

The Motivations and Obstacles to Immigrant Entrepreneurship in South Africa

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ABSTRACT This study investigates the motivations and obstacles to immigrant entrepreneurship in South Africa. 101 immigrant entrepreneurs participated in the survey and a self-administered questionnaire was employed in gathering data from African-immigrant entrepreneurs operating in selected cities (Alice, King Williams Town, East London and Port Elizabeth) in the Eastern Cape Province of South Africa. The respondents were selected using the simple random sampling method. Statistical analysis included descriptive statistics and the principal component analysis. The results indicate that immigrant entrepreneurs employ both native and immigrants. The results furthermore indicate that immigrant entrepreneurs are driven into entrepreneurship by both push and pull factors. Employment (a push factor) is the most important trigger. The results also indicate that the obstacles to the performance of immigrant-owned businesses include finance, weak markets, human capital and lack of support. In addition, networking by immigrant is limited to co-ethnics and most immigrant entrepreneurs are not members of regional chambers of commerce. The study gives recommendations on how immigrant entrepreneurs, commercial banks and government can improve immigrant entrepreneurship in South Africa.