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Factors Influencing African Immigrant Entrepreneurship in South Africa: A case of Selected Craft Markets in Cape Town

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Abstract: A significant proportion of African immigrant entrepreneurs are pushed by the need to survive and pulled by the many tourists in South Africa, resultant in African immigrant entrepreneurs turning to the craft business. Although many studies have been conducted on craft businesses in general, little information exists on factors influencing African immigrant entrepreneurship in South Africa. The study utilized the pull and push theory of migration to determine and understand these influencing factors. This study focused on four craft markets in the Cape Town area—Greenmarket Square, Stellenbosch, Franschhoek and Hout Bay. The population of the study comprised all African immigrants at the selected craft markets and the municipal managers responsible for managing these selected markets. The study utilized a mixed method approach to collect and analyze data. Questionnaires were administered to 122 African immigrant entrepreneurs and in-depth interviews were conducted with the three municipal managers responsible for the four selected craft markets. Quantitative data were analyzed separately using Statistical Packages for Social Sciences software, and face-to-face interviews were analyzed by means of content analysis. The study found that the main reasons why African immigrant entrepreneurs entered the craft business were the need to survive, the many tourists in South Africa, previous experience in the craft industry, education, and because many South Africans were not involved in the craft business.

Key words: African immigrant entrepreneur, migration, theories, craft markets

1. Introduction

Migration is the movement of people from one region to another over long distances. Hagen-Zanker (2008:4) describes migration as the temporary or permanent movement of people from one region to another. The reasons include persecution and employment opportunities. This chapter focuses on migration in Africa in terms of the movement of people from other African countries to South Africa. The aim was to understand and interpret the reasons African immigrants start craft businesses in Cape Town, South Africa. The objective was to determine whether African immigrant entrepreneurs start craft businesses to survive outside their countries. It was also to investigate if the objective is caused by discrimination in the labor market, lack of employment opportunities, they are artists, previous experience in other industries or because there are many tourists in Cape Town. The chapter uses the push and pull theory of migration as a lens through which to understand and interpret the stated problem.

2. Literature review

Pull/Push Theory: There are many theories that attempt to explain the reasons why people migrate. One of these theories is the push-pull theory. Lee (1966:50) was the first person to formulate the push-pull theory. The theory explains that there have to be disadvantages which push people to leave their country of origin (other African countries) to move to other countries (South Africa) (Simelane, 1999:3). There also have to be advantages which pull people from other African countries (country of origin) into South Africa (host country). Simelane (1999:3) suggests that African immigrants are pushed out of their country of origin because of war, poverty, and political instability, and unemployment, lack of social amenities such as schools, hospitals, roads, electricity and low wages, compared to South Africa. Fatoki and Patswawairi (2012) suggest globalization, wars and political instability in other African countries as reasons for African immigrants coming to South Africa. Hunter and Skinner (2003:302) suggest war and conflict in the Democratic Republic of Congo, Sierra Leone,

Burundi, Somalia, and Rwanda have pushed people to move into South Africa. Tengeh, Ballard and Slabbert (2011:375) found unfavorable political circumstances (68.2%) as the main reason people emigrate to South Africa. Peberdy and Crush (1998:21) confirm this, stating that African immigrants come to South Africa because of opportunities in the tourist market (27%) and the strength of South African currency (Rand). Comparing the views of Simelane (1999), Tengeh et al. (2011:375) and Peberdy and Crush (1998:21), it is clear that political instability and unemployment push many African immigrants into leaving their countries of origin to immigrate into South Africa.

According to Fatoki and Patswawairi (2012), South Africa is a rainbow nation comprising diverse groups from other countries in the world. There are many opportunities in South Africa (Rogerson 1997:35). Simelane (1999:3) posits that African immigrants are pulled to South Africa because of higher salaries, political stability since the first democratic election in 1994, better job prospects, and better social amenities. Tengeh (2011:188) supports the views of Simelane (1999:3), that political stability and a stable economy are reasons that immigrants are pulled to South Africa. Comparing the views of Simelane (1999:3), Tengeh (2011:188), and Peberdy and Crush (1998:21), it is clear that employment opportunities, better social amenities and political stability pull many African immigrants into South Africa. However, once an immigrant arrives in South Africa, the next challenge is how to find employment.

Push/Pull Factors: Immigrant Self-Employment: Nieman and Nieuwenhuizen (2009:36) claim that there are basically two reasons or forces to cause a person to become an entrepreneur—opportunity (pull factor) or necessity (push factor). However, this may not be true for all immigrant entrepreneurs. Sahin, Nijkam and Baycan-Levent (2006:2) concluded that the majority of African immigrants use entrepreneurship to escape unemployment in the host country. Drawing from Shapero and Sokol, (1982:), immigrants are more likely to launch new ventures in their host countries than in their country of origin. This view is supported by Tengeh (2011:33) opines that many theories have been advanced to support reasons why immigrants resort to entrepreneurship. Among these theories are the block opportunity or push factor theory, ethnic market niche or pull factor theory, and ethnic enclave theory.

Block Opportunity or Push Factor Theory: The block opportunity or push factor theory advocates that discrimination is one of the reasons immigrants establish businesses in the host labor market (Clark & Drinkwater, 2000:2; Basu & Altinay, 2002:373; Sahin et al., 2006:6; Volery, 2007:31). Basu and Goswami (1999:265) found the inability to find salaried employment, underpaid salaries, discrimination in the labor market and redundancy are reasons why 118 immigrant entrepreneurs in Great Britain were pushed to establish businesses. According to van Tubergen (2005:711), in countries with a high unemployment rate, such as South Africa, immigrants are pushed out of the labor market and one of the alternatives is self-employment. Harper (1991) shares similar views, that marginal groups such as Indians in eastern Africa, the Chinese in Malaysia, and Lebanese in West Africa are most likely to face barriers to employment, and opportunities and as such entrepreneurship are seen as the option to social integration when other paths are closed. Tengeh et al. (2011:375) conclude that 67.4% of African immigrants interviewed agreed that limited job opportunities in the host country pushed them to self-employment. Phizacklea and Ram (1995:52) in a comparative study of 10 ethnic small businesses in France and Britain and found that unemployment was the main reason for starting a business. Comparing the views of Clark and Drinkwater (2002:2), Basu and Altinay (2002:373), van Tubergen (2005:711), and Phizacklea and Ram (1995:52), it is clear that they all agree with the opinion of Peberdy and Crush (1998:17) who argue that natives are given first preference for employment, over immigrants.

Several studies support the notion that natives get first preference over immigrants when job opportunities arise. Salaff, Greve and Wong (2006:7) report that the Canadian authorities do not recognize Chinese credentials. Statistics Finland (2008) found that the labor market is segmented and that regardless of the level of education of immigrants, locals are preferably employed. Aaltonen and Akola (2012:5) found that in Finland immigrants are disadvantaged when compared to native entrepreneurs because they do not have the same networks of friends, school mates or relatives, which is an important aspect when seeking employment. Landau (2010:72) shares this view, stating that in South Africa a significant proportion of immigrants do not have money to pay for their educational qualifications to be verified by the South Africa Qualifications Authority (SAQA). These immigrants are rejected by potential employers and the only alternative is self-employment. In Durban, a significant number of Ethiopian immigrants indicated that their inability to communicate in English

and local languages was a disadvantage when seeking employment (Gebre, Maharaj & Pillay, 2011:31). Khosa and Kalitanyi (2014:212) found that 59.1% of African immigrants agreed that their inability to speak local languages (Afrikaans and Xhosa) is a hindrance to finding employment in Cape Town.

Ethnic Market Niche or Pull Factor Theory: Garg and Phayane (2014:59) state that the ethnic market theory is formulated on the fact that immigrants are pulled to establish businesses in market niches created by opportunities in society and characteristics of the immigrant group. Garg and Phayane (2014:79) further maintain that immigrants quickly find niche markets which have not been satisfied by local entrepreneurs. Halkias, Abadir, Akrivos, Harkiolakis, Thurman and Caracatsanis (2007:6) conclude that immigrants enter abandoned markets. The researcher suggests that an example of an abandoned market is the craft and curio market in Cape Town. Kaiser and Associates (2003:22) report that a traditional craft skills base is lacking in the Western Cape. The majority of craft traders in the Western Cape are non-South African citizens from the SADC and the rest of Africa and these immigrants serve the tourist market. Peberdy (1997:6) and Peberdy and Crush (1998:21) support the view of Kaiser and Associates, that immigrants were pulled to crafts and curio businesses because South Africa does not have a strong indigenous curio-producing presence.

Ethnic Enclave Theory: Halkias et al. (2009:145-146) opine that the ethnic enclave theory is premised on the fact that immigrant entrepreneurs typically find business start-up opportunities within two sectors, namely immigrant communities and neglected business sectors in the broader economy. Based on this theory, Tengeh (2011:36), expresses a similar opinion that African immigrant entrepreneurs launch ventures mostly in industries where the start-up cost is low, competition is low, capital is easy to raise, and it is easy to convert assets into cash. This approach is rejected by Zhou (2004:1056) when he looks at the ethnic enclave theory from a different angle. According to Zhou, the ethnic enclave theory emanates from a labor market perspective. Immigrants and natives encounter two types of markets, namely primary and secondary markets.

Primary markets consist of highly paid jobs and the jobs require worker education, sound credentials, and experience. These markets are characterized by career advancement and unlimited economic opportunities. Mostly natives are active in the primary market. On the contrary, secondary markets are characterized by low-income jobs with few opportunities and limited career advancement. The majority of immigrants are willing to work in secondary markets because of lack of proficiency in the language of the host country. Therefore, because primary markets are not accessible to immigrants and there is limited economic opportunity for immigrants in secondary markets, immigrants establish ethnic enclaves as an alternative (Zhou, 2004:1056).

According to Ray, Momjian, McMullan and Ko (1988), culture plays a significant role when individuals pursue entrepreneurial goals. An example includes Americans, Berbers, Chinese, Greeks, Jews, Lebanese, and Persians. Lasry (1982), Shapero (1984) and Dana (1997) believed that individuals from a culture with an internal locus stand a greater chance of succeeding as entrepreneurs. On the contrary, Light (1972) looked at the ethnic enclave theory from a different angle. He argued that the traditional cultural explanation should be rejected as a reason why immigrants launched businesses in the host countries.

He argued that the ethnic milieu of an ethno-cultural group was relevant, not the culture itself. Peterson (1988) found that culture discouraged Norwegians from becoming entrepreneurs. Brockhaus (1991) shared a similar view when reporting that within the culture of Egypt a very weak private enterprise system exists except in the formal sector. According to Portes and Bach (1985 as cited in Dane, 1997:56), a significant proportion of Cuban immigrants in Miami is now entrepreneurs but they did not have an entrepreneurial culture when they arrived. Social network in their enclave is the main factor that has encouraged entrepreneurship.

The above section discusses various reasons why African immigrants start businesses. The following section explores the research approach taken in this study.

3. Research Methodology

Research Design: Given the purpose and the objective of this research project, this research benefits from applying the two research philosophies of interpretivism and positivism. The interpretivism philosophy adopts the qualitative paradigm. The qualitative paradigm consists of people's subjective experiences of the external

world. Here the researcher utilized the qualitative approach to uncover in-depth information from participants (Cohen, Manion & Marrison, 2007:96), and in particular, to develop the theme that underpins the quantitative approach. The interpretive approach (primary data) was collected by means of conducting interviews with the managers of craft markets in Cape Town. The positivism philosophy, adopting the quantitative approach, objectively tests the factors influencing immigrant entrepreneurship in selected craft markets in Cape Town.

Thus, a survey questionnaire (specifically a Survey Monkey questionnaire) instrument was used for primary data collection. To reiterate, both data collection instruments complement each other, thus the survey questionnaire served to superficially test the known variables on respondents. The secondary data were collected from a variety of online database sources such as books, academic journals, and other reputable sources. This research adopted purposive and snowball non-probability sampling techniques to select the targeted respondents who were the managers of selected craft markets in Cape Town. The selection of targeted respondents was based on the nature of their jobs and the specialist skills required for the job. In the analysis of the primary data, particular attention was paid to qualitative data; the research adopted the content analysis approach. For the quantitative data the descriptive analysis approach utilized the Statistical Package for the Social Sciences (SPSS).

Data Collection Instrument, Design and Approach: As indicated above, the study utilized mixed data collection instruments, being the qualitative interview and the quantitative questionnaire. The qualitative approach gathered in-depth information from the three managers in the selected craft market to develop the themes that were used as the bases for the design of the questionnaire. The interviews provided information and direction for subsequent data collection, and subjectively gathered unknown information from group participants. The online Survey Monkey software was used to design and develop the questionnaires. Drawing on the comments of Sarantakos (1998:225) on the use of the Survey Monkey questionnaire, an attempt was made to avoid selecting the wrong types of questions or logic design. The questionnaire was structured in nature, containing the dichotomous questions, rating scales, and rank orderings.

Sampling Approach: The target population for this study comprised the three managers in the selected craft market. The three managers were purposively selected owing to their in-depth knowledge of the craft industry. Their knowledge permitted the researcher to select suitable representatives for the sample. Purposive and snowball sampling was utilized to select respondents with in-depth knowledge of the craft industry. This generated valid response in this study (Bernard, 2006). Therefore, the selected sample for this research was the managers and immigrant entrepreneurs operating within the selected craft markets. The research applied two sample size approaches, one each for the qualitative and quantitative methods. The qualitative sample comprised three managers. A web-based platform was used (Raosoft, 2004). Applying the Raosoft platform, a confidence level of 95% and an error margin 5% was considered. The number considered for the quantitative data sample size was estimated at 122 questionnaires which were distributed to the immigrant entrepreneurs in the selected craft markets.

4. Data Analysis

The data collected from the interviews was transcribed. Respondents' responses were presented under specific questions. Similar responses were grouped into a single category and aligned to quantitative data from the survey and content analysis was conducted on the qualitative data. The content analysis approach involves understanding, analyzing and examining the data, and further interpreting them from text to the context of the actors involved in study (Cohen et al., 2007:476). Thus, it allows the validation of inferences from the qualitative and quantitative data to the factors influencing African entrepreneurship. The descriptive analysis was used to analyze the quantitative data collected from the questionnaire. The data were coded and processed through SPSS software to present the raw data flexibly. The processed data were statistically presented in tabular format.

Question 1: In your opinion, what does the craft business involve?

- **Participant One:** Well I see it in three parts. Firstly, the selling of craft. The other parts are the making of craft. Third level is the biggest guy who imports the craft and distributes to different crafters ... and obviously the other people who are working for the crafters. It is some sort of job creation.
- **Participant Two:** You could get someone selling craft on the pavement; someone selling in craft in the shop, someone selling in craft market ... some of this craft is made up of glass, wooden, beads, wire.
- **Participant Three:** The craft market attract tourist to come to Hout Bay. The first spot tourist normally come to in Hout Bay is the craft market and it is good business for the Hout Bay harbour.

The above responses concur with the Art and Cultural Group (cited in CIGS, 1998:8) and Adu-Gyamfi and Boahinn (2013) who define craft as a broad range of synthetic and natural materials such as carved figures and sculpture, painted calabashes, leather products, beads, and fabrics. Ndlovu (2011) states that some examples of craft objects include wire, wooden vessels, glass, and beads.

Question 2: Why do African immigrants choose the craft industry?

- **Participant One:** Firstly, possibly because they come from areas where craft is quite a huge type of business, they have skills to make the craft and know where to source the craft ... and low barriers to enter. So, you don't need a lot. You get the product and you get the permit, then you can start the business. So it is possibly easier to get into the market.
- **Participant Two:** I think immigrant source craft in reasonable competitive prices because they are connected to suppliers. Also, craft is manufactured in their country of origin.
- **Participant Three:** There is no work where these African immigrants come from. I heard from one lady who comes from the Congo, she was unemployed and the Congolese government does not give unemployment benefits, pension, or grants to her citizens. Hence, coming to South Africa was the only option. In South Africa, craft business is the only option she has to make money and survive.

All the respondents agreed that the immigrants come from countries where crafting is big business, they have the skill to source the craft with reasonable and competitive prices and unemployment is a reason why they started a craft business. The responses can be compared with those in the studies of Steiner (1994) and Shinnar and Young (2008), where trader status is a precondition for participation in African art. Also, knowledge gained by African immigrants in certain sectors is critical to starting their new venture.

Question 3: What are the requirements for immigrant entrepreneurs to conduct business in the craft markets?

- **Participant One:** Firstly, you must be legally in the country ... it is possibly the most important document ... however, if you have a permanent job we will not allocate a space ... also if you have a formal business we would not give you a space.
- **Participant Two:** Firstly, you must have a valid identity document. Secondly, you must also have an affidavit stating you are unemployed. Thirdly, there is screening before the applicant is accepted.
- **Participant Three:** The trader must have ID document and proof of address before a stall is allocated to him/her.

All respondents agreed that entrepreneurs must be in possession of valid documents before applying for a space in the selected craft market. This finding is corroborated by Pahwa et al. (2006), Masonganye (2010) and Gudhuza (2012). According to Pahwa et al. (2006), the City of Cape Town and the Ethekwini Municipality require a certified copy of ID documents and VAT registration number, where applicable, for business applicant.

Question 4: How long does it take for immigrant entrepreneurs to obtain trading space in the craft market?

- **Participant One:** It takes as long as it takes him to get the legal documents from Home Affairs.
- **Participant Two:** It depends on the availability of trading space.
- **Participant Three:** We don't have space to give to people who want space in Hout Bay craft market. Usually, the trader must go and apply for space at Public Works in Cape Town. There are lots of waiting lists, it all depends on the waiting lists and everyday people come. If they are lucky, perhaps three months, six months, and sometimes more than a year for the stall owners to have space.

All the respondents agreed it depends on the legal documentation and availability of trading space for immigrant entrepreneurs to get a trading space at the selected craft markets. However, the responses from all the participants differ from the findings of Chikamhi (2011) who found that the majority of immigrants experienced delays in the issuing of permits by the South African Home Affairs Department and sometimes it delayed their application to obtain trading space.

Quantitative Data Presentation and Analysis

Discrimination in the labor market: The results in Table 1 below reveal that the majority of (80 = 58.8%) respondents indicated that discrimination in the labor market was not a motivational factor to start a business, while 28 (23.6%) respondents agreed discrimination in the labor market did influence their decision to start a craft business. These findings are contrary to those of Clark and Drinkwater (2002:2) and Basu and Altinay (2002:373), who found that immigrants are pushed into self-employment because they suffer discrimination in the host labor market. Basu and Goswami (1999:254) point out that 70% of immigrants established businesses in Britain because of underpaid jobs, redundancy, and discrimination in the labor market.

Table 1: Discrimination in the Labour Market

		Frequency	Valid Percent
Valid	No importance	63	52.9
	Some importance	7	5.9
	Moderate importance	21	17.6
	Very important	14	11.8
	Extremely important	14	11.8
	Total	119	100.0
Missing	No response	3	
Total		122	

Lack of employment opportunities as reason to start craft business: The results in Table 2 below show that the majority (55 = 46.6%) of respondents indicated that lack of employment was not a motivating factor in starting a craft business, while 54 (41.5%) respondents stated that lack of employment opportunities pushed them to launch a craft business. These findings do not corroborate with the findings of Perberdy (1997:6) and Gwija (2014). Tengeh et al. (2011:375) suggest that 67.4% of African immigrants are pushed into self-employment because of the high unemployment rate in South Africa. This opinion is confirmed by Phizacklea and Ram (1995:52) who conducted a comparative study of 10 ethnic small businesses in France and Britain and found that unemployment is the main motive to start a business.

Table 2: Lack of Employment

		Frequency	Valid Percent
Valid	No importance	43	36.4
	Some importance	12	10.2
	Moderate importance	14	11.9
	Very important	25	21.2
	Extremely important	24	20.3
	Total	118	100.0
Missing	No response	4	
Total		122	

Had a job but was underpaid as reason to start craft business: The findings in Table 3 below indicate that having an underpaid job is not a reason why African immigrants start craft businesses. The majority of (71= 60.6%) respondents indicated that an underpaid job was not a motivational factor to start a craft business. This is contrary to the findings of Bogan and Darity (2008:2010) and Fatoki (2014b:184). Fatoki (2014b:184) asserts that immigrants are discriminated against in the labor market and if they do manage to find employment, often they are underpaid.

Table 3: I Had a Job but Was Underpaid

		Frequency	Valid Percent
Valid	No importance	63	53.8
	Some importance	8	6.8
	Moderate importance	16	13.7
	Very important	15	12.8
	Extremely important	15	12.8
	Total	117	100.0
Missing	No response	5	
Total		122	

African immigrant entrepreneurs start craft businesses to survive: Table 4 below reveals that the overwhelming majority of (99 = 81.8%) respondents started a craft business to survive and this was the only option to earn a living. These findings concur with Chrysostome and Arcand (2009:4). Chrysostome and Arcand (2009:4) and Masonganye (2010) describe necessity immigrant entrepreneurship as business activities undertaken by immigrants because they need to survive.

Table 4: Started Craft Business to Survive

		Frequency	Valid Percent
Valid	No importance	12	9.9
	Some importance	3	2.5
	Moderate importance	7	5.8
	Very important	32	26.4
	Extremely important	67	55.4
	Total	121	100.0
Missing	No response	1	
Total		122	

Started craft business because I am artist: The majority of respondents (54 = 81.8%) disagreed that they started a craft business because they were artists. During the field study some respondents complained to the researcher that they are tired of selling their craft to retailers who make vast profits but give them 'peanuts'. The results in Table 5 below are corroborated by Perberdy and Crush (1998:15) who found that only 42% of African immigrants entered the craft business because of artistic reasons.

Table 5: Started Craft Because I Am an Artist

		Frequency	Valid Percent
Valid	No importance	43	35.8
	Some importance	11	9.2
	Moderate importance	20	16.7
	Very important	17	14.2
	Extremely important	29	24.2
	Total	120	100.0
Missing	No response	2	
Total		122	

Encouraged by a member of the ethnic cultural community: The results in Table 6 below indicate that a significant number of respondents (56 = 47.8%) were encouraged by a member of their communities to start a craft business. This finding concurs with Bates (1997:121) who found that Vietnamese immigrant entrepreneurs relied on the ethnic cultural community to start a business. Steiner (1994:2) shares a similar view, stating that a trader status is a precondition for participation in African art trade. The alien status enables them to sell curios and craftware from their country of origin or from other African countries.

Table 6: Encouraged by a Member of the Ethnic Cultural Community

		Frequency	Valid Percent
Valid	No importance	37	31.6
	Some importance	9	7.7
	Moderate importance	15	12.8
	Very important	30	25.6
	Extremely important	26	22.2
	Total	117	100.0
Missing	No response	5	
Total		122	

I was not encouraged by anyone to start a craft business: Table 7 below indicates that the majority of respondents (73 = 65.9%) stated they were not encouraged by anyone to start a craft business. This implies that they were self-motivated to start their business. Some of the participants were born entrepreneurs, hence decided to take the risk and start a craft business. The researcher believes some of these entrepreneurs imitate famous entrepreneurs such as Bill Gates, the late Steve Job and Richard Branson. Richard Branson is an example of an entrepreneur who was self-motivated. He started the Virgin Group, which has approximately 200 companies worldwide, including South Africa (Branson, 2006:29).

Table 7: I Was Not Encouraged by Anyone to Start a Craft Business

		Frequency	Valid Percent
Valid	No importance	69	62.2
	Some importance	4	3.6
	Moderate importance	9	8.1
	Very important	16	14.4
	Extremely important	13	11.7
	Total	111	100.0
Missing	No response	11	
Total		122	

Previous experience in other industries: Table 8 below indicates that 45 respondents (39.1%) were inspired to start a craft business because of previous experience in other industries. This experience could be knowledge, skills or unsatisfactory working conditions that motivated African immigrant entrepreneurs to start a craft business. Taylor (1999:151) maintains that previous experience such as marketing, good customer relations, product innovation, and good communication with important stakeholders are vital for the survival of a

business. Werber (1990, cited in Altinay & Altinay, 2008:26) asserts that knowledge acquired by immigrant entrepreneurs from a previous industry helps them to detect business opportunity gaps in the market. Shinnar and Young (2008:14) share similar views, that experience gained by immigrants in certain sectors is critical to starting their own venture.

Table 8: Previous Experience in Other Industries

		Frequency	Valid Percent
Valid	No importance	35	30.4
	Some importance	6	5.2
	Moderate importance	29	25.2
	Very important	28	24.3
	Extremely important	17	14.8
	Total	115	100.0
Missing	No response	7	
Total		122	

Previous experience in craft industry: The findings in Table 9 below indicate that the majority of 57 respondents (50.0%) agreed that previous experience in the craft industry was a motivational factor to start a craft business. This finding concurs with Chrysostome and Arcand (2009:4), that significant numbers of immigrants have learned managerial skills in previous industries before starting their business.

Table 9: Previous Experience in the Craft Industry

		Frequency	Valid Percent
Valid	No importance	35	30.7
	Some importance	5	4.4
	Moderate importance	17	14.9
	Very important	31	27.2
	Extremely important	26	22.8
	Total	114	100.0
Missing	No response	8	
Total		122	

Education was a great assistance to identify resources: Results in Table 10 below show that a majority of 61 respondents (53.4%) believed that having an education was of great assistance in identifying resources to start a craft business, while 22 (27.6%) did not agree with the statement. According to the researcher, education helps an entrepreneur to understand challenges and how best to solve these challenges. An entrepreneur with an educational background would be most likely to conduct a feasibility study, spot resources and launch a viable business. This finding is supported by Ndedi (2009:467) who believes that education is crucial to entrepreneurs and the rest of the society. The author emphasizes that entrepreneurs and all levels of society should have some level of education. Nieman and Nieuwenhuizen (2009:2) also express the opinion that entrepreneurship can be developed by education.

Table 10: Level of Education Was of Great Assistance to Identify Resources

		Frequency	Valid Percent
Valid	No importance	22	19.0
	Some importance	10	8.6
	Moderate importance	22	19.0
	Very important	23	19.8
	Extremely important	39	33.6
	Total	116	100.0
Missing	No response	6	
Total		122	

Not many South Africans are involved in the craft business: Table 11 below shows that 54 respondents (46.1%) agree that not many South Africans are involved in the craft business. This finding is corroborated by Sequeira (2007, cited in Chrysostome & Arcand, 2009:2). Sequeira argues that immigrants are doing business because of the opportunity structure in the host market. He suggests that natives are not doing business because of lack of interest and insufficient economic rewards. This finding is corroborated by Kaiser and Associates (2003:22) who found that traditional craft skill is lacking in the Western Cape. Immigrants were pulled to craft and curio businesses because South Africa does not have a strong indigenous curio-producing sector.

Table11: Not Many South Africans Are Involved in the Craft Business

		Frequency	Valid Percent
Valid	No importance	41	35.0
	Some importance	7	6.0
	Moderate importance	15	12.8
	Very important	21	17.9
	Extremely important	33	28.2
	Total	117	100.0
Missing	No response	5	
Total		122	

There are many tourists in South Africa: Table 12 below reveals that the overwhelming majority (86 = 72.2%) of respondents stated that the many tourists in South Africa was a motivational factor for them to launch a craft business. This result aligns with the findings of Peberdy and Crush (1998:21) which confirms that significant numbers of immigrants come to South Africa because of opportunities in the tourist market and the strength of the South African Rand.

Table 12: There Are Many Tourists in South Africa

		Frequency	Valid Percent
Valid	No importance	11	9.2
	Some Importance	6	5.0
	Moderate importance	16	13.4
	Very important	33	27.7
	Extremely important	53	44.5
	Total	119	100.0
Missing	No response	3	
Total		122	

To provide employment for other people from my home country: Table 13 below indicates that a significant majority of respondents, (64 = 54.7%), disagreed with the statement that they entered the craft business to provide employment for other people from their home country. However, this finding differs from Kalitanyi and Visser (2010:387) and Rogerson (1997). Rogerson confirms that immigrants employed local and foreign nationals. Kalitanyi and Visser (2010:387) found that immigrant entrepreneurs employed both non-immigrants and immigrants in their businesses and skills are transferred from immigrant to non-immigrant employees.

Table 13: To Provide Employment for Other People from My Home Country

		Frequency	Valid Percent
Valid	No importance	52	44.4
	Some importance	12	10.3
	Moderate importance	25	21.4
	Very important	16	13.7
	Extremely important	12	10.3
	Total	117	100.0
Missing	No response	5	
Total		122	

5. Conclusion

Although the majority of craft retail outlets in Cape Town are owned by immigrants from the southern Africa sub-region and elsewhere on the continent, little information exists on factors influencing African immigrant entrepreneurship in the craft business. The main objective of this chapter was to determine these factors. The study found that survival, the many tourists in South Africa, previous experience in the craft industry, education, and the fact that many South Africans are not involved in craft businesses were the main reasons influencing African immigrant entrepreneurship in the selected craft markets.

Recommendations: The respondents started craft businesses to survive as this was the only option to earn a living. The researcher recommends that the municipality should allow a representative of African immigrants to sit on the committee for designing and organizing Informal Survivalist and Micro Summit Municipality Workshops. The researcher also recommends intervention by the municipality managers to persuade financial agencies such as the DTI, Small Enterprise Finance Agencies (SEFA), and National Youth Development Trust (NYDT) to extend their funding assistance to include deserving African immigrant entrepreneurs. These agencies provide financial assistance to SMMEs across various industrial sectors such as retail and wholesale trade, tourism, and the craft industry. However, these agencies do not provide any financial assistance to African immigrant-owned businesses. These recommendations will assist African immigrant-owned survivalist businesses to grow and transition to small, medium or formal businesses.

The respondents indicated that the many tourists in South Africa were a motivational factor for them to launch a craft business. The researcher recommends that the municipalities should actively market the craft markets in their newsletters and on their websites as prime tourist attractions. This could increase the number of tourists and has the potential to increase sales for the crafters. The majority of respondents believed that having an education was of great assistance in identifying resources to start a craft business. The researcher recommends that African immigrant entrepreneurs should attend municipal workshops. African immigrant entrepreneurs should also enroll for business programs at local colleges or universities to improve managerial skills.

Suggestions for future research: The researcher believes that continuing research will assist in improving current circumstances of African immigrant entrepreneurs and create an environment which is conducive to them starting craft businesses in South Africa. This study was limited to four selected craft markets, being Greenmarket Square, Stellenbosch, Franschhoek and Hout Bay. Future studies should focus on other craft markets in South Africa. This study did not include South African entrepreneurs at the craft markets. Future studies should include South Africans.

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