Thesis

A model for the utilisation of networks and leveraging of the economic benefits of migration capital in emerging markets

By

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Submitted in fulfilment of the requirements for

Doctor of Philosophy

from the Graduate School of Business

University of Cape Town

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### Table of contents

<table>
<thead>
<tr>
<th>Abbreviations and acronyms</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of original authorship</td>
<td>8</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>9</td>
</tr>
<tr>
<td>Abstract</td>
<td>11</td>
</tr>
<tr>
<td>1. Chapter 1: Introduction</td>
<td>13</td>
</tr>
<tr>
<td>1.1 Background to the research</td>
<td>13</td>
</tr>
<tr>
<td>1.1.1 Historical context</td>
<td>13</td>
</tr>
<tr>
<td>1.1.2 Current migration trends and policies</td>
<td>14</td>
</tr>
<tr>
<td>1.1.3 South African policy on migration and migrant integration</td>
<td>17</td>
</tr>
<tr>
<td>1.1.4 Factors impacting local integration</td>
<td>19</td>
</tr>
<tr>
<td>1.2 The research groups</td>
<td>20</td>
</tr>
<tr>
<td>1.2.1 The Chinese sojourners</td>
<td>20</td>
</tr>
<tr>
<td>1.2.2 The Polish deportees</td>
<td>22</td>
</tr>
<tr>
<td>1.2.3 The Rwandan refugees</td>
<td>23</td>
</tr>
<tr>
<td>1.3 Justification for the research</td>
<td>25</td>
</tr>
<tr>
<td>1.4 The research question</td>
<td>27</td>
</tr>
<tr>
<td>1.5 Outline of the dissertation</td>
<td>27</td>
</tr>
<tr>
<td>1.6 Discussion of key terms utilised</td>
<td>28</td>
</tr>
<tr>
<td>2. Chapter 2: Theoretical framework and methodology</td>
<td>33</td>
</tr>
<tr>
<td>2.1 Social groups as organisations?</td>
<td>33</td>
</tr>
<tr>
<td>2.2 Ontological and epistemological context</td>
<td>33</td>
</tr>
<tr>
<td>2.2.1 Ontology: Constructive positivism</td>
<td>34</td>
</tr>
<tr>
<td>2.2.2 Epistemology: Critical realism</td>
<td>35</td>
</tr>
<tr>
<td>2.3 Methodology</td>
<td>36</td>
</tr>
<tr>
<td>2.3.1 Introduction</td>
<td>36</td>
</tr>
<tr>
<td>2.3.2 Evaluation of grounded theory as a methodology</td>
<td>38</td>
</tr>
<tr>
<td>2.3.3 Methodology principles</td>
<td>40</td>
</tr>
<tr>
<td>2.3.4 Data description</td>
<td>42</td>
</tr>
<tr>
<td>2.3.4.1 Data sources</td>
<td>42</td>
</tr>
<tr>
<td>2.3.4.2 The snowball sampling technique</td>
<td>44</td>
</tr>
<tr>
<td>2.3.4.3 Interview format</td>
<td>45</td>
</tr>
<tr>
<td>2.3.5 Data analysis</td>
<td>48</td>
</tr>
<tr>
<td>2.3.5.1 Concepts as the basic units of analysis</td>
<td>48</td>
</tr>
<tr>
<td>2.3.5.2 Code (category) development and relationships</td>
<td>48</td>
</tr>
<tr>
<td>2.3.5.2.1 Initial coding</td>
<td>49</td>
</tr>
<tr>
<td>2.3.5.2.2 Axial coding</td>
<td>49</td>
</tr>
<tr>
<td>2.3.5.2.3 Development of patterns</td>
<td>50</td>
</tr>
<tr>
<td>2.3.5.2.3.1 Establishment of causality and links</td>
<td>50</td>
</tr>
<tr>
<td>2.3.6 Development of theory</td>
<td>51</td>
</tr>
</tbody>
</table>
3. Chapter 3: Exploration of research data

3.1 Data systemisation

3.2 Code (category) development

3.2.1 Primary coding

3.2.2 Axial coding

3.3 Development of patterns

3.3.1 Developing the understanding of key variables and attributes

3.3.1.1 Variable 1: Lack of choice and knowledge of destination

3.3.1.1.1 Lack of local knowledge

3.3.1.2 Language barriers

3.3.1.2.1 Long term vision

3.3.1.2.2 The role of children

3.3.1.2.3 Ability to work the system and keep under the radar

3.3.1.2.4 Grey or illegal business activities

3.3.1.3 Variable 3: Degree of complexity within the internal dynamics of the group

3.3.1.3.1 Linked attribute: The ability to manage the cultural-business dichotomy

3.3.1.4 Variable 4: Degree of integration within local communities

3.3.1.4.1 Linked attributes

3.3.1.4.1.1 Ability to earn trust and respect

3.3.1.4.1.2 Charisma, charm and personality

3.3.1.5 Variable 5: Level of technical skill and business skills

3.3.1.5.1 Linked attributes

3.3.1.5.1.1 Choice of business strategy

3.3.1.5.1.2 Unemployment or underemployment

3.3.1.5.1.3 Business acumen

3.3.1.6 Variable 6: Limited access to formal funding sources

3.3.1.6.1 Linked attributes

3.3.1.6.1.1 Innovative and alternative funding mechanisms

3.3.1.6.2 Formalised partnership platforms

3.3.1.7 Variable 7: Business sustainability

3.3.1.7.1 Linked attributes

3.3.1.7.1.1 Development of appropriate business strategies

3.3.1.7.1.2 Customisation of service offering

3.3.1.7.1.3 Use of family resources

3.3.1.7.1.4 Trading in under-serviced areas
6.1.3 Evidence of systematic development of theory ................................................................. 182
6.2 Data and theory validity ..................................................................................................... 184
6.2.1 Data and process assessment ....................................................................................... 184
6.2.1.1 Identification of credible data and sampling ............................................................ 184
6.2.1.2 Data gathering and analysis ..................................................................................... 184
6.2.2 The model ................................................................................................................. 185
6.3 Evaluation of ethics ......................................................................................................... 188
6.4 Limitations of the research ............................................................................................. 190
Appendix 1 ............................................................................................................................. 200
List of respondents ................................................................................................................... 200
Appendix 2 ............................................................................................................................. 205
Data integrity tests .................................................................................................................. 205
Appendix 3 ............................................................................................................................. 210
Example of detailed coding ..................................................................................................... 210
7. List of references and Bibliography .................................................................................. 218
List of Tables

Table 1: 2015 Migrants and populations of concern in Sub-Saharan Africa ........................................... 16
Table 2: Profile of businesses created ............................................................................................ 53
Table 3: Distribution of data across categories ................................................................................ 56
Table 4: Consolidation of attributes and variables ............................................................................ 58
Table 5: Comparison of skills and opportunity businesses established ............................................... 103
Table 6: Comparison of competitive strategies employed by businesses ............................................ 118
Table 7: Causes, resultant disabilities and enabling characteristic ..................................................... 154
Table 8: Partnership value analysis ............................................................................................. 174
Table 9 Possible ethical implications of research and mitigations ...................................................... 189
Table 10: List of interviewees..................................................................................................... 201
Table 11: Evaluation of the groups according to Safran (1991) criteria .............................................. 205

List of Figures

Figure 1: Iterative research model (Berg, 2001:19) ......................................................................... 39
Figure 2: Overview of methodology ............................................................................................... 41
Figure 3: Basic interview structure. ................................................................................................. 46
Figure 4: Example of the logic followed in developing patterns ...................................................... 51
Figure 5: Links between language barriers and local knowledge ..................................................... 64
Figure 6: Links between ability to manage risk and lack of choice of destination ............................ 68
Figure 7: Links between the lack of choice and use of social connections ....................................... 70
Figure 8: Limiting link between legislative framework and vision ................................................... 73
Figure 9: Links between long term vision and use of family resources ............................................ 83
Figure 10: Links between lack of choice in destination and group complexity ............................... 89
Figure 11: Links between group complexity and ability to manage dichotomy ............................... 93
Figure 12: Links between level of skill and nature of business started ........................................... 100
Figure 13: Links between underemployment and necessity business establishment ..................... 105
Figure 14: Links between lack of formal funding and alternative sources ........................................ 111
Figure 15: Links between business sustainability and location ....................................................... 123
Figure 16: Links between the role of children and long term vision ............................................... 124
Figure 17: Links to lack of choice of destination .............................................................................. 125
Figure 18: Integration of lack of choice/long term vision/ legislative environment ............................. 126
Figure 19: Combined linkages prior to business establishment ......................................................... 127
Figure 20: Business establishment and sustainability linkages ......................................................... 128
Figure 21: Relationship between literature sources ........................................................................ 151
Figure 22: The migrant business establishment continuum Note: The *Star icon indicates the establishment of legal, social, knowledge and economic capital .................................................... 155
Figure 23: Graphic description of migrant establishment .................................................................. 160
Figure 25: The proposed progression of a constrained migrant entrepreneur .................................. 165
Figure 26: The migration capital model ........................................................................................ 168
Figure 27: The interaction of factors preceding social integration .................................................... 170
Figure 28: The proposed impact of model implementation on a business lifecycle ......................... 176
Figure 29: Illustration of the involuntary migrant economic value add ............................................. 178
Figure 30: Clustering of sources according to coding similarity ....................................................... 208
Figure 31: Geographic distribution of respondents ......................................................................... 209
Figure 32: Summary of category inputs ....................................................................................... 210
## Abbreviations and acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>BBBEE</td>
<td>Broad Based Black Economic Empowerment</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>EGOS</td>
<td>European Group of Organization Studies</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SME</td>
<td>Subject Matter Expert</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
</tr>
</tbody>
</table>
Statement of original authorship

DECLARATION

I know that plagiarism is wrong. Plagiarism is to use another’s work and pretend that it is your own.
I have used the APA convention for citation and referencing. Each significant contribution and quotation from the works of other people has been attributed, cited and referenced.
I certify that this submission is all my own work.
I have not allowed and will not allow anyone to copy this work with the intention of passing it off as his or her own work.

Signed

Wanda Ingrid Chunnett

2nd July 2018
Acknowledgements

While the formal research and documentation of my findings extended over a period of two years, the cogitation that preceded it, along with the debates on how to go about it, extended over a far longer period of time and required inputs, patience and, most of all, support from a variety of people who should be thanked and acknowledged.

Firstly, my thanks must go to those who supported my venture back into academia after an absence of many years. When a mature practitioner sets out to deliver a PhD, the sensible path to follow would be to use work experience as a basis for research. I chose the path less travelled and explored a topic with which I am socially, rather than professionally, connected. This required the backing of a great support team, which the Graduate School of Business provided. From the administrative staff who assisted with my technology battles, to Ms Mary Lister, Librarian, who knows more about referencing than I would have believed possible and gave freely of her knowledge and also Professor Ralph Hamman, who organized the PRC sessions, which were invaluable for focusing both my mind and body on the quantum of work required to turn an idea into academic reality.

I was fortunate to have a very special kind of supervisor in Dr Elanca Shelley. She instinctively understood the difference between guidance and micro management and provided plenty of the former and just enough of the latter to make sure that I met the deadlines and process requirements. In this way, she tempered my passion with the academic discipline and rigour required to develop what I trust is a significant contribution to my chosen field of study.

All of the respondents and interviewees also deserve mention. My arguments, model and theoretical contribution are based on their valuable insights as well as
my experience as the daughter of a refugee. One of the respondents summed it up so well when she said:

   We have been here eighteen years. The kids are trying to support the parents....... I feel like it’s a very hustle life but we are just trying to get by. (Rwandan group respondent 05)

I hope that, through my analysis of the “hustle life”, I have given the communities who must engage in it a valid voice and the acknowledgement that they merit.

Finally and most importantly, I would like to acknowledge the incredible support of my family and friends, particularly my husband and children. They have shared the time, effort and emotion that I have put into the development of this dissertation. Their encouragement and positivity provided the impetus for me to continue probing and questioning when I thought that I had all the answers, thereby enriching this piece of work immeasurably.

Thank you.
Abstract

The research considers the question: *What can emerging market economies do to leverage sustainable growth opportunities from resource constrained, involuntary migrant entrepreneurs?* It explores the positive economic impact that involuntary migrant entrepreneurs have made in an emerging market economy, South Africa, through the establishment of sustainable businesses.

This research focusses on three groups of involuntary migrants who have, at various times over the last 120 years, been physically or economically forced to leave their home countries and have entered South Africa with few, if any material resources. While the groups are ethnically diverse and the time of arrival in South Africa varies, the research shows that the commonalities in their process of their business establishment transcends time, geography, ethnicity and political dispensation.

The objective of the research, therefore, is to understand the underlying enablers and constraints that facilitated the establishment of such businesses historically and to use them to develop a model that might be implemented by public and private institutions to maximise the economic benefits that groups of migrant entrepreneurs can deliver. It took the form of an inductive study of behavioural attributes to which a critical realist epistemology has been applied, using network theory and the lens of “desirable difficulties” within the context of social, economic and migration capital.

The research was inspired by the work of Elizabeth and Robert Bjork (1996 and 2015) and extends the concept of desirable disabilities into the realm of societal “disabilities” that have been overcome by resource constrained migrant entrepreneurs, to accumulate the necessary social, knowledge and economic capital (Bourdieu, 1985) to establish sustainable businesses.
The theoretical contribution of the research is to take the involuntary migrant debate beyond the "refugee as burden" paradigm, by focusing on constrained, involuntary migrants as potential economic contributors through:

1. A theoretical proposition that the legal, knowledge, language and economic capital required by constrained migrant entrepreneurs to leverage the enabling disabilities that they have and to establish their locus of power, is augmented by an additional migration capital, an offshoot of mobility capital, which originates from the interactions within and between the migrant group networks.

2. The development of a model, based on migration capital, which may be used by emerging market countries to maximise the economic growth opportunities that severely resource constrained entrepreneurs can offer.

The model utilises a newly defined form of capital, namely migration capital, as its basis. It provides an alternative view to traditional, “push” based economic theories which have categorised refugees and migrants as economic burdens that must be supported by the host country for extended periods of time, to the detriment of the local population. The “pull” model is premised on the finding that migration is a temporal rather than geographic or ethnic issue and that there is additional value to be extracted over the lifespan of a migrant business if the social integration can be expedited through the facilitation of migration capital in addition to individual social, knowledge and economic capital. It considers the benefit that can be realised by the host country, where the process driver remains the migrant entrepreneur, eager to become established in a new country and achieve their long term vision.
1. Chapter 1: Introduction

1.1 Background to the research

1.1.1 Historical context

Written records of forced migrations have existed for thousands of years. Historically, groups fled to escape war, religious or ethnic persecution and natural disasters. Their greatest challenge was finding the means to leave the country of origin rather than gaining acceptance in a host country.

While camps were established to contain unwelcome migrants that might have been carriers of plague and other diseases in medieval Britain (Nail, 2015), migrants were, by and large, accommodated by host populations who were eager for settlers to open up sparsely inhabited territories, start new industries and crafts or displace troublesome, indigenous populations.

The term "refugee" originates from the French word "refugié" meaning “to take shelter, protect" (“Refugee,” n.d.) and was first used to describe the Huguenot migrants who fled from the religious persecution that followed the revoking of the Edict of Nantes in 1685 (The Huguenot Society of Great Britain and Ireland, 2016). They settled across Europe, as well as in Russia, South Africa and England and delivered benefits to the host countries, including the design of Russian cities such as St Petersburg, the establishment of the fine textile industry in England – and the founding of the wine industry in South Africa.

The free passage of large groups of migrants has become a contentious political and social issue since the start of the 20th Century and World War I for numerous reasons including that:

1. Advances in transport and communication have led to unprecedented numbers of people migrating, either on a short or long term basis, across the globe.
2. Post the Industrial Revolution, host countries require specialised skills and not the mixed levels of skills that typically constitute migrant diaspora.
3. Host countries may have significant unemployment within their own populations and face political pressure to limit migration in an effort to protect the interests of their citizens.
4. Aging populations of developed countries have placed severe strains on social infrastructure and benefits. There is little will to extend these benefits to migrant communities.
5. Host countries in emerging markets (Africa, parts of Asia, Central and South America) have few, if any, social benefits, making public services for and accommodation of migrants in these countries difficult.

Mathematical models developed by Lee (1926) and Samuelson (1954) focused on the negative economic effects of externalities such as mass migration on host countries. While there is an argument that these models were overly simplistic as “social changes have given rise to a new form of hybridity in global migration, such that no singular theory will be sufficient in itself or the outcomes” (Nail, 2015:179), they still underpin many of the migration policies that have been developed and implemented by governments and refugee management agencies such as the United Nations High Commissioner for Refugees (UN High Commissioner for Refugees, 2002).

1.1.2 Current migration trends and policies

Migrant groups vary widely in the degree of choice that they have in their destination and, until recently, the “United States, Canada, the United Kingdom, and Australia are major destination sites for immigrant entrepreneurs. Businesses and governments in these countries are positively disposed to, and often strongly supportive of, immigration.” (Teagarden, 2010:75).
South Africa has periodically encouraged selective immigration, initially of unskilled or semi-skilled labour to start up industries such as mining and sugar production in the 19th and 20th centuries and, latterly, of skills deemed as critical for economic and social development (Rogerson, 1997).

In 2015, South Africa recorded the presence of 912,592 of the estimated 60 million migrants who have crossed international borders and find themselves the refugee-like situations as illustrated in Table 1 (UNHCR, 2016). Few of the migrants presently coming to South Africa fall into the desirable, critical skills category and find ready employment and their incorporation into the local, formal economy not assured (Kavuro, 2015a).

In response to the increasing numbers and mobility of constrained, involuntary migrants, policies are revised to make the migration to, or through, potential host countries more difficult (Borjas, 1989; Handmaker, 2001; Massey, Durand, & Malone; 2002, UNHCR, 2002; Robinson, 2002; Kloosterman & Rath, 2003; Lucas, 2005; Fielden, 2008; Crush, 2009; Branstetter, L; Lima, F; Taylor, 2014; Fauvelle-Aymar, 2014; Landau & Amit, 2014; Maystadt & Verwimp, 2014; Eleftheriou-Smith, 2015; Kavuro, 2015b and Nuttall, 2016), in order to limit the number of migrants eligible to enter or remain in the country.

These measures include the effective exclusion of refugees from permanent residence eligibility, restrictions on the migration of family members and the encampment of refugees, excluding them from meaningful economic activity and establishment in the host country. Increasingly restrictive migration laws result in statistics that reflect an increase in immigration offences, thereby justifying even harsher controls (Nail, 2015).
<table>
<thead>
<tr>
<th>Country/territory of asylum</th>
<th>Migrants</th>
<th>People in Migrant-like situations</th>
<th>Total Migrants and people in Migrant-like situations</th>
<th>Of whom assisted by UNHCR</th>
<th>Asylum-seekers (pending cases)</th>
<th>Returned Migrants</th>
<th>Persons under UNHCR's statelessness mandate</th>
<th>Others of concern to UNHCR</th>
<th>Total population of concern</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>114,512</td>
<td>-</td>
<td>114,512</td>
<td>11,451</td>
<td>798,080</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>912,592</td>
</tr>
<tr>
<td>Uganda</td>
<td>428,397</td>
<td>-</td>
<td>428,397</td>
<td>428,397</td>
<td>38,068</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>646,465</td>
</tr>
<tr>
<td>United Rep. of Tanzania</td>
<td>159,014</td>
<td>-</td>
<td>159,014</td>
<td>136,787</td>
<td>1,150</td>
<td>-</td>
<td>-</td>
<td>168,019</td>
<td>328,183</td>
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<tr>
<td>Zambia</td>
<td>25,737</td>
<td>-</td>
<td>25,737</td>
<td>25,737</td>
<td>2,606</td>
<td>-</td>
<td>-</td>
<td>23,415</td>
<td>51,758</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>6,085</td>
<td>-</td>
<td>6,085</td>
<td>6,085</td>
<td>123</td>
<td>10</td>
<td>300,000</td>
<td>1,873</td>
<td>308,091</td>
</tr>
</tbody>
</table>

*Extracted from (UN Refugee Agency, 2016 Statistical Tables)*
When migrants do manage to settle in a country, the reception by local communities and legal authorities is often antagonistic, leading to covert and overt hostility, violence and even death (Rogerson, 1997; Pizarro, 2002; Whitaker, 2002; Crush, 2009; Handmaker, de la Hunt, & Klaaren, 2011; Gastrow & Amit, 2013; Verwimp & van Bavel, 2013; Smit & Rugunanan, 2014; Kavuro, 2015a; Nuttall, 2016 and Zack & Estifanos, 2016). The hostility can also take the form of withholding legal rights, such as permanent residence.

1.1.3 South African policy on migration and migrant integration

In comparison with previous policies that discriminated against ethnic groups (Human, 1984; Harris 1995 and Harris, 2010), South African migration and asylum policies (Office of the President, 1998) are regarded as progressive by some (Handmaker, 2001; Landau & Amit, 2014 and Parker, 2015). However, this does not necessarily imply that the policies promote the integration of migrants. Unlike developed countries such as Germany (Federal Ministry of the Interior, 2017), where constrained, involuntary migrants are assisted with settlement, South Africa’s asylum policy is based on self-settlement, self-integration and self-sufficiency (Kavuro, 2015b:238).

The critique of South African policy, therefore, appears to be more focused on the contention that there is little in current government policy that encourages immigration rather than actual discrimination against involuntary migrants (Dinbabo & Nyasulu, 2015). Parker (2015) notes that rights violations can take place both if the migrant remains in the country of refuge, as well as when they are returned.

A precarious migration status commonly exposes people to exploitative working conditions and attendant infringements of rights and Kavuro (2015a) cites the complexity of legislation and inability of some employers and professional
councils to distinguish between the Migrants Act and the Immigration Act as unnecessary restrictions of migrants’ employment opportunities.

Furthermore, migrants entering South Africa are not offered material support to integrate into communities. According to a UN High Commissioner for Refugees (2002) report, this support should, ideally, comprise “a legal process, whereby migrants are granted a progressively wider range of rights and entitlements by the host State that are broadly commensurate with those enjoyed by its citizens. These include freedom of movement, access to education and the labour market, access to public relief and assistance, including health facilities, the possibility of acquiring and disposing of property, and the capacity to travel with valid travel and identity documents. Realisation of family unity is another important aspect of local integration” (UN Refugee Agency, 2002:2).

It should be noted that there are efforts to further restrict migrant integration within South Africa. The draft South African White Paper on International Migration, which was scheduled to be released in 2017 by the Department of Home Affairs, proposes the issue of country of origin passports, to regularise the presence of migrants in the country. However, this is viable only for involuntary migrants who agree to be seen as voluntarily re-availing themselves of the ‘home’ country’s protection, through the acquisition of the national passport and use of the consular authorities.

Such passports would require the re-forging of the previously broken links with the country of origin and emotional repatriation, whereby the migrant is required to acknowledge the legitimacy of the home country’s government and systems and subjugate themselves to these, albeit that they may choose not to return physically to the home country. While this option may be more realistic than waiting for integration through naturalisation, it is being vigorously opposed by many migrant groups and NGOs who see it as the first step to permanent, physical repatriation (Scalabrini Centre, 2016).
A more practical and acceptable solution might be to assess the potential for asylum seekers and other migrants to contribute to development at a local level, particularly in underdeveloped regions of the host country.

### 1.1.4 Factors impacting local integration

Handmaker et al. (2011) argued strongly for the integration of migrants in South Africa and devolvement of decision making to local level. They proposed that, as local government manages the outcomes of national policy and migration, it should be allowed to contribute to decisions that will facilitate development, a proposal that has been supported by Landau & Amit (2014).

However, Blaser & Landau (2016) have analysed local municipalities’ ability to manage mass migration and found that the majority of South African local municipalities do not have either the capability or competence to manage the integration of individual migrants on a large scale.

The competence issues that local authorities might have in implementing migration applications, is further complicated by high unemployment figures in the formal job market (Handmaker et al., 2011; Dinbabo & Nyasulu, 2015 and Kavuro, 2015a). South Africa has an unemployment figure that has been estimated, in the 2017 Quarterly Labour Force Survey, to be as high as 27.7% of the working population (South African Statistician, 2017). This makes preference given to local candidates for formal job opportunities, the de facto policy for many local authorities.

Therefore the only, viable, opportunity available to many constrained, involuntary migrants is to engage in informal, entrepreneurial activities (Rogerson, 1997; Gastrow & Amit, 2013; Lin, 2014 and Smit & Rugunanan, 2014), even though these activities may place them in conflict with the local population who are also seeking informal employment opportunities as they cannot find work in the formal sector.
1.2 The research groups

This study focuses on three groups of constrained, involuntary migrants that entered South Africa between the latter part of the 19th century and 1994-1998. I have elaborated on the theoretical reasons for my choice in Chapter 2: Methodology and, at this point, provide only a brief, contextual introduction to the groups.

1.2.1 The Chinese sojourners

*One Chinese is a dragon, many Chinese are bugs.* Chinese proverb.

In their book, *Colour, confusion and concessions* Yap & Leong Man (1996) documented details of the waves of Chinese migration to South Africa over 300 years. The group changed significantly in its composition, from the convicts and company slaves that arrived in the mid- to late-17th century, to a small number of fixed contract labourers and artisans who arrived in South Africa in the last decade of the 19th century and early years of the 20th century.

The latter were constrained, involuntary migrants in the sense that they had been caught up in an era of extreme political and economic turmoil in China, following the Taiping Rebellion (1850–1864). Young men migrated from two distinct areas in China, the ethnically distinguishable Cantonese, who settled mainly in what is now Gauteng province in South Africa and the Moiyenese, or Hakka, who settled along the coast of the country in Port Elizabeth, East London, Cape Town and Durban. This group was chosen as representative of constrained, involuntary migrants who establish themselves in a host country despite an extremely hostile political and legislative landscape in both the host and home country.

The migrants faced considerable, personal danger in undertaking the journey as the Chi’ing Dynasty emperors forbade all emigration and the penalty for travelling, with the intention of settling in another country, or returning from
settlement in another country, was death. In many cases the destination of the migrant was determined purely by chance as boats bound for the gold fields of California, South Africa and Australia would take migrants on board who had little understanding of where they were going other than that it was to a “gold mountain” (Accone, 2004).

This group of Chinese migrants should not be confused with the indentured, contract labourers who were brought to the country specifically to work on the gold mines during the Anglo Boer War (1904-1906) and they were entitled to remain in South Africa after the indentured labourers were repatriated to China by 1910. However, with the formation of the Union of South Africa in 1910, various pieces of provincial legislation were consolidated into an immigration law that classified all Asians as “prohibited immigrants”. The Immigrants Regulation Act. No 22, of 1913, not only prevented further immigration into South Africa, with the exception of the wives and children of existing residents, but also limited travel of Chinese both within South Africa and abroad, significantly impacting on their ability to work and create new opportunities for themselves (Yap & Leong Man, 1996 and Park, 2009).

After the departure of the indentured labourers, the number of Chinese migrants in the country was drastically reduced and the composition changed, to include some wives and children who had emigrated, legally or illegally, from China or Mauritius to join their husbands and fathers. These formed the nucleus of a community that navigated repressive legislation and managed to grow, economically and numerically, despite the prohibitions and restrictions of successive, oppressive regimes. Park (2009) noted that Chinese in South Africa still make up less than 1% of the South African population and remain concentrated in Gauteng and some coastal areas. Park describes the descendants of the original community as “largely middle class and professional,
rather than entrepreneurial, quite at odds with the new wave of Chinese migrants moving into the country” (Park, 2009:13).

Responses by members of the Chinese Group have been prefixed with the letters “CG”

1.2.2 The Polish deportees

*Lepiej umrzeć stojąc niż żyć na kolanach*. It is better to die standing than to live on your knees. *Polish proverb.*

The Polish deportees are representative of the migrants that fled to South Africa from Europe during and just after World War II. The fertile farming region currently known as western Ukraine has been a contested area for many centuries. For a brief period, as part of the Second Polish Commonwealth (1918-1939), it was populated by a mixture of native Ukrainians, Germans, Turks and Poles. The region was then targeted for “Sovietisation”, as part of Stalin’s expansionist ideal to spread communist doctrine and ideals and secure a buffer of like-minded states around the Soviet Union.

In February 1940 mass deportations of Polish “kulaks” (property owners), military officers, intellectuals and civil servants started across eastern Poland. An estimated two million people were deported to Soviet labour camps or gulags, in Siberia, where they were used to build camps, fell timber and clear the taiga forest for agriculture (Wright, 2000; Lanckoronska, 2001 and Malinowski & Chunnett, 2014). In 1941, the Soviet regime requested military aid from the Allied forces to repel the Nazi invasion of Russia. This was granted on condition that the Polish deportees were allowed to leave Siberia. In the ensuing mass migration through Siberia, Russia and Uzbekistan between one and two million migrants lost their lives and 2500 deportees arrived, together with 200,000 other migrants, in Persia (Iran) between 1942 and 1943. Groups of deportees, their caretakers and some wounded servicemen were shipped to Commonwealth
countries who had indicated that they were willing to house them until the end of the war. The host countries included South Africa, Mexico, Canada, India, Northern and Southern Rhodesia (now Zambia and Zimbabwe), Kenya, India, Palestine and New Zealand.

The deportees were kept in camps or military hospitals, with limited exposure to local communities, as they were to be repatriated to Poland when the war was over. However, the Allies withdrew their recognition of the Polish Government in Exile after the war and a Polish Provisional Government, supported by the Soviet Union, was established in Warsaw. This regime was not recognised by the West and it became apparent that the majority of migrants were unlikely to return to their homeland. They were then accelerated through local schooling programmes, integrated into local communities and offered citizenship of the various host countries (Wright, 2000; Tohill, 2004 and Zacharewicz, 2013).

The Polish deportees, unlike the Chinese group, experienced little legislative discrimination and generally integrated quickly into their host countries. Some married fellow migrants and retained strong, cultural roots and the majority became fully integrated, adopting English or the local language as their home language, to the point where their children and even their spouses were, and sometimes still are, unaware of the history of the group.

Responses by members of the Polish Group have been prefixed with the letters “PG”

1.2.3 The Rwandan refugees

*If you want to go fast, travel alone. If you want to go far, travel as a group.*

Rwandan proverb

The Rwandan group typifies many of the African migrants who have fled to a democratic South Africa, post the 1994 elections, escaping war, famine and
persecution and in hope of a better life. In 1990, ongoing tensions between the Hutu and Tutsi in Rwanda culminated in a full scale civil war between the Hutu led government of Charles Habyarimana and the Rwanda Patriotic Front (RPF), a rebel movement comprised largely of Tutsi rebels. Hostilities continued, with significant casualties on both sides, until Habyarimana signed an agreement at Arusha, Tanzania in 1993, creating a transition government that would include the RPF. This power-sharing agreement angered extremists on both sides and, on April 6, 1994, a plane carrying Habyarimana and Burundi’s president Cyprien Ntaryamira was shot down over Kigali, leaving no survivors.

Within an hour of the plane crash, members of the Rwandan armed forces set up roadblocks and barricades and began slaughtering Tutsis and moderate Hutus. The mass killings in Rwanda quickly spread from Kigali to the rest of the country, with some 800,000 people slaughtered over the next three months. By July 1994, RPF forces had gained control over most of country, including Kigali. In response, more than 2 million people fled Rwanda, crowding into camps in the Democratic Republic of Congo (then called Zaire) and other neighbouring countries (Johnson, 2017). An estimated 1600 fled to South Africa between 1994 and 1998 (Kavuro, 2015c), the majority entering the country as refugees, asylum seekers or on study permits.

Many of the 1994-1998 Rwandan migrants have not been fully integrated into their host communities. This has been reinforced by exclusionary migration, socio-economic and labour legislation that has been imposed in potential host countries (Parker, 2013) and migrants face an ongoing threat of forced repatriation.

Rwandan refugees have been allowed to remain in South Africa due to the fact that South Africa has not yet approved the UNHCR 2010 recommendations, which declared it safe for refugees to return to Rwanda. Article 1C(5) of the 1951 Refugee Convention permits the host state to return migrants to their
home countries involuntarily when “the circumstances in connection with which [they have] been recognized as [migrants have] ceased to exist” (Kavuro, 2015a p.5). The legal position of the 1994-1998 Rwandan migrants who live in South Africa remains unclear. They are unlikely to be granted permanent residence in the foreseeable future and are, consequently, excluded from the both the mainstream economy as well as social benefits.

Responses by members of the Rwandan Group have been prefixed with the letters “RG”

1.3 Justification for the research

The traditional view of “migrant as burden” and the theoretical constructs upon which it is based (Samuelson, 1954) has perpetuated an often hostile and antagonistic relationship between host communities and constrained migrants (Handmaker, 2001; Robinson, 2002; Kloosterman & Rath, 2003; Lucas, 2005; Fielden, 2008; Branstetter, Lima, and Taylor, 2014; Fauvelle-Aymar, 2014; Landau & Amit, 2014; Maystadt & Verwimp, 2014; Eleftheriou-Smith, 2015; Nuttall, 2016 and Collins, 2017), where the inhabitants of the host country view the migrants as competitors for grants, social services and limited employment opportunities.

These resources are in limited supply within developed economies and even more constrained, or non-existent, in emerging markets that have followed a model that was formulated for highly developed economies to manage migration (Handmaker et al., 2011). Authorities expend considerable time, manpower and financial resources attempting to return migrants to their home country rather than exploring if and how they could add value to the host economy as temporary or permanent entrepreneurs and potential job creators.

The global number of involuntary, constrained migrants is significant at well over 50 million people in 2015 (UNHCR, 2016) and increases annually (UN Refugee
These migrants spend extended periods of time in emerging market countries (Betts & Omata, 2015) as they do not feel safe to return home and are precluded from migrating on to more desirable locations. Emerging economies could be well served by leveraging the economic development potential that entrepreneurial members within the constrained, involuntary migrant community could deliver, if given the correct enabling environment.

The potential for such benefit is based on the results of a broader body of research carried out on the long term, positive economic impacts of migrant and other entrepreneurial businesses in developed countries such as Canada (Djukic & Parsley, 2010), the United States (Birch, 1987), transition economies including Vietnam, Poland and China (McMillan & Woodruff, 2003), central Europe (Waldinger, Aldrich, & Ward, 1990; Kloosterman & Rath, 2003) and South Africa (Rogerson, 1997; Dinbabo & Nyasulu, 2015 and Blaser & Landau, 2016). The study of involuntary, constrained migrants in an emerging market economy merits additional research. As Newland & Plaza (2013) have highlighted, the long term benefits that migrant diaspora bring are ill-defined and require further work before definitive conclusions can be reached.

Additionally, Verwimp & Meystadt (2015) have confirmed that the long term, economic impact of refugees on their host country is not well researched or understood and merits further investigation. Betts & Omata (2015) supported these conclusions, highlighting that agencies, researchers and policy makers have not adequately captured the nature of the economic activities displayed by refugees, while host countries discount the spending power of these communities, as well as the commercial intelligence about the home country that members of the diaspora have.

Locally, Crush (2009) has also identified a requirement for further research into the economic benefit potential of migrant entrepreneurs in emerging markets to assess, inter alia:
1. The creation of employment
2. The provision of goods and services in under-serviced, primarily rural, areas
3. The transfer of knowledge about Africa that would enable local companies and individuals to unlock new market opportunities

1.4 The research question

As a contribution to the advocacy of local integration, this research addresses some of the needs identified by these eminent researchers. It does so by asking the question:

*What can emerging market economies do to leverage sustainable growth opportunities from resource constrained, involuntary migrant entrepreneurs?*

While the work has focused on a specific group of entrepreneurial migrants, the migration capital partnership model could enable other researchers to employ similar approaches and encourage social capital transfer in other resource constrained groups that are hindered by social “disabilities”.

1.5 Outline of the dissertation

The dissertation is presented in a traditional doctoral format, with the exception of the Literature Review which has been positioned in Chapter 4 after the data analysis. The reasoning for this was to mirror the actual research process, with its emergent outcomes. The format of the dissertation is:

1. Chapter 1: Introduction (this Chapter)

2. Chapter 2: A description of the methodology employed, offering motivation for the choice of constructivist, grounded theory methodology as a basis for the research, premised on a critical realist ontology and constructivist epistemology. It details possible shortcomings of the methodology, ethical considerations and the risk mitigation measures applied.
3 Chapter 3: The presentation of the data assembled and an analysis of research data gathered from interviews with respondents, subject matter experts and written sources. The analysis follows the steps outlined in the methodology and assesses data credibility, richness and integrity as well as the identification of key variables for further exploration in the literature review.

4 Chapter 4: A literature review of key sources within the parent discipline of entrepreneurship to provide the theoretical insight concerning the variables that allow the development of the theoretical proposition.

5 Chapter 5: Detail of the theory building process, based on the data analysis and literature review. The chapter concludes with the proposed theoretical contribution, the contemplation of the research question and the presentation of a model based on leveraging migration capital through a series of networks.

6 Chapter 6: The conclusions and recommendations on the solution to the research problem and the limitations to the answers provided. It also includes recommendations for further research.

1.6 Discussion of key terms utilised

This section explains my understanding of the terms used in the dissertation, while recognising that there may be other, equally valid definitions. This has been done to mitigate the risk of overlaying one ambiguous concept over another, which could result in questionable conclusions and theory that is neither robust nor defensible (Berg, 2001).

African diaspora

The African Union defines the African diaspora as: “people of African origin living outside the continent, irrespective of their citizenship and nationality and who
are willing to contribute to the development of the continent and the building of
the African Union” (Joe, 2015:6)

Diaspora
The Oxford English Dictionary (Murray, 1884) says the first use of the word
diaspora is between 1694 and 1749 for the following meaning: “Any group of
people who have spread or become dispersed beyond their traditional homeland
or point of origin; the dispersion or spread of a group of people in this way; an
instance of this. Also: the countries and places inhabited by such a group,
regarded collectively.”

Safran describes diaspora as “expatriate, minority communities whose members
share several ...characteristics” (Safran, 1991:1). The use of the word “several”
in the definition is significant as it allows for the use of the word “diaspora” to
describe communities that exhibit some but, not necessarily all, of the
characteristics described.

Economic benefit
The online Business Dictionary (2016a) defines economic benefit as “benefit
quantifiable in terms of money, such as revenue, net cash flow, net income”.

Emerging economy
The Oxford Dictionary defines “emerging” as “becoming apparent” (Murray,
1884). Therefore, emerging economies are ones in transition, moving away from
their traditional reliance on agriculture and the export of raw materials.

Entrepreneur
Business Dictionary (2016b) defines an entrepreneur as: “Someone who
exercises initiative by organising a venture to take benefit of an opportunity and,
as the decision maker, decides what, how, and how much of a good or service
was produced. An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture”.

_Epistemology_

Epistemology is “The theory of knowledge, especially with regard to its methods, validity, and scope, and the distinction between justified belief and opinion (Oxford_Dictionaries, 2017).” Therefore, my epistemology supports the research as a manifestation of how I believe knowledge is effectively transferred, through a supporting methodology.

_Migrants, constrained migrants, asylum seekers and refugees_

There are subtleties in meaning between migrant and refugee and the terms are often debated and controversial.

The UNESCO (2015) website defines a migrant as "any person who lives temporarily or permanently in a country where he or she was not born, and has acquired some significant social ties to this country". Therefore “the term “migrant” covers a range of categories of all non-citizens, _inter alia_ diplomats, investors, migrants, refugees and asylum seekers” (Kavuro, 2015b:245).

According to the UNESCO (2015) definition, migrants are people who make choices about when to leave and where to go, even though these choices are sometimes extremely constrained. UNESCO considers involuntary migrants as refugees and they are considered as “passive” migrants as they have no say in their relocation from one place to another. What is debatable is at what point a migrant becomes passive and, de facto, a refugee.
The Special Rapporteur of the Commission on Human Rights Pizarro (2002) has another view and has proposed that the following persons should be considered as migrants:

1. Persons who are outside the territory of the State of which they are nationals or citizens, are not subject to its legal protection and are in the territory of another State.
2. Persons who do not enjoy the general legal recognition of rights which is inherent in the granting by the host State of the status of migrant, naturalised person or of similar status.
3. Persons who do not enjoy either general legal protection of their fundamental rights by virtue of diplomatic agreements, visas or other agreements.

This definition does not distinguish between migrants who are forced to leave their home countries or do so voluntarily. Rather, it defines migrants in terms of the host country and their place in it. The present research has focused on migrants who met or meet these criteria.

The term “constrained migrant” is used rather than “refugee” as the default categorisation of respondents, unless referring to the legal status given to the respondent by the South African government.

Ontology

The Oxford Dictionaries (2017) define ontology as “The branch of metaphysics dealing with the nature of being....A set of concepts and categories in a subject area or domain that shows their properties and the relations between them”(Oxford Dictionaries, 2017). My ontology lies beneath the research philosophy as an expression of my overall world view.
Small Business

Business Dictionary (2016c) uses the term small business as a “Designation for firms of a certain size which fall below certain criteria (that varies from country to country) in terms of annual turnover, number of employees, total value of assets, etc.” It also cross references “small and medium enterprise”, a term that has a far broader application than that in which it is used in the South African context.

Transnational migration

One of the defining features of the present day migration is the transnational nature of the migrants (Lucas, 2004). They “work, pray, and express their political interests in several contexts rather than in a single nation-state. Some will put down roots in a host country, maintain strong homeland ties, and belong to religious and political movements that span the globe” (Levitt, 2004:1).

In other words, the migrants who have social and economic capital that ranges from full involvement with both host and home country to migrants who do not retain any ties of significance with their home county and integrate fully into the host community, losing or denying their previous identity.
2. Chapter 2: Theoretical framework and methodology

2.1 Social groups as organisations?

There is compelling evidence within both the popular press and academic literature that social groups exhibit many of the behaviours of formal, established organisations and behave as such. In his major work on social theory Coleman (1990) explained how the behaviour of individuals, organisations and society could be linked. While much of his research, including the quantitative analysis, concentrated on business organisations and how they were responsible for the societal impact of their actions, he also analysed groups such as trades union and concluded that there were striking similarities in behaviour, driven by individuals, into the collective psyche where it became institutionalised.

Further interrogation confirmed that organisational theoretical frameworks could well apply to the groups that I had identified for research (Homans, 1958; Bourdieu, 1985; Denzin, 1989; Coleman, 1990 and Katz, Lazer, Arrow, & Contractor, 2004). Therefore, as my research was centred on the establishment of sustainable, entrepreneurial businesses within these groups, my assumption was that the appropriate theoretical framework would be one that was tested within an organisational context rather than a pure ethnographic or social study.

2.2 Ontological and epistemological context

The debate on the appropriateness of various theoretical frameworks has been ongoing ever since the study of organisations started in the mid nineteenth century and the first theoretical framework was proposed (Reed, 2006). It was apparent to me that, irrespective of what my choice was, it would be open to challenge. The appropriateness of my choice should be based on my world view (ontology) and understanding of the creation of knowledge (epistemology) if it was to be suitable, robust and allow me to explore a topic that I was passionate about, while limiting my personal bias and the impact this could have on the validity of my research.
2.2.1 Ontology: Constructive positivism

As someone who studied, graduated and has practiced for many years within a natural sciences discipline, my ontological foundations are firmly grounded in positivism. The natural sciences are characterised by irrefutable and absolute laws of nature. For example, the effects that the force of gravity has on objects falling towards the earth, irrespective of the actions of actors to influence it. It was very tempting to extrapolate the idea of irrefutable laws to the domain of the social sciences as well and, in some cases, they do. For example, Maslow’s hierarchy of needs describes the response that individuals will have to specific circumstances, irrespective of their cultural affiliation or world view.

However, as Kuhn (1970) has noted, the phenomena that characterise the social sciences are not always as clear cut as those in the natural sciences and that one is “struck by the number and extent of the overt disagreements between social scientists about the nature of legitimate scientific problems” (Kuhn, 1970: vii). My argument, therefore, is based on the fundamental difference in the revolutionary nature of natural scientific phenomena discoveries and theory development versus the evolutionary manner in which many social science theories are developed (Kuhn, 1970).

At various points in history, explanations or theories are developed by natural scientists to explain phenomena, dependent only on the knowledge available at the time and is evidence of a positivist ontology. Theories will either stand, fundamentally unchanged, or be replaced in their entirety at a later stage, dependent on the knowledge available then as the laws that govern them remains unchanged (Kuhn, 1970).

Social sciences, however, tend to follow a more developmental path when defining theory, building on previous theories rather than debunking them
(Kuhn, 1970). This evolution rather than revolution is premised on an interaction between actors and the phenomenon, or an interpretive/constructivist ontology.

The ontological stance of this dissertation presents an evolution of a positivist ontological position, as proposed by Glaser (1967), Kuhn (1970), Charmaz (2000, Mills, Bonner, & Francis (2006) and Bhaskar (2008), who have all documented and validated an ontological heuristic that accommodates both positivist evidence and the actors who impact on phenomena, as a way of exploring not only the “what” and “how” of phenomena but also the “why”, which is so important in establishing universality. “They emphasize abstract understanding of empirical phenomena and contend that this understanding must be located in the studied specific circumstances of the research process” (Charmaz, 2000:398).

2.2.2 Epistemology: Critical realism

Critical realism, and network theory, specifically, offered the most suitable epistemology for this research as it considered both irrefutable internal and external forces as well as the role players involved. It allowed for development of an engaged theory, incorporating the data obtained from the groups, while recognising that the groups functioned within constraints that were, in many cases, beyond their ability to change.

After Putnam (1990) coined the term, critical realism, proponents such as Bhaskar (2008) have highlighted how it provides an alternative paradigm both to scientific positivism, with its irrefutable laws, and also constructivist or epistemologies that favour interpretation. As noted by (Bhaskar, 2008), Critical realism accommodates, or is at least tolerant of, the legitimacy of both positivist and constructivist ontologies. It therefore aligns with my ontological stance that much of reality does exist, independent of whether we know about it or not, this is “what” we know. “How and why” we know, however, requires a more interpretive approach.
Critical realism assumes an underlying network of contextual reality that shapes the way that social systems develop. This may be considered as the social DNA and it constrains the responses that a group can develop to external or internal forces. The group, however, does have influence on what happens within the confines of the network. Legal frameworks would be an important example of the DNA or contextual reality within which the actions of the study groups were constrained.

Network theory, as an offshoot of the critical realism epistemology, highlights the importance of the interplay between predetermined, positivist factors and the effects that these have when interacted on by external or internal forces in an interpretive or constructivist manner. It offers an explanation for seemingly anomalous behaviours that were part of the study, such as individuals acting against their value system and exhibiting characteristics of the group culture instead.

2.3 Methodology

2.3.1 Introduction

A constructivist, inductive methodology, applied over an extended time period aligned well with the critical realism epistemology and was regarded as the most appropriate for the topic under review. The reasons for the choice include:

1. The initial research, summarised in Chapter 1, indicated that the field of refugee economics is highly polarised and dynamic. The benefits provided by diaspora have been closely scrutinised and debated.
2. Historically, the focus of research was heavily weighted towards the benefit that the host country delivers to the migrant, with little consideration of possible reciprocity through the establishment of entrepreneurial enterprises. Recent research has identified the possible mutual benefits of these businesses but has not come to definitive

A quantitative approach, requiring an objective assessment against a clearly defined theory would not be practical within the context of these debates. A conscious decision was therefore made to explore the phenomenon in a qualitative manner, within certain boundaries (i.e. the network), thereby developing a value proposition that could be tested by future researchers who see merit in doing so.

3. Zetter (2012), in his review of approaches to meaningfully measure economic contributions of migrant populations meaningfully, advocates a qualitative approach, with some quantitative inputs – supporting the choice of critical realism as a suitable epistemological framework, which accommodates both of these.

4. I cannot claim to be entirely neutral about the subject of my research topic. As a first generation South African, with a father who is one of a European diaspora, an important trigger for the research was a curiosity to test my instinctive assessment of the economic impact that these groups might make, despite the impediments that they face.

After an analysis of possible methodology options (Kaplan, 1964; Denzin, 1989; Berg, 2001; Holloway & Todres, 2003; Denzin & Lincoln, 2005; Beiser, 2006; Baxter & Jack, 2008; Elo et al., 2014; McMichael, Nunn, Gifford, & Correa-velez, 2014 and Morgan, 2014), grounded theory was selected as the most suitable methodology for the research.
2.3.2 Evaluation of grounded theory as a methodology

My choice of some form of grounded theory is supported by Morgan (2014) who noted that, for qualitative research, it can be accepted that personal beliefs and views may exist, but the researcher must incorporate this into the development and emergence of theory that requires:

2. Participant observation or a what question? (in this case data on involuntary migrant entrepreneurs and their contribution)
3. An understanding of the meaning of the observations or a how question? (by means of observations, interviews and analysis of the interviews)
4. Development of a why question? (extension of the information, in conjunction with literature review and analysis of context, to develop a Theory)

The grounded theory domain offers a broad spectrum of possibilities and the decision to use grounded theory as a methodology was only the starting point as I evaluated the comparative merits and shortcomings of the variations of Glaserian and Straussian grounded theory (Glaser, 1967; Coleman, 1990; Glaser, 1992; Cutcliffe, 2004; Bowen, 2005; Mills et al., 2006 and Breckenridge, Jones, Elliott, & Nicol, 2012).

Constructivist grounded theory presented an evolution of the original work of Strauss and Glaser, positioned by Charmaz (2008) as a development that addresses shortcomings that were identified by researchers who had attempted to implement pure grounded theory in the field. Constructivist grounded theory challenges two, fundamental concepts of pure grounded theory that made it suitable for the research:

1. The purist grounded theory requirement for a “blank slate” on the part of the researcher prior to commencing with research: from my personal background, I could not meet the requirement of a blank slate and did not
think that my pre-existing insight into the topic researching was necessarily negative, as it had triggered my curiosity for the research topic initially. I did feel, however, that participants required a platform to contribute as fully as possible to the emergence of any resultant theory, without additional contextual insight on my part. This view is supported by Charmaz (2008), who suggests that some understanding of the topic, prior to commencing with research, provides a richness and context that adds value to the study. Earlier researchers such as Berg (2001) proposed a similar, qualitative research methodology model, illustrated in Figure 1, where the development of any meaningful theory is an iterative process of action and literature review rather than a sequential process with a “naïve” researcher.

![Figure 1: Iterative research model (Berg, 2001:19)](image)

2. The level of involvement of participants: The debate about the level of participation of respondents, or their “voice”, appears to focus on whether this voice is allowed to feature as is within the research, including any bias, (constructivist) or whether all data is interpreted by the researcher, with no direct input by respondents (classical). Charmaz (2008) proposed that participants should have an active voice in the development of theory, while classical grounded theory proponents such as Breckenridge et al.
(2012) maintain that the purpose of grounded theory is never to represent all views of the world.

### 2.3.3 Methodology principles

My methodology principles follow the canons of Corbin & Strauss (1990), who noted that the usual canons of "good science" should be retained, but require redefinition to fit the realities of qualitative research and the complexities of social phenomena. These scientific canons include significance, theory-observation compatibility, generalisability, consistency, reproducibility, precision and verification (Corbin & Strauss, 1990:4).

Figure 2 illustrates this and provides an overview of the methodology through data analysis (Chapter 3) and theory development (Chapter 5). It demonstrates how:

1. Data collection and analysis are interrelated processes.
2. Concepts are the basic units of analysis.
3. Codes (categories) must be developed and related.
4. Analysis should provide for constant comparisons (similarities and differences).
5. Patterns and variations must be accounted for.
6. Process must be built into theory.
7. Write theoretical memos.
8. Hypotheses about relationships among codes should be developed and verified as much as possible during the research process.
9. Broader structural conditions must be analysed (Shaw & Holland, 2017:5).
Figure 2: Overview of methodology
2.3.4 Data description

Berg (2001) highlighted that while qualitative and quantitative data analysis might be complementary and equal, in theory, quantitative analysis has traditionally been regarded as more credible. The underlying reason for this may be the perception that numbers are an indication of precision, as proposed by Kaplan (1964: 206).

Berg (2001) countered this focus on numbers with the caution that researchers, in the pursuit of quantitative data, may not attain the purpose of their research, which is to answer questions through the application of systematic process. Morgan (2014) noted that the key difference lies not so much in the data itself as in the way that the data is used and analysed, alluding to a requirement for richness and quality of data.

Based on these statements, I felt that data quality rather than quantity should be my focus and, therefore expended considerable effort in ensuring that the data sources provided the requisite richness.

2.3.4.1 Data sources

I, therefore, focussed on three groups, who entered South Africa under different political dispensations, rather than opening the research up to the wider group of involuntary migrants who have settled in South Africa. My choice of groups was based on personal preference but I took care to interrogate the data generated for validity. The range of diverse, quality, entrepreneurial respondents within the limited space of time available for research was gratifying considering:

1. The size of the potential respondent pool: The total number of Rwandan refugees in South Africa is estimated at approximately 2000 (Kavuro, 2015c), the Polish deportees and servicemen comprised a group of approximately 550 individuals (Malinowski & Chunnett, 2014) and the
numbers of Chinese in South Africa in 1921 was estimated at 1828 (Yap & Leong Man, 1996).

2. The composition of the groups: Within each of the groups there were political, regional, clan or cultural subgroups that were not closely bound.

3. The groups were geographically isolated: Respondents settled across South Africa and did not have strong links to other communities.

The data sources therefore included the transcripts of:

1. Face-to-face or telephonic interviews with migrant entrepreneurs or their direct relatives, who had worked in and subsequently managed the businesses that had been established. A list of respondents is attached as Appendix 1 of this document.

2. Interviews with the authors of books and academic studies regarding the respondent groups. The list of these has been included in Appendix 1 of this document.

3. Interviews with subject matter experts regarding South African migration policy, entrepreneurs in South Africa and the migrant experience of other groups in South Africa to understand patterns and variations and test the hypotheses that emerged. The names of these have been included in Appendix 1 of this document.

4. Biographical and autobiographical accounts of the Chinese and Polish groups, where respondents were no longer alive (Harris, 1995; Yap & Leong Man, 1996; Accone, 2004; Mung, 2008; Park, 2009, Ho, 2011; Abrahams, 2012; Zacharewicz, 2013 and Malinowski & Chunnett, 2014)

5. Video material, including details of their business activities (Tohill, 2004).

A summary of the data integrity tests that were performed to test geographical and other biases has been attached as Appendix 2 of this document.

Based on the data integrity tests, I concluded that the three groups that I selected qualify as representative of their era and global migratory conditions,
using the criteria developed by Safran (1991) for assessing migrant, diaspora groups namely, overlaid with the involuntary nature of their migration:

1. Their original number exceeded 500,000.
2. They were forcibly dispersed from a specific original “centre” to two or more peripheral, or “foreign” regions.
3. They have retention of a collective memory, vision or myth about their collective homeland—physical location, history, and achievements.
4. There was, or is, a real or perceived lack of full acceptance by their host society.
5. The group is considered a permanent, minority group in the host country.

2.3.4.2 The snowball sampling technique
A snowball sampling technique, as proposed by Corbin & Strauss (1990), Berg (2001), Glaser (2002) and Charmaz (2008) was adopted as the exposure to the Chinese and Rwandan groups was limited prior to the research and I did not want to bias the feedback from the Polish group by applying purposive sampling.

To make the snowball sampling as effective as possible, multiple, geographically distinct points of introduction to each of the groups were identified. This strategy provided a backstop when one avenue closed due to lack of participation by respondents and served to counter any bias that might have occurred in the selection of respondents. Credible and well recognised institutions such as the Western Province Chinese Association in Cape Town, the Eastern Province Chinese Association in Port Elizabeth, the Polish Heritage Trust Museum in New Zealand, the Polish Association of Siberian Deportees in South Africa, the South African Holocaust and Genocide Foundation and the Scalabrini Society in Cape Town served as the initial points of contact to identify suitable respondents. The assistance of these organisations and representatives was invaluable and mitigated the effect of a number of potential flaws in the research process, as:
1. The community representatives provided context for each group and gave an insight into the specific complexities which, as became evident, were multitudinous.

2. The introductions overcame initial suspicions that individual respondents might have had and opened a broad base of respondents, representing a wide range of views and business backgrounds.

3. Interaction with the organisations provided an opportunity to pilot the proposed questions for ethical or reputational concerns.

4. Many of the face to face interviews took place at the premises of these organisations. Alternatively neutral locations such as church or community halls or the respondent’s business premises were used.

5. The scope of the study covered a period of 100 years and, for the earlier migrants, the original founder of the business was no longer alive or able to answer questions. The respondent, in those cases, was a close relative, usually a son or daughter who had taken over the business and had enough insight to answer the questions. These people were identified by the community representatives based on their institutional knowledge of the community.

A “dissertation diary”, together with the analytics function of Nvivo, was used to map both the data gathering and analysis process.

2.3.4.3 Interview format

The format of the interviews was a semi-structured blend of closed, semi-open and open questions as proposed by experienced, qualitative researchers such as Rubin & Rubin (1995), Berg (2001) and Leung (2001). This allowed for valuable discussion but provided structure and comparable answers analysis and evaluation. The basic question structure is illustrated in Figure 3. As noted by Corbin & Strauss (1990), the concepts surfaced through repetitive references in the answers given to the questions by the various respondents.
Figure 3: Basic interview structure
The interviews were divided into three phases to maximise the quality of the interaction:

*Familiarisation questions*, where I endeavoured to put the respondent at ease, explaining the purpose of the interview and confirming both the willingness and suitability to participate. This phase allowed the interviewee some voice to describe the circumstances of the migration.

In many cases the stories of the migration were harrowing and emotional ones, while, in some cases, the migrants or respondents tried to gloss over them as soon as possible. I respected both views equally as they contributed to my reflective analysis of the subsequent data that emanated from the interview.

*Business contextual questions*, which were more structured, to enable comparison of data. Many of the questions in this section allowed for a selection of answers with qualification by the respondent where they felt it was necessary. I found that, even within this structure, interesting insights emerged and there was additional discussion required in many cases migration as I acknowledged that, while this was not the subject under discussion, it was reason that the respondent was put into the position of establishing the business.

*Free voice* was the opportunity for the respondent to, again, make their “voice” heard in the process albeit in a more directed fashion now that they had more of an idea of the kind of information that was required. Insights from this section were tested against other respondents to understand if they were a personal or more general experience.

The insights that emanated from the interviews and were pertinent to all groups allowed for comparison of similarities and differences. This, in turn, allowed the identification of key concepts and variables which were the potential levers to unlocking the full value of the involuntary migrant entrepreneurs.
2.3.5 Data analysis

2.3.5.1 Concepts as the basic units of analysis

The definition of “concept” provided by Glaser (2002) who stated that “concepts are abstract of time, place, and people, and that concepts have enduring grab. The appeal of these two properties can literally go on forever as an applied way of seeing events” (Glaser, 2002: 4) was used as the basis to identify key concepts and evaluate when a concept was not universal as it pertained to only one group or part of a group, or was a variable, impacted by time, place or people.

I used clustering as a methodology to confirm that key concepts featured across the respondent groups, subject matter experts and literature sources. Details of the clustering and data integrity tests may be found in Appendix 2 of this document.

The confirmation of data integrity assisted greatly in the early development of concepts, as I had the confidence in my basic analysis units and could focus attention on events rather than the cultural specifics of the groups.

2.3.5.2 Code (category) development and relationships.

My coding process comprised the three levels of analysis commonly recognised in grounded theory practice (Corbin & Strauss, 1990; Berg, 2001; Denzin & Lincoln, 2005; Charmaz, 2008 and Shaw & Holland, 2017).

Berg (2001) noted that comparison of data from various sources, such as was the case for my research, is not possible until the information has been “condensed and made systematically comparable” Berg (2001:237). The entrepreneur interviews were transcribed from their recorded format into MS Word or editable PDF and logged as internal sources, to allow for data collection and the initial coding to take place.
2.3.5.2.1 Initial coding

The initial, open coding produced categories or codes that included all of the salient points made by respondents (entrepreneurs, subject matter experts and biographies). As illustrated in Figure 2, the development of these codes was a highly iterative process that extended over fifteen cycles and almost one year. Using emerging information, initially from interviews with entrepreneurs and subject matter experts but later from the development of concepts and validation of these in the various literature sources, I found that I had to go back to the earlier interviews to check that I had not missed some reference to a newly identified code, a process identified Corbin & Strauss (1990) as essential to the development of grounded theory.

The initial coding continued until, by the end of twenty interviews, I had stabilised the number of initial codes, which I considered distinct, exhaustive, mutually exclusive, descriptive and able to accommodate all relevant data.

Each code had a descriptor or coding statement assigned to it, which provided an inclusive definition of what the code contained to assist with the transformation of data into concepts as “A theorist works with conceptualizations of data, not the actual data per se” (Corbin & Strauss, 1990:7).

2.3.5.2.2 Axial coding

My understanding is that axial coding is the process where categories are related to their subcategories (Shaw & Holland, 2017), I created a series of subcategories and the iterative process of categorisation continued. The subcategories allowed for more granularity of information and facilitated the analysis process, which I ran in parallel with my data gathering. The granularity enabled me to compare concepts for similarities and differences (Corbin & Strauss, 1990) and explore these in subsequent interviews to validate the concepts and understand whether they were a meaningful component of my theory. The
details of my categories and subcategories can be found in Table 3, contained in the Chapter 3: Analysis of research data section of this report.

2.3.5.2.3 Development of patterns

2.3.5.2.3.1 Establishment of causality and links

Constructivist grounded theory requires that once concepts have started to emerge from the interactions with respondents, these are enriched through a review of relevant literature, in parallel with additional interaction with respondents to identify the emergent, information patterns and interrogate whether the patterns demonstrated sequencing or causality between categories that will assist with the development of theory (Charmaz, 2008).

This parallel process was particularly challenging as the codification and recodification process was still very much alive at this stage. To limit undue bias from literature sources on later coding iterations, I followed the logic outlined in the following example to confirm that the observed patterns were real, expressed within interviews and substantiated by the literature rather than the other way around.

In the illustrative example, Highlighted in Figure 4, lack of choice in destination and complexity within the group are variables (influenced by time and place) while the ability to manage dichotomy, support from the ethnic group and use of personality or charisma are universal concepts, that apply to all of the respondent groups, irrespective of geography, ethnicity or time.

As the concepts were enriched through reference to literature sources, linkages between concepts emerged and hypotheses and relationships were tested as part of the constructivist grounded theory process ( Corbin & Strauss, 1990 and Miles, Huberman, & Saldaña, 2014). This required that I continuously had to
refer back to previous iterations of analysis and even back to raw data to confirm validity of hypotheses and emerging ideas.

Figure 4: Example of the logic followed in developing patterns

2.3.6 Development of theory

Theory distillation proved to be more challenging than the expansion process that preceded. Theory development meant that I had to allow the emergent process to surface ideas that were possibly not congruent with my personal views, evaluate them and then come up with a coherent and defensible proposition. In order to achieve this, ideas were tested using causal loops at every step of the process and then consolidated and checked with the subject matter experts for any anomalies. as illustrated in Section 5.3 of Chapter 56: Theory development as well as in Chapter 6: Conclusions and recommendation. The combination of the literature review process and data analysis allowed for
the development of a robust and defensible theory that explained, as (Kelle, 2011) has required of grounded theory:

1. Causal conditions which led to the occurrence of the observed concepts (phenomena), based on the variables.
2. Attributes of the context of the investigated concepts
3. Other conditions which influenced the concepts
4. Action and interactional strategies that the actors used
5. The consequences of their actions (Kelle, 2011:13)
Chapter 3: Exploration of research data

This chapter describes the results of the analysis conducted on the data meeting the requirements of constructivist grounded theory and following the process outlined in Chapter 2: Methodology.

3.1 Data systemisation

After the credibility had been verified (Refer Appendix 2), the data was systematised so that analysis could be performed in a comparative way. The interviews revealed that the businesses started by the respondents fell predominantly into the categories of necessity entrepreneurship and opportunity entrepreneurship, as defined by Chrysostome (2010) and Block & Sandner (2009). A profile of businesses established by each of the groups is shown in Table 2. The categorisation of businesses as either necessity or opportunity enterprises was premised on the type of activities undertaken by the entrepreneur and the potential that the business had for broader, economic impact.

Table 2: Profile of businesses created

<table>
<thead>
<tr>
<th>Group</th>
<th>Total Respondents</th>
<th>Necessity</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese</td>
<td>5</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Polish</td>
<td>9</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Rwandan</td>
<td>9</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

Necessity businesses offered job opportunities for the migrant or, at best, migrant, direct dependents and one or two local employees. Examples of necessity businesses included:
1. Small grocery or produce stores, which were, or are, often little more a converted room in a house occupied by the migrant. These stores operated for time periods ranging from ten to fifty years and may have been inherited by the children or other family members of the original founder.

2. A migrant who buys, repairs and sells secondhand beds.

3. A beekeeper, who owned fifty hives and had sold the honey to the local community for thirty years.

4. A small translation business that has been operating for five years.

5. A real estate/letting agency that was started twenty years ago and is now being operated by the daughter of the original owner.

Opportunity businesses offered a more tangible benefit to the economy of the local community and, in many cases, the country. They required a range of skills and offered varied job opportunities for the migrant, dependents and the local community. Typically, the migrant used entrepreneurial acumen and/or technical skill to develop a business that had or has the potential to survive after the migrant has moved on or retired. The businesses might have required input from the migrant but were not dependent only on the labour of the migrant. Value was added either through manufacture or design or the provision of a specialist service.

Opportunity businesses included:

1. A construction company that has operated for fifty years.
2. A steel manufacturing and fabrication business that has been in operation for forty years.
3. A bus company that operated for thirty years. The same entrepreneur started a successful ice lolly manufacturing facility.
4. A fish export business operating across Southern Africa for ten years
5. A security company employing more than fifty people and in operation for ten years.
6. A multinational tour company, founded in the mid twentieth century that now runs safari lodges.
7. A specialty food manufacture that has operated for over fifty years
8. Engineering and architectural consulting companies that operated for at least the working life of the founder.
9. A barber shop that worked in partnership with a watchmaker and fancy goods supplier and operated for thirty-five years.

The confirmation that the establishment of both necessity and opportunity businesses was not linked to one group.

1. Within any group there are individuals who exhibit qualities that will allow them to start entrepreneurial enterprises.
2. Both necessity and opportunity businesses exhibited sustainability.
3. There was a third category of businesses within the Rwandan group which I have categorised as nascent opportunity businesses. This category exhibits some of the characteristics of necessity businesses, as they are still in a start-up phase, but have the potential to grow into opportunity businesses.

3.2 Code (category) development

3.2.1 Primary coding

As the first step to establish the key concepts for analysis, the contents of the interview transcripts were coded, line by line and the contents were categorised into 26 primary nodes. The distribution of data within the nodes is detailed in Table 3 and I have attached an example of the detailed coding process in Appendix 3 of this document. This highlights all of the inputs that went into the
“Level of technical skills” category. At this stage categories were ranked primarily according to source frequency and secondarily according to references.

Table 3: Distribution of data across categories

<table>
<thead>
<tr>
<th>Name</th>
<th>Sources</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of level of technical and business skills</td>
<td>23</td>
<td>39</td>
</tr>
<tr>
<td>Use of social connections (the group) to assist with settlement</td>
<td>23</td>
<td>34</td>
</tr>
<tr>
<td>Ability to manage identity dichotomy</td>
<td>22</td>
<td>30</td>
</tr>
<tr>
<td>Integration within/acceptance by the local community</td>
<td>21</td>
<td>39</td>
</tr>
<tr>
<td>Ability to manage risk and seize opportunities</td>
<td>21</td>
<td>37</td>
</tr>
<tr>
<td>Long term vision</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Establishment of a local mainstream business</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>Establishment of opportunity business</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Use of family resources to be business competitive</td>
<td>17</td>
<td>23</td>
</tr>
<tr>
<td>Impact of legislative frameworks and policy</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>The impact of language barriers as impediments</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Lack of choice or knowledge of the destination</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Complexity within the group</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Identification and use of alternative funding mechanisms</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>Ability to work the system</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Making the business model sustainable</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Establishment of a necessity business</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>The impact of onerous regulatory requirements</td>
<td>12</td>
<td>19</td>
</tr>
<tr>
<td>Patriarchal society</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Business establishment in under traded area</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>The impact of underemployment or unemployment</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Engagement in grey or illegal business activities</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Necessity business migrating to opportunity business</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>Use charisma, charm and personality</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Political neutrality to deflect attention (under the radar)</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Lack of access to formal funding</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Using platforms for partnership establishment</td>
<td>4</td>
<td>13</td>
</tr>
</tbody>
</table>

1. Sources: This indicates the number of respondents that referred to the specific category, which gives an indication of how widespread the occurrence of the category was across the 56 data sources.

2. References: This indicates the number of references to the specific category. Multiple references indicating that a respondent repeatedly mentioned an issue, indicating that it was significant to that specific respondent.

The number of references was not considered as important as the number of sources when ranking data as the subject matter experts would, typically, refer repeatedly to their area of expertise when clarifying an issue.

### 3.2.2 Axial coding

Axial or secondary coding indicated that the categories could be consolidated into key variables and universal attributes/concepts that the respondents exhibited. Seven variables were identified in the analysis, some of which have sub-categories. Based on these variables, further consolidation of similar concepts/attributes was possible and 10 key attributes/concepts emerged.
The consolidated attributes/concepts and the key variables that appeared to be linked to them, have been summarised in Table 4 and the apparent linkages between them have been in detailed under the section detailing Identification of patterns.

Table 4: Consolidation of attributes and variables

<table>
<thead>
<tr>
<th>Attributes/Concepts</th>
<th>Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use of group connections to assist with settlement</td>
<td>Level of choice or Knowledge of the destination</td>
</tr>
<tr>
<td>• Ability to manage risk and seize opportunities</td>
<td>• Lack of local knowledge</td>
</tr>
<tr>
<td>• Ability to manage risk and seize opportunities</td>
<td>• Language barriers</td>
</tr>
<tr>
<td><strong>Long term vision</strong></td>
<td><strong>Impact of legislative framework and policies</strong></td>
</tr>
<tr>
<td>• Ability to work the system</td>
<td></td>
</tr>
<tr>
<td>• Keeping under the radar</td>
<td></td>
</tr>
<tr>
<td>• Engagement in grey or illegal activities</td>
<td></td>
</tr>
<tr>
<td>• The role of children</td>
<td></td>
</tr>
<tr>
<td><strong>The ability to manage dichotomy</strong></td>
<td><strong>Level of complexity within the group</strong></td>
</tr>
<tr>
<td>• Ability to earn trust and respect</td>
<td></td>
</tr>
<tr>
<td>• Charm, charisma and personality</td>
<td><strong>Degree of integration within local communities</strong></td>
</tr>
<tr>
<td><strong>Establishment of opportunity business</strong></td>
<td><strong>Level and recognition of technical and business skills</strong></td>
</tr>
<tr>
<td>• Establishment of a necessity business</td>
<td>• Choice of business strategy</td>
</tr>
<tr>
<td>• Necessity business migrating to opportunity business</td>
<td>• Impact of unemployment or underemployment</td>
</tr>
<tr>
<td>• Establishment of opportunity business</td>
<td>• Business skills</td>
</tr>
<tr>
<td>• Innovative and alternative funding options</td>
<td><strong>Lack of access to formal funding</strong></td>
</tr>
<tr>
<td>• Platforms for formal partnership establishment</td>
<td></td>
</tr>
<tr>
<td>• Service customisation</td>
<td><strong>Business sustainability</strong></td>
</tr>
<tr>
<td>• Use of family resources</td>
<td></td>
</tr>
<tr>
<td>• Trading in under traded areas</td>
<td></td>
</tr>
<tr>
<td>• Innovative and alternative funding options</td>
<td></td>
</tr>
<tr>
<td>• Platforms for formal partnership establishment</td>
<td></td>
</tr>
<tr>
<td>• Service customisation</td>
<td></td>
</tr>
<tr>
<td>• Use of family resources</td>
<td></td>
</tr>
<tr>
<td>• Trading in under traded areas</td>
<td></td>
</tr>
</tbody>
</table>
3.3 Development of patterns

The emergence of meaningful patterns within the data for further enrichment, which is the objective of data analysis in grounded theory required, firstly, an understanding of the key variables and attributes/concepts that had been identified and the confirmation of links between them, followed by the consolidation of the linked variables and attributes into an emergent pattern.

As Charmaz (2008) drew attention to the importance of examining both supporting and contradictory data following section provides extracts from respondent and subject matter expert interviews as well as Nvivo analytics that provided the emergent variables, concepts and the links between these that constituted the patterns.

Aligned with the iterative process that was followed in the assimilation of information, entrepreneur and subject matter expert responses have been clearly marked to illustrate actual experience and clarification, respectively.

3.3.1 Developing the understanding of key variables and attributes

3.3.1.1 Variable 1: Lack of choice and knowledge of destination

The three groups had minimal, if any, control over their destination at the time that they left their home country. None of the respondents reported a conscious intention to settle in South Africa or much knowledge about the country when their migration started and 15 instances highlighted the issue of lack of choice of destination as a concern. The events that led to their arrival in the country varied but there were commonalities, in that:

1. They were not voluntary migrants and had not planned to leave their home country before being forced by external circumstances to do so.
2. They left their home countries with limited, if any, financial resources.
3. The majority of respondents first moved to other countries, before moving to South Africa. It is in these countries that they became aware of South Africa and developed the group networks that would be used and expanded when they reached South Africa.

The Chinese group provided the earliest illustration of this apparent random hand of fate. Ho (2011) illustrates it in her account of her father’s travels to South Africa. As a starving teenager, his fate was decided by the elders in his village:

The village uncles knew two of my dad’s brothers had gone in the direction of the place called Naam Fey; that place south of Canton and across the Indian Ocean where there were rumours of prosperity and opportunity.

The villagers and extended family raised enough money for only one person to make the journey so my father travelled on his own (Ho, 2011:69).

Other Chinese respondents told a similar story:

Q: Why did he go to Durban? What was he going to do there?

A: The ship just stopped there and then he got off. There was the “Golden Mountain”. He first landed in Mauritius and then he heard about the “Golden Mountain” and landed up in Durban. (Chinese group respondent 01).

And:

He wanted to go to San Francisco. He landed in Cape Town and walked to Jo’burg. He had about five pounds and went around looking for work, He didn’t want to work on the mines, so that didn’t work out so he walked back to Cape Town and went onto another ship. That ship went to San Francisco where he met my grandmother. (Chinese Group respondent 04).

The Polish group related similar stories of a circumstantial relocation, over which they had very little, if any control:

He had a medical problem and he went through Siberia and then to Israel, Tel Aviv. Then he came to South Africa with the whole group that was sent to Baragwanath. My mother went to Oudtshoorn [to the orphan resettlement camp]. (Polish group respondent 05).
A migrant whose family was resettled in the United Kingdom first and then moved to South Africa, related a similar experience:

When my father got to England he went to night school and was part of the Polish Resettlement Programme. .... then Atlas Aircraft Corporation came and painted this rosy picture of South Africa and, all of a sudden, boom we were in South Africa in June with summer clothes and no pillows...... I’m not sure how well they thought about it. I know that my father's brother was here. We moved in [1967] and he moved in [1963]. So that was part of it. But a few years ago I said to my mother: “Why did you take us away?” and she said “We just didn’t think about it”. (Polish group respondent 06).

Rwandan respondents travelled through various countries, in many cases forced on by the closure of camps rather than a conscious decision to move to South Africa.

From 1994 in April I left my country and I went to a refugee camp in Tanzania until 1997. They closed the camp. I went to camp on the border of Tanzania and Kenya until 2001. In 2001 I moved from Tanzania, through Zambia, to Zimbabwe. I didn't stay there in Zambia, only travelling for 5 days. In Zimbabwe I stayed for almost one year. Therefore in 2002 I was in Zimbabwe. In 2003 I came into South Africa. (Rwandan respondent 07).

A consequence of the forced migration was that, unlike planned migrations, the respondents did not transfer the social capital from their home country. This expressed itself as two sub categories: a lack of local knowledge and language barriers

3.3.1.1 Lack of local knowledge

Prior to their arrival or when they arrived in South Africa, the respondents were reliant on their family members, the ethnic group or NGOs for assistance and information. The quality of this information was dependent on the informant’s own experience, priorities and value systems which might be very different from the potential migrant entrepreneur. The information could be misleading and
create perceptions that became entrenched as truth and were difficult to overcome.

This phenomenon was most prevalent in the Rwandan group that had not had the time to settle into the country and had language issues that made local communication difficult.

It was very difficult because I didn’t know anybody. It was the first time. I met a missionary from America. There was a couple staying here from a mission because my father was a pastor in the Methodist Church in Rwanda. Because there was a church in Mozambique.

I was in Mozambique for a couple of months and I used to go to church there and I used to speak to the bishop in Maputo who introduced me. I did not want to stay in Mozambique. I got sick with malaria. I told him that I would like to go to South Africa. At that time South Africa was a new world, a new democracy. So let me try there. So the bishop gave me the telephone number of one of the missionaries from the USA. (Rwandan respondent 03).

An example impacted the lives and choices made by a number of Rwandan migrants who had qualified prior to arriving in South Africa. The majority noted that their qualifications were not accepted or recognised in South Africa.

When they came here they couldn’t get a job because of the different degrees. Here you have to have a South African degree. My dad was a car guard in the beginning. A lot of Rwandans were car guards. (Rwandan respondent 05).

As indicated by the respondent, this resulted in unemployment or underemployment and, in a number of cases, the respondent undergoing additional training to requalify and become employable.

The South African reality, however, is somewhat different, as noted by a subject matter expert:

The process is not that difficult. Done through SAQA [South African Qualifications Authority]. It has become more expensive, recently there
has been a doubling of price to ZAR1300. It’s still affordable. What has become a huge blockage is if the institution at which you studied has closed. Otherwise, if the institution is operating and responsive, then it’s possible. …..

What we’ve found is that, if the University is not responsive, then we phone and say to the University “Please be responsive” and then we phone SAQA and say “please, try again”. It’s only unblockable if the institute doesn’t exist. Then the application sits there. (Madikane, 2017).

Another perception that the Rwandan respondents noted was that South Africa is a difficult place to start a business. Experienced South African respondents had a different view and highlighted that the issue was not in the establishment of the business, but that the migrants did not have the necessary legal capital, in the form of permanent residence, something that would apply in any country with good financial governance:

It’s not a South African peculiarity. If, as South Africans, we tried to register a business in Rwanda or Ghana or the USA or the UK you need to have proof of residence. You can’t just register a business. You need to have proof. You need to have a visa.

You can’t just do it on a tourist visa etc. You’ve got to be able to tick the other boxes before you can register. I think it’s because they are foreign nationals that they are finding it difficult not because it is any more difficult. (Sandrock, 2017).

3.3.1.1.2 Language barriers

The lack of local knowledge was exacerbated by the language barriers that all of the migrants faced, as illustrated in Figure 5. The lack of choice of destination was directly linked to language barriers.
Figure 5: Links between language barriers and local knowledge

South Africa is a multilingual country, with English and Afrikaans as the mainstream business languages and nine official vernacular languages in common use in urban townships and rural areas.
None of the respondents was fluent in English or any of the South African vernacular languages when they arrived in the country and 12 respondents recorded that they felt disadvantaged by their lack of ability to communicate in, English, but also other local languages. The impact differed across the three groups but there was some commonality in that a fluency in language did not correlate with the level of education or skill of the respondent.

Technically competent entrepreneurs were hampered by their grasp of the English language, which made them reliant on their children.

While he was a brilliant design engineer, he always had problems with communication. The day I joined [him] it was almost as if he got a voice. People would be at a loss to understand him. His ideas were brilliant yet the two of us had that type of thing where I could put it into words for him and he was very content to let me do this on his behalf. (Polish group respondent 08).

Rwandan respondents also reported that language barriers transcended their skills and qualifications and impacted on their ability to secure appropriate employment.

My dad was a principal and my mom was a teacher. When they came here they couldn’t get a job because of the different degrees..... My mom, luckily, she could speak English so she had a much easier transition and she taught at the school that I attended.... Language was a big barrier. A lot of the people got menial jobs. With my mom it was a bit easier. She does the transcripts for Rwandan organisations. It is still hard for our parents. The accent is still so strong and it hampers them. (Rwandan group respondent 05).

Some Rwandan respondents went to great expense to acquire language fluency as they perceived it as critical to obtaining a job, career advancement and the eventual establishment of a business in South Africa:

At that time I didn’t speak English very well, I knew only French because, when I left Rwanda in 1994, it was a French speaking country. Now it is English. I managed to go on a course for how to speak English. That
course was run by the Japanese companies. It was mainly the teachers who were teaching the English speakers. It was in the Cathedral here in Johannesburg. Most of the refugees from Rwanda, DRC and Africa came there.

I learnt for six months. After six months, I managed to speak English, not very well but I managed to get my first job in around 1999. (Rwandan group respondent 03).

This highlights the correlation between lack of language and lack of local knowledge, and vice versa, as a respondent commented. Such money was often wasted, as more cost effective bridging courses are available and the acquisition of language skills requires more than just classroom training:

It costs ZAR 300 for 15 lessons. I cannot believe that most migrants can spend on private lessons.... I don’t believe that learning a language can be done without integrating. If you are really engaging with the community you will learn, perhaps not well, but you will learn.....Language training is a mixture of integration and study. (Madikane, 2017).

Language limitations also impacted on the choice of business strategies. Only respondents who mastered English or found an alternative way to express themselves, opened opportunity businesses, while necessity businesses were often located in under traded areas, away from city centres where the clientele could not, or chose not to, speak English. This made transactions cumbersome and limited expansion for many of the Chinese respondents.

He had to establish himself in a non-white area. He opened a room with a couple of shelves and a few tins. He didn’t understand the language—people used to point to the goods with a stick. (Chinese group respondent 01).

Rwandan respondents also reported that a fluency in English is not enough to gain social acceptance across the country:

The problem with South Africa is that there are so many languages. So I can speak Afrikaans. But then you will be in a train and someone will talk to you in IsiXhosa and they will get so angry if you can’t understand. They don’t understand that there are thirteen languages.
My partner speaks Sepedi but she doesn’t understand the Cape Town black language and, as soon as they know you don't speak the language, there is a barrier and you are branded as a foreigner. (Rwandan respondent 05).

The lack of choice of destination and resultant impacts appeared to be indicative of the long term vision of the entrepreneur and are included as such in the model of linkages.

If the limited local knowledge and lack of language were a direct impact of the lack of choice of destination, the combination of these, in a reinforcing loop, compelled the migrant to make use of group social connections as their primary source of information. Consequently, the use of group social connections forms the first part of the emerging pattern, a key attribute or enabling disability exhibited by group members.

3.3.1.1.3 Linked attributes

3.3.1.1.3.1 Ability to manage risk

A significant number (21) respondents noted the remarkable ability of members of the three groups, generally, to tolerate high levels of risk and manage these, as illustrated in Figure 6.

Ten of these respondents noted the lack of choice of destination and only 3 of the Rwandan respondents did not link the two attributes. This ability to manage risk was often couched in terms of a “survival instinct” or “gut instinct”.

The fact that the members of the Chinese group remained in South Africa and established both necessity and opportunity businesses, despite hostile legislative arrangements and legislative frameworks, is testimony to an entrepreneurial spirit and ability to understand, accept and manage risks:

They would have survived, the Chinese always survive. (Chinese group respondent 01).
Respondents from the Polish group expressed much the same spirit in venturing into the unknown almost half a century later:

Q: Where did he see the opportunity in doing that [establishing the business]? Was it simply what he had been doing previously?

A: Because of the experience he had had. I would say it was more a necessity than anything else. All the drama and changeover took place with
the [1976] riots. In [1975/1976] he didn’t have much option. So he used the skills he had learnt. As a deportee you develop certain other skills of survival. (Polish group respondent 08).

Some mentioned that these survival skills served them well when they had to make difficult business decisions:

“\[I love a challenge and this way of life presented a continuous challenge. It’s important to always be sure of your success- with this belief you can go through life and get to the top without hurting people. Truly successful living is driven by the belief that you can make it.... I can be a very hard person and I think that in a situation where crucial decisions need to be made I really show how hard I can be. Siberia comes out in me.\]” (Sussens-Kuchcinska & Duff, 2007:69-75)

Rwandan respondents noted that the spirit of survival is still prevalent in current refugee and other involuntary migrations. Their stories of migration that extended over multiple years with little certainty of destination, are testimony to their inherent survival instinct. Even children demonstrated the ability to adapt to uncertainty and the capacity to accept and manage the risk associated with uncertainty of where they would settle:

I am 25 years old and I left Rwanda in 1994.... We went to DRC first, then we went to Tanzania and Malawi. We stayed the longest in Malawi. We were there for 3 years then we came to South Africa through Mozambique. (Rwandan group respondent 05).

3.3.1.1.3.2 **Key attribute: Use of group social connections**

There was a strong association between the lack of choice of destination and the use that respondents made of the ethnic, social groups when they first came to South Africa. This is clearly illustrated in Figure 7. The dependence had its benefits in the form of group protection but also a significant downside when it came to the credibility of information as it pertained to a potential entrepreneur.
As none of the individuals had willingly left their home country, there was a
desire, expressed by the majority of respondents, for ongoing cultural and social
ties to a group that understood them, their language and their customs.
One thing that I did find I lost my Polishness in South Africa. In England we were part of a Polish community but in South Africa, because the church was in Johannesburg and there wasn't a Polish school or the (Polish) community. I understand the reason because it wasn't really needed. In England they needed it as a protection. (Polish group respondent 06).

Protection within the group was also mentioned by a member of the Rwandan group who indicated that the community support would extend down to subgroups despite differences at the macro group level:

I am friends with both sides. We are about 40 women and we support each other when we have a child or get married. (Rwandan Respondent 01).

Similar links and associations existed within the Polish deportee groups that did not, necessarily, have extensive family connections but lived in close proximity:

In the early days they were still living in Kensington, in Highland Road. [family name] lived in Highland Road, and the [family name] lived in Highland Road) and the [family name] lived in Highland Road, so it was Polish from no. 80 to 116. (Polish group respondent 06).

As migrants settled into the country and the ethnic group became settled, the more established members of the group would act as a safe, nexus for younger, less established members:

You know, he surrounded himself with a bunch of friends. I grew up in the midst of the community. I was almost the first of the children from the Pietermaritzburg group. All of them came to our home on Christmas Day and things like that. We were, like, the base. (Polish group respondent 08).

Rwandan respondents highlighted that support is offered to newer arrivals, irrespective of whether they are bound by family ties or not:

Q: Does the local Rwandan community support new Rwandans coming through? Do they support the business or is it social support that they give?
A: I do keep contact with the Rwandan community. I read the newsletter and go on the website. If there are new Rwandans coming through I do contact them. It’s not easy to get a job here. Until now, I still have Rwandans that are working for me. (Rwandan respondent 01).

An academic highlighted that, apart from social security and a cultural home, the ethnic group’s most important function is to provide local knowledge or intelligence.

From the work that we have done, and the work that we did with Somalis and refugees, the assistance that they get from the group is information, which is very important. Where you can find things, how to avoid the police, how to get documents. People seem to get some income from brothers or relatives. (Landau, 2017);

And

Rwandans cannot help each other establish businesses. They can just help each other by sharing information. (Rwandan group respondent 04).

It was in the execution of this function that the group’s limitations became apparent as the information was filtered, according to the life experience of the informant and was not necessarily relevant to the entrepreneur.

3.3.1.2 Variable 2: Impact of legislative framework

Comments from the respondents regarding the impact of legislative frameworks, at a global and national level, on the respondents is illustrated most clearly in the Chinese and Rwandan groups, where the lack of legal capital placed limitations on both their social and business establishment.

Their drive, coupled with their entrepreneurial flair, meant that respondents made the mental transition to living in the host country and established a business vision that supported this. The primary limitation on the realisation of the vision was the host country’s legislative framework which, if perceived as punitive, triggered a response in the migrant entrepreneur to relocate to another
host country. The two categories are linked in a balancing relationship, as illustrated in Figure 8.

![Figure 8: Limiting link between legislative framework and vision](image)

While relocation was one option noted by respondents it was an extreme alternative that meant sacrificing much of the vision that they had for stability and a family legacy, as illustrated in the three groups.

**Chinese group**

The perceived threat that a migrant group poses can be so great that it becomes the target of hostile legislation and anti-immigrant policies in the country where it settles (Massey et al., 2002 and Nail, 2015). This was the case for the Chinese group, who prompted anti-settlement legislation as far back as the early twentieth century.

“Meanwhile, the Transvaal colonists continued their anti-Chinese merchant campaign [circa 1905]. The agitation intensified as Chinese general-dealers entered into direct competition with European shop-owners over trade with the indentured Chinese mine workers - who formed a highly concentrated and therefore lucrative market. The Transvaal colonists believed they were entitled to monopolise this trade, and as a contemporary Asian newspaper, the Indian Opinion, sarcastically commented, ‘if the Chinese shopkeepers [were] allowed to supply the necessities to their countrymen, it would be the height of injustice and deprivation of the rights of the European shopkeepers. They confess their utter inability to compete with the Chinese.” (Harris, 1995: 162)

The Immigrants Regulation Act, No 22 of 1913 classified all Asians as “prohibited immigrants”. This not only prevented further legal immigration of the Chinese
into South Africa, apart from the wives and children of existing residents, but also limited their travel both within South Africa and externally. The travel limitations significantly affected their ability to work in the formal sector, a situation that was exacerbated by a further prohibition of Asians to undertake any skilled labour that required use of tools (Yap & Leong Man, 1996; Park, 2009). It is understandable that the commitment to settle permanently in the country only manifested when the regime in China changed and they were not able to return, committing them to a life outside their homeland and the development of a long term strategy to settle in the country:

Q: Do you think he planned to go back to China?

A: Well he went back all the time. Every year or second year. The culture then, like the new Chinese now, is that they like to send their siblings back to China or Taiwan for a Chinese education. My brothers and sisters, right up to when there were about 6 of them, went. Then all of us couldn't go when Mao Tse Tung took over [1949]. They were too scared to go back. (Chinese group respondent 02).

Eventually, the punitive and discriminatory legislative framework that restricted the Chinese entrepreneurs both socially and professionally, resulted in the majority of children leaving South Africa during the latter half of the 20th century when opportunities for advancement were severely limited and expropriation of their homes and businesses was a reality (Yap & Leong Man, 1996 and Harris, 2010). They migrated onwards, taking with them the professional skills that they had acquired over two or three generations.

Q: About how many Chinese people were there in Port Elizabeth in the 1940s?

A: They were doing well. But when supermarkets came with all the restrictions. In the 1960s a lot left South Africa. They went to the UK, Australia and particularly Canada.

The break came when the government implemented the Group Areas Act and people came in and expropriated the property. We lost properties and
the government just took the property at the price that they decided. (Chinese group respondent 01).

While the Chinese group may not have been as severely discriminated as other groups and showed evidence of being able to use discrimination to their advantage (Human, 1984), this response is understandable within the context of the migrant entrepreneur who views their migration as part of a long term familial establishment strategy.

**Polish group**

This group also noted a long term vision to stay in South Africa rather than to returning to the home country, even when it was deemed safe to do so and despite the shortcomings that they perceived in the host country.

I think that he saw it as a legacy. He had one son and three daughters. He never wanted to go back and always said to my mother “what am I going to go back to?”

Obviously when the Russians took over in ’48 there was even less to go back. He refused to learn English- he hated the English language and the politics. He always said to me: “study hard, the situation of apartheid must change” but he never wanted to return. (Polish group respondent 04).

Respondents from the Polish group did not note any legislated discrimination, although South African migration policies became more punitive after the election of the Nationalist Government in 1948.

The Nats were worried that if uncontrolled immigration continued, Afrikaners would become a minority white group. They promised to limit immigration from Europe, and if there was any unavoidable immigration, they would insist on the exclusion of Roman Catholics, even if they were Hollanders or Germans. The Nats and the three Dutch Reformed Churches considered all Roman Catholics as die Roomse gevaar (the danger from Rome). My fear was that if they did come to power, I would not be able to obtain South African citizenship. This fear proved to be justified, as I later encountered this discrimination as a teacher when I eventually left the religious life. (Zacharewicz, 2013).
The change in political dispensation post 1994 did have some effect on the Polish respondents as two of them have emigrated to Australia, where their children relocated as part of the exodus of skilled professionals that have left South Africa over the past thirty years. The similarities to the strategy adopted by the Chinese migrants was striking.

It seemed as if the emotional requirement to find stability after a forced and traumatic expulsion from their home country played a significant role in the commitment of migrant entrepreneurs to remain in a host country or keep looking for a stable host country, even when the circumstances in their home country, apparently, allowed for their return.

**Rwandan group**

The Rwandan group entered South Africa in the context of a progressive but ambiguous legislative framework that is open to interpretation and erratic implementation as noted by Landau & Amit (2014).

Q: Is South African treatment of refugees abnormally harsh or is it the norm? Sometimes you get the idea from the xenophobic attacks that our treatment of refugees is inhumane.

A: No, the legislation is very liberal. Very few countries allow asylum seekers to work and study while their application is being processed and we allow that. And that is seen as a pull factor for people who aren’t refugees as the process takes time. With the process and appeals you can be here for years on an asylum seeker status and set up a business and work and study without meeting the requirements for asylum seeker status. (de la Hunt, 2017).

The majority of the Rwandan respondents had lived in camps in other African countries (notably in the Democratic Republic of Congo, Tanzania, Zambia, Zimbabwe and Mozambique) for up to five years before they moved to South Africa, as they felt that there were no economic opportunities available to them in the camps and that a return to Rwanda was not a viable option:
I have been in Tanzania and it wasn’t good. If you are in Tanzania they can find you, I am talking about from my country. So we have big push to go back to Rwanda which I didn’t like. I have been also in Zimbabwe, Also in Zimbabwe we were in the refugee camp where there was nothing to do. No jobs, nothing. Just stay day and night in the camp. So I could see there is no progress there. I can’t teach there so I heard that if you can go to South African you can do all sorts of stuff. You can study, you can work so I decided to leave Zimbabwe and come to South Africa. (Rwandan group respondent 07).

The decision to leave the camps meant that the majority of the Rwandan migrants entered South Africa illegally and then applied for asylum seeker status. As the UNHCR has proclaimed that it is safe for asylum seekers to return to Rwanda, they may, technically, never obtain permanent residence status based on their claims that it is unsafe for them to return home and face an ongoing threat of deportation.

There is no reason for someone to come into the country as an economic refugee. And according to the International Organisations like the United Nations, Rwanda is a most peaceful country. So if these people come into the country, they do not have the grounds to stay...If you are a normal person like [Name] you won’t be accepted. (Rwandan group respondent 08).

As asylum seekers, their alternative options to obtain permanent residence are limited.

You have to give up your status and you have to go back home and apply for another status. The only people who can move across are people who married South Africans and then it’s very easy as those who marry south Africans can apply for residency very soon after that. (de la Hunt, 2017).

Applications for permanent residence, with the associated benefits of access to social support or the ability to source business funding, can take years to process and the respondent appears to have no practical recourse to expedite the application or avenues to engage with local officials.
I applied for permanent residence in 2009. In 2011 I got a confirmation that my documents were in their own hands. But, since 2011, they didn’t respond. I tried to phone and sent emails to remind them since 2011 but there is no answer. I don’t know what they are thinking about me. So I must renew the asylum permit every four years. (Rwandan group respondent 07).

It would appear that the interactions between the Rwandan community representative associations, local authorities such as the Department of Home Affairs and agencies such as UNHCR in South Africa focus on issues of legal compliance or repatriation rather than exploring the potential for local settlement or business establishment. This was noted in an interview with a respondent who functions as the Chairman of the Rwandans in Southern Africa Association:

There is a programme with the United Nations, the UNHCR, which is called “Come and see”...initiated by the host country and the UNHCR and the Government of Rwanda. .... How many are applying now? Every week we are getting more than ten people saying we are sick and tired. (Rwandan group respondent 09).

The apparent disconnect between this focus on repatriation and the reservations expressed by other respondents about returning to Rwanda may be attributed to the fact that the entrepreneurs comprise only a subset of the greater involuntary migrant population, most of whom have pressing issues with legal compliance and are trying to support their family by finding a job rather than establishing a business.

The result of this is that many Rwandan migrants remain vulnerable to legalised discrimination and struggle to establish themselves in the country, making the option of return a consideration. The extent of the discrimination was described by Miranda Madikane, head of the Scalabrini Foundation, an NGO based in Cape Town, working with such migrants:

They cannot open any account. One of the biggest obstacles is having their bank accounts frozen and leaving them unable to pay for food and housing. (Madikane, 2017).
3.3.1.2.1 Linked attributes:

3.3.1.2.1.1 Long term vision

The long term vision that drove the entrepreneurs when making social and business choices was highlighted by respondents. In almost all cases, the key to achieving this vision lay in the establishment of a family legacy, through their children, rather than the accumulation of financial wealth.

Respondents expressed a strong commitment to South Africa as their adopted home, while indicating that they would always regard themselves as ethnically “different”. They did not find it strange to talk about going “home” at some stage, while recognising that this might not happen in the short, medium or even long term.

This commitment was not a peculiar to South Africa. It was also articulated in a documentary “Poles apart, the story of Polish deportees in New Zealand” that tells the story about the Polish deportees that were relocated to New Zealand at the same time as the South African group.

    Narrator: So, after 60 years in New Zealand, who do they feel they are, Kiwis or Poles?
    Respondent 1: Probably 50:50. Your heart comes from Poland, that’s natural, but living in New Zealand for such a long time you have to say your home is here, everything is here.
    Respondent 2: Well, I have Kiwi ways and I have Polish ways. (Tohill, 2004)

I recognise that other migrant groups, that are not as severely resource constrained and have had some flexibility in their choice of when to leave their home country or where they will migrate to, may well exhibit a different response and level of the commitment to remaining in the host country, as indicated in the interview with one of the subject matter experts:
The migrants that you mentioned earlier, the Chinese and Polish migrants, wanted to stay in South Africa. Most migrants now don’t want to stay in South Africa. Their investments are about extracting money, so they will invest with a view to getting money out of South Africa and investing somewhere else…..They are looking to sell and move on. (Landau, 2017)

It is debatable if this generalization applies to all constrained migrants. Dr Edwin Lin (Lin, 2014), subject matter expert and author of academic papers on the new wave of Chinese migration, noted that Chinese migrants across the world, have demonstrated a long term view of their migration and may plan for onward migration if they perceive that a better opportunity exists in another country:

The Chinese have a multigenerational approach. Even if they do not see the benefit of getting into a country, their children or grandchildren will. Even some middle class families will do this. They send their children to school in South Africa where the system is not as competitive and the children will do well and speak English and will be able to apply to top universities. (Lin, 2016).

The Polish group had a high proportion of businesses that were passed down through the family. Typically, this was through male children, who were not always best suited to manage the business:

Q: So it was a nice sized business. And it is still in operation?

A: In actual fact it changed. He retired and my brother carried on but he really didn’t want it so they sold it because my brother wanted out. So they sold it about twenty five years ago and I bought it back.

Q: Same business?

A: Same business. I stayed in the company and I really didn’t like that so I bought it back about twenty five years ago. (Polish group respondent 05)

What was surprising is that members of the Rwandan group, who are recent migrants, perceived their South African business as providing a legacy for their children, contrary to the view expressed by Landau. This applied to opportunity
businesses but also, more significantly, to necessity businesses, where the barrier to exit for the entrepreneur was relatively low:

Q: You mentioned that you have five children. They’ve grown up in South Africa. Do you think that they are Rwandan too or are they South African?

A: No they are Rwandan.

Q: Are you doing the [necessity] business so that they can inherit the business or are you doing the business so that they do not need to struggle like you did?

A: Actually, maybe my son can inherit the business. (Rwandan group respondent 06).

Despite the difficulties that they encountered due to lack of financial support, crime and local competition, Rwandan entrepreneurs still demonstrated a commitment to remain in the host country. The long term commitment is something which, potentially, places the involuntary migrant at odds with local authorities whose preferred option is to repatriate asylum seekers or refugees where possible.

This constraint on their acquisition of legal capital or disability was noted by respondents who identified that the mechanism used to achieve this may take the form of a hostile legislative framework or a seemingly liberal framework that is not applied consistently.

3.3.1.2.1.2 The role of children

As the stated vision of the overwhelming majority of entrepreneurs was to leave a legacy for their children, it was not surprising that a large proportion of respondents noted the importance that the migrant entrepreneurs placed on the education of their children. Parents made considerable financial sacrifices to send their children to private schools if they felt that they would be discriminated against in the public schooling system and their children were
pushed to excel scholastically so that they could take over the business or become professionally qualified.

“The emphasis was a better life and, for the next generation, this came through education.” (Ho, 2017).

While education was an important enabler, the most practical way of ensuring commitment to the vision was to immerse the children in the business at a very early age. Consequently, the aspirations for their children were closely linked to the use of family resources in the business as part of a greater sustainability strategy, as highlighted in Figure 9.

Two-thirds of the respondents linked the two categories, demonstrating how important the role of the children was in business sustainability, particularly for necessity businesses.

Q: How many people worked in the shops?

A: All the children were born in South Africa and all helped in the shop. (Chinese group respondent 01).

Rwandan respondents described a similar scenario, where children were immersed in the business from a young age and expected to become actively involved and continue the legacy:

Seriously, I want them [my children] to inherit the business. I have started talking to them, even my first-born, telling them to study and make your own business. I tell them how I am doing the business and they can make it a great, international business. (Rwandan group respondent 01).

While the opportunity businesses offered job prospects for people other than the family, the migrant family was still a core part of the business and sons, male relatives and, in some cases, daughters were identified as heirs to the business.
Figure 9: Links between long term vision and use of family resources

With two exceptions, an engineering consultancy and an accountancy consultancy, the respondents all noted that children were involved in the business and that the business was handed over to a child or children when the original owner retired or died:

It was a precision engineering works, not something that his daughters were interested in. In the holidays I was involved in the accounts and sending out accounts but never on the floor.

My brother still runs it. My father and my brother ran it from two years before my father died. (Polish group respondent 06).
### 3.3.1.2.1.3 Ability to work the system and keep under the radar

The respondents that were most impacted by legislation were the Chinese and Rwandan groups. It was also these two groups that indicated most strongly a response to develop the skills and collective expertise to manipulate the system and achieve legal capital. Respondents highlighted a number of tactics that were employed to achieve these goals, both socially and in a business context. A common response of the Chinese respondents to the legislative hurdles that they faced was a combination of “keeping under the radar” and using political opportunities when they presented themselves.

If you notice- the Chinese people don’t know who they are. Any political issue, the Chinese people are on the grandstand, on the side.

Q: Do you think that they just want to stay under the radar or are they not interested?

A: They are interested but they want to stay out of the limelight. They don’t want violence. If you argue with him, he will walk away. We try and negotiate. We believe in dialogue.

Q: Is that just because there are so few of you?

A: It is because there were so few of us. (Chinese Group respondent 02).

For the Rwandan group, the inconsistent implementation of policy by the South African authorities and the length of time taken to process applications has led to delays in the granting of study and refugee permits for members of the group. (Kavuro, 2015a and Kavuro, 2015b), which has impacted on their ability to study or find employment.

Respondents acknowledged that they had entered South Africa without any permits or on a permit type which did not entitle them to start businesses or remain in the country, which is what they have since done, by maintaining a low profile.
I came here in 2008 December. I didn’t come as a refugee but I came first to study but we wanted to come. I was married and I wanted to come with my husband to find work because we had two small children. (Rwandan respondent 01).

One of the Rwandan respondents highlighted just how subjective the process of obtaining permanent residence was, citing how she and her mother now have permanent residence, using the influence of a government Minister, while her father is still categorised as an asylum seeker:

Q: What kind of permit did you come to South Africa on? Was it a refugee permit?

A: We came illegally and then we sought refugee status.

Q: And what is your status now? Are you still a refugee?

A: We managed to get South African permanent residence. But my father is still a refugee. It was two years ago at a function with the Minister of Home Affairs, [name]. Some of the women managed to plead their case and we were given permanent residence. Otherwise we would still be refugees. (Rwandan Group respondent 05).

A subject matter expert highlighted another potential “under the radar” technique utilised by migrants to obtain citizenship right, namely, marrying a South African citizen. While there is no doubt that relationships do form between migrants and local South Africans, some of these do not bear close scrutiny but authorities are hard pressed to dismiss them, something that migrants appear to have taken advantage of.

However, none of the respondents indicated that they had participated in or knew of, such convenience marriages. All but one of the Chinese respondents either had wives in China or had sent back to China for a wife. In some cases, the former group had married South African women as well and supported multiple families in South Africa and China.
All but one of the Rwandan respondents had married Rwandans. The majority of the Polish respondents married local partners but this was not done to obtain permanent citizenship, as they qualified for it in their own right.

3.3.1.2.1.4 Grey or illegal business activities

7 sources/ 12 responses

In addition to manipulating the legal system to obtain permanent residence, Chinese and Rwandan respondents indicated that they knew of, or established, so called “grey” businesses.

Legally, Chinese businesses could only be established in designated “non-white” areas. However, despite ongoing harassment by authorities Chinese businesses were established in a number of areas and sectors where, theoretically, this should not have been possible (Yap & Leong Man, 1996; Ho, 2011).

Q: Did your parents experience harassment by officials, especially with a business in a “white” area?

A: Well yes, they were beaten and arrested until they started bribing the officials. Then they would still arrest them but they wouldn’t keep them overnight. (Chinese group respondent 04).

This strategy of working the system was very successful but had unintended consequences, as Linda Human (1984) described in her study of the Chinese in South Africa. After the dismantling of apartheid the Chinese merchants were placed in a difficult conundrum when the central business districts of cities opened up to free trade, as they had previously traded in these areas without competition from other “non-white” traders.

All of the Chinese respondents mentioned “fronting” by white, non-participating shareholders as the mechanism that was commonly used to bypass the restrictions placed on the Chinese community. This exposed the entrepreneurs to
the risk of losing their businesses as the contractual arrangements were not formalised or legal. They also faced the ongoing possibility of extortion:

   Whenever they needed anything, money, anything, they would come to my father and demand and he just had to pay. At Christmas we would see all the presents, but they weren’t for us. They were for the fronts. (Chinese respondent 04).

The majority of Chinese respondents also stated that they knew of businesses that were used as a front for more lucrative activities, including gambling

   It was just a means which is why people used pretty much anything at their disposal. Things like Fah fee. Gambling became very much a significant economic force in the community. It became a deep, dark secret in the community simply because Fah fee enabled a lot of children to get an education. (Yap, 2017).

And:

   Q: Were you aware of Fah fee?
   A: Oh yes, but we weren’t in the Chinese community. They didn’t do it around the business. They used to go out into the street. (Chinese group respondent 04).

One of the Chinese respondents also alluded to other gambling and receipt of goods of dubious origin:

   My Uncle ran a betting business from the back of the shop and the workers from the [Name] clothing factory in the area would approach my father with “new” suits for sale in the shop. We had very close ties to the local communities in the coloured areas and didn’t ask too many questions. (Chinese group respondent 03).

Chinese respondents reported that they used cultural associations to lobby local authorities to protect the interests of businesses when these were negatively impacted by bureaucracy:
You couldn’t get a licence and you needed it to trade. Eventually the Association went to the Council and said to the council that we will support you if you give us a licence. (Chinese group respondent 01).

While they did not confess to any illegal business activities themselves, some of the Rwandan group cited examples of people they knew of who traded in illegal cigarettes. Subject matter experts confirmed that these illegal activities are very much a reality in not only the Rwandan community but also other migrant groups:

She is running a million Rand cross border business in school uniforms. She makes school uniforms and sells them in four high schools in South Africa and linen for the local market and then she exports. …. it came to the point where we said to her “You’ve got to register. You can’t go under the radar with this size of business. You can’t continue with this”. (Madikane, 2017).

In an interview, Advocate de la Hunt noted that the establishment of illegal businesses might have been a result of migrants feeling that they were entitled to act illegally because they are not part of the legal system:

If you are an illegal immigrant or came in on a forged document, you started on that first step which says I am not a legal immigrant, therefore I can continue to act unlawfully. (de la Hunt, 2017).

The legislative frameworks under which the respondents started their businesses were very different but all three groups were able to operate under them in some form and all took advantage of this. From the examples of the Chinese and Rwandan groups it can be seen that the respondents worked both within and around legislation to enable them to settle in the country of their choice and access the rights and privileges associated with residence.

None of the Chinese or Rwandan respondents was politically vocal in their opposition to legislation that they considered discriminatory. Rather they found alternative mechanisms of working around the legislative inequalities.
3.3.1.3 Variable 3: Degree of complexity within the internal dynamics of the group

An observation that was made by respondents and subject matter experts was that the internal dynamics of the ethnic group were complex and, while they provided the initial link into the community, they did not, necessarily, assist the migrant to integrate in a sustainable way or facilitate their economic establishment in the country.

The correlation between the lack of choice and group complexity is illustrated in Figure 10. It is linked to the fact that the groups were diverse conglomerations of people, held together by sharing a common country of origin, common culture and common arrival destination, albeit not by choice.

Figure 10: Links between lack of choice in destination and group complexity
This was confirmed in an interview with subject matter experts, although they did voice the opinion that the Rwandans were different from the other groups, who they regarded as more uniform.

I think that the Rwandan case is more typical of what you will find in South Africa. Both the Chinese and the Poles were within a specific cultural context. The Rwandans were a mix of what South Africa got. The elite mixed with refugees and peasants who lived in Tanzania. You have a tremendous variety” (Landau, 2017)

But first you need to know that the Rwandan story is a complicated one. You need to know that it is complicated. You have a genocide in 1994 that targeted the Tutsi minority population. The perpetrators were Hutu but not all Hutus were perpetrators. Some rescued, some were bystanders. So to South Africa you have Tutsis that came and you have Hutus that came. (Nates, 2016).

This assumption of uniformity was disputed by members of all groups, demonstrating that the underlying group complexity is not something that is obvious to people outside of the group and that the group may be at pains to present a uniform front to outsiders. This was the case for the Chinese group, they presented what appeared to be a unified front on the surface:

The apartheid system forced the Chinese to be closer than they would otherwise have been. (Yap, 2017)

However, this unity did not necessarily extend to interactions within the group, as Professor Karen Harris has intimated:

There is a division in the community. When they are taken on, they present a picture of unity but there are fractures. If you go back to the tricameral parliament, people shunned people who responded to government. (Harris, 2016).

Some respondents went as far as describing the potentially negative influence of the ethnic group:

There is a saying that, ‘In a Polish hell, there is no need for a devil to keep the inmates there because the Poles will pull each other down.’ The Polish
ethnic group is not supportive of each other unlike my Jewish partner, who I had experience with for many years. The Polish ethnic group doesn’t support each other. (Polish group respondent 03).

A member of the Rwandan group had a similar view:

I am the President of Rwandan Women in Diaspora in SADC. Because of internal politics, we are not active. We went to Swaziland once but there is a small group who still think that “Rwanda is still my country”. There are two groups. Some think that Rwanda is still their country others don’t want to hear about Rwanda. (Rwandan group respondent 01).

The complexity that was reported within the groups emphasised that migration is, contrary to the popular press depiction of an amorphous, swarming mass storming the bastions to gain entry to the country, about individuals and not groups. The net result may be the relocation of a group but within that group there are as many stories and peculiar circumstances as there are members.

The lack of support from the group may, in part, have been due to the forced nature of the migration and the fact that many of the individuals were fighting for survival, with very little to contribute in terms of either goodwill or resources to the rest of the group. Contrasting the respondents with the “new”, voluntary Chinese migration into South Africa Dr Edwin Lin (2014) made the following observation:

There is a serious dependence on social capital. For many of them, their social network allows them to get into the space of trading and entrepreneurship. A lot of them learn through working within the network-get a connection to a person who can provide goods or a person who can help them to sell the goods. (Lin, 2017).

Miranda Madikane, the Director of an NGO working with refugees in Cape Town, noted that experience had taught that caution should be exercised before engaging with individuals who purport to represent the interests of a group:

People’s mandate is unclear. They are often representing themselves. That became very clear in the 2008 camp situations. They [the representatives]
rose because they were charismatic and they were able to talk and get people to nod their heads. They didn't actually have mandates. Leadership is a problem.

Groups are now forming themselves into NGOs and registering and that gives a little more credibility. But they don't get funding. So they end up driving for funding not driving for objectives and I get that. So they get caught in the cycle. ....we’ve had groups that have set up in the office and we’ve helped them with hot-desk stuff- printing and copying. It’s interesting to see how those groups come together and what they achieve, but I’m not impressed. (Madikane, 2017).

3.3.1.3.1 Linked attribute: The ability to manage the cultural-business dichotomy

22 respondents/30 references

The majority of entrepreneurs realised the impact that limiting their knowledge base to the group would have on their options for establishing businesses and displayed a consistent ability to manage the dichotomy between their cultural identity and their business identity.

Figure 11 highlights that 16 entrepreneurs made the connection between group complexity and how they managed dichotomy in the interviews and only one did not. Respondents understood that there was a pragmatic, local business world that they had to manage, while somehow retaining their cultural affiliations for themselves and their children.

In a number of cases the requirement to manage a dual identity started with the indigenisation of the migrant’s name(s), as the local community could not or would not understand the cultural naming conventions, pronunciation or composition of the birth name that the migrant had been given. Anglicisation of first names was a routine practice, reported across all three groups and surnames were anglicised. In this process, the migrant immediately obtained two identities and the respondents responded to both of these, displaying the required characteristics for the name that was used.
The dichotomy expressed itself in different ways, for the Chinese respondents, who were restricted with respect to where they could buy land or invest in South Africa, the solution was to support infrastructure in their home villages in China and care for relatives who were suffering under the restrictive communist
regime. This happened although they realised that they would never return to these villages to settle:

They sent money home all the time. They were here to see that their family in China lived well in China. ....My father invested quite a lot of money in South Africa but he also sent money home to build the family home. The family home is in ruins now but they were regarded as a well to do family. (Chinese group respondent 01).

Members of the Polish group highlighted the difference between their cultural affiliation and the more pragmatic business relationships that existed. This did not deter the migrant from establishing a business, while still retaining strong, cultural contacts. One respondent highlighted that, while he was an active part in the Polish social community, he had to accept that the social graces did not extend to business support:

Yes. I found it very strange at first. When I was a youngster, I approached some Poles for help but I had to go on my own and do something else. It’s more a question of possession. I’m not passing my knowledge, I’m not passing my contacts, this is mine. And I found that. I worked with a couple of Polish companies over the years and they were not forthcoming to help you. (Polish group respondent 07).

Rwandan respondents also noted a tension as they balanced the requirement to conform to the group’s cultural norms, while trying to develop a local persona:

I think that some of the older people believe this [Rwandans can only marry Rwandans] but the children are quite far removed from our parents’ views. They are a very tight knit community, coming from Rwanda and being refugees, but our age group we don’t have that. ....So they have become more accepting as long as you respect your family name and don’t come home pregnant. (Rwandan group respondent 05).

3.3.1.4 Variable 4: Degree of integration within local communities

21 sources/ 39 references

In light of widespread xenophobic incidents in 2008 and subsequent smaller scale eruptions (UN High Commissioner for Refugees, 2015) it was surprising
how willing the respondents were to integrate until a link to their ability to manage dichotomy was considered. This was important as and experienced subject matter expert noted that integration requires reciprocity on the part of both the migrant and the host community. She highlighted that some migrants cling to their group identity and must be actively encouraged to integrate:

- I think that there is an onus of duty on the migrant. I find that the people that we work with are reluctant to integrate and we push very much for people to understand what are the duties both for yourself and the host country.

- There is a reason, hostility tends to make for a lager like mentality but I feel they should push against that. (Madikane, 2017).

The migrant entrepreneurs appeared to understand this and recognised the requirement to establish an independent locus of control, rather than to rely on the group as their enabler for business start-up.

The ability of respondents to manage dichotomy was perhaps most clearly illustrated by the examples given of members of the group that did not have the ability. Often these were part of the same family and the inability to function within the two societies was phrased in terms of an inability to settle within the community or a continuously expressed longing to return “home”:

- My father settled but my mother never did. Till the day she died she was leaving and going back to Poland. (Polish group respondent 04).

Two of the older Rwandan respondents indicated that there was still a strong preference for men to “send home” for Rwandan wives rather than marry women of other nationalities, to maintain culture and language, however younger Rwandan respondents did not feel that this was a general reflection of the community any longer as long as moral norms were maintained:

- When I was at a Christmas party with my brother, who wants to marry someone from Lesotho, one of my dad’s friends came to him and said that “Rwandans only marry Rwandans”. In front of her, but she couldn’t
understand. I think that some of the older people believe this but the children are quite far removed from our parents’ views. (Rwandan respondent 05).

When questioned about xenophobia and discrimination by the community, all respondents, without exception, said that they did not feel that they had been the victim of direct xenophobia or discrimination from the communities where they lived or established businesses. This view of discrimination excluded the legislative discrimination that the Chinese and Rwandan groups had experienced, imposed by officials “doing their job”.

Three Rwandan respondents had been attacked but they attributed this to criminality rather than ethnic bias. One of the Rwandan respondents did highlight that the xenophobia was an issue but that it was more subtle than blatant attacks:

   It’s underlying xenophobia. It’s not outright. They will make it seem as if everything is ok but underneath it people are not happy every time a foreigner gets something or succeeds. (Rwandan respondent 05).

Advocate de la Hunt, when questioned about the allegation that “people are not happy” if a foreigner succeeds, provided an interesting insight:

   I noticed in 2008 that Government often pushes the opportunistic thing and, especially over the weekends, there were people who were drunk who would just burn and loot and kill and things. In a drunk mass hysteria. But I think there are deep seated envy issues and short-sighted in burning down the shop and then you have to travel to the nearest [name] which is miles away and might be expensive.

   So, on the one hand, there is benefit having the spazas [small trading stores] but on the other, there’s envy because they are entrepreneurial and club together. Like the Somalis, and buy thing cheaply. Then there is also black market stuff, people selling grey goods that have come through the borders quite illegally and no taxes paid. (de la Hunt, 2017)
This comment links the illegal or perceived illegal activities of migrants back to integration as a balancing loop and led to the final linkage, related to the lack of choice of destination, the complexity of the group.

The degree of local integration was premised on a number of respondent attributes. Those that featured most prominently are similar to those that characterize entrepreneurs globally, irrespective of the circumstances under which they start their business ventures and illustrate why this group of respondents constitutes a selected subset of the overall involuntary migrant population. The attributes were the ability to earn trust and respect and personal charisma, charm and winning personalities.

3.3.1.4.1 Linked attributes:

3.3.1.4.1.1 Ability to earn trust and respect

The trust that was established between the businesses and the clientele that they served was noted as a key success factor.

Members of the Chinese group emphasised that the trust enabled them to establish vulnerable necessity businesses and, given time, to become established members of their communities.

I grew up in a mixed community. We respected each other...“I remember that there would always be someone to help you. Doesn’t matter if you were black or white or Chinese. (Chinese group respondent 02).

For the Polish and Rwandan group, the concept of emotional trust as a competitive enabler for necessity businesses developed into one of a combination of personal trust and professional respect for the owners of opportunity businesses.

Trust. My dad was very much a hail fellow well met. He was never very far from pouring someone a vodka and having a good time and entertaining.
The trust just grew. We became friends with our clients. (Polish group respondent 08).

Members of the Rwandan group clearly illustrated the point that the local trust is something to be earned by the delivery of service excellence and is not, necessarily easily obtained:

My business depends on God principles- trustworthy, transparent, hard work…. You remain a foreigner and people do not know what you are running from. Everyone has reasons for leaving and people don’t trust a refugee. (Rwandan group respondent 01).

However, once trust was earned, respondents recognised there was the potential to leverage it for business growth:

The people here, the big companies, they want people to work with. People who are open and honest, people that they can trust. [Discussion of how companies will give stock and opportunities to people they can trust]. But the people here, they don’t know how. And in the beginning, you have to suffer. But when people see that you are open and honest, the opportunities are there. (Rwandan group respondent 06).

3.3.1.4.1.2 Charisma, charm and personality

All three groups of respondents relayed stories of the well-developed people skills that the respondents had, which overcame language and communication issues and assisted them to build the necessary social capital to establish sustainable businesses. In this respect, the respondents were typical of many start-up entrepreneurs who rely heavily on charisma to make their business a success. One of the Chinese respondents described the “icons” whose charisma had allowed the family to expand their range of businesses over four generations:

We have an icon in each generation - each started a different business. So we are still active in an area that has fundamentally changed. (Chinese group respondent 02).
Members of the Polish group described similar socially adept personalities that could readily engage with people and were not intimidated by language barriers or their inability to communicate fluently.

It was a very Afrikaans community. A poor, railway community and also a lot of Jews.... A lot of the Afrikaners but they didn’t mind the accent. They would ask him where he was from and he said Poland. They asked “where is that” and he replied “across the Free State”. (Polish group respondent 04).

And:

[We were], very well integrated, especially the Afrikaans community. (Polish group respondent 07).

The Rwandan group had its share of charismatic personalities that demonstrated the people skills required to differentiate themselves and become successful entrepreneurs as well.

As much as I have refugee papers, I don’t think of myself as a refugee. ..... You have to do something that will leave a mark. I believe in excellence-no matter how small the task is. I want the good reference. (Rwandan group respondent 01).

3.3.1.5 Variable 5: Level of technical skill and business skills

23 sources/ 39 responses

Notwithstanding the challenges that respondents faced before they made the decision to start a business, the nature of the business that they started depended on the level of technical and business skills that they had previously acquired prior to establishment, as can be seen in Figure 12. Only one respondent of a possible 16 did not link these two categories.
3.3.1.5.1 Linked attributes

3.3.1.5.1.1 Choice of business strategy

An aspect that differentiated opportunity entrepreneurs from necessity entrepreneurs was their level of technical and business skill or knowledge capital.
when they started their businesses. There were “natural entrepreneurs” in all three respondent groups, who had no formal technical training or business skills but only one of these opened an opportunity type business.

The Chinese group had the highest number of respondents who opened necessity businesses. This is not surprising as they came from rural backgrounds with little education prior to migrating and were legislatively precluded from acquiring skills once they arrived in South Africa. They were pushed into starting whatever business they could to survive.

Q: Back in China was he a farmer or was he a professional person before he came to South Africa?

A: He was a subsistence farmer. There was not much industry.

Q: So he didn’t have a history of business? To me it is interesting is that these people came over here and the established businesses but they did it with very little formal business training.

A: Exactly and that is what is happening right now with the Pakistanis. They come here with no training but they know what a Rand is and they can barter. We were barterers in our days. (Chinese group respondent 02).

Only one Chinese respondent discussed a business that became an opportunity business (a bus company). This was established by the respondent using the funds from his first business, a small provision store.

The Polish group had two necessity entrepreneurs, an estate agent and a beekeeper. The Polish respondents were given the opportunity to complete their schooling and undergo further training if they chose to do so and all of the entrepreneurs who started opportunity businesses took advantage of this and had some kind of technical qualification.

In the last couple of years of school [Name] used to work during weekends and holidays. The work was various, gardening, clipping hedges, selling in a hardware shop. Also in his first year at varsity, he continued to do odd jobs!
During this time he approached the Archbishop if there was any Catholic Scholarship or special loan he could receive! The Archbishop found a lady who would donate a small amount. The condition was he had to pass all exams at varsity. However, this fell away when he had to go to Durban for second, third and fourth year varsity.

Once in Durban, he approached the Natal University and was able to win a few scholarships and obtain certain loans, which were payable in due course. (Polish group respondent 02).

Therefore, these respondents were able to find formal employment, if they chose to do so, despite language challenges and were not forced into early self-employment.

Respondents from the Rwandan group recorded a variety of technical skills that they used prior to the establishment of their businesses and offered examples of nascent opportunity businesses, which are currently operated by the migrant and a family member but have the potential to expand into fully fledged opportunity businesses.

The Rwandan respondents who started necessity businesses differed from the Chinese group in that most of them did have technical qualifications prior to arriving in the country. The factors cited by respondents that drove technically qualified Rwandan migrants to necessity businesses include a lack of local recognition of their qualifications and a lack of employment opportunities due to policies that the South African government has put in place such as the restriction of permanent residence status to immigrants providing what are known as critical skills (Department of Home Affairs, 2017).

Table 5 illustrates that the Polish and Rwandan opportunity entrepreneurs did not necessarily identify the opportunity in their field of expertise (half did and half did not). Rather they used their technical skills within formal employment, acquired economic capital and then moved on to start their business.
### Table 5: Comparison of skills and opportunity businesses established

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Skill training</th>
<th>Business</th>
<th>Aligned</th>
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</thead>
<tbody>
<tr>
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<td>Engineer</td>
<td>Engineering consultancy</td>
<td>Yes</td>
</tr>
<tr>
<td>PG03</td>
<td>Pilot</td>
<td>Speciality food manufacture</td>
<td>No</td>
</tr>
<tr>
<td>PG04</td>
<td>Barber</td>
<td>Barber/ fancy goods</td>
<td>Yes</td>
</tr>
<tr>
<td>PG05</td>
<td>Landscaper</td>
<td>Fibreglass manufacture</td>
<td>No</td>
</tr>
<tr>
<td>PG06</td>
<td>Tool and die maker</td>
<td>Precision engineering</td>
<td>Yes</td>
</tr>
<tr>
<td>PG07</td>
<td>Bricklayer</td>
<td>Construction business</td>
<td>Yes</td>
</tr>
<tr>
<td>PG08</td>
<td>Design Draftsman</td>
<td>Stainless steel fabrication</td>
<td>Yes</td>
</tr>
<tr>
<td>PG10</td>
<td>Administrator</td>
<td>Travel Company</td>
<td>No</td>
</tr>
<tr>
<td>RG01</td>
<td>Teacher</td>
<td>Translation</td>
<td>Yes</td>
</tr>
<tr>
<td>RG02</td>
<td>Researcher</td>
<td>Security company</td>
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</tr>
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<td>RG03</td>
<td>Mechanic</td>
<td>Security</td>
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</tr>
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<td>Consultancy</td>
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<td>Design</td>
<td>Dress design</td>
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<td>RG06</td>
<td>Engineer</td>
<td>Food import/export</td>
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</tr>
<tr>
<td>RG08</td>
<td>Lawyer</td>
<td>Community support</td>
<td>No</td>
</tr>
</tbody>
</table>
3.3.1.5.1.2 Unemployment or underemployment

As previously stated, a high percentage of Chinese and Rwandan respondents started necessity businesses. The reasons for this were similar, at face value, but some fundamental differences were shown between the groups.

The Chinese group was severely limited in the formal employment opportunities that they could access and had no alternative but to start businesses. In many cases, they did this at a relatively young age (below 35), with little experience and limited technical skills.

The Chinese group respondents did not even highlight unemployment or underemployment as a trigger for business establishment. Rather it was a fait accompli that they would not be employed and would have to establish a business of their own. It was not surprising, therefore, that these entrepreneurs established necessity businesses:

He came out alone. Not sure how old. He left his wife behind and he had to go later and fetch her…. He had to open a shop first. He had to establish himself in a non-white area. He opened a room with a couple of shelves and a few tins. He didn’t understand the language- people used to point to the goods with a stick. (Chinese group respondent 01).

Both unemployment and underemployment featured as issues within the Rwandan group. The key difference between them and the Chinese respondents was that a number of Rwandan respondents did have technical skills but were still not able to find formal employment. As was the case with the Chinese respondents, unemployed Rwandan respondents reported that they felt compelled to start a necessity business to provide for their families.

I worked for the Department like in the primary schools here in Cape Town. The Department did not pay properly. Sometimes I could go five months without pay. So, once I got money for one month and a half I started my own business. (Rwandan group respondent 07).
Figure 13: Links between underemployment and necessity business establishment

Underemployment was a defining feature of the Rwandan respondents only, as can be seen in Figure 13. While an underemployed migrant possesses qualifications and skills, they are either precluded from using these or paid far less than local practitioners of the same skills by employers who abuse the fact that they are unaware of the local job market or unable to find alternative employment.
Underemployed, constrained migrants are driven towards establishing businesses that require less capital to start, which precludes them from establishing, for example, manufacturing or engineering disciplines that they may be technically qualified to do.

While underemployment is not a positive feature, the underemployed phase of their lives was used by some of the potential entrepreneurs as an opportunity to identify other, more lucrative, fields of work:

I was doing mechanic work for a company of Portuguese people. It was an Engen garage. I was an assistant mechanic. They gave me a test and I passed. I worked that job for almost two years. After that the job was not paying well. And I said let me go to study security.... I met the security guys driving around in the car like the police - the ADT guys and the Chubb. So I asked the guy one day, how much money do you make? And he said to me R5000 and that was about three times more than I was earning at that time. So I asked him: What is the qualification that you need to do this job? And he said that you need to do this training. (Rwandan group respondent 03).

In other cases, the underemployment, while not ideal, funded the start-up of the new business.

Q: So then what made you decide to start your own business?

A: My company was an offshore company. The things with the economy did not go well. So they retrenched me. But I was also preparing to resign. I had been thinking for a long time to start my business.

Q: Did you find that you were paid less than other people working for the company?

A: Yes. When I started, the money I start with was R30 per hour when the others were paid much, much more. And I was teaching them. But gradually the managers realised and one year they paid R40, then R45 and when I stopped I earned R120. (Rwandan respondent 06).

3.3.1.5.1.3 Business acumen
Business acumen is required to establish a business in a foreign country, where the entrepreneur may not be aware of all of the regulatory requirements such as tax registration as well as the day-to-day cash flow management that is required to manage any business. Chinese respondents indicated that they had inherent business acumen based on a long history of bartering:

Q: Did they have financial skill before they arrived?
A: No it is ingrained. (Chinese group respondent 01).

The interviews with Rwandan and Polish group respondents, however, indicated that many of them acquired business skills as they went along. Respondents reported that the lack of business skills and acumen at start-up impacted their business establishment and sustainability negatively:

I had to step down as a Director and my two friends who have South African citizenship will apply for government funding. They’ll apply for that and then again I can apply for directorship again. But it causes so much legal hassle. It hampers you so much. Until I had South African permanent residence we couldn’t open up a business bank account. (Rwandan group respondent 05).

While the Polish opportunity entrepreneurs all had some kind of technical skill, not all of them had any business training when they started their business ventures and this was noted as a constraint to business growth and sustainability.

I don’t think that he had business talents particularly. He was very artistic and had a lot of artistic talent but he did business because I don’t think that he felt he could do anything else. But eventually he ran out of ideas and money. (Polish group respondent 02).

The lack of business skills as opposed to technical skills in entrepreneurs appears to be a common failing in start-up businesses that limits their growth and ability to develop from survival to opportunity state:
Q: In your experience with necessity or micro entrepreneurs, do necessity entrepreneurs make the leap to opportunities?”

A: …. in most cases, the entrepreneurs don’t move from micro enterprise to small business and the fundamental, top reason that is coming out is that they don’t have the basics of bookkeeping.

So they can’t transition from “I’m getting the money in and I’m paying the money out” to “I’ve got multiple stores or multiple sites so I’ve got to pay multiple rents and manage cash flow. I’ve now got to become a tax payer. I now have to become VAT registered and that comes with complications. I don’t understand that. I understand taking the money in from people and paying it out and what I’ve got left in my pocket is my profit”.

Q: So it’s not a technical skill?

A: It’s not a technical skill. It’s a fundamental understanding of how money works in a business. (Sandrock, 2017).

The Scalabrini Centre has assisted refugees and migrants to integrate into the local community in Cape Town since 1994 (Scalabrini Centre, 2016).

Research at the centre has indicated that the employability of their candidates increases markedly when the candidates are groomed with soft skills and business acumen in addition to the technical skills that they already possess.

It’s interesting. We have the Employment Assist Programme, where people who want to look for work but aren’t sure how to go about it. We did for quite a while and our success rate was very low because people weren’t getting past interview stage.

So, more and more, our skills are focusing on soft skills, knowing about tax, life skills, attitude. Our success rate improved to 100% last year, we prep the people, tell them what to say, mentoring people.

I would imagine, if we were to transfer that, there would be some skills that could be used by people wanting to start a business. (Madikane, 2017).
3.3.1.6 Variable 6: Limited access to formal funding sources

Irrespective of their drive, passion and personalities, the respondents faced the dilemma of how to access funds and resources to start their business, as any local entrepreneur would.

For reasons discussed under group complexity, the greater ethnic group was not mentioned as a potential source of funds by any respondents and access to formal funding sources was, and continues in some cases to be, constrained by issues such as lack of permanent residence or citizenship and an understanding of local business requirements.

As they were permanent residents or citizens, the Polish respondents were least impacted by a lack of formal funding sources and did not mention this as a significant business constraint.

Instead, they faced the funding challenges that any South African entrepreneur would face and most of them used the savings that they had accumulated through formal employment to start up their businesses or applied for start-up loans from a financial institution.

The business typically grew organically, as funds became available, until it became a sustainable entity:

Oh he definitely had job security. He wasn’t stupid. I don’t remember how he bought his first machine just remember it set up in the maid’s room and then he evidently had enough orders to start his own business. He didn’t go from a full time job to let me start something. I don’t know how long. A year or two years. (Polish group respondent 06).

Three of the Polish respondents found partners to assist with the funding of the business start-up. These were formal partnership agreements, with binding contractual obligations and were of long-standing duration. In two cases the partnership was between two individuals and the other occurred when an
investment entity approached the respondent and offered to fund the start-up of a speciality manufacturing business:

He also had a lot of luck. He had the Telkom business with aluminium. South Africa was subject to sanctions and the IDC came to him as they were trying to make South Africa as self-sufficient as possible. They did the financing for the fibreglass.

They came to him. He seized the opportunity. He had been playing with it and then they said that he was an essential service for the railways. That’s when I came in because they needed help. (Polish group respondent 05).

3.3.1.6.1 Linked attributes:

3.3.1.6.1.1 Innovative and alternative funding mechanisms

For the Chinese and Rwandan groups, access to any formal funding sources was more problematic due to discriminatory legislation in the case of the Chinese and international financial practices that preclude non-residents from opening business bank accounts and accessing funds for the Rwandans.

This resulted in the development of innovative alternative funding solutions, as illustrated in Figure 14, which demonstrates how these groups, particularly, found innovative ways to address this issue.

As the Chinese group was comprised almost entirely of necessity businesses, the owners did not have access to savings from previous formal employment to start their business. It emerged, from interviews, that economic support was forthcoming, from extended familial or clan relationships:

I don't know what it is and you have your odd exception but, in general, it’s very clan orientated. People want to be connected to you and will help you but only if you are part of the clan. I don’t think that this will ever change.

Maybe there are so many today that you cannot help them but I think that, over the years, circumstances made us become a far closer
community than we would otherwise have been and that helped to a certain extent but I don’t know that it helped in business. (Yap, 2016).

Figure 14: Links between lack of formal funding and alternative sources
Three of the Chinese respondents mentioned “loan clubs” as a source of funds. The members of the loan clubs were members of the same familial group or clan and would contribute money on a monthly basis and, when they required capital,
they could tender on the pool of money available, using their business case or previous contributions:

You crawl before you walk but there was a Loan Club - you get an interest free loan that you pay back every month...You can tender, otherwise you draw lots. (Chinese group respondent 02).

The local partnerships that the Chinese respondents formed were, without exception, expedient and were used to register businesses and to trade in “white” areas. None of the respondents noted that the partners had contributed funds or resources to the business.

At best, the partners were a neutral force in the business but, as has been noted under grey or illegal activities, there were instances when the partners exploited their position as fronts and demanded money and gifts in exchange for their ongoing patronage.

Rwandan respondents used a combination of savings and other, novel funding mechanisms to fund start-ups. These included:

1. A cooperative business model in which participants trade skills and assets, such as the use of office premises, in exchange for part ownership of a business (Rwandan group respondent 04)

2. A serial business model in which the entrepreneur starts, for instance, as a car guard, then graduates to a driver for the owner of an Uber vehicle when he has a license, taking a percentage of earnings to buy a vehicle. This vehicle is then given to another driver to operate on the same basis and the owner buys another vehicle. (Rwandan group respondent 04)

Two Rwandan respondents mentioned local partnerships as a source of business acumen and funding. In the one case, the partnership was informal, to meet local ownership requirements, which meant that the respondent was vulnerable
to the vagaries of the partner, much as the early Chinese were to the fronts that they engaged:

Even for South Africans going into business with a refugee or foreigner, I wouldn’t recommend it. It’s good but it causes so much baggage. (Rwandan group respondent 05).

The second partnership indicates the potential of what can happen when two entrepreneurial minds come together and leverage a trusting relationship:

There was one person. When I was with these security companies I was a bodyguard for one of these chartered accountants. A Jewish guy in Bryanston. I had to drive him around to the Johannesburg CBD. It was quite dangerous there so I was his bodyguard.

One day when I was driving him and discussing what my skills were he said: Why don’t we open a company? I was Director but he helped to establish the company. He helped me to register the company and we bought a bakkie [truck]. Then he told me here is the office. And then I established. I didn’t have the cash flow at that time. (Rwandan group respondent 03).

While these partnerships indicate that some of the respondents engaged with local communities and saw benefits in the business establishment synergies, the idea of more structured migrant/local business partnership platforms seemed to be largely unexplored for both South Africans and the various migrant groups.

**3.3.1.6.2 Formalised partnership platforms**

There are a number of South African organisations that support the establishment of small businesses. Their mandate is to develop local entrepreneurs. The largest of these is the Small Business Development Agency (SEDA), which has a presence across the country (SEDA 2017). It provides financial and advisory assistance to a range of entrepreneurs. In an interview, Andrew Bam, the Programme Director for SEDA indicated that they could not change the mandate of the organisation, but that there was room to
accommodate migrant/local entrepreneur partnerships within speciality programmes.

Q: So you could not extend [your] mandate into a partnership with migrant entrepreneurs, for instance?

A: I can’t change our mandate but we can have programmes within our mandate. (Bam, 2017)

Access to start-up funding would be an obvious benefit of such a partnership but the local intelligence that the migrant entrepreneur could access is also of value, as was highlighted by another subject matter expert who develops small enterprises:

Opening a business bank account requires that you have a local citizen [examples of businesses in the USA and UK with similar requirements].

You can understand it from a money perspective. The banks need to avoid money laundering and the banks here have to comply with the global rules. We’ve got one of the strongest banking systems.

Q: So what would be the way around it? Local partnerships?

A: Definitely. That’s what we’ve found. Another thing, if one wants to have an effective business, one needs to have a very good local understanding. There’s no substitute for local knowledge and it’s always a good idea to have a local knowledge. (Sandrock, 2017).

There was also mention of the fact that migrants saw value in a more structured approach, facilitated by a credible, local agency such as an NGO that would allow them to start a business of their own. This is in contrast to the traditional role that the NGO has played in the past:

No we don’t [ask people if they want to start a business instead of finding a job]. But we’ve now started a women’s platform where half of the mandate is financial sustainability and a lot of the women are self-employed. We’ve got lots of those examples, very, very small [single people].
Those women go through 8 sessions of 4 hours about integration into South Africa and, after that, there are another 12 sessions of specific skills.

For example, we’ve found that Gelish nails [semi-permanent coatings] are very popular in the townships. So we teach the skill of doing manicures and give kits to those who are able to make a success and they establish themselves.

Again, we are seeing success but we work very closely with these ladies all the way through. (Madikane, 2017).

### 3.3.1.7 Variable 7: Business sustainability

A common theme was that, irrespective of what strategies were employed, the businesses, whether necessity or opportunity, were sustainable and could operate competitively within the local market for an extended period of time.

A number of the necessity businesses started over 100 years ago by the Chinese respondents were still in operation in some form, operated by their descendants, thereby fulfilling the long term vision of the founder to provide a stable, family legacy which provided employment for some members of the family and the opportunity for others to become professionally qualified and create a better life for themselves.

One opportunity business was in existence for half a century but, significantly, had also acted as the catalyst for a number of businesses that are still operational today and providing job opportunities for local people:

> In our case, it’s in the genes to be businessmen. He started the bus service and expanded to ten and I can remember when one of my uncles took over the bus service, it was still operating through the whole of PE [Port Elizabeth]...... he had ten drivers and conductors as well as mechanics and cleaners...... We have an icon in each generation- each started a different business. We are still active in an area that has fundamentally changed.

> [Name] is married to another brother and established a small shop, then they bought up adjacent properties and built a shopping centre. She
eventually had four centres and is still active. (Chinese group respondent 02).

The Polish group had a started a number of opportunity businesses (Eight out of the 10 respondents). Of these only two, an engineering consultancy and barber shop are not still operating. The consultancy was operational for the working lifetime of the owner but he dissolved the practice when he retired, while the barber shop was sold on the death of the owner. The other businesses, a construction company, stainless steel fabrication, fibreglass manufacturing, tour operator, food manufacturer and precision engineering facility are operational, run by the descendants of the founder and employing local staff as well as members of the family.

He retired and my brother carried on but he really didn’t want it so they sold it because my brother wanted out. So they sold it about twenty five years ago and I bought it back.....Same business. I stayed in the company and I really didn’t like that so I bought it back about twenty five years ago,

Not the ladders but the fibreglass business, when I married [Name]. He loved the ladders and we started it up again. I’ve always been in fibreglass. It’s all I’ve ever known. (Polish group respondent 05).

Significantly, they are businesses that operate in sectors highlighted as critical economic growth areas for the South African government and should, by rights, enjoy considerable support and rebates to ensure their ongoing viability.

While some of the Rwandan businesses have only been operational for three years, none of these respondents gave an indication that they planned to close the business due to lack of interventions by the government or had felt that they were not able to compete locally. This commitment contrasts with observations made by Dr Edwin Lin regarding the necessity businesses started by Chinese economic migrants who have migrated globally since the opening up of China to foreign travel in the latter part of the 20th century:
They are constantly moving to find the best place to make the most amount of money. However there is a group that came out in the 1990s even 2000, the “first movers” you might say, who have gotten pretty rich and have transitioned away from their mobility.

If they can find a place where they can make money, they will stay. They then open up a business in a more traditional way. (Lin, 2016).

A subject matter expert noted that the local authorities do not view migrant businesses as sustainable forms of income for the local economy and it will require a mind shift by authorities who seem to regard them as mechanisms to extract revenue from the country rather than to contribute to the fiscus:

The South African government feels that if there is one foreign trader in the township it is one less South African trader, if there is one foreigner in a job there is one less South African.

I don’t think that is necessarily true. They may have better business models, if the South African can buy at a lower cost, they can use the money for other things. (Landau, 2017).

3.3.1.7.1 Linked attributes

3.3.1.7.1.1 Development of appropriate business strategies

Respondents developed a variety of strategies to compete with established, local businesses. There were some differences between the strategies employed by necessity and opportunity businesses, but there was, in general, commonality across the groups, as illustrated in Table 6, which also demonstrates the similarity between the strategies employed by necessity businesses and the nascent opportunity businesses started by the Rwandan group, which have not yet matured. Many of these businesses leveraged the same strategies that the entrepreneurs used to achieve integration into the local community, namely reputational excellence, trust and flexibility. These were now combined with two additional factors: the use of family resources and the deliberate location of the businesses in under-traded areas.
Table 6: Comparison of competitive strategies employed by businesses

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Business</th>
<th>Classification</th>
<th>Competitive strategies employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG01</td>
<td>General store</td>
<td>Necessity</td>
<td>Location, family resources, local relationships, product customisation</td>
</tr>
<tr>
<td>CG02</td>
<td>Bus company</td>
<td>Opportunity</td>
<td>Location, family resources, local relationships</td>
</tr>
<tr>
<td>CG03</td>
<td>Accountancy practice</td>
<td>Opportunity</td>
<td>Local relationships, professional reputation</td>
</tr>
<tr>
<td>CG04</td>
<td>General store</td>
<td>Necessity</td>
<td>Location, family resources, local relationships, product customisation</td>
</tr>
<tr>
<td>PG01</td>
<td>Beekeeper</td>
<td>Necessity</td>
<td>Location, family resources, local relationships</td>
</tr>
<tr>
<td>PG02</td>
<td>Engineering consultancy</td>
<td>Opportunity</td>
<td>Local relationships, product customisation</td>
</tr>
<tr>
<td>PG03</td>
<td>Food manufacture</td>
<td>Opportunity</td>
<td>Family resources, local relationships, product customisation</td>
</tr>
<tr>
<td>PG04</td>
<td>Barber/ fancy goods</td>
<td>Opportunity</td>
<td>Location, family resources, local relationships</td>
</tr>
<tr>
<td>PG05</td>
<td>Fibreglass manufacture</td>
<td>Opportunity</td>
<td>Product customisation, family resources, local relationships</td>
</tr>
<tr>
<td>PG06</td>
<td>Precision engineering</td>
<td>Opportunity</td>
<td>Product customisation, family resources, local relationships</td>
</tr>
<tr>
<td>PG07</td>
<td>Construction business</td>
<td>Opportunity</td>
<td>Product customisation, family resources, local relationships</td>
</tr>
<tr>
<td>RG08</td>
<td>RG07</td>
<td>RG06</td>
<td>RG05</td>
</tr>
<tr>
<td>------</td>
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<td>------</td>
</tr>
<tr>
<td>Fish import/export</td>
<td>Bed repair and resale</td>
<td>Food import/export</td>
<td>Dress design</td>
</tr>
<tr>
<td>Location, family resources, local relationships</td>
<td>Location, family resources, local relationships</td>
<td>Location, family resources, local relationships</td>
<td>Location, family resources, local relationships</td>
</tr>
</tbody>
</table>
### 3.3.1.7.1.2 Customisation of service offering

Most respondents indicated that one of their critical success factors was to customise their service offerings to their market’s requirements, something that local businesses were often not prepared to do.

They fitted in very well and would give credit. They also sold in very small portions. (Chinese group respondent 01).

Customisation of an existing service provided the idea for an opportunity business for two of the Polish group entrepreneurs. One established a facility to make speciality ladders for electricity utility companies, using his experience in the fibreglass industry:

He was such an expert at it and that opportunity arose at that moment. (Polish group respondent 05).

The other respondent saw the chance to produce synthetic dairy products that did not require refrigeration, something that was a problem for many South African households in the mid-20th Century. Prior to that, the business was making glue, a commodity product and the owner managed to secure the licence to produce the artificial cream while visiting the United Kingdom:

He did have the initiative to see the potential for artificial cream, made from tropical fats. When it was introduced they were still making glue in one corner of the factory and they continued with both products until the Health Inspector came and gave them seven days to make the choice between the two. (Polish group respondent 02).

In some cases, the service customisation meant that the entrepreneur made a conscious decision to forgo profit in the short term to establish market share:

In Cape Town, I am looking for a place. I’m not yet there but I’m looking for a place. In the meantime I am bringing the stuff. I am selling the stuff that people need. Like the beans. They are good beans.... I make a deal to attract the market. I make a bit, not a lot but something to attract the market. But, in the meantime I am looking for opportunity. (Rwandan group respondent 06).
3.3.1.7.1.3 Use of family resources

All groups frequently used spouses, relatives and children in the family business, some from a very early age. In common with most family concerns, a number of reasons were noted for this. These included:

1. The relatives provided a cheap source of labour, which was especially important when the business was in the establishment phase and not financially assured.
2. As members of the family with a vested interest in success, they could be trusted to guard the interests of the business.
3. Through the local schooling that they received, the children had acquired language skills and local, cultural knowledge that the parents might not have had, thereby making them the “voice” of their parents.
4. The involvement of the children assured the migrant of a family legacy and social and financial security, thereby limiting the possibility of having to repeat the traumatic experiences that had culminated in their original migration.

The correlation between the sustainability of the businesses and the use of family resources was understandably high, with all 17 respondents reporting in both categories.

For necessity businesses, the family often provided the only source of labour even when they expanded to multiple sites:

[Did you employ anyone in the two general dealers?] No just themselves. My mother used to work in the business after school and her brother left school in Grade 5 to take over the business and work full time. (Chinese group respondent 05).

The opportunity businesses that the Polish respondents established provided multiple opportunities for family involvement. In an interview about the construction business that he and a step-brother inherited, one of the
respondents noted a very active role by his mother, at a time when women were often relegated to administrative roles:

He started the business, along with my mother. She used to drive the trucks and things..... She would get bread and things in the early days. (Polish group respondent 07).

Rwandan group respondents highlighted the potential for geographic business expansion, using trusted, extended family resources and, thereby assuring sustainability and expansion:

I’ve got a shop [in Mozambique] with my cousins. So I don’t need to go there, I just talk to them. They pack everything in Johannesburg and they know exactly what to do. Like today, I will get a load at 4 pm. The driver knows. (Rwandan group respondent 07).

3.3.1.7.1.4 Trading in under-serviced areas

A strong theme running through the interviews was the establishment of necessity businesses in under-serviced areas where the entrepreneur could fill a need that local competition had not identified or had chosen to ignore in favour of preferred locations.

Lin (2014) has described a phenomenon whereby Chinese migrants deliberately choose to relocate to underdeveloped countries and areas to establish necessity businesses that are less exposed to competition and offer the entrepreneur a better lifestyle and value for money earned.

While Lin’s work focused on recent migrants to South Africa, I found that respondents from all three groups established necessity businesses in under-serviced areas and formed close associations within those communities, to respond to their specific requirements. The links between sustainability of businesses and establishment in under-traded areas are illustrated in Figure 15.
They used to open in the so called black areas where there was nothing. (Chinese group respondent 01).

This phenomenon did not only apply to outlying areas. One of the Rwandan respondents made a conscious choice to start a clothing design studio in central Cape Town:

Actually, being in the CBD [central business district] is an advantage. It’s our biggest advantage. The big manufacturers are outside of town but the designers that we are targeting are located in town. (Rwandan group respondent 05).
A respondent who took over her father’s barber and fancy goods store recalled that it was located away from mainstream stores:

It [the business] integrated into the community. It was a very Afrikaans community…. So there were three groups- the Jewish businessmen, the railway workers and our parish priest. (Polish group respondent 04).

3.3.2 Pattern development

With the links between variables and attributes/concepts established and a better understanding of the nuances of the variables and concepts, it was now possible to undertake the final step of the data analysis process, pattern development, following the chosen constructivist grounded theory process.

3.3.2.1 Pattern development: Part 1

The family resources, which provided the entrepreneur with the motivation and means to realise the long term vision, comprise the first part of the emergent pattern, as highlighted in the interviews and illustrated in Figure 16.

Figure 16: Links between the role of children and long term vision
3.3.2.2 Pattern development: Part 2

The counterpoint to the long term vision is the limitation placed on the constrained, involuntary migrant (the migrant) by the lack of choice of destination. This is reinforced by the additional limitations of lack of local knowledge and language.

The result is that the migrant must rely on the knowledge of the ethnic support group to facilitate initial settlement, as illustrated in Figure 17, and manage the inherent complexity within the group as well as the limits that this knowledge might have.

The combination of these factors favours integration of individuals with an inherent ability to manage risk and uncertainty as well as a strong instinct for survival.

Figure 17: Links to lack of choice of destination
3.3.2.3 Pattern development: Part 3

The connection between the first two loops is provided by the legislative framework within which the migrant must operate. This, together with the limitation on local knowledge and language, impacts on the long term vision.

The consolidation of these is illustrated in Figure 18 which illustrates the complex interaction of social issues that characterised responses during the interviews. These linkages clearly show why issues like language skills and the importance of family were regarded as more significant to business establishment than access to funding or choice of business strategy, as would be the case for conventional entrepreneurs.

Figure 18: Integration of lack of choice/ long term vision/ legislative environment
3.3.2.4 Pattern development: Part 4

The impact that the combination of these variables have on the migrant is to select for individuals that exhibit a range of personal characteristics that allow them to integrate within the local community, establishing local persona, at the same time as retaining their identity within the migrant group, with its access to local knowledge and cultural support. In addition to the ability to tolerate risk and uncertainty, the requirements for the migrant entrepreneur include the ability to manage dichotomy, an engaging personality and charisma that will engender trust in both the ethnic group and local community, the ability to work the legal system and identify potential business opportunities. The interaction between these has been illustrated in Figure 19.

Figure 19: Combined linkages prior to business establishment
3.3.2.5 Pattern development: Part 5

It is at this stage that the constrained, involuntary migrants entrepreneur transcends into the domain of business establishment and, after that, business sustainability, as proposed in Figure 20. Having developed the required social skills and integration, the migrant must deal with the impacts of lack of appropriate skills or lack of recognition of skills, unemployment or underemployment, or lack of access to financing. These will influence the choice of business strategy, be it an opportunity or necessity business which, in turn, drives the choice of strategies to ensure sustainability of the business.

Figure 20: Business establishment and sustainability linkages
3.3.2.6 Conclusions from the emergent pattern

Reviewing the information provided by respondents and the proven process I concluded that the emergent pattern provided a fair representation of the views of respondents, subject matter experts and subject literature sources.

There was a strong cohesion in the phenomena displayed by the three groups, across an extended period of time and varying political regimes. The establishment of necessity and/or opportunity businesses followed similar paths and the same enabling “disabilities” or attributes, surfaced repeatedly in interviews and were corroborated by other informants.
4. Chapter 4: The literature review and its contribution to the emergent theory

4.1 Introduction

This Chapter has consciously been placed after Chapter 3: Data Analysis, rather than in the conventional location, after the Introduction, for two reasons:

1. It follows the actual constructivist grounded theory research process, as it unfolded and has been summarised in Chapter 2: Methodology (refer particularly Figure 2)

2. Charmaz (2000) and others (Mills et al., 2006; Thomas & James, 2006 and Baxter & Jack, 2008) have highlighted that the key role of the literature review in constructivist grounded theory is to saturate the emerging theory and make it robust and defensible rather than to provide the context for the research.

Together with Berg (2001), they highlight the requirement for some contextual research as opposed to the “tabula rasa” that typifies pure grounded theory (Glaser, 1992 and Strauss & Juliet, 1994), which was done and recorded in Chapter 1: Introduction, supplemented by an ongoing, iterative referral to literature sources, throughout the research.

4.2 Scope of the literature review

Bourdieu (1985) stated that an individual should have the requisite levels of economic, knowledge, legal and social capital to have the locus of power that will enable activities such as the establishment and sustainable operation of an entrepreneurial business (Bourdieu, 1985). However, as Nail (2015) noted, the forced expulsion of migrants from their homeland “is not simply the deprivation of territorial status (i.e., removal from the land); it includes three other major types of social deprivation: political, juridical, and economic.” (Nail, 2015:35).

This implies that legal capital (political and juridical) must be established before social integration can take place and the migrant entrepreneur has the possibility
of attaining the required economic capital to establish the locus of power and engage in entrepreneurial activities.

The objective of this Chapter was, then, to identify and analyse relevant, academic publications, within the domain of entrepreneurship, to enrich the understanding of the impact of variables that were identified on the ability of migrant entrepreneurs to establish sustainable businesses as well as the attributes or concepts that the constrained migrant entrepreneurs exhibited.

Therefore, the literature review had to cover not only the conventional aspects of entrepreneurial business establishment and sustainability, but also the specific social and juridical issues that apply to involuntary, constrained migrants before business establishment can even be considered. The variables were:

1. The impact that lack of choice has on entrepreneurial activities
2. The impact of legislative frameworks on entrepreneurial activities
3. The complexity of migrant groups
4. The impact of limited access to local resources and funding
5. Degree of integration into local communities and the
6. The impact of skill and technical ability on business model selection and sustainability

4.3 Entrepreneurship

The term “entrepreneur” has become such an integral part of mainstream business conversation that it is difficult to conceive it as anything other than a mature, theoretical framework. However, as recently as 2016, Welter, Mauer, & Wuebker (2016) described entrepreneurship as: “a relatively young field, entrepreneurship has borrowed many theoretical frameworks from existing fields such as strategy (Alvarez and Busenitz, 2001; Alvarez and Barney, 2004; Azoulay and Shane, 2001 and Kistruck et al., 2013), psychology, cognitive science (Busenitz and Barney, 1997; Baron, 1998 and Gaglio and Katz, 2001),
and sociology (Ruef Aldrich and Carter, 2003 and Ruef, 2010)” (Welter et al., 2016:1).

Man (2000), quoted in (Peng, Lu, & Kang, 2012) confirmed this conclusion and proposed that “entrepreneurial competences are the integrated abilities by which entrepreneurs succeed in implementing entrepreneurial activities, including opportunity competencies, relationship competencies, conceptual competencies, organizing competencies, strategic competencies and commitment competencies” (Peng, Lu, & Kang, 2012:96). This implies that entrepreneurship is as much a study of the characteristics of the individuals as it is of their environment and that both the macro and micro levels must be understood to develop a robust theory of migrant entrepreneurship and a model of how the phenomena that migrant entrepreneurs display can be leveraged by the host country.

4.4 The interaction between migration and economics

Ravenstein’s (1885) laws of migration would seem to be as valid today as when he first proposed that the primary cause for migration is economic, irrespective of other contributing factors. Sen (1991) concurred that migrants move primarily to improve their economic capital, as mobility is one of the best and most effective ways to do so and multiple studies (Wentzel & Bosman, 2001; McDonald & Crush, 2002; Wentzel, Viljoen, & Kok, 2006 and Dinbabo & Nyasulu, 2015) have found that macroeconomic variables are the main determinant in migrants’ choice to come to South Africa. While the migrants that I studied did not have a choice as to whether to relocate or not, their decision to remain in South Africa was economically motivated, although there were some political and safety considerations as well.

Economic impacts can be considered from two perspectives: the impact that the host country’s economic environment has on the ability of the entrepreneur to
start a sustainable business and the impact that migrant entrepreneurs have on the host country’s economy by virtue of their entrepreneurial activities.

4.4.1 Impact of the host country’s economic environment

Kloosterman & Rath (2003) documented the role played by migrants in informal activities that may not comply with all of the legislative requirements of a country but which allow them to participate in the local economy. They highlight that authorities often face the unenviable choice of either enforcing the letter of the law or facilitating the socio-economic integration of migrant communities into the host country, thereby reducing the possibility of long-term dependence. Kloosterman & Rath (2003) use the term “survivalist” entrepreneur to describe migrants, usually from emerging market economies, who are severely hampered by lack of education and language who become entrepreneurs, not by choice, but because it is the only option available to them. They are typically “copycat” entrepreneurs rather than truly innovative, but there may be examples of remarkable innovation and success (2003: 34).

While an enabling legislative environment may allow more entrepreneurs to establish businesses, legislative reforms do not, of themselves, result in sustainable business and job creation. In their study on the effect of legislation reforms in Portugal, a European Union member that was impacted severely by the 2008 recession and is trying to rebuild an economy that is self-sustaining rather than one reliant on tourists and second homes, Branstetter, Lima, Taylor, & Venancio (2014) concluded that the reforms, that supposedly promoted entrepreneurship and small business had unexpected short and long term effects.

In the short-term, the expected outcome was the establishment of businesses and start-up employment and this proved to be the case. Many of these businesses, however, were marginal. Their owners were, generally, not well
educated and they operated in sectors where the barrier to entry was very low and competition was intense. These companies were, consequently, less likely to survive than firms that had been established under the previous, more onerous legislative framework.

Broughton & Ussher (2014) proposed a number of amendments to British economic policies to maximise the start-up of high value entrepreneurial enterprises and economic benefits that included a ban on non-competes in employment contracts and the reinstatement of tax reliefs for corporates venturing, at a comparable level to reliefs available under other investment schemes.

Crush (2009) and Dinbabo & Nyasulu (2015) identified that South Africa offers African migrants better employment prospects, higher wages, lower average prices of goods, and a more stable currency value relative to their home countries. The studies also found that non-economic factors have an insignificant ‘pull’ effect on cross-border migration to South Africa and Dinbabo & Nyasulu (2015) identified that, for South Africa, or any country, to retain attractiveness as a destination and encourage migrants to invest their entrepreneurial efforts in the country, the following economic factors should be in place:

1. GDP growth (currently less than 1% in South Africa, the country has been in a technical recession since June 2017)
2. Stable interest rates (these have been stable, with a 50 basis points movement in the 36 months to June 2017)
3. Stable, relatively low inflation (stable and within the National Treasury target of 6-7% for the two years 2016 – 2017)
4. Access to job opportunities (very limited unless migrants possess “critical skills” as defined by the South African Department of Home Affairs) (Department of Home Affairs, 2017).
When compared to countries such as the United States and Canada (Birch, 1987) where more than 50% of job opportunities are found in small businesses, statistics indicate that less than 7 percent of employment opportunities in South Africa are created by small businesses (Herrington, Kew, & Kew, 2014). The Minister of Small Business Development, Lindiwe Sisulu, has indicated that more than 50% of South African employment opportunities could be small business based (Industrial Development Corporation, 2014). However, these statistics are in stark contrast to the current situation. Many of these small, micro or medium sized enterprises do not have the management skills or resources in place to ensure that they are sustainable and globally competitive (Ladzani, Smith, & Pretorius, 2010).

Political rhetoric and current localisation policies notwithstanding, the gap between reality and potential highlights a significant economic opportunity that could be realised by enabled entrepreneurs. Currently, the percentage of international migrants working in the informal, entrepreneurial sector is almost twice as high as that of local, South African migrants (Fauvelle-Aymar, 2014). The explanations for this range from the notion that the informal sector is the easiest market to enter, with low barriers to the proposition that migrants entering South Africa “overwhelmingly come from African countries with large informal sectors. They may, therefore, be importing types of informal activities which are prevalent in their countries of origin.” (Fauvelle-Aymar, 2014:11).

In their study of women migrants from the DRC and Zimbabwe, Smit & Rugunanan (2014) examined the challenges that respondents experienced trying to find employment opportunities. While the focus was on formal employment, they also noted that the barriers to establishment of small businesses were far greater than the migrants had experienced in their home country. A lack of start-up capital and onerous permitting and licensing requirements were cited as
the most significant impediment to starting their businesses. This perception may, however, be a reflection of the experience of non-residents.

4.4.2 Economic impact of involuntary migrant integration

Much of the analysis of refugee economics focuses on the benefit that diaspora can deliver to their countries of origin and the burden that they place on host countries, through remittances and the acquisition of new skills (Whitaker, 2002; Koroma, 2013; Newland & Plaza, 2013 and Mugwagwa, 2014). However, there is an emerging body of research with a contrary view that migrants may offer significant benefits to the host country (Waldinger, Aldrich, & Ward, 1990; Rogerson, 1997; Massey et al., 2002; Robinson, 2002; Kloosterman & Rath, 2003; Lucas, 2005; Fielden, 2008; Crush, 2009; Zetter, 2012; Gastrow & Amit, 2013, Verwimp & Maystadt, 2015; Betts & Omata, 2015 and Zack & Estifanos, 2016).

Lucas (2005) noted that host attitudes towards refugees tend to be shaped by concerns for short term personal income and welfare, while Fielden cited other factors that come into play. These include the assertion that, “Donors are not attracted to longer-term activities encompassing refugee integration, and making refugees less visible is neither psychologically nor politically satisfying to international or national organisations.” Fielden (2008:3). This view is confirmed by Zetter (2012), who indicates that government agency reports tend to focus on the short term, negative impacts on the host countries.

Donor agencies focus on measuring and reporting the outcomes of their programmes for skills development, income generating projects, cash donations or vouchers, all of which require resources and position refugees as an economic burden rather than benefit. The focus then moves from the refugees to the next area of concern and little follow up is done to establish what happens when they
have been in the host country for some time and the host country is able to recover from the crisis mode that characterises the arrival of such groups.

Whatever resources the migrants had access to when they left their country of origin may well have run out and they are forced to interact with their local environment to develop sources of income, with economic ramifications on the host country that may be both positive and of greater significance than originally conceived by the host country (Maystadt & Verwimp, 2014).

While the refugee influx into Sub-Saharan Africa is younger, less skilled and far more culturally diverse than that found in other parts of the world (Betts & Omata, 2015:3), researchers have identified viable economic networks among Congolese, Rwandese, Somali and South-Sudanese refugee communities (Crush, 2009; Whitaker, 2002; Verwimp & van Bavel, 2013; Verwimp & Maystadt, 2015 and Betts & Omata, 2015). Members of these groups demonstrated considerable entrepreneurial skills within their own communities, which took the form of active trading networks and brokering interactions between refugees and their home country, including setting-up of systems to receive transfers of funds from family members.

Betts & Omata (2015) focused their research on refugees in Tanzania, Kenya and Uganda. They found that these migrants spent an average of seventeen years in camps, which limited their economic activities in the host country. However, the camps themselves became mini cities in their own right and economies developed that benefited not only the refugees but also the surrounding areas and host country.

According to Betts & Omata (2015), refugee economies have three distinct characteristics which offer potential for the host country to leverage:
1. They lie between state and international governance as refugees are beholden to both host country and international agencies. (Evidenced in Rwandan respondents)

2. They contain elements of both the formal and informal sector as some refugees are allowed to work legitimately in the host country while others seek work informally, without the necessary permits. (Evidenced in both Rwandan and Chinese respondents)

3. They operate between national and transnational boundaries as the income may originate outside of the host country. (Evidenced in the Rwandan respondents)

These characteristics highlight the existence of a number of opportunities for migrants to deliver economic benefit, over and above the basic push and pull factors identified by Ravenstein (1885) and Lee (1926). Kloosterman & Rath (2003) confirmed this when they found that the commonly held notion that migrant businesses are simple, labour intensive, survival enterprises is being increasingly questioned as it becomes apparent that migrants moving from less developed countries to more highly developed areas may well have skills that they can and do exercise, given the correct conditions. Their understanding of transnational opportunities and informal opportunities, for example, offers the potential for knowledge and economic capital transfer to local entrepreneurs in a partnership type arrangement (Kloosterman & Rath, 2003; Lucas, 2004; Orozco, 2008; Chrysostome, 2010 and Betts & Omata, 2015).

This would suggest integration of the refugees into the mainstream economy through the establishment of businesses and creation of jobs for citizens of the host country, something that the respondents had all achieved, albeit on a small scale. The collective impact, however, could be considerable. In an attempt to understand how migrant communities established businesses that have added significantly to the economy of the United States of America, Gladwell (2011) conducted an empirical analysis of immigrant groups that arrived in the country
during the first half of the twentieth century. Many of these migrants were severely resource constrained, both financially and in the skills training that they possessed. Gladwell referred to the work of Farkas (1982), who reported a consistent, 20th Century trend whereby a first generation immigrant started a small, entrepreneurial business such as a grocery shop or dressmaking, while the second generation produced high numbers of lawyers, doctors and other professionals, who started professional practices.

4.5 Building networks

Waldinger et al. (1990) recorded that the establishment of ethnic social groups acted as a social enabler, protecting vulnerable migrants when they entered a country. They concluded that ethnicity and formation of groups is an outcome rather than a cause of the situation in which the migrants find themselves. Social connections between groups assist new members to enter certain fields rather than their being predisposed to do so.

Portes (1987) noted that migrations characterised by frequent return trips and/or single person migrations are less likely to result in the building of strong ethnic networks, which is logical if one considers that the migrant is still committed to networks in the home country. Networks are likely to weaken as migrants settle and are less dependent on each other. Zack & Estifanos (2016) studied the Ethiopian enclave that has developed in the suburb of Jeppe, Johannesburg. They concluded that the vast majority of businesses are mainstream and “The clustering of Ethiopian entrepreneurs in “Jeppe” is more important for the social capital role it plays than for its role as a consumer base” (Zack & Estifanos, 2016: 152).

The issue that there may be some transfer of capital within and even between networks is a phenomenon that Bourdieu might question, as his premise is that relationships are regarded as the outcome of individual power rather than the
cause (Bourdieu, 1988 and Atkinson, 2016). However, the possibility that the inverse may apply has been raised, dependent on physical and geographical translocation or the formation of virtual communities. Atkinson (2016) notes that, in a world of “...international travel, global awareness and technological development where geographical movement has transformed the nature of societies, an additional capital needs to be added: a ‘mobility capital’ encapsulating differential capacity to move” (Atkinson, 2016: Kindle location 492) while Wellman & Hampton (1999) used the term “network capital” to describe the establishment of credibility and capital accumulation by individuals who form part of groups that belong to computer networks. They noted that the networks were useful to maintain the weak links that hold groups together until face-to-face interactions allow for the establishment of stronger, conventional ties.

Mobility capital is, therefore, a “complex product of capitals, class conditionings and circuits of symbolic power, thence generating differential possibilities for capital accumulation and dissemination of position takings” (Atkinson, 2016: Kindle location 900), making it a prerequisite for involuntary migrant entrepreneurs wishing to establish themselves in a new country.

Raafat, Chater, & Frith (2009) worked extensively on what they term “herd behaviour” in people and have proposed an “interconnected reasoning” for this behaviour. This reasoning includes social and neurological components and results in a strong drive within a social group, to exhibit certain behaviours, given particular triggers. It highlights the importance of the initial interaction of the host country with a migrant group. If messages or intent are misinterpreted, then a defensive herd behaviour may well be the outcome and there will be little appetite for constructive engagement. Katz, Lazer, Arrow, & Contractor (2004) investigated the application of Network Theory in small groups, such as those in this study. Building on the work of Wasserman & Faust (1994), who described
interactive nodes that exist at individual, group, organisation or societal level, they proposed a model that comprises a social network of a set of actors (the nodes), connected by relations (ties). The ties between nodes can be individual-to-individual ties, group-to-group ties or ties between an individual and another group, which is the type of tie that transfers social or knowledge capital and enables the individual to attain the threshold required to integrate into the community and start a mainstream business.

Wellman & Berkowitz (1988) identified the fundamentals that underpin Network Theory, whether it applies to communities, organisations or countries. They postulated that behaviour is a result of where people are placed within a network of constraints rather than an expression of demographic or attitude. This was highlighted in respondents’ comments regarding the complexity of the groups. Two individuals, with similar demographic profiles, may evidence very different behaviour, dependent on their life constraints and the opportunities presented by the relationships.

This has significance for migrant groups, where people may, superficially, resemble each other, speak the same language and have migrated to the same place, but may react very differently to opportunities presented to them, depending on the connections or links that they have to others within the group or environment. It implies a requirement for the host country entity to scrutinise the individual and understand their relationship within the networks before engaging and committing resources.

The relationships between the units, rather than the units themselves should be the point of focus. This means that interconnected local/migrant business networks should be “business focused” rather than a pairing of individuals. This would mitigate one of the major risks of entrepreneurial businesses viz: the
failing of the entrepreneur/s to balance the need for both entrepreneurial orientation and intent to make a success of the business start-up (Wu, 2009).

(Wellman & Berkowitz, 1988) noted that interdependence must be assumed as the population is defined in terms of relationships to each other, the effect of any connection cannot be taken in isolation. It must be considered in the context of the peripheral connections that may affect it. The success of one local migrant partnership will have impacts, positive and negative, within both the migrant group and local community and the facilitators of the partnership must be both trusted and credible.

Individuals may belong to multiple groups and will have relationships within all of these. These multiple relationships, if tapped correctly, can amplify the effects of any intervention.

The principles of Network Theory (Reed, 2006 and King, Felin, & Whetten, 2010) could also be seen to apply to social groups and, if so, one may perhaps conclude that it should be possible to leverage these principles in migrant networks to create economic benefit. While it is appealing to extrapolate all of the fundamentals of Network Theory to the analysis of migrant community groups, Katz et al (2004) caution that placing the network within a causal chain can be problematic. The actors or nodes of networks are held together by either strong or weak ties. These ties may be different in nature, for example, for family versus casual acquaintance. However, the usefulness of a tie does not necessarily correlate with the degree of its strength. Strong ties may be used to overcome emotional situations, such as the death of a loved one, while weak ties are suited to soliciting new opportunities for business.

It would be important, therefore, not to try to replace one set of ties with another. The connectivity within the group (intra-connectivity) and the connectivity between the group and the external surroundings (inter-
connectivity) are equally important (Bourdieu, 1985; Wellman & Berkowitz, 1988; Coleman, 1990; Putnam, 1990 and Wellman & Hampton, 1999), therefore, any theory should respect these connections.

Homans (1958) proposed that network relationships are more subtle than immediate benefit and would only be sustained as long as both parties felt that both benefited at some time from the exchange. Ties may become stronger as people substitute the need to know with the ability to source the knowledge if required and expand their networks and limit their risks in the process (Wasserman & Faust, 1994).

There are examples of other constrained entrepreneurs who are the beneficiaries of such networks. One such programme is the Siyakhula Programme, whereby the Women’s Development Business (WDB) provides financing to rural women entrepreneurs who are considered to be “unbankable” by mainstream institutions.

There are a number of parallels between the rural women and involuntary migrants, including language constraints, lack of recognised technical qualifications and legal status. The Siyakhula Programme engages community leaders in the identified rural area and trains them to identify and screen prospective families who could become entrepreneurs, develop compliant business plans and submit these for financing. The programme is based on the Development Caravan (DC) model that was established by South African Women in Dialogue (SAWID) as part of their initiatives to achieve rural poverty eradication (South African Women in Dialogue, 2008). While the DC programme targets poverty alleviation in rural, South African communities, many of the principles could apply to migrant community groups and the development of entrepreneurs as well:
"The Development Caravan is a synchronized poverty eradication system for local communities in nodal areas to mobilize support and catalyze community self-organisation through targeting families.....The Development Caravan trains jobless youth in Social Auxiliary Work .....The Social Auxiliary Workers (SAWs) are appointed as Family Development Workers .....The Development Caravan amplifies resources by integrating indigenous practices and organic economic development. The SAWs work through existing networks and organisations.

The SAWs apply a variety of approaches to engage communities..... with the overall purpose of creating an enabling environment to promote and sustain behaviour change, help local problem solving and generate demand for services and to hold service providers accountable for services. They link poor families to government services and use a case-work approach to restore family systems, create stronger community networks

They promote partnerships and linkages through bridging gaps within local economic development interventions, established enterprises and small businesses. They link micro-enterprises to the inputs, information and institutions required for sustainable economic activities.” (South African Women in Dialogue, 2008:13)

The model of a trained, trusted, community group advisor interacting with a family and providing the necessary linkages to local knowledge and resources reflects many of the requirements that the involuntary migrants had expressed. As noted by the majority of respondents and subject matter experts, the primary loyalty was to an extended family or clan group and the initial contact and knowledge platform was this unit, followed by the greater ethnic group and then the local community. The lack of connections or knowledge within the family unit
could, feasibly, be overcome by linking such a unit with a trained and trusted advisor who would be sourced from the ethnic community.

In summary, dependent on individual circumstances, members of the group or network may have very different views of what appears to be the same experience and gain a variety of capitals, ultimately contributing to their individual power. “Put another way, the position takings generated by field forces ripple out from the relevant members’ worlds through specific overlapping time-space chains of objects, images and people, some regular and routinized, some infrequently or uniquely, and into the lifeworlds of others....”(Atkinson, 2016: Kindle location 749)

4.6 Sustainability of constrained migrant businesses

4.6.1 Macro level sustainability analysis

Kloosterman & Rath (2003) identified four requirements for the start-up of sustainable migrant businesses in the European Union:

1. There must be opportunities on the demand side, as migrants are limited when serving only their ethnic community. There may be a limited requirement for ethnic services but the driving requirement is requirement to “go mainstream” and provide services in underserviced communities.

2. The opportunities must be accessible and not require extensive capital inputs. This means that businesses such as inner-city grocery stores and the taxi industry provide ideal opportunities, with low barriers to entry, while manufacturing is not a popular choice due to overheads rules and regulations. Low skill requirements make the opportunities accessible, as does acquiring ownership from local communities who are too “old, tired and scared of crime to keep minding their stores” (Waldinger et al., 1990:38)
3. The opportunities must be perceived as viable, as migrant communities are more concerned with economic advancement than social status (Waldinger et al., 1990 and Sen, 1999).

4. The opportunities must be “palpable” and embedded in the community where the migrant established the business (Kloosterman & Rath, 2003:31).

Waldinger et al (1990) emphasised the dynamic nature of these opportunities and that they require ongoing interaction between migrant and the host community, including access to information (social capital), as migrants are often language-challenged when moving to a new country. They rely disproportionately on ethnic associations or relatives for information pertaining to access to opportunities, as well as legal issues. Other factors include access to economic capital, the availability, or lack of availability of which is one of the key filters in the selection of the type of business opportunity that a migrant will attempt, given that formal financing is often not available to migrants and the formation of conventional partnerships may not be possible and reliance on their own or family savings or on “rotating credit associations” (Waldinger et al, 1990:138).

They also highlight training and skills (knowledge capital), as many migrants have no exposure to even basic business skills before migrating (apprenticeships at ethnic businesses are commonly used to pass on skills, family members stand surety for each other, allowing for a mutually beneficial arrangement where the more experienced party has access to a reliable labour source and the migrant acquires the necessary skills before embarking on a solo business venture); demand for labour, in businesses which are predominantly labour intensive and access to cheap and often free labour in the form of the family gives a competitive edge, with the business expanding synergistically to accommodate the family structure, while the family supports the business to grow in as cost
effective a way as possible; and strategy to attract clients from the host country to the business and build up a loyal client base.

4.6.2 Micro level sustainability analysis

In a study of seventy small migrant enterprises, Rogerson (1997) categorised businesses into those started by migrants originating from within the SADC region (Zimbabwe, Zambia, Mozambique and Namibia that have preferential trade agreements with South Africa) and those who established by migrants from areas outside of SADC. Rogerson (1997) found no clear distinction between businesses started by unconstrained and constrained migrants. Many had run similar businesses in their home country, prior to moving to South Africa or, alternatively, had funded their business start-ups from prior employment in the country. Rogerson noted that, for entrepreneurs in South Africa:

“The most significant finding was the high proportion among the group of non-SADC entrepreneurs who had university or post-university educational qualifications. Almost half of the non-SADC businesses were operated by individuals with university-equivalent or post-graduate qualifications. Rogerson’s sample included three individuals with master’s degrees and one with a formal qualification in dentistry. By contrast, some 47% of the SADC entrepreneurs were clustered at the South African equivalents of standards 8, 9 or matric. Although not as highly qualified, SADC entrepreneurs were, however, by no means uneducated or inexperienced.” (Rogerson, 1997:16).

A UNHCR review of the South African Urban Policy for refugees (1997) also identified education as a key component of integration and proposed a “developmental approach” that included the increasing assistance for educational and vocational training as part of the measures to be adopted. It also proposed
assisting women to develop income potential and limiting maintenance assistance to the elderly and special cases only (Handmaker et al., 2011).

4.7 The impact of business strategy choices

4.7.1 Discovery, creation and creative discovery

There has been much debate about whether entrepreneurial opportunities are latent and just waiting for discovery by an entrepreneur (Gaglio & Katz, 2001 and Shane, 2003) or whether they require creative as well as resource inputs by the entrepreneur to be realised (Aldrich & Ruef, 2006). Alvarez & Barney (2007) proposed that both discovery and creation provided plausible theories that describe how entrepreneurs leverage opportunities. As teleological theories, used to explain the impact of a specific behaviour, both discovery and creation theory, make assumptions about:

1. The nature of human objectives (survival or betterment of life conditions and fulfilment of intellectual requirements).
2. The nature of individuals (ability to seize opportunities, manage risk, gregariousness, curiosity, leadership).
3. The nature of the decision-making context within which individuals operate (legislative framework, limitations on communication and resources).

Discovery theory proposes that “exogenous shocks” trigger the discovery of an opportunity by the entrepreneur, who must have a higher degree of “alertness” than non-entrepreneurs (Alvarez & Barney, 2007:14) while creation theory is premised on an assumption that “entrepreneurs who form and exploit opportunities are significantly different than non-entrepreneurs who do not form and exploit opportunities” (Alvarez & Barney, 2007:16). The difference between the two theories seems be the amount of control that the entrepreneur has on the decisions made, something that Alvarez and Barney (2007) compared to someone “climbing a mountain because it is there” versus someone building their own mountain to climb and look out over the surrounding plain.
Irrespective of whether discovery or creation was the predominant initiating factor, the entrepreneurial “consciousness” of the migrants extends to other traits that have been highlighted in other migrant groups, including a curiosity to experience new cultures, a resilience to hardships that these new cultures may bring and a disposition to utilising talents and gifts to create opportunities within these new cultures (Mung, 2008). Alvarez & Barney (2007) conclude that resource-constrained individuals may function as either discovery or creation entrepreneurs or both, an idea first postulated by Osigweh (1989).

### 4.7.2 Sustainability of necessity and opportunity businesses

In a study conducted of more than 12 million businesses created in United States between 1969 and 1987, Birch (1987), described the business market as “turbulent” with a significant portion of small businesses, particularly those focused on innovation and high tech industries, experiencing growth. However, the economies of Canada, Sweden, and the United Kingdom exhibited markedly different characteristics in the same time period, ascribed to differing cultural values; and exhibited a far slower rate of growth and turbulence.

The fact that a small business has been started is no guarantee that it will add sustainable, economic benefit to the local, regional or national economy. This propensity to failure has given rise to debates as to whether necessity or opportunity businesses are more sustainable and the reasons for the preferential sustainability.

Proponents of opportunity entrepreneurs cite previous experience, planning and level of education as reasons why these businesses should be more viable over an extended period (Shane, 2000 and Davidson & Honig, 2003), while a driving requirement for basic, financial survival has been cited as the reason that necessity entrepreneurs are better positioned to endure for longer than the five year viability span that characterizes start-ups (Block & Sandner, 2009).
In post-unification Germany, Block & Sandner (2009) found that the education levels between groups of necessity and opportunity entrepreneurs were not markedly different. What was different was how the educational experience was used. The German necessity entrepreneurs tended to be older than the opportunity entrepreneurs and the proportion of necessity entrepreneurs entering businesses, aligned with previous experience or education, was lower than the opportunity entrepreneurs. The levels of unemployment in the regions where necessity businesses were started were also higher than for opportunity businesses. The critical sustainability factor was that businesses were started in a field that the entrepreneur understood, rather than as a result of their level of education or whether they were necessity or opportunity businesses and there was little difference in the sustainability of German versus non-German ventures (Block & Sandner, 2009).

4.8 Conclusions from the literature review

To cover the complex interaction of the variables that were identified, the literature review comprised:

1. The political and juridical context of the South African legislative and regulatory environment (examined in Section 1.1 of Chapter 1: Introduction) as it pertains to asylum seekers, migrants and entrepreneurs to understand the impact of legislative frameworks.

2. The South African and macro economic context, focusing on the potential of the country to offer opportunities for migrant entrepreneurs to establish sustainable businesses to understand the impact of lack of choice and resource limitations and how to mitigate these (Section 4.4 of this Chapter).

3. The role of social and other networks in migrant business establishment and the opportunities that these offer (Section 4.5 of this Chapter).
4. A comparison of necessity and opportunity entrepreneurs, focusing on the sustainability of the businesses established and potential to create economic value for the host country (Section 4.6 of this Chapter).

5. Entrepreneurial strategy choices made by migrants (discovery and creation entrepreneurs, bricolage) aligned with their technical abilities (Section 4.7 of this Chapter).

The relationship and interconnection between the literature sources may be considered as has been illustrated in Figure 21. At the heart of it, lies the role of networks.

Figure 21: Relationship between literature sources
This highlights that social and business networks lie at the heart of sustainable business establishment for involuntary, constrained migrants and it is these networks that should be leveraged if an emergent economy host country wishes to maximise the value that these migrants can deliver. This insight, together with the interactions of the other components of the Literature Review, provided the necessary saturation that Charmaz (2000) highlighted as so necessary for the development of a robust theory, the final step in the constructivist grounded theory process.
5. Chapter 5: The development of theory

5.1 Introduction

The body of information from the interviews, the emergent patterns and the insight from the literature created the basis for developing a theory, as outlined by (Charmaz, 2008), to engage with the research question: what can emerging market economies do to leverage sustainable economic growth opportunities of resource constrained migrant entrepreneurs?

5.2 Establishment of causal relationships

The idea of the migration process that was developed from the emergent patterns was that migration could be considered as a process over time, irrespective of geographical location.

While this idea would serve as the basis for the development of a model of how host countries can leverage the potential benefits that the constrained migrants deliver, it required further development, based on the literature inputs. The first step towards achieving this was to understand the full impact of the causal relationships between the seven variables that had been interrogated in the literature sources and the various entrepreneur attributes. The emergent patterns alluded to some of these at an individual level but, if the potential of constrained migrant entrepreneurs, or other constrained groups, was to be fully developed, as a group, it required the identification of key areas where interventions by the emergent economy host country would be desirable, practical and have the greatest impact at the macro level, based on the data that had been obtained at the micro, or individual level.

5.2.1 Micro level causal sequences

A high level summary of the individual causal sequence links is included in Table 7. It represents the results of the data analysis at a micro level, achieved by considering the seven variables as causes (Kelle, 2011) and associating them
with a resultant lack of social, legal or economic capital (i.e. a social disability) that respondents experienced (Nail, 2015). The identification of the enabling characteristic or phenomena (Charmaz, 2008) that respondents developed to overcome the disability became their business establishment enabler and completed the causality.

Table 7: Causes, resultant disabilities and enabling characteristic

<table>
<thead>
<tr>
<th>Cause (variables)</th>
<th>Resultant disability</th>
<th>Characteristic /Phenomenon</th>
</tr>
</thead>
</table>
| Lack of choice of the destination, language, local knowledge | Lack of knowledge capital | Ability to manage risk and seize opportunities  
Use of social connections to assist with settlement  
Charm, personality and charisma  
Integration into the community |
| Group complexity                              | Lack of social capital                                   | Ability to manage dichotomy                                                              |
| Impact of discriminatory policies/ poor implementation | Lack of legal capital                                   | Long term vision  
Ability to work the system                                                              |
| Level or recognition of technical or business skills | Lack of economic capital and knowledge capital         | Choice of appropriate strategies for establishment of a local mainstream business  
Establishment of opportunity business  
Establishment of a necessity business                                                    |
| Level of access to formal funding and resources | Lack of economic capital                                 | Identification and use of alternative funding mechanisms  
Local partnerships                                                                  |
| Business sustainability                       | Lack of economic capital                                 | Use of family resources to be business competitive  
Business establishment in under traded areas                                             |
5.2.2 Macro level causal sequencing

The enabling phenomena gave the constrained entrepreneurs the ability to move in a phased way towards business sustainability. Each phase had a specific outcome, namely: social establishment (the acquisition of social capital and knowledge capital), business establishment (economic capital) and business sustainability over their working lifespan. In the process of doing this they followed the establishment sequence of conventional entrepreneurs, as well as an additional establishment phase. This is illustrated in Figure 22, which lists the variables (causes) and enablers within each of the phases over the lifetime of the migrant entrepreneur. While overlaps occurred between the phases, respondents only progressed between phases once they had achieved key outcomes that were a consequence of phenomena

![Figure 22: Typical migrant business establishment continuum](image_url)

Note: The *Star icon indicates the establishment of legal, social, knowledge and economic capital.
Legal and social establishment: This occurred when the constrained involuntary migrant (the migrant) overcame the challenges of a new environment through the use of the group social network, acquired the necessary language skills, or communication mechanisms to be able to survive in the local community and developed the ability to manage cultural dichotomy to some extent. The result of this was the acquisition of a level of social capital that allowed for acceptance of the migrant within the local community and social establishment.

As evidenced by comments made by respondents and the literature (Waldinger et al., 1990; Handmaker et al., 2011; Dinbabo & Nyasulu, 2015; Kavuro, 2015a; Nail, 2015 and Zack & Estifanos, 2016), the resultant social establishment provided them with the platform to move onto the next stage of the continuum: economic establishment.

Economic establishment: The migrants were now in a position either to seek employment or identify business opportunities. All of the respondents achieved the outcome of business establishment. However, the timing and nature of the business establishment varied, dependent on the development of knowledge capital and economic capital and whether the entrepreneur discovered an opportunity or was able to create one. (Waldinger et al., 1990; Rogerson, 1997; Davidson & Honig, 2003; Kloosterman & Rath, 2003; Alvarez & Barney, 2007 and Mung, 2008).

Underemployment or unemployment, lack of technical or business skills and no source of funding drove respondents to start a necessity business, with high risk of failure and low barriers to entry for competitors, as found by (Farkas, 1982; Kloosterman & Rath, 2003;
Chrysostome, 2010 and Lin, 2014). In some cases these necessity businesses served as a platform for the establishment of an opportunity business later in life, when the nascent opportunity entrepreneur had enough capital to start such a venture.

This would, in most cases, happen earlier in the migrant’s life than the establishment of an opportunity business by an individual who was skilled with technical, if not business, skills, had regular, gainful employment and was able to identify niche opportunities and save the start-up capital required to realise these, confirming the findings of Block & Sandner (2009).

Necessity businesses would, typically, be established when the migrant was in the 25-35 year age bracket, as soon as they had achieved some sort of social establishment while opportunity businesses were established by respondents who fell into the 35-50 year bracket.

**Economic consolidation**: The third key outcome was sustainability of the business and delivery of value to the local community, either in the form of services in the case of necessity businesses or both services and local jobs for opportunity businesses. All of the businesses established by the Chinese and Polish respondents operated for more than 20 years and, in some cases, are still operating 50-100 years later, while the Rwandan businesses are entering their second decade of operation.

As noted by (Waldinger et al., 1990; Rogerson, 1997; Kloosterman & Rath, 2003 and Chrysostome, 2010), this applied to both necessity and opportunity businesses. The necessity businesses did not expand significantly but did move from one under traded area to another as the
owner perceived a better business opportunity or was forced to relocate.

Social capital consolidation: The sequence of resource constrained business establishment is purposely called a continuum as that is how the respondents viewed their settlement in the country.

The long term vision, focus on education for their children and commitment to local integration, as were described in the interviews, clearly demonstrated that these migrants saw their business as the first iteration of an ongoing cycle, to be perpetuated by their children if the regulatory and social circumstances allowed (Portes, 1987; Safran, 1991; Yap & Leong Man, 1996; Sen, 1999; Accone, 2004; Levitt, 2004; Tohill, 2004; Zetter, 2012; Lin, 2014 and Nail, 2015).

Based on the sequencing and causality over a time continuum, it was possible to formulate a complete description of how involuntary migrant entrepreneurs establish themselves in a host country. The description has been graphically presented in
Figure 23. The purpose of the description was to serve as the basis for the development of a model that a host country can implement to leverage the economic benefits that involuntary migrant entrepreneurs deliver. The limitations that the variables place on the ability of the migrant entrepreneur to achieve the required social capitals have been identified and highlighted, as well as the enabling strategies employed by the migrant entrepreneurs to counter them and develop their economic potential.

If the impact of these variables is minimised, it will allow an entrepreneur who possesses the enabling characteristics to progress along the continuum at an accelerated rate, thereby unlocking the economic potential for the host country sooner and creating jobs and value.
Figure 23: Graphic description of migrant establishment
5.3 Development of a theoretical model to leverage migrant entrepreneur economic value

5.3.1 Migration capital: the key enabler for host countries

It was apparent from the description of migrant establishment that, if a host country wishes to maximise the value that the opportunity migrant entrepreneur offers, it is necessary to understand that the establishment process is a complex one, involving the migrant network as well as the individual. The establishment process can also extend over a protracted period of time, as the constrained migrant entrepreneur faces a series of challenges in addition to those that will be faced by any local entrepreneur who plans to establish a business. These include:

1. Social integration within the local community, which is a prerequisite for the establishment of a mainstream business – as business opportunities within the migrant community are limited and migrant communities may not be able to support the business. Contrarily, they may even compete with each other.

2. Successful social integration, which is directly related to the acquisition of legal, language and knowledge capital as precursors for business establishment. The primary constraint on the acquisition of these capitals is the migrant network, which filters knowledge and could, knowingly or unknowingly, impede the progress of the entrepreneur.

3. An ability to find alternative employment or sources of financial support. Entrepreneurs who are legally constrained and unable to find employment or are severely underemployed, will tend to establish necessity businesses earlier in life and may never utilise their technical skills or realise their entrepreneurial potential.

4. Using the funds and experience that they gain to establish opportunity businesses later in life. The ability of the migrant to both start and ensure
ongoing success and sustainability of an opportunity business requires access to funds. This economic capital is not readily available from the migrant community, whose members are, themselves, financially constrained and are likely to preferentially support family members. It is not enough for an involuntary migrant to be determined, be technically able, have an appetite for risk, be able to identify or create an opportunity and have access to funding, as might be the case for a local entrepreneur in an emerging market economy (Birch, 1987; McMillan & Woodruff, 2002; Alvarez & Barney, 2007; Block & Sandner, 2009 and Herrington et al., 2014).

The constrained, migrant entrepreneur requires another set of characteristics which, in addition to serving as enabling disabilities for the migrant, offer leverage potential for the host country (Waldinger et al., 1990; Kloosterman & Rath, 2003; Orozco, 2008; Chrysostome, 2010 and McMichael et al., 2014). My model for how the host country can leverage the opportunities presented by these migrant entrepreneurs is premised on the proposition of the existence of a new form of capital that I have termed “migration capital”.

The term “migration capital” does not exist in the literature. It is the composite capital that the migrant acquires (a) by virtue of the forced transnational migration and (b) as part of a network that is the migrant group. Migration capital can be considered as a subclass of mobility capital which has been described as “the differential capacity to move” (Atkinson, 2016; Kindle location 495). Not everyone who moves is a migrant and there are aspects of mobility capital that do not apply to involuntary migration, such as freedom of choice regarding destination or mode of movement.

Similarly, not all migration occurs across borders and there are examples of internal, involuntary migrants who flee natural disasters, rural collapse of economies and local conflicts (Borjas, 1989; Lucas, 2004; Fauvelle-Aymar,
2014; Dinbabo & Nyasulu, 2015 and UN Refugee Agency, 2016), who may accumulate some migration capital but are not, as a rule, subject to the legal impediments that limit transnational migrants.

The development of migration capital is what allows involuntary migrants such as refugees to survive extremely onerous conditions, where their lives, emotional well-being and safety may be threatened in a country other than their home country. It is what the respondents referred to as their gut instinct, their survival instinct or, as one of the Polish group respondents eloquently phrased it “the Siberia in me” (Polish group respondent 09). It is built over time and on the basis of transnational exposure that allows the migrant to assess potential risk and react very quickly.

An important, defining feature of migration capital is that, unlike the capitals noted by Bourdieu (1985), not all the components that make up migration capital are held by the individual. The view that the host country takes of the involuntary migrant, be s/he a refugee or asylum seeker, should be based on individual merit. Practicality, politics and experience, however, indicate that this is not necessarily so and there is capital, positive and negative, that is contributed by the group.

This was clearly demonstrated in the statements made by respondents and informants regarding perceptions of characteristics of the ethnic group by host country as opposed to the complexity within the group, which is only revealed on closer study. This builds on the work of Katz et al. (2004), who studied network theory in small groups and highlighted both mutual and individual interests that were factors within the functioning of the network.

As a consequence of the stereotypical perception of the group, involuntary migrants who are highly technically competent but unable to speak the local language, may have their qualifications and their entrepreneurial potential
ignored by overworked, local authorities who are processing hundreds of similar looking applications, from members of the group who are not technically qualified and/or entrepreneurially inclined. This happened to a number of the Chinese and Rwandan respondents:

So, my mom and dad - my dad was a principal and my mom was a teacher. When they came here they couldn’t get a job because of the different degrees. Here you have to have a South African degree. My dad was a car guard in the beginning. A lot of Rwandans were car guards. My mom, luckily she could speak English so she had a much easier transition and she taught at the school that I attended. They struggled to get jobs because of their age and a lot of those Rwandans struggled. My dad got a job as a security guard at the high school that I attended and now he is unemployed. My mom got a degree. She got a master’s in social sciences and now she’s working for an NGO. (Rwandan respondent 05).

Conversely, the involuntary migrant may find opportunity in the perceived group capital. An example would be the notion that urban migrants to South Africa are more entrepreneurial than South Africans, which was expressed by respondents, informants and the literature.

Whether it is or is not true of an entire population is highly debatable, as is apparent in the interview with Landau (2017), who has studied the subject, but it provides an example of a positive attribute that is attached to a constrained migrant by virtue of the group,

What we see is that there are certain groups that are more entrepreneurial than others. For example, in Johannesburg among the Mozambicans, the number that start their own business is very small while, among the Somalis, there are almost none who have not started a business. If they are working it’s to start a business or within a family business. It’s hard to make a generalisation but one of the things that seems to correlate strongly with whether they start a business is where they come from in a country. If they come from an urban environment, they start a business. The Congolese for example, if they come from Kinshasa, may well start a business while, if they come from a rural village, they will work for someone. (Landau, 2017).
5.3.1.1 Entrepreneurial migration capital: a subset of migration capital

While migration capital, as I defined in the preceding section, in conjunction with legal capital, knowledge and language capital comprises the additional capital required before any migrant is able to establish socially in the host country, migrant entrepreneurs demonstrate an additional capital that allows them to progress, as indicated in Figure 24, and establish sustainable businesses that offer economic growth opportunities and employment opportunities.

Figure 24: The proposed progression of a constrained migrant entrepreneur

The fundamental difference between constrained involuntary migrant entrepreneurs and other involuntary migrants is that the lack of choice of destination acts as the selection trigger enabling disabilities that constitute the additional components of constrained entrepreneurial capital. The enforced destination appears to elicit one of two responses in involuntary migrants. Either try to manage within what their fate has ordained, using the basic collective migrant capital, or they try to manage their fate, using basic migration capital and additional constrained migrant entrepreneurial capital.

What distinguished the migrant entrepreneurs and allowed them to progress to the point that they were able to source the economic capital to start a
sustainable, opportunity business, was their ability to develop these additional migration capital attributes that are not developed in all members of the migrant community.

Rather than being group attributes, or developed by virtue of the group or network, these are the individual characteristics that define the migrant entrepreneurs’ response to the networks in which they find themselves, much as the actors within the network defined by Wellman & Berkowitz (1988). By extrapolation, just as migration capital is a subset of mobility capital, entrepreneurial migration capital constitutes a subset of migration capital. The respondents, or actors, bring their personal experiences into the migrant network and respond to the information or triggers provided by the network in an individual way.

In this respect, they are no different to any other network. In the work done by theorists such as Wellman & Berkowitz (1988); Wellman & Hampton (1999); Putnam (2000) and Katz et al (2004) on both large and small networks, defining characteristics such as the interaction within and between nodes, the multiplicity of levels of connections, the importance of both weak and strong connections for different purposes, apply substantively to involuntary migrant networks.

The aspects of entrepreneurial migration capital that the migrant entrepreneurs demonstrated were defined by respondent interviews and confirmed in literature (Kloosterman & Rath, 2003; Orozco, 2008; Chrysostome, 2010; Gladwell, 2011 and Gastrow & Amit, 2013). They included:

1. The ability to manage dichotomy and multiple identities that allows the migrant entrepreneur to transition back and forth between the host community and establish a mainstream business while still finding a cultural home, identity and support within the ethnic group.
2. An ability to manage the complex relationship within the ethnic group, understand the limitations of the group but not allow these to impede the establishment or functioning of the business.

3. A transnational mind-set that provides a platform for the entrepreneur to identify opportunities within a regional and, often, global context. This presents the migrant entrepreneur with an array of potential opportunities that may be well beyond the comprehension of a local entrepreneur who has not been exposed to the requirement to survive in multiple countries, under a variety of legislative and cultural regimes.

4. An ability to understand, survive and thrive on the edge of legality and to operate successfully in the grey zone that local entrepreneurs may not be able to understand. This opens up a range of business opportunities that may not be considered by local entrepreneurs or perceived as being too risky. While it may not be beneficial to the host country for the entrepreneur to be engaging in illegal activities, there is a need for businesses that can thrive outside conventional norms, where the appetite for risk is greater than would normally be accepted. While visions of illegal trafficking and prostitution may come to mind, less colourful examples would include the establishment of disruptive entities such as Uber or Airbnb, which were, and in some cases still are, considered as illegal, but have become mainstream and acquired general acceptance in many countries.

The limitation on the degree of development of migration capital among the entrepreneurs therefore depends on where they find themselves within the network, what opportunities are presented to them to create linkages outside their immediate connections and their interdependencies within the group.
5.3.2 The migration capital optimisation model

The migration capital model, which is the proposed model of how the host country can unlock the value offered by the constrained, involuntary migrant entrepreneur, focuses on the social establishment and early business establishment phases. The model relies on a series of weak and strong network connections that include national authority, local authority, NGOs, migrant group networks, local entrepreneurs and the individual migrant entrepreneurs, as illustrated in Figure 25.

Figure 25: The migration capital optimisation model

These network connections emerge, come to prominence and fade, as and when required, to meet the requirements of both the migrant entrepreneur and the host country. .
5.3.2.1 Migration capital model phases

While the model has been presented in its entirety, it is made up of four phases over the projected 10 year period, the average time that it would take a constrained, involuntary migrant to establish themselves. This number is not an absolute and will vary dependent on language skills, technical ability and the other factors discussed in this document.

5.3.2.1.1 Phase 1: Raising awareness

The emphasis of much contemporary media reporting is on the assistance required by refugees and the burden that this places on host country resources, even in articles otherwise sympathetic to refugees (see e.g. *Cape Argus* (2017) Business Day (2017). Therefore, there remains a disconnect between an emerging academic body of work that has identified the economic benefit that involuntary migrants can deliver, as was highlighted in the literature review, and the perception of the general public.

Homan’s (1958) finding that networks will be maintained and social exchanges sustained as long as both parties see a benefit or potential benefit in the exchange, implies that if the notion of the “refugee burden,” as termed by Zetter (2012), is still firmly rooted in the policy vocabulary of governments, then humanitarian actors and public figures will gain more political mileage from expressing concern for the situation rather than embracing possible network partnership opportunities. It is only when the concept that emerging market economies can realise economic benefit from the integration of involuntary migrant entrepreneurs is supported by political will, that the narrative will change and the paradigm will shift, as has been evidenced in countries such as Uganda and Tanzania (Ruwakaringi, 2017).

The ongoing process of raising and maintaining this awareness at multiple levels, therefore, forms the basis for the model. Some recommendations of how this
can be achieved have been highlighted in Chapter 6: Conclusions and recommendations.

5.3.2.2 Phases 2 & 3: Social integration

As has been demonstrated, the complex interaction of a number of factors impacts on the ability of any migrant entrepreneur to attain the basic social capital that will enable them to survive in a host country, as illustrated in Figure 26, prior to their establishment of a business.

Figure 26: The interaction of factors preceding social integration

As subject matter experts and respondents highlighted the shortcomings of the migrant networks and individual NGOs to meet the complex requirements of constrained migrant entrepreneurs, the model proposes a multidisciplinary network partnership to provide the migrant with the local intelligence required at the same time as it extracts the maximum potential value for the host country.

The acquisition of the appropriate legal capital for the migrant entrepreneur is by far the most important yet complex part of the model. When the involuntary migrant applies for an entry visa, there is very little to distinguish a potential opportunity entrepreneur from the hundreds of other migrants who are all trying
to establish themselves in the host country and there is very little guidance for potential entrepreneurs to distinguish themselves from other migrants.

From the interview accounts and literature sources, the most trusted sources of information for involuntary migrants are fellow migrants or the NGOs and the least trusted are the government entities that deal with the processing of applications (Handmaker et al., 2011; Kavuro, 2015b and UN High Commissioner for Refugees, 2015).

Handmaker et al (2011) have suggested that localisation of the residence application process that assures the involuntary constrained migrant legal status in a country, would improve the quality and delivery of service. Local authorities are better able to make contextual assessments based on their understanding of local requirements for skills, but Landau & Amit (2014) highlighted that variations in competence at municipal and metro level were likely to have a significant impact on the implementation of equitable immigration policy. The model, therefore, proposes a multi-disciplinary governmental partnership with local NGOs to provide balanced assessments and screening. Suggestions for how this might be realised have been included in Chapter 6.

For language and local knowledge, the focus of the model moved from government to a migrant group: NGO partnership and then to individual engagement. It is at this point that the development of the potential entrepreneur becomes a bespoke process.

As local NGOs have credibility and an extensive network of contacts within the migrant groups, they should lead the initiative to develop interactive migrant group:local NGO:local business development group networks, that will focus, at programme level, on entrepreneurial as well as social issues and provide the migrants with the necessary entrepreneur migration capital through:
1. Providing the migrants with accurate information, processes and contacts to verify their qualifications.

2. Educating potential migrant entrepreneurs about the language and cultural complexities of the country and the specifics of geographic areas where they may wish to establish a business.

3. Assisting migrants with information about language classes, the local business regulatory framework, localisation requirements such as BBBEE requirements, financial controls and similar, business related issues that will, eventually, impact on their ability to establish a sustainable enterprise.

Depending on the individual characteristics, previous experience and knowledge capital (technical qualifications and business experience) of the individual migrant, this source of assistance should become less important in day-to-day activities as the entrepreneur migrates into the local network and accumulates the necessary social capital to enable them to establish a business in their own right. This migration between networks has been described by Wellman & Hampton (1999); Putnam (2000) and Atkinson (2016). They stressed the importance of both strong and weak networks, as these serve different purposes, as described in the Chapter 4: Literature Review.

Therefore, the legal capital partnership remains a constant, underpinning component throughout the model, while the support required for social establishment diminishes as the migrants use their ability to manage dichotomy, in conjunction with their charisma, charm and personality, to integrate into the local community and establish local networks of their own.

5.3.2.3 Phase 4: Business establishment

If migrant opportunity entrepreneurs had access to viable entrepreneurial business opportunities in areas where these are underrepresented in the local
economy (Herrington et al., 2014) these should provide opportunities for local economic growth as the interviewees had highlighted that their business strategies included:

1. Establishment in under-traded areas.
2. The identification of both creative and discovery opportunities.
3. An appetite for risk and ability to work on the fringe of legality.
4. An understanding of transnational opportunities.

However, as individuals must be assessed with an understanding of their “full concrete specificity” (Bourdieu, 1988:22), the likelihood that involuntary migrants, with little understanding of local business conditions and culture, will embrace individual local partnering opportunities that would allow the host country to maximise the potential that they offer is slim. This was confirmed in the interviews with respondents, as very few had used local partnerships as a way to establish their business and some, like the Chinese respondents, had found that enforced partnerships were detrimental to the business. I felt that a structured, group approach offered more promise if the establishment of a local partnership model was to be successful and both expedite and leverage the entrepreneurial capability demonstrated by constrained migrants,

So I think that there is definitely synergy there but it would have to be very well structured so that those agency lessons are part of it and it can be managed well. But I mean, if you can get it right, it could be extremely beneficial to the country and there would be value there that can be tapped. (Bam, 2017)

The partnership would have to:

1. Demonstrate that both parties contribute value (Homans, 1958).
2. Make use of key individuals or, preferably, agencies who had existing connections to both the migrant and local business networks (Wellman & Berkowitz, 1988).
3. Recognise that the reaction to initiatives would differ, dependent on the previous experiences on the individuals and that some sort of flexible mentorship model would have to be used (Katz et al., 2004).

4. Understand how to work with the migrant network.

Table 8 illustrates a high level matrix of the value that the partners bring into such a relationship. This demonstrates that there are definite synergies and, provided that no partner feels superior or inferior, such partnerships could work, if they are correctly structured and supported by mentorship programmes that address the respective partner weaknesses to the point that the business is fully sustainable.

Table 8: Partnership value analysis

<table>
<thead>
<tr>
<th>Strength</th>
<th>Involuntary Migrant Entrepreneur</th>
<th>Local Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transnational experience</td>
<td></td>
<td>Local context understanding (language, culture)</td>
</tr>
<tr>
<td>Appetite for risk</td>
<td></td>
<td>Appetite for risk</td>
</tr>
<tr>
<td>Technical skills</td>
<td></td>
<td>Access to funding</td>
</tr>
<tr>
<td>Extensive exposure to entrepreneurial culture</td>
<td></td>
<td>Local citizenship</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weakness</th>
<th>Involuntary Migrant Entrepreneur</th>
<th>Local Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited local context understanding</td>
<td></td>
<td>Possible lack of technical skills</td>
</tr>
<tr>
<td>Lack of business experience</td>
<td></td>
<td>Lack of business experience</td>
</tr>
<tr>
<td>Lack of citizenship/ legal status</td>
<td></td>
<td>Lack of exposure to entrepreneurship</td>
</tr>
</tbody>
</table>
5.4 The answer to the research question

At this point I reverted to my research question so that I might state the answer in a concise and comprehensive manner:

**Question:** What can emerging market economies do to leverage sustainable growth opportunities from resource constrained involuntary migrant entrepreneurs?

**Answer:** They can implement a series of public sector and private party network partnerships, as illustrated in the model, that leverage the migration capital of involuntary migrant entrepreneurs, both as individuals and as part of their group.

This will facilitate the creation of sustainable local: migrant business partnerships that offer opportunities for accelerated economic growth for both the involuntary migrant and the local entrepreneur as well as local job creation.

The local partnership component of the model is the one that should grow over time. I have illustrated the model in its entirety and aligned it with the impact that it will have on the time that it takes the involuntary migrant to move through the business continuum in Figure 27. The impact could be an additional fifteen years of economic benefit delivered by a sustainable, opportunity business started by involuntary migrant entrepreneurs who have access to:

1. A host country that recognises that they can add value.
2. Support with the correct, appropriate legal application process.
3. Local intelligence about entrepreneurial opportunities that overcomes language barriers and identifies potential, local partners.
4. Guidance in the sustainable establishment of local partnerships.
I have provided further recommendations of how this might be achieved as well as my assessment of the answer that I have developed in Chapter 6.

Figure 27: The proposed impact of model implementation on a business lifecycle
6. Chapter 6: Conclusions and recommendations

6.1 Conclusions

Berg (2001) states

> Theory can be defined as a general and, more or less, comprehensive set of statements or propositions that describe different aspects of some phenomenon ..... a system of logical statements or propositions that explain the relationship between two or more objects, concepts, phenomena, or characteristics of humans (Berg, 2001:15).

As theory building comprises the product and process that constitute the theoretical concepts or building blocks (Guldner, 1980), these concepts, characteristics and attributes are related in such a way that they may be understood by both the researcher and their audience.

Such theory should, therefore:

1. Be universal.
2. Offer significant insight into the phenomenon.
3. Provide evidence of logical and systematic development.

6.1.1 Confirmation of universal application

The universal application of the theory and the model that is based upon it rests on the premise that involuntary migrants, as a group and, specifically, migrant entrepreneurs, add value to emerging economies generally and this is not limited to a specific group at a specific time within South Africa.

As I have demonstrated from the respondent interviews and literature review (Farkas, 1982; Waldinger et al., 1990; Rogerson, 1997; Sen, 1999; Kloosterman & Rath, 2003; Gastrow & Amit, 2013 and Lin, 2014), involuntary migrant entrepreneurs go through a similar sequence of social integration and business establishment activities, over an extended period of time, irrespective of their origin, the location where they settle and the technical qualifications that they
may have acquired before they left their home country. For much of the time taken to go through the sequence, the entrepreneurs are subjected to the same constraints as all other migrants and deliver a similar quantum of economic value to the host country, illustrated in the bottom left hand section of Figure 28.

Figure 28: Illustration of the involuntary migrant economic value add

6.1.1.1 Assessing involuntary migrant entrepreneur value

The research focused on a specific subset of migrants who became entrepreneurs and created jobs and economic value for the host country. In doing so, I recognise that it is possible and, indeed, likely that the majority of constrained migrants may not add the same quantum of economic value and may well be recipients of aid or competitors for local work opportunities at some time (Whitaker, 2002; Koroma, 2013; Newland & Plaza, 2013 and Mugwagwa, 2014).

As has been demonstrated, these involuntary migrants do provide some economic benefits to the host country. They contribute to the local fiscus through taxes, remittances and, in some cases, the establishment of necessity
businesses that allow the local populace access to competitive prices in under traded areas, allowing them more disposable income in the process (Esveldt, Kulu-Glasgow, Schoorl, & Van Solinge, 1995; Massey et al., 2002; Whitaker, 2002; Gastrow & Amit, 2013; Fauvelle-Aymar, 2014; Lin, 2014; Maystadt & Verwimp, 2014; Smit & Rugunanan, 2014 and Zack & Estifanos, 2016).

Even in countries where involuntary migrants are housed in camps, the entrepreneurs within the group see business opportunities where others do not and build on these (Crush, 2009; Whitaker, 2002; Verwimp & van Bavel, 2013; Verwimp & Maystadt, 2015 and Betts & Omata, 2015). Indeed, the refugee camps, by their very existence, create economic opportunities for both local communities and the refugees housed within them, albeit that those encamped are supposedly isolated from their host community.

Similarly, employed migrants and necessity entrepreneurs can be considered as small scale value creators for the host country and offer opportunities to earn revenue at multiple levels that the local populace may not fully understand:

They pay VAT and GST and there is a lot of tax revenue that comes back. They also employ local assistants, who serve multiple purposes........ They aren’t the best jobs but, in the townships, they are a job.

Even if they send money home, there is still a benefit. For example, people from Zimbabwe send money home that is used to buy goods from South Africa. Similarly the Mozambicans go home with all this stuff. There is all this trade, it may not be Shoprite. The question is “Does it hurt”?

I guess the real question is whether they help the fiscus? (Landau, 2017).

Involuntary migrant opportunity entrepreneurs are a global phenomenon that occurs across all ethnic groups and viable, sustainable businesses have been established irrespective of the regulatory frameworks that countries have put in place to include or exclude them (Waldinger et al., 1990; Rogerson, 1997;

The contribution made by involuntary migrant entrepreneurs does not, by implication, mean that other involuntary migrants don’t add any value, (see the gradation of value in Figure 28). It should be noted that the quantum of economic value does not start as a zero base, as would be the case if it were assumed that the unemployed or encamped, constrained migrant was simply a burden on the host economy.

There is sufficient evidence to support the proposition is that the involuntary migrant entrepreneur who starts a sustainable, opportunity business is an extension of a greater involuntary migrant economic value chain that adds economic value to the economy of any host country. In many cases the entrepreneurs are supported by a social network of other migrants, many of whom may never establish such a venture.

In demonstrating the universality of the findings across the three distinctive ethnic groups, over an extended time period, I have met one of the objectives of the research, which was to move the “refugee as burden” debate into a more objective, discursive space, by highlighting possible benefits to the host country of focusing on leveraging the potential benefits offered by involuntary migrant, opportunity entrepreneurs.

Further research is required as to the quantum of economic value created by involuntary migrants. However, if the assumption is made that every one of the more than fifty million involuntary migrants globally (UNHCR, 2016) adds some economic value, as I have asserted, then it is not unreasonable to assume that the economic contribution may be significant for emerging economies where many of these migrants find themselves (refer Table 1).
6.1.2 Evidence of significant insight into the phenomenon

The research, while presenting novel ideas, was firmly rooted in the established theoretical constructs of the acquisition of capital as a means of establishment (Bourdieu, 1988), economics as the primary driver of migration, irrespective of other reasons (Ravenstein, 1885) and the role that networks play in individual and small group development (Katz et al., 2004). While I have focused on the field of theory of entrepreneurship, I have done so recognising that theoretical development in the social sciences is an evolutionary process (Kuhn, 1970). My evolution was to view the “refugee as burden” from the perspective of the actors themselves, using a constructivist grounded theory process to surface concepts, identify patterns and then establish sequencing and emergent theory (Charmaz, 2008).

In the process of focusing on a specific group, namely involuntary migrant entrepreneurs, I have been surprised at many of the ideas that emerged through engagement with respondents and allowing their voice to surface, instead of testing my preconceived notions. Preconceived views of the cohesiveness of migrant groups, the level of local knowledge that involuntary migrants have of local legislation and opportunities, as well as the role played by NGOs, were proven to be inaccurate.

Instead, as became apparent from both interviews and the supporting literature on business sustainability within migrant groups, what distinguishes constrained migrant entrepreneurs from other involuntary migrants, is a set of individual characteristics, or enabling disabilities that allows them to leverage the migration capital that is inherent in their ethnic group and establish entrepreneurial businesses.

These enabling disabilities, allow the involuntary migrants to overcome language, cultural and funding constraints and establish sustainable, mainstream
businesses that offer local job opportunities in emerging economies as well as developed countries (Waldinger et al., 1990; Harris, 1995; Rogerson, 1997; Massey et al., 2002; Robinson, 2002; Kloosterman & Rath, 2003; Lucas, 2005; Fielden, 2008; Crush, 2009, Chrysostome, 2010; Teagarden, 2010; Zetter, 2012; Gastrow & Amit, 2013; Fauvelle-Aymar, 2014, Smit & Rugunanan, 2014 and Zack & Estifanos, 2016)

If these entrepreneurs can identify opportunities and exploit them under such extreme conditions, then it is clear that these characteristics should be nurtured by the host country to maximise the economic benefit that they can deliver, be it in the establishment of opportunity businesses in their own right or partnerships with local entrepreneurs that may not have had the exposure to the life worlds of the constrained migrants.

6.1.3 Evidence of systematic development of theory

The development of the theoretical framework and supporting methodology for my research was premised on the understanding that theory, within the domain of social sciences, is often evolutionary rather than revolutionary (Kuhn, 1963) and that the explanation of the phenomenon that this research is trying to define is likely to be found in some version of an existing theory or combination of theories.

As researchers have tended to concentrate on the economic benefits that diaspora have on their home country, a quantitative approach requiring an objective assessment against a clearly defined theory was considered extremely difficult and premature. The research, therefore, was a qualitative, inductive process based on Charmaz (2008), contributing to the field of entrepreneurship, which is aligned with an ontology that is primarily constructivist, with some elements of positivism and a critical realist epistemology.
A number of methodologies: case study (Eisenhardt, 1989 and Shaughnessy & Zechmeister, 1990), thematic analysis (Braun & Clarke, 2006) and ethnographic study (Anderson, 2009) were considered before coming to the conclusion that constructivist grounded theory (Charmaz, 2008), was the most suitable for the research, as it allowed for the respondents to have a voice, the mitigation of personal bias and accommodation of an emergent theory with some pre-existing knowledge of the field of research.

The constructivist grounded theory development process as defined by (Charmaz, 2008) was followed systematically and used, guided by the underlying principles enumerated by Corbin & Strauss (1990):

1. Data collection and analysis are interrelated processes (Figure 2).
2. Concepts are the basic units of analysis (Section 3.2 of the methodology).
3. Codes (categories) must be developed and related (Section 3.2 of the methodology).
4. Analysis should provide for constant comparisons (Section 3.2 onwards of the Chapter 3: Data analysis).
5. Patterns and variations must be accounted for (Section 3.3.2 of Chapter 3: Data analysis).
6. Process must be built into theory (Chapters 3, 4 and 5) which follows the requirements of the constructivist grounded theory process).
7. Hypotheses about relationships among codes should be developed and verified as much as possible during the research process (evidenced in subject matter experts’ interviews as well as Chapter 4: Literature review).
8. Broader structural conditions must be analysed (Chapter 4, Literature review, conducted on a micro and macro level).
6.2 Data and theory validity

The claims for theory validity are based on an assessment of process and data validity, as well as an assessment of the model that was the outcome of the process and data.

6.2.1 Data and process assessment

6.2.1.1 Identification of credible data and sampling

In order to ensure data credibility and to limit researcher bias, I used a triangulation of data sources. Based on (Denzin, 1989 and Denzin & Lincoln, 2005), the triangulation was done at two levels:

1. Level one encompassed time, geography and cultural diversity
2. Level two included inputs from migrant group members, academics, and subject matter experts.

Areas of commonality that emerged provided concepts for further investigation. A proven snowball sampling technique, based on introductions from credible institutions allowed for access to identified members of the respective groups.

6.2.1.2 Data gathering and analysis

Data was obtained from the selected respondents through consistently worded and semi-structured interviews, as detailed in Appendix 1 (Berg, 2001 and Rubin & Rubin, 1995). The basic interview structure is illustrated in Figure 3. To triangulate I interviewed subject matter experts as part of my primary data base and included anecdotal material in the form of biographies to enrich the limited pool of respondents from the two historical groups. The subject matter experts provided insight into:

1. The three, respondent groups, their migration history, characteristics and their current structure.
2. Mechanisms and strategies employed by these and other migrant groups in South Africa to establish themselves.

3. The South African legislative and regulatory framework pertaining to the integration of refugees and migrants into local communities.

4. The South African legislative and regulatory framework as it applies to establishment of small businesses.

5. The key enablers for establishment of sustainable small businesses.

The interviewees were well-recognised in their respective fields of expertise and included the authors of books or publications on the various groups, academics who have published on the subjects under discussion, legal practitioners specialising in the field of refugee and migrant rights and specialists who develop small businesses.

All data was codified, categorised and analysed using Nvivo software, in an iterative process, supported by additional research. This allowed for effective demonstration of links between categories or concepts as well as the development of individual, interview profiles and the confirmation that data bias between migrant groups as well as the inputs from the subject matter experts was not significant.

The consolidation and analysis of the information gathered, allowed for the development of an understanding of what South Africa, and other developing economies, can do to maximise the economic development potential of involuntary migrant communities.

### 6.2.2 The model

The model developed from the theory provides a credible answer to the question of how emerging market economies can leverage the economic benefits that involuntary migrant entrepreneurs provide. The model was built around key variables that emerged from the process and has general application, though
constructed on South African sources. It is based on the transfer of capital between the constrained, involuntary migrant and the group as the enabler that allows the migrant to establish in the host country and feed individual experience back into the group for future knowledge. Therefore, migration capital can be fully leveraged by engaging on an individual and group network level. The model is premised on the following assumptions which are universal, as they emerged from the analysis of interviews as well as the supporting literature study:

1. Involuntary migrant entrepreneurs are a subset of involuntary migrants that are not easily distinguishable to local authorities or the NGOs that constitute their initial contact with the host country.
2. Involuntary migrant entrepreneurs have different drivers when compared to other involuntary migrants who may have left for political reasons or are not entrepreneurially inclined. Systems and support that are currently in place may not adequately identify or leverage these.
3. Involuntary migrant entrepreneurs are legacy driven and, once they identify an opportunity or possibility of an opportunity, will engage with this process and use their family resources to do so as well.
4. Entrepreneurial, opportunity businesses offer the best investment value proposition to the host country as they establish in under traded areas, often have a technical focus based on the migrant’s previous experience and offer the potential for multiple local job opportunities.
5. After they have recovered from the initial trauma that drove them from their home country, involuntary migrant entrepreneurs do not view permanent resettlement in their home country as part of their long-term vision. Instead, they are keen to integrate into the host country and are able to operate outside of the migrant group with confidence. In other words, they become permanent residents, in many cases before the host country acknowledges them as such.
6. Involuntary migrant entrepreneurs go through a similar sequence of activities in the process of establishing themselves in the host country. While the sequence of social integration, business establishment, business sustainability and handover to the next generation is the same, the time taken to achieve these differs, depending on:
   1. Legal status
   2. Local knowledge and understanding
   3. Language competency
   4. Technical and business skills
   5. Access to funds or employment opportunities to generate funds

7. Involuntary migrant opportunity entrepreneurs, once established, require no more, and possibly less, support than local entrepreneurs to make their businesses sustainable. They use proven business strategies to do so. The area of focus should, therefore, be on facilitating and shortening the pre-establishment phase.

8. The desirable disabilities that constrained migrants develop to acquire legal, knowledge and language capital should be used by the host country if it is to maximise the economic value that this group can deliver. These include:
   1. A strong survival instinct
   2. The ability to manage risk
   3. A transnational exposure

9. All constrained migrants exhibit the characteristics of migration capital but constrained migrant entrepreneurs exhibit additional, individual enabling characteristics that include:
   1. Charm, charisma and the ability to win trust
   2. The ability to thrive on the edge of legality
   3. The ability to manage complexity and dichotomy.
6.3 Evaluation of ethics

Migrants and the xenophobic reaction that they elicit in many people, is an emotive topic and I recognised that I was dealing with a vulnerable group of respondents. If the research was to be considered valid, relevant and ethical, personal bias had to be countered and enriched by the inclusion of opinions that both supported and contradicted my views (Berg, 2001; Charmaz, 2008 and Maxwell, 2008) and the assurance that the data reflected the views of the respondents and did not expose them to physical danger or emotional harm.

Berg (2001) cites examples where data could be extracted from vulnerable groups and used for research purposes, with possible negative impacts on the respondents. I recognised that some members of the selected study groups could be considered vulnerable and that this vulnerability had to be addressed and mitigated if the data gathering process. The potential ethical issues identified are listed in Table 9.
<table>
<thead>
<tr>
<th>Ethical issue</th>
<th>Possible impact</th>
<th>Mitigation</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent not fluent in English: Research not conducted in respondent’s mother tongue</td>
<td>Misunderstanding of questions or responses, leading to incorrect data or incorrect interpretation of data</td>
<td>Interviews conducted with an interpreter Select only respondents who are able to verify that they can respond in English. Interviews conducted with respondents or direct relatives able to comment</td>
<td>Weak - open to interference and misinterpretation Strong – respondents have lived in host country for more than seventeen years and enough should be able to respond in English</td>
</tr>
<tr>
<td>Respondents aged and may not have all faculties fully functional</td>
<td>Undue stress on respondents Inaccurate information provided</td>
<td>Respondents selected on a voluntary basis Incorporate views of close family members or trusted aides where necessary</td>
<td>Strong – provided they sign a disclosure agreement Moderate – may be open to misinterpretation</td>
</tr>
<tr>
<td>Research design is not robust</td>
<td>Flawed logic and thinking, invalid conclusions</td>
<td>Chosen paradigm (constructivist) reflects this and has been proven in similar research.</td>
<td>Strong - the research has done this through interrogation of other options, following a rigorous and well-established interrogation format. Alignment with the problem statement forms part of the interrogation process</td>
</tr>
<tr>
<td>Respondents or their businesses may be harmed by host community members when research results become available</td>
<td>Physical or economic harm to respondents, their families or employees</td>
<td>Security of data through the implementation of password protect folders and cross referencing of interviewees by code only in the transcripts and data analysis. Disposal of native transcripts through secure archiving. Interviews took place one on one, location and dates known only to the respondent and researchers.</td>
<td>Strong - while there is always the possibility that information can be removed from lap tops, the coding and filing system makes this unlikely.</td>
</tr>
<tr>
<td>Respondents may be targeted by their home community or host communities for information provided</td>
<td>Physical harm to respondents, isolation from their community</td>
<td>Interviews to be scheduled on a “snowball” basis, using respected and valid members of the community for introductions and understanding of the group dynamics and cultural issues</td>
<td>Medium - open to individual interpretations and the possibility that respondents may be hand-picked to reflect specific views. Has been mitigated by engaging with a variety of bodies in various geographic locations to ensure diversity</td>
</tr>
<tr>
<td>Research methodology or theoretical framework is inappropriate</td>
<td>Biased approach that does not recognise the true dimensions of the question and provides an answer that is not rich and robust</td>
<td>Consideration of a wide range of theoretical concepts and incorporation of elements of a number of these, in a logical and tested framework</td>
<td>Strong – a variety of well-established theoretical concepts evaluated. Examples of similar studies, using the frameworks and methodologies cited</td>
</tr>
<tr>
<td>Results of interviews may not be transferable</td>
<td>Lack of generality required for theory</td>
<td>Data validation via surveys and interviews with subject matter experts</td>
<td>Strong – has been used in similar research</td>
</tr>
</tbody>
</table>
The mitigations put in place to minimise the impact of possible negative ethical issues provided a balance between the requirement to interact with a broad range of stakeholders in a manner that created least harm, while delivering an acceptable outcome, adequate to allow the research to be conducted.

By its very nature, snowball sampling means that the anonymity of respondents is not possible. I was conscious of the requirement to build-in mechanisms so that the identity of respondents was protected in the presentation of the findings and research. Various strategies to assure this were adopted:

1. The face to face and telephonic interviews with respondents were stored in a password protected folder on a personal laptop computer. This was the only place that the identity of the respondents was recorded.

2. I developed a cross reference system as interviews were stored on the Nvivo system. Interviewees were referenced according to their group. The respective groups were: CG1-05 (Chinese Group), PG1-10 (Polish Group) and RG1-10 (Rwandan Group). All references to towns of origin and people were also erased from the transcripts.

6.4 Limitations of the research

In the development of the model cogniscence was taken of the caution expressed by Massey, Durand and Malone (2002) that “

If one does not understand how a complicated piece of machinery works, one should not try to fix it....Blindly tinkering with a gear here or a cog there, or adding more levers and springs simply because they “look good” is to invite a host of unintended consequences, and perhaps to cause a calamity that no-one expected” (Durand and Malone, 2002: Kindle Location 168.).

I suggest that the model provides a significant first step towards this implementation, as well as insight that may reduce such unintended consequences of implementation.
In the process of developing the theory, I was aware of and have tried to mitigate my personal bias, recognising that I cannot claim to be objective on the topic of refugee diaspora. My selection of a qualitative rather than quantitative methodology was part of this mitigation, based on the findings of Morgan (2014) and his guidance in defining the “who, what and why” of the phenomena in the development of my theory was followed carefully. I have done this through the identification of credible data sources (“who”), use of a standard interview format to identify concepts (“what”) and corroboration from subject matter experts, literature sources and the constructivist grounded theory process (Refer 5.2 of Chapter 5, Theory development) to establish “why”.

6.5 Recommendations and further research potential

6.5.1 Dissemination of information

If, as my literature review and research has revealed, there is a growing body of academic work that highlights the positive, economic contribution that involuntary migrants make to their host countries, this knowledge must be transferred into popular awareness and be more widely disseminated if local partnerships and integration are ever to be achieved. As I have highlighted, current policies and political views are still driven by a donor view that suits exclusionist political agendas as well as the substantial business that has is based on refugee and involuntary migrant support (Fielden, 2008; African Union, 2012 and Zetter, 2012).

Therefore the first partnership that I would propose would be one between government institutions such as the African Union (AU), academic institutions or bodies and international or local NGOs. Many of the local NGOs have credibility and, through that, influence in the very government departments that control the fate of the migrants. They also enjoy a high profile in the popular press, thereby allowing the transition of information from within the academic sphere into the public mind set.
While it may not be possible for academic research such as this paper to reach Ministers or local officials directly, there is a conduit in the form of the NGOs and I would propose that a series of formal engagements, such as conferences, and summits such as the Global Africa Diaspora Summit (African Union, 2012), would be the appropriate forums to effect the knowledge transfer.

I was, personally, struck by the potential of such forums at the 2017 European Group for Organisation Studies (EGOS) Colloquium (European Group for Organization Studies, 2017), where academics from across the world contributed to multiple streams, including one titled “Migration and the meaning of inclusion”. While more than 5 000 delegates attended the conference from across the globe and there were insightful and valuable presentations made on the subject, there was no NGO or government representation. I would propose that just one academic/NGO engagement session, within or post the four day programme, would have provided much of the mutual benefit highlighted by Homans (1958) and allowed for credible information transfer.

6.6 Legal frameworks and legislation

My assessment of the legal framework under which involuntary migrants enter the country and apply for the permanent residence that enables them to access business funding and other social benefits focused on both the substance of the legislation in South Africa and other countries (Human, 1984; Department of Home Affairs, 1998; Handmaker, 2001; Massey et al., 2002; UN Refugee Agency, 2002; Handmaker et al., 2011; Department of Home Affairs, 2014; Landau & Amit, 2014; Kavuro, 2015a; Parker, 2015 and Federal Ministry of the Interior, 2017).

While there was some division of opinion, the overall consensus was that the current South African immigration framework is, in principle, equitable and progressive and the issues faced by respondents were due to a lack of effective
communication of option possibilities by authorities who either did not recognise the potential of the migrants or chose not to disclose the possibility of alternative visa options. This lack of capability or willingness of local authorities has been confirmed by, among others, Handmaker et al. (2011); the UN High Commissioner for Refugees (2015) and Blaser & Landau (2016).

There are a number of alternative visa options open to involuntary migrant entrepreneurs, or potential entrepreneurs that respondents were either not aware of at the time that they applied for their visas, or did not have enough knowledge about how to make an informed decision. This may be the same for constrained migrants in other emerging market economies, many of whom have an extended, staged migration, may spend up to seventeen years in camps where they are excluded from mainstream communication and enter the country of final destination illegally, as was the case for the majority of Chinese and Rwandan respondents. South African visa alternatives, which should be explored further, include:

**The scarce skills visa**

While South Africa is currently characterised by high rates of unemployment, the country faces the simultaneous dilemma of a lack of skills in a number of critical professions, including those cited by some of the respondents as the qualification that they had either prior to arriving in the country (Department of Home Affairs, 2017).

Technically, if the respondents could prove the veracity of their qualifications and were allowed the option to remain in the country for the three years that a scarce skills visa permits, they would have been able to get meaningful employment instead of the underemployment that categorised their establishment phase and would have been able to establish their businesses sooner than was the case and legally.
The business visa

At first glance, the Business Visa application appears to be daunting and not appropriate for anyone but the resource endowed migrants, wishing to establish a business in South Africa and invest more than ZAR 5 million in the process, a far cry from the constrained migrant entrepreneur. However, the wording of the application requirements (Department of Home Affairs, 2014) is open to interpretation and indicates, clearly, that the investment requirement may be waived if a compelling argument is forthcoming as to the benefits of the potential business venture. This could well be applicable to potential opportunity entrepreneurs who can create job opportunities and open new industries.

Therefore, from the evidence presented, it was clear that, while the South African legislation governing migration cannot be regarded as open to wide interpretation, there are opportunities for technically qualified, potential entrepreneurs to establish themselves as something other than asylum seekers, if they were provided with the correct guidance on how to do so. To benefit both migrant and host country, this guidance should be given as early as possible in their migration, preferably before they enter the country.

As entrepreneur migrants are only a subset of the migrant population at this stage, it would seem logical that the partnership, if it is to be credible to all applicants, should be one that allows any migrant, entrepreneur or not, to fully understand what the options for classification are and what the consequences are of any choices that they might make.

The entity that presents these options to the migrant should be highly credible, which is not the case at the moment, according to respondent comments and the UNHCR report findings (UN High Commissioner for Refugees, 2015). The Department of Home Affairs is the custodian of visa applications and, logically, any partnership that would seek to improve the credibility and functioning of the
visa system, would have to focus on this Department and the Department of Home Affairs would remain the responsible, issuing authority.

The results of the Blaser & Landau (2016) report, present an opportunity for local authorities to partner with a credible Non-Governmental Organisation (NGO) to assess individual migrant applications speedily, based on the developmental contributions that the migrant could make. Competence of the NGOs could be confirmed by implementing the assessment tool that Blaser & Landau (2016) developed to measure municipal effectiveness. This should not be confused with the current business visa application process, which respondents described as very onerous, particularly for non-English speaking entrepreneurs who have the potential to create business opportunities, given an enabling environment, but do not have a proven track record or financing available.

Ideally, the partnership would be established at screening locations outside of the host country, to avoid the current situation where migrants must leave the country, return to their home country and apply for another type of visa. Practically, this might well not be possible and a compromise would be to use electronic conferencing facilities. If resourcing and competence is an issue, the respective Departments could appoint Technical Advisors to assist with the process until they have built up the appropriate capacity internally.

Cross functional initiatives have had a somewhat chequered history in South Africa. Many politicians speak about them and the Departments of Health and Education have embarked on a number of cross cutting initiatives, primarily to optimise the spending of capital funds.

The extension of this approach into the realm of visa approvals would be a novel one, but there is nothing to preclude it from happening, provided the roles and responsibilities are clear and the Department of Home Affairs remains the custodian of the process.
The inclusion of additional advisors is also not unprecedented and would allow for a more balanced approach as the Departments of Labour and Trade and Industry would present a commercial view of the applicant’s potential to become economically productive in the scarce skills space or establish a viable business.

The presence of an independent NGO or legal advisor would be necessary to establish the level of trust required for migrants to interact with the new assessment process and address the third question that I had posed. Rwandan respondents, who were the group impacted by the current process as well as subject matter experts were both critical of the current visa applicant process and the time taken to implement it. The establishment of a board comprised only of government representatives is unlikely to change this view.

The NGO or DTI can also serve the role of transferring information regarding potential entrepreneurs who have qualified to enter the country on either a Scarce Skills or Business visa to potential business partners or NGOs such as SEDA, who could use the skills in a migrant:local entrepreneur partnership at Step 4 of the model.

6.7 Language and local knowledge

Bjork & Bjork (2015) noted that desirable disabilities can only be classed as desirable “because they trigger encoding and retrieval processes that support learning, comprehension, and remembering ......If, however, the learner does not have the background knowledge or skills to respond to them successfully, they become undesirable difficulties” (Bjork & Bjork, 2015: 58).

Key for this understanding is the development of local language capacity by the constrained migrant entrepreneur and the ability to use existing skills, through the identification of possible entrepreneurial opportunities that will, eventually, translate into an opportunity business. During the interviews, I was left in little doubt about the value that local NGOs add to the lives of migrants, assisting with
legal issues and the search for employment. I was also convinced that they enjoyed the trust of significant numbers of migrants, including many who could qualify as potential entrepreneurs or knew of such people. However, it was apparent that the NGOs did not focus on the idea of capacitating migrants as a possible providers of jobs, rather they viewed their role as an aide for job seekers and there is a considerable scope for the development of transition models that will allow this focus to change or develop.

Q: Have you, at any point, asked people if they want to start a business instead of finding a job.

A: “No we don’t. But we’ve now started a woman’s platform where half of the mandate is financial sustainability and a lot of the women are self-employed. We’ve got lots of those examples, very, very small. (Madikane, 2017).

While the NGO was willing to engage, the support focus remained legal compliance, or developing basic social skills such as language competence, which is their area of competence. Therefore, when entrepreneurs approach them for assistance, they cannot address issues such as partnering with local entrepreneurs or growing the business.

Therefore, it would be advisable for NGOs to partner or augment their skills with a business development forum, such as the Small Enterprise Development Agency (SEDA) that has a national footprint, supporting infrastructure, connections into government agencies that provide start up and assistance funding for new ventures, as I have suggested in the model.

### 6.8 Business establishment

For guidance on the structuring of equitable private business; business partnerships, I referred to the well tested Development Caravan model,

“The Development Caravan is a synchronized poverty eradication system for local communities in nodal areas to mobilize support and catalyze community self-organisation through targeting families..... with the overall
purpose of creating an enabling environment to promote and sustain behaviour change, help local problem solving and generate demand for services and to hold service providers accountable for services.” (South African Women in Dialogue, 2008)

A customisation of the Development Caravan principles could accommodate potential business partnerships if based on the following:

1. Facilitators should be sourced from within the target, migrant community by NGOs or Group representative business organisations, where these exist.

2. The credibility of these facilitators is key and they should have no role in the project other than facilitation. Governance and performance monitoring is undertaken by the business development agency partner through the establishment of a Service Level Agreement, which is reviewed on, at least, an annual basis by an independent monitor, agreed up front by both parties.

3. Facilitators should be trained to understand what the requirements for a viable business are, including:
   a. Identifying locations or opportunities that would be suitable for migrants to partner with local entrepreneurs or potential entrepreneurs (done in partnership with the entrepreneurial business development agency such as SEDA).
   b. Identifying groups of migrants or individuals that could create opportunity businesses, given an enabling environment.
   c. Rapidly screening potential opportunity entrepreneurs, including an understanding of their existing technical and business skills.
   d. Supporting the pre-screened migrants to develop their business cases for funding submission.
4. Facilitators should concentrate their efforts on specific geographical areas, identified by the business development partner as desirable locations for development.

5. The business development agency should source local entrepreneur partners, based on compatibility of technical and business skills and level of business maturity and any other criteria required to obtain financing. This could include BBBEE or specific local development requirements, the potential to access “green” funding or other initiatives.

6. The business development agency should draw up the partnership contract, which is vetted by legal resources nominated by the facilitators.

7. The business development agency would be responsible for developing a 3-5 year development plan for the migrant/local partners that develops both and recognises the strengths and contributions that both could bring to the relationship. It should be possible, at the end of the five year period, for either of the partners to leave the partnership with a better set of skills, able to create two, independent and functioning businesses, should they choose to do so.

8. The facilitator would ensure that the development plan is implemented and monitors progress and issues.

The implementation of the facilitated partnership must be premised on an understanding of mutual benefit if it is to have any chance of success as both parties must understand that they have more to gain by success than by failure Homans (1958).

It will be important, therefore, not to try and replace one set of ties with another. The connectivity within the group (intra connectivity) as well as the connectivity between the group and the external surroundings (inter connectivity) are equally important (Bourdieu, 1985; Wellman & Berkowitz, 1988; Coleman, 1990; Putnam, 1990 and Wellman & Hampton, 1999) any theory should respect these connections.
Appendix 1
List of respondents

As indicated in the Ethics section, respondents, with the exception of subject matter experts, were assured of anonymity. As the subject matter experts are recognised in their field of study and, in many cases, have published articles on the subject, their identities have been disclosed to provide assurance of the credibility of their claims.

Table 10 provides an overview of the respondents in the coded format, with some detail as to which businesses they, or their relative, started. The number of categories that the respondents contributed to as well as the number of references coded from the interview transcripts, have also been included. Table 10 also provides reference to the field of expertise of the subject matter experts and publications that they have authored or to which they have contributed.
<table>
<thead>
<tr>
<th>Name and date of interview</th>
<th>Number of Categories</th>
<th>Number of References</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CG01 30 November 2016</td>
<td>20</td>
<td>25</td>
<td>Brothers. Based in Port Elizabeth. Father opened shops which they ran</td>
</tr>
<tr>
<td>CG02 30 November 2016</td>
<td>23</td>
<td>30</td>
<td>Male. Based in Port Elizabeth, Grandfather started shops and Bus Company which were passed on through the family</td>
</tr>
<tr>
<td>CG03 30 December 2016</td>
<td>7</td>
<td>8</td>
<td>Male, has headed the Western Province Chinese Association. Father and uncle opened shops. Was an accountant in a &quot;white&quot; partnership</td>
</tr>
<tr>
<td>CG04 26 March 2017</td>
<td>17</td>
<td>20</td>
<td>Female Based in Cape Town, Parents moved, via Mozambique and opened multiple shops in Johannesburg</td>
</tr>
<tr>
<td>PG01 May 2016</td>
<td>8</td>
<td>10</td>
<td>Male. Based in Carletonville. Subsistence beekeeping business.</td>
</tr>
<tr>
<td>PG02 November 10 2016</td>
<td>4</td>
<td>4</td>
<td>Female. Based in Perth. Husband started a large engineering consultancy that she assisted with. Ran for 40 years</td>
</tr>
<tr>
<td>Name and date of interview</td>
<td>Number of Categories</td>
<td>Number of References</td>
<td>Notes</td>
</tr>
<tr>
<td>----------------------------</td>
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</tr>
<tr>
<td>PG03 2 January 2017</td>
<td>14</td>
<td>18</td>
<td>Male. Based in Cape Town. Nephew of man who started a sweet making business which he took over</td>
</tr>
<tr>
<td>PG04 5 February 2017</td>
<td>12</td>
<td>18</td>
<td>Female. Johannesburg based. Daughter who took over parents barber and fancy goods dealer. Both parents migrants</td>
</tr>
<tr>
<td>PG05 23 February 2017</td>
<td>14</td>
<td>17</td>
<td>Female. Based in Johannesburg. Father started a fibreglass manufacturing business that she still runs</td>
</tr>
<tr>
<td>PG06 1 March 2017</td>
<td>11</td>
<td>17</td>
<td>Female. Based in Perth. Father started a precision engineering business that she and her brother still run</td>
</tr>
<tr>
<td>PG07 10 March 2017</td>
<td>14</td>
<td>22</td>
<td>Male, based in Johannesburg. Father started a construction business that is still operating today (managed by respondent)</td>
</tr>
<tr>
<td>PG08 15 April 2017</td>
<td>15</td>
<td>18</td>
<td>Male, Pietermaritzburg based. Father started steel fabrication business that he took over. Still operating</td>
</tr>
<tr>
<td>PG09 24 August 2017</td>
<td>13</td>
<td>16</td>
<td>Female. Based in Zambia, Zimbabwe. Started multiple tour and safari companies, now operated by daughter</td>
</tr>
<tr>
<td>RG01 2 December 2017</td>
<td>12</td>
<td>18</td>
<td>Female. Based in Johannesburg. Started a translation business specialising in South African corporates wanting to work in Rwanda</td>
</tr>
<tr>
<td>RG02 7 November 2017</td>
<td>12</td>
<td>13</td>
<td>Male. Based in Johannesburg. Works for an NGO and has started a security company. Wife runs a curio stall at a market</td>
</tr>
<tr>
<td>Name and date of interview</td>
<td>Number of Categories</td>
<td>Number of References</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------</td>
<td>----------------------</td>
<td>-------</td>
</tr>
<tr>
<td>RG03 16 March 2017</td>
<td>16</td>
<td>21</td>
<td>Male. Based in Pretoria. Qualified as a mechanic and now runs a security company</td>
</tr>
<tr>
<td>RG04 22 March 2017</td>
<td>7</td>
<td>8</td>
<td>Male. Based in Cape Town. Academic and community activist for legal rights of Rwandans</td>
</tr>
<tr>
<td>RG05 28 March 2017</td>
<td>20</td>
<td>27</td>
<td>Female. Based in Cape Town. Runs a clothing design and manufacturing company with two, local partners</td>
</tr>
<tr>
<td>RG06 7 April 2017</td>
<td>16</td>
<td>25</td>
<td>Male. Based in Cape Town. Qualified as an engineer and now runs a company importing dry goods from Mozambique</td>
</tr>
<tr>
<td>RG07 14 April 2017</td>
<td>12</td>
<td>15</td>
<td>Male. Based in Cape Town. Ex school teacher. Repairs and re sells beds in Phillipi assisted by his wife</td>
</tr>
<tr>
<td>Andrew Bam 15 July 2017</td>
<td>11</td>
<td>27</td>
<td>Head of the Programme Unit of the Small Enterprise Development Agency (SEDA), Pretoria, a government sponsored organisation that has branches across South Africa, assisting the start-up and sustainability of micro and small enterprises. <a href="https://www.seda.org.za">https://www.seda.org.za</a>.</td>
</tr>
<tr>
<td>Dr Edwin Lin 11 December 2016</td>
<td>10</td>
<td>13</td>
<td>Academic. Researcher at University of California, Berkeley and author of <em>Big Fish in a Small Pond, a study of Chinese shopkeepers in South Africa.</em> (Lin, 2014).</td>
</tr>
<tr>
<td>Judi Sandrock 3 May 2017</td>
<td>7</td>
<td>12</td>
<td>Joint Chief Executive Officer and founder of MEDO, a private sector organisation assisting with the development of micro enterprises. <a href="https://medo.site/">https://medo.site/</a>.</td>
</tr>
<tr>
<td>Professor Karen Harris 7</td>
<td>6</td>
<td>8</td>
<td>Professor of History, University of Pretoria. Researcher of the Chinese community in South Africa. Author of numerous papers on the Chinese</td>
</tr>
</tbody>
</table>

203
<table>
<thead>
<tr>
<th>Name and date of interview</th>
<th>Number of Categories</th>
<th>Number of References</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2016</td>
<td></td>
<td></td>
<td>community including <em>En Route to Dignity Day</em> (Harris, 2010), which describes the struggle for political recognition by the community.</td>
</tr>
<tr>
<td>Lee Anne de la Hunt 8 March 2017</td>
<td>9</td>
<td>23</td>
<td>Practicing advocate and human rights lawyer, specialising in refugee law. Co-editor of <em>No easy walk- advancing refugee protection in South Africa</em> (Handmaker et al., 2001).</td>
</tr>
<tr>
<td>Professor Loren Landau 26 January 2017</td>
<td>12</td>
<td>17</td>
<td>Professor, African Centre for Migration and Society, University of the Witwatersrand. Author of numerous academic papers on migration in South Africa and Africa including: (Landau, 2011; Blaser &amp; Landau, 2014 and Landau &amp; Amit, 2014).</td>
</tr>
<tr>
<td>Dr Pragna Rugunanan 30 November 2016</td>
<td></td>
<td></td>
<td>Lecturer in the Department of Sociology, University of Johannesburg and author of numerous papers on migrant communities in Johannesburg including <em>From precarious lives to precious work: the dilemma facing refugees in Gauteng</em> (Smit &amp; Rugunanan, 2014).</td>
</tr>
<tr>
<td>Ufrieda Ho 3 March 2017</td>
<td>12</td>
<td>17</td>
<td>Journalist and author of <em>Paper sons and daughters: Growing up Chinese in South Africa</em>- a family chronicle (Ho, 2011).</td>
</tr>
</tbody>
</table>
Appendix 2
Data integrity tests

The data integrity tests were employed to ensure that the data was valid and as objective as possible at both group and individual level.

Group level tests

Based on the understanding that groups should meet most of the criteria highlighted by (Safran, 1991), to be regarded as a diaspora, the three groups qualified as suitable respondents, based on the findings highlighted in Table 11.

Table 11: Evaluation of the groups according to Safran (1991) criteria

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Chinese Group</th>
<th>Polish Group</th>
<th>Rwandan Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original number exceeds 500 000</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Dispersed from a specific original “centre” to two or more peripheral, or “foreign” regions</td>
<td>Yes- Cantonese or Hakka and dispersed to South Africa, Australia and the United States</td>
<td>Originated primarily from eastern Poland and migrated to multiple countries</td>
<td>Dispersion occurred from across Rwanda. Some came to South Africa via intermediary countries</td>
</tr>
<tr>
<td>Retention of a collective memory, vision or myth about their collective homeland –physical location,</td>
<td>Strong collective memory, local community groups formed to retain culture and language</td>
<td>Some collective memory and community groups established to</td>
<td>Strong ties to Rwanda. Reluctance to return, based on perceptions of the current</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>history, and achievements</th>
<th>reinforce contacts with homeland</th>
<th>regime and personal safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of full acceptance by their host society</td>
<td>Legislative discrimination until 1994. Activities severely curtailed</td>
<td>Not initially integrated into local communities. Full integration occurred later.</td>
</tr>
<tr>
<td>Regard for their ancestral homeland as their true, ideal home and as the place where they, or their descendants, would (or should) eventually return</td>
<td>Some have returned to but a number have moved on to other countries such as Australia and Canada</td>
<td>Little, apparent inclination to return other than as tourists. A number retain dual citizenship.</td>
</tr>
<tr>
<td>Considered a permanent, minority group in the host country</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Individual level tests**

At individual level, data credibility was assured for the following:

1. A confirmation of the credibility of sources
2. A check for bias that may have occurred as a result of using the responses of subject matter experts
3. An assessment of ethnic bias that may have surfaced in respondent responses
4. An assessment of the impact that time period of the arrival of respondents might have had on the results
5. Tests of bias due to the location where the micro economic and social conditions in a geographic area might favour or impede the establishment of migrant, entrepreneurial ventures

A combined profile screening test at category level across the three respondent groups confirmed the overall impact of the subject matter experts and relevant external inputs. The results are illustrated in Figure 29, which indicates coding similarities by clustering and colour and demonstrates that:

1. There is a significant correlation in coding between entrepreneurs and subject matter experts.

2. While the other sources, which comprised biographies, newspaper articles and video materials showed less correlation, as a collective, they were distributed across all categories, as illustrated in the distribution of colour bands around the individual sources.

Similarly, the subject matter expert content, collectively, covered all of the topics addressed in the respondent interviews, as illustrated in the colour bands around these source. While an external source or subject matter expert focused on a specific aspect of the research topic, the collective expertise balances out across the categories.
The CG (Chinese Group), RG (Rwandan Group) and PG (Polish Group) icons as well as the names of subject matter experts can be seen across the source distribution. Initial clustering tests were conducted after the first five interviews and these had only had a few sources but the conclusions remained constant as new data was added, throughout the process. The extended timeline of the research did not substantively change the concepts provided by the respondents, this despite changes in technology, political dispensation and degree of mobility of the respondents. This indicated to me that time had been abstracted time
from the concept development, leaving geographic abstraction as a consideration.

As the proposition was that involuntary migrants have established businesses could add value to an emergent market, it was important to understand whether the observed phenomena were influenced by local, geographic factors.

The geographic distribution of respondents is illustrated in Figure 30.

![Geographic distribution of respondents](image)

Figure 30: Geographic distribution of respondents

The respondents from Uganda and Zambia/Zimbabwe, Pietermaritzburg and Durban were all from the Polish group, while the remaining geographical locations had respondents from all three groups. Based on the total number of respondents, the source correlation data and the feedback from some of the Rwandan respondents about their experiences in Zambia and Zimbabwe as well as subject matter expert inputs which provided insight on the experiences of the groups across South Africa and into Africa, I concluded that geographical bias had been mitigated to a level where the concepts could be regarded as valid for an emergent market economy other than South Africa.
Appendix 3
Example of detailed coding

The following example indicates the level of interrogation that went into each of the 26 codes. In this case, the category was the “Impact of level of technical/business skills”.

At a summary level, the screenshot (Figure 31, extracted from Nvivo) indicates the profile of respondents and number of time that the referred to the impact of the level of technical or business skills

<table>
<thead>
<tr>
<th>Name</th>
<th>In Folder</th>
<th>References</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tali Nates 7 Nov</td>
<td>Internals\SME interviews</td>
<td>1</td>
<td>4.12%</td>
</tr>
<tr>
<td>RG1 2 December</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>3.68%</td>
</tr>
<tr>
<td>RG08 28 August</td>
<td>Internals\Interview transcripts</td>
<td>3</td>
<td>5.83%</td>
</tr>
<tr>
<td>RG07 14 April</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>8.43%</td>
</tr>
<tr>
<td>RG06 7 April</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>1.54%</td>
</tr>
<tr>
<td>RG05 28 March</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>2.65%</td>
</tr>
<tr>
<td>RG03 16 March</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>4.30%</td>
</tr>
<tr>
<td>PG06 1 March</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>9.27%</td>
</tr>
<tr>
<td>PG05 23 Feb</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>6.74%</td>
</tr>
<tr>
<td>PG04 5 February</td>
<td>Internals\Interview transcripts</td>
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<td>2.01%</td>
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<tr>
<td>PG03 2 January</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>3.26%</td>
</tr>
<tr>
<td>PG02 November 10th 2016</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>18.24%</td>
</tr>
<tr>
<td>PG01 May 2016</td>
<td>Internals\Interview transcripts</td>
<td>3</td>
<td>15.41%</td>
</tr>
<tr>
<td>PG00 15 April</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>6.13%</td>
</tr>
<tr>
<td>PG07 10 March</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>7.23%</td>
</tr>
<tr>
<td>Miranda Madikane 22 June</td>
<td>Internals\SME interviews</td>
<td>3</td>
<td>12.32%</td>
</tr>
<tr>
<td>Migration Looking For a home</td>
<td>Internals\Newspaper articles</td>
<td>1</td>
<td>1.31%</td>
</tr>
<tr>
<td>Loren Landau 26 January</td>
<td>Internals\SME interviews</td>
<td>1</td>
<td>7.46%</td>
</tr>
<tr>
<td>Judi Sandrock 3 May</td>
<td>Internals\SME interviews</td>
<td>2</td>
<td>11.18%</td>
</tr>
<tr>
<td>Edwin Lin 11 December</td>
<td>Internals\SME interviews</td>
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<td>3.92%</td>
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<tr>
<td>CG1 30 November</td>
<td>Internals\Interview transcripts</td>
<td>1</td>
<td>3.42%</td>
</tr>
<tr>
<td>CG 2 30 November</td>
<td>Internals\Interview transcripts</td>
<td>2</td>
<td>10.61%</td>
</tr>
<tr>
<td>Andrew Bam 15 Jull</td>
<td>Internals\SME interviews</td>
<td>3</td>
<td>7.34%</td>
</tr>
</tbody>
</table>

Figure 31: Summary of category inputs

The respective extracts are noted below. They demonstrate the sourcing of data from all three respondent groups, literature sources and subject matter experts as well as the multiple responses that typified the inputs of the subject matter experts:
TN: We have helped a survivor who did an entrepreneurship course a few years ago and established a business and we can connect you. He escaped with his brother. There is another one, Michael, who has a clothing business and travels around African countries. There are also nurses and doctors.

WIC: Moving on from that, what I have also found, is that people have not got recognition for the skills that they have.

MM: That’s strange?

WIC: And this is perhaps the perception and not understanding how you get your skills recognised.

MM: The process is not that difficult. Done through SAQA. It has become more expensive, recently there has been a doubling of price to ZAR1300, its still affordable. What has become a huge blockage is if the institution at which you studied has closed. Otherwise, if the institution is operating and responsive, then its possible.

So I think that training on how to build legitimate organisations would be incredible. I hadn’t thought about that. We’ve had groups that have set up in the office and we’ve helped them with hot desk stuff- printing and copying. Its interesting to see how those groups come together and what they achieve, but I’m not impressed.

MM: It’s interesting. We have the Employment Assist Programme, where people who want to look for work but aren’t sure how to go about it. We did for quite a while and our success rate was very low because people weren’t getting to interview. So, more and more, our skills are focussing on soft skills, knowing about tax, life skills, attitude. Our success rate improved to 100% last year, we prep the people, tell them what to say, mentoring people. So I would imagine, if we were to transfer that, there would be some skills that could be used by people wanting to start a business.

It’s hard to make a generalisation but one of the things that seems to correlate strongly with whether they start a business is where they come from in a country. If they come from an urban environment, they start a business. The Congolese for example, if they come from Kinshasa, may well start a business while, if they come from a rural village, they will work for someone.

WIC: Is that education based or skills based?

LL: Skills based. To some extent its culture but they are more exposed to business. Even if their parents worked for the government, you still ran a business because that is what you have to do and they would have been exposed to this while the rural people were farmers.
JS: This is something that comes out of research that I’ve been assisting with since the beginning of this year. I’m assisting a student at Coventry University with a Masters, She’s looking at the UK, South Africa, Kenya and Ghana. And she has found that, in most cases, the entrepreneurs don’t move from micro enterprise to small business and the fundamental, top reason that is coming out is that they don’t have the basics of bookkeeping.

WIC: So it’s not a technical skill?
JS: It’s not a technical skill. It’s a fundamental understanding of how money works in a business. I’m fascinated by the findings as I thought that it was only micro businesses in South Africa that weren’t moving, weren’t taking it from a survival type business to an opportunity business. But it seems to be education

WIC: This is interesting I’m trying to separate what are the skills that you need to start a business? Because they’re coming in and there is no commercial or entrepreneurs in a commercial sense. I’m seeing quite a stratification between people who started survival business and it seems to be in each one of these groups there are one or two icons that are true entrepreneurs that actually start a business to grow a business.
EL: Yes, I think that’s a good assessment.

So it’s a very large thing across all different aspects of all different types of entrepreneurs. So if you look at them, a lot will be people who have no idea, nothing, they just want a business, right through to really high tech entrepreneurs who are looking to going global and are looking for venture capital an all that. So it’s a whole spectrum

What kind of guidance do you give? I tell you why I am asking, one of the things that has come up is that the direction that these businesses take is not guided so much by their technical skills but it is guided very much by the business skills that they have. Would you say that’s a reasonable assumption?
AB: Its part of it but there are far bigger issues, depending on the type of entrepreneur. It will vary massively according to the entrepreneur.

AB: And entrepreneurial skills, skills you can learn, you really can learn. Some guys may be better at spotting an opportunity than the next guy, but I promise you, go walking around the townships, they’ve all ideas. It’s about doing something with them. It’s the agency and locus of control. If
somebody wants to do something, they will but if they want to be given something, they will rather just wait out.

<Internals\\Newspaper articles\\Migration Looking For a home> - § 1 reference coded  [1.31% Coverage]

Reference 1 - 1.31% Coverage
Germany (along with several other European countries) faces a huge challenge integrating its newcomers, most of whom arrived with few language skills or qualifications, into its labour market and wider society.

<Internals\\Interview transcripts\\RG1 2 December> - § 1 reference coded  [3.68% Coverage]

Reference 1 - 3.68% Coverage
WIC: As a refugee, is it more important and difficult to become trustworthy?
CM: You have to do something that will leave a mark. I believe in excellence- no matter how small the task is. I want the good reference.

<Internals\\Interview transcripts\\RG08 28 August> - § 3 references coded  [5.83% Coverage]

Reference 1 - 1.22% Coverage
For the qualifications there is SAQA, the South African Qualifications Authority. If they take their qualifications to SAQA, they will be recognised.

Reference 2 - 1.62% Coverage
Number three, if they have an idea they can go to institutions like the DTI, there are people who can assist them with a business depending on their qualifications if they are legal in the country.

Reference 3 - 2.99% Coverage
Yes and if you have any qualifications, you come to SAQA in Pretoria. They will take your document and compare it to South Africa and then convert it to South African. Some people they are losing one year, that happens world-wide. But if you go to Russia and you don’t speak Russian or you go to Germany and you don’t speak German, you have to know the language.

<Internals\\Interview transcripts\\RG07 14 April> - § 1 reference coded  [8.43% Coverage]

Reference 1 - 8.43% Coverage
RG07: I did study while I was in Rwanda I was still in high school. Unfortunately I didn’t complete it. When I came here I went with the private guys and I completed enough to do the degree in mathematics at the University of Cape Town and a certificate in education. Because in Rwanda I was doing education. That was in 2010. In 2011 I joined UWC for honours in mathematics. Unfortunately I was supposed to do 8 modules. I managed to do 6. 2 I didn’t complete because I didn’t get enough money to complete my studies.
WIC: What did you study at university?
RG06: At university I was an educator
WIC: So you were a teacher?
RG06: A teacher.

RG05: Yes. And I think the education system is good. All of my brothers went to school and everyone I know went to school so if you don't want to start a business you can work. Only a lot of companies want to hire South Africans. So that route isn't too bad. But, if you want to start a business, then it gets more and more challenging

RG03: I was just too young. Twenty years old. I just finished college. I studied auto mechanic. I studied to make a car.

RG03: Yes. He would give me some advice, little bit. The other things I just learnt on the way. I didn't have the skills to run a business even until now

PG6: (Explains the Yunaki- an employment initiative by the Polish military for the children of conscripts that taught the boys basic skills like tool and die) and, when they knew that they would be going to England, they taught them English. 

PG6: Yes but I think that the science communication is easier than the humanities because mathematical and scientific terms are more easily translated. When my father got to England he went to night school and was part of the Polish Resettlement Programme. Part of it was that they would get tertiary education. So he went to night school for two years, learnt English and became a tool and die maker. He worked for Vauxhall

WIC: So did he get employment when he was released from Baragwanath?
PG5: He had studied horticulture and he became what we call a “parkier” and he worked in Boksburg before he started work with Vincent Bienowski in the carpentry trade. That’s when he started the whole wooden carpentry side. He stayed in construction for a certain time as a carpenter and the company that he was with started playing with fibreglass.

Reference 2 - 1.44% Coverage
Obviously after so many years in business he had a fair bit of business experience to help him?
PG5: Absolutely

Reference 1 - 2.01% Coverage
He had done an apprenticeship in barbering so he went down to look after the boys and as the camp barber.

Reference 1 - 0.95% Coverage
Basically, he being a pilot and without any profession as such, he didn’t know what to do.

Reference 2 - 2.32% Coverage
He was a very interesting person. I don’t think that he had business talents particularly. He was very artistic and had a lot of artistic talent but he did business because I don’t think that he felt he could do anything else

Reference 1 - 18.24% Coverage
WIC: How did he do this?
A: In the last couple of years of school - Pmb Technical High - viz Std 9 and Std 10(Matric) LSR used to work during weekends and holidays........... Once in a while he might go to the cinema. The work was various - gardening, clipping hedges, selling in a hardware shop - nails by the lb! etc also 1st Year at Varsity. He continued to do odd jobs! During this time he approached the Archbishop if there was any Catholic Scholarship or special loan he could receive! The Archbishop found a lady who would donate a small amount. The condition was was he had to pass all exams at Varsity! However, this fell away when he had to go to Durban for 2nd, 3rd and 4th year Varsity. Once in Durban, he approached the Natal University and was able to win a few scholarships and obtain certain loans, which were payable in due course.
Whilst in Pmb he did draughting at Pmb City Council and worked at Rand Carbide as a student Engineer.

Reference 1 - 2.42% Coverage
A: When I finished college I went to the mines because they specially came to see us. You go with someone who will give you any training
Q: Why do you think you didn't start a business because your parents were farmers with their own business?
A: I didn't have the head for that.

WIC: Well that's about all the questions from my side unless there are any stories that you want to tell me about any of the community who started businesses that you want to tell me about?
A: Well some started businesses like leather work.
Q: Oh, who did they sell to?
A: Everyone
Q: So it wasn't just to the Polish community?
A: No
Q: Was the leatherwork popular?
A: Yes - it was something different. They carved in leather
Q: So they used their traditional skills. What about other businesses? You had a bee business. Why did you start a bee business?
A: It was something I grew up with

Reference 2 - 2.54% Coverage
Reference 3 - 10.45% Coverage

Reference 1 - 3.58% Coverage
Reference 2 - 2.55% Coverage
Reference 1 - 4.80% Coverage
Reference 2 - 2.44% Coverage
(Name) also came over with the war and he was a bricklayer and worked on the mine side. And he then he moved back to Johannesburg where he met my mother and he got married. And, in 1958, he started (Name) construction.

WIC: Did they have financial skill before they arrived?
CG1: No it is ingrained
WIC: But many of the people were farmers?
CG1: They could count- they knew what it was to be in the sun and the water.
WIC: Were your grandparents literate?
CG1: Yes

CG2: He was a subsistence farmer. There was not much industry.
WIC: So he didn’t have a history of business? To me it is interesting is that these people came over here and the established businesses but they did it with very little formal business training
CG2: Exactly and that is what is happening right now with the Pakistanis. They come here with no training but they know what a Rand is and they can barter. We were barterers in our days.

CG2: In our case, it’s in the genes to be business men. He started the bus service and expanded to ten and started other businesses
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