival skills across (Small Micro and Medium Enterprises (SMME) operators, especially the local entrepreneurs in the country, to enhance their resilience and survival. This study contributes to the body of knowledge and literature regarding relevant issues related to SMME start-ups in South Africa. It also provides policy-appropriate variables for short and medium-term intervention designs in the development and sustainability of the SMME industry in the country.

KEYWORDS: Survival, Business Resilience, Immigrant Entrepreneurship, Skills.

JEL CLASSIFICATION: L21, L26, M10

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INTRODUCTION

It is an undeniable historical fact that immigrants, in whatever country they settle in, have always been involved in entrepreneurial activities mainly for survival, remittance, and other purposes. Globally, immigrant entrepreneurship has significantly contributed to the economy of host nations and, more specifically, the small and medium enterprises that have made significant contributions to the socioeconomic development of developing countries (Amoah et al., 2021). In the United States of America (USA), for instance, immigrant entrepreneurship is increasingly being acknowledged as a vital

vehicle for economic growth and the regeneration of economies of developing countries, according to Chand & Ghorbani (2011) in Khosa & Kalitanyi (2015). In the United States of America alone, immigrant-owned small businesses generate 776 billion in business activity and sustain 4.7 million employees, which is 14 % of all people employed by small business owners (Warnier. But, this rosy picture about the positive contribution of immigrant entrepreneurship has been accompanied by a 'dark side' characterized by the difficulties and challenges confronting immigrant entrepreneurs in host nations. In the United States of America, for example, immigrant entrepreneurs face challenges in opening, operating, and expanding their small businesses. Wayland ,(2011) also notes that immigrant small business owners in Canada, unlike local entrepreneurs, experience additional barriers such as language difficulties, lack of familiarity with business culture, lack of social networks, difficulty accessing finance and discrimination. Beyond the immigrant population, a similar study in Ghana found financial challenges, technology; market penetration & acceptability; and research & development as the major barriers facing SMEs sustainability in the Ghanaian manufacturing sector (Amoah, et al. 2021)

In the African continent, it is evident that immigrant entrepreneurial activities have been present in the past, such as the Indians in East Africa or Lebanese in West Africa. Marfaing and Thiel (2011) observed that more immigrant small business owners on the continent originate from other African countries, and their ranks include Somalis in South Africa, Nigerian Hausas in Ghana, and Mauritanian Arabs in Senegal. According to their narration, immigrant small business owners operate a wide variety of economic activities, from factories to dry goods stores to tailor shops. They usually practice niche marketing by identifying the needs, wants, and requirements of the places where they settle. African immigrant entrepreneurs play a vital role in the host country's economies; however, they have been misunderstood by observers and maligned by overzealous nationalists and cynical politicians. This has presented difficulties for immigrant entrepreneurs in operating their small enterprises smoothly. Kohnert (2010) states that for instance, in Ghana, Chinese entrepreneurs experienced challenges of cultural barriers to collaboration as well as a worsening policy environment and interpreted this as a sign of a growing social and political confrontation between Chinese and African entrepreneurs. Despite all these, immigrant entrepreneurs, mainly SMMEs, contribute tremendously to poor African countries by providing cheap, affordable goods, employment opportunities, and a variety of goods and services. Chinese commodities are comparably cheap and hence favoured by many African consumers with low purchasing power (Marfaing & Thiel, 2011).

The first immigrant entrepreneurs to arrive in South Africa were the Jews and Indians (Shain, 1994 cited in Mavimbela, 2019). Shain, (1994) has provided a systematic account of the arrival of Jewish immigrants in South Africa, many of whom were later involved in entrepreneurial activities. Also, the Indian immigrants who arrived in South Africa from 1860 onwards were soon involved in businesses – something that made them targets of anti-immigrant prejudice (Bhana & Brain, 1990). More recently, South Africa has witnessed the arrival of African immigrants, many of whom have opened up small-scale businesses in the informal sector. Hikam (2011) is of the opinion that this sector has, in fact, always been seen as a short-term safety net for the jobless and marginalized groups of people. By establishing their businesses, immigrant entrepreneurs play a vital role in economic development. Fatoki (2014) argues that through the creation of employment, immigrant entrepreneurship can be one of the ways of reducing poverty, and inequality and stimulating economic growth in South Africa. While operating their enterprises, immigrant entrepreneurs experience various challenges. These challenges hinder immigrant enterprises from fully contributing to economic growth and development (Choto et al., 2014). Such challenges include xenophobia, lack of business management training, little or no funding, lack of knowledge of local languages, difficulties in obtaining business premises, and lack of business skills. Operating their micro-businesses thus becomes difficult and challenging, albeit with some proof of sustainability over a period of time. This survival feat is often an amazement to South Africans, especially the local entrepreneurs, among whom are those who have failed in operating their SMME businesses because of some reasons, including inadequate entrepreneurial knowledge, as

identified by Amoah, et al. (2021), attitude and competence (Kuswanto, et al. 2022), which are prerequisite for business survival. Against this background, the study sought to address the following research questions pertaining to immigrant entrepreneurship survival.

RQ1: Which strategies are most prominent to the immigrant entrepreneurs' business survival?

RQ2: Which strategies make the most contribution to immigrant entrepreneurs' business survival strategy composite?

RQ3: What are socio-demographic predictors of business survival strategy composite?

An understanding of issues involving immigrant entrepreneurship will be of benefit to the residents of OR Tambo District Municipal Area. Invariably, by knowing the issues surrounding immigrant entrepreneurship successes, the local residents can use this knowledge to help themselves establish their own enterprises. Following the research questions, the study's main objective is to account for what strategies and contexts propel the survival of immigrant entrepreneurs' micro-enterprises. This research focus is addressed in this paper, which further sections comprise the theoretical framework, methodology, results, discussion, conclusion, and implications of the study.

1 THEORETICAL FRAMEWORK OF THE STUDY

This study will draw heavily from the Interactive theory in explicating the immigrant entrepreneurial survival in the selected location in South Africa. The interactive theory was proposed in the 1990s by Aldrich and Waldinger. The theory combines both the cultural theory and opportunity structure theory in its effort to elucidate the phenomenon of immigrant entrepreneurship. The model proposes that immigrants, just as it is the case in South Africa utilize a traditional approach that develops through an interaction of a group's characteristics and the opportunity structures in the host countries. According to this theory, immigrant groups become accustomed to the resources made available by their environments which differ significantly across societies and over time. The interactive approach maintains that there is compatibility between the opportunity structures and the group's resources. This approach considers that immigrant entrepreneurial opportunities arise during interactions between the demands of the economic structure and the accessibility of ethnic resources such as immigrant family labourers and community (Zhang, 2010). In the South African situation, it is commonplace to see immigrant entrepreneurs, including Chinese, Pakistani's among others venturing onto businesses that might be considered as risky and unprofitable by local population. This follows the understanding that while local population may have other alternatives and where else to fall back to in the case of business failure, the immigrants do not have such opportunities. As a result, they often see further opportunities that lie in the future and are able to endure and sustain their businesses. The assumptions of the interactive theory include the fact that struggle over scarce income is at the heart of all social relationships. Competition rather than consensus is characteristic of human relationships. Secondly, inequalities in power and reward are built into all social structures. Also, individuals and groups that benefit from any particular structure strive to see it maintained. Similarly, change occurs as a result of conflict between competing interests rather than through adaptation. Going by the assumptions of this theory, the immigrant entrepreneurs in South Africa are observably extremely competitive in their business dealings amongst themselves and with other non-related groups. In summary, the interaction theory in business entrepreneurship fits into the scheme of understanding the survival strategies of immigrant entrepreneurs in South Africa.

2 METHODOLOGICAL APPROACH

This study was carried out in OR Tamboⁱ District Municipality (ORTDM) in the Province of Eastern Cape, South Africa. This area was chosen because of its large concentration of immigrant businesses in the Eastern Cape Province. According to the OR Tambo District Municipality (2008), almost a third of the labour force is unskilled and only 6 percent has technical skills, which makes the establishment of Small Medium and Micro Enterprises (SMMEs) and cooperatives the key factors of growth acceleration in the development of local economy. There are, unfortunately, huge bottlenecks and limited access to service providers, finance, and enterprise development, as well as poor infrastructure, accounting for ORTDM's low economic competitiveness.

2.1 Study Population, Sampling Procedure and Participants

The population of this study consists of immigrant entrepreneurs who have operated their businesses for more than one year in legitimate products and servicesⁱⁱ in the district. A total of 100 representative samples was drawn from purposefully chosen one semi-rural (Nyandeni) and one urban (King Sabatha Dalindyebo, KSD) local municipality in the district. The inclusion criteria for the respondents are: 1) the respondent has to be trading and rendering services as a business owner in the selected areas of OR Tambo for not less than one year. This study employed non-probability sampling (convenience samplingⁱⁱⁱ) to select the participants. Taking into account previous studies conducted on immigrant entrepreneurship (South et al., 2015; Khosa & Kalitanyi, 2014; Kalitanyi & Visser, 2010), the convenience sampling technique was adopted as the best way to select participants for the study of this nature because it is fast, inexpensive, and easy, as the subjects are readily available.

2.2 Research approach and Methods of Data Collection

In this study, a quantitative approach was adopted. It is an approach that relies on measurement to compare and analyse different variables, where the goal is scientific objectivity and the focus is on data that can be measured numerically (Bless et al., 2013). As the quantitative approach was adopted in this study, the survey instrument became the most suitable corresponding means of collecting data. A close-ended Questionnaire was administered to the selected sample. The instrument was formulated to cater to biographical data, multiple-answer questions, and those that could be answered on a four-point Likert scale (the scale ranged from 1 = strongly disagree; 2 disagree; 3- agree, 4- = strongly agree). It made provision for a section on the demographic profile of the participants and another based on issues of business survival strategies used by immigrant entrepreneurs to ensure the survival of their micro-enterprises. The researcher followed all the research ethics throughout the research process, particularly during the data collection. Ethical issues observed in a study include informed consent, the right to anonymity and confidentiality, the right to privacy, justice, and respect for the person. More importantly, an Ethical Clearance was applied for, and the Ethical Clearance/permission was granted by the Research and Higher Degrees Committee of the Faculty of Humanities Social Sciences and Law at Walter Sisulu University Senate.

2.3 Methods of Data Analysis

The researcher utilized several appropriate statistical tools, such as descriptive statistics, mainly percentages and mean. Subsequently, inferential statistics, such as Chi-square tests, Pearson correlation, linear regression, Factorial ANOVA, and Factor Analysis selected from the Statistical Package for the Social Sciences (SPSS), were used to analyse the quantitative data gathered from the field.

3 RESULTS

3.1 Socio-demographic Characteristics of the immigrant Entrepreneur Participants

The sample characterisation in Table 1 shows that 25% of the respondents were from Libode (rural) while 75% were from Mthatha (urban). While 51% of the respondents were single, 49% were married. A total of 28% of the respondents have completed Grades 7-12, 27% have completed the diploma level, and 35% obtained a degree, followed by 10% of the respondents who completed grades 4-6 in their schools. All (100%) of the respondents were self-employed. Regarding country of origin, 18% of the respondents were from Pakistan, while China, Ghana, and Nigeria are each represented by 13% of the participants. Ethiopians were 19%, while Uganda and Cameroun represented 22% and 2% of the participants, respectively. A small fraction (3 %) of the respondents have stayed in OR Tambo district for about 1 year, while 62% have lived for 2 to 8 years. Those who have stayed for 9-14 years are 28%, while 7% of the respondents have lived in the district for 15 years and above. With regard to years of trading, 3 % of the respondents have traded in the district for about 1 year, 62% for 2-8 years, while 30% and 5% have traded for 9-14 years and 15 years and above, respectively.

Table 1 Sample characteristics of Immigrant Entrepreneur participants

Variables		Frequency	%
Location of Residence	Mthatha	75	75
	Libode	25	25
Marital Status	Married	49	49
	Single	51	51
Religious affiliation	Christian	77	77
	Muslim	23	23
Educational status	Grade 4-6	10	10
	Grade 7-12	28	28
	Degree	35	35
	Diploma	27	27
Employment status	Self-employed	100	100
Country of origin	China	13	13
	Pakistan	18	18
	Nigeria	13	13
	Ghana	13	13
	Cameroon	2	2
	Ethiopia	19	19
	Uganda	22	22
Years of stay of in ORTM	Less than 1 year	3	3
	2 – 8 years	62	62
	9 – 14 years	28	28
	15 years above	7	7
Years of trading in ORTM	Less than 1 year	3	3
	2-8 years	62	62
	9 – 14 years	30	30
	15 years above	5	5

(Source: Mavimbela, 2019: 41)

3.2 Immigrant Entrepreneur’s Business Survival Strategies

Immigrant entrepreneurs are individuals who came to South Africa to start a business as a means of economic survival, as described by Butler and Green (1997) in the American context. The thrust of this research was to identify the important business survival strategies that facilitate their business

continuity. Participants of this study were asked to respond to the fifteen common business survival strategies often used by immigrant entrepreneurs. The analysis followed the univariate and multivariate analysis to understand the relative importance of the strategies. While the univariate analysis depends solely on the direct responses of the respondents/participants to the relevant items/questions related to the business survival, the multivariate analysis involves the interaction amongst the variables (strategies).

3.2.1 Results of Univariate Analysis Identifying Most Prominent Business Survival Strategies

In this study descriptive and correlational analyses constitute the univariate analysis that were utilized in understanding the immigrant business survival strategies. Generally, a consideration of the descriptive univariate analysis of the Mean scores of various items in Table 2 sheds light on each strategy's relative importance. All the business survival strategy variables are statistically significant ($p=0.00$), which means that the participants significantly differ in terms of these strategies across the municipality. According to the participants' response, use of burglary to safeguard businesses is the most identified strategy by the immigrant entrepreneurs. The primacy of the use of burglary shows how important physical security is to business survival in South Africa, especially businesses owned by foreign persons. Following fortifying business security-wise is the use of personal savings to support businesses. Hence, immigrant business owners do not have access to finance and loans from lending agencies in the country; they depend on personal savings and household members to start off and support their businesses to survive. Personal savings, unlike loans, do not attract any interest. Therefore, doing business with an accumulated huge fund that is not liable to interest puts an entrepreneur on the upper hand, compared to those that have borrowed money from lending agencies. Understanding the local people, in terms of what they want, is another very important strategy adopted by immigrant entrepreneurs. From observation, the immigrant business owners study the locations, tastes, and wants of the inhabitants in their immediate business environment, which guides them in the choice of merchandise to make available in the shops. Coupled with understanding the peoples' needs is satisfying the customers. In this regard, immigrant business owners devise different means to satisfy their customers in order to retain their patronage. The participants mainly agreed that satisfying their customers by treating them with respect, for instance is an important tool to them in sustaining and keeping their businesses afloat in South Africa. This is contrary to disrespectful behaviors and the "I don't care" attitudes of some business owners who drive customers away. The next order of importance is locating businesses close to customers. This has led to the presence of shops and services operated by immigrant entrepreneurs at every community in the country. Moving businesses close to customers is an important strategy that gives a locational advantage to businesses. Among all the strategies, marrying a South African is the least strategy used by immigrant entrepreneurs to keep their businesses afloat. Next to it is access to bank money, which is not available to the immigrants because of the requirements.

Table 2 Descriptive Result of immigrant entrepreneur's business survival strategies

Indicators items	SD	D	A	SA	Mean	X2	df	Sig
Informal ethnic societies fund	16(16)	9(9)	68(68)	7(7)	2.66	100.40	3	0.00
Use of burglar security	0(0%)	0(0%)	36(36%)	64(64%)	3.64	7.84	1	0.00
Understanding people needs	0(0%)	0(0%)	62(62%)	38(38%)	3.38	5.76	1	0.01
Satisfying customers	0(0%)	0(0%)	72(72%)	28(28%)	3.28	19.36	1	0.00
Employing local workers	2(2%)	0(0%)	79(79%)	19(19%)	3.15	98.18	2	0.00
Access to bank credit	39(39%)	25(25%)	32(32%)	4(4%)	2.01	27.44	3	0.00
Marrying a south African	54(54%)	33(33%)	7(7%)	6(6%)	1.65	63.60	3	0.00
Sharing of information	3(3%)	4(4%)	66(66%)	27(27%)	3.17	104.40	3	0.00
Sharing of shop space	14(14%)	25(25%)	53(53%)	8(8%)	2.55	47.76	3	0.00

Business close to customers	1(1%)	1(1%)	76(76%)	22(22%)	3.19	150.48	3	0.00
Long-time business experience	0(0%)	0(0%)	82(82%)	18(18%)	3.18	40.96	1	0.00
Business registered	2(2%)	9(9%)	78(78%)	11(11%)	2.98	151.60	3	0.00
Professional carrier	0(0%)	0(0%)	84(84%)	16(16%)	3.16	46.24	1	0.00
Non interest money	28(28%)	6(6%)	58(58%)	8(8%)	2.46	69.92	3	0.00
Personal savings	1(1%)	0(0%)	49(49%)	50(50%)	3.48	47.06	2	0.00

(Source: Mavimbela, 2019: 42)

In order to get a deeper understanding of what drives immigrant entrepreneurship, a correlation was performed to determine the relationship or association of each variable to the entire composite. Non-parametric tests were therefore conducted to determine this association. The result in Table 3 shows that all the variables have a positive association with the business survival strategy. This means that an increase or decrease in any of the variables has a direct impact on the business survival strategy of the immigrant entrepreneurs. On the other hand, with the exception of non-interest money, which is not specific to an informal ethnic society's fund, other strategies have a statistically significant relationship with the overall business survival strategy.

Table 3 Result of correlation between various strategies and the business survival

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11	X12	X13	X14	X15	Y
Informal ethnic societies fund(x1)	1.000	-0.269	-0.093	-0.148	-0.300	0.122	0.045	-0.153	0.043	-0.053	-0.130	-0.079	-0.099	0.236	-0.206	0.15
	.	0.007	0.357	0.142	0.002	0.226	0.656	0.128	0.669	0.598	0.197	0.433	0.329	0.018	0.040	(0.13)
use of burglar (x2)		1.000	0.587	0.468	0.304	0.118	0.002	0.040	0.082	0.102	0.189	0.045	0.214	0.104	0.157	0.38
		.	(0.000)	(0.000)	0.002	0.241	0.957	0.690	0.418	0.314	0.060	0.657	0.033	0.301	0.119	(0.00)
Understanding people need(x3)			1.000	0.705	0.418	0.259	0.017	0.014	0.014	0.115	0.277	0.048	0.220	-0.008	0.150	0.53
			.	(0.000)	(0.000)	0.009	0.866	0.892	0.892	0.255	(0.005)	0.636	0.028	0.936	0.137	(0.00)
satisfying customers (x4)				1.000	0.489	0.221	0.012	0.140	0.039	0.024	0.230	0.003	0.032	-0.137	0.116	0.40
				.	(0.000)	0.027	0.902	0.163	0.698	0.809	0.022	0.975	0.755	0.174	0.252	(0.00)
Employing local workers(x5)					1.000	0.120	-0.005	-0.173	0.026	0.100	0.055	0.002	0.080	-0.133	0.122	0.26
					.	0.235	0.957	0.086	0.800	0.321	0.588	0.982	0.428	0.189	0.225	(0.00)
access to bank credit (x6)						1.000	0.261	0.079	0.084	0.096	0.149	0.14	-0.040	0.031	-0.023	0.55
						.	0.009	0.433	0.408	0.343	0.139	0.159	0.696	0.763	0.824	(0.00)
Marrying a south African (x7)							1.000	-0.062	0.195	0.011	0.007	0.109	0.123	0.100	0.115	0.42
							.	0.541	0.052	0.911	0.945	0.281	0.224	0.323	0.253	(0.00)
Sharing of information (x8)								1.000	0.087	0.210	0.267	0.018	0.201	-0.059	0.284	0.27
								.	0.387	0.036	0.007	0.858	0.045	0.558	0.004	(0.00)
Sharing shop or space (x9)									1.000	-0.192	-0.047	0.048	-0.133	0.144	-0.003	0.32
									.	0.056	0.643	0.633	0.187	0.154	0.978	(0.00)
Business close to customers (x10)										1.000	0.436	0.392	0.608	0.048	0.185	0.38
										.	(0.000)	(0.000)	(0.000)	0.638	0.065	(0.00)
Long-time business experience (x11)											1.000	0.389	0.506	-0.010	0.133	0.41
											.	(0.000)	(0.000)	0.920	0.188	(0.00)
Registration of business(x12)												1.000	0.351	0.051	0.126	0.34
												.	(0.000)	0.613	0.210	(0.00)
Professional carrier (x13)													1.000	-0.020	0.219	0.39
													.	0.841	0.028	(0.00)
Non interest money (x14)														1.000	-0.483	0.25
														.	(0.000)	(0.10)
Personal savings (x15)															1.000	0.19
															.	(0.05)
Strategy (y)																1.00
																.

(Source: Mavimbela, 2019: 43)

3.2.2 Multivariate Analysis identifying important contributors Business Survival Strategies and the drivers

Three multivariate analytical procedures, principal component factor analysis, factorial ANOVA, and linear regression, were followed. The aim of the multivariate analysis is to realise how different strategies interact and the ultimate outcome of such interaction, which may differ from a univariate or participants' response analysis point of view. In order to test the certainty of the importance of different business survival strategies for immigrant entrepreneurs' businesses, a principal component factor analysis was conducted. With an observed KMO measure of sampling adequacy of 0.607 and Bartlett's test of sphericity (376.716) at a very high significance (sig=0.00), the analysis found all the variables to have met the minimum threshold. The result (Table 4), confirms that, more importantly, the five most important variables in order hierarchy that best explain and contribute most positively to business survival strategy at eigenvalue greater than 1 are "Immigrant entrepreneurs understanding what people need," "immigrant entrepreneurs use burglar security"; "immigrant entrepreneur's business satisfy their customers"; "immigrant entrepreneurs have long time business experience" and "immigrant entrepreneurs have professional career business training."

Table 4 Percentage of variance and Component Matrix of survival strategy indicators

Component	Initial Eigenvalues			Factor Loads
	Total	% of Variance	Cumulative %	
Immigrant entrepreneurs understand what people need	3.112	20.750	20.750	0.71
Immigrant entrepreneurs use burglar security to secure their shops	2.185	14.564	35.314	0.65
Immigrant entrepreneurs 'business satisfy their customers	1.639	10.925	46.239	0.63
Immigrant entrepreneurs have long time business experience	1.380	9.197	55.437	0.60
Immigrant entrepreneurs have professional career business training	1.007	6.716	62.153	0.57
About immigrant entrepreneurs employing local workers	.993	6.621	68.773	0.47
Immigrant entrepreneurs 'location is close to customers and households	.873	5.820	74.594	0.45
Immigrant entrepreneurs get business funds from informal ethnic societies	.784	5.226	79.820	-0.39
Personal savings use to secure immigrant entrepreneurs' business	.707	4.716	84.536	0.37
Whether the businesses of immigrant entrepreneurs are registered in OR Tambo Municipality	.586	3.905	88.441	0.36
Non -interest money from relatives was used to secure immigrant entrepreneurs business	.476	3.175	91.616	-0.28
On whether immigrant entrepreneurs have access to bank credit	.435	2.901	94.517	0.27
Immigrant entrepreneurs ' sharing information with other business owners	.335	2.232	96.750	0.14
Immigrant entrepreneurs married South Africa to secure their businesses	.282	1.883	98.633	0.10
Whether immigrant entrepreneurs share shop space with other shop owners	.205	1.367	100.000	-0.09

(Source: Mavimbela, 2019: 46)

In the same vein, the component matrix of factor loading confirms "immigrant entrepreneurs understand what people need" as the most important factor that has the highest interactive positive correlation with others (0.71), followed by "immigrant entrepreneurs use burglar security to secure their shops," and immigrant entrepreneur business satisfy their customers." On the downside "immigrant entrepreneurs share shop space with other shop owners" appears to be the least in the interaction (-0.09), with negative effect. However, most field business survival strategies are important to immigrant entrepreneurs based on the standard threshold of 0.3 and are collectively positively correlated in explaining business survival strategy in immigrant entrepreneurs' businesses.

3.3 Social Demographics Predictors of Business Survival Strategy

Based on a composite index (strategy) derived from the computation of all the business survival strategy indicators into one, a further regression analysis was performed. The result (Table 5) revealed that the marital status of the respondent, years of stay in OR Tambo Municipality, country of origin, location of respondent and years of trade in OR Tambo Municipality, and educational level positively influence business survival strategy but at the non-significant level. While the location of residence and years of stay in OR Tambo inversely impact the survival functioning of the survival strategies. For further interpretation based on the coding format for these variables and considering the partial correlation coefficients, a high survival strategy is associated with high educational status, singleness, longer years of trade, and being of East African origin. On the other hand, being more rural (Location) and longer years of stay at OR Tambo are negatively associated with business survival. By implication, businesses in the urban areas (Mthatha) have a higher prospect of business survival than those in the semi-rural areas of Libode.

Table 5 Social Demographics Predictors of Business Survival Strategy

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	2.724	.159		17.126	.000			
Location of Respondent	-.033	.053	-.066	-.620	.537	-.061	-.064	-0.06
Marital status of respondent	.029	.046	.067	.632	.529	.068	.065	0.06
Educational Status	.044	.023	.194	1.872	.064	.200	.191	0.18
Years of stay in OR Tambo Municipality	-.007	.070	-.023	-.106	.915	.016	-.011	-0.01
Years of trade in OR Tambo municipality	.013	.074	.039	.179	.858	.016	.019	0.01
Origin	.011	.026	.042	.406	.685	.006	.042	0.04

a. Dependent Variable: Strategy3

R=0.219, R square=0.048, Adjusted R square =-0.014, F=0.778, P=0.589

(Source: Mavimbela, 2019: 48)

Factorial ANOVA was used to determine the effects of two important independent variables, location of business and years of trade, on business survival strategy. This was to establish whether these two variables are of significant effect in driving business survival in the South African province of Eastern Cape. The results in Table 6 show the interactive effects of location and years of trade on business survival. From the result, both the years of trade of immigrant entrepreneurs and location have no significant effect on business survival strategy at a P-value of 0.93. This means that, while business survival is generally healthy, the strategies of immigrant entrepreneurs in different locations, whether in urban (Mthatha) or semi-rural (Libode), do not have a huge difference, even though an advantage is found in the urban areas.

Table 6 Test between subject's effects of location and years of trade on business survival strategy

Tests of Between-Subjects Effects					
Dependent Variable: Strategy					
Source	Type III Sum of Squares	Df	Mean Square	F	Sig.
Corrected Model	10.611 ^a	6	1.769	0.158	0.98
Intercept	56348.190	1	56348.190	5043.539	0.00
Location	0.067	1	0.067	0.006	0.93
Years of Trade	1.544	3	0.515	0.046	0.98
location * Trade	3.921	2	1.960	0.175	0.83

Error	1039.029	93	11.172		
Total	194122.000	100			
Corrected Total	1049.640	99			
a. R Squared = .010 (Adjusted R Squared = -.054)					

(Source: Mavimbela, 2019: 46)

Similarly, with the p-value 0.98, the number of years in trading makes no difference. In other words, the entrepreneurs' business survival strategies are almost the same, irrespective of the years of trade, as the main effect of years of trade is not significant. More importantly, with an interaction p-value of 0.83, which is not significant, it means that the combined effect of both location and years of trade on strategy level of immigrant entrepreneurs are the same. They do not have a huge or distinctive influence on the business survival strategy of immigrant entrepreneurs.

4 DISCUSSION

Immigrant entrepreneurs are individuals who, as described by Butler and Green (1997) in the United States of America, are individuals who start businesses in a foreign land as a means of survival. From the outset of this study, the curiosity has been on the determinants of immigrant entrepreneurs' business survival strategies in the Eastern Cape area of South Africa. This bothers specifically on knowing what makes immigrant businesses prosper and survive, despite the much-recorded failures of business startups in the country owing to numerous obstacles to SMMEs' growth in South Africa (Fatoki & Garwe, 2010). Available statistics and evidence from various cities and towns in the country confirm that a greater percentage of businesses, particularly the Small, Medium, and Micro Enterprises (SMMEs), close shop within a short period of time from their establishment. According to Wilemse (2010), the rate at which SMMEs in South Africa shut down is higher than in many other African countries, with a failure rate of between 50% and 90% within the first year of business operations. A study by Yeboah (2015) further revealed that 75% of SMMEs in South Africa do not become established businesses. This situation may not be different from what obtains in other countries, which has prompted researchers to seek the face of government if small businesses will survive, as evinced by Kozubikova et al. (2019). They are of the view that governments of the countries in their study "should continue facilitating start-ups' development by reducing and eliminating administrative barriers, improving access to finance, and by adapting educational programs involving entrepreneurial education at different educational levels" (Kozubikova, 2019: 1). In the same direction, Khyareh and Amini (2021: 1) saw governance as a "factor that affects new entrepreneurial activities and economic growth," in which according to their study, "the effectiveness of governance will vary depending on a country's development level and entrepreneurial motivation."

Notwithstanding the numerous challenges that are detrimental to the long-term survival of small businesses, a cursory observation of the major cities of the country reveals the presence of foreign-owned SMMEs that dotted the landscape of these cities. This points to the reality that some of these businesses have survived for some reasons, which is worth discovering for the benefit of prospective and existing SMMEs, especially the local owned. The question then is: What are these survival strategies? Among other relevant points, through a univariate descriptive analysis and multivariate confirmatory analysis, this study found immigrants' use of burglar security bars to secure their shops; entrepreneurs understand what people (customers) need; and business satisfy their customers; use personal savings as the most consistent strategies that are responsible for immigrant business survival.

The consistency of safety provisions to business premises and facilities through the use of burglary protectors and bars is the most important strategy that immigrant entrepreneurs adopt for business survival. This strategy was confirmed amongst other business survival strategies that were all found to be significant. The importance and primacy of keeping business safe cannot be over-emphasized in the South African environment. It becomes so as attacks on foreign-owned businesses, with the aim of looting by organized criminal groups and breaking into business facilities, are becoming a huge problem that affects businesses. Oftentimes, when businesses lack security, such attacks lead to the loss of huge capital, morale, and enthusiasm for business continuity. Therefore, for immigrant business owners whose businesses are subject to repeated xenophobic attacks, as been recorded in South Africa in the last decade and a half, due to some unjustifiable reasons (Landau et al, 2005; Cronje, 2008), rooted in jealousy as described by de Jager (2013), securing their businesses is an unnegotiable issue. An observational confirmation of securing businesses is the architecture of the Somalia/Ethiopian immigrant shops in the townships, which are fortified by strong burglary proofs around the containers. Immigrant entrepreneurs have survival skills and install bars and small windows in their shops to secure their goods (Mavimbela, 2019).

What immigrant entrepreneurs are also doing to keep their businesses is by understanding what people need. This involves a trained entrepreneurial mind to study the populace where business is located to understand the kind of products that they need. It also includes an understanding of unavailable or scarce products that people use and need regularly. The skill of understanding what the customers need is encapsulated in entrepreneurial knowledge, attitude, and competence, as previously echoed in the studies of Amoah et al. (2021) and Kuswanto et al. (2022), as prerequisites for business survival. Understanding the taste and needs of a neighborhood, an entrepreneur directs him or her toward keeping the stock of fast-selling and in-demand products. This is against stocking products that people within the business precinct do not need. One of the problems of new SMMEs that often leads to their collapse is the inability of the business owner to quickly understand what products the customers are looking for regularly. Literature has it that irrespective of how good a product or service is, the simple truth is that no one will buy it if they don't want it or believe they don't need it. A business owner cannot persuade anyone to buy what they are offering unless they clearly understand what customers really want. Therefore, knowing and understanding customer needs is at the center of every successful business, whether it sells directly to individuals or other businesses. Once this knowledge exists, business owners can use it to persuade potential and existing customers that buying from them is in their best interest. The knowledge of understanding what people need is wrapped up in the entrepreneur's experience. As interactive theory by Aldrich and Waldinger assumed, immigrant entrepreneurs prosper in their business because of their ability to understand both cultural and opportunity dynamics in the environment. They utilize a traditional approach that develops through an interaction of a group's characteristics and the opportunity structures in the host countries to recognise entrepreneurial opportunity, as alluded in previous studies (George, 2016).

As was argued by Mavimbela (2019), the knowledge and insight learned from experience are what makes one immigrant business better than another. Having business experience means they know their sector intimately. Experienced entrepreneurs' understanding of the changing industries knowledge directly leads to the development of efficient products that resonate with the target audience. Well-known entrepreneurs often build successful companies out of ideas gleaned mainly from experience. There is absolutely no doubt that the business owner's entrepreneurial knowledge is essential to control and apply resources, which may lead to competitive advantage and superior performance. This entrepreneurial knowledge often comes from various sources, including previous work experience and education, and even expert advice. Education, in this case, does not mean formal education, which has shown a weak positive relationship with entrepreneurial success; rather, practical business education through informal day-to-day participation and or entrepreneurial-based education facilitates and fosters entrepreneurship and successful business (Osman et al. 2023). An entrepreneur's previous experience is

very important for entrepreneurial performance. Knowledge has been defined by Venter et al., (2008:43) as being either tacit or explicit. While tacit knowledge is know-how (something one knows how to do but cannot necessarily explain how it was done), explicit knowledge is know-what (the clear and detailed information normally conveyed through procedures and processes and in formal written documents and educational institutions). Factually, immigrant entrepreneurs bring along some essential business skills and, as a result, also impact the skills gap generally (Cross, 2006).

As this study revealed, immigrant entrepreneurs also keep their businesses afloat through deliberate efforts to satisfy their customers. This strategy, which is very close to knowing what the people in the business neighborhood need, entails making their customers happy and making their services acceptable to them. It may also involve being honest and caring for customers. Upholding of this maxim has distinguished immigrant entrepreneurs who do whatever is possible to satisfy their customers, compared to local businesses, especially the big departmental stores. One of the ways to satisfy the customers is to care about their feelings and treat them with respect and as individuals and not like a number of people. All the participants of this study agree that their business satisfies their customers. For immigrant entrepreneurs, nurturing relationships with their customers is a crucial part of growing a successful business, as has been reported in previous studies on customer loyalty, even in big service-oriented businesses like the banking sector (Obioha & Garg, 2018; Obioha, 2022). In order to gain their customers and keep them for a lifetime, they have got to make more effort, like introducing them to their business brand or product and making them fall in love with it. Creating love between their customers and their brand can help determine positive word of mouth that is priceless to their business. Unfortunately, myriads of businesses underestimate the power of customer experience by creating a customer-focused culture in a business opportunity, which should not be overlooked (Mavimbela, 2019). In creating more effort to forge a good relationship and to satisfy customers, the immigrant entrepreneur locates their shops at street corners to maintain and improve visibility to customers, which helps to boost sales. They satisfy the customer's visual, aesthetic, and psychological connections by artistically and brightly painting their shops with graphics of basic commodities to attract customers. More importantly, they warm into the hearts of the local population by using local names to create a sense of familiarity and belonging to the community, as could be observed in township neighborhoods in South Africa. This finding resonates with Malkowska et al. (2022) study of real estate growth, which confirms the relationship between the ways of conducting real estate valuation activities and its development chances, which points to a spatial and substantive range of services, cooperation and employment, and clients' profile, including demographic characteristics as significant factors in business growth and sustainability.

In addition, this study found that immigrant entrepreneurs make a difference in their businesses and keep their businesses going through the accumulation of personal savings. A huge majority of the participants agreed that they use personal savings to secure their business. It is very common knowledge that immigrant entrepreneurs in South Africa have no access to finance and credit, yet they operate successful and enduring businesses. Right from the business's startup to its sustenance and continuity, the injection of personal savings into the business has worked as a sustainable strategy. Generally, in South Africa, accumulating capital to start up a business is a very difficult process. This observation resonates with Tengeh et al. (2011) and Tengeh (2013), who expressed how difficult it is to accumulate capital by immigrants and the actual process that is involved for some of them. According to Tengeh and others, it is not an easy task to accumulate capital for the launching of an entrepreneurial enterprise, particularly for immigrants, who have to accumulate capital through personal savings and other means. Against this background, the earlier study by Fisher (2005:4) notes how entrepreneurs are creative and can start something out of nothing. A process that is termed 'bootstrapping'. This creativity becomes important as they cannot obtain loans from financial institutions, especially financial technology lending, which has proved to spur small business and micro-enterprises' survival and growth (Agboola et al., 2023) because they have problems in opening bank accounts, acquiring visas

and permits. This revelation is connected to the size, nature, and importance of social networks (García-Perez et al., 2023) and validates the essence of viable social capital, which immigrant entrepreneurs often depend on or fall back to in times of need. Kozubikova et al. (2019), in an attempt to establish how entrepreneurial social capital influenced the performance of small and medium enterprises, found that dimensions of social capital, which include structural, relational, and cognitive, do significantly and positively influence the performance of SMMEs in the county. Similar to the immigrant entrepreneurs' situation in South Africa, Kozubikova and others found a conclusively positive correlation that exists, implying that business management, according to them, but in the case of the present study, 'has to harness social capital correctly to improve business performance and poster upward growth.' In absence of funding, immigrant entrepreneurs frequently make use of their personal savings to finance their businesses, as averred by Eraydin, Tasak-Kok, and Vranken (2010), in their study of Turkish diaspora business operations. They found that Turkish immigrants appear to prefer family support to other financial instruments (such as bank credit, loans, and entrepreneurship funds). They had strict saving habits and extended soft loans to their compatriots. The hire purchasing practice of helping relatives start businesses and making them pay back the capital in installments is remarkable among this marginal minority group in the diaspora.

Considering how the social and demographic variables could influence business sustainability, this study further found that the collection of high business survival strategy is associated with the high educational status of the business owner, being single in South Africa, having longer years of trade in the country and being of East African^{iv} origin. On the other hand, being more rural (Location) and longer years of stay at OR Tambo are negatively associated with business survival. By implication, businesses in the urban areas in the district municipality (Mthatha) have a higher prospect of business survival than those in the semi-rural areas of Libode. However, surprisingly, longer years of stay in OR Tambo do not automatically imply brighter chances of business survival as it connotes a different thing from longer years of trading in the district. The fact that immigrant business entrepreneurs succeed in their businesses does not mean that there are no challenges, such as xenophobia (Landau et al., 2005; Cronje, 2008), which is rooted in jealousy, as described by de Jager (2013), which also lead to business failure.

CONCLUSIONS

Observably, SMMEs in the South African economy face a huge challenge of instability, which, in extreme situations, ultimately results in business closure within a short period after the establishment. However, there is evidence of the survival and resilience of these businesses, especially those owned and operated by foreign nationals. In the bid to know what accounts for this difference, this study sought to determine the major drivers of immigrant business survival strategies in a relatively economically poor region of South Africa. The study found the use of burglary bars for security, understanding what people need, satisfying the customers' needs, and accumulation and use of personal savings as the major strategies being used amongst immigrant entrepreneurs in keeping their businesses afloat. These strategies identified in this study, among other variables, have been found to corroborate previous studies in other countries where the resilience of immigrant entrepreneurs' businesses flourishes. Importantly, besides the major drivers in the South, the study also ascribes African immigrant business survival in South Africa to arrays of variables as they positively correlate. The major outcome is the indisputability of the role safety and security play in business survival, especially amidst the high rate of business looting and robberies. Besides, the business skills acquired through years of experience are, in this case, confirmed as important requirements that drive business survival. Besides skills, experience, and security, demographic and locational attributes such as the high educational status of the business owner, being single in South Africa, having longer years of trade in the country, trading in the urban area, and being of East African origin are positively associated with business

survival strategy in the study area. Surprisingly, the study provided no evidence to support the conventional assumption that staying longer in the study area will be of tremendous advantage in business survival. While the major findings of this study resonate with the reality on the ground and what obtains elsewhere and in the literature, all aspects of the findings make much specific sense in the South African SMME business ecosystem, as they have huge implications

IMPLICATIONS OF THE STUDY

- This study has revealed some key strategies that drive business survival from the immigrant entrepreneur's point of view. The importance lies in transferring and replicating such skills and experience characteristic of the immigrant business among local SMME entrepreneurs. With such skills, local businesses will also witness improved resilience and survival.
- The findings of this study have a huge bearing on SMME policy in the country. The ministerial sector responsible for SMME development is equipped with relevant nuggets (business skills, experience, conditions, etc) for designing training and benchmarking business potentials and survival in the country.
- The findings have implications for future research works from academic, policy, and scoping perspectives. This emanates from gaps that exist and issues that are not yet resolved in this present study. More attention is recommended towards understanding whether there are variations among different immigrant entrepreneurs in terms of business survival strategies. Given that one cannot rule out some teething challenges in immigrant business entrepreneurship in the country, it will also be a worthwhile investigation to identify such problems and how they deal with them to rise above such challenges in maintaining survival.
- Also, an understanding of issues involving immigrant entrepreneurship is of huge benefit to the residents of OR Tambo District Municipal Area. By understanding these issues surrounding immigrant entrepreneurship, the local residents can use this knowledge to help themselves establish their own enterprises.
- Finally, securing business premises through the use of physical barriers, perhaps with or without electronic surveillance, has resonated in this study as an important pointer towards the survival of aspiring and existing businesses. Against this background, further studies may investigate the place of physical security (installation of burglary proofs) within the context of the total security ecosystem of business organizations. It may also be realistic to know the relationship between the provision of private security measures and confidence (trust) in the police protection of the businesses.

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END NOTES

ⁱ OR Tambo District comprises of Ingquza Hill, King Sabatha Dalindyebo, Mhlontlo Municipality, Nyandeni, Mbizana, Ntabankulu and Port St Johns municipalities

ⁱⁱ Immigrant business activities involve selling, retailing ethnic clothes and foods, motor-car repairs and panel beating, and operating hairdressing salons. Other activities include running restaurants, nightclubs, cafes and music shops, as well as import-export businesses and traditional healing practices. Production on the other hand includes the sewing traditional clothing, wedding dresses and the practice of general tailoring.

ⁱⁱⁱ This is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study.

^{iv} Countries such as Somalia, Ethiopia, Uganda, Kenya, Tanzania and others belonging to East African Community