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ENTREPRENEURSHIP AMONGST SOMALI MIGRANTS IN SOUTH AFRICA

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739734

A research report submitted to the Faculty of Management, University of the Witwatersrand, in 50 per cent fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management).

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ABSTRACT

This study focused on understanding the drivers of entrepreneurship amongst Somali migrants in South Africa. An administered survey questionnaire and in-depth case studies are used to explore the manner in which Somalia migrants, who arrive in South Africa, as refugees, establish enterprises and thrive in the business environment despite their uncertain status and limited access to investment capital or other supportive initiatives. Drawing on the wider available literature a broad conceptual framework was used to guide and shape the areas of detailed exploration. These broadly include, a) the socio cultural explanations, b) the push and pull factors that encourage entrepreneurial activities, and c) the environmental factors (economic and legal) that facilitate entrepreneurship amongst migrants. At an overall level, there are no 'secret' transferable ingredients for such entrepreneurship. The study reveals that it is a combination of historic factors and elements of 'social capital' that shape and motivate entrepreneurship activities amongst these migrants. The lessons derived can and are being be used to inform policy interventions to shape entrepreneurship in the wider society. However, there has to be appreciation of the unique circumstances and historic incentive opportunities that drive particular practices. In so doing, the study concluded on the need for further research in this terrain and the importance of building a deeper understanding on verifiable and substantive quantitative and qualitative data.

Keywords: Migrant Entrepreneurship, Social Capital, Small Enterprises, Somali Refugees, South Africa.

DECLARATION

I hereby declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Public and Development Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

_____

Bashir Ibrahim

February 2016

(Assumed to be signed if submitted electronically)

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I would like to thank all of survey and interview participants who generously gave time and openly shared their experiences and perspectives. I am ever grateful to the Somali Community Board and Somali Association in South Africa for their kind support provided for me to engage with the community in order to conduct my research.

DEDICATION

I dedicate this research report affectionately to the following:

My Sweetheart Shamso Mohamed Osman

My parents, siblings and my extended family members

Mr Sharif Mohamed Abdullahi Hussein, my uncle you made me who I am today, you helped me when I needed the most. Thank you so much. Forever I will be grateful to you.

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CHAPTER 1: INTRODUCTION

In a prevailing context of deep and violent resentment towards migrants active as entrepreneurs, the economic activities of African migrants[1] have become a source of inspiration and antagonism in South Africa (SA). There have been wide calls to understand the drivers of entrepreneurship practices amongst migrants (especially those from Somalia), both as a means of replicating positive practice and as a strategy for shaping appropriate policy interventions. Population movements and related actions to survive, through informal business activities, in unfamiliar contexts have always been a reality (Castles, 2000). However, there is still very limited research and literature on the drivers of entrepreneurship amongst migrants, especially refugees, in particular contexts. According to the United Nations High Commissioner for Refugees (UNHCR) 2013 Global Report, more than 25 percent of the world's refugee populations live in Sub-Saharan Africa. As a result of political instability in many African countries, the influx of refugees continued to affect nearly all countries in the region (UNHCR, 2013).

South Africa hosts 576,113 refugees and asylum seekers from across the continent and beyond (UNHCR, 2015). As many of the refugees from Somalia enter the economic space, there is growing concern with their presence and the competition they establish for locals and a desire on the part of policy-makers to understand how such economic activities unfold. The proposed research responds to this policy imperative and is directed at developing an explorative understanding of the factors that drive entrepreneurialism amongst the Somali migrants.

The increasing number of refugees and asylum seekers around the world, particularly in South Africa (where the refugees enjoy freedom of movement), raises the question of how individuals survive without direct assistance from the host nations, except by receiving recognition of the legal status to which they are entitled (Campbell, 2006; Hovil, 2007; Lindley, 2010). A few research studies (Campbell, Kakusu, Musyemi, 2006; Campbell, 2006; De Jongh, 1994; Weaver, 1988) have been conducted on the role of entrepreneurship among the refugees, in order to

[1] I use the concept migrants to include refugees, asylum seekers and the few who enter as formal immigrants.

explain their survival. Although these studies were not conducted in South Africa, they significantly highlight the drivers and theories used to explain entrepreneurship among refugees and their survival strategies. These will be engaged with as part of the research process and in order to establish the overall conceptual framework for the research. To establish the research parameters, a broad introductory outline is provided of Somali migration to South Africa and the factors that contribute to their entrepreneurialism.

CONTEXT OF THE STUDY

Since the Somali civil war, which erupted in full in the early 1990s, many Somali nationals were forced to leave their home country and search for refuge and a better life. During this period of violence, a major drought also hit the southern part of Somalia which led to a devastating famine that killed around 500 000 people and affected more than 3 000 000 (Ahmed, 1999). The main cause of the deaths was the outbreak of infectious diseases as thousands of people gathered in relief camps to receive humanitarian assistance (Ahmed, 1999).

Many Somalis were fleeing both ethnic persecution and political violence, especially those from the Somali region of Ethiopia, where the Ethiopian regime has reportedly carried out widespread human rights violations against ethnic Somalis (Gastrow and Amit, 2013). The Ethiopian military intervention to support the weak Transitional Federal Government and overthrow the Islamic Courts Union (ICU) that was in control of a large part of Somalia created another wave of political violence that caused the forced migration of Somalis in the mid – 2000s (Lindley, 2010).

The chaos and civil war in Somalia had a great impact on the economy. During the unrest Somalia has had no functioning economy (Leeson, 2007). Infrastructure damage, lack of basic services such as banking, constant violence and lack of stability served to marginalise many from economic activities. In consequence, many Somali businessmen were forced to leave and migrate to a better place that allowed them to thrive and exploit their entrepreneurial ability as well as their strong network based modes of economic engagement. This is evidenced in the economic transformation of Eastleigh, a small suburb in Nairobi dominated by Somalis (Campbell, 2006). There is no available data that indicates whether Somali refugees in South Africa were engaged in businesses prior to their coming to South Africa.

During the civil war and subsequent political chaos many Somalis who were able to migrate travelled to countries in Europe, Asia, Australia, North America and a few countries in Africa, such as Kenya, Ethiopia, Djibouti and South Africa (Al-Sharmani, 2007). The initial substantive influx of Somali refugees to South Africa started in the immediate post–apartheid era. Another wave of migrants moved to South Africa to seek asylum after the violence that erupted in Somalia in the mid-2000s, (Lindley, 2010; Jinnah, 2010; Gastrow and Amit, 2013).

This second influx substantively increased the number of asylum seekers. In 2006 a total of 3024 individuals from Somalia applied for asylum in South Africa (Jinnah, 2010). Although there is no accurate data on how many Somalis are living in South Africa, according to UNHCR (2015), the number of refugees and asylum seekers residing in South Africa is 576,113, of which 27,000 of are thought to be from Somalia. A Somali community leader in South Africa (S. Amir, personal communication, April 20, 2015) put the number at around 50,000, which is higher than the official figures of the UNCHR.

The control systems during the apartheid era limited African migrants to no more than temporary legal entry which severely restricted their movement or access to business opportunities (Klotz, 2000). The political transformation in South Africa created an environment that enabled African migrants to move freely within the country, as well as to have access to business and work opportunities. This process was also assisted by the introduction of the Refugee Immigration Act in 1998 which allowed refugees and asylum seekers the right to engage in employment as well as to establish their own businesses in SA. This political change allowed many Africans including Somalis, devastated by civil wars, famines and lack of employment opportunities in their homelands, to migrate to South Africa (Landau, 2006).

Somali refugees who arrived in Johannesburg in the 1990s first settled in Mayfair, an area which was inhabited by South Africans of Indian origin from the late 1980s (Sadouni, 2009). Mayfair is a suburb West of Johannesburg, close to the Central Business District (CBD). It has experienced a number of ethnic transformations. Despite the fact that Mayfair was officially a suburb designated for white occupation; it also housed a sizeable South African Indian community.

Shared values and beliefs are regarded as the fundamental pillars that facilitate the process of refugee integration into local communities (Sadouni, 2009). The presence of many South African Indian Muslims in Mayfair attracted Somali refugees to establish themselves in the area because of their common religious identities (Jinnah, 2010). Unlike other African Muslim migrants, especially those from West Africa who settled in non-Muslim dominant areas such as Hillbrow and Yeoville, Somalis wanted to live in Muslim dominant suburbs (Sadouni, 2009).

Today the suburb is totally transformed from a formerly white area to a diverse community, but is now populated predominantly by Indians and mainly those who are Muslim. It has a significant number of Muslim immigrants from the rest of the continent (Sadouni, 2009). In recent years it became the location of choice in Johannesburg of refugees from Somalia and Ethiopia, many of whom are now socio-economically active in the suburb. The district has undergone major transformation due to the increased number of Somali refugees who populate the streets and have revitalised the urban space through the opening of more businesses, shops and restaurants in which they have reproduced the street level lifestyles that they experienced in the Horn of Africa towns and cities.

Jinnah (2010) regards Somali migrants as the first non-Southern African Development Corporation (SADC) migrants who arrived post democratic South Africa. Leaving behind the trauma of the civil war, many initially sought employment in the businesses owned by the Indian Muslims; after earning money many started their own businesses through collective investments. Their initial success is believed to have led to an increase in numbers and a shift from the urban centres to townships and small South African towns (Gastrow and Amit, 2013). For instance, Gastrow and Amit (2013) conducted a study about the Somali presence in the Western Cape. They found that eleven of the seventeen shopkeepers they interviewed had spent several years working in the urban areas of Cape Town and Port Elizabeth before they sought new opportunities in the surrounding townships.

Explaining how Somalis were expanding there by seeking opportunities in small towns, Gastrow and Amit (2013), wrote:

> *The first Somali to settle in Tulbagh started out as a hawker travelling between cities and towns including Cape Town, De Doorns, and*

Worcester selling belts and socks at local markets and municipal buildings on pension day. After saving up some capital, he opened a clothing shop in Worcester, but because of competition from Chinese clothing traders he began exploring opportunities in nearby towns. He eventually discovered a vacant shop in the Tulbagh town centre where he and his wife opened a clothing store"

The South African government's policies on refugees that grant the freedom of movement, work and study is fundamental for their survival strategies. It allows them to support themselves by engaging in entrepreneurial activities. But being foreigners they are particularly vulnerable to enmity, violent crime and attacks against them. These refugees could not be absorbed into the formal economy, because they are regarded as unskilled and hence many engaged in informal or semi-formal economic activities, such as small scale retail shops and limited production activities, such as in the form of packaging of important products. There is a few medium scale enterprises own by migrants that involve packaging imported products such as chicken that imported from some European countries.

The influx is believed to have resulted in a shift in sphere in the dominance of spaza shops in townships from locals to foreigners (Charman, Petersen and Piper 2012) and hence the perception of a decreasing employment opportunities for locals. But this is not supported by the facts, according to research conducted by Kalitanyi and Visser (2010), on whether African immigrants in South Africa are job takers or job creators. The study found that more than eighty per cent of African entrepreneurs were job creators. Very often local business owners became frustrated and felt they could not thrive and compete with foreigners. As a result, foreigners became vulnerable to attacks, looting and loss of life and property. Since 2006 there has been a significant increase in the number of shopkeepers who have been murdered and Somalis are particularly affected (Charman, Petersen and Piper 2012).

Although the refugees face difficult circumstances they tend to continue running their businesses and re-establishing them many even after initial riotous looting. Because they do not have many other options in order to support their families. There are some factors which explain this, such as their inability to engage or seek employment within the formal economy that pushes Somalis into the informal

market. This is also however driven on the other hand, by their ability to mobilise because their hard work and their strong social and business networks allow them to exploit businesses opportunities within townships (Gastrow and Amit, 2013). Moreover, their specific trade practices such as collective investments, long operating hours and other specific customer focus practices are pull factors for self-employment (Gastrow and Amit, 2013).

Based on the current reality of migrants' engagement in entrepreneurship in SA, we still know very little about the entrepreneurship capabilities and practices of Somali refugees, much information in the public space is speculative and does not offer a sufficient understanding of the situation in order to draft appropriate policy interventions. Hence, there is a need for more substantive research. In response, this research will fill the gap and explain how some Somali refugees and asylum seekers establish and develop small enterprises.

The UNHCR (2015) estimated 27,000 recognised Somali refugees resident in South Africa, excluding a high number of asylum seekers who are still in the process of the determination of their refugee status. On the other hand, there are more than 32,000 documented Somali refugees and many still undocumented which makes them the second largest group of asylum seekers in South Africa after Zimbabweans (Fihlani, 2011). Although the actual number is unknown, around 25-45,000 Somalis live in SA (Jinnah and Lowe, 2015).

Based on informant information, newspapers and estimates, there are around 50,000 migrants, including refugees and asylum seekers, of Somali origin in South Africa and they can be found in all of South Africa's provinces (S. Amir, personal communications, April 20, 2015). It is estimated that about forty percent of this number ***(approximately 20 000)*** are engaged in business activities, while the remaining are children, women and older persons who are not active in business. Based on initial investigation, very few women are active in enterprises and those that are mainly focus on services to ethnic Somalis. Initially when migrants arrive, they stay in towns then gradually move and open shops in townships. Generally speaking, most Somalis live in Gauteng, the Eastern and Western Cape provinces and are mainly located in the urban areas of Johannesburg, Cape Town and Port Elizabeth.

ESTABLISHING THE PARAMETERS FOR THE STUDY

There are a number of studies (Yoon, 1991; Sanders and Nee, 1996; Kloosterman, Van, Rath, 1999; Casson and Della, 2007) that have been conducted on entrepreneurship among immigrants across the world. In the main these relate to their survival strategies. Most of these studies focus on migrants who were middle class in their country of origin and have some level of education and hence have easily been absorbed into the formal structured economy. The larger gap, in the wider literature and in conducted research, relates to the survival strategies of young and mostly uneducated refugees who thrive in small enterprises in other countries and particularly in South African townships.

To guide this study, 'entrepreneurship' is defined as the ability and willingness of individuals, on their own, in teams or with support from others, to perceive and pursue new economic opportunities, in the face of uncertainty and other obstacles, by making decisions on market offerings, location, and the use of investment resources (Wennekers and Thurik, 1999). In South Africa the National Small Business Act (Act 102 of 1996), defines five business categories. According to the Act, a Micro Enterprise is an enterprise which has a turnover of less than the Value-Added Tax (VAT) registration limit which is not registered as a formal business and employs no more than five persons. (Abor and Quartey, 2010). For instance, spaza shops[2], minibus taxis and household industries fall into this category. Olawale and Garwe (2010), considered knowledge in this area as vital as small businesses contribute to economic growth and job creation. In the context of South Africa, small businesses contribute 56 per cent of private sector employment and 36 per cent of gross domestic product (Olawale and Garwe, 2010).

Developing this sector and understanding the experience of refugees in small enterprise development is a particular concern and a central question for policy makers. For example, according to the Minister of Small Business (Lindiwe Zulu) …"Somalians are (were) a great example because they are able to come to SA with nothing, build a network and open small businesses that are successful in the same townships South Africans have failed…"("Somalians are great example", 2014).

[2]Spaza is a South African specific term used to describe little retail outlets. Roughly translated, the word denotes something which is not real. Thereby conjuring a perspective that these are not proper retail outlets.

To anchor the research, the problem, purpose and central questions that will be focused upon are articulated in this section.

Problem Statement

There is limited reflection and empirical research on the entrepreneurship of Somali migrants in SA. The absence of such research has become an issue of concern within wider public discourse as many within the policy sphere are seeking to understand how refugees are able to succeed where many locals struggle. There is little information on the drivers of entrepreneurship amongst refugees, especially those of Somali origin, and little or no research based information on how they succeed in the existing climate. In view of which the problem that this research would seek to respond to is as follows:

> There is a lack of *knowledge and understanding of the entrepreneurship modalities and approaches of Somali migrants and the manner in which they succeed in South Africa.*

Purpose Statement

The purpose of this research is to explore the drivers of entrepreneurship among the Somali migrants in SA and identify how these migrants engage the informal economy through the establishment of successful enterprises. Findings of this study may assist the process of developing strategies to enhance local entrepreneurialism and contribute to the modification of government policies around migrants, especially refugee, participation in economic activities and related trade-offs.

Research Questions

In keeping with the overall problem that the research is directed at exploring and its central purpose, the following overall question will guide the study:

> *How do Somali migrants who arrive in South Africa, mostly as refugees and asylum seekers, establish small enterprises and thrive in the business environment despite their status and limited access to investment capital or other supportive initiatives?*

To engage with the substance of the established research purpose, it is very important that a number of sub-questions be explored as part of the research. These sub-

questions are directed at providing a framework for the bodies of knowledge that need to be explored as part of the overall research and to guide the establishment of the conceptual framework for the study. The initial and tentative sub-questions are as follows:

1. *What social, economic and cultural factors account for the establishment of small enterprises by Somali migrants?*
2. *How do Somali migrants establish enterprises and what factors assist or hinder enterprise formation and development?*
3. *What environmental factors (legal and contextual) serve to attract Somali migrants to establish enterprises in South Africa?*

The overall question and related sub-questions served to guide the literature review and the establishment of an appropriate research approach and methodology. In answering the overall and sub-questions, it is anticipated that policy relevant propositions can be made on immigrant entrepreneurship and related conflicts that emerge.

CHAPTER 2: LITERATURE REVIEW

The essence of this literature review is to capture existing knowledge on the area of exploration and to provide an overview of existing theories and perspectives related to the Somali immigrant's engagements in entrepreneurship. A broad review of the literature indicates that there are different and sometimes overlapping approaches towards the factors that drive immigrants into entrepreneurship.

The review is broadly organised around the three sub-question terrains that have been identified. The first area is focused on the culture, social and human factor explanations as they relate to the entrepreneurship of migrants. The second and more substantive area is focused on the broader theories that seek to explain the entrepreneurship among migrants and the third is centred on the environmental and legal factors that drive migrants towards entrepreneurial activities.

CULTURE AND SOCIAL CAPITAL

The culture and social capital of immigrants are regarded as fundamental for their development of enterprises. Culture is "the interactive aggregate of common characteristics that influence a human group's response to its environment" (McGrath, MacMillan, Yang, Tsai, 1992: 443). It is also explained in terms of how societies organise social behaviour and knowledge (McGrath *et al.,* 1992). Therefore, culture is peculiar to different communities with regards to their social behaviour and knowledge which implies the non – universality of culture.

Culture according to McGrath *et al.,* (1992:444) described an entrepreneur as an *"Individual fulfilment in an individualistic way, doing what is new or unknown or putting together what is known in a new way. His activities tend to be unplanned, exploratory, and experimental; his organization is generally small so that he personally can control it. He is often engaged in introducing change"*.

Brenner (1987) argues that the entrepreneurial behaviour is mainly because of the individual's effort to catch up with others of society from a disadvantaged position.

The cultural theory is one of the earlier theories that explain why the ethnic and immigrant businesses do better than the local businesses. According to this theory immigrants are equipped with strong cultural features such as dedication and hard

work, membership of a strong ethnic community, risk taking, solidarity and loyalty, and orientation towards self-employment (Volery, 2007). In addition, the theory argues that sometimes immigrants are overrepresented in small business and that this overrepresentation can be evaluated on the basis of their cultural attributes (Kim and Won, 1985).

The cultural hypothesis explains why some people; mostly the native individuals are less entrepreneurial compared to the immigrants. For instance, while Asian Americans are regarded as successful entrepreneurs, in- contrast, African American culture is seen as the reason behind the limited success of black American entrepreneurs, because they are considered too individualistic and do not have the networking and solidarity that support business in other communities (Bogana and Darity, 2008).

Specific ethnic communities establish and operate successful small businesses because of their particular cultural approach to entrepreneurship. This is evidenced by some communities such as the Chinese, Koreans, Jews, South-Asians and Cubans in the United States (Piperopoulos, 2010). Ethnic communities have the advantage of selling particular goods and services (ethnic food products) this creates for them special consumer demand and entrepreneurial opportunities over their local competitors because their products can satisfy their customers, due to the inside knowledge that the group has (Piperopoulos, 2010).

There is a disadvantage of relying only on selling co-ethnic products because it is often not considered an effective way of sustaining a business in a foreign country. The quality of the ethnic products might be low and lack offering a variety of goods and services to the customers, as in the case of Koreans in Chicago the business strategy of catering only to a co-ethnic community might hinder sales and the expansion of the business (Kim and Won, 1985). So in order to expand business opportunities and increase the productivity and profit of the business it is argued that migrants must target and meet the needs or demands of their local customers (Ooka, 2001).

Somali refugees in South Africa employ this kind of business practice because they manage many of their enterprises in townships where their customers are exclusively South African nationals. Although the business owners in Somali dominated areas,

such as Mayfair offer co-ethnic products, especially Somali foods, they are vulnerable to internal competition. Not only there are individuals that offer the same products but they share the same customers. Immigrants who sell different products and access their available resources such as capital, labour and clients outside the ethnic community are likely to be more successful in expanding their business than the immigrants who service the resources only from their own communities (Ooka, 2001).

Research focused to understand entrepreneurs and entrepreneurship over the last three decades have shown several factors that contribute to business development. However, the relationship between culture and entrepreneurship is not very clear. For example, El-Namaki (1988), suggested that culture does make a difference when it comes to the ability of the entrepreneurs to establish small enterprises and wealth creation, but the mechanism and rationale for the suggestion was not explained.

Shared values in the institutionalisation of culture endure over time (Hofsede, 1980). In an attempt to explain the cultural characteristics of entrepreneurship activities, Hofstede (1980) developed a framework which consists of four cultural dimensions to respond to common human problems. This includes, power distance which is the management of inequality between people, individualism, which is the relationship between individuals and collectives, uncertainty avoidance, which is a stance toward the future and materialism, which is the degree to which material rather than spiritual ends are pursued.

Thomas and Mueller (2000) argued that a community which has strong social capital is likely to be more successful than the others. Because the society level, differences in entrepreneurial activity can be explained by cultural and religious factors; the society in which culture gives a greater emphasis on self-achievement would display a high level of entrepreneurship (Thomas and Mueller, 2000). Also the formation of business differs from society to society because different cultures embody different beliefs about the desirability and feasibility of establishing new enterprises (McGrath *et al.,* 1992).

Social capital refers to the ability of the entrepreneurs to exploit and take advantage of their social structures, networks and membership (Davidsson and Honig, 2003). In terms of social capital of the entrepreneurs the focus is on social exchange (Emerson,

1972, cited in Davidsson and Honig, 2003), in order to observe the effects of exchange ties on performance, note that the effects vary from the provision of concrete resources to intangible resources. A classic example of concrete resources will be entrepreneurs who provide loans to each other. An example of intangible resources will be providing information about potential clients or identifying a new location to open business.

There are different views on forms of social capital. Putnam's (2000) classic view discussed the link between three crucial forms of social connections: social "bonds", "bridges" and "links". On the other hand, Nee and Sanders (2001) developed a social capital framework that recognised that social capital is only one element in a variable mix of entrepreneurial resources.

Portes and Sensenbrenner (1993), identified three types of economically relevant expectations of social capital, which involved, value introjection, group affiliation, and enforceable trust. One of the influential factors of enhancing social capital is the level of trust among the participants. It can be a valuable resource both by improving internal organisational trust through bonding of the actors, as well as by connecting external networks in order to provide resources (Adler and Kwon, 2002; Putnam, 2000, Davidsson and Honig, 2003). Furthermore, in entrepreneurial perspective, the networks should provide and facilitate new opportunities, as well as identification, collection and allocation of scarce resources (Birley, 1985; Greene and Brown, 1997; Uzzi, 1999).It may also assist procurement, assessment and utilisation of resources necessary for exploitation (Davidsson and Honig, 2003).

The benefits of having trust and networks are not only for the provision of critical information and to identify opportunities; it also has a fundamental role in reducing the cost of transactions (Ram and Jones, 2008). Economic transactions are essentially rooted in social ties of trust, mutual obligation, personal sentiment and face-to-face communication rather than in formal, contractual and official bureaucratic procedures (Ram and Jones, 2008). It also supports the argument of Nee and Sanders (2001), where social capital appears as influential but at the same time it emerges as a defensive economic force. To appreciate social value, it is important to understand the different types of social capital.

According to Portes and Sensenbrenner (1993), there are three specific types of economically relevant expectations of social capital. First, value introjection it highlights the economic transactions which are led by the guidelines learned throughout the process of socialisation. Secondly, group affiliation is an important type of social capital, members exchange important information and other valued items, their transactions are not based on money but rather social intangibles. Finally, the last source of social capital is enforceable trust, focused on market transactions.

All these three sources of social capital can be found in the business transactions of Somali migrants. They give and receive information related to potential business opportunities in a particular place. Group affiliation and trust are central for their daily transactions. They can borrow money from each other without formal transactions and written papers. Members of the group must contribute the specified amount of money per month and accept any penalty against them. Also some Somali migrants form into groups and raise money in order to expand their business in a particular area this gives them business advantages over the local small business owners.

On the other hand, human capital is one of the important factors that contribute to the development of both the entrepreneurs and enterprise. It relates to the hierarchy of skills and knowledge with varying degrees of transferability (Ucbasaran, Westhead, Wright, 2008). According to Becker (1993), there is a distinction between general and specific human capital. General human capital relates to skills and knowledge that are easily transferable across a variety of economic settings, conversely, specific human capital, relates to skills and knowledge that are less transferable and have a narrower scope of applicability (Gimeno, Folta, Cooper, 1997; Ucbasaran *et al.,* 2008). The theory of human capital argues that knowledge is fundamental for individuals and increases their ability to produce more in more efficient ways, thus, if new opportunities exist, the individuals with more or a higher quality of human capital are the ones who exploit the opportunities (Davidsson and Honig, 2003).

Nee and Sanders (2001), explained there is a negative relationship between entrepreneurship and human capital; they maintain that the well-educated individuals use their knowledge as an advantage to pursue high status professional and public sector careers. Furthermore, the works of Jones, McEvoy, Barrett, (1992) and Brah,

(1996) argued that business ownership is the heaven for those ill-equipped to find job in the formal market or as Nee and Sanders (2001) put it, owning a business offers immigrants who lack human-cultural capital that is fungible in the mainstream economy an alternative avenue for economic activity.

Also other researchers (Evans 1989; Yoon 1991; Bailey and Roger, 1991; Constance, 1993; Bates 1994; Bates) found that both human capital and social capital are fundamental for immigrant's self-employment and intergroup differences in business ownership. The reason is most immigrants have limited opportunities to engage with the formal market, so they believe self-employment is the only chance they have and business ownership allows them to use their human capital resources (Sanders and Nee, 1996).

THEORIES ON IMMIGRANT ENTREPRENEURSHIP

Refugees and asylum seekers establish businesses as a means of survival and achieving economic and social mobility. There are different theories that explain why immigrants engage into entrepreneurship activities. These include, push and pull, disadvantage theory, interactive theories, middleman theory and necessity versus opportunity entrepreneurship. There are overlaps in the theory frameworks put forward by different authors. However, in this instance they are captured as articulated in the literature so as to ensure full coverage of different perspectives put forward to explain entrepreneurship amongst refugees. Some elements within the theories also embody elements covered in the other areas of the literature review.

Push and Pull Theories

The immigrant's ability to create small scale enterprises is shaped by many factors. For brevity and analysis, some have put forward a framework that arranges these as push and pull factors on why ethnic minorities (especially new immigrants) establish their own small businesses (Bates, 1999).

According to push factors entrepreneurs are pushed into starting a small business by external negative conditions such as unemployment, redundancy, retrenchment, lack of formal job or career prospects and a desire to be one's own boss in order to escape supervision (Kirkwood, 2009; Fatoki and Patswawairi, 2012). Furthermore, labour market obstacles such as employer discrimination, lack of educational credentials,

inappropriate work experience and limited ability to speak local languages are often regarded as the factors that push ethnic minority workers to enter self-employment (Bates, 1999; Moore and Mueller, 2002).

Knowing of local language is very important for an immigrant's business transactions and it enhances their ability to communicate effectively. If immigrants lack this essential factor they face a huge obstacle in order to continue their businesses with locals. Although evidence from the United States (US) suggests that those who cannot speak English fluently are less likely to be self-employed, evidence from the immigrants in Australia suggests that the opposite is true (Clark and Drinkwater, 2000). One of the drawbacks of the theory of push factors is that it disregards group specific influences which might lead minorities into self-employment even in the absence of discrimination (Clark and Drinkwater, 2000).

On the other hand, the pull factors explain the other influences which attract immigrants to start businesses. Such factors include the desire to become one's own boss, increase wealth, change life style or use one's experience and knowledge as well as the influence of religion and access to informal sources of finance and labour through family ties or shared culture and language (Benzing and Chu, 2009; Fatoki and Patswawairi, 2012).

Some religions encourage and view self-employment is important for their followers. For instance, Muslims and Sikh communities, self-employment is looked upon favourably because prominent figures in both religions are businessmen, also in Hinduism there is a social group which specialises in business activities (Clark and Drinkwater, 2000). So adherents of such religions may have a strong influence on their followers for self-employment and the important elements are the domination and the degree to which the religion is observed (Clark and Drinkwater, 2000).

Opportunity to increase income is one of the strongest motivators that pull entrepreneurs to self-employment. Benzing and Chu (2009), examined the reasons why 599 entrepreneurs in Kenya, Ghana and Nigeria started their businesses. They found that the strongest motivator among the entrepreneurs was the opportunity to increase their income and those who were highly educated were more likely to start small businesses.

Education plays an important role on the pull factors that influence entrepreneurs to establish small businesses. Bates (1999), observed that the strong educational backgrounds of Asian, Indian and Filipino entrepreneurs were consistent with their overrepresentation in the self-employed field. Moreover, educated Asian immigrant entrepreneurs were more likely than others to remain self-employment because they are pulled into self-employment by attractive opportunities (Bates, 1999).

Necessity Versus Opportunity Theories

According to Williams (2008) immigrant entrepreneurs fall into two categories, they are necessity-driven and hence pushed into entrepreneurship because all other options for work are absent or unsatisfactory, or they are opportunity-driven and hence want to exploit some business opportunities. Entrepreneurship is considered to be an important mechanism for economic development through employment, innovation and its welfare effects (Wennekers and Thurik, 1999).

The dynamics of entrepreneurship can be vastly different depending on the institutional context and the level of economic development (Acs, Desai, Hessels, 2008). There are considerable differences across countries in the orientation of informal entrepreneurial activities (Williams, 2008).

There are annual research programs conducted by the Global Entrepreneurship Monitor (GEM) in order to assess the national level of entrepreneurship of each country. The program covers both developing and developed countries; the most important goal of the GEM is to explore the differences in the national levels and the kinds of entrepreneurship and to link these to economic growth and job creation (Block and Wagner, 2010). The nature and structure of entrepreneurial activities varies across countries, and are reflected by the level of necessity and opportunity entrepreneurship (Acs *et al.,* 2008).

According to Williams, (2008), the informal entrepreneurs in Eastern and Central Europe are more necessity-driven, while that in Western European are more opportunity-driven. Moreover, countries dominated by opportunity-driven entrepreneurship have a lower rate of early stage business failure than nations with higher proportions of necessity-driven entrepreneurship (Williams, 2007a).According to the study the difference is indicated between those who are

motivated primarily by a lack of other options for making a living (necessity entrepreneurship) and those who are starting a business to take advantage of an opportunity (opportunity entrepreneurship).

Acs and Varga (2005) conducted research on entrepreneurship in 11 countries (including South Africa) and found that opportunity entrepreneurship has a positive significant effect on economic development, whereas necessity entrepreneurship has no effect.

The necessity type of entrepreneurship represents the voluntary nature of participation, whereas the opportunity type of entrepreneurship reflects the individual's perception that such activities as engaging in self-employment presented the best option available for employment, but are not necessarily the preferred option (Acs and Varga (2005).Opportunity entrepreneurship differs from necessity entrepreneurship by sector of industry and with respect to growth aspirations. According to Acs and Varga (2005) opportunity entrepreneurs are those who wish to maintain or improve their income or to increase their independence by starting their own businesses.

From the perspective of generating a profit and exploiting an opportunity, Block and Wagner (2010), conducted research about how these two types of entrepreneurship differ in general and in their ability to exploit opportunity. In Germany they found that the opportunities exploited by the opportunity-driven entrepreneurs are generally more profitable than those exploited by necessity-driven entrepreneurs.

Until now, a few studies have endeavoured to show the nature and motives of entrepreneurs operating in the informal sector and that those attempting to do so have adopted the necessity/choice method (Williams, 2007a). There is a widely held perception supported by the marginality thesis which states that the informal sector is low-paid work and those who engage in it are the populations excluded from the formal economy.

Indeed, there are studies in North America, especially amongst the ethnic minorities and immigrant communities, which largely assume the entrepreneurs that conduct their businesses in the informal sector, are basically necessity driven (Williams, 2007a). But for some, the inverse has been argued. Snyder (2004) conducted a

research of informal entrepreneurs in the East Village in New York City. She argues that although most literature assumes that the external pressures such as discrimination and unemployment are what force people to engage in informal business, remarkably in her study she found people were engaging in the informal sector in order to meet some personal goals such as independency and generating more income.

Disadvantage Theory

The disadvantage theory essentially focuses on why some minority and immigrant ethnic groups are pushed towards self-employment (Fairlie and Meyer, 1996; Volery, 2007). According to Volery (2007), there are two main reasons which prevent immigrants occupying salary jobs and which keep them in self-employment as their primary choice. Firstly, immigrants lack human capital such as language skills, education and experience. Secondly, a lack of mobility due to poverty, discrimination experiences and immigrants' limited knowledge of the local culture. For example, immigrants from Sub-Saharan Africa in Spain who cannot speak the Spanish language faced discrimination and limited access to job opportunities as well as political and legal structural barriers related to social institutions; because the local community prefers immigrants from Latin America that can speak the Spanish language (Agudelo, Gil, Ronda, Porthe, Paramio, Garcia, Gari, 2009).

A study of Iranian entrepreneurship in Dallas, Texas, revealed that although many of the Iranian immigrants have graduated from their universities they did not find jobs because of discrimination and limited job opportunities, so they created thriving ethnic businesses and entrepreneurship has given them the opportunity of self-sufficiency and to avoid the discrimination of the labour market (Bozorgmehr, 1998). Similarly, Iranians in Los Angeles, California, faced the same discrimination and they established businesses because of self-independence and aiming for high earnings (Min and Bozorgmehr, 2000).

These negative experiences that immigrants come across and the cultural obstacles that block their development in mainstream economic markets pushes them out and channels them into entrepreneurship as the only alternative route to personal success and economic prosperity (Piperopoulos, 2010).

This push negatively affects immigrants who are educated or have skills to engage and search for work in the formal economy. On the other hand, this theory fails to consider the immigrants that did not have a formal education or with low skills. The case of Somali refugees in South Africa indicates that, they left their homeland because of war, political unrest and most of them did not have a formal education because the central government of Somalia collapsed in 1991. They mobilise themselves by establishing small businesses in the informal sector and set up networks that facilitate the way they do business. In their case they are not pushed into self-employment, rather it's the only chance they have to survive.

Another drawback of the disadvantage theory is that it cannot explain why some immigrant groups are more entrepreneurial than others (Teixeira, 2001). For instance, the theory alone cannot explain why African-Americans have a lower self-employment rate compared to Chinese-Americans even though they are relatively more disadvantaged as a group (Fairlie and Meyer, 1996).

Middleman Theory

Among economic explanations, the middleman theory is the primary explanation for ethnic entrepreneurship (Volery, 2007). The theory was used to explain the economic behaviour of sojourning communities (Fernandez and Kim, 1998). Several factors contribute to their middle man position. They focused on commercial entrepreneurship that can be easily converted into cash and is located in economically challenging environments because both their suppliers and consumers were different to that of the middleman (Fernandez and Kim, 1998).

This middleman theory minority demonstrates the position of the disadvantage theory (Kim and Won, 1985). According to this theory, the jobs that are usually available to immigrants are low-skilled and low-pay jobs which can hardly be commensurate with their pre-immigration socioeconomic status (Kim and Won, 1985).

These disadvantaged circumstances in the labour market push the immigrants into small businesses; this adverse situation strengthens cooperation among Koreans as a self-defence mechanism in a foreign environment (Kim and Won, 1985).

Importantly under these difficult situations Kim and Won (1985), found that Korean immigrants open new businesses with the help of other Koreans and their families, they also work hard and long hours in their businesses. Furthermore, Korean small businesses significantly cut down on their total labour costs, so this cheap form of labour gives them a pivotal advantage to win against business competition. The theory proposes that, in order to avoid sitting on the bottom of the economic ladder immigrants rely on themselves, so they engage in self-employment. Such groups are likely to focus on establishing small business enterprises because of the lack of a capital.

Business start-ups require a significant amount of capital. If the entrepreneur's financial resources are insufficient to start a business they must seek credit from the banks. However, for some reason obtaining credit from the banks or investors is not easy. They then have to turn to the financing markets. First, because these enterprises are small and their operation involves high risk; second, new businesses suffer the cost of finding potential financiers to ensure the legitimacy of the business (Kim, Aldrich, Keister, 2006).

One of the most difficult barriers to overcome limiting the refugee entrepreneur's ability to expand and grow their business is inadequate access to financial capital. In South Africa, the marginalisation of refugees includes their inability to access the most fundamental banking services (Landau, 2006). And the reason is that most of the refugees do not have either the refugee ID or a foreign passport with a permit, which is a requirement of the banks to open accounts for their clients. Unfortunately, refugees and asylum seekers wait for long periods just to get their documents and this has various adverse consequences for them. A classic example is the refugee's inability to access financial services (particularly credit) because it limits the refugee's ability to expand their business as well as their own strategies of enterprise development (Landau, 2006).

To overcome these barriers, the most common source of start up for refugee owned enterprises is personal or family savings. Alternatively, entrepreneurs can avoid the credit markets by spending their own funds in expanding the enterprise until sufficient revenue is generated (Kim *et al.,* 2006). In addition, most refugee enterprises do not require large amounts of financial capital in their start-up phase.

As mentioned above, family support plays a critical role in business start-ups. It provides both labour and financial resources (Sanders and Nee, 1996). For instance, migrants from the same family can agree to share the capital of their enterprise and can also offer some of their relatives work and who will also be paid less of a salary compared to others who are employed by people from outside of the family. Inter-family loans also facilitate the launching of new businesses; moreover, the ability to rely on family labour significantly reduces operating costs (Sanders and Nee, 1996).

On the other hand, the bond of the family is not always good for enterprise development and sometimes it might hinder the progress of the business. As Yoon (1991) notes, he assessed three widely applied models of immigrant self-employment middleman minority, ethnic enclave, and reactive cultural theory and concluded that each model is incomplete. Studying Korean owned businesses in Chicago, Kim and Won (1985) and Yoon (1991) found that while the use of ethnic resources facilitated business start-ups, success in business was hindered by continued reliance on ethnic resources.

The Interactive Theory

Interactive theory is another approach to explaining entrepreneurship among immigrants. This interactive theory proposes that the growth of ethnic businesses cannot be referred to a particular characteristic that is responsible for the success of the ethnic entrepreneurship but the success of an ethnic enterprise depends on complex interaction between opportunity structure and group resources (Volery, 2007).

The theory captures "the interactive consequences of entrepreneurs, contingent on their personal and ethnic resources, utilising business opportunities available in specific historical conditions" (Fernandez and Kim, 1998:656). The opportunity structures consist of market conditions such as access to ownership, job conditions and legal and institutional frameworks (Volery, 2007). Essentially, the opportunities arise from the establishment or creating a community based on ethnic background. So these communities have a specific need which gives opportunity only to the same ethnic entrepreneurs to meet their demands (Volery, 2007).

The market conditions could either be open or closed business environments. The open market basically serves or targets the non-ethnic groups; this target offers more business opportunities to the entrepreneurs. On the other hand, the market which only serves or targets the same ethnic communities will have limited business opportunities. A business run by ethnic immigrants that targets not only their co-ethnic members but the general public has a better chance in expanding the business and profit creation. A classic example of expanding ethnic businesses is how Cubans in Miami started their business serving mainly their own ethnic community then expanded into industries such as construction and clothing in which there was a much broader market (Fairlie and Meyer, 1996).

The business participation of co-ethnic groups depends on the suitability of the resources they have to offer and the demand for those resources (Fernandez and Kim, 1998).If their resources are suitable for the business environment of the co-ethnic communities this creates more demand for the goods and services, also it gives the entrepreneurs the ability to expand their enterprises into other areas.

These business opportunities depend on the cultural differences between the ethnic groups and the host country. If the cultural difference is huge this creates a great demand for the ethnic goods and services, as well as a potential niche market (Volery, 2007). But no matter how big the market is, the opportunities it offers to the immigrants are always limited. Since the open market is also occupied by local entrepreneurs, while the immigrants face high entry barriers such as the absence of financial resources or market knowledge (Volery, 2007).

The second dimension of the interactive theory focuses on the group resources of the ethnic immigrants. Ethnic resources provide vibrant and reliable sources of low cost and a highly committed workforce as well as access to training, credit and capital, and valuable business information regarding market opportunities to immigrant entrepreneurs (Piperopoulos, 2010). These resources are drawn from the cultural traditions and ethnic social networks (Volery, 2007).

Ethnic resources can be helpful for business start-ups. For instance ethnic immigrants such as Asians, Koreans, Japanese, Chinese and Cubans use their networks and family and community resources to acquire information related to business and market opportunities that facilitate business start-ups (Piperopoulos, 2010).

Both opportunity structure and ethnic resources influence each other. Opportunity structure can be improved with the help of a strong ethnic network; ethnic resources are sometimes the solutions to the specific obstacles that the ethnic entrepreneurs encounter as a result of their relations between the opportunity structure of the host society and the characteristics of their group (Volery, 2007).

All of the above theories explain why immigrants and ethnic minorities become entrepreneurs by establishing small businesses in order to survive. Although these many theories are useful for explaining the reasons that drive immigrants to self-employment, there should be consideration on the differences of immigrants such as the legal, environment, economic and social forces that influence their abilities for self-employment as well as their business success.

HOST COUNTRY ENVIRONMENT AND REFUGEE INTEGRATION

This section highlights the legal framework of refugees and asylum seekers, it is very important to mention it because it is the legal environment that enables immigrants (especially refugees) to establish their own businesses or engage in the informal sector. The increasing numbers of disasters whether it is a man-made, such as wars and political unrest or natural disasters have forced many people to flee their homelands to escape the resulting traumas and search for a new life. This influx requires policies and legal frameworks in order that the legislation is able to manage the refugees and their human rights according to the laws of the host country.

The Universal Declaration of Human Rights and the 1951 Convention relating to the status of Refugees is the foundation of any policies related to refugee rights. Clearly the convention highlights refugee rights such as their right to documentation, protection and to engage in employment. The host nations are responsible to protect and fulfil refugee rights both in policy and in practice.

South Africa passed its first refugee legislation in 1998. Some analysts were doubtful as to how the government would implement what was considered “unworkable” policies to protect the refugees and asylum seekers (Crush 2001). The doubt might have been about how the immigration transformation process would happen keeping

in mind that the apartheid immigration regime remained in force at that time and issues related to capacity and how to implement the new laws.

South Africa's refugee legislation is considered amongst the most progressive refugee legislation in the world, not only does it guarantee refugees the rights outlined in international law but it gives the refugees freedom of movement, work opportunities and the right to stay in any part of the country (Landau and Amit, 2014). The privilege of freedom of movement is not universal. Some countries in Africa, only offer refugees the right to stay in camps far from the cities or economic hubs. For example, refugees in Kenya are required to stay in designated areas in harsh conditions which are far from areas of economic productivity (Campbell *et al.,* 2006). In practice they resist government regulations and move into economically viable areas (Pavanello, Elhawary, Pantuliano, 2010).

The refugees in Uganda face a similar situation they are legally required to register and live only in the camps and settlements that are located in enclosed geographical locations in rural areas of the country (Kaiser, 2005; Hovil, 2007). Although these countries adopted strategy is to restrict the movement of refugees and asylum seekers, South Africa has refugee policies that are designed to protect and give refugees their basic human rights according to the African Union Refugee Convention and the international refugee laws.

Upon arrival in South Africa, refugees and asylum seekers are required to apply to the Department of Home Affairs (DHA) for refugee status on the grounds of political instability, ethnic persecution, and threat to life and human rights violations. The DHA has the right to grant asylum seekers refugee status in the country. The South African Refugee Act (Act No 130 of 1998) defines a minimal level of protection; it outlines the state's responsibility to create a favourable environment for refugees and asylum seekers. This allows them to have the right to education, health, social assistance and a chance to source a means of livelihood (Landau, 2006). After they are granted refugee status there is no other strategy from the state about the livelihoods of the refugees. So they must be self-directed in order to integrate with the local community without direct assistance from the government.

Refugee integration with the local society is critical; there are important factors that contribute to the integration process. Legal recognition and settlement is the

foundation of the integration. The latter one might happen if the host government assists with it or with the assistance of local community.

When refugees flee their homeland and arrive in a new country they are aware that they begin a new life and settle or adopt a new home. This change requires strategies of survival. The wide range of economic strategies of Somalis allows them to survive in their host countries, but without official policies and state regulation, refugees survival strategies will not be effective (Lindley, 2011). Somalis in South Africa mobilised themselves and established strong community networks and social bonds based on trust. All these characteristics enhanced their chances of establishing small business and becoming self-dependent.

Integration is widely perceived as a crucial policy objective related to the relocation of refugees and other migrants, and a matter of significant public discussion (Ager and Strang, 2008). Various countries have employed several integration strategies for refugees and asylum seekers. Access to education and housing and a multicultural inclusive system have been used in some developed countries in Europe and America.

Housing is critical to the integration of refugees and asylum seekers, this gives a sense of belonging and security and it facilitates access to a healthier way of life, employment and education (Phillips, 2006). Some Western countries have created policies to resettle refugees and asylum seekers by providing accommodation in order to integrate them into the community.

Education provides skills and competences in support of subsequent employment enabling people to become more constructive and active members of society. For refugee children (and, in many cases, refugee parents) schools are experienced as the most important place of contact with members of the host communities, thereby playing an important role in establishing relationships supportive of integration (Ager and Strang, 2008).

Minimising the cultural differences between refugees and the local society with the aim of promoting ethnic desegregation by assimilation and dispersal have been adopted by Denmark, Finland and Germany as integration strategies (Phillips, 2006). On the other hand, Britain has largely adopted a multi-cultural method of integration

which is based on the principle of balance and equality in an inclusive society (Phillips, 2006).

The relationship between different migrants and local communities in some nations is highly diverse and sometimes the process of integration remains incomplete especially in Canada, Australia and South Africa where cultural pluralism is employed as an informal strategy in integration (Mestheneos and Ioannidi, 2002). Ager and Strang (2008) highlighted several factors that can be used to measure the perceptions of refugees about their experience of integration. The factors are divided into four domains namely, markers and means, facilitators, foundation and social connection.

Social connection is one of the indicators of integration as highlighted by Ager and Strang (2008), which involves social bridges, social bonds and social links. Putman's social capital formulation has been applied to differentiate the three fundamental forms of social networks. This framework focusses only on the importance of exchange and reciprocity within social bonds; therefore, there is a need to understand how regulations and social networks benefit refugee integration (Strang and Ager, 2010; Beirens, Hughnes, Hek, Spicer, 2007).

Literature has shown that informal networks are very effective in creating bonds (Spicer 2008; Hynes 2009; Strang and Ager, 2010). This is evident in the experience of Somali migrants in South Africa who through a common religious faith chose Mayfair, an area occupied predominantly by Muslims to settle (Sadouni, 2009). Such refugee integration with the local community gives them the ability to survive and establish social networks among themselves and their host community.

A survey about the relationship between urban protection with the direct assistance of host governments, social and institutional networks of refugees in four African cities conducted by Landau and Duponchel (2011), highlights that nearly no one in the survey whether a recognised refugee, asylum seeker or displaced person received any type of humanitarian assistance from the government and institutional networks such as UNHCR. The major mechanism of survival was social networks with relatives and fellow migrants who had successful businesses.

Social networks can facilitate a means of survival faster than the government and institutional networks by providing moral, material and financial support in the early stages of arrival in the host country (Campbell, 2006). Such support includes the arrangement of transportation, accommodation and food provision to the new refugees while they are in the process of searching for employment, as well as to guide them in the process of getting refugee status (Campbell *et al.,* 2006). In general, what matters for the refugees in order to survive is not only the legal status but their ability to organise themselves and establish social networks that gives them the opportunity to integrate and survive.

Jenssen and Koenig (2002) argue that networking among entrepreneurs is critical for enterprise development, particularly the stage of establishing a small business one of the critical elements is the access to and the availability of information. For instance, Cooper, Folta, Woo, (1995), argued that the process of venture formation might be viewed as a process of learning, of overcoming the liabilities of newness through information acquisition. Throughout the process of networking the entrepreneurs try to develop strong ties with people that can facilitate their business development by providing material and moral support. This process enhances the interaction between entrepreneurs, so they can improve their channels of communication and invest in strong relationships based on a high level of trust.

Strong ties among refugees have been argued by several researchers to have a positive effect on small business development (Dubiniand Aldrich, 1991; Johannisson, 1988). The dissemination of information and moral support which are considered as key factors in business development are based on social bonds between established business owners and emerging business owners in the refugee community (Jenssen and Koenig, 2002; Casson and Della, 2007).

CHAPTER 3: RESEARCH APPROACH AND METHODOLOGY

This section provides an overall outline of the research approach and the details relating to the methodology and the data that was collected and analysed as part of the study. It also captured the overall research paradigm and related strategies. The approach that was taken is broadly outlined within as the 'conceptual framework for the study'.

CONCEPTUAL FRAMEWORK

To establish an appropriate framework for this study, I draw on the overall research question, the sub-questions and the central factors that emerge from the review of the literature. As the overall question and related sub-questions served to inform the literature review, these would be important to shape the overall framework for data collections and analysis.

As a prelude to outlining the overall conceptual framework, it is important to capture the central issues that emerge from the areas covered in the literature review. The following chart summarises the core themes, concept and theories, together with the authors in the area and the central explanatory terrain of focus to explain why immigrants engage in entrepreneurship activities.

Table 1: Conceptual Framework

THEME, CONCEPTS AND THEORIES	AUTHORS	CENTRAL TERRAIN OF FOCUS
Ethnic Culture, Social Capital	Hofstede (1980), Kim and Hurh (1985), El-Namaki (1988), Fukuyama (2001), Volery (2007).	Strong ethnic culture of some communities facilitate or encourage self-employment
Push and Pull Theories	Bates (1999) Moore and Mueller (2002) Clark and Drinkwater (2000)	Migrants are pushed into an informal market; they are regarded as unskilled labour, while market opportunities pull the educated and skilled migrants in order to exploit it.

Disadvantage Theory	Fairlie and Meyer (1996), Bozorgmehr (1998), Piperopoulos (2010).	Because of market discrimination and barriers immigrants start their own businesses
Interactive Theory	Fernandez and Kim (1998), Fairlie and Meyer (1996) Volery (2007).	Success of ethnic enterprises depends on the interaction between opportunity structure and group resources.
Necessity Versus Opportunity	Wennekers &Thurik (1999) Acs and Varga (2005) Benzing and Chu (2009) Kirkwood (2009).	Some immigrants engage with entrepreneurial activities because it is their only means of survival, oppositely, others establish businesses in order to exploit specific market opportunities.
Legal Framework, Policies of Integration, Protection.	Host Country, UNHCR, NGOs.	Legal recognition and protection of refugee rights

Drawing on the above summation of the central issues it is possible to construct a framework to guide the exploration. In each area the central specific issues that will be explored are outlined. The framework hence serves as the basis for the research approach that would be used for the study and the methodology for collecting, collating and analysing the data and related qualitative information. The conceptual framework is organised in accordance with the sub-questions that informed the literature review. In each, an outline is provided of the central emergent propositions as derived from the literature and related public discourse on why Somalis engage in entrepreneurship.

Table 2: Central Explanatory Propositions

Questions	Central explanatory propositions
What social, economic and cultural factors account for the establishment of small enterprises by Somali migrants?	• **Cultural factors:** some ethnic communities engage in self-employment because of their particular cultural approach to entrepreneurship. • **Strong ethnic community:** strong identity between the migrants facilitates easy entry into the business environment. • **Dedication and hard work:** migrants work longer than locals and their shops are open seven days a week. • **Risk taking:** among elements of entrepreneurship amongst immigrants is a propensity to take risks. • **Social capital:** social networks among migrants promote the possibility of businesses and benefiting by virtue of membership in networks and it provides a kind of credit worthiness. • **Enforceable trust:** is a basic trust mechanism among ethnic entrepreneurs and members must accept the sanctions, if they violate the norms and standards of the group. • **Human capital:** knowledge is fundamental for entrepreneurs as it increases their ability to produce more efficiently, there is a hypothesis that educated individuals do better than the uneducated. • **Ethnic resources:** provide vibrant and reliable sources of a low cost and highly committed workforce, as well as access to credit, financial capital and information to migrant entrepreneurs.
How do Somalis establish small enterprises and what factors assist or hinder enterprise formation and development?	• **Opportunity exploitation:** migrants in SA engage in businesses in townships, where there is no or limited competition. • **Collective investment: a** few individuals co-share the expenses of establishing the new business. • **Shareholding in multiple shops:** some people diversify their investment by holding shares in different businesses in different areas. • **Customer focus practices:** attracting customers through a variety of flexible selling practices. • **Flexible working hours:** opening shops early morning and closing them late around 10 pm. • **Sharing transport costs:** is a business strategy where a few shops in the same location share the delivery cost of the products and purchasing in bulk. • **Barriers of language:** Migrant's inability to speak the local language regarded as one of the obstacles of their business communication and integration.

	• **Xenophobia and crime**: migrants in townships face looting, murder and some form of crime, this established a disincentive for migrant entrepreneurship. • **Incompatibility of training and skills:** lack of business training and skills is the reason that migrant entrepreneurs engage in informal economy.
What environmental factors (legal and contextual) serve to attract Somali migrants to establish small enterprises in South Africa?	• **SA refugee legislation:** is considered among the most progressive legislation, it guarantees refugees work rights and freedom of movement. • **Freedom of movement:** refugees and asylum seekers can reside or establish their business everywhere in SA, contrary to some other refugee host countries which restrict the movement of refugees to refugee camps only. • **Access to basic rights:** such as, protection, work, education, basic health services and immigration permits and documents attract migrants to SA. • **State of SA economy:** South Africa's bustling economy attracts many migrants from the continent and beyond.

The value of the conceptual framework is that it provides the foundation for the areas that need to be explored in this research process. As little is known of the precise reasons for Somali immigrant entrepreneurship in South Africa, a comprehensive approach would thus allow for a more detailed engagement with the precise reasons and realities of such entrepreneurship. The research methodology and approach that follows seeks to outline the strategy that will be used to collect data that would facilitate analysis of the precise realities of entrepreneurship in South Africa amongst Somali immigrants.

RESEARCH DESIGN

There are different approaches to social research each predicated on the informing paradigm or the key assumptions made by the researcher (Neuman, 2006). A paradigm is defined for the purposes of this research as a general organising framework for theory and research that includes basic assumptions, key issues, models of quality research and methods for seeking answers (Neuman, 2006). As the purpose of this research is to explore entrepreneurism amongst Somali immigrants in South Africa, this research requires identifying how the Somali community interact

and get along with each other, as well as describing the key drivers and approaches on how the Somali migrant community establish businesses.

The literature review section of this study outlined that culturally associated factors such as trust, social capital, and risk taking and hardworking are fundamental for an immigrant's establishment of micro enterprises in a foreign country. Understanding these elements requires first hand investigation in order to determine how things are done by the members of the community under the study. As the research is descriptive in nature, primary data was collected through a combination of survey questionnaires, semi-structured interviews and related participant observation. Such an approach was essential for the study as it provided a basis for engagement with the specific areas of primary information needed to describe practices and to establish overall propositions on practices and approaches of the phenomenon being explored.

A combined method is essential as it can provide information needed to understand the real experience of Somali migrants and how they establish and develop enterprises and all of the factors that push or pull immigrants into entrepreneurial activities. Such a design can reveal more than a single approach alone can gather by collecting different evidence through exploration of diverse areas (Bryman, 2004). Each of the primary data collection approaches that were used is described below.

Survey Questionnaire

To understand the patterns of behaviour as they relate to entrepreneurialism, data was collected through a survey questionnaire. Survey research is used to gather data from a large population in a short period of time (Wagner, Kawulich, Garner, 2012). The questions were derived from the core themes or issues in the literature review and are consistent with principles of effective survey questionnaire design. This type of data consists of information obtained by the researcher from study participants or respondents.

A structured survey questionnaire is one of the most used techniques for data collection. Its design affects the responses as well as the validity and reliability of the research. In the design of the survey, attention has been focused on information

related to the central issues in the conceptual framework as well as the research questions.

The questionnaire has sub-headings related to the areas of exploration outlined in the conceptual model. Under each of these there are specific questions that relate to the areas of exploration that are identified. In essence the questions are directed at building a wider understanding of the factors that drive entrepreneurship amongst Somalis. To develop a larger appreciation of the drivers of entrepreneurship, the research incorporates elements related to the obstacles that are encountered during the formation and development of their businesses.

Interviewees were provided with a copy of the questionnaire and the questions were administered in English by the researcher. The researcher translated and provided interpretation into the main Somali language because the target respondents were not comfortable with English. Careful attention has been focused on ensuring that the questionnaire serves to provide a valid level of data for the research purpose and fits the ethical frameworks established to guide how research is conducted and confidentiality is respected. The survey questionnaire was piloted within a small sample of the target population. The objective of testing was to check the design and whether the questions work in practice, also to identify and amend the questions and refine the questionnaire where and if it is necessary. At least twenty survey questionnaires were piloted in Mayfair, the researcher amended one question which was asking two different perceptions and divided it into two questions.

Case Based Interviews

t Observation and in-depth interviews are mainly used to collect data of ethnographic research (Wagner *et al.,* 2012). This entailed spending time on observing how Somali migrants engage and deal with their daily business activities as well as gathering a thick layer of information by in-depth case based interviews that tracked their overall story. To build a deeper understanding of the drivers for Somali entrepreneurship, it was necessary to conduct face-to-face interviews with key identified respondents. To secure a rich ethnographic understanding of Somali entrepreneurship, three in-depth interviews were conducted with Somali entrepreneurs in order to track their story of survival and engaging with self-employment. The Somali language was used to

conduct the interviews the researcher translated into English. It was recorded using a voice recorder.

The use of interviews as a data collection method begins with the assumption that the participants' perspectives are meaningful and can be made explicit, and that their perspectives affect the research. In this phase of data collection, the researcher interviewed experienced individuals that have gone through different stages of enterprise development, one of the interviewees' started engaging entrepreneurship activities from being a street hawker to being an owner of a medium scale enterprise. The interview was conducted in an environment which was familiar for the individuals so they were able to talk about their experiences around the survival of refugees and enterprise development. The interview was recorded on a recording device (Mobile phone) and the estimated time of each interview was one hour; the researcher informed the participants of both the recording and the length of the interview. The interviews were structured according to the structure outlined in the survey instrument. However, in this instance the researcher probed the interviewees for more details.

All of the interviewees accepted the request of the researcher to record the interview. The interview followed a design of semi-structured and in-depth case based interview because this allows the evaluator to present the meaningfulness of the experience from the respondent's perspective (Wagner *et al.,* 2012). In essence, the three interviews are being directed at building focussed case studies on the history and overall story of each entrepreneur in order to understand their experiences and to further inform the wider survey to be conducted. The criteria for the case studies were that the individuals must be based in different cities and are occupied different position of the community ladder, because this gives in-depth information on the various stages of business development. The three case based interviews were conducted in Johannesburg, Port Elizabeth and Cape Town.

Observation

To develop an understanding of the phenomenon being studied, it also remains imperative to incorporate some observations for data collection. Observational techniques are methods by which an individual gathers first-hand information on processes and the behaviours being studied. They provide the researcher with an

opportunity to collect data on a wide range of behaviours, to capture a great variety of interactions, and to openly explore the area of exploration. Observation is important as it serves to establish a deeper understanding of the research focus and goes beyond the direct perspectives on the phenomenon being studied and the biases contained in the responses of the participants in the study.

A mixed methods approach is necessary in this instance as it will ensure that information sourced can be triangulated and hence allows for study validity and reliability. How this would unfold in practice would still require further reflection to avoid duplication and to ensure that the explanations derived from the data are valid and hence the conclusions made are credible. To this end, the researcher spent time with selected case interview participants as well as in the places that the Somali migrants conduct their businesses and observed how they do business to understand their motivations and entrepreneurial practices as well as their other social life engagements.

SAMPLING STRATEGY AND CRITERIA

Because of the nature of this study the sample strategy for the survey was non-probability sampling. The sample frame of this study is Somali migrants in South Africa, while the sample size is owners of enterprises. Random sampling of the target population was not possible because a full list of the population was not available and most of the migrants were not easy to locate or access through formal channels. In addition, travel to the township based enterprises of migrants poses safety issues for the researcher. In view of this, the approach was convenience and snowball sampling. Snowball sampling is used when members of a population is difficult to reach as in this case (Wagner *et al.,* 2012).

A convenient approach is relevant as it's generally difficult to formally access migrants who are scattered in the identified urban centres. However, it is a known that many of these migrants gather regularly and often, on a daily basis at wholesalers, in order to buy goods and at Somali restaurants in urban centres. Using these gathering points, the researcher approached individuals and requested interviews (with related confidentially assurance) and also requested them to assist in identifying other individuals within the relevant population. This made it easy for the researcher to gather the information needed for the research. All participants were

those who are actively engaged in small businesses. Some access to outlying businesses was possible as a result of snowballing, but this was done without compromising safety. The researcher conducted three case based interviews, spent more on observation and administered the survey questionnaires to the target population and collected information regarding how they involve businesses and the different stages of their micro enterprise development. Those data collection methods provided the detailed information required in this research. Individual experiences and personal story is very important and can add valuable information to the areas of exploration.

There are about 50 000 Somalis living in South Africa (S. Amir, personal communications, April 20, 2015). And half of this number lives in Johannesburg and the surrounding areas (Jinnah and Lowe, 2015). Estimating that 20 000 are involved in businesses; it is difficult to stratified estimate it further, as for gender the study cannot stratify male and female because generally males dominate in enterprises. Females are engaged mainly in businesses that service only the ethnic Somali population in areas such as Mayfair in Johannesburg and Bellville in Cape Town.

To ensure a reasonable coverage, the active Somali entrepreneurial population is estimated to be spread largely across four major urban centres. Based on the estimate of 20 000 in total, the survey initially targeted 200 migrants but during the data collection process the researcher was able to collect 230 surveys. This is spread across urban centres and surrounds as per the estimations in the table below. This estimate is based on discussions with the Head of the Somali Community Board of South Africa (S. Amir, personal communications, April 20, 2015).

Table 3: Research Population

Location	**Estimated Number**	**Survey Target**
Greater Johannesburg	10 000	100
Greater Cape Town	6 000	60
Port Elizabeth and surroundings	2 500	25
Durban and surroundings	1 500	15
Total	20 000	200

The researcher has chosen convenience sampling because this type of sampling was more cost effective and convenient (Wagner *et al.,* 2012). While other sampling

methods such as probability sampling, was impossible as it was very difficult to get a list of all Somali migrants in SA and choose them randomly. The researcher used convenience sampling because of safety considerations and did not travel into insecure areas in townships. Also it allowed the researcher to choose the sample according to the purpose of the research. Furthermore, non-probability sampling is very useful for survey research (Wagner *et al.,* 2012).

With regards to the case based interviews, the approach was to identify three individuals through a purposeful method. The researcher targeted individuals who arrived at different periods of time and who have businesses in different locations (urban centre, suburb and township). This ensured a fair spread of in-depth stories. In the instances of observation, the researcher spent as much time as was possible at the places of business of the respondents and interviewees.

DATA COLLATION AND ANALYSIS

Primary data was collected through a combination of in-depth case based interviews, observation and a survey questionnaire. The data was collected in urban centres where Somali migrants are actively engaged in informal businesses. These urban areas include Johannesburg, Cape Town, Port Elizabeth and Durban. These were the areas of focus because they are areas where the respondent population are largely concentrated. Urban areas are the initial destinations of Somali migrants before they spread out to work in rural towns. Moreover, urban areas are where the business deals and discussions take place. Such an approach is necessary to ensure reliability and the credibility of the conclusions of this study.

Each of the three case-studies are crafted as individual stories of the entrepreneurs and crafted on the basis of their overall experience from arrival to business development. In the instance of the 'survey data' these are presented in summary form to facilitate a more detailed analysis on the key drivers of entrepreneurship. The data collected during the research were analysed according to the research design and method. For the case based interviews the researcher organised guideline questions based on the main categories of survey questions that mainly related to the personal story of the interviewees. They were asked about their survival strategies before they came to South Africa, how they travelled, how did they engage with business people in South Africa and their future perceptions on doing business in South Africa. I

transcribed the interviews by classifying and categorising the identified themes and discussed their importance and collated it all in the data analysis section of the research.

Data analysis involved developing a detailed description of each case. This provided meanings and gave the researcher an opportunity to connect the body of knowledge in the literature and the data collected from the interviews. On the other hand, the survey questionnaire section is designed to provide a description of the survey respondents and related overall trends in Somali entrepreneurship.

VALIDITY AND RELIABILITY

Validity and reliability are measurement tools that are used to check whether the methods used in the study were appropriate and the findings are reliable. Both are important part of the research process. There are some quantitative instruments that test and measure the validity and reliability of the study. In order to ensure the external validity of this research the sample method was carefully explained to ensure that the approach and constraints were fully appreciated.

Testing the consistency of the respondents is ensuring the reliability of the approach of the study. Some questions in the survey are designed to measure the internal consistency reliability of the respondents. In a qualitative research there are four criteria that are used to ensure the trustworthiness of the data and they are: credibility, transferability, dependability and conformability.

Credibility addresses activities that make it more credible that the findings were derived from the data (Wagner *et al.,* 2012). There are some methods for establishing credibility: (triangulation, participant validation, and persistent observation, peer debriefing and negative case analysis) (Wagner *et al.,* 2012). This study employed respondent validation (this is to make sure of the accuracy of the respondents feedback during the data collection and the researcher's interpretation of the data) in order to establish credibility. This was done by analysing the interview transcripts in order to verify if I had captured the views and perceptions of the participants correctly. Moreover, the researcher used more than one observation strategy. After each participant had completed the interview, verification was done by discussing with them whether the responses reflected their understandings.

The second criterion is ‘transferability’. It focuses on making similarity judgements and tests whether the findings of a particular study can be transferred into another context. This can be achieved by keeping all versions of the data in their original forms as well as by showing the thick description of the data (Wagner *et al.,* 2012). And this is detailed in the research report. The next criterion is ‘dependability’. This is a measure achieved by triangulation of methods and providing an audit trail; this audit trail attests to the accuracy of translations of information from various data sources and provides the means for ensuring the conformability of the findings” (Wagner *et al.,* 2012:243). To ensure this the researcher kept an audit trail of the interview transcripts and used a book to record all of the necessary information such as by numbering each survey questionnaire, recording the time of each respondent and the place where the surveys as well as the interviews took place and used a different book to write-up the notes of the observations.

Lastly, ‘confirmability’ refers to the degree in which the findings are based on the data collected and that the results should demonstrate they are derived from the events, rather than being solely from the perception of the researcher (Wagner *et al.,* 2012). The researcher should not influence the outcome of the research. To achieve this, the researcher is just a student and is doing this research for the purpose of academic requirements and he has never been engaged in the business activities of Somali migrants in South Africa, so this limits his ability to influence the outcome of the research.

LIMITATIONS OF THE RESEARCH

During the data collection I came across some challenges, the target respondents were busy with their daily business activities and at the beginning stage some of them declined to participate in the study. I overcame this by spending a minimum of one week in each of the identified urban centres. On the other hand, I briefed the gate keepers of the community about my research and they supported me and encouraged the community to participate in the research.

All survey questionnaires were administered directly by the researcher and on some occasions the researcher sought the help of university students to help fill-in the survey questionnaires with the respondents. This method was only used when a group of respondents were all available at the same time to participate in the study.

On the resources I needed to conduct the research, my study sponsors gave me the financial resources I required to spend on my travel expenses and accommodation. This is a broad research topic and I was not able to uncover all of the knowledge I needed in this study, so some of my suggestions to other researchers are outlined in the further research section of the last chapter of this research.

ETHICS

Ethical issues are very important when conducting a research and the researcher should consider the safety and rights of participants. The researcher drafted an anonymous survey questionnaire and asked the permission of the gate keepers of the community in order to conduct the research. During the research and data collection process, there was no deception of any kind to collect information from the participants. The researcher informed the participants as to the purpose of the research and followed the ethical guidelines of the University. The researcher accepted the right to refuse of those who declined to be part of the study. All the participants remain anonymous to ensure their privacy and I only used survey numbers for record purposes. Participants were assured that their names will not be used or any other personal information that might lead to the identity of the respondents. The questionnaire did not ask for their names and I only kept a personal record for the purposes of securing study validity. In the instance of the in-depth case based interviews I used fictitious names to protect the identity of interviewees.

To avoid any possible biases in the research I always maintained my position as a student and avoided any direct business involvement. The understanding of the Somali language allows for easy interaction with research participants. Although the survey questionnaire is written in English, it was administered to participants in the Somali language. The Somali language was also used conduct the three in-depth interviews. These were then and translated it into English.

CHAPTER 4: SOMALI ENTREPRENEUR PERSPECTIVES

In keeping with the articulated research approach and methodology, this chapter provides a summary of the data collected and collated. To understand the patterns of behaviour and perspectives that shape the Somali entrepreneurship the research design was predicated on conducting a survey and the documentation of in-depth case studies of a selection of entrepreneurs. This chapter presents a summary of the data collected and collated and the case-studies that serve to document the entrepreneurship experiences of three individuals. The survey data is presented according to the core themes outlined in the conceptual framework. Under each theme, an effort is made to ensure that the data is presented in summary form and where possible, linkages are established between different questions posed in the survey for brevity purposes. As direct observations of Somali entrepreneurs related to the personal accounts of the researcher during the data collection these are incorporated into the overall analysis.

DATA AND PERSPECTIVE FROM THE SURVEY

The survey was conducted between September and October 2015. The instrument was administered directly by the researcher to all of the respondents in each of the targeted areas. The sampling approach was not random as it was not possible to select individuals on the basis of some level of statistical randomness. Guided by a snowball sampling approach individuals were approached randomly, at Somali entrepreneurs gathering points (convenience) in the four urban centres targeted for the study. As per the table 4 below, 230 surveys were administered. The initial study target was 200 respondents spread according to an estimate of the distribution of Somali entrepreneurs in key centres of settlement. The table below highlights the administered survey of the research.

Table 4: Survey Administered

PLACE OF RESPONDENTS	ESTIMATED ENTREPRENEURIAL POPULATION	SURVEY TARGET	SURVEY ACTUAL
Greater Johannesburg	10 000	100	100
Greater Cape Town	6 000	60	70
Port Elizabeth and Surroundings	2500	25	35
Durban and Surroundings	1500	15	25
TOTAL	20 000	200	230

The survey instrument was administered to approximately 1 per cent of the overall Somali entrepreneurial community. The survey instrument was directly administered by the researcher to ensure that each question was understood and also because many of the respondents were not comfortable with English. The survey was conducted at key meeting points of Somalis in the urban centres, as many would frequent these places from surrounding townships and other smaller places of doing business for the overall primary purpose of accessing goods and services for their businesses. The largest of these centres is the Somali area in Mayfair, Johannesburg; followed by Bellville in Cape Town; Korsten in Port Elizabeth and the Somali area in the city centre of Durban. It was impossible to administer the instruments at the actual enterprises because of security and related concerns. As many Somali entrepreneurs gather at restaurants, wholesalers and lodges that specifically cater for them, this made it easy for the researcher to administer the instrument at these points. Although the choice of individuals to survey was largely done on a random basis, the study may well have excluded those who did not come to these meeting points at the time when the survey was conducted.

To ensure that the survey instrument would work as intended, it was initially tested with 20 individuals in the Mayfair area of Johannesburg. Based on the initial testing of the instrument, only one question was adjusted to ensure that the responses captured the perspectives and sentiments of the Somali entrepreneurs. Question 10 of the survey instrument initially focused on obtaining the respondents perspectives on access to basic services, including documentation from Home Affairs, education and

health services. The test result was that the majority indicated that the process of getting refugee papers is very poor but access to basic education and health services is good. Accordingly, from this the question was divided into two parts.

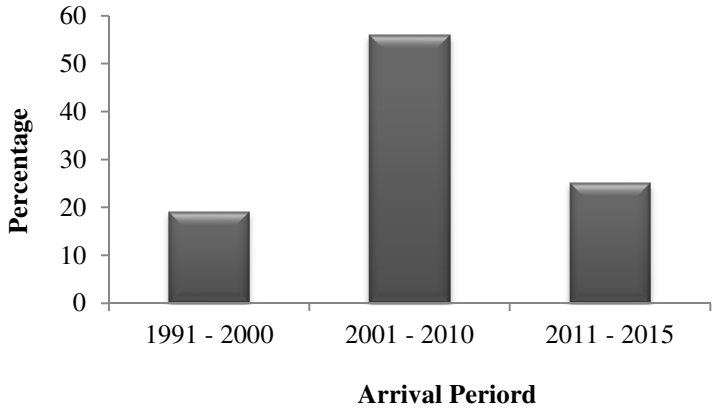
The survey data is broadly presented within the overall conceptual framework of the study. The first part provides some basic information on the respondents, their motivations for being in South Africa and their enterprises. The second part is focused on their perspectives on the environmental factors that attracted them to South Africa. The third part is focused on the environment factors. The forth part focuses the social cultural factors that might explain the level of entrepreneurship and the last part on the establishment incentives. Also included are the results from Part E of the survey instrument. This part was directed at establishing Somali entrepreneur's perspectives on the factors that account for their success.

Basic Information of Respondents

The basic information was directed at broadly establishing the motivations for being in South Africa amongst Somalis, some background information on educational levels and on the type and location of businesses. This included the arrival period of respondents, the kind of businesses they engage in, how many enterprises each respondent has as well as their ability to speak the English language.

One of the questions asked related to the different arrival periods of the respondents. This question is important because there were different conflicts in Somalia which took place during different periods, particularly the first few years after the collapse of the Somali central government and the conflict that arose after the Ethiopian troops invaded Somalia in mid 2000s. So the question sought to highlight how these two conflicts increased the numbers of Somali nationals who migrated to South Africa.

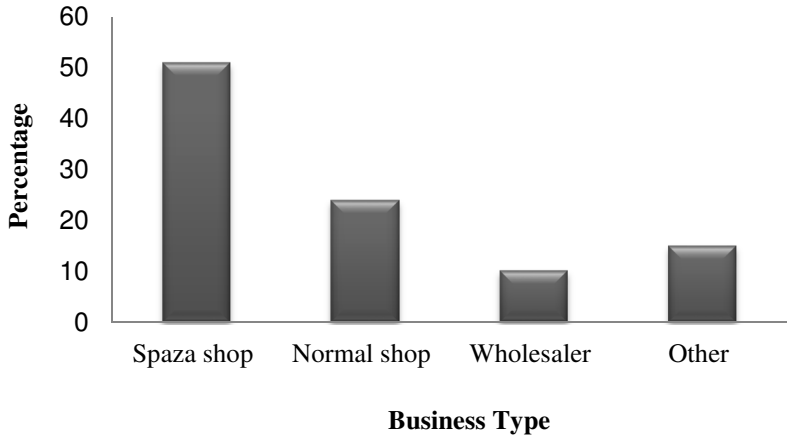
Figure 1: Arrival Period of Somali Entrepreneurs



In order to understand when Somali migrants largely arrived to SA, according to the data of 230 respondents this represents a certain percentage of the population. The overall data reveals that 81 per cent arrived in the past fifteen years, whereas only 19 percent arrived during the period between 1991 and 2000. Most of the individuals surveyed arrived in the period 2001 to 2010.

The research respondents were asked to indicate the type of businesses they engage in, so as to highlight the kinds of small scale enterprises that Somali entrepreneurs engage in the most. According to figure 2, below their businesses range from small grocery or tuck shops which sell the daily necessity of households to medium wholesalers that offer large scale quantities of all kind of goods and products produced or imported by the big companies in the country. This question was asked in order to highlight the kind of businesses that Somali entrepreneurs engage in, they do not run only small business such as tuck and spaza shops but they also have small and medium enterprises.

Figure 2: Business Type



Somali entrepreneurs engage in a variety of businesses, as the data reveals more than half of the respondents own spaza shops; these are small retail outlets which sell the basic necessity of households, additionally 24 per cent of the respondents have normal shops; this category include clothing stores in the city centres and suburbs as well as medium sized shops which operate both as a retail shops and as small wholesalers. Also 15 per cent of research respondents engage in other businesses such as restaurants, internet and telephone shops, tuck shops, a few who are hawkers and lodges (hostels exclusively for Somalis, where those who work in townships spend their days when they want to renew their refugee permits or negotiate a business deal or conduct other business activities in towns). 10 per cent of the respondents owned small scale wholesalers.

Respondents were asked to indicate how many businesses each of them own. This was asked for two reasons. First, to discover the co-investments approach of Somali business owners, secondly to specify how Somalis start their own businesses then gradually develop or grow their small scale enterprises. It can be seen in the figure 3 below, that the majority of them have only one shop; there are few in number that have more than one shop and in some cases there are individuals who have a shop and have invested a certain percentage of the first shop's returns in another shop.

Figure 3: Number of Shop(s) per Respondent

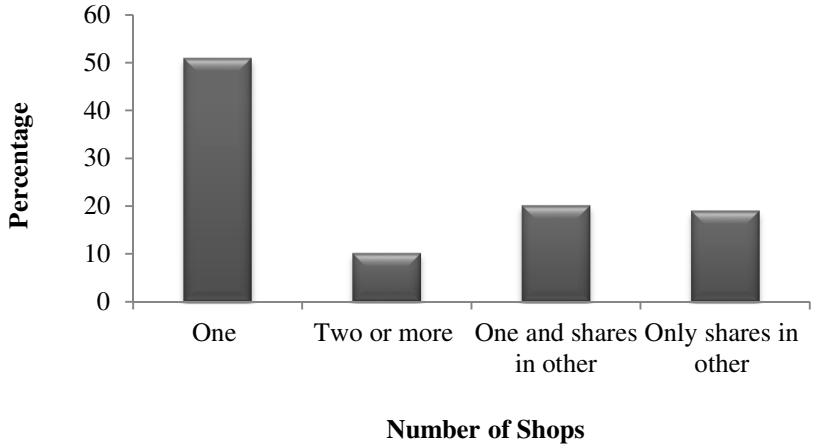


Figure 3, shows the number of shops that each respondent owns, as the data reveals 51 per cent of the respondents currently own one shop, whereas 20 per cent own one shop and also have a share in other shops. 19 per cent have only shares in shops and 10 per cent of the respondents own more than one shop.

Regarding sharing a business, three or four individuals invest together an amount specified during their negotiations in order to establish the business. The distribution of the profit depends on the net profit for the month and each person receives their share of the profit according to the initial amount of the investment. They have a basic system of bookkeeping to record the sales and expenditure of the business.

The respondents were asked to indicate the locations of their businesses, in order to determine and reveal the places they established their enterprises. The majority of Somali owned businesses are located in townships. Locations and Townships in South Africa are usually referred to as underdeveloped areas that are close to the urban towns. The below table 5, summarises the locations of Somali owned enterprises.

Table 5: Location of Somali Owned Businesses

Location of Business	Percentage
Township	52%
Suburb	28%
City centre	16%
Other	4%

Somali entrepreneurs have established their business in different areas, the data reveals that the majority of the respondent's business locations are in townships outside of city centres and towns, mostly the townships are residential areas populated by black and coloured South Africans. Also 44 per cent of respondents overall established their business either in city centres or suburbs; whereas only 4 per cent have indicated that they established their business in other areas.

In order to determine the main motives for choosing South Africa as a destination, respondents were asked to choose the main reason for coming to South Africa. This explains the motives and courage elements such as the pull and push factors of entrepreneurship. The following table 6 provides a summary of responses.

Table 6: Main Reason for Coming to South Africa

Main Reasons	Percentage
Economic Opportunity	67%
Join family members	6%
Passing through other countries	1%
Study	8%
Other	18%

Based on the data presented in the above table 6, it is evident that a very high number of the respondents came to South Africa because of economic opportunities, while a small percentage of the respondents insisted that they only migrated to South Africa because of other reasons such as seeking a peaceful place and political asylum in order to leave behind the war trauma in their homeland. Notably, a few individuals came to SA in order to join their family members and others for study purposes.

The education level was asked in order to determine to what extent education is a feature of entrepreneurship and its contribution in creating small scale enterprises particularly related to migrants engagement in self-employment. The table below shows the education level of the respondents.

Table 7: Level of Education

Level of Education	Percentage
No formal education	34%
Primary	23%
Secondary	35%
University degree	7%
Other	1%

The data on the educational level of the respondents is collated in the above table 7, and indicates that over 57 per cent either do not have any formal education or they started school and left before they finished primary classes. Only 35 per cent of respondents finished high school and seven percent have University degrees.

The respondents were also asked about their English language speaking levels to determine if there was any correlation between competency in English and the move towards entrepreneurship. The responses are reflected in table 8 below.

Table 8: Level of English

Level of English	Percentage
Poor	42%
Medium	10%
High	46%
Excellent	2%

As nearly all of the Somali migrants came from a non-English speaking country and they established their businesses in a new environment it is critical to assess their ability to speak English. The level of English of 42 per cent of the respondents is poor and 46 per cent's level of English is high, but remarkably only two percent of the respondents claimed their level of speaking and understanding English is excellent. Furthermore, some of the respondents indicated that the English language does not have an impact on their business because their customers speak their local languages such as Zulu, Afrikaans and Xhosa, so some of the respondents have learnt the local languages and they converse in them better than they do in English.

The respondents were asked to indicate whether they had engaged in business activities before they arrived in South Africa. This question was directed at determining whether past business experiences are an important element in entrepreneurship activities and its role in migrant's self-employment in a foreign country. Also to highlight whether Somali migrants in South Africa had engaged in entrepreneurship activities before they arrive this country. The figure 4 presents the respondent's past business experiences.

Figure 4: Past Business Experience



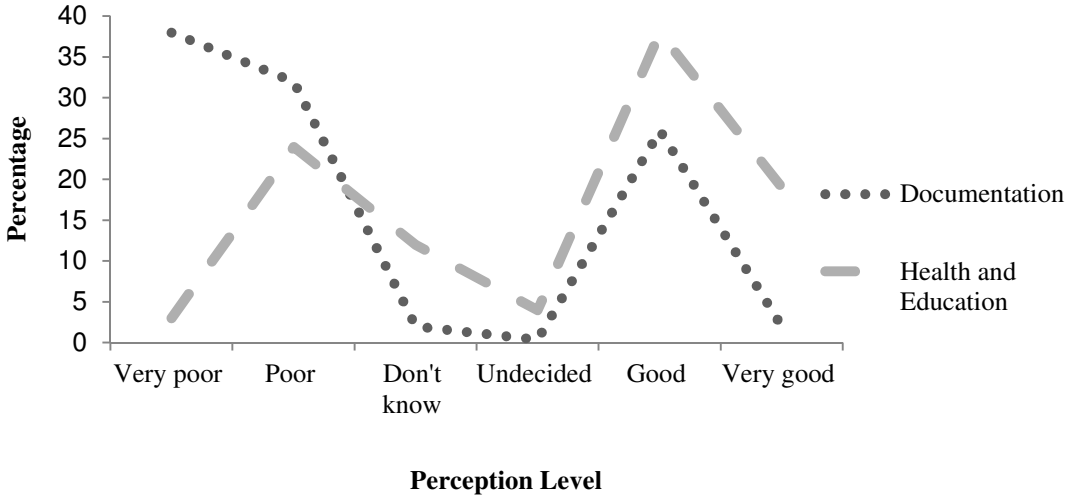
According to the overall data of the research, most of Somali entrepreneurs in South Africa had no business experience before they arrived in South Africa. Over 54 per cent had no business experience while 29 per cent had worked and engaged in business activities before they migrated. Only 17 per cent owned businesses before they migrated to South Africa. According to their responses many of the Somalis started engaging in entrepreneurial activities only after they migrated to this country.

Environmental Factors

The environment in which refugees conduct their business is critical for their survival. South Africa's refugee legislation grants the refugees and asylum seekers freedom of movement, employment and some basic public services. The research asked questions related to how Somali migrants perceive the environment in which they are conducting their business. These questions were largely directed at understanding the factors that attracted Somalis to entrepreneurship in South Africa. The importance is to highlight if they are easily getting all the necessary requirements such as documentation, education and protection rights and how these factors affect their businesses.

One of the basic rights of refugees and asylum seekers is the right to apply and get documents from the Department of Home Affairs (DHA). The research respondents insisted that there are obstacles within the DHA in order to get their rights; these include asking for bribes and systematic corruption in the process of determining the asylum applications. The figure below summarises the respondents view on accessing the public services in SA.

Figure 5: Access to Basic Public Services



As figure 5, data reveals total of 70 per cent of the respondents indicated that the service of getting refugee and asylum papers at the DHA is poor, only 28 per cent overall said it is good. On the other hand, access to other services, such as health services and public education, the overall data reveals that accessing these two rights is good. Overall 47 per cent of the respondents insisted access to education and health services is good whereas 27 per cent indicated it is poor. Additionally, there are a few percent of the respondents who either have not accessed the services or insisted they don't know.

The South African government allows migrants to freely engage in legal activities and freely move within the country. Although the environment somehow is hostile because of xenophobic attacks that happen sometimes and serves to reduce the movement of foreign nationals. It is important to indicate the perception of Somali entrepreneurs who are mostly vulnerable to attacks. Also the question was asked in order to determine whether Somalis feel safe moving within the country while they engage in their business activities. The overall data in table 9 reveals that the majority of Somalis feel they can freely move anywhere in the country and feel safe.

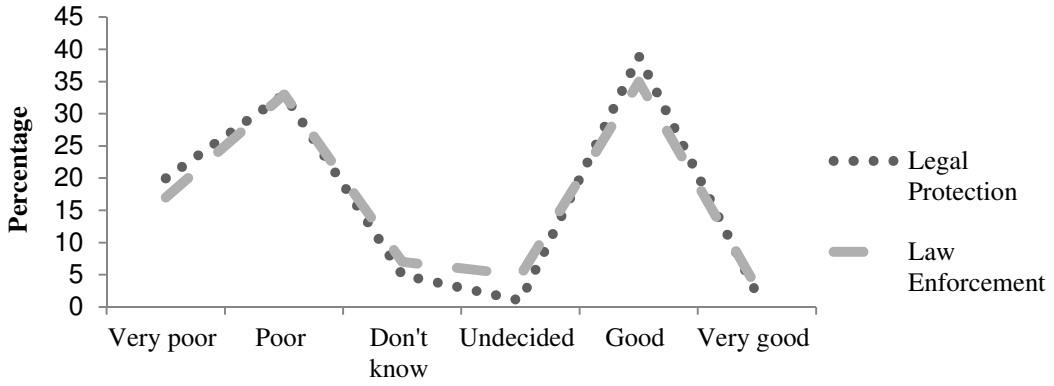
Table 9: Freedom of Movement

Perception	Percentage
Very poor	6%
Poor	9%
Undecided	1%
Good	47%
Very good	37%

The respondents were also asked to express their perception on free movement, the overall data reveals that the freedom of movement within South African provinces is very good, refugees are not restricted to stay in designated areas like some other African countries, they enjoy their basic rights as set out in the South African Refugee Act (Act 130 of 1998) and this gives them the opportunity to settle anyplace they want. As can be seen in the above table, almost half of the research respondents mentioned that their freedom of movement within South Africa is good.

Entrepreneurs in South African townships face many challenges such as robberies and attacks on their properties. Somali nationals are particularly affected, so the research sought to identify the perception of Somalis regarding their accessibility to and the effectiveness of the legal protection system and law enforcement agencies. This gives a general understanding of the situation in the environment within which they conduct businesses. The figure below compares the perception of Somali migrants on the services of legal protection and law enforcement of South Africa.

Figure 6: Legal Protection and Law Enforcement

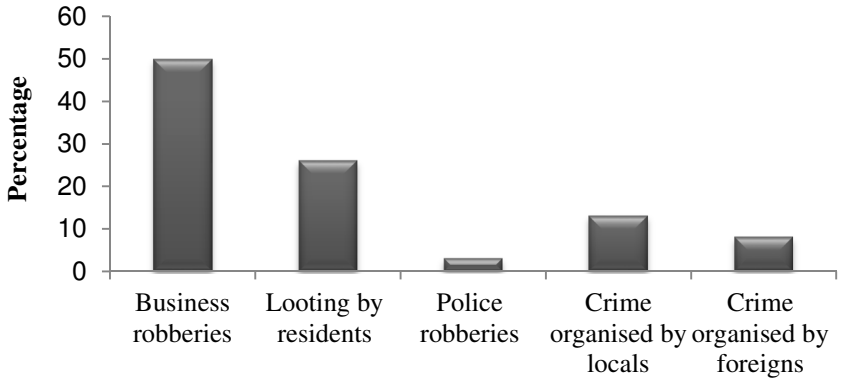


The experience of Somali entrepreneurs regarding legal protection and law enforcement is very different. According to the overall data in figure 6, they have extreme perceptions on both factors either good or poor. 40 per cent indicated that the legal protection is good; on the other hand, 33 per cent of the respondents insisted that it is poor. On the law enforcement factor, they have quite similar perceptions 35 per cent of the respondents said it is good whereas 33 per cent have a negative perception on the services of the law enforcement agencies.

Only a small percentage responded with either a don't know or were undecided on the question of law enforcement such as the police, traffic officers and other law enforcement agencies, the overall data shows at least half of the respondents think that the law enforcement in South Africa is poor. In contrast to this 38 per cent of the respondents said it is good. The lack of protection and law enforcement makes Somali businesses vulnerable to robberies especially those businesses in the townships.

In order to determine the most common type of business crime that the Somali entrepreneurs face the research asked them to indicate it because it is an important environment factor that assists or hinders the development of small scale enterprises.

Figure 7: The Most Common Type of Business Crime

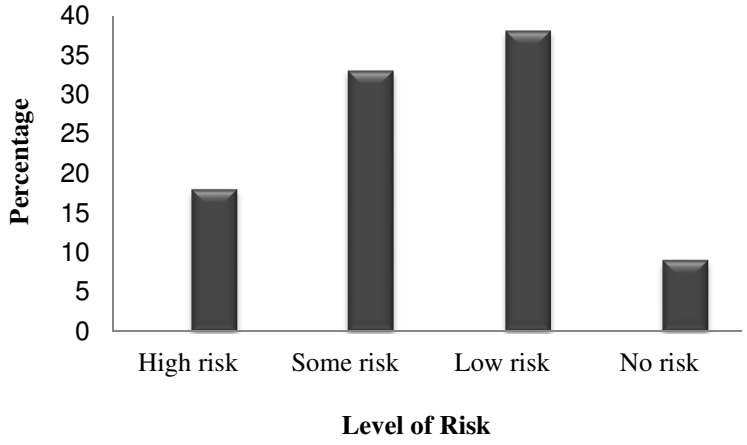


The respondents were asked to indicate the most common type of business crime they faced, figure 7 shows that the majority of the respondents insisted that the most common crime affecting their businesses is business robberies, while 26 per cent said looting by residents is the most common crime they encounter. Looting usually happens when there is xenophobic tension in the townships. Because of this Somalis suffer not only loss of their stock, money and properties but their lives too.

The research also asked the respondents to indicate their long term future plans. This question was seeking to understand whether Somalis are happy and want to continue doing business in South Africa or not. As the data reveals 37 per cent of respondents want to remain in South Africa and settle in it while 36 per cent want to move to another safe country especially in Europe or North America and the remaining 27 per cent want to go back to their homeland.

The respondents were directed a question related to the risks of doing business in order to determine the level of risk that are associated with creating a small enterprise in South Africa and also to indicate the level of business risk that an entrepreneur can expect if he or she wants to expand their enterprises into a new place. The figure below outlines the respondent's views on the risks of establishing and expanding their enterprises.

Figure 8: Risk of Doing Business



The data reveals that 37 per cent of the respondents maintained that there is a low risk of business failure in South Africa. While 33 per cent indicated that there are some risks of business failure in South Africa. This is normally associated with the high levels of crime and business robberies. Also 18 per cent of respondents stated that there is a very high risk of failure, contrary to those who responded there is no risk of business failure at all.

As there are some locally owned businesses that compete with Somali entrepreneurs' particularly in townships, so it is important to highlight the level of competition between them. In order to determine the participants were asked to indicate the level of business competition from locally owned enterprises. The table below summarises the perception of Somali business owners on the level of competition from locally owned business.

Table 10: The Level of Competition from Locals

Respondents Perception	Percentage
Very poor	14%
Poor	48%
Undecided	5%
Good	28%
Very good	5%

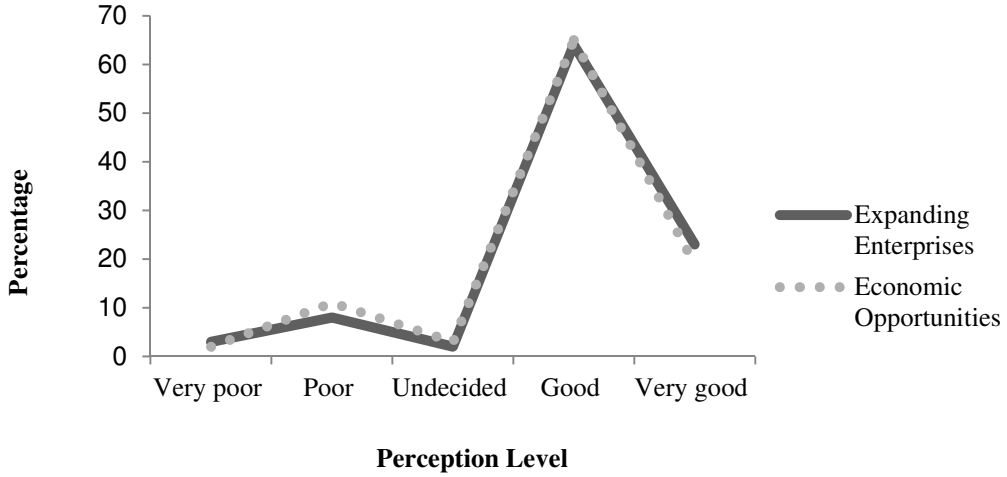
The majority of the respondents perceive that the local business owners do not have the ability to compete with them in business in the informal sector. 48 per cent indicated the competition level from the locals is poor, while 14 per cent indicated it is very poor and 28 per cent think the level of competition from locals is good and only five percent of the respondents insisted it is very good.

Business Establishment Factors

This section presents the business establishment factors for Somali migrants, because of the bustling economic opportunities in South Africa, many refugees and asylum seekers from the rest of the continent are attracted to it. It highlights whether there are good economic opportunities and how the migrants finance their small and medium enterprises.

The research asked the target population to describe the economic opportunities in South Africa, opportunities to work and establish their own businesses as well as the opportunities to expand their enterprises into different places within the country. The reason for asking the question is to determine whether there are good economic opportunities in South Africa compared to other countries where refugees and asylum seekers come from and what is attracting them to come here. The figure below summarises the results of the responses.

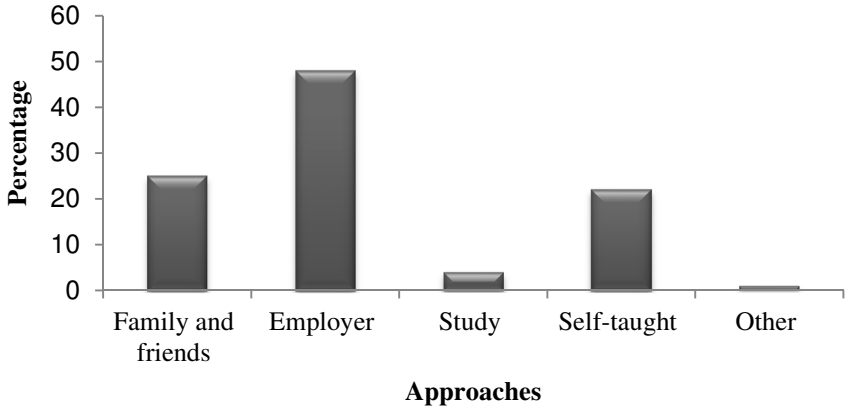
Figure 9: Economic and Business Opportunities



According to the data presented in figure 9 there is a perception of strong economic opportunities in SA. A majority of the respondents (84 per cent) indicated that opportunities that mean getting a job then starting one's own business are good. Similarly, overall 87 per cent insisted there is a good opportunity for expanding their small scale enterprises. On the other hand, only 13 per cent indicated that there are poor economic opportunities in South Africa. Likewise 11 per cent insisted there are poor opportunities for expanding their small enterprises.

In order to determine how the Somali entrepreneurs engaged in business activities, it is essential to highlight their perspectives on how they derived their knowledge for doing business. Figure 10 below shows different approaches including through study or being self-taught.

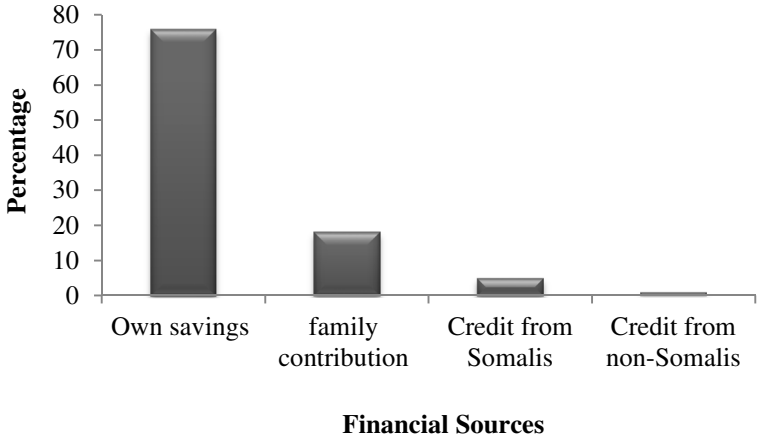
Figure 10: Business Knowledge



The various approaches (skills) that respondents have learnt about how to do business are different and the above figure summarises this. The overall data reveals that most of them 49 percent started engaging in business through their employer; working as a shopkeeper or assistant then some of them gradually move on to establish their own business. While 25 per cent learnt or engaged in business activities through either working within their family business or with friends. 22 per cent are self-taught through first being a hawker.

The research respondents were asked to indicate how they assembled the financial capital that allowed them to establish their small enterprises, in order to determine whether Somali migrants came here with capital that gave them the opportunity to engage in self-employment or if they earned the money while working in South Africa then invested their capital.

Figure 11: Financial Sources



As figure 11, above shows those Somalis who are active in business established their current businesses using the money they saved during their working career. 76 per cent of the respondents established their current business through their own savings, while 18 per cent started their business using family contributions. Only Five per cent established their businesses through goods on credit from Somalis. The majority of Somali entrepreneurs came to South Africa almost penniless and then started working as shopkeepers then saved some money and a few years later they invested their capital and started their own small business.

The respondents were asked to indicate the accessibility of credit goods from Somali owned wholesalers in order to determine the importance of their business relations

and networks on their survival and how Somalis overcome the challenge of not being able to access credit from the banks because of their lack of proper documentation. Their responses are reflected in the table below.

Table 11: Access to Credit from Somali Owned Wholesalers

Respondents Perception	Percentage
Very poor	10%
Poor	22%
Undecided	3%
Good	51%
Very good	14%

From the above table it can be seen that there is a good relationship amongst Somali business owners, as the data reveals more than half of the respondents agreed that access to credit especially from Somali owned wholesalers is good, while 14 per cent also agreed that it is very good, only an overall of 32 per cent disagreed and said that it is poor.

In order to determine whether working hard is the essential success factor for the migrant entrepreneurs. Respondents were asked to indicate how many hours they work per day.

Table 12: Daily Working Hours

Daily Hours	Percentage
Five hours	2%
Eight hours	18%
More than twelve hours	80%

As can be seen on the above table the overall data of the research reveals that most of the respondents work long hours per day Their shops are open from early in the morning until late at night, 80 per cent of the respondents insisted they work more than twelve hours per day, whereas 18 per cent said they work eight hours and only Two per cent work five hours per day.

Social and Cultural Factors

This section highlights some social and cultural factors that assist Somali migrants to establish their businesses. It outlines the importance of co-ethnic business, the value of Somali networks and the respondent's perception on the importance of local

customs on their business as well as how they perceive networking with locals as well as the other migrants.

A question related to the importance of co-ethnic business was asked of the respondents in order to determine how their business relations affect their daily business activities.

Table 13: Importance of Links with Other Somali Businesses

Perception of Respondents	Percentage
Not so valuable	12%
Somewhat valuable	10%
Undecided	2%
Valuable	40%
Very valuable	36%

Although there is business competition amongst Somali entrepreneurs the overall data on the table above reveals that co-ethnic business relations have a valuable role in their business establishment and development. 40 per cent responded that their co-ethnic business relations have a valuable role within their overall business activities, whereas 36 per cent insisted it was very valuable. Only 12 per cent said it was not so valuable.

The research sought to understand the perception of Somalis on the impact of local customs on their business. This was asked in order to describe how they perceive the customs of their customers. Because there are some differences such as language, cultural and religious factors that somehow have impact on their business relationships with the local residents. The table below summarises the respondent's view on the importance of local customs on their businesses.

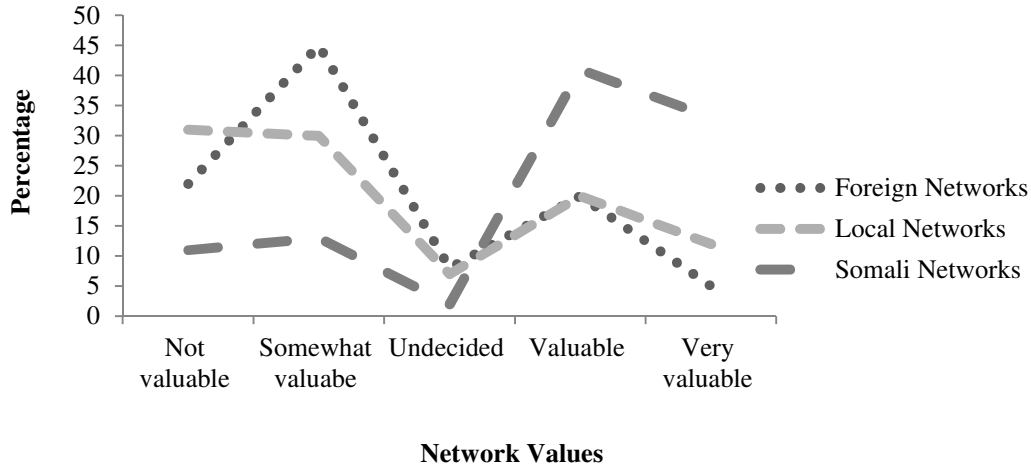
Table 14: Importance of Local Customs

Respondents Perception	Percent
Not so valuable	24%
Somewhat valuable	38%
Undecided	6%
Valuable	21%
Very valuable	11%

As the data on the above table reveals, 38 per cent of respondents indicated that understanding local customs is somewhat valuable to their business. 24 per cent disagreed and said it is not so valuable, while 21 per cent insisted it is valuable for their business. On the other hand, there are locally owned businesses which compete with Somalis and other foreign owned shops in South Africa's informal sector, so the research sought to understand the business relationship among different stakeholders that engages with business activities in the informal economy.

Also the research sought to identify the importance of social capital and networks on Somali enterprises, In order to determine the importance of business networks, the research participants were asked to indicate the role of foreign, local and Somali networks on their business activities. The figure below compares the three networks and summarises their importance according to the perspectives of the research respondents.

Figure 12: Importance of Networks



According to figure 12 the research participants have different perceptions on the importance of business networks. The overall data shows that Somali networks are more valuable than the other two networks. Overall 74 per cent of the respondents indicated that their co-ethnic networks are valuable. Only 11 and 13 per cent said Somali networks are not valuable or somewhat valuable respectively. On the other hand, participants regard foreign networks as the second most important when it comes to business relations. 45 per cent of the respondents indicated that their foreign associates are somewhat valuable for their business engagements and another

20 per cent insisted it is valuable. According to the data in the above figure, the value of local associates is the least valuable for them. An overall total of 61 per cent insisted that the local networks are either not so valuable or somewhat valuable and only 20 per cent indicated they are least valuable.

Business Success Factors

The last section of the survey questionnaire was designed to test the consistency of the respondent's responses for other questions in the different parts of the survey. table 15 provides a list of business success factors that contribute to the growth and development of small scale enterprises. Participants were given six categorised factors and each has three critical choices that respondents had prioritised according to their perspectives.

Table 15: Success Factors

	RANKING AREA	RANK	COUNT	PERCENT
YOUR BUSINESSES COMPETITIVE ADVANTAGE	Knowledge of business	Less important	60	26%
	Hard Work	Most important	117	51%
	Low Prices	Least important	53	23%
YOUR BUSINESS NETWORKS	Network with Somalis	Most important	125	54%
	Network with foreign	Least important	29	13%
	Network with locals	Less important	76	33%
HUMAN CAPACITY	Somali employees	Most important	140	61%
	Other migrants	Least important	33	14%
	Local employees	Less important	57	25%
ENVIRONMENT CONDUCTING BUSINESS	Law and order	Most important	132	57%
	Local community acceptance	Less important	82	36%
	Non-interference from Government	Least important	16	7%

DEVELOPMENT OF CURRENT BUSINESS	Access to credit	Less important	57	25%
	Collective buying power	Most important	150	65%
	Innovation and risk	Least important	23	10%
EXPANSION OF CURRENT BUSINESS	Legal registration	Most important	159	69%
	Access to neighbouring states	Least important	24	11%
	Access to government small business services	Less important	47	20%

As the above data reveals, more than half of the respondents believe that the business competitive advantage they have is hard work, while 26 per cent believe that actually their advantage is not working many hours per day but they insisted that it is their knowledge of how to do business and 23 per cent insisted their competitive advantage is the low priced goods they sell compared to local shops.

The research sought to explore the preference of Somali entrepreneurs regarding business relationships. As the data reveals 54 per cent of the respondents want to establish business networks with their co-ethnic groups. Whereas 33 per cent revealed they want to have business network with locals and only 13 per cent insisted networking with other non-Somali business associates. Immigrants also take advantage of their co-ethnic groups resources for employment; they prefer to employ each other. It is worth noting that 61 per cent of respondents prefer to employ individuals from the same country, while 25 per cent insisted they prefer to employ locals, whereas 14 per cent said they want to hire other immigrants.

The respondents were asked to prioritise the critical environment factor that they prefer when establishing a business. According to the above data 57 per cent of respondents first priority is law and order, 36 per cent prefer local community acceptance, while only Seven percent do not want government to intervene in their businesses. On the other hand, in order to develop their current businesses 65 per cent of respondents want to invest together and have collective buying power, whereas 25 per cent would like access to credit, Ten per cent insisted that they prefer to come up with innovations and face the risk of being self-dependent. A high

number of respondents want to follow the legal registration process, whereas 20 per cent want access to government's small business services and 11 per cent, in the future want to expand their enterprises into neighbouring countries.

The section below highlights the main critical factors that the respondents indicated as the main priority of their enterprise successes such as their business competitive advantages, business networks, human capacity, factors that influence the entrepreneurship environment and the elements of expanding the current business.

Table 16: Critical Success Factors

Success Factors	Percent
Hard work	51%
Network with Somalis	54%
Somali employees	61%
Law and order	57%
Collective buying power	65%
Legal registration	69%

A majority of the respondents indicated that their business competitive advantage is that they work hard and their business operates longer than the usual working hours. They want to establish strong business networks with their co-ethnic owned enterprises. Additionally, in order to develop their small scale enterprises they prefer employing each other rather than the other human capacities. The majority of the respondents indicated that they choose the environment they want to conduct or establish business in relative to the criteria of law and order. Also most of them insisted that they prefer collective buying power or to buy their goods and products through bulk buying in order to minimise the transportation costs. On the other hand, a very high number of the participants indicated they follow the legal requirement process of registration of their small scale enterprises.

Correlations in the Responses

This section presents the correlations between some of the variables in the survey questionnaire. The variable correlations were done after the researcher captured the research data into the Statistical Package for the Social Science (SPSS). Only those correlations that were deemed important for further analysis are presented here. These include variables such as legal protection and the environment that migrants conduct their businesses in, as well as some business related factors such as the

business relationship amongst Somalis and the access to credit among them. Also highlighted is the correlation between economic opportunity in South Africa and the risk of doing business there.

Human Capacity and Business Relations

According to the results of the correlations there is a positive correlation between the human capacity that the respondents want for their business and the kind of business relations they want to establish. The overall data reveals, 61 per cent that the majority of the respondents want to employ their co-ethnic migrants, in addition a high number of the respondents want to establish business relations with their co-ethnic groups. There is a statistically significant correlation between the two variables.

Legal Protection and Business Environment

There is a negative correlation between the legal protection and the environment migrants conduct their businesses in because the overall data 53 per cent reveals that the legal protection in South Africa is weak. There is no statistically significant correlation between the two variables. This means the increase or decrease in one variable does not significantly relate to the increase or decrease in the second variable.

Economic Opportunities and Risk of Doing Business in SA

According to the correlated results there is a positive correlation between the business opportunities in South Africa and the risk of doing business here. The overall data 83 per cent reveals that most of the respondents believe there is good economic opportunity in South Africa. Also the overall data related to the risk of doing business reveals there is a low factor of business risks in South Africa. Statistically there is a significant correlation between the two variables.

Correlations between Importance of Somali Business and Credit Access

There is a positive correlation between the importance of business activities among Somalis and the access to credit from Somali owned wholesalers. This is according the overall data, most of the respondents insisted that they strongly prefer to engage with businesses owned by their co-ethnic people. Furthermore, the overall data

reveals that access to credit from Somali owned wholesalers is deemed to be good. There is a statistically significant correlation between the two variables. This means that an increase or decrease of one variable significantly affects the second variable.

CASE STUDIES

The cases below are the stories of three Somali nationals who left their homeland in order to start a new life in South Africa. The purpose of narrating the cases is to capture the reality in an ethnographic way thus providing more details about the process of how Somali migrants in South Africa arrive and are able to establish small businesses. The first part of each case gives the background information of the interviewee and their life in Somalia. The narrative then presents their journey to South Africa. The third part of each case relates the survival strategy used and the business strategy put into actions to how the newly arrived Somali migrant survived, start working and establishes his own business. The last part highlights the experiences of the respondents of living in South Africa and their future predictions for doing business.

The criterion of determining the three cases to document was that they should each capture in a different manner the experience of a Somali entering South Africa and doing business. The three interviews were conducted in Mayfair in Johannesburg, Bellville in Cape Town and Korsten in Port Elizabeth. While these life stories are used as examples in the analysis section of the research, all names used in the three cases are fictitious, in order to protect the individuals' privacy. Additionally, the guideline for the questions used to interview them and capture their stories can be found in the Appendix section of the research report.

Case One: Hussein Adde

The first case is the story of Hussein Adde, who was a farmer in Somalia but after challenges such as a civil war and a shortage of rainfall in Somalia substantially affected his family livelihoods he decided to migrate to South Africa in order to start a new life.

Hussein Adde: From being a Maize farmer to a becoming a Marketing Agent

Hussein Adde, a 36 years old man with two daughters, was born in *Araare*, a village in the Lower Jubba Region of Somalia. He has five siblings. He finished middle

school but was not able to continue his education because of the lack of high schools in their town. The main source of income of Adde's family was their maize farm. At a younger age he used to help his father and sell their maize in their village's market. Unfortunately, due to the civil war, unreliable yields from the land and the shortage of rainfall in Somalia, the food production of famers had decreased at an alarming rate. As a result, successive crop failures affected the livelihood of Hussein's family by substantively reducing their only income and means of survival.

In mid-2004, Hussein decided to leave Somalia and seek his fortune somewhere else. He initially embarked on a journey to Kenya. He travelled by bus from *Kismayo*. It took him a few days to reach Kenya where he stayed for two months. After talking to friends who also wanted to leave and find work in other countries, he found a group of Somalis who wanted to travel to South Africa because some of their relatives had encouraged them to come to SA and told them that they can easily find jobs.

Hussain paid some money to a smuggler to take him to his next destination, Tanzania. One dark night he and group of people with the same intention of reaching South Africa took a boat from Mombasa to Tanzania. While in Tanzania waiting to continue their journey, they spent days hiding in fear that the police would catch them because they did not have proper travel documents, despite their precautions, their fear became reality when a border controller spotted their van while they were trying to cross the border between Tanzania and Zambia. Because they had no travel documents they were arrested and imprisoned. Hussein spent three months in prison, when he was released he spoke to his family back home and was sent some money to continue his journey. His next attempt was successful and he reached Mozambique where he stayed for a few months in a refugee camp in Nampula before heading to Zimbabwe. Two weeks later, with the guidance of another smuggler, he was able to cross the Limpopo River and to enter South Africa this was in 2005.

As many Somalis in South Africa do, Hussein stopped in Mayfair; then with the help of one of his extended family he got a job as a shopkeeper in a township in the Eastern Cape. He worked there for six months and then left for Khayelitsha in Cape Town. While he was working he had a car accident and was caught driving without a license and refugee documents. He was detained for eight days at the Mitchells Plain Police Station. Later he returned to Port Elizabeth (PE). Having saved some money,

he also borrowed some from a friend; he bought a van for around R 22 000 and worked at delivering goods to Somali shops in townships around PE. Unfortunately, after a few months once again, he lost his source of income because he had another accident and his van was completely destroyed.

After this incident Hussein returned to working as a shopkeeper and received R 10 000 from his close relatives, he bought a small share in a spaza shop in Motherwell township for about R 16 000. A few months later he sold his share to another Somali migrant for R 24 000 and bought a share in another spaza shop in Walmer Township. In this particular enterprise, He shared the business with two other people and agreed that his two associates would work in the shop while Hussein looked for another job. In his job search after a period of time he found out that the local Makro is looking for Somalis to hire as marketing agents.

Fortunately Hussein was able to obtain a job and worked with Makro for a period of six months. During this assignment, he was given training in a business training program offered by the company. During the contract, Hussein managed to build business relations between Somali businessmen and Makro. Once the contract finished the company offered him a new contract but Hussein declined, because of the salary he was offered was not sufficient. So he invested the money he had saved, Hussein rented a house from a South African and paid a monthly rent of R 8 000. He turned the house into a bed and breakfast motel. He hired two South African nationals for cleaning the motel and the shop.

Since Hussein started running his businesses in South Africa, he has been robbed on four different occasions. One of the frightening events he recounts " … in mid night it was raining so we were in deep sleep three guys broke our door and entered the shop, they robbed us and took all of our belongings, our bags, money..". Even though he recognised one of the robbers was his neighbour and customer, when he opened a case with police the police did not do anything. On a more positive note, the public services offered by the government are beneficial and refugees are entitled to access them, such as public health services and public education, as a father Hussein sometimes visits with his wife and daughters to the public clinic, so far he has being treated well and given everything they need.

Case Two: Jama Shire

The following is the story of Jama Shire, who left Somalia because of both political instability and lack of good economic opportunities and wanted to find a better life than he had in his hometown. Currently he successfully runs two small-medium enterprises in South Africa.

Jama Shire: From a Teacher to the Owner of a Small Company

Jama Shire, 44 years old father of two sons and a daughter was born in *Borama*, a city in North-western Somalia. He lived with his four siblings and his parents. His father and older brother were the breadwinners of the family. They owned a sugar store. After finishing high school; Jama became a teacher at one of the schools in their village. One year later he left the job and started working in their family business. After working for a few years the business started to slow down, considerably decreasing their profit. Jama was eager to find another opportunity and source of income and decided to leave the country.

He decided to go to Kenya and work there. Jama's journey took several days before he arrived at Nairobi. He struggled to find a job for two months and he was staying with a friend who supported him by giving him shelter and food. He spoke to his brother in Europe and told him the situation. His brother advised him to apply to the refugee resettlement programme through the United Nations High Commissioner for Refugees (UNHCR) in Nairobi. Jama declined to do this as he felt that the process takes too long. Later Jama spoke with friends who at that time wanted to go to South Africa, he decided to travel with them and his brother sent him money to spend during the journey.

Jama indicated that he did not have any knowledge about South Africa. He heard only that the South Africans got their independence from apartheid so the country is open to other African nationals, so for him it the motivation was to discover a new place. His journey to SA, through Tanzania, Zambia, Malawi, Mozambique and Zimbabwe, took five weeks. He and two other Somalis arrived in South Africa in 1995. It was not a difficult journey as Jama recalls "… We spent several days in each country which we passed through, it was not as difficult as it became several years after, because at that time there was not too many people that wanted to come here.

There were not smugglers, we paid bus drivers and there was not much control at border stations…."

He recalls that when they got off the bus in South Africa in 1996, they were worried about where to go and sleep. They asked people to direct them to a mosque, they found the Mosque and wanted to sleep there but they were not allowed to, which surprised and shocked them as Jama recounts "…. It was (an) absolutely different experience because you know we [Somalis] have a culture of allowing the travellers to sleep in the mosque, but here they told us to leave and go to other places…." The following day, while walking the streets in Newtown, Jama met a Somali person and remembers how relieved he was. The person told him there were only a few Somalis in the city and that every morning, as hawkers, they go to the train stations, taxi ranks and city centre in order to sell a few things such as cigarettes, sunglasses and other stuff.

Jama started working with a fellow Somali as a hawker. They sold shoes, cigarettes, chips, biscuits and a few other items at train stations. Jama was not happy with the job and spoke to his old brother, living in Europe, about his situation. He asked his brother to help him study. He agreed and supported Jama to register for bridging courses in a college in Durban. In 1997 Jama enrolled at the Natal University of Technology and graduated in 2000 with a marketing degree. Then he worked for five months with the Mondi Recycling Company as a private researcher on the implementation of recycling projects in Kwa-Zulu Natal townships. Later, he got a job with Pick n Pay as a trainee manager. He worked with them for two years then resigned in 2003.

Eventually, Jama moved to Cape Town and co-established or entered into a business partnership with someone else. They established a supermarket. In this venture, the other person was the main investor while Jama mainly provided his skills and experience and invested a small amount of money. Seeking better business returns in 2004 Jama co-established with his two relatives *Som General Trading*, mainly supplying and distributing products and goods from the major producers in South Africa, including the National Brands Limited and Premier Foods. The products included bread, wheat, maize, chips and snacks, potato chips and mega maize and

flour. They also developed their own brand and packaging of mega maize and mega flour.

Years later, in 2009, Jama established *Somal Poultry Trading* as a wholesaler of chicken not only from local producers but also imported from Holland, Brazil and Europe. They repackaged their products with their brand name and sold them mainly in the Eastern Cape. They also had a distribution network with small and large wholesalers such as Makro, Spur and Jambo Imports. The business is currently expanding and Jama is now exporting some South African goods and products to Central and West Africa. While working at the business, Jama continued his studies. He did his first Masters in Entrepreneurship at the University of Cape Town (UCT) and another Masters in business at the University of South Africa (Unisa). Jama's two companies have fifty employees, and more than half of the workers are South African citizens. He complies with the legal requirements of the country's business laws, pays tax and the Unemployment Insurance Fund (UIF) for employees.

Jama's worst experience with his business was the 2008 xenophobic attacks. The shops of some of their customers were looted and burned. Subsequently, they were unable to pay back the credit they owed to their suppliers for the goods that Jama had provided. Fortunately, because of his strong business relations and ethics cultivated over many years, the big companies to whom he owed money, trusted him and allowed him time to recover. They supplied him with goods and products which he later payed back in instalments. Jama regards SA as his second home after Somalia, as he recounted "[South Africa] … is the place I studied, started my own business, have children and made assets and capital, there are some challenges but I don't want to leave here because of the challenges I want to continue developing my business also I want to show that we [Somalis] are contributing the economy, we benefited from South Africa and they are benefiting from us…"

Case Three: Ali Ganey

The last case based interview is the story of Ali Ganey, who worked under difficult circumstances in his hometown, then decided to leave behind the trauma of the war and seek a better life in other places. Now he successfully runs his own enterprise in Soweto.

Ali Ganey: From selling ice in Somalia to sweets in Soweto

Ali Ganey, a 32 year old man, was born in *Janaale*, a small village in Southern Somalia. He is from a family of eight people was the sole bread winner and has no formal education. His father informally taught him how to write and count. While he was growing up Janaale's job was to cut large blocks of ice into small pieces and sell it. He worked from early in the morning until late in the evening and earned a small amount of money. But for him and his family it was better than nothing. Their daily struggle for subsistence was tolerable until the degradation in the situation of their village because of the civil war in Somalia. For a while he worked at his uncle's shop but they could not conduct their business effectively, as rebels used to detonate bombs on the road near their workplace to target the government troops and their ally's when they pass on the road.

His father was an old man who had been injured and who was not able to work. He sustained injuries on his leg during the Somali civil war. One afternoon, after the Friday prayers, the only time he is off the work during the whole week, Ali was having tea with his old father. Two of his father's best friends approached them. Ali recounts that "one of them Omar, known as *Bidaarle* (bald man) was anxious… I could see it on his face". My father told me Omar's oldest son had joined the militia and he doesn't know where he is. The other friend, looked happy, his name was *Osoble*, a well-dressed man with a new cane. Three years ago, Osoble's son left the town and after a long journey through several countries, he reached Europe and found a job. Now, "he is sending money and looking after his family". Seeing this as an opportunity to encourage Ali to seek a better life, his father warned him not to join the militia but rather to work hard in order to look after them. He advised him to do the best he could and follow the path of Osoble's son.

Encouraged by his father, Ali sought information about where to go. He discussed the matter with his friends and many suggested that he should go to Europe. The fees to be smuggled to Europe were very high and would be unobtainable for him. One of his friends suggested that he went to South Africa, as he has heard of other Somalis who had succeeded in starting their own businesses there. As Ali recalled, "…one Tuesday morning in April, 2009 I remember it clearly, - It was raining when I bid farewell to my family and jumped on a bus to Kenya which passes through a number of different cities in Somalia". Their journey took six exhausting days,

allowing them to reach the *Dadaab* refugee camp in Kenya.[3] With little money in his pocket, he couldn't afford to waste time staying in the camp. Ali immediately asked people how he can travel to Eastleigh, a Somali dominated suburb in Nairobi. He found a *Mukhalas* (smuggler) and paid a small fee to be smuggled to Nairobi. Three days later, Ali and another group of Somalis boarded a bus which passed through Garissa and reached Nairobi late at night. In Eastleigh, he worked for around six months as a waiter in a Somali owned restaurant. He saved as much as possible and used the funds to pay a smuggler for the journey to South Africa.

It was a dark night in October in 2009 when he and others took a boat from Mombasa to Tanzania. They spent three days hiding in a house before they took another boat to Mozambique. Together with other Somalis and Ethiopians, Ali crossed the border of Mozambique into Zimbabwe spent a week in Harare. Then he travelled with his group to an area close to the South African border. From there, they walked the whole night to avoid police and crossed the border under a barbed wire fence. He reached Musina in South Africa in November 2009 from where he caught a bus to Johannesburg after convincing the driver that he would be paid when they arrive at the bus station. Ali had arranged for this leg of the journey to be paid by a friend of a friend.

Ali arrived in Mayfair and was worried about how he would survive. He approached a number of Somali businessmen and asked them to help. He was given some money to buy food and pay the rent of the lodge. After a few days a new friend offered that he work with him without giving him a salary but he fed him and allowed him to stay in his shop in Soweto. Ali accepted the offer and, for the meanwhile, applied for asylum at the Department of Home Affairs. His application was accepted and after a month he was granted a refugee permit which allows him to study and work in South Africa. Two months later, Ali got a job as a shopkeeper in Soweto and started earning R 3000 per month; he personally did not spend much because he slept and ate in the shop and sent some money to his family. He uses the *Hawala* system[4] in order to send money to Somalia. His family are completely dependent on the money he sent for their basic food and shelter needs.

[3]World's largest refugee camp located at the Kenya-Somalia border.
[4]A traditional system of transferring money whereby the money is paid to an agent who then instructs an associate in the relevant country or area to pay the final recipient

At the beginning he had difficult of communicating with his customers, as he was not able to speak English or any local language. But his colleagues helped him by teaching him the names and prices of the products in the shop so he could memorise them. He worked at least fourteen hours per day, from opening the shop early in the morning till closing it late in the evening in order to sell as much as possible and maximise the profit. While working and saving money, Ali was informed of a Somali man who wanted to leave the country and was selling his part of a shop, for a sum equivalent to around R 25 000[5]. He moved to the new shop to work, which allowed him to earn a salary as well as monthly profit for his investment. He kept the records of - the daily business transactions in a counter book and used another record book to record the cost of doing business such as airtime and transportation costs. Although there is an intense level of competition among Somali businessmen, information about business opportunities, including whether someone is selling his shop, is widely shared in the spaces where the community gathers - areas such as restaurants and hostels.

Three years later, Ali bought a shop from a Somali owner, who was relocating to the United States of America through the refugee resettlement program of the United Nations High Commissioner for Refugees (UNHCR). Ali paid around R 93 000 and recruited two Somali men and a South African for merchandising and cleaning the shop. He rents the shop from a South African and pays a rent of R 6 450.00 for every month. The shop is located in Soweto and offers all kinds of necessities and household items – groceries, sweets, cool drinks and small cosmetics. Ali and his two employees stay in a small room in the back of their shop. This room is their kitchen and living room: on one side they put bedsheets and clothes while on the other side they cook their meals. Ali buys the commodities from Somali wholesalers in Johannesburg. The business relationship he developed with them helped him to get credit several times. Ali also built relationships with his customers. He gives them credit with no interest especially the pensioners and provide them with more competitive prices - cheaper than other shops in the area.

[5] In this type of venture, in order to establish a shop, three or four individuals invest together and the distribution of the profit depends on the net profit of the month and each person receives their profit according to the initial amount of each investor, they have a system of bookkeeping which recorded the sales and expenditure of the business

Since Ali started conducting business, he managed to establish strong relationships with other Somali businessmen although business activities such as giving credit, employment and business shareholdings are established on the basis of the extended family or in the same clan networks. Ali, through his solid friendships, was able to integrate into these networks and worked with the Somali wholesalers to establish business relationships enabling him to be trusted and arrange credit. During the xenophobic attacks in Soweto in January 2015, some shops were looted including the shop of Ali's friend in Snake Park. He lost some of his products. Ali and some other Somalis helped him take what was left of his goods from the shop and later, assisted him in returning them after the situation became calm. The victim's friends also collected some money and gave it to him. According to Ali the opportunities of doing small business in SA generally are very good but he emphasises the risks being taken. For instance, he bought a shop and after a month, he was attacked and its manager was injured. The information he received about the good infrastructure and economic opportunities in South Africa are what persuaded Ali into migrating. He said South Africa is better than all of the countries he passed through during his journey and describe it as "the America of Africa"

When the refugees are granted their refugee permit, it allows them to access the basic public services such as health care or education. In 2012 Ali was sick and needed health care he went to the Municipal Clinic at Diepkloof in Soweto, he received all health care he needed and recalls that everything went well. On the other hand, there are also everyday difficulties to deal with while operating a business. For instance, several time while delivering goods to the shop, he had to pay some money (bribes) to the metro police. In another instance in 2013, he encountered one of his customers who was allegedly trying to give him some money and was accusing him of giving it to him as change. When Ali contacted the police, he waited several hours and then instead of helping him, they told him to go back where he is from. For the future, Ali believes it will be very hard to integrate with locals even if he stays many years because of the negative perception of foreigners held by many locals and the resulting xenophobic attacks. Ali would like to stay in South Africa for longer and continue to do business but he still feels home is the better place and would like, if the situation in Somalia becomes better, to return. "If the security and political

situation improved at home, I will sell my business and invest my county". But, for now, his focus is to expand his business and open other shops in other locations.

CHAPTER 5: AN ANALYSIS OF SOMALI MIGRANT ENTREPRENEURSHIP

This chapter provides an analysis of the survey results and the case studies presented. To facilitate engagement, the exploration of the key issues that emerge follows the framework of the broad research question, sub questions and the central explanatory propositions outlined in the conceptual framework of the study. The analysis begins with a discussion on the background of the Somali entrepreneurs in South Africa. It then provides a detailed analysis of the social, economic and cultural factors that account for the establishment of enterprises by Somalia migrants.

The core of the analysis centres on the explanatory factors that account for Somali migrant entrepreneurship. This incorporates the push and pulls factors or, in other words, the factors that assist or hinder the enterprise formation. Of particular importance are the environmental factors that serve to draw Somalia migrants into entrepreneurship activities. Incorporated into the analysis are the observations made during the research process. These observations are crucial as some elements that make Somali entrepreneurship possible are not always formally articulated during interviews or within the survey. Where relevant the literature and theory are restated for analysis or for the purposes of highlighting differential perspectives on particular issues.

BACKGROUND OF SOMALI MIGRANTS AND ITS IMPACT ON ENTREPRENEURSHIP

Somalis started arriving in South Africa around 1994. As the data indicates only a small number arrived in the first few years post-apartheid. (Jinnah, 2010; UNHCR, 2015). This can be largely attributed to the lack of information on the journey to South Africa[6]. When the Somali civil war broke out during the 1990s most people sought refuge in neighbourhood countries such as Kenya, Djibouti and Ethiopia. As the data reflects, only 18 percent of the Somalis interviewed arrived between 1991 and 2000. Most of this group worked as hawkers and street vendors by selling small things at train stations and taxi ranks. After some years they started to establish small

[6]Authors own experience and through interviews with other Somali entrepreneurs very few knew about South Africa.

shops outside the big cities. They shared information about the economic opportunities in South Africa mostly with their relatives and friends who were escaping the drought and the war in the mid-2000s. The evidence suggests that most Somalis that arrived in 2000 and beyond were attracted by the initial success of those who arrived in the 1990s.

Through rapid open communication and money transfers to their home countries, those who arrived initially sent messages of success and stability to those seeking to leave Somalia. Initial success often results in others following even if conditions change or other challenges emerge. Individuals have not been discouraged by xenophobic violence and generally the data shows that Somali migrants still find South Africa attractive. As in the case of Hussein Adde it is evident that because the drought that affected the production of their farm in Southern Somalia pushed him into other survival options he migrated to South Africa. Also Ali Ganey left Somalia because of the impact of war on his daily life.

In order to find a politically stable place and economic opportunities Somalis undertook long and difficult journeys to South Africa. They passed through different countries with complex road journeys such as via Kenya, Tanzania, Zambia, Malawi, Mozambique and Zimbabwe. A lack of governance in Somalia forced many countries not to accept Somali travel documents. Somalis take this complex road trip without proper documents and they pay money to the smugglers who assist them to reach their destinations. All of these countries are relatively peaceful and in a better situation than Somalia. Some of them might not give refugees and asylum seekers as many rights as the South African government does, as the researcher observed and the data on (table 6, P 48) reveals many Somalis come here because of the economic opportunities and in most cases a friend or a relative has given them information about getting a job in South Africa and sometimes they even finance their friends or relatives trip from Somalia to South Africa[7].

Somali Migrant Enterprises

The absence of credible information in the public sphere sometimes creates the impression that the Somali migrants only engage in 'spaza' shops business in

[7]Author's observation, in some cases Somali entrepreneurs pay the trip expenses mostly of their close relatives in order for them to come here and work.

townships and do not always follow the rules (Steyn, 2015). The data however reveals that their entrepreneurial activities are far larger and more varied than this perception. The Somali migrants engage in a variety of businesses whether it is tuck shops, spaza and grocery shops in townships as well as big wholesalers. They rent premises from South Africans and provide income to the landlords (Gastrow and Amit, 2013; Thompson, 2015). The evidence shows that many Somali migrants are developing and expanding their businesses from small shops to larger corporate companies (Thompson, 2015). As the case of Jama Shire who established *Som General Trading* and *Somal Poultry Trading*. This company imports goods from European and Latin American countries and also exports goods to some other African countries. The survey also demonstrates that many Somali migrants expand their wealth through ownership or shares in a large range of enterprises. When the individuals work as shopkeepers they also start saving money for investment purposes, as a result they group themselves in most cases according to clan based networks or with trustworthy kin and invest together to establish medium and large enterprises. This is how many Somali owned wholesalers were initially established.

There is a general pattern of entrepreneurship and business growth that Somali migrants seem to follow. When they first arrive in South Africa, they engage in businesses by working as employed shopkeepers usually in townships. They then gradually start investing the money they have saved, with the result that after a few years most of them either own fifty percent of a shop or a whole shop. According to the research data there are 20 per cent of Somali entrepreneurs who own two or more enterprises. They engage in business in different places such as townships, suburbs and city centres, as the data in (table 5, P 47) reveals more than half of the respondents indicated they run businesses in townships. Low income township neighbourhoods are the primary target of the Somali entrepreneurs because they take advantage of the absence of big supermarket chains or malls in these areas and hence they offer all the necessities, basic goods and products needed by households.

Somalis have also established their businesses in the city centres and suburbs. They have transformed residential suburbs into business districts such as Mayfair in Johannesburg, Bellville in Cape Town and Korsten in Port Elizabeth. They run a variety of business enterprises. Although most of these enterprises serve mainly their co-ethnic groups and a few other migrant communities, it plays a critical role in their

engagement with self-employment. They regard these places as their little hometowns and feel safe within these areas given their numerical dominance. These centres also provide services to Somali migrant's entrepreneurship and provide a gateway into broader society. Individual entrepreneurs in these areas provide links with larger wholesalers, government and non-governmental support institutions and serve to establish value-based networks between Somali entrepreneurs and hence as communications centres for wider opportunities.

Enterprise Knowledge and Experience

Past experience is often deemed crucial for any work activities particularly with start-ups of small businesses (Davidsson and Honig, 2003). In this respect, the study sought to explore to what extent past business experience featured as a contributor to the entrepreneurship of Somalis migrants in South Africa. As the data in (figure 4, P 50) reveals more than half of the respondents did not engage in any business activities before they migrated to South Africa, only 29 per cent of the respondents indicated that they worked with others in business. Only a very small percentage owned businesses before their arrival in South Africa. This could be because of a lack of good economic opportunities in their homeland. As Somalis come from a non-English speaking country, it is thought that they would face language barriers in the conduct of their enterprises. However, the evidence suggests that English language is not an issue for many and in many instances customers speak their own local languages. Somali shopkeepers learn aspects of the local language quickly and communicate with their customers[8]. With respect to education, the overall data of the research reveals more than half of the respondents did not go to Secondary School and only seven percent stated they completed a University degree. The data hence suggests that formal or even secondary education is not necessarily important for migrant type entrepreneurship. Most respondents indicated that they had learnt from actual practice and by engaging with others. As the data in (figure 10, P 56) reveals an overall figure of 73 per cent of the respondents indicated they engaged in entrepreneurship activities through their employer and through working with their family owned business and only four percent of the respondents had studied business related courses.

[8]Author's observation, during the data collection process. I came across many Somalis who communicate in local languages (other than English) with their customers.

SOCIAL AND CULTURAL DRIVERS OF ENTREPRENEURSHIP

McGrath *et al.,* (1992) regards social and cultural factors as the foundation for migrant establishment and development of enterprises. Some ethnic communities are thought to engage in self-employment because of their cultural approach to entrepreneurship (Piperopoulos, 2010). There are those who perceive that the Somali culture promotes brotherhood and kindships, as many Somali migrants in South Africa depend on resources that arise out of ethnic networks. Within the socio-cultural drivers for entrepreneurship, there are factors that relate to individual dispositions and those that relate to the social capital that derives from common historically influenced cultural factors.

Social and Cultural Issues

According to Thomas and Mueller (2000:290) migrant communities that have strong social capital are likely to be more successful in terms of small business establishment and development than those who do not. Social capital here refers to the ability of the migrant entrepreneurs to take advantage of and exploit their social structures, networks and membership of a particular group (Davidsson and Honig, 2003). Networks provide both concrete and tangible resources to their group members. An example of concrete resources that Somali entrepreneurs provide to each other is the offering of credit, goods and loans, as the data reveals the majority of the respondents indicated that getting credit and goods from Somali wholesalers is good. Other example of intangible resources that Somalis provide to each other is sharing information about potential business opportunities such as identifying a new location to open a business. Sometimes such kinds of information are widely shared but because of business competition among Somali migrants receiving critical business information depends on the network each individual belongs to or according to the sub-clan criteria.

According to the evidence collated and reflected in (table 13, P 59) 76 per cent of the respondents regarded other Somali owned business as important for their overall business activities. Somali entrepreneurs established strong ethnic community ties and it can be seen in the places they conduct their businesses. Somalis are dominant inhabitants in specific areas of some suburbs such as Mayfair, Bellville and Korsten. These places are known as “Little Mogadishu”, hence referring to the capital city of

Somalia. There are numerous such 'little Mogadishu's in all countries were Somalis have settled.

According to Volery (2007) strong ethnic relationships facilitates easy entry into the business environment. The theory highlights the importance of ethnic resources on migrant entrepreneurship. The networks provide critical information and resources to the new arrivals and it easily facilitates job opportunities within the community and information related to business start-ups. This process of entry through ethnic networks is perhaps best illustrated in the Hussein Adde case. When Hussein came to South Africa he received assistance from his extended family members and was given a job as a shopkeeper. This assistance served to provide the knowledge, opportunities and resources that were needed for Hussein's subsequent entrepreneurial activities. Most of the Somali entrepreneurs depend on such ethnic resources. When an individual arrives in South Africa they are given such information from members of their ethnic group and in some cases by other Somalis. Very often they are welcomed as members and so get assisted with employment opportunities. As the data on the business success factors reveals, 61 per cent of the respondents indicated that they hire individuals from a Somali background because they think that they are eager to work hard and they can be trusted.

Individual Culturally Influenced Dispositions

In research conducted on Somali migrants in South Africa (Gastrow and Amit, 2013; Thompson, 2015) found that the business competitive advantage of Somalis in South Africa is their dedication and hard work. According to data presented from the survey, over 51 per cent of the respondents are of the view that their key business advantage is their long working hours and hard work. The majority of the respondents indicated that they work more than twelve hours a day. In addition, over 50 per cent of the respondents indicated their most important business competitive advantage is hard work. Somali entrepreneurs open their shops early in the morning and close in the late evening each day. They try to work long hours in order to maximise their profit as much as possible. The groupings of Somalis who share the business organise and divide their roles each day. For example, one person is given permission to sleep early at night so he can open the shop in the early morning while the other is responsible for closing the shop late at night. This sharing of

responsibilities is partly driven by a model of trust and joint investments into single business entities.

In contrast to this finding a study conducted by the Sustainable Livelihood Foundation (Liedeman, Charman, Piper, 2013) on examining the contrasting business models of the foreign nationals and locals in the spaza shop sector, highlighted that the goods and products of the Somali owned shops are cheaper compared to the local shops, this gives them the opportunity to attract many customers. Also Thompson (2015) argued that the low cost of Somali goods makes them vulnerable of attacks from their local counterparts. But according to the data of this study more than half of the Somali migrant respondents indicated and perceive that hard work is the most important factor for their business success and only 23 per cent of the respondents regard low prices are the most important for their business competitive advantages. The table below summarised the perspectives of Somali entrepreneurs on their business competitive advantages.

Table 17: Business Competitive Advantages

Competitive Advantage	**Percent**
Hard work	51%
Knowledge of business	26%
Low prices	23%

Davidsson and Honig (2003) define social capital as the ability of the entrepreneurs to exploit and take solidarity advantage from their social structures, networks and memberships. The network offers them a kind of credit worthiness and cheap labour (Liedeman*et al.,* 2013). In the case of Jama Shire, he established *Som General Trading* with his relatives so that gave him an advantage by employing them without having to outsource expensive labour. Family members take a more active part in developing the company because they believe it belongs to them. Similarly, when Ali Ganey was new to South Africa and worried about his survival, he approached the Somali community members and they helped him until he found a job. Additionally, when Hussein Adde lost his source of income because of the car accident he had, he received assistance from his close relatives. All of these factors explain the importance of co-ethnic resources in a foreign country which helps migrants to

establish an identity based on their social life and allows them to feel they are fulfilling their religious or cultural obligations.

The examples above highlight the importance of social capital and business networks among Somali migrant entrepreneurs. Liedeman*et al.,* (2013) found that the social and cultural factors of Somalis, particularly clan-based networks give them a competitive business model over the locals. In their research they outlined the various services that the networks provide including:

- Access to cheap labour (recruited from Somalia).
- Enforcement of contractual agreements by the network, with clan elders overseeing business deals.
- Strategic investment in geographical areas to establish Somali strongholds.
- Group purchasing to secure discounts and operational economies of scale.
- Facilitating micro-finance by organising investments and business partnerships.

This study found that the majority of the Somali entrepreneurs regard their social networks as very important for their entrepreneurship activities. In (table 18) below it can be seen that more than half of the respondents prefer to establish a business network with their co-ethnic entrepreneurs and regard networking with locals as their second most important business success factor.

Table 18: Business Networks

Networks	**Percent**
Network with Somalis	54%
Network with non-Somalis	13%
Network with Locals	33%

As (figure 12, P 60) shows there is a huge difference in the assigned value of the three different business associates of Somalis, other migrants and locals. According to the perspective of the Somali entrepreneurs their business and social networks are the most important and valuable for their enterprises. Although the above (table 18) revealed they prefer networking with locals rather than other migrants. In contrast, a question designed to measure the consistency of the respondents reveals data

contrary to the above perception. As the data in (figure 12, P 60) shows they regard the local business associates as the least valuable for their enterprises and they even regard foreign associates as more valuable than the locals. This can be attributed the lack of business integration between the foreign business owners and the locals, specifically those engaged in the informal economy. When the respondents were asked to indicate the level of local business competition 48 per cent indicated that local owned businesses cannot compete with them because of the different business practices each of them apply to their enterprises.

During the research process it was observed that the Somali entrepreneurs have a common business practice of selling each product to their customers at the cheapest rate possible and hence deriving profits from volume of sale, rather than from each item sold. In contrast, local owned businesses try to make a large profit from a single product. Bogana and Darity (2008) and Piperopoulos (2010), found in America that because of the particular cultural approach of some migrants such as Chinese, Koreans, Jews and South Asians, they are more likely to engage in entrepreneurship compared to local black Americans and that they try to sell their products at the lowest price possible in order to attract many customers. The main reason for this is the cooperation that takes place between entrepreneurs when sourcing products. Locals are often too individualistic and lack networking and solidarity that features in the migrant's culture. The literature highlighted that the cultural features of the some migrants such as solidarity, trust and social capital enables them to establish strong business networks among themselves and that give them a business model which effectively allows competing successfully in the informal economy.

Enforceable Trust

Another factor that accounts for the entrepreneurship amongst Somali migrants is the level of enforceable trust that exists within the community. In essence this means that members of the group are compelled to conform to group expectations (Portes and Sensenbrenner, 1993). Historically Somalis relied on an informal justice system because of the absence of an effective central government in Somalia. If there is a business conflict among Somalis the elders play a critical role in solving the conflict among the Somali entrepreneurs. This justice mechanism is enforced by the all the groups and the elders serve to mediate any differences that might emerge. Each

group negotiate and take decisions regarding their business matters and after that each member is responsible for implementing and enforcing it. If a member violates the norms and standards of the group he is likely to face a penalty or sanctions such as exclusion from group or network resources. (Liedeman *et al.,* 2013). It hardly ever happens that a member would ignore a decision of the elders in the event of a conflict. In the case of South Africa, the elders would often serve to intervene if there are disputes with other parties. The general approach is to solve the problems through active negotiations.

Human capital

Human capital is often considered central to entrepreneurship. It is broadly argued that knowledge is fundamental for the entrepreneurs to increase their ability to produce more efficiently and effectively (Davidsson and Honig, 2003). It is hence hypothesised that educated entrepreneurs do better than uneducated individuals. Based on the data presented in (table 7, P 48) it is evident that the majority of the respondents either do not have any formal education or they only attended primary classes. While only a small percentage have a University degree.

The majority of Somali entrepreneurs do not have formally trained entrepreneurship skills or degrees. Most of them have just learned by doing. Moreover, when it comes to their initial engagement into entrepreneurship presented in (figure 10, P 56) almost half of the respondents indicated that they had learnt how to do business through employment and working with their families or friends and some are self-taught. A very small percentage indicated that they studied some business related courses. Although in general, education is important for business establishment and development, according to these results it can be argued that there is no correlation between formal education and migrant engagement into entrepreneurship particularly in the informal sector.

Ethnic resources

Another factor that contributes to the entrepreneurship amongst Somalis is their group or ethnic resources. Ethnic resources are the resources that co-ethnic business groups provide to each other including, labour, market information (such as what kind of business can be established in a particular area and has good profit), relatives

or family labour and providing credit to each other without formal contractual agreements (Yoo, 2014).

Piperopoulos (2010:143) outlines that ethnic resources provide the migrants with a reliable and highly committed workforce, access to training, credit and capital and valuable business information regarding market opportunities. These resources are critical for migrant entrepreneurs to create small businesses. According to the data some of these factors can be found in the entrepreneurship amongst Somali migrants. Business information is shared among each other in community gatherings. For example, in the case of Ali Ganey, it is evidence that because of the information he received from one of his friends that someone was selling his enterprise this gave an opportunity to buy it. The majority of Somali entrepreneurs interviewed for the survey depend on their co-ethnic individuals. In some cases these individuals are recruited directly from Somalia (Liedeman *et al.,* 2013). The study revealed that the majority of the respondents prioritised Somali employees before employing locals and other migrants. According to the research data 61 percent of the respondents indicated that they prefer employing individuals from their co-ethnic groups.

In the absence of proper legal documents migrants are often unable to get access to financial capital from banks (Landau, 2006). Somali migrants often overcome this challenge by depending on their own credit access networks. Small enterprise owners borrow goods and products from the big wholesalers owned by other Somalis or that have links with members of the Somalia community. According to the data on (table 11, P 58) the majority of the respondents indicated that access to credit from wholesalers owned by Somalis is very good. Also in the case of Jama Shire, he stated that he lost some income because of the effects of Xenophobia in 2008 as his customers could not pay back the credit they took from his company. This highlights the strong business relationships between the Somali wholesaler owners and other Somalis who run small shops mostly in townships.

SOMALI ENTREPRENEURSHIP STRATEGIES

This section incorporates an analysis of the business strategies that Somali entrepreneurs utilise and the tactics that they use in order to establish small enterprises. It begins with an analysis of how Somalis take advantage of the business opportunities in townships. It then provides an exploratory understanding of the

specific business strategies of Somalis and concludes with the obstacles they face in order to improve and develop their small scale enterprises.

Exploiting Market Gap

The informal sector is regarded as the heaven of unskilled migrants because of the absence of big chain supermarkets in townships. This market segment provides the migrant entrepreneurs with an opportunity to fill the gap and exploits the business opportunities in townships. Generally migrants establish small shops that sell all the daily necessity household items. Their shops are also often very close to the residential places of their customers. As the data in (figure 9, P 56) of the research reveals, many of the respondents indicated that there are good economic opportunities in this country and many of them indicate the importance to them of exploiting the gap between the formal and informal economy. Their customers are low income households in townships that cannot financially sustain daily travelling to the shopping malls in order to buy their household needs. It is a mutual benefit for both the shop owners and the local customers. So Somalis devised some business strategies so that they can effectively run their businesses by establishing their enterprises very close to the residential areas of their customers, selling daily necessity household items such as sugar, milk, cool drinks and in some cases giving credit without interest to their customers. Also because of their flexible working hours makes them very attractive to many customers.

Specific Business Strategies

A key element of the Somali migrant entrepreneur's business strategies is collective investment in enterprises and shareholding in multiple shops (Gastrow and Amit, 2013). Individuals or a group of people establish a business partnership and diversify their investments by holding shares in different entities located in different areas. According to the data in (figure 3, P 47) it can be seen that 30 per cent of the respondents either has two or more enterprises or own one shop and at the same time hold shares in other shops. This kind of business strategy appears to be their main survival factor when xenophobia strikes and residents start looting the foreign owned shops. Diversifying their business investments minimises the risks of losing their whole business and in the short run gives them the opportunity to recover what has been lost to the business in some specific area.

The researcher observed that, those who engage in these kinds of business partnerships are primarily those who have been in South Africa for many years and the criteria of choosing their business partner is mostly based on extended family membership or members from the same clan or tribe. In the case of Jama Shire, who has been in South Africa for more than 20 years, it is evident that he entered into a business partnership or co-established business with two individuals of his extended family members.

Gastrow and Amit (2013) highlighted that sharing transport costs and customer focus practices are essential factors that contribute as to why Somali businesses in townships thrive compared to the shops run by locals. Shops in the same location jointly order the goods and products they need and then a delivery van delivers their order to their shops. They share the cost of the transportation of the goods. This business approach gives them the opportunity to minimise the expenses that would be incurred if each shop orders their supplies separately and has its own delivery system. This joint buying has created employment for some Somalis who acts as a middleman for buying and delivery. For example, Hussein Adde worked to deliver goods to the shops in townships around Port Elizabeth.

In addition to the above mentioned strategies, Somali entrepreneurs often use different sales techniques to attract their customers. For instance, at the beginning of each month, they combine different products and goods needed by the households, such as sugar, rice, flour and package them with other daily necessity products designed to last a month and families buy it each month.[9] Also Somali shopkeepers give credit to their customer which often serves to attract many customers. This can be seen in the case of Ali Ganey, as he gives credit, particularly to pensioners. Mr Ganey does not charge interest to his customers, as he believes taking interest is contrary to his Islamic faith. Also Somali enterprise owners use flexible working hours in order to maximise their profit. As the data on this study shows 80 percent of the respondents indicated that they work more than twelve hours per day.

Obstacles to Small Business Development

Although Somali entrepreneurs use different business strategies in order to be more competitive than the other small business owners in the informal sector, there are

[9]Author's interaction and discussion with Somali shopkeeper in Mayfair

some factors that hinder their enterprise formation and development. Jones *et al.,* (1992) and Brah (1996) argued that barriers of language significantly affect the entrepreneur's ability to create small business, it restricts integration and the exploiting of market opportunities and in the case of United States migrants from the non-speaking English countries ,they are less likely to be self-employed (Clark and Drinkwater, 2000). As the data in (table 8, P 49) reveals a majority of the respondents indicated that their understanding of the English language is high while 42 per cent indicated their English level is poor.

The researcher observed the majority of the Somali entrepreneur's customers do not speak English but rather their mother tongue. So many Somalis quickly learnt the basics of other languages such as Zulu, Afrikaans and Xhosa and in some cases they speak them better than English. Additionally, Bates, (1999); Moore and Mueller (2002) regards the incompatibility of training and skills as the reasons that migrants engage in self-employment. The research data confirms the push theory of entrepreneurship and highlighted those labour market obstacles such as a lack of educational credentials, skills and inappropriate work experience pushes migrants into the informal economy. The research data confirms this theory because as the data in (table 7, P 48 and figure 4, P 50) reveals that the majority of the respondents do not have any formal educational qualifications that allows them to engage in the formal economy.

ENVIRONMENTAL FACTORS

This section incorporates the environmental factors that attract or pulls Somali migrants into entrepreneurial activities in South Africa. The first part highlights the legislation and regulatory issues of this country and how this affects the migrant's engagement into entrepreneurship activities. The second part discusses the social environment that migrants establish their enterprises in and how they cope with the high rate of business robberies in townships and their perception towards their freedom of movement. The latter part is focused on the economic environment and whether the economy of South Africa is what pulls migrants to come here and engage in the informal sector.

Political Environment

Political unrest, natural disasters and seeking a better life are what encourage many people to leave their homelands. At the end of 'apartheid rule' many African migrants sought refuge and economic opportunities in South Africa. Johannesburg attracted many of them because of its bustling economy and diverse population of migrants (Jinnah and Lowe, 2015). A high number of the refugees and asylum seekers from East African nations are Somali nationals who since 1990s have fled the civil war and trauma in their motherland. Many of them spent several weeks or months travelling through a number of countries before they arrived in South Africa.

South African refugee legislation is considered among the most progressive legislation in the world. It guarantees refugees and asylum seekers basic human rights, such as work, study and freedom of movement (Landau and Amit, 2014). Refugees and asylum seekers in other parts of the continent do not enjoy such rights and freedom of movement (Kaiser, 2005; Campbell, 2006 and Hovil, 2007). One of the basic rights of the refugees outlined in the Refugee Act (Act No 130 of 1998) is the right to obtain documentation that allows them to legally stay in the country and engage in work. As the data in (figure 5, P 51) reveals, the majority of the respondents indicated that because of corruption in the process of asylum applications it is difficult to get refugee documents from the Department of Home Affairs.

On the other hand, their experience of services such as access to public education and health is very positive. Refugees are also entitled to protection from the state. Respondents were asked to indicate their experience with legal protection and law enforcement. As can be seen on (figure 6, P 52) more than half of the respondents indicated that the services of both legal protection and law enforcement in South Africa are poor. However, given that many still come to South Africa despite this perception of lack of proper legal protection, it has to be assumed that such protection is often not relevant to entrepreneurship. In many instances, disputes are resolved within the community and through negotiation with outside parties.

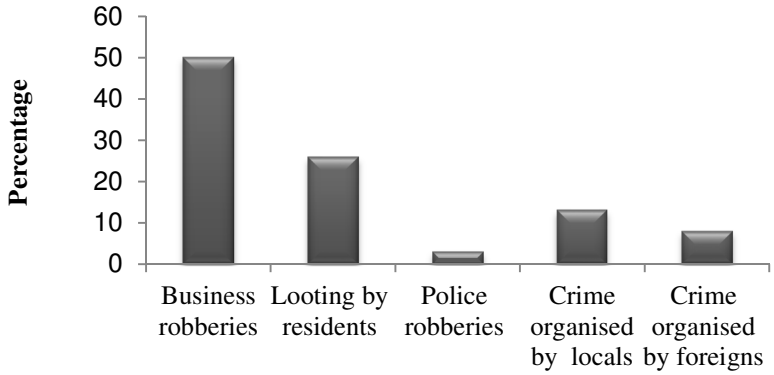
Social Environment

In the context of the environment in which migrants establish their small businesses, xenophobia; crime and business robberies significantly affect them. Gastrow (2013)

found that business robberies particularly affect the informal grocery shops located in townships and foreign national traders are commonly targeted. The data in this study revealed the majority of the Somali migrants businesses are located in townships and it is a hostile environment because of crime and the risks they are facing. The worst obstacle that the migrants face in the townships is murder, particularly Somali shopkeepers (Charman and Piper, 2012). More than half of the Somali entrepreneurs indicated that the most frequent crime they face is business robberies. As we see Hussein in the case studies has, for example, been robbed on four different occasions since he started doing business. But many Somali's disregard the dangers they are facing and continue doing business. It would seem that the environment does not disincentives them because they originate from a much more violent environment in Somalia.

As the data in figure 13 below reveals, 50 per cent of the respondents indicated that business robberies are the most frequent type of business crime they face in the townships.

Figure 13: Types of Business Crime



Somali entrepreneurs in South Africa face many challenges including robberies and murder. They cannot access the formal and informal justice system because of their social position in the townships and their lack of faith or trust in the police and the courts, as well as language barriers and their lack of understanding on how the justice system works (Gastrow and Amit, 2012). Somali migrants are exposed in this way because of a lack of cooperation from the residents or their neighbours who mostly ignore pleas for assistance or who would not assist the police to take these matters any further. In the case of Hussein Adde, who has been robbed several times since he

started working in townships he opened a robbery case with the police and even recognised one of the attackers, unfortunately, he was told by the police that they would not do anything. Such experience is common amongst Somali owned businesses particularly those located in townships.

As the researcher observed, many Somalis believe that there is reluctance from the law enforcement officers to help Somali entrepreneurs. In contrast to these negative experiences, many of the respondents indicated that they enjoy freedom of movement within the county. As the data on (table 9, P 51) shows overall 84 per cent of the respondents indicated they are not restricted to stay the province they lodged their asylum application in but rather they are given freedom of movement to travel to any place they wish to go. Despite the challenges confronted, Somalis are very positive of the business prospects in the country and the opportunities to move around and pursue new opportunities.

Economic Environment

The host country's economic environment plays a critical role in attracting many migrants. In the case of South Africa, many are attracted because of its bustling economy and diverse migrant's community. South Africa draws many refugees and asylum seekers from many other parts of the continent and beyond (Jinnah and Lowe, 2015). Somali entrepreneurs can be both of necessity or opportunity driven entrepreneurs. This is evident in the case studies of this study. In the case of Hussein Adde he migrated to South Africa because of the drought in his country which had a substantial effect on the production of his family's farm. Whereas Jama Shire left his country in order to look for better economic opportunity then he had in Somalia. As mentioned in the previous Chapter, migrant Somali's passed through a few countries because their final destination was South Africa.

As reflected in the case studies as well as the data from the surveys it is evident that the effects of political instability and drought play a large part in the factors that push many Somalis to flee their country. The data also reflects that because of the political environment and economic opportunities this is what pulls or attracts many Somalis to migrate to South Africa. The data in table 19 below shows the perception of the respondents to both the economic opportunities and chances of expanding their small enterprises.

Table 19: Economic and Business Expansion Opportunities

PERCEPTION	ECONOMIC OPPORTUNITY	BUSINESS EXPANSION
Very Poor	2%	3%
Poor	11%	8%
Undecided	4%	1%
Good	65%	64%
Very Good	18%	24%

According to the perception of respondents there are good economic and business expansion opportunities in South Africa and only a very small percentage of the respondents indicated that the opportunities are very poor.

Economic opportunity is not the only pull factor that motivates Somalis to migrate to South Africa. There are also some other pull factors such as good business networks and social resources. Networks in the adoptive foreign country can easily facilitate the receiving of useful information for potential migrants about economic and social conditions in the host country and also it reduces the costs and the risks during the journey (Yoo, 2014). In the case of Hussein Adde, it is evidence that when he was in Nairobi, Kenya and looking for information related to migration to South Africa he met a group of Somalis and they shared with him the information they received from their relatives about the journey and finding a job in South Africa.

Other migration related motives are the social or group resources of the migrants with in the host country. It entails the process of economic assimilation of the immigrant's into a new society. That is, the process in which migrants' utilise social resources that are mobilised from networks and that help immigrants obtain social and economic mobility (Yoo, 2014:18). Somali entrepreneurs depend for survival on their social networks and group resources particularly when a Somali national is new to South Africa. This can be seen in the cases of Ali Ganey and Hussein Adde. When Ali was new and stopped at Mayfair and was worrying about his survival, he approached some Somali individuals and they supported him until a friend of his offered him a job. Also Hussein got a job as a shopkeeper in one of the townships in the Eastern Cape through the assistance of one of his extended family members.

CHAPTER 6: CONCLUSION AND THE FUTURE

The overall purpose of this study was to explore the drivers of entrepreneurship among the Somali migrants in South Africa and identify the key entrepreneurial drivers and practices amongst these individuals. The data collected collated and presented in chapter 4 and analysed in chapter 5 provides more detailed insights of the 'pull and push' factors of Somali migrant entrepreneurship and the environmental factors that facilitate or hinder migrant entrepreneurship.

The research was in part driven by the need to explore in more detail factors that facilitate or allow Somali migrant entrepreneurs to succeed where locals often do not. In the hope that these lessons would prove to be useful in reflecting on those elements that can be replicated and the policy interventions that could assist in deepening entrepreneurial practices in the wider local population. To engage with the key lessons that can be derived from the study, the conclusions from the analysis are captured within the overall framework of the core research questions of the study. A brief perspective is also provided on the future and possible research paths that can be perused to further understand entrepreneurships and specifically the ingredients of success amongst migrants.

BEYOND THE RHETORIC: SOMALI ENTREPRENEURSHIP

Township level entrepreneurship by Somali migrants has been a subject of violent antagonism in South Africa. Political level responses have largely been of a rhetorical nature and incorporate perspectives on the need for these individuals to 'share their business secrets'. Although this study did not seek to uncover in very specific terms the 'secrets' it sought to understand what are the factors that make these individuals successful. That is, '*how do Somali migrants who arrive in South Africa, mostly as refugees and asylum seekers, establish small enterprises and thrive in the business environment despite their lack of status and limited access to investment capital or other supportive initiatives?*

In line with the overall question, the survey and case studies document are revealing and provide immense insights into the drivers of entrepreneurship amongst Somali migrants. However, as will be summarised and as is reflected in the analysis, there are no real 'magic' or 'secret' ingredients that are transferable. At most, there is a

combination of historical environmental factors and elements of social capital that shape and motivate entrepreneurial activities amongst these migrants. To facilitate engagement with these from a policy perspective, the summary below is focused on the core findings related conclusions and their implications for policy.

Social Cultural Entrepreneurship Drivers

Social and cultural factors such as networks, ethnic resources, hard work and enforceable trust among the Somali entrepreneurs are the fundamental factors that assist them to engage in self-employment.

- The strong ethnic networks that most Somali entrepreneurs in South Africa rely on for survival facilitate a sense of shared solidarity and support. Individual who arrive in South Africa are assisted by members of their ethnic group. Such assistance allows for rapid entry into business. Somali entrepreneurs strongly depend on their social capital, business networks and transactions based on trust. They regard as less important other networks of local business owners and foreign networks. They give credit to each other and have indicated that the opportunity to get credit goods from Somali owned wholesalers is very good. This level of solidarity is very common amongst migrant communities and very difficult to replicate through policy interventions. Social capital is constructed overtime and is contingent on a number of historical factors.

- There is a very high level of trust amongst Somali entrepreneurs. A key strategy for many to enter business is to establish themselves as part shareholders in a small enterprise and hence to share the risks, work and related rewards. This system is sustained by common purpose and a high level of trust that each individual would contribute fairly and that no one individual will unduly benefit. These modalities are also sustained by a common commitment that disputes will be resolved through the elders within the Somali community. In essence this means that Somali migrants don't really have to rely on the formal legal system in South Africa should disputes arise between them. Those who act contrary to the common values and break bonds of trust generally find themselves outside of the protection of the community. A key policy related lesson is the importance of establishing local mechanisms for dispute resolution and promoting common

values. The price of impunity that might arise from breaking trust must increase so that people can trust each other when pursuing joint business ventures.

- A commonly identified strategic advantage in entrepreneurships, according to Somali entrepreneurs, is hard work and dedication. Even as price is often important in many of the retail enterprises, the evidence shows that Somali entrepreneurs work long hours and do not subject themselves or their Somali employees to fixed working hours. Very often these individuals reside at their business premises and hence provide longer hours of service to their customers. Long hours of work and the preparedness to do this often drives Somali entrepreneurs to employ only other Somalis in their enterprises. Such practices are difficult to replicate and often are impacted upon by local laws governing employment and related practices.

Entrepreneurship Strategies

There are a number of factors that facilitate entrepreneurship amongst the migrants and that have become part of their strategic orientations towards business. These include the manner in which opportunities are pursued, their approach to customers and the manner in which learning unfolds.

- Detailed data reveals that prior skills and knowledge in entrepreneurship is not necessarily significant for Somali entrepreneurs in South Africa. Only a select number have prior knowledge of business or have engaged in such activities before arrival in South Africa. In the main business is learned through opportunity engagement. Very often learning unfolds through employment in other Somali enterprises, before the individual can establish their own. Very often English language skills are very basic. In policy terms, the experiences suggest that formal business knowledge is not a significant driver for success. In the main, those who have succeeded do business on the basis of the experiences derived from working in another enterprise. Very often initial work experience serves only to cover the survival costs of the arriving migrant.

- Entrepreneurship amongst Somali migrants is sustained through a high level of network based opportunity exploration. In all of the larger urban centres Somali entrepreneurs have established areas where they congregate for social and business purposes. These centres, such as the Somali area in Mayfair in Johannesburg, serve to facilitate dialogue amongst Somalis and hence the sharing of information on possible opportunities. They also provide a basis for establishing agreements to pursue joint ventures in geographical areas not previously reached. These gathering points also serve to facilitate information sharing on prices of goods and hence the possibility of joint bulk purchase. The networks are spontaneous and sometimes unfold on ethnic lines. Even as policy instruments may be used to facilitate networking, it's very difficult to replicate these practices. Family networks and related extended networks can serve as essential foundations for wider entrepreneurship by members within such networks.

- Somali entrepreneurs in townships are sensitive to the needs and realities that face many of their customers. They thrive on being accessible to their customers and provide for the most basic needs at competitive prices. Rather than maximising margins on single products, they often thrive on securing profits from volume and from the packaging of products that go together. This is often done at the end of the month and reflects a high sensitivity to small budgets and needs. In addition they remain open for long-hours and provide credit to members in the immediate community. Very often they provide goods on credit to pensioners and more trust worthy members of the community. The analysis suggests that most of the Somali entrepreneurs in South Africa have a longer-term view of profitability and hence are not focused on immediate profits derived from sales of individual products. Policy perspectives and interventions that encourage future oriented perspectives on wealth can assist in reshaping approaches to the development of small enterprises.

- The networking amongst Somali entrepreneurs often goes beyond the exercise of pursuing added opportunities. Networking often enables practices of cost sharing and the acquiring of goods at a cheaper rate through bulk

buying. This is not only a spontaneous activity, as many 'middlemen' have emerged within the Somali business people. Of particular significance to township related enterprises is the existence of a 'middleman'. These are individuals (very often another Somali entrepreneur) who source goods and deliver these to a selection of migrant entrepreneurs. They often own vehicles and take orders from groupings of mainly Somali entrepreneurs and hence acquire and transport the required products. Where they do not exist, Somali business people would meet in urban centres and share transportation costs for products purchased. In policy or intervention terms, the existence of 'middlemen' who facilitate access to goods and services is very useful and should be encouraged.

Factors that Attract Somali Migrants

In many respects, South Africa stands as different to other countries that attract Somali migrants. The uniqueness is not only in the form of legislation governing migration, but also resides in the nature of its economy and the dynamics of its multi-cultural environment.

- The high rate of business robberies, lootings and xenophobic attacks does and has affected the formation and development of enterprises by Somali migrants. However, contrary to general expectations, this has not dis-incentivised the formation of new enterprises and the re-establishment of previously destroyed enterprises. An explanation for this is that the benefits outweigh the risks and that Somali entrepreneurs have built a level of resilience from their own experiences of displacement and violence in Somalia itself. Despite the xenophobia most remain very confident. Their main concern is business robberies, rather than xenophobia. Building and transferring resilience is difficult but essential for business survival and for encouraging people to re-enter despite initial setbacks.

- South Africa remains very attractive to many Somali migrants as refugee legislation is positive and they consider it to have a thriving economy. South African refugee legislation guarantees migrants their basic human rights gives

including the freedom to work and live anywhere in the county unlike some other African countries that restrict refugees and asylum seekers to stay in designated areas usually far from the economic hubs. Migrants are very positive about being able to move around South Africa with relative ease and the levels of economic opportunity available. Many have come to consider South Africa as home and a place that they will continue to have an interest in even if they return to Somalia. Very few have indicated that they would want to leave or settle in other places. Even though there are strong ethnic bonds, many see themselves as South African and having some loyalty to the country. Somalis want to contribute in a better way to economic growth and expand their businesses. In some instances they have succeeded and have become exporters of South African products. They provide an immense opportunity for South African business expansion into east Africa and can be seen as an opportunity for all South Africa rather than as a threat to local employment.

- Somali entrepreneurs are generally positive about most public services received or accessed by them. They remain sceptical about the police and related institutions and very critical about services from Home Affairs. During the survey, a few Somali entrepreneurs indicated that they are only in local entrepreneurship activities because of the need to survive until they are able to move on to other countries. These individuals view South Africa as a gateway to Europe and the United States. Legalisation in South Africa and the revision of refugee passports would facilitate departure.

The lessons for policy extracted from the data and findings are by no means exhaustive. These do nevertheless provide a broad perspective on the factors that facilitate entrepreneurship amongst Somali migrants and how these can be thought of for the future. Even as knowledge has been enhanced through the research, it also reveals that there is much more to be learned for the future.

LIMITATIONS AND THE FUTURE

It is somewhat difficult to predict the future, as it relates to Somali migrants and their status in South Africa. This is a very unequal and fractured society and sometimes

subject to unpredictable levels of turbulence. Positive engagements with the experiences of Somali entrepreneurs and a perception that views them as an opportunity rather than as a threat would help in dealing with the equity challenges that South Africa faces. This requires a level of bold leadership and a willingness amongst all to engage with the elements that drives xenophobic responses to Somali entrepreneurship. Rather than view Somali entrepreneurs as a threat they can be viewed as an opportunity for the future.

The experiences of Somalis in South Africa have in fact emerged as a source of inspiration for Somalia migrants in other parts of the world. In many other countries Somali's are not as active entrepreneurs as in the case of South Africa. By way of illustration, the Swedish Embassy recently hosted an event to understand the experiences of Somalis in South Africa. A key conclusion from this meeting was that Sweden does not have sufficient 'informality' in its economy to facilitate business access[10].

An element of the overarching purpose of this research was for it to contribute to knowledge in an area that has not been subject to detailed research. In the main, the focus of this conducted research has been on the impact of xenophobia on this community (Sichone, 2008; Jinnah, 2010; Charman and Piper, 2012). By virtue of the absence of substantive empirical and credible data on Somali entrepreneurs, this study relied on the perspective of Somali entrepreneurs. Given the nature of the status of migrants and the absence of verifiable data on their numbers, it is difficult to draw substantive conclusions on the basis of hard data on the value of enterprises, the relative sizes, the number of employees, the scale and spread of enterprises the prices of products and related data.

This research provided insights on Somali entrepreneurs through their own voices. Verifying these perspectives through more substantive real data would go a long way in building our understanding of Somali entrepreneurship. Outside of formal registration with government and the collation of financial statements, more detailed census may be conducted. In addition to hard data, it may well be useful to conduct further research on aspects of interest that arose during the research process. These

[10]The researcher participated in the seminar hosted by the Embassy of Sweden and organised in collaboration with the Somali Embassy in Pretoria. 7 December, 2015

areas include, community dispute resolution, integration of migrants into local communities, relationships with local communities, skills transfer amongst migrants, resource and information flows between migrants and with individuals in their home countries.

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ANNEXURE A: RESEARCHER ADMINISTERED SURVEY QUESTIONNAIRE

PART A: BASIC INFORMATION

1. When did you arrive in SA?
   A. Before 1990
   B. 1991 – 2000
   C. 2001 – 2010
   D. 2011 – 2015

2. What was the main reason for coming to SA?
   A. Economic opportunity
   B. Join family members
   C. Passing through to other countries
   D. Study
   E. Other_____

3. What is your level of education?
   A. No formal education
   B. Primary
   C. Secondary
   D. University degree
   E. Other_____

4. What is your level of English?
   A. Poor
   B. Medium
   C. High
   D. Excellent

5. What are you future plans
   A. Remain in South Africa
   B. Move to another country
   C. Return to Somali
   D. Other_____

6. Where do you do business
   A. Greater Johannesburg
   B. Greater Cape Town
   C. Durban and surroundings
   D. Port Elizabeth and surroundings
   E. Other_____

PART B: ENVIRONMENTAL FACTORS

7. How would you rate legal protection in South Africa?
   A. Very Poor
   B. Poor
   C. Don't know
   D. Undecided
   E. Good
   F. Very Good

8. How would rate law enforcement in SA
   A. Very Poor
   B. Poor
   C. Don't know
   D. Undecided
   E. Good
   F. Very Good

9. How would you rate freedom of movement in SA (can you easily move around the country and do you feel safe)
   A. Very Poor
   B. Poor
   C. Don't know
   D. Undecided
   E. Good
   F. Very Good

10. How would you rate access to basic rights, such as refugee documents?
    A. Very Poor
    B. Poor
    C. Don't know
    D. Undecided
    E. Good
    F. Very Good

11. How would you rate access to basic rights, such education and health services?
A. Very Poor
B. Poor
C. Don't know
D. Undecided
E. Good
F. Very Good

12. How would you rate economic opportunities in SA (opportunities to open businesses)
A. Very Poor
B. Poor
C. Don't know
D. Undecided
E. Good
F. Very Good

13. What is the most crime affecting your business
A. Business robberies
B. Looting by residents
C. Police robberies
D. Crime organized by other local traders
E. Crime organised by other foreign competitors

PART C: SOCIO CULTURAL FACTORS

14. What would be your ideal career choices?
A. Well paid job in the private Sector
B. A Professional Career (Doctor, lawyer, teacher, etc.)
C. Working in a public benefit organisation
D. Your own business
E. Other_____

15. How did you learn to do business?
A. Family and Friends
B. Employer
C. Study
D. Self-taught
E. Other

16. How important is your knowledge of local customs for your business?
A. Not so valuable
B. Somewhat valuable
C. Undecided
D. Valuable
E. Very valuable

17. How important are other Somali businesses for your business?
A. Not so valuable
B. Somewhat valuable
C. Undecided
D. Valuable
E. Very valuable

18. How many hours do you work each day?
A. Two hours
B. Five hours
C. Eight hours
D. Twelve hours and more

19. How would you rate the value of Somalia network for your business?
A. Not so valuable
B. Somewhat valuable
C. Undecided
D. Valuable
E. Very valuable

20. How would you rate the value of other (associates for your business (Ethiopians, Chinese, etc.?)
    A. Not so valuable
    B. Somewhat valuable
    C. Undecided
    D. Valuable
    E. Very valuable

21. How would you rate the value of local indigenous associates for your business
    A. Not so valuable
    B. Somewhat valuable
    C. Undecided
    D. Valuable
E. Very valuable

22. How would you rate the risks of doing business in SA?
    A. Very high risk of failure
    B. Some risk of failure
    C. Undecided
    D. Low risk of failure
    E. No risk of failure

PART D: ESTABLISHMENT FACTORS

23. Business opportunities in South Africa (opportunities to open and expand enterprises)
    A. Very poor
    B. Poor
    C. Undecided
    D. Good
    E. Very Good

24. Access to credit in the form of goods from the Somali wholesalers
    A. Very poor
    B. Poor
    C. Undecided
    D. Good
    E. Very Good

25. What kind of a business do you have?
    A. Spaza Shop
    B. Normal Shop
    C. Wholesaler
    D. Other: _____

26. How many businesses do you have?
    A. One
    B. Two or more
    C. One and shares in others
    D. Only shares in others

27. Where is (are) your business (s) located?
    A. City Centre
    B. Suburb
    C. Township
    D. Other: _____

28. Did you have business experience before you arrived SA
    A. I had no business experience
    B. I owned a business before
    C. I worked with others in business
    D. I volunteered others in business
    E. Other_____

29. How did you start your business
    A. Own savings
    B. Family contribution
    C. Goods on credit from Somalis
    D. Goods on credit from non-Somalis
    E. Other_____

30. Levels of competition from locals
    A. Very poor
    B. Poor
    C. Undecided
    D. Good
    E. Very Good

PART E: SUCCESS FACTORS

Please prioritise according to your perceptive.

1 – Most Important, **2** – Less Important and **3** – Least Important

Your businesses competitive advantage

1. Knowledge of business ☐
2. Hard work ☐
3. Low prices ☐

The networks (relationship) needed for your business.

1. Network with other Somalis ☐
2. Network with other non-Somali business associates ☐
3. Network with locals ☐

The human capacity for business success

1. Somalia employees ☐
2. Other immigrants ☐
3. Local employees ☐

The environment you are conducting your business in.

1. Law and order ☐
2. Local community acceptance ☐
3. Non-interference from Government ☐

The development of your current business

1. Access to credit ☐
2. Collective buying power ☐
3. Innovation and Risk ☐

The expansion of your current business

1. Legal registration ☐
2. Access to neighbouring states ☐
3. Access to government small business services ☐

ANNEXURE B: CASE BASED INTERVIEW GUIDE

Prior to arrival – Please tell me your story prior to arrival in South Africa.

1. Where did you live in Somalia
2. How did you come to know about SA?
3. What did you do in Somalia?
4. How did you travel and entre SA?

Arrival – Please tell me the story when you first arrived in South Africa.

5. When did you arrive?
6. Who helped you to enter and settle?
7. What was your first job?
8. How did you get it?
9. How long you have been working?

Survival – Please tell me your story of how you survive in South Africa.

10. Where do you do business?
11. How did you start your own business?
12. Did you invested with others?
13. Do you have family and friends network in SA who support your business
14. Have you ever helped either family member or friends to start their business?
15. Have you ever paid money for the assistance for Somali community member?
16. If you are educated and skilled persona what do you think is preventing you to get a formal job?
17. What was the biggest challenge of doing business in SA?
18. How did you overcome it?

Future – Please tell me your future expectations in South Africa.

19. What is your sense of continuing to live in South Africa?
20. How do you see your future in this country?

ANNEXURE C: LIST OF THE SURVEY QUESTIONNAIRES

SURVEY NUMBER	DATE	TIME	PLACE
0001	28 August 2015	10:00	Banadir Restaurant
0002	28 August 2015	10:42	Banadir Restaurant
0003	28 August 2015	11:30	Banadir Restaurant
0004	28 August 2015	13:23	Trading Store
0005	28 August 2015	14:08	CarwoMuna
0006	28 August 2015	14:37	CarwoMuna
0007	29 August 2015	09:28	Arlaadi Shop
0008	29 August 2015	10:27	Arlaadi Shop
0009	29 August 2015	11:09	Qaxwo Cafeteria
0010	29 August 2015	14:00	Qaxwo Cafeteria
0011	29 August 2015	14:33	Qaxwo Cafeteria
0012	29 August 2015	03:30	Irshad Electronics
0013	29 August 2015	16:12	Amal Plaza
0014	30 August 2015	10:20	Amal Plaza
0015	30 August 2015	10:55	Muna Restaurant
0016	30 August 2015	11:23	Muna Restaurant
0017	30 August 2015	12:04	Al-Haji Trading
0018	30 August 2015	14:21	Al-Haji Trading
0019	30 August 2015	15:14	Nura Wholesalers
0020	30 August 2015	16:42	Nura Wholesalers
0021	25 September 2015	09:22	Durban Cash and Carry
0022	25 September 2015	09:43	Durban Cash and Carry
0023	25 September 2015	10:07	Durban Cash and Carry
0024	25 September 2015	10:33	Durban Cash and Carry
0025	25 September 2015	11:07	Somali Restaurant
0026	25 September 2015	11:52	Somali Restaurant
0027	25 September 2015	14:05	Tuckshop City Centre
0028	25 September 2015	14:41	Som Cash and Carry
0029	25 September 2015	15:09	Farah Lodge
0030	25 September 2015	15:39	Farah Lodge
0031	26 September 2015	10:12	Farah Lodge
0032	26 September 2015	10:41	Somali Restaurant
0033	26 September 2015	11:06	Somali Restaurant
0034	26 September 2015	11:53	Somali Restaurant
0035	26 September 2015	13:04	Al-Aamin Cash and Carry
0036	26 September 2015	13:46	Al-Aamin Cash and Carry
0037	26 September 2015	14:13	Al-Aamin Cash and Carry
0038	26 September 2015	15:09	Al-Aamin Cash and Carry
0039	27 September 2015	11:04	Halima Cafeteria
0040	27 September 2015	12:00	Somali Restaurant
0041	27 September 2015	13:21	Al-Aamin Cash and Carry
0042	27 September 2015	14:03	Al-Aamin Cash and Carry
0043	27 September 2015	14:47	Mumin Cash and Carry
0044	27 September 2015	15:27	Mumin Cash and Carry
0045	27 September 2015	16:33	Mumin Cash and Carry

0046	05 October 2015	10:00	Korsten, Port Elizabeth
0047	05 October 2015	10:17	Samow Wholesaler
0048	05 October 2015	10:37	Samow Wholesaler
0049	05 October 2015	11:15	Samow Wholesaler
0050	05 October 2015	11:42	Internet Cafe
0051	05 October 2015	12:04	Internet Cafe
0052	05 October 2015	12:34	Internet Cafe
0053	05 October 2015	13:23	Olad Store
0054	05 October 2015	13:52	Olad Store
0055	05 October 2015	14:17	P.E Lodge
0056	05 October 2015	14:41	P.E Lodge
0057	05 October 2015	15:12	P.E Lodge
0058	05 October 2015	15:44	P.E Lodge
0059	05 October 2015	17:08	P.E Lodge
0060	06 October 2015	09:20	Korsten Cash and Carry
0061	06 October 2015	09:43	Korsten Cash and Carry
0062	06 October 2015	10:16	Korsten Cash and Carry
0063	06 October 2015	10:43	Korsten Cash and Carry
0064	06 October 2015	11:02	Korsten Cash and Carry
0065	06 October 2015	11:37	Korsten Cash and Carry
0066	06 October 2015	11:59	Korsten Cash and Carry
0067	06 October 2015	12:33	Korsten Cash and Carry
0068	06 October 2015	12:57	Korsten Cash and Carry
0069	06 October 2015	13:20	Korsten Cash and Carry
0070	07 October 2015	11:19	Somali Restaurant
0071	07 October 2015	11:53	Somali Restaurant
0072	07 October 2015	12:40	Kismayo Lodge
0073	07 October 2015	13:14	Kismayo Lodge
0074	07 October 2015	13:57	Kismayo Lodge
0075	08 October 2015	09:53	Springbok Wholesaler
0076	08 October 2015	10:22	Springbok Wholesaler
0077	08 October 2015	10:47	Springbok Wholesaler
0078	08 October 2015	11:17	Springbok Wholesaler
0079	08 October 2015	11:43	Springbok Wholesaler
0080	08 October 2015	12:09	Springbok Wholesaler
0081	08 October 2015	12:33	Springbok Wholesaler
0082	08 October 2015	13:05	Springbok Wholesaler
0083	16 October 2015	09:11	Bellville, Cape Town
0084	16 October 2015	09:28	Borama Lodge
0085	16 October 2015	09:44	Borama Lodge
0086	16 October 2015	09:59	Borama Lodge
0087	16 October 2015	10:17	Borama Lodge
0088	16 October 2015	10:32	Borama Lodge
0089	16 October 2015	10:54	Borama Lodge
0090	16 October 2015	11:17	Borama Lodge
0091	16 October 2015	11:37	Borama Lodge
0092	16 October 2015	12:09	Borama Lodge
0093	16 October 2015	12:31	Borama Lodge

0094	16 October 2015	15:12	Jowhar Cafeteria
0095	16 October 2015	03:41	Jowhar Cafeteria
0096	17 October 2015	08:43	Buro Cash and Carry
0097	17 October 2015	09:12	Buro Cash and Carry
0098	17 October 2015	09:30	Buro Cash and Carry
0099	17 October 2015	10:14	Buro Cash and Carry
0100	17 October 2015	10:32	Buro Cash and Carry
0101	17 October 2015	10:49	Buro Cash and Carry
0102	17 October 2015	11:25	Buro Cash and Carry
0103	17 October 2015	14:12	Bellville Restaurant
0104	17 October 2015	14:41	Bellville Restaurant
0105	17 October 2015	15:11	Halima Cafeteria
0106	17 October 2015	15:27	Halima Cafeteria
0107	18 October 2015	08:12	Salahudin Cash and Carry
0108	18 October 2015	08:32	Salahudin Cash and Carry
0109	18 October 2015	08:53	Salahudin Cash and Carry
0110	18 October 2015	09:14	Salahudin Cash and Carry
0111	18 October 2015	09:27	Salahudin Cash and Carry
0112	18 October 2015	09:48	Salahudin Cash and Carry
0113	18 October 2015	10:09	Salahudin Cash and Carry
0114	18 October 2015	10:27	Salahudin Cash and Carry
0115	18 October 2015	10:49	Salahudin Cash and Carry
0116	18 October 2015	11:22	Salahudin Cash and Carry
0117	18 October 2015	11:48	Salahudin Cash and Carry
0118	18 October 2015	12:09	Salahudin Cash and Carry
0119	18 October 2015	13:09	Salahudin Cash and Carry
0120	18 October 2015	13:31	Salahudin Cash and Carry
0121	18 October 2015	14:04	Salahudin Cash and Carry
0122	19 October 2015	09:11	Borama Lodge
0123	19 October 2015	09:29	Borama Lodge
0124	19 October 2015	10:23	Borama Lodge
0125	19 October 2015	10:42	Borama Lodge
0126	19 October 2015	11:13	Cape Wholesaler
0127	19 October 2015	11:35	Cape Wholesaler
0128	19 October 2015	12:07	Cape Wholesaler
0129	19 October 2015	12:36	Cape Wholesaler
0130	19 October 2015	14:12	Cape Wholesaler
0131	19 October 2015	14:27	Cape Wholesaler
0132	19 October 2015	14:48	Cape Wholesaler
0133	19 October 2015	15:21	Somali Restaurant
0134	19 October 2015	15:37	Somali Restaurant
0135	19 October 2015	16:18	Somali Restaurant
0136	19 October 2015	16:42	Somali Restaurant
0137	20 October 2015	10:03	Kheyrqabe Cash and Carry
0138	20 October 2015	10:21	Kheyrqabe Cash and Carry
0139	20 October 2015	10:43	Kheyrqabe Cash and Carry
0140	20 October 2015	11:19	Kheyrqabe Cash and Carry
0141	20 October 2015	11:39	Kheyrqabe Cash and Carry

0142	20 October 2015	12:08	Kheyrqabe Cash and Carry
0143	20 October 2015	15:14	Bellville Cafeteria
0144	20 October 2015	15:36	Bellville Cafeteria
0145	20 October 2015	16:12	Bellville Cafeteria
0146	21 October 2015	09:43	Salahudin Cash and Carry
0147	21 October 2015	10:18	Salahudin Cash and Carry
0148	21 October 2015	10:44	Salahudin Cash and Carry
0149	21 October 2015	11:03	Salahudin Cash and Carry
0150	21 October 2015	11:24	Internet Café
0151	21 October 2015	11:39	Bellville Market
0152	21 October 2015	12:06	Bellville Market
0153	21 October 2015	12:26	Bellville Market
0154	26 October 2015	09:32	Trading Store, Mayfair
0155	26 October 2015	09:49	Trading Store, Mayfair
0156	26 October 2015	10:17	Trading Store, Mayfair
0157	26 October 2015	10:33	Trading Store, Mayfair
0158	26 October 2015	10:47	Al-Amin Cash and Carry
0159	26 October 2015	11:13	Al-Amin Cash and Carry
0160	26 October 2015	11:35	Al-Amin Cash and Carry
0161	26 October 2015	14:12	Al-Amin Cash and Carry
0162	26 October 2015	15:19	Trading Store, Mayfair
0163	26 October 2015	15:45	Trading Store, Mayfair
0164	26 October 2015	16:12	Amal Plaza Area
0165	26 October 2015	16:28	Amal Plaza Area
0166	26 October 2015	16:50	Amal Plaza Area
0167	27 October 2015	08:22	Amal Shopping Centre
0168	27 October 2015	08:43	Amal Shopping Centre
0169	27 October 2015	08:59	Amal Shopping Centre
0170	27 October 2015	09:15	Amal Shopping Centre
0171	27 October 2015	09:37	Amal Shopping Centre
0172	27 October 2015	09:53	Amal Shopping Centre
0173	27 October 2015	10:14	Amal Shopping Centre
0174	27 October 2015	10:27	Amal Shopping Centre
0175	27 October 2015	10:41	Amal Shopping Centre
0176	27 October 2015	11:10	Amal Shopping Centre
0177	27 October 2015	11:29	Amal Shopping Centre
0178	27 October 2015	11:48	Amal Shopping Centre
0179	27 October 2015	12:09	Garweyne Wholesaler
0180	27 October 2015	13:15	Garweyne Wholesaler
0181	27 October 2015	13:29	Garweyne Wholesaler
0182	27 October 2015	14:02	Garweyne Wholesaler
0183	27 October 2015	14:26	Garweyne Wholesaler
0184	27 October 2015	15:14	Garweyne Wholesaler
0185	27 October 2015	15:33	Garweyne Wholesaler
0186	27 October 2015	15:51	Garweyne Wholesaler
0187	29 October 2015	09:15	Shibis Restaurant
0188	29 October 2015	09:38	Shibis Restaurant
0189	29 October 2015	09:52	Shibis Restaurant

0190	29 October 2015	10:12	Shibis Restaurant
0191	29 October 2015	10:27	Shibis Restaurant
0192	29 October 2015	10:40	Shibis Restaurant
0193	29 October 2015	11:02	Shibis Restaurant
0194	29 October 2015	11:31	Shibis Restaurant
0195	29 October 2015	11:54	Shibis Restaurant
0196	29 October 2015	12:12	Shibis Restaurant
0197	29 October 2015	12:29	Taleex Internet and Café
0198	29 October 2015	14:14	Taleex Internet and Café
0199	29 October 2015	14:33	Taleex Internet and Café
0200	29 October 2015	14:51	Taleex Internet and Café
0201	29 October 2015	15:12	Taleex Internet and Café
0202	29 October 2015	15:29	Taleex Internet and Café
0203	30 October 2015	09:00	Arlaadi Shop
0204	30 October 2015	09:46	Arlaadi Shop
0205	30 October 2015	10:15	Universal Lodge
0206	30 October 2015	10:31	Universal Lodge
0207	30 October 2015	10:49	Universal Lodge
0208	30 October 2015	11:13	Universal Lodge
0209	30 October 2015	11:29	Universal Lodge
0210	30 October 2015	14:06	Qaxwo Coffee Shop
0211	30 October 2015	14:33	Qaxwo Coffee Shop
0212	30 October 2015	14:49	Qaxwo Coffee Shop
0213	30 October 2015	15:13	Qaxwo Coffee Shop
0214	30 October 2015	15:33	Qaxwo Coffee Shop
0215	30 October 2015	15:52	Qaxwo Coffee Shop
0216	30 October 2015	16:37	Qaxwo Coffee Shop
0217	30 October 2015	17:12	Qaxwo Coffee Shop
0218	30 October 2015	17:29	Qaxwo Coffee Shop
0219	31 October 2015	09:14	Tawakal Wholesaler
0220	31 October 2015	09:32	Tawakal Wholesaler
0221	31 October 2015	09:51	Tawakal Wholesaler
0222	31 October 2015	10:17	Tawakal Wholesaler
0223	31 October 2015	10:36	Tawakal Wholesaler
0224	31 October 2015	10:53	Tawakal Wholesaler
0225	31 October 2015	11:17	Tawakal Wholesaler
0226	31 October 2015	11:33	Tawakal Wholesaler
0227	31 October 2015	14:23	Wamo Restaurant
0228	31 October 2015	15:11	Wamo Restaurant
0229	31 October 2015	15:29	Taleex Restaurant
0230	31 October 2015	16:12	Taleex Restaurant

ANNEXURE D: CASE BASED INTERVIEWS

INTERVIEWS	**DATE**	**PLACE**	**TELEPHONIC FOLLOW UPS**
Hussein Adde	30 August 2015	Mayfair, Johannesburg	13 September 2015
Jama Shire	09 October 2015	Korsten, Port Elizabeth	15 & 17 October 2015
Ali Ganey	21 October 2015	Bellville, Cape Town	4 November 2015