ROTATING SAVING AND CREDIT ASSOCIATIONS AS A COPING STRATEGY FOR AFRICAN IMMIGRANT'S SMALL BUSINESSES IN THE CITY OF CAPE TOWN

by

COLLINS AKIY WUNG

submitted in accordance with the requirements for the degree of

DOCTOR OF PHILOSOPHY

In the subject

Development Studies

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR

PROFESSOR LUCIUS BOTES

August 2025

DECLARATION

Name: COLLINS AKIY WUNG

Student number: 50248723

Degree: Doctor of Philosophy in Development Studies

Rotating Savings and Credit Associations as a coping strategy for African Immigrants' small businesses in the City of Cape Town

I declare that the above thesis is my work and that all the sources that I have used or quoted have been indicated and acknowledged using complete references.

I further declare that I have submitted the thesis to originality checking software and that it meets the accepted requirements for originality.

I further declare that I have not previously submitted this work, or part of it, for examination at Unisa for another qualification or at any other higher education institution.



---------- ----------

SIGNATURE DATE: 7 July 2025



DATE: 21 JULY 2025

Supervisor

DEDICATION

I dedicate this work to the following:

- God Almighty, for his faithfulness to me all through the course of this study.
- To my late mother, Wung Helen Mbong.

ACKNOWLEDGEMENTS

I want to express my sincere appreciation to everyone who contributed to the completion of this study.

- Prof. Lucius Botes, my supervisor, for his enduring guidance and for supervising my work
- All the participants who took part in the personal interviews and focus group discussions
- To all the Unisa Masters and Doctoral (M&D) support team for their enormous support
- The financial support from the Unisa bursary is highly acknowledged
- To the Professional Language Editor, Prof Thulani Zengele
- To my Formatter and Proofreader- Ms Pholile Zengele
- To my wife, Loveline,
- Daughter, Wung Mirene,
- My Son, Wung Maurice, for helping me in the business place while I study.
- My friend Bernard for giving me all the support and encouragement throughout this journey
- My friend Chu William and his wife Elizabeth, for their encouragement, financial and material support
- My friend Gibson and his sister Violet, for their financial support

ABSTRACT

This study examines African immigrant entrepreneurship, informal finance practices, and business coping strategies in the City of Cape Town, South Africa, with specific reference to the utilisation of Rotating Savings and Credit Associations. The study responds to the persistent exclusion of African immigrant entrepreneurs from formal financial institutions, limited access to savings and credit facilities, inadequate business reserves, and weak integration into mainstream business support systems. Although immigrant entrepreneurs make significant economic contributions in host countries, they continue to face structural and institutional barriers that constrain business growth, sustainability, and competitiveness.

The study adopted a qualitative research approach, incorporating phenomenological and case study elements. Data were collected from 34 African immigrant entrepreneurs drawn from six countries (Nigeria, Cameroon, Malawi, Zimbabwe, Ethiopia, and Ghana) through 24 in-depth individual interviews and two focus group discussions, each comprising five participants. The participants were members of Random ROSCAs. Data were analysed using thematic analysis with the aid of ATLAS.ti 25. The emerging themes were interpreted through the lens of Social Capital Theory, focusing on four core networks of collaboration, information sharing, solidarity and reciprocity, and social support.

The findings reveal that African immigrants' engagement in self-employment is motivated by economic necessity, limited labour market opportunities, personal entrepreneurial aspirations, and an inborn drive toward business ownership. Participation in ROSCAs is motivated primarily by exclusion from formal financial systems and the need for accessible savings, credit, and financial security. ROSCAs enable members to mobilise startup capital, smooth business cash flow, finance daily operations, respond to business shocks, and accumulate reserves for growth and sustainability. The study further shows that trust-based relationships, ethnic and social networks, and mutual support are central to the effective functioning of ROSCAs.

The study makes a theoretical contribution by extending Social Capital Theory into the context of informal finance and immigrant entrepreneurship. It also develops a practical framework to guide the effective use of ROSCAs in enhancing business performance, resilience, and financial inclusion among African immigrant

entrepreneurs. Policy and practice implications are advanced for strengthening informal finance mechanisms without undermining their informal, trust-based foundations. The study is limited by its qualitative design and the concentration of participants in Cape Town. Future research is recommended to test the proposed framework using quantitative or mixed method approaches and to explore ROSCA practices across other South African cities.

Keywords:

African Immigrants, entrepreneurs**,** Rotating Savings and Credit Associations, Access to finance, small business, informal financial, social capital, Cape Town, South Africa

OPSOMMING

Hierdie studie ondersoek die entrepreneurskap van Afrika-immigrante, informele finansiële praktyke en sakehanteerstrategieë in die Stad Kaapstad, Suid-Afrika, met spesifieke verwysing na die benutting van roterende spaar- en kredietverenigings (ROSCA's). Die studie reageer op die voortdurende uitsluiting van Afrika-immigrant-entrepreneurs van formele finansiële instellings, beperkte toegang tot spaar- en kredietfasiliteite, onvoldoende sakereserwes en swak integrasie in hoofstroom-sake-ondersteuningstelsels. Alhoewel immigrant-entrepreneurs beduidende ekonomiese bydraes in gasheerlande lewer, pak hulle steeds strukturele en institusionele struikelblokke aan wat sakegroei, volhoubaarheid en mededingendheid belemmer.

Die studie het 'n kwalitatiewe navorsingsbenadering gevolg, wat fenomenologiese en gevallestudie-elemente ingesluit het. Data is van 34 Afrika-immigrant-entrepreneurs uit ses lande (Nigerië, Kameroen, Malawi, Zimbabwe, Ethiopië en Ghana) deur middel van 24 diepgaande individuele onderhoude en twee fokusgroepbesprekings ingesamel, wat elk uit vyf deelnemers bestaan het. Die deelnemers was lede van ewekansige ROSCA's gewees. Data is met behulp van tematiese analise en met die ondersteuning van ATLAS.ti 25 ontleed. Die opkomende temas is geïnterpreteer deur die lens van die Sosiale Kapitaalteorie, met 'n fokus op vier kernnetwerke van

samewerking, inligtingdeling, solidariteit en wedersydigheid, asook sosiale ondersteuning.

Die bevindinge het aan die lig gebring dat Afrika-immigrante se deelname aan selfindiensneming deur ekonomiese noodsaaklikheid, beperkte geleenthede in die arbeidsmark, persoonlike entrepreneursaspirasies en ’n aangebore gedrewenheid tot sake-eienaarskap gemotiveer word. Deelname aan ROSCA’s word hoofsaaklik deur uitsluiting van formele finansiële stelsels en die behoefte aan toeganklike spaargeld, krediet en finansiële sekuriteit gemotiveer. ROSCA’s stel lede in staat om aanvangskapitaal te mobiliseer, sakekontantvloei glad te laat verloop, daaglikse bedrywighede te finansier, op sakeskokke te reageer en reserwes vir groei en volhoubaarheid op te bou. Die studie het verder gewys dat verhoudings gegrond op vertroue, etniese en sosiale netwerke, asook onderlinge ondersteuning sentraal tot die doeltreffende funksionering van ROSCA’s is.

Die studie lewer ’n teoretiese bydrae deur die Sosiale Kapitaalteorie na die konteks van informele finansiering en immigrant-entrepreneurskap uit te brei. Dit ontwikkel ook ’n praktiese raamwerk om die effektiewe gebruik van ROSCA’s ter bevordering van sakeprestasie, veerkragtigheid en finansiële insluiting onder Afrika-immigrant-entrepreneurs te rig. Implikasies vir beleid en praktyk word voorgehou om informele finansieringsmeganismes te versterk sonder om hul informele, vertrouensgebaseerde fondamente te ondermyn. Die studie word beperk deur die kwalitatiewe ontwerp daarvan en die konsentrasie van deelnemers in Kaapstad. Toekomstige navorsing word aanbeveel om die voorgestelde raamwerk met behulp van kwantitatiewe of gemengde-metode-benaderings te toets, en om ROSCA-praktyke in ander Suid-Afrikaanse stede te ondersoek.

Sleutelwoorde:

Afrika-immigrante; informele finansies; Kaapstad; klein ondernemings; roterende spaar- en kredietverenigings; sakeleiers; sosiale kapitaal; Suid-Afrika; toegang tot finansiering.

ISISHWANKATHELO

Olu phando luhlola ushishino lwabafuduki baseAfrika, indlela yokusebenzisa imali kwicandelo elingekho sikweni kunye namacebo okujongana noshishino kwisixeko saseKapa eMzantsi Afrika, lusebenzisa ngokukodwa isalathiso semibutho ejikelezayo yogcino-mali neyokwenza amatyala (*Rotating Savings and Credit Associations* (ROSCA). Olu phando luphendula kumba wokukhutshelwa ngaphandle okuzingileyo koosomashishini abangabafuduki abavela kumazwe aseAfrika kumaziko emali asesikweni, ukufikelela kwabo okungephi kugcino-mali nasekuvuleni amatyala, ukunqongophala kweendawo zokugcina zoshishino kunye nokumanywa kwabo okungenamandla kwiinkqubo zenkxaso zoshishino. Nangona oosomashishini abangabafuduki benegalelo elikhulu kuqoqosho lwamazwe abahlala kuwo, bathe gqolo ukuhlangabezana nemiqobo ethintela ukuhluma kwamashishini abo, uzinzo lwawo kunye nokukhuphisana kwawo.

Olu phando lusebenzise indlela yophandontyilazwi lwayidibanisa nezinto ezisisiseko zezinto ezingaqhelekanga kunye nezezinto zokuphonononga. Iinkcukacha ziqokelelwe koosomashishini abangabafuduki abangama-34 abavela kumazwe amathandathu (eNigeria, eCameroon, eMalawi, eZimbabwe, eEthiopia kunye naseGhana) kwenziwa udliwano-ndlebe olunzulu nomntu ngamnye olungama-24 kunye neengxoxo ezimbini ezenziwa kwiqela elujoliswe kulo uphando ezakhiwe ngabathathi-nxaxheba abahlanu ingxoxo nganye. Aba bathathi-nxaxheba bachongwa ngokungacwangciswanga kumalungu weROSCA. Iinkcukacha zihlalutywe ngohlalutyontyilazwi lomxholo luncediswa yiATLAS.ti 25. Imixholo evelayo icaciswe ngokusebenzisa ithiyori yobutyebi bentlalo igxininise kuthungelwano olungundoqo lwentsebenziswano olunkalo-ne, ukwabelana ngolwazi, umanyano, ukutshintshiselana kunye nenkxaso yentlalo.

Iziphumo ziveze ukuba ukuzibandakanya kwezoshishino kwabafuduki abavela kumazwe aseAfrika kuphenjelelwa yimfuneko yezoqoqosho, ngamathuba engqesho anqongopheleyo, yiminqweno yomntu ngenkqu yokushishina kunye nomnqweno wendalo wokuba neshishini. Ukuba yinxalenye yeROSCA kuphenjelelwa ngokukodwa kukukhutshelwa ngaphandle kwizixokelelwano zemali kwanemfuneko yokufikelela kugcino-mali, eyokuvula amatyala neyokufumana uzinzo lwezemali. I-ROSCA ivumela amalungu ukuba ahlanganise imali eyinkunzi yokuqal'ishishini, ukuhamba kakuhle kwemali kwishishini, ukusebenza kwemali imihla ngemihla, ukuphendula kwizinto eziphazamisa ishishini kunye nokuqokelela imali egcinelwa

ukukhulisa nokuzinzisa ishishini. Uphando luqhubeka lubonise ukuba izinto ezingundoqo ezinceda iROSCA ukuba isebenze kakuhle bubudlelane obunokuthembana, uthungelwano ngobuzwe nangentlalo kwakunye nokuxhasana.

Uphando lufaka igalelo lethiyori ngokwandisa ithiyori yobutyebi bentlalo iye kumxholo wemali engekho sikweni kunye nokuqhuba amashishini kwabantu abangabafuduki. Kwakhona olu phando luqulunqa isakhelo esisebenzisekayo esikhokela ukusetyenziswa ngokukuko kweROSCA ekuphuculeni ukuqhuba kwamashishini, ukomelela nokuqukwa ngokwemali koosomashishini abangabafuduki abavela kumazwe aseAfrika. Kuveliswe iimpembelelo zemigaqo-nkqubo nemisebenzi zokuqinisa iindlela zokusebenza zemali engekho sikweni ngaphandle kokusingela phantsi isiseko sayo sokuba yinto engekho sikweni nesekelwe kubudlelane bokuthembana. Uyilo lolu phandontyilazwi kunye nokujolisa ncakasana kubathathi-nxaxheba abaseKapa zizinto eziluthintelayo olu phando. Kucetyiswa ukuba kwenziwe olunye uphando oluza kuvavanya isakhelo esiphakanyisiweyo kusetyenziswe uphando lweenkcukacha-manani okanye iindlela zophando ezixutyiweyo kwaye kuphononongwe ukusebenza kweROSCA kwiidolophu zaseMzantsi Afrika ngokubanzi.

Amagama angundoqo:

Abafuduki abavela kumazwe aseAfrika, oosomashishini**,** imibutho ejikelezayo yogcino-mali neyokwenza amatyala, ukufikelela emalini, ishishini elincinane, imali engekho sikweni, imali yendibaniselwano eyinkunzi, iKapa, uMzantsi Afrika.

TABLE OF CONTENTS

DECLARATION ii
DEDICATION iii
ACKNOWLEDGEMENTS iv
ABSTRACT v
TABLE OF CONTENTS x
LIST OF FIGURES xiv
LIST OF TABLES xvi
LIST OF ACRONYMS AND ABBREVIATIONS xvii
CHAPTER 1: INTRODUCTION TO THE STUDY 1
1.1 INTRODUCTION 1
1.2 BACKGROUND TO THE STUDY 1
1.3 THE PROBLEM STATEMENT 3
1.4 THE RESEARCH GAP 4
1.5 RESEARCH AIM AND OBJECTIVES 5
1.5.1 Research Aim 5
1.5.2 Research Objectives 5
1.6 RESEARCH QUESTION 6
1.6.1 Main Research Question 6
1.6.2 Research Sub-questions 6
1.7 RATIONALE FOR THE STUDY 7
1.8 SCOPE OF THE STUDY 7
1.9 LIMITATIONS OF THE STUDY 8
1.10 IMPORTANCE OF THE STUDY 9
1.11 DEFINITION OF BASIC CONCEPTS 10
1.12 BRIEF DESCRIPTION OF THE LAYOUT OF THE THESIS 17
1.13 CHAPTER SUMMARIES 18
CHAPTER 2: THE LITERATURE REVIEW 19
2.1. INTRODUCTION 19
2.2 THE OVERVIEW OF THE CONCEPT OF IMMIGRANT ENTREPRENEURSHIP AND SELF-EMPLOYMENT 19
2.2.1 IMMIGRANT ENTREPRENEURIAL CHARACTERISTICS 19

2.2.2 PERSONALITY ATTRIBUTES OF THE ENTREPRENEUR 21
2.2.3 Motivations towards Immigrant Self-employment 24
2.3 IMMIGRANT ENTREPRENEURIAL CONTRIBUTION TO THE HOST COUNTRY'S ECONOMY: A COMPARATIVE PERSPECTIVE 27
2.3.1 Immigrant Entrepreneurial Contributions in Developed Economies 28
2.3.2 Immigrant Entrepreneurial Contributions in Emerging and Transitional Economies 28
2.3.3 Immigrant Entrepreneurial Contributions in African and Developing Contexts 29
2.3.4 Implications for African Immigrant Entrepreneurship in South Africa 29
2.4 African Immigrant Entrepreneurship in South Africa 30
2.4.1 The Nature of Entrepreneurial Activities 30
2.4.2 Challenges Faced by African Immigrant Entrepreneurs 32
2.4.3 Approaches to Challenges Faced by Immigrant entrepreneurs 36
2.5 The Theoretical Framework Underpinning this Study 44
2.5.1 Social Capital 45
2.5.2 Social Networks 48
2.6 A Conceptual Framework Depicting The Relationship Between Social Capital Theory And Block Opportunities, Ethnic Niche Theories And Ethnic Enclave Theory 51
2.7 Construction Of A Framework For The Effective Use Of Rotating Saving And Credit Associations As A Coping Strategy for African Immigrants' Small Businesses In The City Of Cape Town 54
2.8 Chapter Summary 56
CHAPTER 3: RESEARCH METHODOLOGY 57
3.1 INTRODUCTION 57
3.2. The Research Process 57
3.2.1 Research Paradigm 57
3.2.2 Research Methodology 59
3.2.3 The Research Design 60
3.2.4 The Rationale for Selecting Phenomenology 63
3.3 The Research Population 64
3.4 Sampling 65
3.4.1 Sampling Type for the Study 65
3.4.2 Sampling Size 67
3.5 Data Sources 68
3.6 Data Collection Method 68
3.6.1 Data Collection Instruments 69
3.6.2 The Interview Guide 70

3.6.3 Pilot Testing....71
3.6.4 Focus Group....72
3.7 Data analysis....73
3.7.1 Thematic Analysis Approach....73
3.8 Establishing Trustworthiness....75
3.8.1 Credibility....75
3.8.2 Dependability....76
3.8.3 Confirmability....76
3.8.4 Transferability....77
3.8.5 Authenticity....77
3.8.6 Triangulation....77
3.9 Ethical Considerations....78
3.9.1 Participant Informed Consent....78
3.9.2 Reasonable Treatment of Participants....79
3.9.3 Confidentiality....79
3.9.4 Anonymity....79
3.10 Chapter Summary....80
CHAPTER 4: RESEARCH FINDINGS....82
4.1 INTRODUCTION....82
4.2 DATA ANALYSIS RESULTS....82
4.2.1 Descriptive analysis of demographic information....84
4.2.2 Results of personal interviews and focus group discussions....87
4.2.2.1 Theme 1: Immigrant motivation for self-employment....88
4.2.2.2 Theme 2: resource acquisition strategies for business operations....96
4.2.2.3 Theme 3: Barriers to African immigrant entrepreneurship success....104
4.2.2.4 Theme 4: financial motivation for using ROSCAS....111
4.2.2.5 Theme 5: social and business support drives for using ROSCAs....121
4.2.2.6 Theme 6: challenges of using rotating savings and credit associations....128
4.2.2.7 Theme 7: acquired financial and economic capital factors....133
4.2.2.8 Theme 8: strengthening ROSCAs institutional planning for shock resilience....142
4.3 CHAPTER SUMMARIES....150
CHAPTER 5: DISCUSSION AND INTERPRETATION OF FINDINGS....152
5.1 INTRODUCTION....152
5.2 THE DISCUSSION OF THE MEANING THEMES....152

5.2.1 Theme 1: Immigrant Motivation for Self-Employment 153
5.2.2 Theme 2: Resource Acquisition Strategies for Business Operations 155
5.2.3 Theme 3: Barriers to African Immigrant Entrepreneurship Success 158
5.2.4 Theme 4: Financial Motivation for Using ROSCA 160
5.2.5 THEME 5: Social and Business Support Drives for Using ROSCA 163
5.2.6 Theme 6: Challenges of Using Rotating Savings and Credit Associations 165
5.2.7 Theme 7: Acquired Financial and Economic Capital Factors 167
5.2.8 Theme 8: Strengthening ROSCA Institutional Planning for Shock Resilience 169
5.3 SYNTHESIS AND INTERPRETATION OF FINDINGS 171
5.4 The Proposed Framework For The Effective Use Of Rotating Saving And Credit Associations As A Coping Strategy For African Immigrants' Small Businesses In The City Of Cape Town 173
5.4.1 Outline of the Proposed Framework Components 174
5.4.2 The Proposed Framework for The Effective Use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrant's Small Businesses 178
5.5 CHAPTER SUMMARIES 180
CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 182
6.1 Introduction 182
6.2 SUMMARY OF THE STUDY 182
6.3 Contribution To Theory 183
6.3.1 Extension of Social Capital Theory into Informal Finance 183
6.3.2 Integration of Social and Financial Capital 183
6.3.3 Development of a Contextualised Framework 183
6.4 Implications for Policy and Practice 183
6.4.1 Policy Implications 183
6.4.2 Practice Implications 184
6.5 Recommendations 184
6.6 Limitations of the Study 184
6.7 Directions for Future Research 185
6.8 Conclusions 185
LIST OF REFERENCES 187
APPENDICES 209
APPENDIX A: INTERVIEW GUIDE 209
APPENDIX B: FOCUS GROUP DISCUSSION GUIDE 221
APPENDIX C: PARTICIPANT INFORMATION SHEET 223

APPENDIX D: CONSENT FORM 228
APPENDIX E: ETHICAL CLEARANCE CERTIFICATE 229
APPENDIX F: LETTER OF CONSENT FROM CAMEROONIAN ASSOCIATION WESTERN CAPE 230
APPENDIX G: SUMMARY OF FINAL THEMES, SUB-THEMES AND CODES 231
APPENDIX H: TURNITIN REPORT 239
APPENDIX I: DECLARATION OF PROFESSIONAL EDIT 240

LIST OF FIGURES

Figure 2.1: A Conceptual framework depicting the relationship between social capital theory and block opportunities, ethnic niche theories and Ethnic Enclave Theory	54
Figure 4.1: Ad Hoc Network Sub-theme 2 of Theme 1: Business start-up drives	89
Figure 4.2: Ad Hoc Network Sub-theme 1 of Theme 1: Access to financial resources for business start-up	91
Figure 4.3: Ad Hoc Network Sub-theme 3 of Theme 1: The function of social connection in business start-up	92
Figure 4.4 Ad Hoc Network on theme1: Immigrant motivation for self-employment	94
Figure 4.5 Ad Hoc Network Sub-theme 1 of Theme 2: Building an essential business network of suppliers and customers	96
Figure 4.6 Ad Hoc Network Sub-theme 2 of Theme 2: Critical resources for business operation	97
Figure 4.7 Ad Hoc Network Sub-theme 3 of Theme 2: Government and organisation support for business operation	98
Figure 4.8 Ad Hoc Network Sub-theme 4 of Theme 2: Strategies of obtaining finance for business operation	100
Figure 4.9 Ad Hoc Network on Theme 2: Resource acquisition strategies for business operations	101
Figure 4.10 Ad Hoc Network Sub-theme 1 of Theme 3: Challenges to Immigrant Entrepreneurship	103
Figure 4.11 Ad Hoc Network Sub-theme 2 of Theme 3: Financial difficulties in business start-up	104

Figure 4.12 Ad Hoc Network Sub-theme 3 of Theme 3: Obstacles to business funding from formal banks	105
Figure 4.13 Ad Hoc Network Sub-theme 4 of Theme 3: Obstacles to gaining access to business training and workshops	107
Figure 4.14 Ad Hoc Network on Theme 3: Barriers to African Immigrant entrepreneurship success	108
Figure 4.15 Ad Hoc Network Sub-theme 1 of Theme 4: Making funds available for business operations	110
Figure 4.16 Ad Hoc Network Sub-theme 2 of Theme 4: ROSCA as a tool for saving and financial security	111
Figure 4.17 Ad Hoc Network Sub-theme 3 of Theme 4: ROSCA as an alternative to banks and personal savings	113
Figure 4.18 Ad Hoc Network Sub-theme 4 of Theme 4: ROSCA is a better option for loans than banks	114
Figure 4.19 Ad Hoc Network on Theme 4: Financial motivation for using ROSCA	116
Figure 4.20 Ad Hoc Network Sub-theme 1 of Theme 5: Benefit of using ROSCA	118
Figure 4.21 Ad Hoc Network Sub-theme 2 of Theme 5: Financial collaboration built on trust	119
Figure 4.22 Ad Hoc Network Sub-theme 3 of Theme 5: Access to business network	120
Figure 4.23 Ad Hoc Network Sub-theme 4 of Theme 5: Establishment of social ties and financial support	122
Figure 4.24 Ad Hoc Network on Theme 5: Social and business support drives for using ROSCA	123
Figure 4.25 Ad Hoc Network Sub-theme 1 of Theme 6: Irregular contribution and defaults	124
Figure 4.26 Ad Hoc Network Sub-theme 2 of Theme 6: Limited finance available	125
Figure 4.27 Ad Hoc Network Sub-theme 3 of Theme 6: Issues of trust	126
Figure 4.28 Ad Hoc Network of Theme 6: Challenges of using Rotating Savings and Credit Associations	127
Figure 4.29 Ad Hoc Network Sub-theme 1 of Theme 7: Acquired business knowledge and understanding from ROSCA participation	128

Figure 4.30 Ad Hoc Network Sub-theme 2 of Theme 7: Acquisition of asset through ROSCA participation	130
Figure 4.31 Ad Hoc Network Sub-theme 3 of Theme 7: Enhancing business commitment and self-control through ROSCA	131
Figure 4.32 Ad Hoc Network Sub-theme 4 of Theme 7: Entrepreneurial drives from ROSCA	132
Figure 4.33 Ad Hoc Network Sub-theme 5 of Theme 7: Financial support mechanism for business growth	134
Figure 4.34 Ad Hoc Network of Theme 7: Acquired financial and economic capital factors	135
Figure 4.35 Ad Hoc Network Sub-theme 1 of Theme 8: Operational start-up of ROSCA	136
Figure 4.36 Ad Hoc Network Sub-theme 2 of Theme 8: Strategies for maintaining sufficient reserves (savings) in ROSCA	138
Figure 4.37 Ad Hoc Network Sub-theme 3 of Theme 8: Enhancing ROSCA planning for better business support	139
Figure 4.38 Ad Hoc Network Sub-theme 4 of Theme 8: ROSCA risk management strategies for shock resilience	141
Figure 4.39 Ad Hoc Network of Theme 8: strengthening ROSCA institutional planning for shock resilience	142
Figure 5.1: A Proposed framework for the effective use of Rotating Savings and Credit Associations as a coping strategy for African Immigrants' small businesses	170

LIST OF TABLES

Table 2.1: Categories of Enterprise before amendment in South Africa	32
Table 2.2 Categories of Enterprise after amendment in South Africa	32
Table 3.1 Comparison of four research paradigms in social science research	58
Table 4.1: Distribution of participants per area within the City of Cape Town	82
Table 4.2 ROSCAs Involved in the Study by Area and Ethnic Composition	83
Table 4.3: Gender profile of participants	84
Table 4.4: Age profile of participants	84
Table 4.5: Academic qualification of participants	85
Table 4.6: Marital status of participants	85

Table 4.7: Industry-specific sector of participants	86
Table 4.8: Nationality of participants	86
Table 4.9: An overview of the themes	97
Table 5.1 Theme Performance Alignment	145

LIST OF ACRONYMS AND ABBREVIATIONS

AB: Asset Building	
CARP: Canadian Annual Report to Parliament	
CSC: Commitment and Self-control	
FG1: Focus Group One	
FG2: Focus Group Two	
IRCC: Immigration, Refugees and Citizenship Canada	
ISBCASG: Immigrant Small Business Coping Ability and Sustainable Growth	
KASWECA: Cameroonian Association of Cape Town, Western Cape	
M: Motivation	
MACAW: Muea Association Cape Town, Western Cape	
NAE: New America Economy	
ROSCA: Rotating Savings and Credit Association	
RSM: Risk & Shock Management	
SANSBA: South African National Small Business Act	
SBI: Shared Business Information	
SBO: Survey of Business Owners	
SC: Saving and Credit	
SR: Sufficient Reserve	
USA: United States of America	
VOA: Voice of America	
WAACAW: Wa-aghem Association Cape Town, Western Cape	

CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

This chapter provides an overview of the research, comprising twelve sections. After the introduction, Section 1.2 covers the background of the study. Section 1.3 covers the problem statement, followed by the research gap in 1.4. Section 1.5 covers the research aim and objectives, section 1.6 presents the research questions, and section 1.7 covers the rationale for the study. This phase is followed by a description of the study's scope in Section 1.8. Section 1.9 outlines the limitations of the study, while Section 1.10 highlights the significance of the study. In section 1.11, the definition of basic concepts is presented, followed by a brief description of the thesis layout in section 1.12, while section 1.13 covers the chapter summaries.

1.2 BACKGROUND TO THE STUDY

Rotating Savings and Credit Associations (ROSCAs) have long existed as informal financial mechanisms in Africa and other developing regions, particularly in contexts where access to formal financial institutions is limited or exclusionary. These associations emerged as collective self-help arrangements that enable members to mobilise savings, access lump-sum capital, and support one another's economic activities (Matuku & Kaseke, 2014). Traditionally, ROSCAs have been widely used by low-income households and small business operators as a means of saving, accessing credit, and managing financial risks. Over time, ROSCAs have expanded across both rural and urban settings in developing and developed countries, especially where formal financial systems have failed to meet the needs of marginalised populations (Matuku & Kaseke, 2014; Mushuku & Mayisa, 2014).

In many African countries, socioeconomic uncertainty, unemployment, and limited economic opportunities have encouraged individuals particularly young people to seek alternative livelihood strategies, including migration and self-employment (Nyamnjoh, 2020). Within these contexts, ROSCAs have played a critical role in supporting small-scale entrepreneurial activities by providing accessible and flexible financial support outside the formal banking sector (Shingirirayi & Tengeh, 2021).

South Africa has experienced a sustained influx of African immigrants over many years, despite persistent challenges such as high unemployment, inequality, and

poverty (Shingirirayi & Tengeh, 2021). Many African immigrants struggle to secure formal employment and, as a result, turn to small business enterprises as an alternative means of livelihood (Nyamnjoh, 2020). These micro- and small enterprises, often described as part of the survivalist sector, operate on the margins of the economy and are characterised by limited resources and high vulnerability (Shingirirayi & Tengeh, 2021). Operating sustainably within this sector requires significant effort, adaptability, and access to reliable financial resources. From a business perspective, sustainability refers to the ability of enterprises to survive, perform effectively, and generate desired outcomes over time, thereby contributing to sustainable entrepreneurship (Lose & Tengeh, 2015).

However, African immigrant-owned businesses in South Africa face numerous challenges that hinder their sustainability and growth. These challenges include difficulties in obtaining legal documentation, limited access to information and markets, tax and business registration constraints, inadequate business management skills, educational barriers, cultural and language challenges, crime, hostile business environments, discrimination, xenophobia, high rental costs, and persistent financial constraints (Fatoki, 2014; Okereu, 2018; Tengeh, 2011). Among these challenges, access to adequate financial capital remains one of the most significant obstacles.

Obtaining sufficient start-up or expansion capital is a common challenge for small businesses globally, regardless of the nationality of the entrepreneur (Nkem, 2017). This challenge was further intensified by the COVID-19 pandemic, which disrupted business activities, reduced profits, and slowed business growth (Otudor, 2020). African immigrant entrepreneurs in South Africa continue to experience difficulties in accessing financial support from formal banking institutions due to stringent requirements such as credit history, collateral, high interest rates, administrative costs, and documentation constraints (Anang & Kabore, 2021; Nkem, 2017; Temeh & Ilemobayo, 2021). Empirical studies conducted in Cape Town among Cameroonian and Zimbabwean immigrant entrepreneurs confirm these barriers to formal financial access (Nkem, 2017; Shingirirayi & Tengeh, 2021), with similar experiences reported in other international contexts (Hossein, 2017).

In response to exclusion from formal financial systems, African immigrants have increasingly relied on ROSCAs as alternative sources of business finance. By pooling

savings and distributing funds among members, ROSCAs provide accessible capital that supports business start-up, continuity, and growth. In South Africa, the requirement for a national identity document and established credit history by formal financial institutions further limits immigrants' access to bank loans, making ROSCAs a critical financial mechanism for sustaining immigrant-owned small businesses (Tengeh & Nkem, 2017; Shingirirayi & Tengeh, 2021).

1.3 THE PROBLEM STATEMENT

African immigrant entrepreneurs operating small businesses in South Africa, particularly in the City of Cape Town, face persistent barriers to accessing formal financial services. Despite their growing presence and visible economic contribution (Radipere & Dhliwayo, 2014), many remain excluded from mainstream banking systems due to documentation constraints, lack of credit histories, high collateral requirements, and limited integration into formal business support structures (David, Adubisi, Farouk, & Adehi, 2020; Otudor, 2020). This financial exclusion restricts their ability to mobilise start-up capital, accumulate business reserves, access affordable credit, and sustain business growth.

Micro- and small-scale enterprises in South Africa generally face multiple operational challenges compared to larger firms (Tengeh, 2013). Although small business owners demonstrate resilience in their efforts to survive (Okerue, 2018), African immigrant entrepreneurs experience compounded vulnerability due to financial exclusion, limited institutional support, and socio-economic marginalisation (David et al., 2020; Otudor, 2020). A lack of sufficient reserves, savings, and credit has been identified as a major factor contributing to the failure and stagnation of immigrant-owned small businesses (Nkem, 2017).

In response to restricted access to formal finance, African immigrant entrepreneurs increasingly rely on informal financial institutions, particularly Rotating Savings and Credit Associations (ROSCAs), as alternative sources of savings, credit, and financial security (Matuku & Kaseks, 2014; Tengeh, 2011). ROSCAs are informal, trust-based financial arrangements created and governed by participants themselves, grounded in social norms of reciprocity, solidarity, mutual aid, and collective responsibility. Their functioning is best understood through Social Capital Theory, which emphasises trust,

shared values, social networks, and mutual support as the foundations of collective financial behaviour.

1.4 THE RESEARCH GAP

Although ROSCAs assist with short-term liquidity, start-up capital, and emergency financing (Tengeh, 2011), they often generate limited funds and lack structured mechanisms for building long-term business reserves and financing expansion (Shingirirayi & Tengeh, 2021). As a result, many African immigrant entrepreneurs in Cape Town remain financially constrained and vulnerable, with limited capacity to sustain business operations beyond the early stages of enterprise development (Nkem, 2017).

The core problem addressed in this study is that African immigrant entrepreneurs in Cape Town depend heavily on ROSCAs due to exclusion from formal financial institutions yet face challenges in using these informal financial mechanisms effectively to enhance business performance, sustainability, and growth. While ROSCAs provide accessible and flexible financial support, their limited financial capacity and informal organisational structures constrain their effectiveness as long-term sources of business finance (Shingirirayi & Tengeh, 2021).

Importantly, ROSCAs are not formal financial institutions and are not designed to replace regulated financial services such as Savings and Credit Cooperative Societies (SACCOs), village banks, or microfinance institutions. Formal financial institutions operate under national financial regulations and microfinance policies that vary across countries. Formalising ROSCAs through state regulation or policy frameworks would undermine their informal, trust-based foundations and exclude many participants who lack legal documentation. Therefore, the problem is not the absence of formal regulatory frameworks for ROSCAs, but the limited understanding of how these informal institutions can be utilised more effectively, within their informal nature, to support immigrant-owned small business performance and resilience.

1.5 RESEARCH AIM AND OBJECTIVES

1.5.1 Research Aim

The aim of this study is to examine how Rotating Savings and Credit Associations (ROSCAs), as informal financial institutions, are utilised by African immigrant entrepreneurs in the City of Cape Town, South Africa, to enhance access to informal finance, improve business performance, and strengthen business sustainability, and to develop a practical framework to support their effective use while preserving their informal and trust-based nature.

1.5.2 Main Research Objectives

Based on the aim of the study, the subsequent main and specific objectives are formulated:

Main objective 1: Entrepreneurial Motivation

Specific objective:

- To explore the factors that encourages African Immigrants to venture into self-employment activities in the City of Cape Town, South Africa.

Main Objective 2: Business Operation (Resources and challenges)

Specific objectives:

- To investigate how African Immigrant Entrepreneurs acquire the resources deemed to be critical to the operation of business activities in the City of Cape Town, South Africa.
- To examine the challenges faced by African Immigrant Entrepreneurs in operating a business in the City of Cape Town, South Africa.

Main Objective 3: ROSCAs Role and Management

Specific objectives

- To find out the factors that motivates African Immigrant Entrepreneurs to use ROSCAs as a strategy to prolong their business operation in the City of Cape Town, South Africa.

- To investigate the type of capital factors acquired by African Immigrant Entrepreneurs from ROSCAs, which are crucial in boosting business survival in the City of Cape Town, South Africa.
- To examine how ROSCAs' organisational practices might be improved to reduce the effects of shocks among African Immigrant Entrepreneurs in the City of Cape Town, South Africa.

1.6 RESEARCH QUESTION

1.6.1 Main Research Question

The main research question that this study aims to answer is:

How do Rotating Savings and Credit Associations (ROSCAs) enhance access to informal finance, improve business performance, and support the sustainability of small businesses owned by African immigrant entrepreneurs in Cape Town, South Africa?

1.6.2 Research Sub-questions

Based on the key research question and ease of the data collection process, sub-research questions have been framed to assist in answering the key research question as follows:

- Which are the factors that encourage African Immigrants to venture into self-employment activities in the City of Cape Town, South Africa?
- How do African Immigrant Entrepreneurs acquire the resources deemed to be critical to the operation of business activities in the City of Cape Town, South Africa?
- Which problems do African Immigrant Entrepreneurs face in operating businesses in the City of Cape Town, South Africa?
- What are the factors that motivate African Immigrant Entrepreneurs to use ROSCAs as a strategy to prolong their business operation in the City of Cape Town, South Africa?
- How do the capital factors acquired by African Immigrant Entrepreneurs from ROSCAs assist in boosting business survival in the City of Cape Town, South Africa?

- How can the organisational planning of ROSCAs be improved to reduce the effects of shocks among African Immigrant Entrepreneurs in the City of Cape Town, South Africa?

1.7 RATIONALE FOR THE STUDY

In the context of the Republic of South Africa, Immigrant businesspersons face a plethora of difficulties and challenges (Greco & De Jong, 2017). These difficulties and challenges are severe among African Immigrants operating small businesses within the borders of South Africa (Desiderio, 2014). Key challenging issues include the lack of access to formal financial institutions, sufficient reserves, savings, and credit, lack of business training and access to the mainstream business support system (Otudor, 2020). In addition, difficulties in effectively utilising ROSCAs as sources of alternative business finance sustainably are a case in point (David et al., 2020). Although scholars have proposed models to be used by Immigrant entrepreneurs to start-up and operate their businesses effectively (Tengeh, 2011), African Immigrant Entrepreneurs continue to struggle to operate sustainable businesses (Röschenthaler, 2020). Thus, in consideration of the consequences of these challenges faced by African Immigrant Entrepreneurs, the question is whether ROSCAs are critical or not as a coping strategy for the sustainable growth of small businesses among African Immigrants in South Africa. Additionally, there is a lack of data in South Africa on the relationship between ROSCA participation and social networks that support business activities. Alternatively, no framework has been formalised that can encourage the effective use of ROSCA as a coping strategy and guide policy. Therefore, the rationale for this study is to develop a practical framework that enables African immigrant business owners to maximise their use of ROSCAs, generate sufficient reserves, improve their savings and credit, and enhance their business coping abilities.

1.8 SCOPE OF THE STUDY

According to Simon and Goes (2013), a study's operational boundaries are known as its scope. This study argues that ROSCA contains specific components that can help small business owners to manage their businesses. Resultantly, it seeks to examine these components and determine how they link to the coping skills of African immigrant businesspersons in the City of Cape Town, South Africa. According to the

needs of the members, there may be a variety of motivations for the creation of self-help financial organisations like ROSCAs.

Numerous interconnected elements are involved in the development and operation of ROSCAs. The study examines the role of self-help financial institutions within the African immigrant community and their impact on small enterprises. Therefore, the study population will be limited to those who are confined within the City of Cape Town, rather than the entire country of South Africa. This is due to the large number of African Immigrants operating small businesses in Cape Town, South Africa. The study will concentrate on ROSCA-member African immigrant small enterprise owners who have been in operation for more than three years. Large businesses run by African and other Immigrants within South Africa's borders will not be regarded as suitable for inclusion in the sample group. Small business owners and entrepreneurs will both be used interchangeably for this study.

1.9 LIMITATIONS OF THE STUDY

According to Svensson and Doumas (2013), limitations are fundamental design or methodology criteria that can limit the scope of research findings and are beyond the researcher's control. This qualitative phenomenological study focuses on African immigrant small business owners residing in Cape Town who utilise ROSCAs as a source of business financing. The research results are limited in that they cannot be generalised due to the small sample size of 34 participants (Van den Bergh & du Plessis, 2012). The restriction of location is that the results may differ in other locations (Itabashi-Campbell, Gluesing, & Perelli, 2012). The trustworthiness of the research findings is based on the accurate information provided by the participants.

A weakness of the study is the lack of an instrument to verify the lived experiences offered by participants during personal and focus group interviews. People respond differently when it comes to face-to-face interviews (Seidman, 2013). The use of an audio recorder may induce bias because some individuals are hesitant when being recorded, while others may hold back vital information, even though they are assured of confidentiality. Finally, financial and time constraints exist because the researcher cannot cover the entire country. Ideally, the whole country would have been the ideal demographic for this research, which could aid in the development of new knowledge.

1.10 IMPORTANCE OF THE STUDY

In the current South African economic climate, the informal sector faces numerous challenges. Due to its relatively high degree of socio-economic development, South Africa continues to be one of the African nations with a substantial influx of African Immigrants (Campbell, 2013). Notably, quite a considerable number of these Immigrants find themselves competing for the same occupations with the natives after leaving their country in the hopes of finding employment that will improve their lives (Okerue, 2018). Even Immigrants with advanced degrees and work experience struggle to find jobs due to the high unemployment rate (Chinomona & Maziriri, 2015). As a result, they are forced to start small businesses to make ends meet. According to several studies (Tengeh, 2011; Nkem & Tengeh, 2017; Okerue, 2018; and Shingirirayi & Tengeh, 2021), African Immigrants face challenges in accessing funds to launch and sustain their businesses. As a result, they frequently rely on ROSCA as a source of business financing and social protection.

Despite the many obstacles faced by African Immigrant Entrepreneurs, many have been able to overcome them and expand their enterprises with the assistance of informal finance organisations, such as ROSCA (Tengeh, 2011). This study, therefore, postulates that ROSCA contains specific components that could help entrepreneurs manage their businesses. As a result, it aims to examine the components of ROSCA and ascertain how they facilitate the coping skills of African Immigrant Entrepreneurs in Cape Town, South Africa. The researcher believes that South African Immigrant entrepreneurship stakeholders would benefit from learning more about the ROSCA elements that are connected to small enterprises' capacity for coping. It is crucial to understand why certain African Immigrant Entrepreneurs' enterprises were able to survive.

In contrast, others failed, and whether having access to and utilising ROSCAs played a role in this. It will likely be helpful to learn how African Immigrant Entrepreneurs utilise ROSCA to manage and expand their enterprises, enabling them to become self-sustaining, effectively manage their businesses, and reach their full potential. This may also benefit other Immigrants and South Africans interested in starting small businesses. Additionally, the results of this study may significantly contribute to the existing body of knowledge and support the theory that informal financial institutions,

such as ROSCAs, can help members and their businesses cope with and mitigate adverse shocks.

1.11 DEFINITION OF BASIC CONCEPTS

This section defines the key concepts used in this study. It is important to note that the definition of concepts may have different subjective meanings.

Migration

Migration is the movement of people across a boundary to stay for a specified time. Such boundary crossing may be within a country, that is, across a province or district. In this case, such a movement is referred to as internal migration, and those involved are referred to as internal migrants. On the other hand, if such a boundary crossing occurs from one country to another, this movement is referred to as international migration. The person who migrates into another country is referred to as an emigrant from their country and an Immigrant in their host country (Brzozowski & Ciniglio, 2021). In the context of this study, African Immigrants refer to individuals from other African countries residing in South Africa.

African Immigrants

African immigrants in the context of this study refer to individuals who were born in African countries outside South Africa and who have migrated to South Africa for economic, social, or political reasons (Ngota, Rajkaran, & Mang'unyi, 2019a), and who are currently operating small businesses in the City of Cape Town.

Framework

A framework is a broad overview pathway showing the interlinked items within a particular research approach. It comprises ideas and concepts (Grant & Osanloo, 2014). A framework for a research study is built upon an existing theory in a field of consideration that is related to a study (Grant & Osanloo, 2014:16). To arrive at a research-specific objective, a framework is used as a guide in which items within the framework can be modified by eliminating or adding.

Social Capital

According to Pendley, Mock, and Theall (2020), social capital refers to the level of relational trust, values, norms of reciprocity, and mutual aid that a group of individuals or communities can utilise to facilitate collective action. These factors of social capital are considered resources that assist action taken by a group of individuals to achieve specific interests (Coleman, 1988:98; Putnam, 1995). It is along this line that Coleman (1988) considered social capital as a relationship built by a group of individuals or family members to transmit resources like knowledge, skills, and finance to enhance economic development. Putnam emphasised that social capital is vital to economic efficiency, coping ability, and flexibility among small entrepreneurs, or, better still, coping ability is higher where social capital is higher (Putnam, 1995). Social capital can improve task performance among a group of individuals when combined with other capital factors (Putnam, 1995).

Entrepreneurship

Entrepreneurship is a complex concept that lacks a universal definition. However, there are numerous definitions of this concept. Nieman and Nieuwenhuizen (2009) define entrepreneurship as the process of starting and expanding a new company that modifies the economic system through people who creatively react to market system opportunities. Entrepreneurship is a process of grabbing an opportunity to start a new business (self-employment) in a holistic approach, thinking and acting in a leadership-balanced way to create value (Timmons & Spinelli, 2009).

The definition seems to capture entrepreneurship as a process whereby entrepreneurs are relentlessly looking for opportunities to create value by either developing innovative products or services or finding more efficient ways to do business. This implies the business that will not only bring money to the owner but also create value to employees, customers, suppliers, as well as the community in which the business operates. The definition also captures a holistic approach to business that entrepreneurs take to achieve business success. These entrepreneurs may carefully consider all the factors that can contribute to business success, such as Business Information, business location, business start-up or expansion finance, operations management, and marketing (Nyamnjoh, 2020). In addition, entrepreneurs take calculated risks, carefully assessing the potential rewards and risks before making any

business decision, although they also listen to input from others (Timmons & Spinelli, 2009).

While the literature presents diverse perspectives on entrepreneurship, ranging from innovation-driven activity (Timmons and Spinelli, 2009) to opportunity recognition (Nyamnjoh, 2020) and resource mobilisation (Stewart, Carland, and Carlin, 1996), this study adopts a contextually grounded definition that reflects the lived realities of African immigrant entrepreneurs operating in resource-constrained environments.

Ethnic Entrepreneurship

Ethnic entrepreneurship refers to a set of interconnected business activities undertaken by individuals or groups from the same ethnic communities, sharing a common cultural background (Volery, 2007). According to Aldrich and Waldinger (1990), the concept of Ethnic Entrepreneurship is rooted in ethnic group membership, specifically their ties to a shared cultural background or origin, the same language group, and their social embeddedness within ethnic communities. You and Zhou (2018) mention that traditional knowledge combines both structural and cultural elements that influence the formation and performance of entrepreneurial endeavours.

Entrepreneur

An entrepreneur is an individual who initiate, own, and manage small business enterprises, assume financial and operational risks, and engage in income-generating activities with the intention of sustaining and growing their businesses (Timmons & Spinelli, 2009). This definition is considered appropriate because it aligns with the empirical context of African immigrant entrepreneurs in Cape Town, who often operate under conditions of financial exclusion, limited access to formal credit, and institutional constraints. In such settings, entrepreneurship is not solely driven by innovation or opportunity recognition but also by necessity, survival imperatives, and the strategic mobilisation of informal financial mechanisms such as Rotating Savings and Credit Associations (ROSCAs). The adopted definition therefore captures both the economic agency of entrepreneurs and the resource-constrained conditions within which their business activities are embedded.

Ethnic Entrepreneur

An ethnic entrepreneur is someone who has started a business by mobilizing resources through the formation of a self-help group or using social networks as a strategy to mobilize resources and support, share business information, and mobilize financial and labour resources (Zhou, 2004). With their unique cultural capital, including cultural knowledge and practices, they can influence business strategies and build strong customer relationships (Volery, 2007).

A comparative study conducted by You and Zhou (2018) on Chinese and black small business operations revealed that business success and attraction were motivated by ethnic institutional relationships such as family help groups, mutual aid societies, and Rotating Savings and Credit Associations. These institutions collectively reinforce the spirit of unity, trust, commitment, value, and norms within the ethnic community. Collectively, they mobilise resources, organise bulk purchases, set prices, create opportunities for business education and training, and promote competition for Immigrant small business operations (Zhou, 2004). Such collective efforts demonstrate how bonds of reciprocal relationships can be established between Immigrant entrepreneurs to nurture the spirit of entrepreneurial ventures, thereby enforcing trust while promoting the survival and growth of Ethnic Entrepreneurship.

Ethnic entrepreneurs often mobilise resources through the formation of self-help financial institutions such as ROSCAs, which are based on trust and mutual support within the ethnic community (Volery, 2007). However, ethnic entrepreneurs face numerous challenges that they must contend with. These include, but are not limited to, discrimination, limited access to formal financial institutions, the gathering of Business Information, training, and skills (Zhou, 2004). Through innovative strategies and resilience, ethnic entrepreneurs can navigate the barriers and challenges they face in their host country.

Immigrant Entrepreneur

An Immigrant entrepreneur is an individual who, having relocated to another country, establishes and operates a business (Toh, 2022). For Immigrants to start and operate a business in another country, it is either triggered by necessity, opportunity, or a natural skill of passion from birth in which they leverage their unique

backgrounds, experiences, and the ability to create economic opportunities for themselves and the communities in which they operate their businesses (Malerba & Ferreira, 2020; Toh, 2022). Classical entrepreneurship theory predominantly emphasises innovation, opportunity recognition, and market creation (Schumpeter, 1991). While these perspectives offer valuable insights into entrepreneurial behaviour, they do not sufficiently account for the structural, institutional, and socio-economic constraints faced by migrants in host economies. Mainstream entrepreneurship frameworks often overlook how exclusion from formal labour markets, limited access to finance, legal insecurity, and weak integration into mainstream business support systems shape entrepreneurial entry and survival among immigrants.

This theoretical gap has given rise to the field of immigrant entrepreneurship, which examines how migrants engage in self-employment as a response to labour market barriers, discrimination, institutional exclusion, and limited access to formal financial institutions (Light & Gold, 2000; Kloosterman., Rusinovic, & Yeboah, 2016). Immigrant entrepreneurship research further highlights the role of ethnic networks, social capital, and informal financial arrangements in facilitating business formation and continuity (Portes & Jensen, 1987; Zhou, 2004).

In the context of this study, immigrant entrepreneurship provides the most appropriate conceptual lens for understanding how African immigrants in Cape Town navigate financial exclusion and institutional barriers by relying on informal finance mechanisms such as ROSCAs. By situating African immigrant entrepreneurs within this theoretical tradition, the study demonstrates how entrepreneurship in migrant communities is shaped not only by individual agency and opportunity recognition but also by necessity, social embeddedness, and collective financial practices.

African Immigrant Entrepreneur

An African immigrant entrepreneur is someone from an African country who has moved to another country and started a business there (Ngota et al., 2019a). African Immigrant Entrepreneurs frequently bring distinct viewpoints, abilities, and traits to their businesses, shaped by their cultural background, experiences, and difficulties as Immigrants (Ngota et al., 2019a). African Immigrant Entrepreneurs possess unique characteristics such as resilience and adaptability, diverse skills, strong community

ties, cultural competence, innovation, and creativity according to Malerba and Ferreira (2020). In addition, multilingual abilities, work ethic and determination, and cross-cultural competence are highlighted as being unique to African Immigrant Entrepreneurs (Shingirirayi & Tengeh, 2021; Temeh & Ilemobayo, 2021). These unique characteristics help African Immigrant Entrepreneurs sail across the challenges of starting and operating businesses in a new environment while contributing to the economic and cultural diversity of their host countries (Ngota et al., 2019).

It is important to conceptually distinguish between the entrepreneur and the business, as these terms are not synonymous. The entrepreneur refers to the individual actor who initiates, owns, and manages the enterprise, while the business refers to the organisational and economic unit through which entrepreneurial activities are conducted (Cunningham & Lischeron, 1991).

In this study, the analytical focus is on African immigrant entrepreneurs as social actors who mobilise financial, social, and informational resources to sustain and grow their small businesses. The business, in turn, represents the material and organisational manifestation of entrepreneurial activity. This distinction is particularly important in the context of informal finance and ROSCAs, where it is the entrepreneur as an individual embedded in social networks who participates in savings groups, assumes financial obligations, and channels informal financial resources into business operations. Therefore, entrepreneurship in this study is treated as a process driven by individual agency, social embeddedness, and institutional constraints, rather than being reduced to the characteristics of the business entity alone.

Small Businesses

In this study, small businesses refer to independently owned and operated enterprises that fall within the micro and small enterprise category, employing fewer than 20 employees and generating annual turnover of ≤ R2 to R25 million, consistent with South Africa's National Small Enterprise Act of 2004, Act No. 29 of 2004 (Department of Small Business Development, 2019).

In South Africa, enterprises are classified according to the National Small Business Act (Act No. 102 of 1996) based primarily on the number of full-time equivalent

employees and annual turnover (South Africa, 1996). Subsequent amendments to the Act simplified this classification by removing gross asset value as a defining criterion and merging the “tiny” business category into the microenterprise category (Department of Small Business Development, 2019). As a result, the enterprise framework now places emphasis on micro and small businesses, which are typically characterised by low turnover, limited employment size, and informal or semi-formal operational structures.

Empirical studies indicate that African immigrant-owned businesses in South Africa predominantly fall within the microenterprise and small business categories, with most employing fewer than ten workers (Khosa & Kalitanyi, 2014; Muchineripi, Chinyamurindi, & Chimucheka, 2019). These businesses are generally owner-managed, operate with limited capital, and rely on small-scale business operations, reflecting the defining features of micro and small enterprises within the South African context (Ngota, Rajkaran, & Mang'unyi, 2019b; Toh, 2022).

Coping Strategy

A coping strategy is a way of effectively addressing a particular problem, a conscious and rational approach used to manage challenging situations successfully (Mpanje, Gibbsons, McDermott, Omia & Olungah, 2022). Immigrant entrepreneurial ventures that are faced with numerous constraints, such as a lack of information, assets, and sustainable finance, often employ a strategy of forming self-help informal financial groups such as ROSCAs to obtain business support, such as sharing information, asset rental, and rotating finance (Otudor, 2020). The underlying aims of coping strategies are to make a living, escape poverty, decrease vulnerabilities and be more resilient to handle shocks (See Endjala & Botes, 2020).

Rotating Saving and Credit Association (ROSCA)

ROSCA is a group of individuals who agree to come together and unanimously agree on an amount of money that each member should contribute (Kharisma, Remi, Hadiyanto, & Saputra, 2020). The fund is then given to one of the group members. The process continues in a rotating manner until every member receives the lump sum. The method for deciding who receives the funds first varies; however, the process is typically flexible. Receiving the funds first may be determined through

random selection, bidding, or consideration of the severity of a member's problem. In some cases, the least risky members receive the funds first, while those who are most risky get the money last (LaMendola & Mansour, 2020).

1.12 BRIEF DESCRIPTION OF THE LAYOUT OF THE THESIS

This section provides the thesis layout as follows:

Chapter 1: This chapter provides the background to the study, the rationale for the study, and its importance. Six specific objectives have been identified to address the main research question. The scope and limitations of the research study are described, including the definition of basic concepts.

Chapter 2: Chapter 2 reviews relevant scholarly work relating to Immigrant Entrepreneurship and the use of ROSCA as an alternative source of business finance. The chapter deliberates on entrepreneurship and discusses the motivations for Immigrant self-employment. It examines the entrepreneurial characteristics of Immigrants, the personality attributes of entrepreneurs, and the contributions of Immigrants to the host country's economy. Furthermore, the chapter discusses African Immigrant entrepreneurship in South Africa, deliberating on aspects such as challenges and approaches. The chapter presents the theoretical framework underpinning the study, elaborates on key concepts critical to the study, and proposes a framework for the effective use of Rotating Savings and Credit Associations as a coping strategy for small businesses owned by African Immigrants.

Chapter 3: This chapter focuses on the research methodology and design, building on the following sub-topics: research paradigms, research design, data collection and analysis, and ethical considerations. This qualitative study employed first-hand observations, two-stage interviews, one-on-one, and focus groups conducted in natural environments, and records of non-numerical data. A phenomenological research design, grounded in an interpretive research paradigm, is employed to investigate how African Immigrant Entrepreneurs utilise ROSCAs as a coping strategy to sustain their businesses.

Chapter 4: This chapter presents the research results, highlighting key themes emanating from the data analysis process using ATLAS. Ti 25. The analysis covered data from both personal interviews and focus group discussions. A descriptive analysis

of the participants' demographic information is presented, followed by an interpretive approach to the phenomenon of African Immigrant entrepreneurship in Cape Town. The study findings illuminate the perspectives of African immigrant entrepreneurial ventures, their operations, challenges, and mitigation strategies for business sustainability.

Chapter 5: This chapter consolidates the findings of the literature review and the research results, as applicable to African Immigrant entrepreneurship in South Africa. This chapter explores a proposed framework for the effective use of Rotating Savings and Credit Associations as a coping strategy for African immigrant small businesses in Cape Town, South Africa.

Chapter 6: This chapter presents the conclusion of the study, highlighting areas of knowledge contribution and recommendations for future research.

1.13 CHAPTER SUMMARIES

This chapter provided an overview of the research background and problem statement, with a specific focus on the entrepreneurial experiences of African Immigrants. The chapter presented the research objectives, research questions, rationale, scope, and limitations of the study. Understanding the strategies used to navigate business challenges becomes meaningfully relevant to the success of Immigrant entrepreneurs in South Africa. The next chapter covers the literature review and theoretical underpinnings of the study.

CHAPTER 2: THE LITERATURE REVIEW

2.1. INTRODUCTION

Chapter 1 provided an overview of the background and introduced the current research topic. It laid the foundation for the research study and presented the relationship between the problem statement, objectives, and research questions.

This chapter reviews relevant scholarly work on Immigrant Entrepreneurship and the use of ROSCA as an alternative source of business finance. The chapter deliberates on entrepreneurship and discusses the motivations for Immigrant self-employment. The chapter further discusses the characteristics of Immigrant entrepreneurs, the personality attributes of entrepreneurs, and the contributions of Immigrants to the host country's economy. In addition, the chapter discusses African Immigrant entrepreneurship in South Africa, examining aspects such as the challenges faced by African Immigrant Entrepreneurs and approaches to addressing these challenges. The chapter also discusses the theoretical framework underpinning the study. It elaborates on key concepts critical to the study. It presents a proposed framework for the effective use of Rotating Savings and Credit Associations as a coping strategy for small businesses owned by African Immigrants in the City of Cape Town. The chapter is concluded with a summary of the deliberations throughout the chapter.

2.2 THE OVERVIEW OF THE CONCEPT OF IMMIGRANT ENTREPRENEURSHIP AND SELF-EMPLOYMENT

2.2.1 IMMIGRANT ENTREPRENEURIAL CHARACTERISTICS

Immigrant entrepreneurs display several characteristics that contribute to the operation, survival, and success of their businesses. These include education and skills, childhood training and experience, work experience, resilience and adaptability, strong work ethics, and risk tolerance (Asoba & Mefi, 2020; Georgescu & Herman, 2020; Kumar, Paray & Dwivedi, 2021; Mbili, 2022).

2.2.1.1 Education and Skills

Education contributes to entrepreneurial start-up, operation, and management by enhancing managerial and decision-making skills (Mbili, 2022). Tengeh (2011) argues that higher levels of education are associated with better entrepreneurial performance, although entrepreneurship is not limited to formally educated

individuals. Okerue (2018) cites entrepreneurs such as Andrew Carnegie and Henry Ford, illustrating that business success can also be achieved without formal schooling. Nonetheless, both formal and informal education play a facilitating role in entrepreneurial activities.

Empirical evidence shows that education positively influences entrepreneurial intentions and business performance. A study among Nigerian students revealed that education enhanced entrepreneurial intentions (Kumar, Paray, & Dwivedi, 2021). Highly educated immigrant entrepreneurs often possess specialised skills that facilitate business transactions and sustainability, particularly in competitive and resource-constrained environments (Mbili, 2022). Overall, education serves as a supporting mechanism rather than a prerequisite for entrepreneurship.

2.2.1.2 Childhood Training and Experience

Childhood training and early exposure to business activities influence entrepreneurial mindset development (Asoba & Mefi, 2020). Children raised in households where parents operate small businesses often assist in business activities, enabling them to observe problem-solving, risk-taking, and decision-making processes (Georgescu & Herman, 2020). Such exposure encourages persistence and frames failure as a learning opportunity (White, 2011).

Studies indicate that many immigrant entrepreneurs originate from families engaged in small business ownership, where early exposure influences self-employment aspirations later in life (Georgescu & Herman, 2020; White, 2011). This early acquisition of human capital contributes to entrepreneurial inclination and future livelihood strategies.

2.2.1.3 Work Experience

Work experience provides practical knowledge relevant to starting and operating a business (Okerue, 2018). Skills acquired through employment enable entrepreneurs to understand market dynamics, customer behaviour, supplier relations, and operational processes (Duan, Kotey, & Sandhu, 2021). While some immigrant entrepreneurs start businesses without prior work experience, others draw directly on previous employment to reduce risk and improve business longevity (Duan et al., 2021). Immigrants with prior work experience are better positioned to apply learned skills to self-employment, thereby increasing business survival prospects. However,

some entrepreneurs deliberately enter business to acquire experience through practice and learning from mistakes (Okerue, 2018).

2.2.1.4 Resilience and Adaptability

Resilience and adaptability influence immigrant entrepreneurial engagement, particularly in unfamiliar environments (Mlotshwa, 2022; Georgescu & Herman, 2020). Immigrants encounter multiple challenges related to cultural, regulatory, and economic systems when relocating to host countries. These experiences foster adaptability, enabling entrepreneurs to adjust business strategies and navigate uncertainty (Duan et al., 2021).

2.2.1.5 Strong Work Ethics and Risk Tolerance

Immigrant entrepreneurs are often characterised by strong work ethics, persistence, and risk tolerance (Nnabue, 2016). Migration itself involves significant risk, which translates into entrepreneurial risk-taking behaviour in host countries. Many immigrants work long hours driven by the desire to improve their social and economic conditions (Gebrehiwot, 2021). These attributes are critical in entrepreneurship, were calculated risk-taking supports business growth and sustainability.

2.2.2 PERSONALITY ATTRIBUTES OF THE ENTREPRENEUR

Personality traits have been linked to entrepreneurial behaviour and performance (Awwad & Al-Aseer, 2021; Postigo et al., 2021). The personality trait approach examines characteristics that differentiate entrepreneurs from non-entrepreneurs. While the General Personality Approach adopts the Big Five model, scholars argue that broad traits alone may not accurately predict entrepreneurial outcomes (Postigo et al., 2021).

Personality attributes play a critical role in shaping entrepreneurial behaviour, particularly among immigrant entrepreneurs who often operate under conditions of uncertainty, exclusion, and constrained resources. Previous studies have linked entrepreneurial motivation, persistence, and performance to specific personality traits that influence how individuals recognise opportunities, mobilise resources, and respond to challenges (Awwad & Al-Aseer, 2021; Postigo et al., 2021). The personality trait approach focuses on identifying characteristics that distinguish entrepreneurs

from non-entrepreneurs, with the General Personality Approach (GPA), based on the Big Five model, being the most widely applied framework in entrepreneurship research (Postigo et al., 2021).

Although the Big Five model has been criticised for being too broad to predict specific entrepreneurial tasks, it remains valuable for understanding patterns of behaviour and decision-making that underpin entrepreneurial action, especially in the contexts of migrant where adaptability, resilience, and social engagement are essential (Postigo et al., 2021). In immigrant entrepreneurship, personality traits do not operate in isolation; rather, they interact with structural constraints, social networks, and institutional barriers, shaping how entrepreneurs initiate, sustain, and grow their ventures. As such, examining the Big Five traits provides a useful lens for understanding how immigrant entrepreneurs navigate business formation and survival.

2.2.2.1 Extroversion

Extroversion is associated with sociability, assertiveness, confidence, and proactive engagement with others (Ciavarella et al., 2004). For immigrant entrepreneurs, extroversion is particularly relevant because business survival often depends on the ability to build and maintain social networks in unfamiliar environments. Extroverted immigrant entrepreneurs are more likely to establish relationships with customers, suppliers, and fellow entrepreneurs, facilitating access to information, informal credit, and business opportunities. Caliendo, Fossen, and Kritikos (2014) link assertiveness and network building to entrepreneurial entry and survival, suggesting that extroversion enhances immigrants' capacity to overcome social exclusion by actively embedding themselves within local economic and social networks.

2.2.2.2 Agreeableness

Agreeableness reflects a tendency towards cooperation, trust, empathy, and relationship-building (Awwad & Al-Aseer, 2021). In immigrant entrepreneurship, agreeableness supports the development of trust-based relationships that are crucial for customer retention, supplier reliability, and participation in collective financial arrangements such as ROSCAs. Cooperative and trustworthy dispositions enable immigrant entrepreneurs to secure social and business support within ethnic and mixed networks, reinforcing Judge, Higgins, Thoresen & Barrick (1999) assertion that

agreeable personalities are particularly advantageous in service-oriented and small-scale enterprises where interpersonal relationships are central to success.

2.2.2.3 Openness

Openness is characterised by creativity, curiosity, adaptability, and a willingness to embrace new experiences (Nga & Shamuganathan, 2010). These attributes are especially significant for immigrant entrepreneurs who must continuously adapt to new markets, regulatory environments, and consumer preferences. Open-minded immigrant entrepreneurs are more likely to identify niche opportunities, innovate within constrained environments, and adjust business strategies in response to changing conditions. As Leutner, Ahmetoglu, Akhtar & Chamorro-Premuzic (2014) note, openness supports adaptability and creativity qualities that are critical for immigrants navigating unfamiliar economic systems and developing alternative livelihood strategies.

2.2.2.4 Conscientiousness

Conscientiousness refers to discipline, reliability, persistence, and goal orientation (Llewellyn & Wilson, 2003). For immigrant entrepreneurs, conscientiousness is closely linked to business sustainability, as it underpins consistent effort, financial discipline, and long-term planning. High levels of conscientiousness enable immigrant business owners to manage daily operational demands, comply with informal and formal business expectations, and persist despite economic and institutional barriers. Caliendo et al. (2014) highlight conscientiousness as a predictor of entrepreneurial survival, suggesting that diligence and perseverance are essential traits for immigrants operating under resource scarcity. This construct has been viewed by some academics as a sign of decision-making skills or the capacity for hard work (Barrick & Mount, 1991). Being diligent in day-to-day tasks as an Immigrant business owner may help in figuring out how to handle the challenges that come with running a business.

2.2.2.5 Neuroticism

Neuroticism relates to emotional instability, stress sensitivity, and vulnerability to anxiety (Awwad & Al-Aseer, 2021). In contrast, emotional stability is particularly important for immigrant entrepreneurs who face heightened stress arising from financial insecurity, legal uncertainties, and social marginalisation. Entrepreneurs with lower levels of neuroticism are better able to manage pressure, cope with uncertainty,

and sustain positive interpersonal relationships (Judge et al., 1999). Emotional stability thus supports resilience and effective decision-making, enabling immigrant entrepreneurs to navigate ongoing challenges and maintain business continuity under volatile conditions (Awwad & Al-Aseer, 2021).

2.2.3 Motivations towards Immigrant Self-employment

Essentially, various theories have been proposed to explain why many Immigrants opt for self-employment. Among these theories are the Blocked Opportunities Theory, the Ethnic Market Niche theory, and the Ethnic Enclave Theory.

According to the Blocked Opportunities Theory (BOT), self-employment is triggered by the discrimination faced by Immigrants in the host country's labour-market, according to Sander and Nee (1996), Heilbrunn and Kushnirovich (2008). Discrimination occurs in various forms, and it is particularly prevalent in countries with high unemployment rates, especially when locals struggle to find employment (Heilbrunn & Kushnirovich, 2008). In situations like this, it is logical that Immigrants who are pushed out of the labour-market will resort to self-employment. The obstacles faced by Immigrants may not be limited to the host country's high unemployment or discrimination, but rather lack of appropriate educational credentials (Landau, 2010), the lack of appropriate work experience, and language barriers (Aldrich & Waldinger, 1990) and the lack of legal migration documents, retrenchment, and low wages, which forces them into self-employment activities (Kloosterman, Russinovich & Yeboah, 2016; Nyame-Asiamah, Amoako, Amankwah-Amoah, & Yaw 2020; Syrett & Sepulveda, 2012). An example is South Africa, where employers often do not employ Immigrants because their certificates are not widely accepted (Landau, 2010).

Although a commonly stated reason is social exclusion in the form of discrimination (El Bouk, Van Geel, & Vedder, 2022), BOTs argue that Immigrants involuntarily resort to self-employment due to the limited job opportunities in the host country. For instance, El Bouk et al. (2022) highlight a 26.8% unemployment rate among Immigrants compared to a 4.2% unemployment rate among natives in the Netherlands. It is in situations like this that Immigrants believe they can create opportunities to utilise their human capital resources by embarking on self-employment activities (Nee & Sanders, 2001). In addition, Immigrants easily form networks in which vital information is shared (Duan et al., 2021). The availability of

information motivates Immigrants to pursue self-employment activities. According to Egbide et al. (2020), vital information such as business and investment opportunities is easily obtained within these groups of Immigrants through their networks of information.

Studies conducted in the United States of America by Nee and Sander (2001) and in South Africa by Landau (2010) revealed a similar phenomenon, where the major motivational factor for Immigrants to embark on self-employment activities is the discrimination against their employment. Other scholarly work has equally shown that discrimination against Immigrants has been a significant obstacle in business operations, as many of these Immigrants find it challenging to locate their businesses in strategic premises, obtain financial services from traditional banks, and find suppliers and clients (Bede, 2018; Guzy, 2006). That notwithstanding, the BOT has been criticised for not taking into consideration that ethnic groups may possess a cultural tendency towards entrepreneurship (Basu & Altinay, 2002). For example, religious and ethical beliefs may cause some ethnic groups to avoid certain companies that may offer job opportunities due to their religious beliefs.

In addition to the blocked opportunity, the Ethnic Niche Theory also attempts to uncover and explain the reasons why most Immigrants turn to self-employment. The Ethnic Market Niche theory postulates that Immigrants are drawn into self-employment due to the business opportunities available within their Immigrant communities and in the host country (Clark & Drinkwater, 2000). The theory further states that Immigrants are pulled into self-employment not only because of business opportunities, but also because they are motivated by the embedded entrepreneurship abilities from their countries of origin (Cruz, de Queiro-Falcao, & Mancebo, 2019).

A study of entrepreneurial cases within the Brazilian communities overseas revealed that these groups of entrepreneurs were pulled into self-employment due to the available business opportunities within the ethnic niche market and the opportunity to supply exotic products for the mainstream customers (Cruz et al., 2019). In South Africa, studies by Akinyemi & Adejumo (2017) and Fatoki (2014) revealed that Immigrants were not only inspired by others within their ethnic group into entrepreneurial ventures, but rather the diversity of South Africa, availability of potential customers, ease of doing business, no bureaucracy, and favourable

legislation pulled these migrants into entrepreneurial ventures. In addition, the presence of ethnic communities provides an economic environment conducive to self-employment activities, promotes the formation of social support networks to support business activities, and supplies the labour force through families and relatives with an understanding of the common language and culture (Clark & Drinkwater, 2000).

Besides the BOT and the Ethnic Niche Theory (ENT), there is the Ethnic Enclave Theory (EET), which also uncovers some of the reasons why Immigrants turn to self-employment. The concentration of Immigrant groups in a particular location, which operates a variety of small businesses serving their ethnic market or the general population, is referred to as an ethnic enclave (Portes & Jensen). Scholars of EET argue that an ethnic enclave is founded on ethnic solidarity and social networks, and entrepreneurs within these enclaves discover business opportunities within the Immigrant communities and/or within the mainstream economy (Clark & Drinkwater, 2000; Wilson & Portes, 1980; Zhou, 2007).

A densely Immigrant- populated area may generate the demand for specific types of services linked to specific cultural preferences such as grocery stores, restaurants, local fashion and design shops, beauty salons, medical services, and many more that may motivate Immigrant to start businesses in these areas (Andersson, Larsson, & Oner, 2021:591). In addition, Immigrants are motivated to enter entrepreneurial ventures where initial start-up capital is easily raised through ROSCA and the cost of running the business is low (Xie & Gough, 2011). Self-employment among ethnic enclaves is motivated by the availability of human capital skills, like ethnic language and cultural knowledge (Xie & Gough, 2011). Through these, they can build strong social network bonds among the ethnic labour force and the ethnic employers (Wilson & Portes, 1980).

It is also noticeable that ethnic labourers are pulled into self-employment due to prior experience or knowledge, entrepreneurial desire, and the need for personal improvement (Duan, Kotey, & Sandhu 2021:2). A study carried out in Dubai revealed that the individual's choice triggered self-employment among the Immigrants and drive to seek independence, risk-taking ability, high self-confidence, and opportunity (Vardhan, Bohra, Abdullah, Thennarasu & Jagannathan 2020:14). Whatever the factor may be, it will also depend on the individual. However, the desire for self-employment,

as outlined in the above-mentioned theories, could be linked to social networks and the ability of these Immigrants to utilise these networks.

Embarking on an entrepreneurial venture requires a lot, and the entrepreneurial features possessed by Immigrant entrepreneurs could be the driving force behind their resilience (Andersson et al, 2021:591). The desire or push for an entrepreneurial venture does not end there. The primary thought of an entrepreneur will likely be the source of funds for the start-up and operation of a successful business (Vardhan, et al., 2020). However, this has been the major obstacle faced by Immigrant entrepreneurs around the world (Abimbola, Egbide, Adekunle, Damilola, Adebanjo, & Ajayi Abiodun, 2020:190).

According to Abimbola et al. (2020:190), a business venture requires more than a good idea to operate successfully. From this angle, financial resources are vital for business start-ups, operations, expansion, and sustainability (Andersson et al., 2021:591). Even in a complex and challenging moment of a business journey, the combination of financial resources with other resources, human and social, may strengthen a business's coping ability and sustainability (Okereu, 2018). A substantial amount of financial capital is required to operate a business sustainably.

2.3 IMMIGRANT ENTREPRENEURIAL CONTRIBUTION TO THE HOST COUNTRY'S ECONOMY: A COMPARATIVE PERSPECTIVE

A review of global and continental literature on immigrant entrepreneurship indicates that countries with balanced and favourable immigration policies tend to benefit significantly from the economic activities of immigrant entrepreneurs (Toh, 2022). However, the nature of immigrant entrepreneurial contribution varies considerably between developed and developing economies due to differences in institutional frameworks, access to finance, levels of informality, and regulatory environments (Toh, 2022). This section therefore adopts a comparative approach by examining immigrant entrepreneurship in selected developed economies alongside developing and African contexts, to situate the current study within its appropriate structural and economic setting.

2.3.1 Immigrant Entrepreneurial Contributions in Developed Economies

In developed economies such as the United States of America and Canada, immigrant entrepreneurs operate largely within formalised business environments and contribute to economic growth through small and medium-sized enterprises (SMMEs) across sectors such as retail trade, hospitality, personal services, manufacturing, and technology-based industries. In the United States, immigrants constitute more than 40 million people, accounting for approximately 13 per cent of the population (US Census Bureau, 2012). Empirical evidence shows that immigrant-owned firms employ substantial numbers of workers and make significant contributions to job creation and national income (Azoulay, Jones, Kim, & Miranda, 2022). Between 2005 and 2010, immigrant entrepreneurship rates exceeded those of native-born citizens, with immigrant-owned businesses accounting for a higher proportion of firm creation (Azoulay et al., 2022). African immigrant entrepreneurs alone generated an estimated income of USD 55.1 billion in 2015, contributing significantly through taxation and employment creation (New American Economy [NAE], 2018; Kerr & Kerr, 2020).

Similarly, in Canada, immigrant entrepreneurship plays a central role in labour-market expansion and economic sustainability. Approximately one in five entrepreneurs in Canada is an immigrant, with immigrant-owned businesses contributing to employment creation, particularly in smaller provinces experiencing population decline (Bird & Wennberg, 2016; Akbari & Haider, 2017). The Canadian government's economic-class immigration policies have facilitated immigrant participation in sectors such as services, retail, construction, and small-scale manufacturing (CARP, 2023). Despite these opportunities, evidence also indicates that African immigrant entrepreneurs in Canada experience exclusion from formal financial systems, prompting the use of community-based financial mechanisms such as ROSCAs to overcome institutional barriers (Hossein, 2017). These findings suggest that even within developed economies, immigrant entrepreneurs may rely on informal social capital structures alongside formal systems.

2.3.2 Immigrant Entrepreneurial Contributions in Emerging and Transitional Economies

In contrast to Western economies, immigrant entrepreneurship in emerging economies such as China reflects a hybrid model shaped by global trade, migration policy experimentation, and transnational commerce. Following China's accession to

the World Trade Organisation in 2001, cities such as Guangzhou adopted relatively open immigration and trade policies that attracted African immigrant entrepreneurs engaged primarily in wholesale trade, import and export activities, and small-scale commercial distribution (Lam, 2015). These entrepreneurs operate largely within trading and intermediary business sectors, linking African and Chinese markets. While these enterprises contribute to urban economic vibrancy and international trade flows, they often remain vulnerable to policy shifts and regulatory uncertainty (Bork-Hüffer & Yuan-Ihle, 2014).

2.3.3 Immigrant Entrepreneurial Contributions in African and Developing Contexts

In African and other developing economies, immigrant entrepreneurship is predominantly characterised by informal, survivalist, and necessity-driven enterprises (Ezennia & Mutambara, 2020; Hassan, 2014; Toh, 2022). In Cameroon, immigrant entrepreneurs particularly Nigerians, Ghanaians, and Lebanese have historically dominated sectors such as agriculture, petty trade, retail commerce, and small-scale manufacturing (Toh, 2022). Despite economic downturns and governance challenges, immigrant-owned micro and small enterprises have played a stabilising role by generating employment, transferring business skills, and sustaining local markets (VOA, 2019). Unlike developed economies, these businesses operate with limited access to formal finance and rely heavily on ethnic networks and informal financial arrangements.

Similarly, in Kenya, immigrant entrepreneurship particularly among Somali migrants has contributed significantly to economic growth through trade and commerce. Areas such as Eastleigh Estate in Nairobi exemplify how immigrant-owned retail, wholesale, and logistics businesses can transform local economies, create employment, and stimulate urban development (Hassan, 2014). These enterprises largely function within informal or semi-formal systems and depend strongly on trust-based networks and community finance mechanisms.

2.3.4 Implications for African Immigrant Entrepreneurship in South Africa

The comparative evidence demonstrates that while immigrant entrepreneurs contribute meaningfully to host economies across contexts, the nature of their businesses, challenges, and survival strategies differs substantially between

developed and developing economies. Unlike their counterparts in the United States and Canada, African immigrant entrepreneurs in developing contexts such as South Africa are more likely to operate in informal sectors, face restricted access to formal financial institutions, and rely on social capital structures such as ROSCAs for business start-up, continuity, and resilience (Chinomona & Maziriri, 2015; Okerue; Tengeh, 2011). Consequently, insights from developed economies are best understood as comparative benchmarks rather than direct models, reinforcing the relevance of this study's focus on ROSCAs as context-specific financial mechanisms supporting African immigrant entrepreneurship in South Africa.

2.4 AFRICAN IMMIGRANT ENTREPRENEURSHIP IN SOUTH AFRICA

The growth of foreign-owned businesses is a global phenomenon and is also evident in South Africa, largely due to the country's relative economic and political position within the African continent (Ezennia & Mutambara, 2020; Toh, 2022). South Africa's perceived economic opportunities, coupled with its role as a regional economic hub, have made it a preferred destination for African migrants seeking improved livelihoods (Ezennia & Mutambara, 2020). As a result, many African immigrants view entrepreneurship as a viable pathway to economic participation and survival in the host country.

Despite these opportunities, African immigrants in South Africa face considerable barriers to formal employment, including high national unemployment rates, restrictive labour regulations, and limited recognition of foreign qualifications (Campbell, 2013; Chinomona & Maziriri, 2015; Okerue, 2018). Consequently, many African immigrants are pushed into self-employment and informal entrepreneurial activities as a survival strategy. Through these activities, African immigrant entrepreneurs contribute to employment creation, income generation, and economic activity within the informal sector, despite operating under constrained and often hostile conditions (Ezennia & Mutambara, 2020; Toh, 2022).

2.4.1 The Nature of Entrepreneurial Activities

African immigrant entrepreneurial activities in South Africa are largely shaped by regulatory constraints, limited access to capital, and exclusion from the formal economy (Ngota et al., 2019b; Toh, 2022). As a result, most African immigrant entrepreneurs operate within the micro-enterprise category, typically employing fewer

than ten employees (Muchineripi et al., 2019). Evidence from the City of Cape Town indicates that more than half of African immigrant-owned businesses employ fewer than five people, confirming their concentration within the micro-business sector (Khosa & Kalitanyi, 2014).

These entrepreneurial activities can be broadly categorised into three main groups:

These entrepreneurial activities can be categorised into three main groups: manufacturing, trade and commerce, and service-oriented businesses. Manufacturing activities include small-scale carpentry workshops, sewing and tailoring enterprises, and basic fabrication activities. Trade and commerce activities dominate African immigrant entrepreneurship and include spaza shops, food retail outlets, fruit and vegetable trading, small hardware shops, and clothing retail businesses. Service-oriented businesses comprise hair salons, beauty services, catering and event services, car repair workshops, appliance repair services, and informal logistics-related activities (Mushuku & Mayisa, 2014).

While these enterprises contribute meaningfully to local economies and employment, they are predominantly informal, undercapitalised, and vulnerable to external shocks (Muchineripi et al., 2019). Limited access to formal financial support and business development services continues to restrict their ability to grow beyond survivalist operations.

The South African National Small Business Act (SANSBA) Act 102 of 1996 (South Africa, 1996) categorises enterprises into four categories: micro, tiny, small and medium according to factors such as number of employees, annual turnover, and gross fixed property assets. The National Small Enterprise Act of 1996 (Act No. 102 of 1996), the National Enterprise Amendment Act of 2003 (Act No. 26 of 2003), and the National Small Enterprise Act of 2004 (Act No. 29 of 2004) all underwent some changes. However, instead of using three proxies to define small business, the amended Schedule 1 used two: total full-time equivalent of paid employees and total annual turnover. The total gross asset value was eliminated, and the tiny business category was merged into the microbusiness category (Department of Small Business Development, 2019).

Table 2.1: Categories of Enterprise before amendment in South Africa

Before amendment			
Enterprise size	**No. of Employees**	**Annual Turnover**	**Gross Asset**
Medium	51 to 200	≤ R4 to R50 million	≤ R2 million to R18 million
Small	21 to 50	≤ R2 to R25 million	≤ R2 million to R4.5 million
Very Small	5 to 20	≤ R200 000 to R500 000	≤ R150 000 to R500 000
Micro	Fewer than 5	≤ R150 000	≤ R100 000

Source: Department of Small Business Development (2019: 110)

Table 2.2 Categories of Enterprise after amendment in South Africa

After amendment		
Enterprise size	**No. of Employees**	**Annual Turnover**
Medium	51-250	≤R 85.0 million
Small	11-50	≤ R35.0 million
Micro	0-10	≤R 7.5 million

Source: Department of Small Business Development (2019: 111)

A high percentage of African Immigrants' business fall within the micro sector with fewer than 10 employees and has been growing significantly (Muchineripi, Chinyamurindi, & Chimucheka, 2019). In a study conducted in the City of Cape Town, Khosa and Kalitanyi (2014) found that more than 50 percent of African Immigrant Entrepreneurs operate microbusinesses with fewer than five employees.

2.4.2 Challenges Faced by African Immigrant Entrepreneurs

Despite their economic contributions, African immigrant entrepreneurs in South Africa face persistent challenges that constrain business growth and sustainability (Khosa & Kalitanyi, 2014). According to Khosa & Kalitanyi (2014), most African Immigrants have lived and operated businesses in the City of Cape Town for more than three years with no significant growth in their businesses. This may help explain some of the reasons why their businesses fail to advance from micro to medium-sized enterprises. Key challenges include insecurity, limited access to financial resources, difficulties in

securing suitable business locations, and language barriers (Khosa & Kalitanyi, 2014; Tengeh, 2013). These challenges help explain why many immigrant-owned businesses remain trapped within the micro-enterprise category, with limited prospects for expansion (Bushe, 2019).

2.4.2.1 Insecurity

Insecurity remains one of the most severe challenges confronting African immigrant entrepreneurs in South Africa. Xenophobic and Afrophobic attacks, criminal extortion, and targeted violence have disrupted business operations, destroyed assets, and threatened livelihoods (Bonga, 2021; Longinus & Mbagwu, 2021). These attacks generate fear among customers, reduce patronage, and undermine business sustainability (Tshishonga, 2015). Since 2008, immigrant (Nigerians, Ethiopians, Somalians, Zimbabweans and many others) businesses have repeatedly been subjected to looting, destruction, and forced closures, particularly in urban informal settlements (Longinus & Mbagwu, 2021; Ngota et al., 2019b).

In addition to xenophobic violence, criminal extortion has become a major threat to immigrant entrepreneurs, with some being forced to pay protection fees to criminal groups (Shingirirayi & Tengeh, 2021). In extreme cases, refusal to comply has resulted in violent attacks and loss of life (Muchineripi et al., 2022). Although these foreigners operate their businesses in a persistent environment of fear and insecurity, they often bear the risk because they consider business as their last hope of survival (Shingirirayi & Tengeh, 2021). These disruptions of business services have led to losses of income, assets, and livelihoods. In contrast, others have run for their lives (Khosa & Kalitanyi, 2014). In response, African immigrant entrepreneurs increasingly rely on social networks, ethnic solidarity, and self-help groups for collective protection, information sharing, and crisis support, although these informal mechanisms remain insufficient in the absence of effective state protection (Masocha et al., 2017).

2.4.2.2 Access to financial resources

Access to financial resources is a critical constraint for African immigrant entrepreneurs. Regulatory barriers, lack of permanent documentation, absence of credit histories, and limited collateral restrict their access to bank loans and government-funded financial support (Muchineripi et al., 2019; 2022). Many immigrant

entrepreneurs are unable to obtain business licences and permits, which further limits their eligibility for formal financial assistance (Asoba & Mefi, 2020).

Although some African Immigrant Entrepreneurs may have all the necessary documents needed by these financial institutions, they are unable to obtain loans due to discriminatory practices within these institutions (Muchineripi et al., 2022). Additionally, most African Immigrant Entrepreneurs who own businesses within the informal economic sector are seen by the banks as high-risk clients and do not offer loans to them (Ngota et al., 2019b). Discriminatory lending practices, high interest rates, and perceptions of immigrants as high-risk borrowers exacerbate financial exclusion (Greenhalgh & Lowry, 2020; Ngota et al., 2019b). As a result, African immigrant entrepreneurs predominantly rely on informal financial mechanisms, including personal savings, family support, and Rotating Savings and Credit Associations (ROSCAs), to finance business start-up and working capital needs.

2.4.2 3. The Location of Business

A business in a nice position can easily target and serve more clients, thereby making more profit. Securing suitable business premises remains a major challenge for African immigrant entrepreneurs. Limited access to finance prevents many from operating in safe, formal commercial spaces, forcing them into insecure and dilapidated locations with high exposure to crime (Khambule, 2020; Muchineripi et al., 2022). Negative stereotypes portraying immigrants as contributors to crime further restrict their access to strategic business spaces (Kelsay & Haberman, 2021). The places where they end up establishing their businesses make them more vulnerable to crime, discrimination, and hostility from the nationals (Han & Piquero, 2021).

To cope with these constraints, immigrant entrepreneurs often cluster their businesses within ethnic enclaves or informal trading zones, where they benefit from shared customer bases, mutual surveillance, and lower rental costs (Kelsay & Haberman, 2021). While spatial clustering offers some protection and market access, it also reinforces informality and limits business visibility and expansion.

2.4.2.4. Language barriers

Language barriers significantly affect the business performance of African immigrant entrepreneurs. Limited proficiency in South Africa's local languages restricts effective communication with customers, suppliers, and regulatory authorities (Tengeh, 2011; Eresia-Eke & Okerue, 2020). This challenge is intensified by South Africa's multilingual environment, with eleven official languages and strong regional language dominance.

A study conducted in Finland by Fashakin (2023) identified the Finnish language as one of the major obstacles encountered by Immigrant entrepreneurs, which negatively affected their businesses as they could not negotiate important business transactions. Similarly, Sabary and Ključnikov's (2023) study of Asian Immigrant business performance in Germany revealed that the lack of knowledge of the host country's local language was the most significant barrier that hampered their business success. Embiricos (2020) adds that the inability of Immigrant entrepreneurs to communicate in the German language hampered their ability to network with important businesspeople in Germany. Additionally, Hack-Polay, Ogbaburu, Rahman and Mahmoud (2021) study of the socio-cultural barriers facing migrant small businesses in Lincolnshire in rural England, identified language differences as one of the significant obstacles that affected the performance of Immigrant small businesses. A study conducted by Toh (2020) on Immigrant Entrepreneurship in Cape Town revealed that the inability of Immigrants to communicate fluently in any of South Africa's official languages made it difficult for them to navigate important documentation processes needed for business operation. Ngota et al (2019a), study on African Immigrant entrepreneurship in South Africa revealed that language was a significant challenge for these Immigrants as they were unable to draft good business plans or contracts which hindered their abilities to create good business relationship with South African businesspeople.

Language constraints hinder customer service delivery, contract negotiation, networking, and compliance with administrative requirements (Ngota et al., 2019a; Toh, 2020). To mitigate these challenges, immigrant entrepreneurs often employ bilingual staff, rely on co-ethnic employees, or operate in areas where English is widely used for business transactions (Eresia-Eke & Okerue, 2020). However, these strategies increase operating costs and limit broader market integration.

2.4.3 Approaches to Challenges Faced by Immigrant entrepreneurs

African immigrant entrepreneurs employ multiple strategies to cope with the structural and operational challenges they face in South Africa. These approaches include reliance on ethnic and social networks, spatial clustering of businesses, informal knowledge-sharing platforms, and self-help financial mechanisms (Ngota et al., 2019a; Tengeh, 2011). While ROSCAs primarily address challenges related to access to financial resources, ROSCA meetings also serve as important social and information platforms where members discuss broader business-related issues. During these meetings, entrepreneurs exchange information, share experiences, and collectively discuss challenges such as business insecurity, location-related difficulties, language barriers, and strategies for navigating the host business environment (Govindasamy & Viswanathan, 2020; Otudor, 2020).

2.4.3.1 ROSCAs

ROSCA is an informal financial institution organised by a group of people who meet frequently to raise funds through contributions to assist one another (Hossein, 2017:32). ROSCAs are the oldest and major informal financial institutions used by historically oppressed groups of people (Mushuku & Mayisa, 2014). They can be dated as far back as 200 BC in China, where subgroups who had been left out of conventional financial services formed a surviving strategy through a cooperative network of members (Hossein 2017; Mushuku & Mayisa, 2014).

These groups of individuals agree to share their capital through a borrowing and lending schedule for the sake of helping themselves (Kharisma, Remi, Hadiyanto, & Saputra, 2020). The contributed amount is given to each member in a circular order until everyone receives the pot (Kharisma et al., 2020). The operation of ROSCA may depend on its type and purpose; however, the group is organised in such a way that members often come together at regular intervals of time (Khan & Ali, 2021). This can be twice a month, monthly, or weekly, and the method of pot allocation can be through balloting, bidding, or any other method decided and agreed upon by the members (Khan & Ali, 2021). This form of financial support is now common in semi-urban and urban areas among Immigrant entrepreneurs who are economically incapable of obtaining access to savings and loans from traditional or semi-formal financial institutions (Kharisma et al., 2020:102; Matuku & Kaseks, 2014).

2.4.3.2 Purpose of ROSCA

The purpose of ROSCA is to meet the specific needs of the organisers (Khan & Ali, 2021). This is common among groups with restricted access to formal banks, mainly African Immigrant Entrepreneurs (Khan & Ali, 2021). There are several key purposes of ROSCA as an institution.

Firstly, ROSCA's purpose is to provide access to lump sums, as saving individually may take a long time to gather a larger amount of money (Govindasamy & Viswanathan, 2020). Therefore, as a member of ROSCA, you have the privilege of having access to a larger sum of money within a short period (Govindasamy & Viswanathan, 2020:219). This can assist an entrepreneur in starting a business, making significant purchases, and expanding his or her business (Abimbola, Egbide, Adekunle, Damilola, Adebanjo, & Ajayi Abiodun, 2020). According to Abimbola et al. (2020), these Immigrant entrepreneurs consider ROSCA as one of their survival strategies to facilitate savings and the flow of financial injections into their businesses.

Secondly, the ROSCA determination is to build a savings discipline through regular and consistent contributions and improve accountability, which can be difficult for some people (Matuku & Kaseke, 2014). This motivates the habit of regularly accumulating funds to support business and other expenses (Matuku & Kaseke, 2014). Knowing that you will get the pot when it is your turn will encourage you to keep up with contributions and establish realistic goals (Abimbola et al., 2020). However, Kharisma, Remi, Hadiyanto and Saputra (2020) state that most Immigrant entrepreneurs are motivated to form or join ROSCA since ROSCA has the ability not only to mobilise financial flow but also to mobilise economic resource and information flow through social networks as well as using and sharing human capital resources among its members.

In support of this, Govindasamy and Viswanathan (2020) state that small business success cannot be associated with increasing the money supply but instead with the combination of other productive factors.

Thirdly, ROSCA's purpose is also to provide credit without interest to its members, making the process simple for members to join while promoting flexible use of money (Otudor, 2020). According to Otudor (ibid), this form of providing credit without interest charges is beneficial for Immigrant entrepreneurs who may not have access to formal

credit or are unable to meet high interest rates. The flexible use of money tends to motivate Immigrant entrepreneurs to consider ROSCA as an alternative source of finance (Tengeh & Nkem, 2017; Otudor, 2020).

Fourthly, ROSCA's purpose is to provide financial literacy and information sharing while creating education opportunities for its members. According to Govindasamy & Viswanathan (2020), ROSCA members can acquire knowledge on financial information, buying patterns, use of technology, budgeting, customer services and feedback, saving, managing finances, and benefit from shared information and advice concerning financial matters.

Immigrant entrepreneurs who use this mode of ROSCA operation tend to foster financial discipline among their members through meeting attendance and regular contributions (Govindasamy & Viswanathan, 2020). When ROSCA members come together, it creates a platform for them to interact, building social capital capable of promoting mutual support, improving financial commitment and self-control, and promoting responsible financial behaviour (Govindasamy & Viswanathan, 2020). Overall, ROSCAs can be considered a better option to offer a flexible and mutual support mechanism for collective saving and borrowing and improve the financial security among Immigrant aspiring entrepreneurs.

2.4.3.3 The characteristics and functions of ROSCA

According to Khan and Ali (2022), ROSCAs are informal financial institutions formed according to different needs. Despite this type, they all operate based on trust and reciprocity among members, providing a special way for members to save and access credit (Tengeh & Nkem, 2017).

2.4.3.3.1 Characteristics of ROSCAs

ROSCAs operate outside the traditional financial system with limited or no legal documentation but operate using simple rules and procedures, relying on social ties and trust among members (Khan & Ali, 2021:444). Regular contributions and rotating disbursements are common characteristics of ROSCAs. In ROSCAs' meetings, members contribute a fixed amount of money, which is then given to one member either through a fixed and rotating order or through an auction system (Matuku & Kseke, 2014; Tengeh & Nkem, 2017). ROSCAs have limited membership, often 10 to 30 members in a group who share common social ties, such as family, colleagues,

friends or neighbours, which makes it easy to check on members and follow up on contributions (Tengeh & Nkem, 2017).

ROSCAs manage their operations themselves; as such, they incur minimal or no administrative costs, making ROSCA a low-cost institution (Nkem, 2017). To operate at a low-cost, the organisation can channel its resources to its members (Nkem, 2017). ROSCAs build savings potential among their members through regular contributions (Khan & Ali, 2021:445). Savings accumulate funds as a reserve for future use.

2.4.3.3.2 Functions of ROSCAs

ROSCA as an institution has critical functions; for example, ROSCAs provide access to credit to their members with limited or no interest, helping them not to rely on traditional financial institutions (Temeh & Ilemobayo, 2021). The regular contributions made during ROSCA meetings promote financial inclusion and encourage savings, especially among low-income people and Immigrant entrepreneurs who are unable to access conventional banking services (Govindasamy & Viswanathan, 2020:219).

ROSCAs create platforms to foster capital-factor acquisition and sharing. Through regular meetings, members develop trust and build social bonds, sharing Business Information and management skills, financial management skills as well as providing physical and emotional support to one another (Temeh & Ilemobayo, 2021:14). Another key function of ROSCAs is that they support small businesses, mainly African Immigrant Entrepreneurs, who, when receiving the pot, may either invest in businesses or engage in any other profitable activities (Govindasamy & Viswanathan, 2020). The flexibility and adaptability of ROSCAs make them valuable financial tools in different communities, providing services to members' needs and circumstances (Temeh & Ilemobayo, 2021).

2.4.3.4 Types of ROSCA and Operations

There are different types of ROSCAs, among which rational, saving, and investment ROSCAs are the most common, with variation in terms of their mode of financial operations (Nkem, 2017). They include, for example:

A rational ROSCA, which is one in which each participant contributes a set sum of money, which is then distributed to a participant during the group's regular meetings (Tengeh & Nkem, 2017:7). For example, a group of ten who decide to meet once a

week and contribute R200 each making an amount of R2000. One member is given the pot or lump cash at each meeting, and that person has the discretion to select how to spend it (Khan & Ali, 2021:445). The process continues until the last person receives the pot as agreed upon by the group members (Tengeh & Nkem, 2017).

Savings ROSCAs are often referred to as saving clubs or contribution groups. According to Matuku and Kaseke (2014) saving clubs usually contribute a fixed amount of money from which payments are distributed to members or used to carry out a particular project or event by the group after an agreed upon cycle, they set a goal for an amount that must be saved and collected (Khan & Ali, 2021). The funds are not spent or distributed to any members but are instead stored until they are required (Matuku & Kaseke, 2014; Nkem, 2017).

Investment ROSCA: According to Tengeh and Nkem (2017), the main aim of investment is to generate capital through investments in business projects. Bulk purchases of commodities and assets encourage savings. Members make regular, monthly contributions of a set sum of money (Matuku & Kaseke, 2014). The money is accumulated for some time before investing in business projects (Matuku & Kaseke, 2014:506). Rational, saving, and investment ROSCAs are the most used by Immigrant entrepreneurs, mainly African Immigrant Entrepreneurs (Tengeh & Nkem, 2017).

Random ROSCA: While the literature commonly categorises ROSCAs into Rational ROSCAs, Savings ROSCAs, and Investment ROSCAs, empirical evidence from immigrant communities suggests the emergence of hybrid, adaptive and commonly used forms of ROSCAs that do not strictly conform to these typologies. One such form is the *Random ROSCAs*, in which payout order is not predetermined by fixed schedules or formal rules but is instead determined through random selection, negotiated sequencing, urgency-based prioritisation, or mutual agreement among members (Dinh, Nguyen, and Nguyen, 2025). Random ROSCAs reflect the flexible and trust-based nature of informal financial institutions, particularly in migrant and low-income contexts where members face volatile income streams, business shocks, and uneven capital needs (Dinh, Nguyen, and Nguyen, 2025).

Unlike Rational ROSCAs, which emphasise structured governance and strict contribution enforcement (Tengeh & Nkem, 2017:7), and Savings ROSCAs, which prioritise fixed rotational payouts (Khan & Ali, 2021), Random ROSCAs operate

through adaptive arrangements that allow members to adjust payout timing based on immediate financial needs and social obligations (Dinh, Nguyen, and Nguyen, 2025). Although Random ROSCAs do not have well-structured governance, they do have coordinators and assigned leaders who supervise the gathering of funds on the table on meeting days or before meeting days (Dinh, Nguyen, and Nguyen, 2025). This form of ROSCA is particularly relevant within immigrant entrepreneurial communities, where financial precarity, exclusion from formal financial institutions, and reliance on social capital necessitate greater flexibility in informal financial practices.

2.4.3.5 The Acquisition of Capital Factors in ROSCAs' Participation

The achievement and flexibility of the use of ROSCA can be credited to the transactions and mix of various capital elements. As individuals travel, they carry a variety of ROSCA to their host nations. These financial strategies are embedded into a particular culture (Hossein 2017). ROSCA, as an institution, is entirely built upon mutual trust and reputation, where the members make the rules and regulations that govern the contributions and distributions of funds to each member (Matuku & Kaseke, 2014).

Research studies on ROSCAs have shown that capital factors such as savings and credits, commitment and self-control, risk management, solidarity, social insurance, information sharing, and business services are being acquired through ROSCA participation (Banerjee & Duflo, 2011; Hossein, 2017; Otudor, 2020). These are key factors of attraction for Immigrants to join ROSCA. As a member, one needs to be a person of integrity, sincerity, solvent, and known to others; these have been the drive behind the successful operation of self-help institutions such as ROSCA by enclave communities (Otudor, 2020).

Participants in ROSCA may bring various capital factors together and acquire important capital factors within the institution. Banerjee and Duflo (2011), two Nobel Laureates in Economics, with their book entitled "Poor Economics," show significant capital factors development and acquisitions among ROSCA participants. According to Banerjee and Duflo (2011), the ability of a ROSCA member to borrow and invest in a business and complete the run without default was enhanced by management knowledge, information sharing, self-control, and commitment.

Self-control is developed and strengthened through constant practice; therefore, participation in ROSCA may enhance and strengthen the culture of self-control (Banerjee & Duflo, 2011). In addition, ROSCA participation helps its members achieve their goals through commitment (Banerjee & Duflo, 2011). A capital-factor, such as commitment, is training that can assist someone to overcome challenges and acquire something important (Sandsor, 2010). Furthermore, saving discipline, improved accountability, improved financial planning, improved contribution commitment, goal setting and achievement are strengthened by self-control and commitment within ROSCA (Banerjee & Duflo, 2011).

Saving and credit within ROSCA promote the accumulation and circulation of funds as well as creating a network of opportunities (Matuku & Kaseks, 2014; Sandsor, 2010). These vital economic capital factors may facilitate the smooth operation of Immigrant business services such as buying in bulk, which is a business strategy to minimise transportation costs (Sandsor, 2010). In a ROSCA meeting, members gather to contribute money to a standard pot, during the meeting time, important Business Information such as better market location, information on less crime areas, high demand areas, buying patterns and customer feedbacks, financial information, use of technology, information of accommodation sharing for business purposes, information on the location of companies that can supply goods at affordable prices are being shared among the members (Baland, Guirkinger, & Hartwig, 2019).

2.4.3.6 ROSCA organisational planning to mitigate the effects of shocks among its members

An important starting point for minimising risk in ROSCA operations is for the organisation to obtain legal recognition in the country of operation. However, many Immigrants operate their ROSCAs without any form of registration with the government or any legal financial institutions (Khan & Ali, 2021). According to Matuku and Kaseke (2014), Immigrant entrepreneurs are bound to operate like that because some of their members do not have valid documents, so they operate based on trust and solidarity through collaboration and information sharing while tolerating any risk that may show up. However, as an institution, they have adaptive and proactive measures put in place to manage the organisation's affairs and minimise any risk that may arise. By so doing, the members make the rules and regulations that govern the contributions and distributions of funds to each member (Matuku & Kaseke, 2014).

ROSCA appoints its leaders to audit contributions and members' behaviours (Otudor, 2020). Since ROSCAs are often formed with members of close relationships and are known to each other, the internal governing structure is therefore strengthened to handle shocks that may arise within the organisation (Otudor, 2020). The organisation enforces its rules and regulations by imposing fines and sanctions (Otudor, 2020). By collecting fines from members, the institution can build buffers (Khan & Ali, 2021).

According to Ratemo (2023), reserve funds are given as loans to any member who is in a shocking situation to assist in alleviating the problem. Most ROSCAs are often organised in such a way that every member is committed to contributing extra funds, which are kept as reserves (Otudor, 2020). A study conducted by Ratemo (2023) in Ongata Rongai, Kenya, highlighted key strategies used by ROSCA to minimise shock among its members, including increasing savings to improve the organisation's capabilities and abilities to cushion shock and designing a sound social protection plan to assist members during a crisis.

2.4.3.7 Integrative Role of ROSCAs Beyond Finance

Apart from their financial function, ROSCAs operate as social and informational platforms through which immigrant entrepreneurs collectively respond to multiple non-financial challenges encountered (Kharisma, Remi, Hadiyanto and Saputra, 2020). ROSCAs provide financial literacy and information sharing while creating education opportunities for its members. Regular ROSCA meetings create structured spaces for networking, trust-building, and the mobilisation of mutual assistance among members (Govindasamy & Viswanathan, 2020). Through these interactions, entrepreneurs share critical information such as safer business locations, that may enable members to relocate away from insecure or crime-prone areas (Govindasamy & Viswanathan, 2020). ROSCAs also facilitate solutions to language barriers, as members frequently connect struggling entrepreneurs with co-nationals or multilingual individuals who can assist with customer interaction, interpretation, and negotiation. When ROSCA members come together, it creates a platform for them to interact, building social capital capable of promoting mutual support, improving financial commitment and self-control, and promoting responsible financial behaviour (Govindasamy & Viswanathan, 2020). They used their meeting ground to create networks to support access to labour, accommodation, suppliers, and informal protection strategies through ethnic and social ties. These practices are particularly

evident in township, peri-urban, and rural settings in South Africa, where formal support structures are limited and immigrant entrepreneurs rely heavily on collective organisation. As such, ROSCAs function not merely as financial institutions but as multi-dimensional support systems that integrate financial, social, and informational capital to enhance business survival and resilience.

2.5 THE THEORETICAL FRAMEWORK UNDERPINNING THIS STUDY

The theoretical framework is a pathway guiding research. It comprises theoretical values, ideas, concepts, and boundaries of the theory (Grant & Osanloo, 2014). A framework for a research study is built upon an existing theory in a field of consideration that is related to the study (ibid).

The proposed study is underpinned by the Social Capital Theory (SCT). The reason for considering this theory is that, in Ethnic Entrepreneurship Theory (EET), it is seen that Immigrant entrepreneurs use social networks as a strategy to mobilise resources and support business operations (Zhou, 2004). In Blocked Opportunities Theory (BOT) they use social networks to share Business Information and investment opportunities (Egbide et al., 2020).

In Ethnic Niche Theory (ENT), Immigrant entrepreneurs use social networks to support business activities within their communities (Clark & Drinkwater, 2000), and in EET, Immigrant entrepreneurs use solidarity and social networks to explore business opportunities within the Immigrant communities and/or within the mainstream economy (Clark & Drinkwater, 2000; Wilson & Portes, 1980; Zhou, 2007). Since social networks happen to be common among these theories, the study therefore considers the SCT for a better understanding of African Immigrant entrepreneurship in the City of Cape Town.

In addition, the SCT is considered in that small business performance and coping ability are assumed to be the result of a combination of multiple resources, such as social, economic, and human resources, through social networks (Bates, 1985). This theory, based on networks, is believed to contain critical capital elements capable of determining and strengthening the functionality, sustainability, and success of ROSCA as a financial institution used by Immigrant entrepreneurs.

2.5.1 Social Capital

Social capital is defined as the level of relational trust, networks, value, norms of reciprocity, mutual aid and cooperation that a group of individuals or communities can use to facilitate collective action (Coleman, 1988:98; Pendle, Mock, & Theall, 2020). This action constitutes those elements of the social structure that can be utilised to achieve specific interests when using social capital resources (Putnam, 1995).

According to Coleman (1988), social capital is a relationship created by a group of individuals or family members to transmit resources like knowledge, skills, and finance to boost economic development. These two perspectives were integrated by Nahapiet and Ghoshal (1998), who defined social capital as the sum of the potential and actual resources incorporated into, accessible through, and generated by networks of social support and trust among groups of people, as well as networks of reciprocity and solidarity. According to Burt (2009), social capital refers to the relationships constructed at the level of friendship, in which all parties generally share the opportunity to utilise finance and human capital in the relationship.

Historically, social capital can be traced back to work of Hanifan (1916). Hanifan reiterates the significance of social cohesion in improving academic achievement in the countryside in the United States (Vitolas, 2011). However, some scholarly works have argued that the concept of social capital originated with current researchers such as James Coleman and Robert Putnam. Nonetheless, the idea of social capital gained popularity when Putnam applied it to assess the performance of the Italian local governments and applied it to the US policy challenges (Putnam, 1995).

Putnam used the idea of social capital to explain how civic engagement traditions achieved success in some Italian regions and were institutionalised over time, leading to successful political and economic institutions (Putnam, 1995). These traditions were operationalised as associational activity, electoral turnout, and preferential voting. According to Berzina (2011), social capital is rooted in human nature, which allows humans to form associations. These associations are built upon social norms, motivation, trust, reciprocity, and networking, which help people maximise the use of their services together with others to tap into resources capable of helping groups of individuals in their various types of economic activities (Berzina, 2011).

Social capital can play a crucial role in determining the functionality, sustainability, and success of a group through effective networking (Alghababsheh & Gallear, 2021). Different dimensions of social capital have emerged in scholarly discourse to explain the key tenet of social capital, which is based on the network of relationships and valuable resources that enable collective action among groups of individuals (Alghababsheh & Gallear, 2021). The concept of networking in this regard is better understood through the lens of the dimensional factors of social capital, specifically structural, cognitive, and relational social capital (Alghababsheh & Gallear, 2021). Kostova and Roth (2003) propose structural and relational social capital as two primary perspectives based on their value in networking.

Structural capital refers to the general arrangement of relationships between suppliers and customers (Nahapiet & Ghoshal, 1998). The view of structural social capital is based on social network theory, which contends that the structure of relationships is what gives people worth (Baker, 1990). Essentially, structural dimension encompasses two key network structures: networks of information and networks of collaboration, which focus on the connections between groups of individuals (Kostova & Roth, 2003). The existence, regularity, and intensity of social connections between groups of individuals are reflected in structural capital (Tsai & Ghoshal, 1998).

The relational approach, on the other hand, maintains that what creates value for people is the nature of the interaction inside the structure (Kostova & Roth, 2003). According to Burt (2003), relational capital is the goodwill that has been built up over time through frequent encounters between a supplier and a buyer. In other words, these relationships are built through networks of reciprocity and solidarity, as well as networks of social support and trust (Alghababsheh & Gallear, 2021). According to Nahapiet & Ghoshal (1998), relational capital is a multifaceted notion that includes friendship, trust, obligation, and respect in the connection between a buyer and a supplier. Based on this conceptualisation, Nahapiet and Ghoshal (1998) suggest that social capital is a multifaceted concept comprising structural, cognitive, and relational capital.

According to Nahapiet and Ghoshal (1998), cognitive capital refers to the resources that offer common representations, interpretations, perceptions, and meaning systems within the connection. When a buyer and supplier share a common language and set

of values, norms, and understandings (Nahapiet & Ghoshal, 1998), and have a similar business mindset, cultural goals, and vision (Alghababsheh et al., 2021), cognitive capital is evident. According to Aldrich and Meyer (2014), social interactions are the social processes and activities that take place between the provider and the buyer to organise and structurally embed the connection.

Despite the widespread use of the concept of social capital, the theory has been criticised for its vagueness and variability, its positive and negative significance, which makes it unsuitable and unclear (Claridge, 2018). According to Claridge (2018), for someone new to SCT, the task may appear overwhelming. This is because the theory of social capital encompasses various levels of evaluation, multiple meanings, and terminology that are frequently employed interchangeably (Fine, 2002). While some authors use the term dimensions, others employ terms such as types, forms, or functions (Claridge, 2018:2). The exact meaning of these phrases remains unclear. They are even used interchangeably (Claridge, 2018). Another illustration would be a researcher who is interested in trust but instead refers to it as social capital; in this case, the researcher has disregarded the other components of social capital by equating social capital with the concept of trust (Claridge, 2018).

The researcher is aware that there are differing views on the definition, dimensions, and construction of Social Capital Theory. However, Social Capital Theory is chosen as one of the most applicable theories for the proposed study. The theory of social capital is considered appropriate for the proposed study because it underpins the benefits resulting from social networks and relationships, which help to improve task performance among a group of individuals, producing important social and economic outcomes (Putnam, 1995). The theory of social capital postulates that factors such as networking are critical in disseminating information needed by Immigrant entrepreneurs to operate successful businesses (Okerue, 2018).

Theories of social capital have significantly contributed to the body of knowledge about issues of Immigrant Entrepreneurship and coping ability (Otudor, 2020). For instance, a study conducted by Okerue (2018), titled Coping mechanisms of African Immigrant Entrepreneurs in the small business sector in southern Africa, concluded that elements of social capital are associated with the coping abilities of African Immigrant Entrepreneurs. In another study titled How does family capital influence the resilience

of family firms? the findings revealed that social capital factors contributed to the ability of the business to absorb shocks, reallocate resources, and improve business and organisational resilience, allowing the business to cope with future disturbances (Otudor, 2020). Similarly, social capital is vital to economic efficiency, coping ability, and flexibility among African Immigrant Entrepreneurs in South Africa (Okerue, 2081). Many Immigrant entrepreneurs in South Africa make use of social capital elements, providing information resources (Shingirirayi & Tengeh, 2021); therefore, this theory is considered critical to an entrepreneurial venture.

Furthermore, the Social Capital Theory postulates that networks of personal collaboration, social support, networks of information, reciprocity, and solidarity produce value for people as they provide resources that can be used to achieve desired economic outcomes (Okerue, 2018). According to Pendley et al. (2020), one of the major driving forces of informal financial institutions such as ROSCAs is social capital. According to Fatoki (2014), Immigrant entrepreneurs often utilised ROSCA institutions to leverage these capital elements together, strengthening their business operations to enable sustainability.

Social capital enables ROSCA members to undertake collective action and respond to challenges and shocks (Otudor, 2020). Indeed, elements of social capital may make entrepreneurs using ROSCAs more resilient and competitive. However, this does not sum up to overall business success; more solid principles of running both the ROSCA institution and a business are also vital (Otudor, 2020). The contemporary use of Social Capital Theory to evaluate resilience in times of challenges and shocks encountered by small business owners or groups of people tends to open new ways to explore and analyse their coping strategy and ability to respond to shocks (Pendley et al., 2020). Regarding the on-going development of Social Capital Theory, the concept of social networks is further elaborated below.

2.5.2 Social Networks

Networking is the process of people coming together and building relationships to transmit resources that will benefit all parties (Pendle et al., 2020), exchange ideas and information, and promoting economic development (Coleman, 1988:99). According to Spenelli & Adams (2012), networks can serve as a catalyst for creativity and new ideas in addition to providing beneficial interpersonal interaction. This could

imply that the network of individuals with comparable experiences motivates the African immigrant business owner. According to Johannisson (1990), an entrepreneur's networks are their most strategically important asset, which supports the idea that social networks are critical to business operations and development. Such networks may be the sole way for Immigrants, especially African Immigrants, to obtain vital resources in South Africa. Business start-ups require labour, money, skills, and information. Entrepreneurs may not possess all these critical resources; as such, they will need to utilise their contacts to supplement these resources (Fatoki, 2014). An excellent technique for obtaining the required resources is always through the networks that the entrepreneur has established (Okerue, 2018).

2.5.2.1 Networks of information

A network of information is the process by which a group of individuals comes together to share their experiences and knowledge in an informed way to boost opportunities (Duan et al., 2021). According to Egbide et al. (2020), groups of individuals, such as Immigrant entrepreneurs, utilise these networks to share important Business Information, like financial, business, investment, and the use of technology to improve their business activities. When ROSCA members gather, information is shared, and those who have been in business for a long time use their experiences to motivate less knowledgeable members or those who struggle in business to recover and re-establish themselves after hardship and shock (Otudor, 2020: 22).

De Hass (2010) advances the notion that Immigrants have networks that inform them on how to start a business, where business opportunities are found, what type of business can be successful in the area, and where to obtain business items at affordable prices. Such a network of information is formed by earlier migrants who are often consulted to obtain vital information before making choices to start a business (Brzozowski & Ciniglio, 2021). Networks of information in the context of Immigrant entrepreneurial-led ROSCA present a unique opportunity to handle business challenges and promote the flow of Business Information among its members (Duan et al., 2021).

2.5.2.2 Networks of solidarity and reciprocity

A network of solidarity and reciprocity is a process by which a group of individuals creates a support system to provide mutual aid and promote the well-being of the

group members in times of difficulties and shock (Ojong, 2019; Putnam, 1995). According to Pendle et al. (2020), the norms of reciprocity and solidarity are used by a group of individuals or a community to facilitate collective action that can be used to achieve specific interests. Collective action provides members with the necessary support in times of difficulty, such as illness, funerals, and emergencies (Coleman, 1988).

According to Fatoki (2014), Immigrant entrepreneurs often utilised reciprocity and solidarity to channel financial support to their members, thereby strengthening their business operations. For example, Immigrant entrepreneurs using ROSCA offer a rapid financial response to their members facing business challenges; this practice of solidarity has fostered a sense of belonging within the members (Otudor, 2020). Additionally, mutual support and solidarity have significantly contributed to African immigrant entrepreneurial coping ability within the Immigrant communities in South Africa (Shingirirayi & Tengeh, 2021).

2.5.2.3 Networks of collaboration

A network of collaboration is the process by which a group of individuals agrees and works together for a common purpose (Fatoki, 2014). Immigrant entrepreneurs require capital and other essential resources to support their business operations. These resources can be obtained through a collaborative effort aimed at achieving shared goals. According to Fatoki (ibid), Immigrant entrepreneurs often utilise networks of collaboration as a collective framework to pool financial resources together to assist their business endeavours.

Collaboratively, Immigrant entrepreneurs obtain vital resources like savings and credit to maintain cash flow in their businesses (Sandsor, 2010). They go as far as starting joint businesses and sharing business premises to lighten the rent burden while promoting teamwork and strengthening social ties in the process (Okerue, 2018; Sandsor, 2010). Immigrant entrepreneurs benefit from social networks of collaborative interactions in self-help groups such as ROSCAs. At these gatherings, they can work together to establish suppliers, handle licences and taxes, and devise a more effective way to set prices for their products and services (Kerr & Mandorff, 2023).

2.5.2.4 Networks of Social Support

A network of social support is defined as a support mechanism based on mutual support carried out by a group of individuals during difficult times (Aldrich & Meyer, 2014). According to Aldrich and Meyer (ibid), a network of social support is used to address vulnerability experienced by community members. Such practice is common among the Immigrant community in their host countries (Xu & Jiang, 2020). In case of shocks, a support network is used to mitigate the situation and promote recovery through the provisions of financial resources such as loans and gifts and non-financial resources such as shelter, information, and emotional support (Aldrich & Meyer, 2014; Ibrahim, 2020). For example, in 2008, a xenophobic attack broke out in South Africa affecting many of the Immigrant entrepreneurial communities, and a network of social support was used as a mechanism to channel financial and emotional support to those who were severely affected (Longinus & Mbagwe, 2021).

Through a network of social support, Immigrants, mainly African Immigrant Entrepreneurs in South Africa, have been able to build and strengthen their entrepreneurial resilience (Shingirirayi & Tengeh, 2021). According to Banerjee & Duflo (2011), a network of social support not only motivates a community but also enhances and improves the level of commitment and self-control among members of such a community of mutual support. Immigrant entrepreneurs benefit from networks of social support through the formation of self-help groups such as ROSCAs. In their ROSCAs gatherings, they mobilise financial support to assist their business operation (Kerr & Mandorff, 2023).

2.6 A CONCEPTUAL FRAMEWORK DEPICTING THE RELATIONSHIP BETWEEN SOCIAL CAPITAL THEORY AND BLOCK OPPORTUNITIES, ETHNIC NICHE THEORIES AND ETHNIC ENCLAVE THEORY

The conceptual framework is based on the literature review and depicts how the Blocked Opportunities Theory (BOT) and the two Ethnic Theories relate to Social Capital Theory. This framework is established to describe how key elements of BOT and the two Ethnic Theories relate to social capital theory, providing a better understanding of Immigrant Entrepreneurship.

The Blocked Opportunities Theory (BOT)

As previously mentioned, the BOT posits that self-employment is triggered by structural barriers, such as discrimination, legal status, and the non-recognition of credentials, faced by Immigrants in the host country's labour-market (Sander & Nee, 1996; Heilbrunn & Kushnirovich, 2008). However, a commonly stated reason for Immigrant self-employment is social exclusion in the form of discrimination (El Bouk, Van Geel & Vedder, 2022). Many of these Immigrants find it challenging to locate their businesses in strategic premises, obtain financial services from traditional banks, and find suppliers and clients (Bede, 2018; Guzy, 2006). As such, they form support groups such as ROSCA to navigate business start-up and operation challenges (Bede, 2018: 24). In addition, Immigrants easily form networks in which they collaborate among themselves, provide support and share vital information (Duan et al., 2021). According to Egbide et al. (2020), vital information such as business and investment opportunities is easily obtained within these groups of Immigrants through their networks. The availability of social networks serves as a coping mechanism, facilitating access to self-employment activities.

The Ethnic Niche Theory

The Ethnic Niche Theory also attempts to uncover and explain the reasons why most Immigrants turn to self-employment. It postulates that Immigrants are pulled into self-employment due to the business opportunities found within the Immigrant communities and in the host country (Clark & Drinkwater, 2000). The theory further states that Immigrants are pulled into self-employment not only because of business opportunities, but also because they are motivated by the embedded entrepreneurship abilities from their countries of origin (Cruz, de Queiro-Falcao, & Mancebo, 2019).

In addition, the presence of ethnic communities facilitates successful business entry through insider knowledge and ethnic referrals (Clark & Drinkwater, 2000). Additionally, the presence of an economic environment conducive to self-employment activities promotes the formation of social support networks to support business activities. It provides a supply of labour through families and relatives with an understanding of the common language and culture within the ethnic communities (Clark & Drinkwater, 2000).

The Ethnic Enclave Theory

The Ethnic Enclave Theory uncovers how the concentration of Immigrant groups in a particular location facilitates the operation of a variety of small businesses serving their ethnic market or the general population (Portes & Jensen, 1987). An ethnic enclave is built on ethnic solidarity and social networks, and entrepreneurs within the ethnic enclave find business opportunities within the Immigrant communities and/or within the mainstream economy (Clark & Drinkwater, 2000:2; Wilson & Portes, 1980; Zhou, 2007). In addition, Immigrants are motivated to enter entrepreneurial ventures where initial start-up capital is easy to raise (through ROSCA) and the cost of running the business is low (Xie & Gough, 2011:1295).

Self-employment among ethnic enclaves is motivated by the availability of human capital skills, like ethnic language and cultural knowledge, which foster business success (Xie & Gough, 2011). Through these, they can build strong social network bonds among the ethnic labour force and the ethnic employers (Wilson & Portes, 1980). In most cases, ethnic labourers are pulled into self-employment due to prior experience or knowledge, entrepreneurial desire, and the need for personal improvement (Duan, Kotey & Sandhu, 2021). However, the desire for self-employment within the tenet of the above-mentioned theories could be linked to social networks and the ability of these Immigrants to use these networks

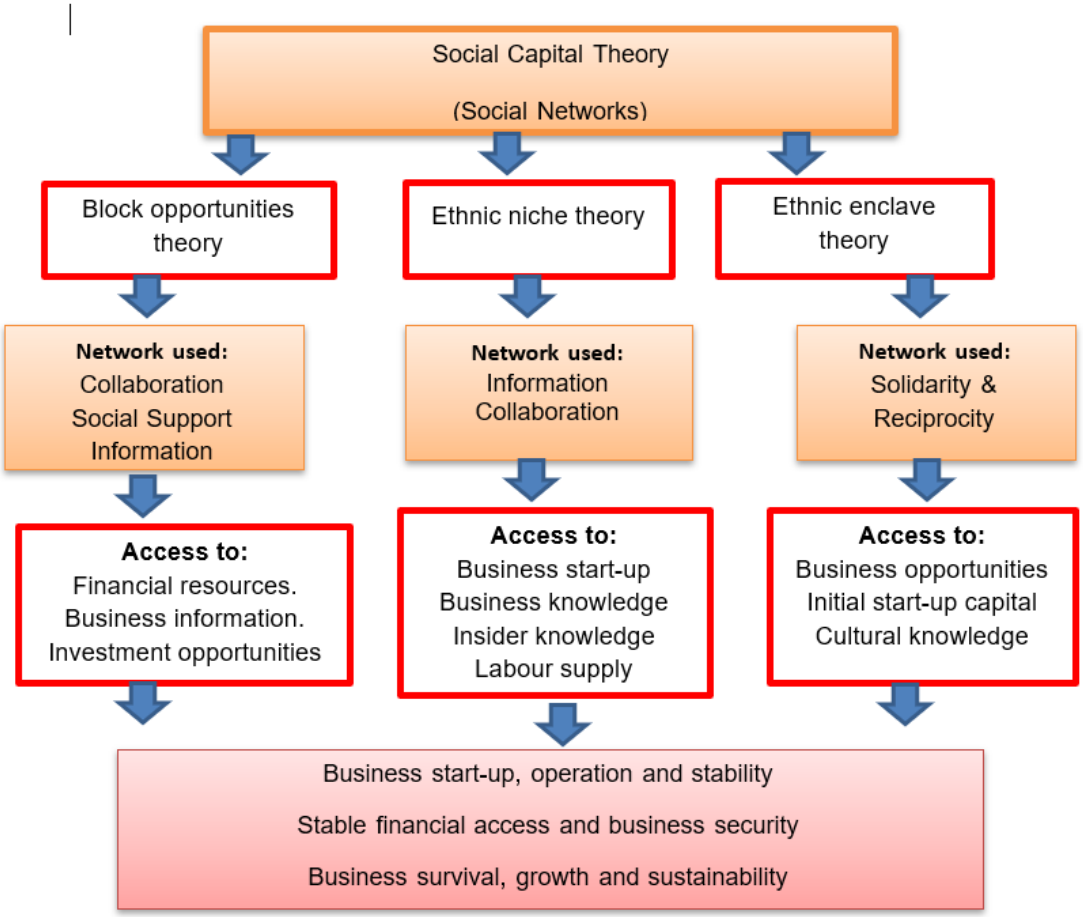


Figure 2.1: A Conceptual framework depicting the relationship between social capital theory and block opportunities, ethnic niche theories and Ethnic Enclave Theory *(Source: Researcher's construct)*

2.7 CONSTRUCTION OF A FRAMEWORK FOR THE EFFECTIVE USE OF ROTATING SAVING AND CREDIT ASSOCIATIONS AS A COPING STRATEGY FOR AFRICAN IMMIGRANTS' SMALL BUSINESSES IN THE CITY OF CAPE TOWN

The proposed framework for this study is based on the suggestion that for a business to overcome challenges and continue operation, there must be intervention forces to help the business generate revenue that should be equal to or greater than the business operation cost. Furthermore, this study suggests that African Immigrants cope with their businesses because of their ability to form and use informal financial institutions such as ROSCAs, which are considered institutions embedded with capital elements that can sustain their businesses beyond three years. Therefore, this study

explores the use of ROSCA as an institution by African Immigrant Entrepreneurs to find out those factors that are linked with their business coping abilities in the City of Cape Town, South Africa. In this study, small business coping ability is assumed to be due to the relevant stakeholders within the ROSCA institution leveraging their capital elements and strengthening their business operations (Fatoki, 2014).

From the review of scholarly work, evidence is obtained to form the basis of the construction of a framework for the effective use of rotating savings and credit associations as a coping strategy for the sustainable growth of African Immigrants' small businesses in the City of Cape Town area. The construction of the proposed model will be based on the following factors obtained from the literature review: motivation through networks of information (Duan, et al., 2021), risk and shock management through networks of reciprocity and solidarity (Berzina, 2011; Ojong, 2019; Putnam, 1995), shared Business Information through networks of information, sufficient reserve through networks of collaboration (Egbide, et al., 2020), asset building through networks of social support (Ibrahim, 2020; Bourdieu in Richardson, 1986; Xu & Jiang 2020), saving and credit through networks of collaboration (Sandsor, 2010), commitment and self-control through networks of social support (Banerjee & Duflo, 2011).

The proposed model is represented mathematically as:

ISBCASG = f (M, RSM, SBI, SR, AB, SC, CSC) …… (1)

The above equation means that Immigrant small business coping ability and sustainable growth depend on several ROSCA factors including M, RSM, SBI, SR, AB, SC, and CSC.

On the above equation, the dependent variable is represented by ISBCASG, and the independent variables are represented by M, RSM, SBI, SR, AB, SC, and CSC.

Where:

ISBCASG = Immigrant small business coping ability and sustainable growth.

M: Motivation

RSM: Risk & shock Management

SBI: Shared Business Information

SR: Sufficient Reserve

AB: Asset Building

SC: Saving and Credit

CSC: Commitment and Self-control

In consideration of the nature of the research questions that this study intends to address, coupled with the data type, the stated model will not be tested statistically but will only be used as a guiding conceptual framework.

2.8 CHAPTER SUMMARY

The review of relevant literature mainly covered seven sections. The first section addressed Immigrant Entrepreneurship and self-employment. It highlighted the definition of entrepreneurship, Immigrant entrepreneurs, and African Immigrant Entrepreneurs. It further discussed the motivations for Immigrant self-employment. The second section explored Immigrant entrepreneurial characteristics. The third section look at the personality attributes of entrepreneurs, and the fourth section analysed the literature on Immigrant entrepreneurial contributions to the host country's economy. The fifth section focused on African Immigrant entrepreneurship in South Africa and deliberated on aspects such as challenges faced by African Immigrant Entrepreneurs and the approaches to these challenges. The sixth section focused on the theoretical framework underpinning the study. The seventh section presented a proposed framework for the effective use of rotating savings and credit associations as a coping strategy for African Immigrants' small businesses in the City of Cape Town. The next chapter will look at the research methodology used to conduct the fieldwork.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter presented a substantial review of literature on Immigrant Entrepreneurship and the use of ROSCAs as an alternative means of business finance. This chapter focuses on the research methodology and design and builds on the following sub-topics: research paradigms, research design, data collection and analysis, and ethical considerations. This qualitative study used first-hand observations, two-stage interviews (personal and focus group) conducted in a natural environment and records non-numerical data. A phenomenological research design based on an interpretive research paradigm is used to study how African Immigrant Entrepreneurs used ROSCAs as a coping strategy to sustain their businesses.

3.2. THE RESEARCH PROCESS

3.2.1 Research Paradigm

According to Creswell (2013), for any research to proceed, a research paradigm should be considered at the point of departure. A research paradigm is a philosophical set of ideas, beliefs, values, and assumptions that informs how researchers approach a study (Creswell, 2013). There are several types of research paradigms, among which are these prominent ones: positivism, realism, interpretivism, and pragmatism (Kusumawardhani, 2013). A researcher can use either one or both paradigms to guide a research approach whether quantitative and qualitative. The table below shows a comparison of these four research paradigms.

Table 3.1 Comparison of four Research Paradigms in Social Science Research

	Positivism	Realism	Interpretivism	Pragmatism
Ontology The researcher's view of the nature of reality	External objective, and independent of social actors	Objectives exist independently of human thoughts and beliefs or knowledge of their existence (realist), but is interpreted through social conditioning (critical realist)	Socially constructed, and subjective reality change, multiple	External, multiple views chosen to enable best answering of research question
Epistemology The researcher's view concerning what establishes acceptable knowledge	Only observable phenomena can provide credible data and facts. Focus on causality and law like generalisations, reducing phenomena to simplest elements	Observable phenomena that provide credible data. Insufficient data means inaccuracies in sensations (Direct realism). Alternatively, phenomena create sensations which are open to misinterpretation (Critical realism). Focus on explaining within a context or contexts	Subjective meanings and Social phenomena. Gain knowledge by understanding the meaning and interpretation of individual experiences. Focus upon the details of situation, and the reality behind the details.	Either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research, integrating different perspectives to help interpret the data

Source: Saunders et al. (2009)

Developing an appropriate framework for the effective use of ROSCA by Immigrant entrepreneurs as a coping strategy for sustainable business operation requires a deeper understanding of how these individuals navigate the business environment. Therefore, the development of this framework was based on the knowledge gained

from the reality and details of the situation in which this group of individuals encountered in their business venture.

An interpretivist paradigm informed this study. The interpretivist paradigm, which emphasises how individuals construct meaning from their experience (Creswell, 2013:17; Yin, 2011:15), was considered highly relevant for the study since the research seeks to understand how these African Immigrant Entrepreneurs interpret and make sense of the situation encountered in their entrepreneurial ventures. Among the different types of paradigms, an interpretivist epistemology is frequently used by qualitative researchers to study individuals or groups of individuals (Creswell, 2013; Mlotshwa, 2022).

This is due to the effectiveness of qualitative inquiry when gathering information from individuals or groups of individuals using face-to-face interview (Creswell, 2013). The best source of factual data on African Immigrant Entrepreneurs' business operations for this study was their contacts with the business community. Although all Immigrant entrepreneurs may face the same phenomenon of challenges in business operations, they all have different viewpoints.

To understand several meanings, this study looked at African Immigrant Entrepreneurs from their viewpoints to understand the phenomenon. The researcher considered that the interpretivist paradigm perfectly aligns with a phenomenological research design. This is because it emphasises the understanding of individual subjective experience and attached meaning (Creswell, 2013:17). In addition, the interpretivist paradigm encourages that the researcher should interpret these experiences within the context of the participant's background and social influences (Creswell, 2013). Immigrant entrepreneurs' business operational objectives, challenges in their daily business operations, and business success views are recounted in this study via reports of their personal experiences. The participants' personal statements helped to explain different views and experiences.

3.2.2 Research Methodology

The chosen methodology for the study was a qualitative approach based on the research topic. A qualitative approach in social science research delves into the socio-cultural issues of a group or groups of individuals with the use of a non-quantitative approach (Ravitch & Carl, 2019; Rosenthal, 2016; Sutton & Austin, 2015). In

qualitative research, new knowledge is discovered in the process of data collection, which is used in evaluating participant experiences in more detail (Ravitch & Carl, 2019). Researchers in qualitative research seek to comprehend how individuals construct, interpret, and derive meaning from their natural surroundings (Ravitch & Carl, 2019). To produce a cohesive narrative of the experience and understand participants' experiences within their institutional and social context, it is advised to employ qualitative methodologies. When taking into consideration the social and institutional context, statistical analysis may help identify individual distinctions and uniqueness among people (Mlotshwa, 2022).

The current study produced a more realistic picture of the lives of African Immigrant Entrepreneurs on a qualitative level, rather than using a small number of theoretical assumptions to illuminate Immigrant entrepreneurial behaviour. This qualitative study focused on uncovering those critical capital elements that are linked with business coping ability and understanding the perspectives of African Immigrant Entrepreneurs on "what" and "how" they have encountered entrepreneurship (Soto-Acosta, Cismaru, Vatamanescu & Ciochina, 2016). According to Kim, Sefcik, & Bradway (2017), a discussion session with research participants during data collection generates meanings, experiences, and different viewpoints that are essential to qualitative research.

During data-gathering, discussions and interactions with research participants produce new knowledge (Ravitch & Carl, 2019). For example, by describing and interpreting phenomena, the qualitative approach expands individual knowledge (Creswell & Poth, 2016).

3.2.3 The Research Design

A comprehensive strategy that researchers use to collect data and create an evidence-based study is known as a research design (Creswell, 2014). The researcher logically and clearly integrates several study components to address the research problem (Vaus, 2001). According to Adams, Khan, Raeside, and White (2007), a study design establishes the steps for collecting and analysing the necessary data for data collection, measurement, and analysis to address research challenges.

Qualitative research consists of different designs that can be used in research, depending on the specific purpose of the study. Before defending the researcher's

choice of phenomenological design, it is essential to outline alternative possible designs to understand and contextualise this study within the qualitative paradigm properly. Examples of qualitative design include action research, case studies, ethnography, Grounded Theory, and phenomenology (Creswell 2014).

3.2.3.1 Action Research Design

Action research, also known as participatory action research, aims to improve conditions and procedures in healthcare settings (Creswell, 2014). Action research provides practical solutions that bring successful transformation in specific contexts (MacDonald, 2012). According to MacDonald (2012:38), action research strives towards resolving new or on-going issues that require collective thinking. The objective of action research is to explore how a community manages different challenges and finds possible solutions to address the situation within its boundaries (MacDonald, 2012).

3.2.3.2 Case Study Design

Case studies are used for inquiry in many fields. This design is used especially for evaluation in which the researcher conducts a detailed examination of a specific case (Creswell, 2014). Examples of specific cases could be a business, an individual, a family, a town or city, or an occasion. Activities in case studies are time-bound, and researchers gathered data over a sustained period (Yin, 2012). A case study can occasionally be used to generate hypotheses in the early phases of a study that could be thoroughly examined with more instances (Busetto, Wick & Gumbinger, 2020). A variety of data sources may be employed to guarantee greater understanding and a more comprehensive conclusion (Busetto et al., 2020).

3.2.3.3 Ethnography design

Ethnography is a research design coming from anthropology and sociology (Creswell, 2014). In ethnography, the researcher studies people's behaviour and language in particular situations by first-hand observation and note-taking (Creswell, 2014). Researchers immerse themselves in these unfamiliar circumstances, collecting data through observations and interviews over a lengthy period (Yin, 2012). Ethnographic research aims to learn about and describe the characteristics of the environment (Creswell, 2014; Yin, 2012).

3.2.3.4 Grounded Theory Design

According to Creswell (2014), Grounded Theory is a sociological research approach in which the investigator builds a broad, abstract theory of a procedure, activity, or interaction from the viewpoints of participants. This method of inquiry was developed by Glaser and Strauss in 1965. Several data-gathering steps, as well as the refinement and interaction of information categories, are used in this approach (Charmaz, 2006; Corbin & Strauss, 2007). Grounded theory attempts to explain why a course of action developed in the way that it did. Through the application of this method, theory is created, and themes are identified from interviews and documentation (Busetto et al., 2020). According to Maxwell (2012), a process of observation, reflection, and continuous comparative analysis is necessary for the development of a formal theory. Grounded theory is widely used and preferred by researchers who examine qualitative data (Smith, 2015).

3.2.3.5 Phenomenological Design

With a strong philosophical underpinning, phenomenological research typically involves conducting interviews (Giorgi, 2009). With roots in psychology and philosophy, this type of research design entails the researcher summarising the lived experiences of participants in a phenomenon to capture the essence of those experiences for many individuals who have all encounter it (Giorgi, 2009; Moustakas, 1994).

Studying a phenomenon through the participants' real-world experiences, a phenomenological design can provide a more precise and more in-depth understanding of the subject (Saunders & Townsend, 2016). Researchers who use phenomenological design to conduct their studies limit their data collection to the participants' meanings of life experiences (Yin, 2018). In phenomenological design, the researchers endeavour to set aside their expectations and biases to gain a more objective understanding of participants' experiences (Saunders & Townsend, 2016). In this design, data are collected through in-depth interviews and focus group discussions using open-ended questions, which encourage participants to share their stories and views freely (Yin, 2011). The collected data are analysed thematically by coding and categorising emerging themes and patterns across interviews and focus groups that capture the essence of the participants' experiences (Van Manen, 2019).

It is essential to highlight that the research did not follow the path of action research, as the researcher did not explore how a community manages different challenges and finds possible solutions to address the situation. The research equally did not follow the path of ethnography, as the researcher did not spend years studying a particular culture. Additionally, the study did not apply a Grounded Theory, which focuses on building theory-based evidence. However, in line with a phenomenological design, the researcher focused on African Immigrant Entrepreneurs who had first-hand knowledge and experience of a phenomenon in the study, more precisely on the use of ROSCA as a coping mechanism for small business operations.

This study adopted a phenomenological-informed qualitative case study design. While phenomenology was employed as the primary design framework to explore the lived experiences, meanings, and subjective interpretations of African immigrant entrepreneurs regarding their utilisation of Rotating Savings and Credit Associations (ROSCAs), the empirical structure of the research also reflected key elements of a qualitative case study approach. The study focused on a bounded social context of African immigrant entrepreneurs operating small businesses in the City of Cape Town and generated in-depth, context-specific insights through multiple qualitative data sources, including individual interviews and focus group discussions. The integration of phenomenological and case study logics enabled both experiential depth and contextual richness, thereby strengthening the analytical rigour and interpretive coherence of the study.

3.2.4 The Rationale for Selecting Phenomenology

A Phenomenological design was considered an excellent choice for this study because it aligned well with the research questions, which all focused on having an in-depth understanding of the real-world experiences of African Immigrant Entrepreneurs in the City of Cape Town, South Africa. The researcher sought to comprehend the African immigrant entrepreneurial journey, that is, their aspirations and achievements within their entrepreneurial environments (Saunders & Townsend, 2016; Yin, 2011). This was in line with the tenet of phenomenological study of exploring people's day-to-day experiences in real-life contexts (Yin, 2011).

The research questions explored factors that motivated, influenced, and challenged these African Immigrant Entrepreneurs. Therefore, this design allowed the researcher

to capture unique perspectives on self-employment, resource acquisition, business challenges, ROSCAs' role, and the impact of capital on their small businesses. That is, phenomenological design was fit for the research questions because it assisted the researcher to uncover the motivation behind self-employment, revealing how African Immigrant Entrepreneurs acquired resources, and revealing the challenges they encountered, which further assisted the researcher to gain an understanding of what makes ROSCAs attractive and fit for business survival.

Additionally, with the use of a phenomenological design, the researcher was able to learn about the participants' opinions regarding ROSCA as an alternative source of business funding, leading to suggestions for improvement based on practical experiences. The researcher did all possible to avoid using his predetermined notion of entrepreneurship to influence the outcomes (Husserl, 1999).

The researcher viewed the phenomenon in a new way by shedding the bias of prior knowledge and taking a different stance (Moustakas, 1994). This helped the researcher identify the underlying cause of the phenomenon. For understanding and evaluating the key components of the research problem, a phenomenological research design based on an interpretivist research paradigm was used to study how African Immigrant Entrepreneurs used ROSCAs as a coping strategy to sustain their businesses.

3.3 THE RESEARCH POPULATION

The unit of study comprises what or who should give the necessary information on the subject matter and at what level of collection (Fusch, Fusch, & Ness, 2017). A group of individuals or participants to be interviewed in a study is referred to as the study population (Fusch et al., 2017). Out of inquisitiveness, the researcher intended to study all African Immigrant Entrepreneurs. However, this was not possible due to time constraints and limited resources. On this basis, the research population was narrowed down to African immigrant small business owners in the City of Cape Town, South Africa. Furthermore, due to communication challenges and the fact that certain groups of African Immigrant Entrepreneurs were more visible than others, six countries with English as one of the official languages were chosen: Cameroon, Ethiopia, Malawi, Nigeria, Ghana, and Zimbabwe.

The inclusion criteria: participants were selected using no other measures other than that.

- The participants were from Cameroon, Ethiopia, Malawi, Nigeria, Ghana, or Zimbabwe.
- They needed to be current members of a ROSCA and had operating businesses.
- The business they operated had to be within the City of Cape Town.
- The business they operated had to be three years old or more.

Exclusion criteria: Participants who met the above stipulated criteria in the inclusion phase, but operate big businesses were excluded.

The inclusion criteria for the focus group were selected using no other means other than that, the group had to have operated ROSCAs and a business for at least three years or more. The exclusion criteria for the focus group were that participants who met the stipulated criteria but operated big businesses were excluded.

While there is a growing amount of literature on Immigrant Entrepreneurship around the world, literature on Immigrant Entrepreneurship in South Africa is scarce. This suggests that the number of Immigrant entrepreneurs in South Africa and in the City of Cape Town is unclear. The same applies to African Immigrant Entrepreneurs. To draw a sample from an unknown study population in terms of actual numbers, the snowballing technique is most used.

3.4 SAMPLING

According to Etkan and Bala (2017), sampling is the process by which a researcher chooses a subset of the population for a study, and the sample size is a representation of the unit of analysis. It can be extremely challenging or impossible to study the entire population of interest.

3.4.1 Sampling Type for the Study

A sample is a cross-section taken from a population (Brink, Van de Walt, & Van Rensburg, 2006). It was challenging to gather and analyse data from the whole of South Africa as indicated earlier due to time, financial, and access restrictions. Additionally, there is currently no official database of enterprises owned by African Immigrants in South Africa (Nkem, 2017). Therefore, the target population's size was

difficult to estimate for a study of this nature. A non-probability sampling technique in which no opinion of probability was used to obtain the elements needed for the research sample (Etikan & Bala, 2017). Etikan and Bala (2017:216) list "quota sampling, accidental sampling, judgemental sampling or purposive sampling, expert sampling, snowball sampling, and convenient sampling" as non-probability sampling techniques.

Among these six non-probability sampling techniques, the researcher made use of purposive sampling and snowball sampling. A combination of purposive and snowball sampling assisted the researcher in reaching the hard-to-reach population. The research participants among the African Immigrant Entrepreneurs, who participated in ROSCAs, such as those from Cameroon, Ethiopia, Malawi, Nigeria, Ghana, and Zimbabwe, were chosen using these two sampling techniques.

The researcher started by applying the purposive sampling technique. Purposive sampling is a method used when the researcher wants to search for people with specific characteristics that are vital to the study (Rahman, 2023). The researcher contacted one of the leaders of the African immigrant Associations within the City of Cape Town, as it was believed that these associations used ROSCA to keep their members together.

A letter was drafted requesting the participation of their ROSCA members in the study. After that, purposive sampling was employed. The study focused on entrepreneurs who were involved in ROSCA; therefore, a purposive sampling method assisted the researcher in selecting one or two of those ROSCA members who were operating small businesses. This was because not all the ROSCA members would automatically be entrepreneurs. Since financial information was not easy to obtain when conducting research due to security reasons, the researcher therefore included a snowball sampling technique in this regard.

A snowball approach is a procedure where study subjects are chosen through a network referral mechanism (Etikan & Bala, 2017). The snowball approach is used when the researcher has limited knowledge about the group or organisation being examined (Etikan & Bala, 2017). In this case, the researcher spoke with those African Immigrant Entrepreneurs using ROSCA who were identified through the application of purposive sampling techniques. They then referred the researcher to other African

Immigrant Entrepreneurs using ROSCA. The researcher followed up on all the references for interviews to reach a sample size of 34 within the City of Cape Town. The 34 African immigrant entrepreneurs were purposively sampled from 10 areas of the City of Cape Town (Bellville, Brooklyn, Delft, Goodwood, Khayelitsha, Maitland, Nyanga, Parow, Philippi, and Salt River). Participants were drawn from six countries, namely Cameroon, Nigeria, Malawi, Zimbabwe, Ethiopia, and Ghana. Of the 34 participants, 15 were Cameroonian, while the remaining 19 participants were distributed across the other five countries. This distribution reflects the accessibility of organised ROSCA groups during fieldwork and the empirical concentration of active ROSCA membership within certain immigrant networks, rather than a deliberate overrepresentation of any nationality.

The study involved multiple Rotating Savings and Credit Associations (ROSCAs) operating across the ten selected areas of the City of Cape Town. These associations were locally referred to by participants using different names, including Community Groups, Njangi, and Stockvel. Although labelled differently, these formations reflected the core operational principles of ROSCAs, namely collective savings, rotational or need-based payouts, and trust-based membership. The ROSCAs were not centrally coordinated across areas; rather, each area had its own ROSCA formations, often organised along ethnic or country-of-origin lines, although some groups were multi-ethnic in composition.

3.4.2 Sampling Size

A sample size is a portion or component drawn from a population for a study (Neuman, 1997). The researcher applied the strategy of collecting data until it reached data saturation (Creswell, 2014). There is disagreement on the precise number of participants required in a qualitative research sample. Boddy (2016) suggests a sample size of 10, whereas Croub and McKenzie (2006) advise a sample size of less than 20 for a homogeneous population. Fifty participants were suggested by Sandelowski (1995) as an adequate sample size for a qualitative study. In Grounded Theory research, a sample size of 20 to 30 is deemed adequate (Creswell, 2013).

According to Marshall and colleagues in Boddy (2016), a sample size of 20 is small, and a sample size of 40 is high. They suggest a sample size of 15 to 30 for case study research and a sample size of 20 to 30 for Grounded Theory. While Mutenmeri and

Chetty (2013) utilise a purposeful sample size of twenty-six, Spaten, Byrialsen, & Langdridge (2013) conducted phenomenological research using a purposeful sample of thirty. An intentional sample size of twenty was used in Nnabue's (2016:54) study on Immigrant small business success techniques to attain saturation in phenomenological research. Based on the above, the researcher settled on a sample size of 34 participants.

3.5 DATA SOURCES

The sources of data came from both primary and secondary sources. The process of collecting information directly from the source, for example, interviews with participants, is known as primary data (Vangelisti, 1992). While secondary data is the collection of important information relevant to a study but not part of the original investigation (Vangelisti, 1992), Primary data was collected using face-to-face interviews with semi-structured, in-depth, interview schedules with ROSCA members who have small businesses in the City of Cape Town. Secondary data on the use of ROSCAs by Immigrant entrepreneurs were gathered for this study. This information was gathered from university libraries, web pages of organisations, conference papers on Google Scholar, journal articles, and books relevant to the study. The secondary data assisted the researcher in formulating the conceptual framework for the study.

3.6 DATA COLLECTION METHOD

The process of data collection entails gathering vital information in a variety of ways, such as through interviews or direct observations (Creswell 2014:239; Dorsten & Hotchkiss, 2005). Interviews can be conducted in three specific ways, that is: structured interviews, which consist of prearranged categories of questions with few response categories; narrative or unstructured interviews, which consist of open-ended questions; and semi-structured interviews, which utilise both predetermined questions and open-ended questions (Rutberg & Bouikidis, 2018).

In the current study, the researcher conducted face-to-face interviews and focus group discussions with African Immigrants who use ROSCAs as their financial source to operate and sustain their small businesses in the City of Cape Town, with an interview schedule drafted on the topic. The researcher collected data using an in-depth, face-to-face interview and focus group discussions.

Two focus groups were arranged after the personal interviews to validate the themes that emerged from the interviews and to ensure that data is collected from multiple perspectives on similar phenomena to triangulate and improve the validity of the data. This method provided the researcher with the opportunity to obtain important information relating to the central topic (Rutberg & Bouikidis, 2018). The two focus group discussions, each comprising five participants, were conducted in Parow and Brooklyn. The participants were members of Muea Association Cape Town, Western Cape (MACAW) in Parow and Wa-aghem Association Cape Town, Western Cape (WAACAW) in Brooklyn. These two associations happen to be made up of Cameroonians who all belong to the general Cameroonian Association of Cape Town, Western Cape (KASWECA). The decision to conduct focus group discussions with these participants was informed by their preference for collective engagement, the cohesive nature of their ROSCA participation practices, and logistical accessibility. The remaining 24 participants from the other eight areas were interviewed through individual in-depth interviews. The combination of individual interviews and focus group discussions enabled both experiential depth and socially shared meanings to be captured. The interview was scheduled in the participant's setting through an appointment in a more conducive environment (Rutberg & Bouikidis, 2018).

The semi-structured interview with participants that was employed in this study was consistent with the study's aims to uncover those critical capital elements that are linked with business coping ability among African immigrant entrepreneurs in the City of Cape Town. Through direct interaction with the participants in their business environment, the researcher had the opportunity to learn about their experiences, including interviews on how they navigate their entrepreneurial journey, while identifying the current state of their entrepreneurial coping abilities.

3.6.1 Data Collection Instruments

According to Williams (2021), a method or tool used to gather information on a concept or phenomenon being studied is known as a research instrument. In qualitative studies, the researcher and the interview guide or observation checklist are the two main types of instruments available (Mlotshwa, 2022). The researcher uses these instruments to guide the collection of data required to address the primary research questions. Trotter II (2012) states that a variety of strategies, including interviews, observations, diaries, narratives, and focus groups, can be used to generate data. Due

to the need to understand African Immigrants' Entrepreneurial ventures, the researcher selected face-to-face interviews and focus groups with the aid of an interview guide as the instrument for data generation.

Gallagher and Zahavi (2020) reveal that due to the intimate nature of face-to-face interviews, research participants share important information that would be challenging to gather using other data collection techniques, such as questionnaires or even surveys. In this study, the researcher used in-depth interviews with open-ended questions. This is because in-depth interviews enable participants to thoroughly explain their experiences (Gallagher & Zahavi, 2020). The researcher believed that this approach would provide participants a platform to produce first-hand and detailed information that would assist the researcher in comprehending the situation from the viewpoint of African Immigrant Entrepreneurs.

To begin with face-to-face interview in phenomenology, the researcher starts by posing a general question, known as the tour question, which then leads the conversation to a deeper level (Van Manen, 2019). In the conversation, the context of the experience was established, after which the lived experience was constructed, which gave the researcher the opportunity to reflect on the meanings the interviewees gave to their expertise. According to Williams (2021), the quality of the information produced is significantly influenced by the type and quality of communication and the relationship between the researcher and the subjects.

Although the primary data collection instruments comprised in-depth individual interviews and focus group discussions, informal observational noting was also undertaken during field visits. These observations informed the researcher’s contextual understanding, guided probing during interviews, and supported data triangulation during analysis. However, observation was not systematically incorporated as a standalone data collection method. This is acknowledged as a methodological limitation of the study, and future research is recommended to integrate structured participant or non-participant observation to further strengthen empirical validation and analytical depth.

3.6.2 The Interview Guide

Information on the interview guide is provided in Appendices A and B. Section A of the interview guide covered the participant demographic information, in which the

researcher sought to understand the industry sector that the participants have been involved in within the small business sector. Section B covered the participants' motivations regarding self-employment and business operations. In Section C, the researcher sought to understand how the participants were able to acquire critical resources for business operations. Section D delved into the challenges faced by participants to understand how they navigate these challenges in their entrepreneurial journey. Section E of the interview schedule covered the participant's motivations about the use of ROSCAs as an alternative source of business funding. In section F, the researcher sought to know the capital factors participants acquired and how they influenced their businesses.

The last part solicited information from the participants on their institutional preparation to mitigate the impacts of shocks among ROSCA members. A general closing question was included in this section, allowing participants to provide their views regarding ways to improve ROSCAs' planning to support business operations better. The interview guide's questions were designed to be clear enough to allow for the gathering of sufficient details throughout the interview and detailed enough to reassure evaluators that research participants would not suffer any damage in the process (Charmaz, 2014). It was crucial for the researcher to have the interview guide ready beforehand, focusing on a well-designed procedure to increase trustworthiness (Yin, 2018).

3.6.3 Pilot Testing

Pilot testing is the process whereby the instrument to be used in data collection in a study is first tested to determine the feasibility of the instrument to be used in a more comprehensive way (Leedy & Ormrod, 2015; Saunders, Lewis & Thornhill, 2019). In this study, three personal interviews were conducted based on the recommendations by Saunders et al. (2019). According to Saunders et al. (2019), pilot testing is used to assess the clarity and understanding of the questions, evaluate the relevance and effectiveness of the questions by identifying irrelevant questions, and assess interview duration to make sure that the interview process is not too long or too short. After conducting the pilot testing with three personal interviews with participants selected randomly and not included in the sample of the main study, the researcher was able to identify all the areas that needed some adjustment and adjusted them. This assisted the researcher in minimising any errors before the complete study began.

3.6.4 Focus Group

In this study, two focus group discussion sessions were arranged following the personal interviews to validate the themes that emerged from the personal interviews. According to Polit and Beck (2004), this kind of strategy is referred to as personal triangulation. Personal triangulation is the process of gathering data from several levels of people to validate information using various viewpoints on the same issue (Polit & Beck, 2004). A focus group discussion is a technique used for collecting qualitative data from a group of people (Saunders et al., 2019). It usually consists of six to eight participants carefully and purposefully chosen to provide a wide range of perspectives on the research topic (Creswell, 2014). You can find the focus group discussion guide in Appendix D, which follows this structure:

- The discussion section was opened with a welcoming remark and an introduction to the purpose of the discussion session.
- The facilitator took the lead, explained issues of anonymity and confidentiality, and set the rules in the discussion session.
- The participants were allowed to introduce themselves.
- The preceding questions gave the participants the opportunity to explain the motivation behind their self-employment venture, key resources for operating their businesses, followed by the main challenges they faced in operating their businesses.
- The next opportunity that followed was for the participants to explain the motivation behind the use of ROSCA as an alternative for business finance.
- The last section gave the participants the opportunity to explain the measures needed to generate sufficient reserves and to give their opinions on how ROSCAs should improve their planning to support business operations better.

Before the focus group discussion, a group of Immigrant entrepreneurs with similar characteristics was piloted using the focus group discussion guide. This was to make sure that the structure of the discussion guide was clear and logical. The language was clear and well understood by the participant. This was in line with Hennink (2013), who suggests that pilot testing of a discussion guide is an essential practice because it is difficult to predict how participants might interpret research questions. The questions were clear and understandable, so no changes were made.

3.7 DATA ANALYSIS

Data analysis is the process of observing and summarising data by examining, classifying, graphing, arranging, testing, or recombining evidence to address the objective of the study to draw conclusions from valuable evidence (Hibstie 2012). The data collected from personal interviews and focus group discussions were analysed thematically.

Although participants were not explicitly asked to classify the type of ROSCA they belonged to, organisational arrangements and operational patterns were identified through interview interactions, including membership composition, contribution practices, and payout sequencing.

3.7.1 Thematic Analysis Approach

Thematic Analysis is a system used to find and bring together, describe, and report emerging themes found within a dataset (Braun & Clarke, 2006; Gobin & Foley, 2019). The researcher considered thematic analysis because it is a qualitative research technique which can be applied across various research questions (Nowell, Norris, White, & Moules, 2017). This system of data analysis does, however, have benefits and drawbacks, just like any other analysis technique.

Thematic analysis has several benefits, such as theoretical independence and a flexible approach that can be adjusted to suit the needs of different research (Braun & Clarke, 2006; King, 2004). Additionally, thematic analysis provides a more approachable method of study, particularly for researchers (Braun & Clarke, 2006). However, there are some drawbacks to thematic analysis. For instance, compared to Grounded Theory, ethnography, and phenomenology, thematic analysis lacks a considerable body of literature (Holloway & Todres, 2003; Nowell et al., 2017).

Additionally, Braun and Clarke (2006) note that whereas other approaches will allow the researcher to make statements regarding language use, fundamental thematic analysis does not. Despite the shortcomings of thematic analysis, the researcher still opted for the approach because it was quick and straightforward for the researcher to learn and apply in qualitative research and did not have a lot of complicated guidelines or procedures to follow.

There are many ways to conduct thematic analyses (Maguire & Delahunt, 2017). The researcher adopted Braun and Clarke's six-phase framework, which includes familiarising oneself with the data, creating initial codes, searching for themes, reviewing themes, defining themes, and writing up the thematic analysis (Braun & Clarke, 2006). Braun and Clarke's six-phase framework was used alongside ATLAS.TI 25 Software. The researcher used ATLAS. Ti 25 to code the participants' responses. The researcher was able to obtain license-free access to ATLAS.ti25 through the University of South Africa. ATLAS.ti25 was chosen since the software is appropriate and widely used in the field of qualitative research. It helps researchers uncover and methodically examine intricate phenomena that are concealed in unstructured data.

In the application of the Braun and Clarke framework, the researcher started with.

1. Data familiarisation: This stage involves reading and rereading the research data to familiarise oneself with the content of the information (Nowell et al., 2017). After reading the data set multiple times and transcribing the verbal data, the researcher became acquainted with the information gathered.

2. Creating first codes: This stage entails creating codes (words or brief sentences) that highlight significant data features relevant to addressing the research topic. At this stage, the researcher made use of ATLAS.ti25 software and created codes from participants' responses. For further phases of analysis, the codes were grouped under the pertinent quotations after the entire data set was coded (Nowell et al., 2017). The researcher generated code groups (sub-themes) and arranged the codes generated from the participants' responses under the corresponding code categories (Adu 2021:8) using ATLAS.ti25 software.

3. Searching for themes: In this stage, the codes are read and arranged to classify significant, more general patterns of meaning (themes). With the use of ATLAS.ti25 software, the researcher was able to group the various code groups into memo groups. In this way, the researcher was able to work with the data and assess the viability of each proposed theme by organising the data according to each theme (Nowell et al., 2017). The researcher categorised the codes under the appropriate memo (theme) after coding all the respondents' documents.

4. Reviewing themes: This entails comparing the primary themes with the dataset to ensure that they provide a meaningful narrative of the data and, hence, address the research question. Themes are typically refined at this point, with some being divided, merged, or abandoned (Maguire & Delahunt, 2017). At this stage, specific codes that did not address the research needs were removed. The researcher merged some themes and split some of the themes to answer the research question adequately. A list of the themes was emailed to the supervisor for review.

5. Defining and naming themes: The researcher worked on creating a thorough analysis of every theme in this step (Nowell et al., 2017). The researcher identified each theme's focus and scope as well as its narrative. Each theme was given an instructive name by the researcher as well. With the help of ATLAS.ti25 software, a thorough study of the revised database information was accomplished. The themes were defined, named, and subjected to additional analysis using the ATLAS.ti25 software.

6. Producing the report: This final phase involves communicating the findings to your audience (Adu 2021). The researcher tabulated the coded themes and presented the analysis in a written form in Chapter 4.

3.8 ESTABLISHING TRUSTWORTHINESS

The issue of trustworthiness in a qualitative approach and the data collected is one of the biggest challenges faced by qualitative researchers. In qualitative research, Polit and Beck (2004) recommend four criteria to include: credibility, dependability, confirmability, and transferability. The researcher also considered authenticity and triangulation to be critical in establishing trustworthiness in this study. According to Gallagher and Zahavi (2020), authenticity refers to how well researchers present a variety of realities regarding the topic under investigation fairly and factually, presenting participants' honest and fair perspectives. The following sections discuss the five criteria and add authenticity and triangulation as what the researcher followed to maintain the trustworthiness of the research data.

3.8.1 Credibility

Credibility is the belief that study findings are accurate (Polit & Beck, 2004). According to Gallagher and Zahavi (2020), credibility is the capacity to ensure that research

findings are authentic from the perspective of the participants. The researcher made sure that the data collected from participants in this study aligned with the aims and description of the research Problems (Shenton, 2004). The interview schedule and the focus group discussion were carefully formed and reviewed by the supervisor. The interview guide, together with an audio-recording, was used to help ensure credibility. The researcher made sure that participants had the option to accept or decline participation in the study and to leave at any moment they felt it was necessary (Shenton, 2004). The participants' signatures on the consent form, which served as evidence of their willingness and agreement to engage in the study, were required before the researcher could collect any data from them (Polit & Beck, 2004:434).

3.8.2 Dependability

Dependability is defined as the stability and consistency of research data over time and between different researchers and methods (Polik & Beck, 2004). In this study, the researcher made sure that every step in the research process was aligned with the research philosophy and methodology. The researcher made sure that the processes of data collection, data analysis, and interpretation were clearly explained so that they could be easily understood by others. The researcher allowed an external audit of the data to be conducted by a peer, and it was sent to the supervisor, who then checked the data for quality.

3.8.3 Confirmability

Confirmability is another critical factor for trustworthiness in qualitative research. Confirmability refers to how research data should be neutral or objective, which means that two or more independent individuals may agree on how accurate, relevant, and essential the data is (Polit & Beck, 2004; Williams, 2021). The research findings should be based on the genuine opinions of those who participated in the study rather than the researcher's bias or interest (Polit & Beck, 2004; Williams, 2021). To ensure confirmability, the researcher made sure that the research methodology and procedure were followed based on what the participants said and felt, rather than the researcher's ideas and biases. The researcher was completely neutral by using a flexible coding system that could easily be checked.

3.8.4 Transferability

Transferability is defined as the extent to which research findings can be used in another setting or group (Gallagher & Zahavi, 2020). However, it is up to other potential users to determine if the findings are transferable. In this study, transferability was assessed by carefully choosing participants and making sure that there is enough descriptive information in the final report. This was to ensure that those who read the study can evaluate for themselves if the research findings can be used in other situations.

3.8.5 Authenticity

Gallagher and Zahavi (2020) define authenticity as the validity of origin and indisputable evidence in a research study. In other words, the different range of realities and accuracy of what a researcher is studying show the authenticity of the study. In this study, the researcher ensured authenticity by citing peer-reviewed publications and reliable sources fairly and accurately. According to Gallagher and Zahavi (2020), a narrative is authentic if it conveys the people's feelings about their lives as they are being lived. Furthermore, a phenomenological narrative is true if it gives the reader the impression that they are there again (Gallagher & Zahavi, 2020). The researcher maintained the origin and objective evidence in the study by writing about the facts of African immigrant entrepreneurial activities, motivations, challenges, and business survival strategies in a way that is suggestive, communicative, and excellent. This left the readers to feel what African Immigrant Entrepreneurs encounter daily as they carried on with their business activities.

3.8.6 Triangulation

According to Natow (2020), triangulation is the process of using many methodological resources to determine what is true. Researchers may do this using multiple data sources, either by collecting data from different periods (phases), locations, or perspectives (Natow, 2020). Additionally, triangulation also involves the application of multiple methodologies. Researchers may carry out multiple methods triangulations by using more than one qualitative data collection procedure, such as collecting data through interviews, observations, and documents (Merriam & Tisdell, 2016).

The aim is to gain a more comprehensive and contextualised understanding of the phenomenon. The researcher gathered and analysed data from personal interviews

and focus group discussions to perform triangulation. After collecting data from individual interviews, the researcher then proceeded to collect data from two focus groups. This was to ensure that the participants' actual words and actions would correspond with the researchers' accounts of their real-life experiences. The consulted literature assisted the researcher in setting rules and following all the procedures in the whole interview process.

3.9 ETHICAL CONSIDERATIONS

Ethical considerations in the context of a research study refer to how the researcher's actions are appropriate concerning the rights of individuals impacted by the study (Saunders et al., 2009). Throughout the entire process of this study, the researcher made sure that the work of other authors used in the study was acknowledged through in-text referencing and bibliography. Since the research involved the participation of humans and was conducted in direct contact with the participants, data collection followed all ethical guidelines. Ethical approval was obtained from the Ethics Committee of the University of South Africa through an application process (see appendix). Thus, the researcher did not engage in any data collection before obtaining ethical clearance from the university. The researcher was mindful of the ethical issues and considered participant informed consent, no harm to participants, confidentiality, anonymity, and permission to conduct the study in the process of data collection (Uusiku, 2018).

3.9.1 Participant Informed Consent

Participants' informed consent depends on how well they understand the study concepts (O'Leary, 2004). Informed consent was explained to the participants before the commencement of data collection. The researcher made sure that the purpose of the study and the nature of participant participation were explained to the participants. The informed consent form contains issues of confidentiality, voluntary participation, and the right for the participant to quit the study at any point in time (Uusiku, 2018). The researcher obtained consent from all participants before proceeding. The researcher made sure that the participants' right to privacy, their right to voluntary participation, and their right to quit the study at any point in time were respected.

3.9.2 Reasonable Treatment of Participants

The data collection process involves direct contact with participants; this can raise ethical concerns (Uusiku, 2018); thus, the researcher acted ethically, ensuring that the dignity and well-being of participants were maintained. Basically, there were no known risks that were linked with participating in the study. However, the researcher made sure that no harm, such as embarrassment, stress, or uneasiness, happened to the participants in the process of collecting data. The participants were treated fairly and were given the chance to ask any questions that needed clarification.

3.9.3 Confidentiality

Confidentiality is the process where a researcher adheres to the ethics of collecting data and protecting participants' information collected during the study (Wiles, Crow, Heath & Charles, 2007). According to Wiles et al. (2007), confidentiality in the context of social science is anchored on these two pillars: (1) avoiding sharing information provided by a participant with others, and (2) presenting results in ways that make it impossible to identify specific individuals by giving pseudonyms. The researcher was aware of the nature of the study; thus, participants' information was considered very important and was protected throughout the study. The researcher planned before the interview in order not to interfere with the participants' personal schedules.

The participants demonstrated their full right by deciding what time and place was convenient to conduct the interview. By so doing, most of the interviews were conducted at the participants' business places. The researcher made sure that all the information collected was protected, and no one was able to access it. Additionally, the use of direct quotations in the final report carries participant pseudonyms. All documents containing individual information are kept safe and closed in a locked cupboard in Cape Town for future research or academic purposes. All electronic documents containing participant personal information are stored on the researcher's computer using a password to prevent access from those who are not part of the study.

3.9.4 Anonymity

Anonymity is a concept that is linked to confidentiality and is vital in safeguarding confidentiality in research (Wilie et al., 2007). Anonymity provides some degree of social and individual rights when undertaking scientific research (Kang & Hwang, 2023). In line with the ethical procedure, the informed consent allowed every

participant to question whether the information that he/she conveyed to the researcher, and their identities were to be kept confidential. The researcher assured all the participants of anonymity. The researcher made sure that anything that might reveal participant identity was removed from the interview transcripts. By so doing, the participants were given pseudonyms (code names) to guarantee anonymity. This was to ensure the confidentiality of the information given by the participants. However, the participants were informed that their anonymous data may be used for academic purposes such as research reports, journal articles, and conferences.

The names of the research participants were not used in verbatim quotes. This was to protect the identity of the research participants. However, they were given the following:

The first research participant was named **[participant 1]**

The second research participant was named **[participant 2]**

The process continued with the twenty-fourth participant in the personal interview.

For the first and second focus group discussions, participants were identified as follows:

The first participant in the first focus group was named as **[FG1 participant 1]**

The second participant in the first focus group was named as **[FG1 participant 2]**

The first participant in the second focus group was named as **[FG2 participant 1]**

The second participant in the second focus group was named as **[FG2 participant 2]**

The process continued for all 10 participants in focus group 1 and group 2.

3.10 CHAPTER SUMMARY

Chapter three was dedicated to the research methodology and followed the necessary steps needed to conduct scientific research. This chapter discussed the methodological process that the researcher used. It discussed the research process and presented the research paradigm and methodology used. This was followed by

the study design and the rationale for the chosen design. The chapter presented the population from which the research participants were drawn. The research sample consisted of 34 participants and was precisely African Immigrant Entrepreneurs from six African countries within the City of Cape Town. Two instruments were used to collect data: the researcher and the interview schedule. The study was conducted using a qualitative approach.

The researcher gathered data through personal face-to-face interviews and focus group discussions. The primary and secondary data assisted the researcher in obtaining vital information to address the research questions. The researcher obtained ethical approval from the Ethics Committee of the University of South Africa through an application process prior to data collection. This was to ensure ethical standards in the process of conducting the research. The research data were analysed thematically while all ethical considerations were followed to ensure participant safety, confidentiality, and anonymity.

CHAPTER 4: RESEARCH FINDINGS

4.1 INTRODUCTION

Chapter three presented the research methodology and design used in the study. This chapter presents the research results by highlighting key themes emanating from the data analysis process using ATLAS.Ti 25. The analysis covered data from personal interviews and focus group discussions. A descriptive analysis of the demographic information of the participants is presented, followed using an interpretative approach to the phenomenon of African Immigrant entrepreneurship in the City of Cape Town. The study findings enlighten the viewpoints of African immigrant entrepreneurial ventures, their operations, challenges and mitigation strategies for business sustainability.

4.2 DATA ANALYSIS RESULTS

The ATLAS.Ti 25 software package was used during the data analysis process. A single project was created in the software, consisting of two document groups: 24 one-on-one interviews and two focus group discussions, consisting of five members each. The research participants were drawn from the following countries: Cameroon, Ethiopia, Ghana, Malawi, Nigeria and Zimbabwe. The distribution of the research participants per area within the City of Cape Town was as follows:

Table 4.1: Distribution of participants per area within the City of Cape Town

Area within the City of Cape Town	Number of participants
Bellville	4
Brooklyn	5
Delft	4
Goodwood	3
Khayelitsha	3
Maitland	3
Nyanga	2
Parow	5
Philippi	3
Salt River	2
Total	**34**

Table 4.1 illustrates the distribution of participants per area within the City of Cape Town. Five participants each were drawn from Parow and Brooklyn, and four each from Bellville and Delft. Three participants each came from four areas: Goodwood, Khayelitsha, Maitland, and Philippi. While two participants each came from Salt River and Nyanga.

In focus group 1 discussions, 5 participants were members of Muea Association Cape Town, Western Cape (MACAW) in Parow. In focus group 2 discussions, 5 participants were members of the Wa-aghem Association Cape Town, Western Cape (WAACAW) in Brooklyn. These two associations happen to be made up of Cameroonians who all belong to the general Cameroonian Association of Cape Town, Western Cape (KASWECA), who responded to the researcher's request to interview their members. A combined number of 34 participants took part in the study, 24 participants from one-on-one interviews and 10 participants from the two focus groups.

Table 4.2 ROSCAs Involved in the Study by Area and Ethnic Composition

Area	Local ROSCA Name	Country/Ethnic Base	Membership Type
Bellville	Community group	Mixed African	Multi-ethnic
Brooklyn	Njangi (WAACAW)	Cameroonian	Ethnic-based
Parow	Njangi (MACAW)	Cameroonian	Ethnic-based
Delft	Umngalelo Group	Zimbabwean	Ethnic-based
Goodwood	Isusu Club	Nigerian	Ethnic-based
Khayelitsha	Susu	Ghanaian	Ethnic-based
Maitland	Njangi Group	Cameroonian	Ethnic-based
Nyanga	Community Group	Mixed African	Multi-ethnic
Philippi	Ekub	Ethiopian	Ethnic-based
Salt River	Chiperegani	Malawian	Ethnic-based

Table 4.2 summarises the Rotating Savings and Credit Associations (ROSCAs) involved in the study across the ten areas of the City of Cape Town. The ROSCAs were organised as area-based, ethnic-based, country-of-origin–based, and mixed (multi-ethnic) formations. Despite these structural variations, the predominant operational model was the Random ROSCA, in which payout sequences were

determined through negotiated arrangements and collective prioritisation rather than fixed rotation. This practice reflects key principles of Social Capital Theory, particularly trust, reciprocity, and mutual support, which governed ROSCA participation across different areas and group compositions. The table therefore highlights the adaptive, relationship-driven nature of informal finance among African immigrant entrepreneurs in Cape Town.

4.2.1 Descriptive analysis of demographic information

The demographic information consists of participants from one-on-one interviews and focus-group discussions. This was because the same research questions were used to collect data from the personal interviews and focus groups. The data were combined for a general demographic analysis. This was to guarantee a clear understanding of participant characteristics without separating them.

4.2.1.1 Gender profile of participants

The table below reveals that 34 participants took part in the study. Out of the 34 participants, 23 participants were male, and 11 out of the 34 participants were female. The category of other had no participants. The table below revealed that the highest percentage of African Immigrants doing business and using ROSCA were male.

Table 4.3: Gender profile of participants (n = 34)

Gender	Frequency
Male	23
Female	11
Other	00
Total	34

4.2.1.2 The Age profile of participants

Regarding the table below, it shows that the majority, that is, 20 out of 34 of the participants, fell in the bracket of 36-45 years. 8 out of the 34 participants fell within the age bracket of 26-35 years, 5 of the participants fell within the bracket of 46-55 years, and only 1 participant was in the age bracket of 18-25 years. There was no participant in the age bracket of 55 years and above.

Table 4.4: Age profile of participants (n = 34)

Age distribution	Frequency
18-25	01
26-35	08
36-45	20
46-55	05
55 years and above	00
Total	34

4.2.1.3 Academic qualification of participants

Table 4.5 below shows that 17 of the research participants had post-matric qualifications. It also revealed that participants with primary education were 7 and participants with high school education also 7. Three of the participants had postgraduate qualifications. There were no participants in the categories of no schooling and uncompleted degree.

Table 4.5: Academic qualification of participants (n = 34)

Academic qualification	Frequency
No schooling	00
Primary school	07
High school	07
Post-matric	17
Uncompleted degree	00
Postgraduates	03
Total	34

4.2.1.4 Marital status of participants

Table 4.6 below displays the various marital statuses of the participants. It revealed that out of the 34 participants, 22 were married. Participants who were single were 11 in number. While there was no case of participants living with a partner, there was one participant who had a “separated” relationship.

Table 4.6: Marital status of participants (n = 34)

Marital status	Frequency
Single	11
Married	22
Widow/widower	00
Divorced/Separated	1
Living with a partner	00
Total	34

4.2.1. 5 Industry-specific sectors of participants

In Table 4.7, the participants' individual industry sector showed that 18 of them worked in the service sector. Eleven of the thirty-four participants were engaged in trading. Of the participants, 5 worked in the manufacturing industry. Participant involvement in the agricultural sector and other unlisted sectors was non-existent. Easy access to entrance may be the cause of the high level of participation in the trade and service industries.

Table 4.7: Industry-specific sector of participants (n =34)

Industry-specific sector	Frequency
Service sector	18
Trading sector	11
Manufacturing sector	5
Agricultural sector	00
Others	00
Total	34

4.2.1.6 Nationality of participants

As may be seen in Table 4.8 below, 15 of the participants were from Cameroon. This is because two distinct associations consisting solely of Cameroonians participated in the two focus group sessions. Only three of the participants were Ethiopian, according to the table; this may be because Ethiopians had a hard time finding the time to sit down for an interview due to the nature of their business. With four participants apiece, Ghana, Malawi, Nigeria, and Zimbabwe accounted for 19 participants of the total.

Table 4.8: Nationality of participants (n = 34)

Nationality	Frequency
Cameroon	15
Ethiopia	3
Ghana	4
Malawi	4
Nigeria	4
Zimbabwe	4
Total	34

4.2.2 RESULTS OF PERSONAL INTERVIEWS AND FOCUS GROUP DISCUSSIONS

The researcher used ATLAS.ti25 software and created a single project consisting of personal interviews and focus group discussions. This was because the questions used in focus group discussions were the same questions used in the personal interview. The researcher wanted to explore the questions further, believing that with a focus group, broader and deeper responses could be achieved.

The researcher also wanted to see if different themes could emerge from the focus groups. 345 codes were analysed using the ATLAS. Ti 25 software. Similar codes were merged, and the codes were organised into code groups (sub-themes). The created code groups were assigned the appropriate codes, leading to the formation of sub-themes. The grouping of the sub-themes (code groups) gave rise to the research themes. Eight themes in total emerged from the research data analysis; eight themes emerged from personal interviews and six from focus groups. The six themes from the focus groups are like those in the personal interview. The themes are illustrated in the table below.

Table 4.9: An overview of the themes

Research question	Personal interview themes	Focus group themes	Final theme
Research question 1	Immigrant motivation for self-employment	Immigrant motivation for self-employment	Immigrant motivation for self-employment
Research question 2	Resource acquisition strategies for business operations	Resource acquisition strategies for business operations	Resource acquisition strategies for business operations

Research question 3	Barriers to African Immigrant entrepreneurship success	Barriers to African Immigrant entrepreneurship success	Barriers to African Immigrant entrepreneurship success
Research question 4	Financial motivation for using ROSCA	Financial motivation for using ROSCA	Financial motivation for using ROSCA
	Social and business support drives for using ROSCA		Social and business support drives for using ROSCA
	Challenges of using Rotating Savings and Credit Associations		Challenges of using Rotating Savings and Credit Associations
Research question 5	Acquired financial and economic capital factors	Acquired financial and economic capital factors	Acquired financial and economic capital factors
Research question 6	Strengthening ROSCA institutional planning for shock resilience	Strengthening ROSCA institutional planning for shock resilience	Strengthening ROSCA institutional planning for shock resilience
Six research questions	**Eight themes**	**Six themes**	**Eight themes**

Table 4.9 above illustrates the distribution of the emerging themes in relation to the research questions. The table displays the theme that emerges from personal interview participants per area within the City of Cape Town. Eight themes emerged from personal interviews, while six themes emerged from the two focus groups. The six themes from focus group discussion all correspond with the themes in personal interviews. This shows that no new information emerged in the discussion that was different from the personal interviews. Six similar themes between the personal and focus groups and two different themes from the personal interview give a total of eight themes in the whole process.

4.2.2.1 Theme 1: Immigrant motivation for self-employment

Theme 1 reflects the motivation behind Immigrant self-employment engagement. The theme emerged from a combination of three sub-themes, namely: access to financial resources for business start-up, business start-up drives and the function of social connection in business start-up. These themes assisted in addressing the first

research question by showing how participant explanations were able to cultivate an understanding of the different factors that encourage African Immigrants to venture into self-employment activities in the City of Cape Town.

Sub-theme 2 of Theme 1: Business start-up drives

Based on the participants' answers to the first research question, a sub-theme called business start-up drives surfaced. According to the participant explanations, many of the Immigrants began making a living for themselves due to economic hardship because of job loss, unemployment, and low-paying positions. *Participant 6: First, I lost my job and had nothing to do to feed my family. Secondly, because I must take care of my family, I had no choice but to start a small business. Thirdly, I was encouraged by friends who introduced me to the trading business*.

FG2 Participant 3: Yeah, normally I was a businessman back home. When I came to South Africa, I realised that the money they pay foreigners in the job places is very small. So, I was motivated to start my own business.

Participant 10: My business experience and friends really motivated me to start a business here in Cape Town. Also, given that unemployment is very high in this country, it is obvious that foreigners like us are unlikely to get a job easily. So, I thought it would be easier to start a business than to get employment somewhere. Participant 15: Hmm, my friend brought me here to work in his shop. After I worked for three years, he opened another shop and gave me a settlement. That is how I started my own business. This place is also good for business.

Several of them expressed a strong sense of entrepreneurship and a desire to be financially independent. *Participant 2: self-reliance I want to be independent, have my own money, and not depend on someone.* However, earlier business experience has a role in these Immigrants' decision to start their own business. A few of the participants also mentioned how they were able to start their businesses using the skills that they already possessed.

Participant 4: My service as a salesman back home was to go out and talk to people about our products. That knowledge has helped me in my business here because it has developed my ability to speak to clients. So, I now know how to communicate properly with customers. I use my knowledge as a fridge repairer to start my own

business, where I use my technical ability to train those working with me to become fridge repairers as well.

The explanations of the research participants show that the motivation for self-employment is associated with a combination of economic necessity-driven factors (lack of formal employment opportunities) and proactive spirit (drive for financial independence and business ownership).

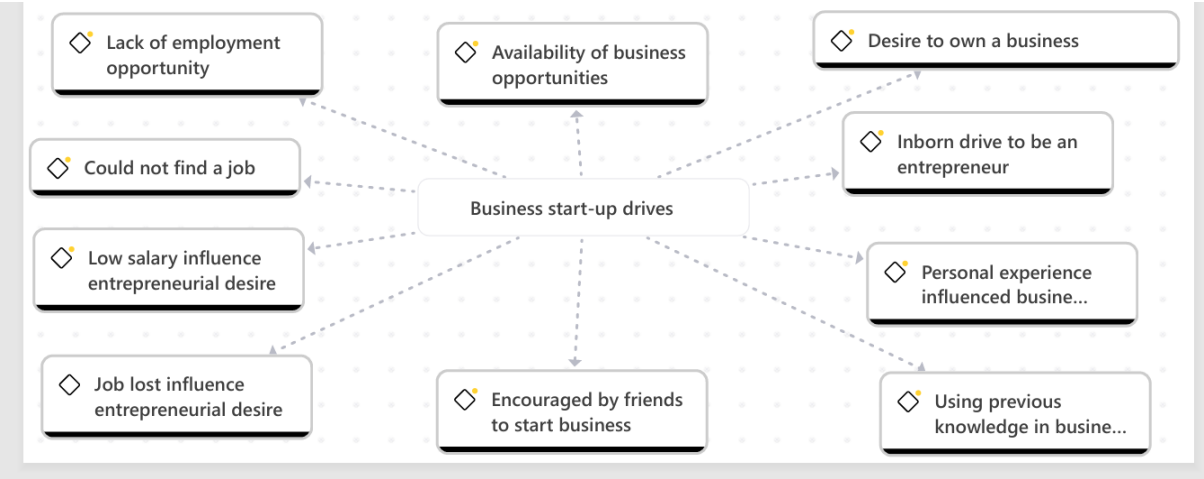


Figure 4.1: Ad Hoc Network Sub-theme 2 of Theme 1: Business start-up drives

(Source: Researcher's ATLAS.ti25 output)

Figure 4.1 presents the key business start-up drives identified from the study findings. The figure demonstrates that business start-up among African immigrant entrepreneurs is shaped by the interaction of both necessity-driven and opportunity-driven factors. It illustrates how structural factors such as lack of employment opportunities, inability to find a job, low salary levels, and job loss interact with individual and social factors, including the desire to own a business, inborn entrepreneurial drive, personal experience, prior business knowledge, and encouragement from friends. Collectively, these factors explain the motivations that push and pull African immigrant entrepreneurs into self-employment as a viable livelihood strategy.

Sub-theme 1 of Theme 1: Access to financial resources for business start-up

The financial constraint has always been an issue concerning African immigrant entrepreneurial ventures. As such, they look for alternative ways, such as ROSCA,

personal savings or getting loans from family and friends, to start their businesses. Participant number four explained how access to finance via ROSCA motivated a business start-up.

Participant 4: ROSCA has really helped me because I could not get the money; I needed to start my business from my savings. We were able to gather and put money together. The money they gave me, together with my personal savings, helped me establish my business.

Limited finance often slows down business growth and promotes discouragement, while access to financial resources produces the exact opposite. Participant number twelve explained how access to finance not only motivated business start-ups but also inspired business hope and courage.

Participant 12: Yeah, with money from my personal savings, I was able to start my business with a few items. After getting money from the community (ROSCA), I was able to expand my business by adding more business items. Community (ROSCA) money really gave me the hope and courage to establish a business.

The explanations of the participants show that the motivation for self-employment is associated with the inability to gain access to financial resources, which led to the formation of a network of reciprocity and solidarity to provide the necessary financial resources needed for business start-up. The participants demonstrated their reliance on ROSCA as an alternative source of business funding.

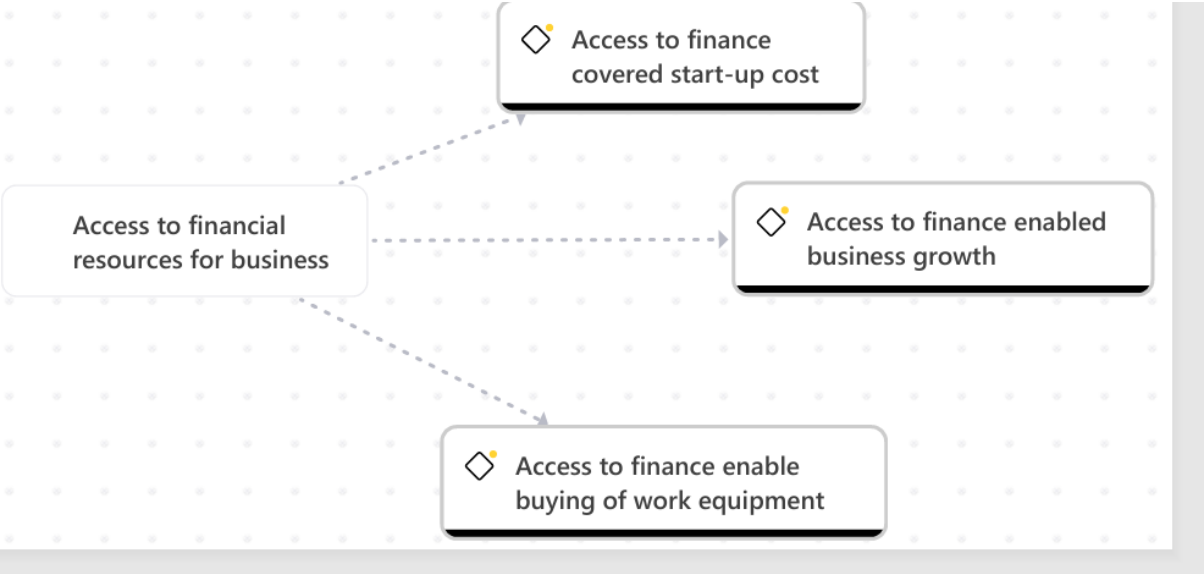


Figure 4.2: Ad Hoc Network Sub-theme 1 of Theme 1: Access to financial resources for business start-up *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.2 presents the key access to financial resources for business start-ups identified in the study findings. The figure demonstrates that access to financial resources for business start-up is shaped using ROSCA, personal savings, and loans from family and friends. It demonstrates that having access to credit allows African immigrants to meet their business start-up costs, purchase business equipment, and grow their businesses over time.

Sub-theme 3 of Theme 1: The Function of Social Connection in Business Start-up

Social networks play an important role in providing Immigrant entrepreneurs with business knowledge and market access, financial support, Business Information and opportunities. They frequently receive initial funding or are introduced to possible ideas for businesses by friends and relatives.

Participant 5: People assisted by coming together with me; we put money together, which has helped my business. If I did not know them, I would have been struggling to raise money for my business.

Participant number one elucidated that embarking on self-employment was a result of being connected to friends. *Participant 1: I started business through a friend who was doing the same business and introduced me to it. Through that connection, he ended up selling the business to me. That is how I started my business.*

Participant four explanations show how collaborative network foster the desire to embark on self-employment*. Participant 4: To be candid, if I were not connected to people, I don't believe I would have been where I am today. I was assisted by a friend to obtain a business location. The friend who gave me the necessary training on refrigeration helped me gain the knowledge to start my own business.*

Newcomers can learn how to set pricing and where to find supplies by using networks. Through personal connections, several of these Immigrant business owners were able to obtain space for their small businesses.

The participants explained as such:
Participant 6: Where I operate my business is all thanks to my friends, who gave me all the Business Information and connections, needed to establish my business. Friends guided me on how and where to buy business stocks at affordable prizes.

Participant 10: My friends really helped me with all the information I needed to start my own business. They found the place where my business is located. We share the building and rent, making it easier for a start-up business. I know where to buy business items through friends.

The participant responses showed how African Immigrant Entrepreneurs use social connections (network of collaboration and network of information) as an informal financial support structures that reduce start-up costs, facilitate access to capital, and compensate for exclusion from formal financial institutions.

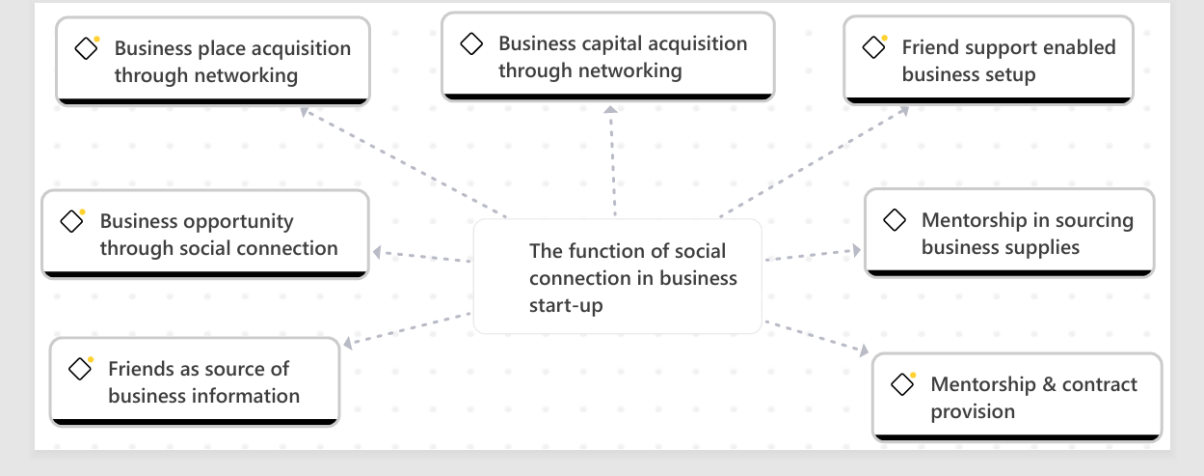


Figure 4.3: Ad Hoc Network Sub-theme 3 of Theme 1: The function of social connection in business start-up *(Source: Researcher's ATLAS.ti25 output).*

Figure 4.3 illustrates the functional role of social connections in facilitating business start-up among African immigrant entrepreneurs. The figure demonstrates that social networks operate as critical resource-enabling mechanisms through which entrepreneurs access business premises, start-up capital, market opportunities, and essential business information. Beyond material resources, social connections also provide non-financial support in the form of mentorship, guidance in sourcing business supplies, and assistance with contract acquisition. This highlights that business formation is not an individualised process but one embedded in relational networks that compensate for institutional and financial exclusions faced by immigrant entrepreneurs.

The explanations of the research participants showed that the motivation for self-employment was associated with financial barriers, which were the inability of African Immigrants to gain access to financial resources, leading to the formation of a network of reciprocity and solidarity to provide the financial resources needed for business start-up. Economic necessity-driven factors (lack of formal employment opportunities) and proactive spirit (drive for financial independence and business ownership) are also linked to Immigrant self-employment. Additionally, these Immigrants were able to use social connections (network of collaboration and network of information) as an informal but powerful business support tool for reducing barriers to business start-up. To understand this, participants provided responses and echoed the words of being connected with friends, being assisted by friends, and obtaining information on how to

start a business from friends. They spoke about the desire to own a business, the in-born drive to be an entrepreneur, obtaining a business place through a network, the use of previous knowledge and experience, and mentorship in sourcing business supplies.

Within the context of this study, social connections did not merely provide emotional or informational support but functioned as financially enabling networks, allowing African Immigrant Entrepreneurs to mobilise start-up capital, reduce entry costs, and overcome exclusion from formal financial systems.

The researcher created a network linking the sub-themes and the theme using ATLAS.ti25 software. This is illustrated in Figure 4.4 below:

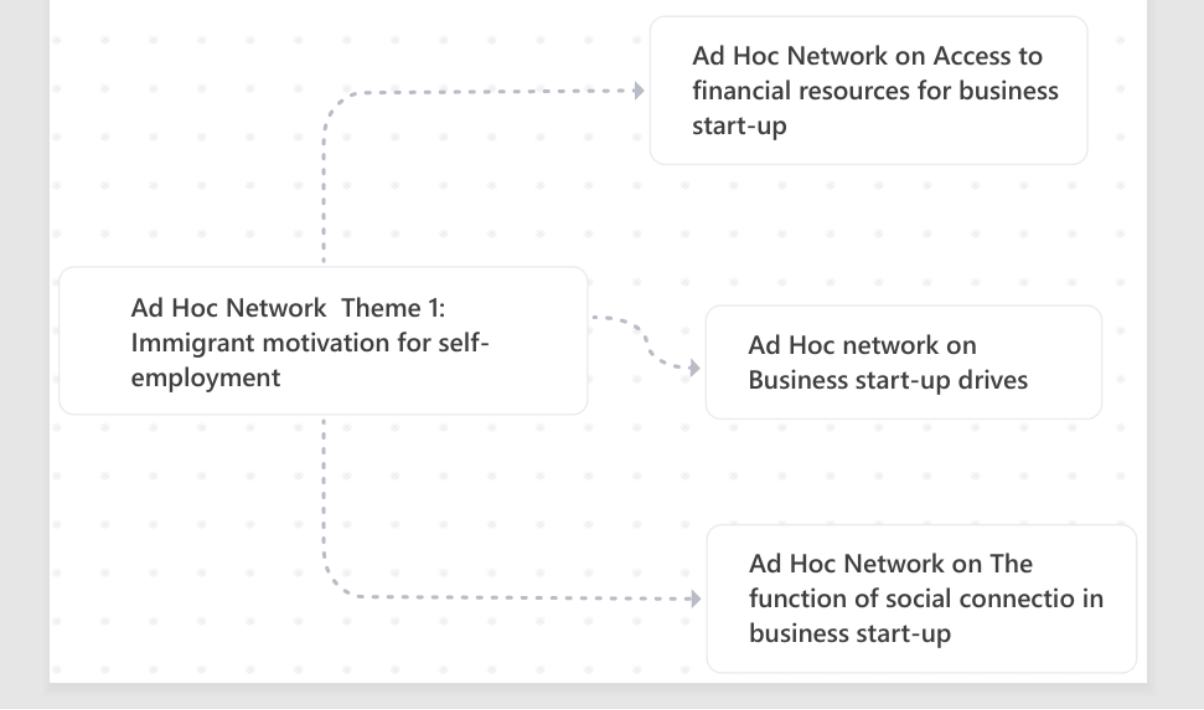


Figure 4.4 Ad Hoc Network on theme1: Immigrant motivation for self-employment *(Source: Researcher's ATLAS.ti25 output).*

Figure 4.4 above illustrates how the sub-themes of access to financial resources for business start-up, immigrant motivation for self-employment, business start-up drivers and the function of social connection in business start-up collectively form theme 1 (Immigrant motivation for self-employment). This revealed that several interrelated factors motivated African immigrant entrepreneurs to embark on businesses.

The findings under Theme 1 show that African Immigrant Entrepreneurs' motivation for self-employment is closely embedded within social connections that provide not only emotional and informational support but also the foundation for resource mobilisation. These networks of reciprocity and solidarity often evolve into practical mechanisms for accessing start-up capital, reducing financial barriers, and sustaining business activities. This transition from socially embedded motivation to structured resource acquisition is explored in Theme 2, which examines the strategies used by African Immigrant Entrepreneurs to mobilise financial and operational resources for business survival and growth.

4.2.2.2 Theme 2: resource acquisition strategies for business operations

Theme two captures the strategies used by African Immigrant Entrepreneurs to acquire vital resources for business operations. The theme addresses the second research question by revealing how African Immigrant Entrepreneurs acquire the resources deemed to be critical to the operation of business activities in the City of Cape Town. The participant's explanations in relation to the strategies used to acquire vital resources for business operations are captured under four sub-themes: building an essential business network of suppliers and customers, critical resources for business operations, government and organisation support for business operations, and strategies of obtaining finance for business operations. These sub-themes aligned the participants' responses in relation to the second research question.

Sub-theme 1 of Theme 2: Building an Essential Business Network of Suppliers and Customers

Building a steady network of suppliers and a stable customer base is a fundamental aspect of business sustainability. African Immigrant Entrepreneurs often use social networks to establish and grow their businesses. According to the participants' explanation, most of them relied on referrals from clients and friends to find reliable suppliers and customers. The participant elucidated as such:

Participant 6: When I go to buy, I take the contact information of the people there. So, I always call and find out what is new or if stocks are available. I treat my clients very nicely, so they always come back. My customers referred other people to my business, and in this way, I have built good customer relationships.

Participant 12: Oh, when I buy from a place, I take their contact information. In some of the places, they have WhatsApp groups for their clients. So, I join the group, and when I need anything, I first find out if they have the items before going there. To some, I place the order, and they supply it. I communicate nicely with my clients; I greet and welcome them; I make them feel welcome; and I give them discounts. All these make them very happy to come to my business place.

Participant 24: Ok, for my suppliers, I get them where I buy. I take their contact, and we communicate. Whenever I need something, I find out if they have it before going there. For customers, I offer good services to them; as such, they always like to come back. They also send other people to my business place.

The participants' responses showed how African Immigrant Entrepreneurs build a supplier and customer base through a network of collaboration. These Immigrant entrepreneurs depend on collaboration and a strong customer base to smooth their business operations.

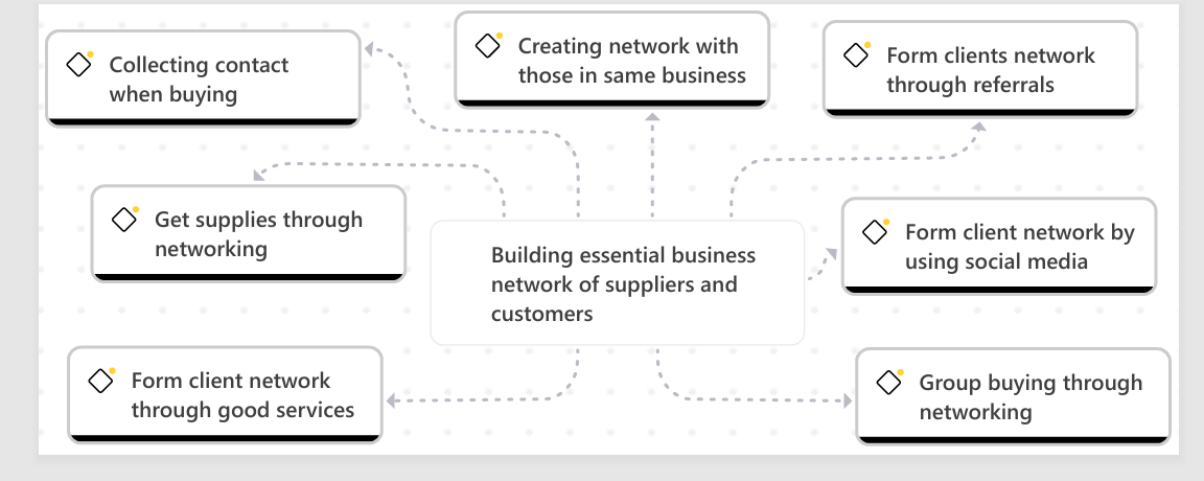


Figure 4.5 Ad Hoc Network Sub-theme 1 of Theme 2: Building an essential business network of suppliers and customers *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.5 illustrates the functional role of social connections in facilitating resource acquisition among African immigrant entrepreneurs. The figure demonstrates that social networks operate as critical resource-enabling mechanisms through which entrepreneurs get access to business contacts, supply networks, client networks, and group buying. Therefore, it demonstrates that business formation is not an

individualised process but one embedded in relational networks that compensate for institutional and financial exclusions faced by immigrant entrepreneurs.

Sub-theme 2 of Theme 2: Critical Resources for Business Operation

Building a functional and successful business requires access to critical business resources. African Immigrant Entrepreneurs need vital resources such as business capital, business premises, business helper, business permit, and equipment to operate their businesses effectively. The participant explained as such.

FG2 Participant 2: Yeah, as for me, the resource I consider very important is a business document, which is a business permit

FG1Participant 2: The resource that I consider very important is finance because finance helps me to establish my business. Secondly, I need a good environment to establish my business. I also consider a business permit to be important to operate my business.

Participant 23: Yeah. I think the first is to get someone to work with so that customers will not wait for too long. I also consider business capital to be very important for my business.

Participant 22: Yeah, I need business capital to buy my working tools. You know, working tools are very important. Another important thing is the bakkie to transport cupboards and chairs made. The business also needs someone to help because I cannot do all the work alone.

The participant responses highlight business capital, business premises, work equipment, and an extra labour force as critical resources needed for business survival. Due to regulatory and financial barriers, these Immigrants found it very difficult to obtain a business permit or other documents that could assist them to rent a good place to operate their businesses.

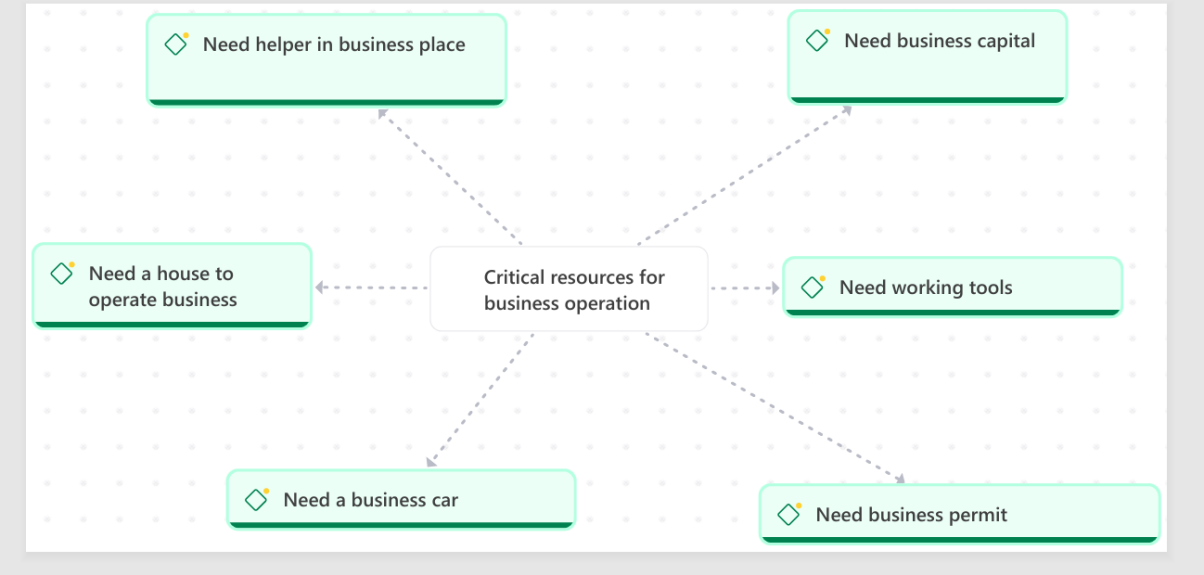


Figure 4.6 Ad Hoc Network Sub-theme 2 of Theme 2: Critical resources for business operation *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.6 presents the critical resources needed for business operation among African immigrant entrepreneurs. The figure demonstrates that business capital, business premises, work equipment, business permits and extra labour force were essential resources needed for business survival. Securing a business permit or other documentation can facilitate the process of these immigrant entrepreneurs accessing a suitable location to conduct their operations.

Sub-theme 3 of Theme 2: Government and organisation support for business operation

The survival and growth of African immigrant businesses can be significantly aided by the assistance provided by government agencies and organisations. However, because of regulatory obstacles, the lack of documentation, and exclusion from mainstream support programmes, many African Immigrant Entrepreneurs found it problematic to obtain official business support. They sought alternative methods to sustain their businesses. The participants responded by saying:

Participant 15: The government does not support foreigners. They make things very difficult for us to get help. They don't give us documents so that we can get help like other small businesses in this country.

Participant 12: You know, most of us, especially those from African countries, operate our businesses without registration. for the government doesn't know us, even though they see us. This makes it difficult for us to obtain any support from the government.

Participant 17: Yeah, in this country, what I can tell you is that everyone, that is, foreigners, must look for a way to help themselves because the government has never or will be able to help. Their concern is about their citizens.

Due to the lack of awareness, these Immigrants could not obtain available information on government support programmes. Participants explained as such:

Participant 3: I don't have anything to say about the government because I have been struggling on my own. The government has not assisted in any way to run my business. I don't have any information because no one has come to me for assistance from the government.

Participant 19: Erm, I don't know of anyone.

Participant responses highlighted legal barriers as some of the obstacles in accessing support from the government or organisation. They also explained that the government's focus is on local businesses. A further compounding issue was that of a lack of awareness by African Immigrant Entrepreneurs of government support programmes. The participant echoed words such as '*supports are for South Africans, and Immigrants are not a government priority.*

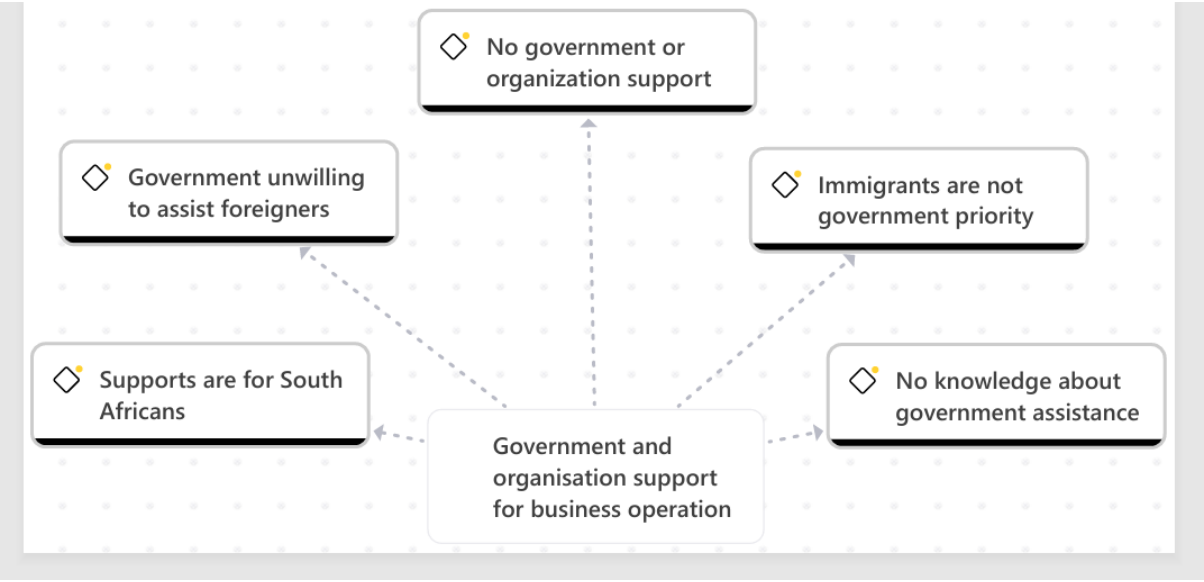


Figure 4.7 Ad Hoc Network Sub-theme 3 of Theme 2: Government and organisation support for business operation *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.7 presents the sub-theme of government and organisational support for business operation, highlighting the institutional exclusion experienced by African immigrant entrepreneurs. Participants reported limited access to state and organisational support, noting that assistance is largely targeted at South African citizens, with immigrants perceived as a low policy priority. The codes government unwillingness to assist foreigners, support reserved for South Africans, and immigrants not being a government priority collectively illustrate systemic barriers that restrict immigrants' participation in formal support programmes, thereby reinforcing their dependence on informal coping and support mechanisms for business survival.

Sub-theme 4 of Theme 2: Strategies of Obtaining Finance for Business Operation

Building on the role of social networks discussed earlier, African Immigrant Entrepreneurs relied on financially structured extensions of these networks such as ROSCAs, family loans, and community savings to sustain business operations.

Access to business funding is essential for business survival. Obtaining finance for business operations is a significant challenge for African Immigrant Entrepreneurs. Due to the lack of funding from the formal banking system, most of these Immigrant entrepreneurs depended on informal financial instruments such as borrowing from friends, family, personal savings and financial help groups such as ROSCAs.

Some participants explained:

Participant 8: The money I use to manage my business comes from a group. Through umngalelo (ROSCA), we were able to raise and give to one person at a time. So, when I received the money, it helped me a lot.

Participant 11: Yeah, I obtain money for my business from ROSCA. I put money in, and when it was my turn, I used the money and put it into my business.

According to some participants, it was a combination of two instruments used to obtain business finance. They explained:

Participant 23: Erh, when I started my business, I use my small savings. After that, I joined our community group (ROSCA) and got more money and bought more stock for the business.

Participant 12: Yeah, I started my business with a small amount of money I got from my family. I was able to save some of the profit from the business. After which, I was able to join a ROSCA, and when I received the money, I was able to operate my business successfully.

Based on the participants' responses, it is revealed that ROSCA, personal savings and loans from friends and family are the main strategies for raising business finance by African Immigrant Entrepreneurs.

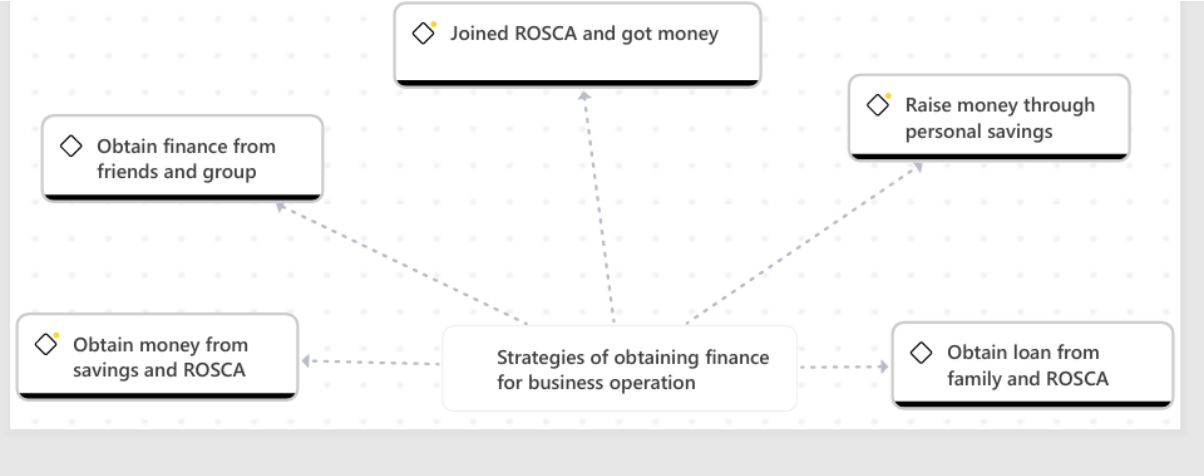


Figure 4.8 Ad Hoc Network Sub-theme 4 of Theme 2: Strategies of obtaining finance for business operation *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.8 presents the sub-theme of strategies for obtaining finance for business operation, illustrating the diverse yet interconnected financial practices adopted by African immigrant entrepreneurs. The findings show that participants primarily relied on informal financial sources, including loans from friends and family, personal savings, and ROSCAs, to finance their business activities. Codes such as obtaining finance from friends and groups, obtaining loans from family and ROSCAs, obtaining money from savings and ROSCAs, and joining ROSCAs to access funds collectively demonstrate a strategic blending of social capital and self-financing mechanisms. These strategies reflect adaptive responses to limited access to formal financial

institutions and highlight the central role of ROSCAs in ensuring liquidity, continuity, and operational stability in immigrant-owned businesses.

According to the research participants' explanations, Immigrant entrepreneurs use a variety of approaches to help run their businesses. To meet market needs and maintain reliable supply chains, they established vital networks among suppliers and customers. For daily business operations, having access to critical resources like workspace, labour, and equipment was essential. Without assistance from the government or organisations, these entrepreneurs used a variety of strategies, such as personal savings, ROSCAs, and assistance from friends and family. When combined, these strategies assisted them in maintaining and expanding their businesses.

The researcher created a network linking the sub-themes and the theme using ATLAS.ti25 software. This is illustrated in Figure 4.9 below:

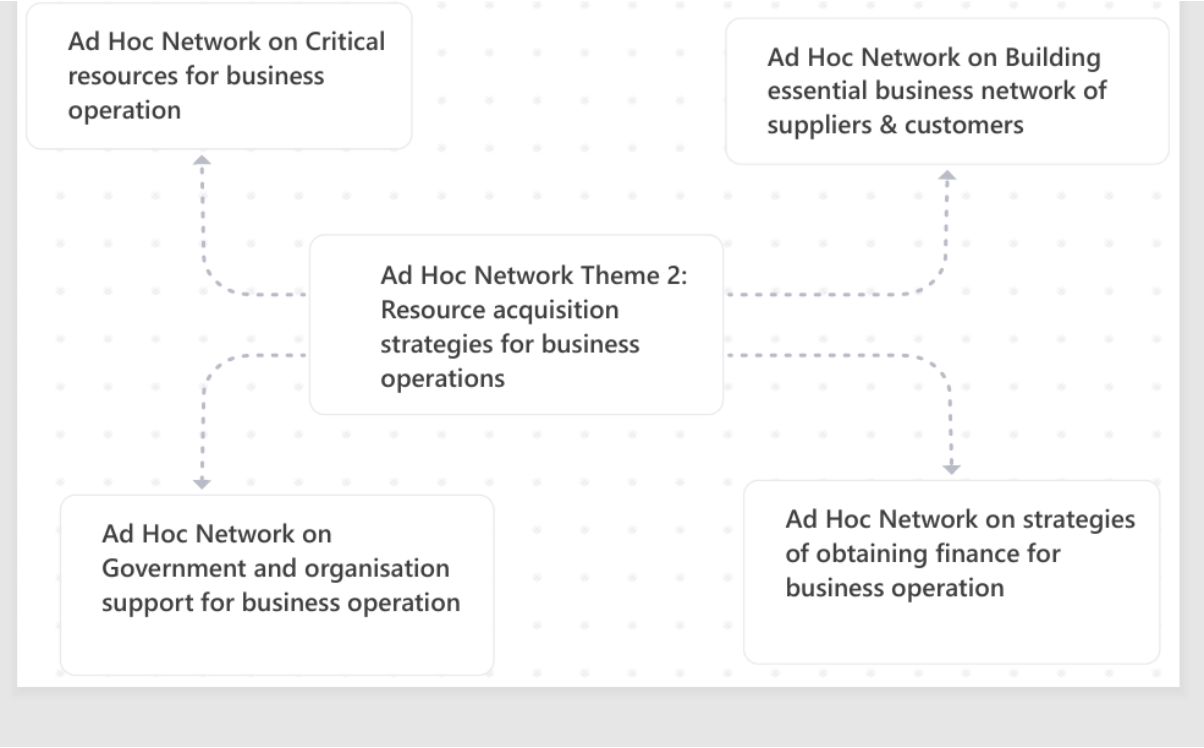


Figure 4.9 Ad Hoc Network on Theme 2: Resource acquisition strategies for business operations *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.9 above illustrates how the sub-themes of critical resources for business operation, building an essential business network of suppliers and customers,

government and organisation support for business operation, and strategies of obtaining finance for business operation collectively form theme 2 (Resource acquisition strategies for business operations). This highlights that several interrelated factors facilitated the acquisition of business resources for African immigrant entrepreneurs.

4.2.2.3 Theme 3: Barriers to African immigrant entrepreneurship success

Theme three captures the major impediments that impede African Immigrant Entrepreneurs from succeeding in their businesses. The theme addresses the third research question by revealing the problems faced by African Immigrant Entrepreneurs in operating a business in the City of Cape Town. The participant's explanations in relation to the significant barriers to their entrepreneurial success are captured under four sub-themes: Challenges to Immigrant Entrepreneurship, financial difficulties in business start-up, Obstacles to business funding from formal banks, and structural barriers to gaining access to business training and workshops. These sub-themes align the participants' responses in relation to the third research question.

Sub-theme 1 of Theme 3: Challenges to Immigrant Entrepreneurship

Based on the participants' answers to the third research question, a sub-theme emerged from the data analysis called *Challenges to Immigrant Entrepreneurship.* The participant explanations revealed many challenges based on their status as Immigrant.

One participant explained:

Participant 1: One of the main challenges is documentation. As a foreigner, when you have the right document, you can register your business and get access to banks. I do not get access to the bank because I do not have the necessary documents. Capital to improve the business is a challenge. Another challenge is the environment, which has high crime rates. Customers are afraid to come around at certain hours. We used to close our business place at 10:00 p.m.; now we close at 6:00 p.m.

The participant highlighted insecurity, discrimination, language barriers, lack of documentation and inability to obtain a loan from banks as key challenges. As a result, many of these Immigrants felt excluded from the conventional business support system. The participants explained:

Participant 17: Oh yeah, these people at the bank discriminate a lot. I have tried several times to get a loan, but they keep turning me down. I have an account in the bank, but they said I don't have a good credit record.

FG1 Participant 2: Yeah, as for me, one of the most important challenges in my business is insecurity. For instance, doing business in the suburbs, which we call a location, is very risky. Here guys organised themselves in groups and go around collecting money from foreign businesses in the name of protection. If you don't pay, you get into trouble with them. My business was once set on fire because I did not have money to give to these guys.

These challenges faced by Immigrant entrepreneurs often strengthen their reliance on a network of social support to encourage themselves as they carry on with their business activities.

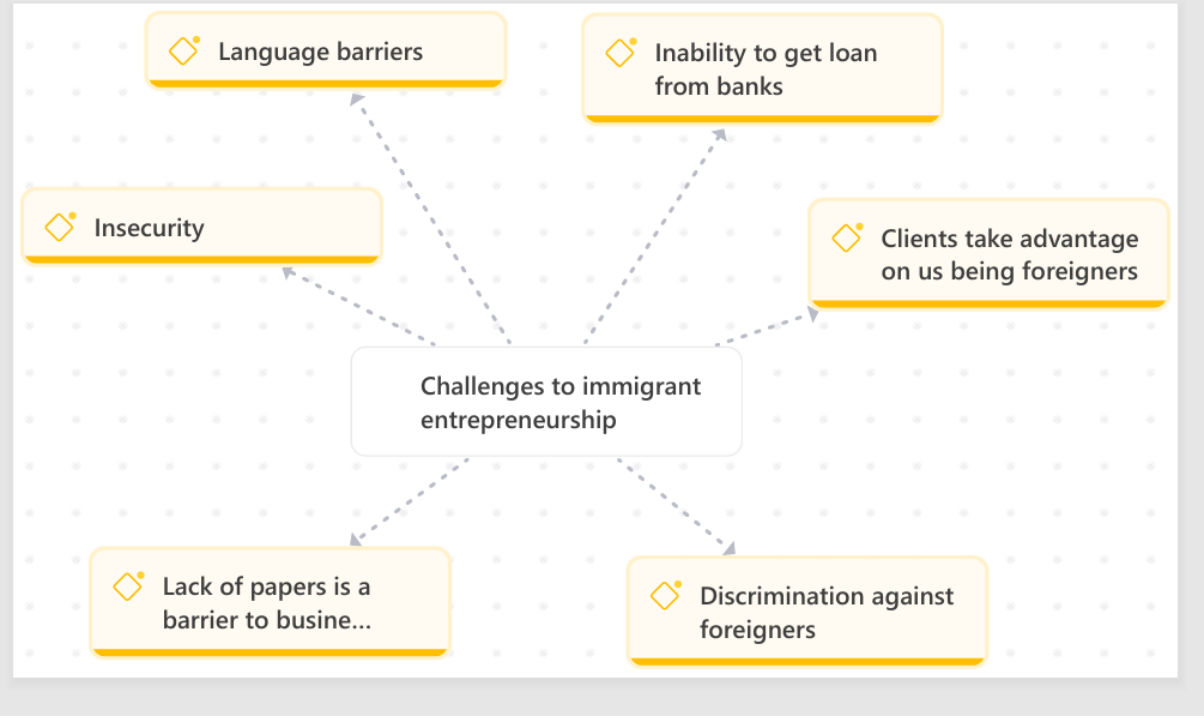


Figure 4.10 Ad Hoc Network Sub-theme 1 of Theme 3: Challenges to Immigrant Entrepreneurship *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.10 presents the sub-theme of challenges to immigrant entrepreneurship, highlighting the multifaceted constraints confronting African immigrant entrepreneurs. The findings reveal that participants experienced both structural and social barriers, including discrimination and exploitation by clients who take advantage of their foreign

status, as well as broader societal discrimination against foreigners. Additional challenges such as inability to access bank loans, insecurity, lack of legal documentation, and language barriers further restrict business growth and stability. Collectively, these challenges illustrate how institutional exclusion, social vulnerability, and regulatory constraints intersect to limit entrepreneurial opportunities, reinforcing the precarious nature of immigrant-owned businesses.

Sub-theme 2 of Theme 3: Financial Difficulties in Business Start-up

Access to capital is essential in a business start-up. Encountering challenges in accessing business start-up capital was recurring among the research participant. The lack of adequate funds for business operation indicates that these African Immigrants often have less amount of money to support their businesses. The participants elucidated:

Participant 22: Yeah, you know business is up and down. When business is slow, it is difficult to make a good amount of money. If I want to buy something, it will take long to get the amount I want. Taking care of my family is also reducing business money. Sometimes I even use business capital to solve family problems and then start looking for money again to buy the materials to do my work.

Participant 19: Yeah, raising money for business is not easy, especially as a family man. There are too many family demands that I must meet up with. With a lot of bills to settle at the end, it becomes difficult to get the amount needed to support the business.

Lack of sufficient business capital caused some of these Immigrants to operate their businesses in suboptimal locations, limiting business expansion and increasing business vulnerability.

One participant said:

Participant 14: Yeah, as I said before, my business is in an open space, so when it is raining, it becomes difficult for me to operate my business. This also affects the amount of money I make on that day. Sometimes, the business is slow, I get few customers, the stuff I sell gets rotten, and I must buy new stuff. All these make it difficult for me to raise money.

Overcoming these challenges of insufficient start-up funds, these Immigrant entrepreneurs usually form a network of reciprocity and solidarity through which they can cooperatively support each other with business finance.

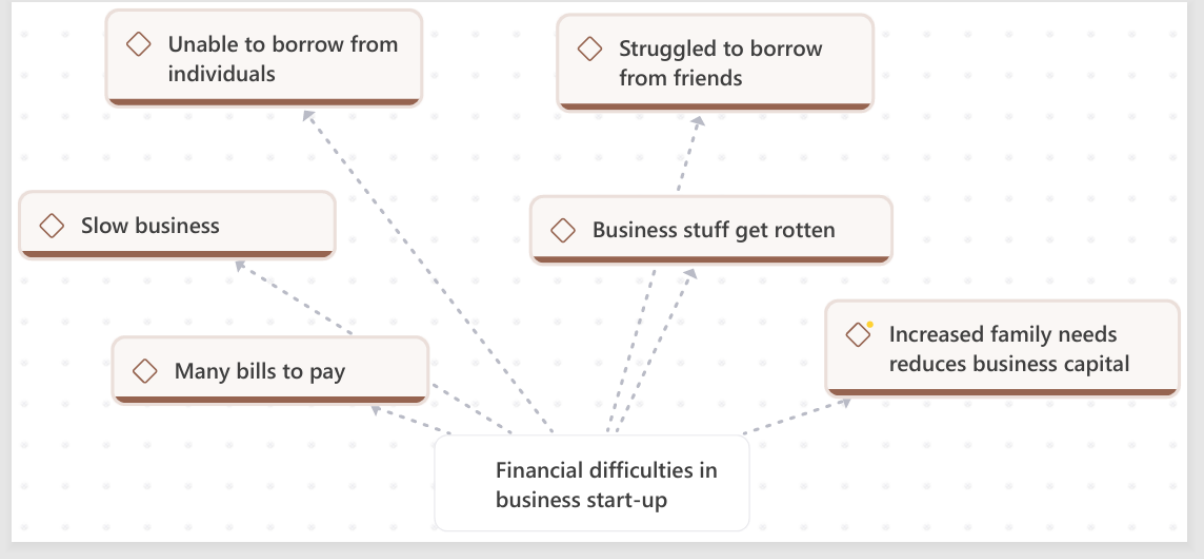


Figure 4.11 Ad Hoc Network Sub-theme 2 of Theme 3: Financial difficulties in business start-up *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.11 above presents the sub-theme of financial difficulties in business start-up, highlighting the economic pressures that constrain African immigrant entrepreneurs during the early stages of business formation. The findings indicate that participants faced multiple financial challenges, including losses from perishable business stock, increased family needs that reduce available business capital, and the burden of multiple bills. Additionally, slow business performance and difficulties in borrowing both struggles to access loans from friends and inability to borrow from individuals further limit cash flow and capital accumulation. Collectively, these challenges underscore the fragile financial position of immigrant start-ups and the vulnerability of entrepreneurs operating with limited buffers and restricted access to formal credit.

Sub-theme 3 of Theme 3: Obstacles to Business Funding from Formal Banks

The challenge of getting credit from official banking institutions was a significant growth hindrance. Requirements that adversely disfavour Immigrants, such as the demand for collateral, credit history and legal documentation, were mentioned by the participants.

The participants explained:

Participant 23: Yeah, my business is not big, and I don't have anything to show to the bank to get a loan. Banks want to be sure that you can pay back their money. So they are afraid to give their money to small businesses owned by African foreigners.

Participant 12: Banks see small businesses as high-risk. I don't have collateral or an account with any bank. My business is not registered, and I don't have a business permit, which can help to facilitate the process of getting a loan from a bank. It is frustrating.

Participation in formal finance was further deterred by the fear of rejection or negative previous encounters with banks.

One participant explained:

Participant 4: I tried to get a loan from the bank but could not because the banks don't trust us foreigners to give us loans. You need to get a permanent resident permit or a South African ID. As an Immigrant, without these documents the bank cannot attend to us. I don't have any of these documents, so that was my challenge.

In navigating these barriers, a network of collaboration plays a vital role in creating an alternative pathway for these Immigrant entrepreneurs to obtain business finance

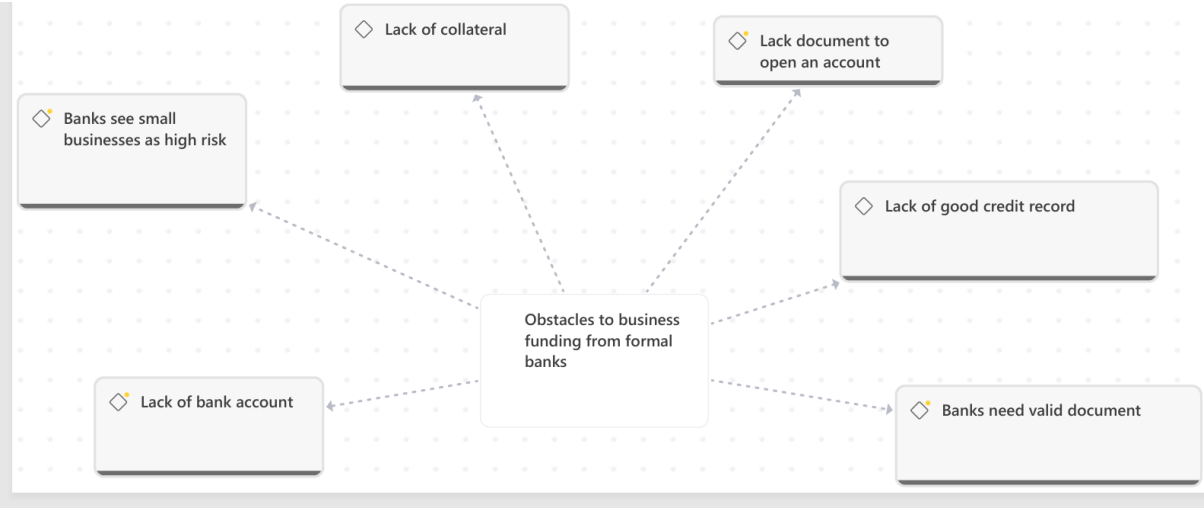


Figure 4.12 Ad Hoc Network Sub-theme 3 of Theme 3: Obstacles to business funding from formal banks (*Source: Researcher's ATLAS.ti25 output)*

Figure 4.12 above presents the subtheme of obstacles to business funding from formal banks, highlighting the financial constraints confronting African immigrant entrepreneurs. The finding revealed that participants were unable to obtain loans from banks due to lack of collateral, credit records, and valid documentation. Many of the participants did not have bank accounts, and the banks saw their businesses as high risk.

Sub-theme 4 of Theme 3: Structural Barriers to Accessing Business Training and Workshops

This theme highlights the barriers in gaining access to business training or workshops that could assist African Immigrant Entrepreneurs to carry on with their business activities successfully. Most of the participants explained that a lack of information and the required registration documentation prevented them from attending business training that could improve their business management skills. The participant responses were revealed as such:

Participant 10: Firstly, I don't get information about any such programmes. Secondly, it is also difficult to attend because in these programmes, one needs to register with a South African ID. Thirdly, it is difficult for me to attend, even if it is for everyone, because I don't have someone who can look after my business.

Participant 6: Most business support programmes are for South Africans. As a foreigner without a permanent resident permit or ID, it is impossible for me to benefit from any such programmes.

Participant 21: Ah, I don't know of anything like that. If there is one that can help to train us all, I will be very happy to attend.

These barriers impede African Immigrant Entrepreneurs from accessing training skills capable of improving and sustaining their businesses. Alternatively, through a network of information, these Immigrants were able to facilitate the circulation of vital Business Information by word-of-mouth.

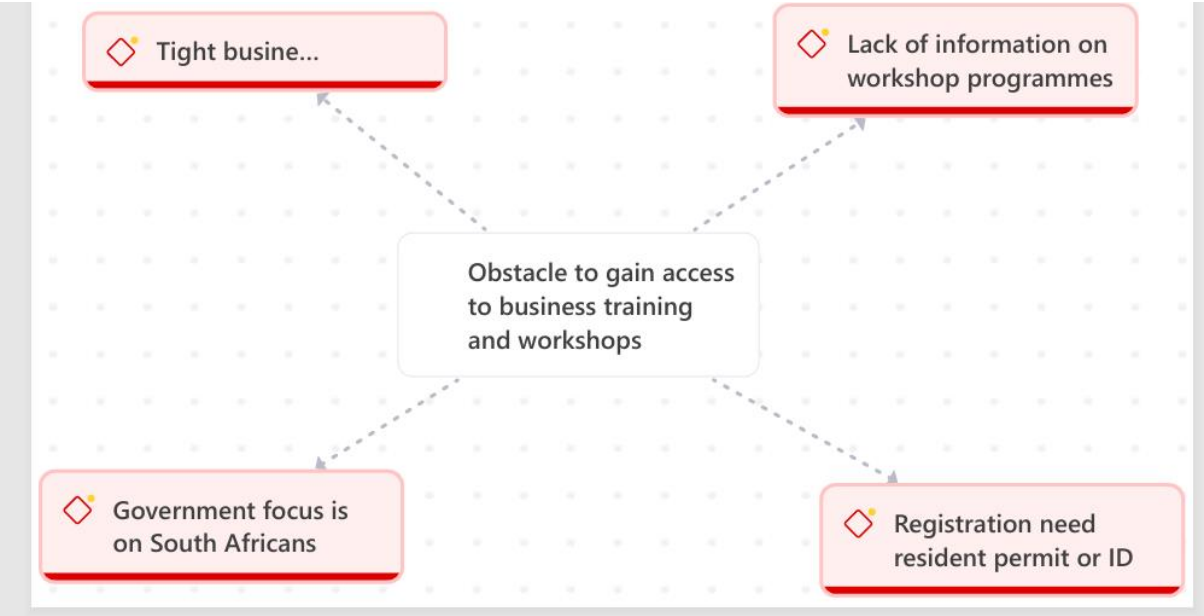


Figure 4.13 Ad Hoc Network Sub-theme 4 of Theme 3: Structural barriers to gain access to business training and workshops *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.13 presents the subtheme of obstacles to gaining access to business training and workshops, highlighting the interrelated barriers that prevent African immigrant entrepreneurs' business ventures from running well. The finding revealed that participants were unable to attend the workshop due to lack of valid documents, tight business schedules and poor circulation of information. Poor circulation of information results in African immigrant entrepreneurs having limited access to workshops and training.

According to the participants' explanations, there are several interrelated barriers that prevent African Immigrant Entrepreneurs' business ventures from running well. Among these were the general impediments to Immigrant Entrepreneurship that were made worse by the lack of a strong social support system. Financial challenges are also indicated by the participant as common when starting a business, and Immigrant entrepreneurs often turn to self-help support groups working in solidarity and reciprocity to provide financial support. Additionally, the barriers to formal bank finance for businesses emphasise the value of collaborative networks, where group efforts contribute to the development of alternative financial solutions. Poor circulation of information results in Immigrant entrepreneurs having limited access to workshops

and training. Improving the network of information could facilitate access to business skill development programmes.

The researcher created a network linking the sub-themes and the theme using ATLAS.ti25 software. This is illustrated in Figure 4.14 below.

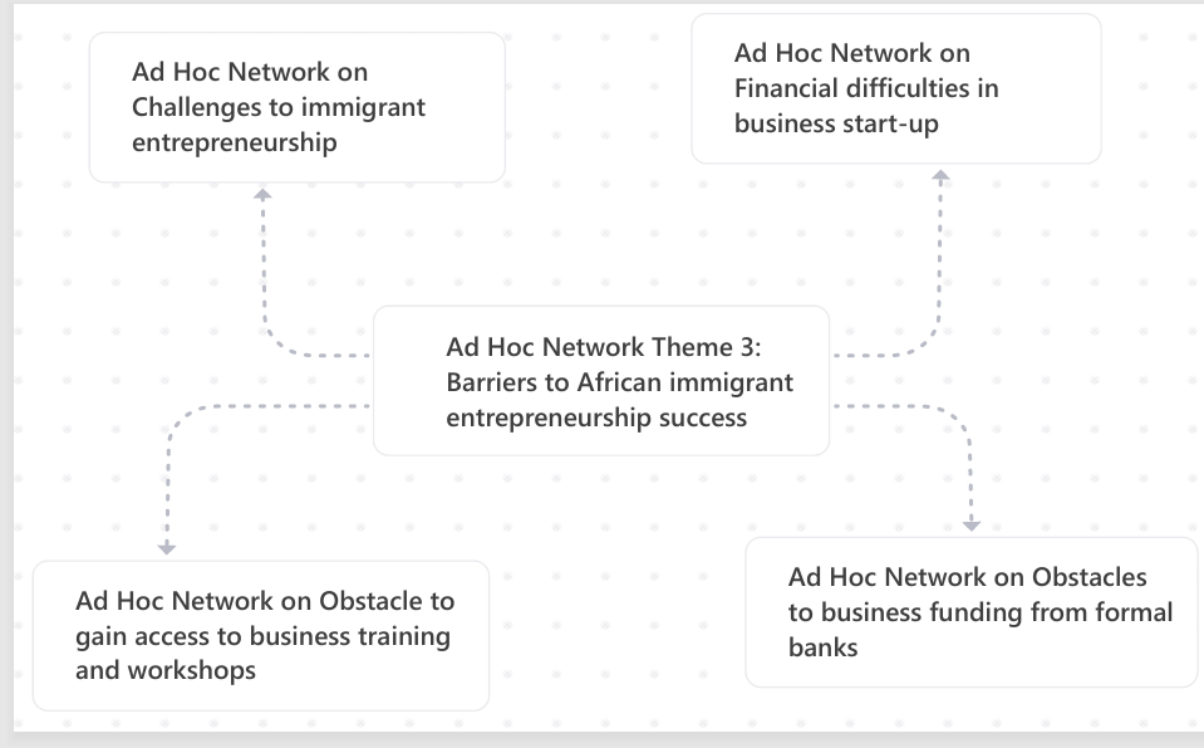


Figure 4.14 Ad Hoc Network on Theme 3: Barriers to African Immigrant entrepreneurship success *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.14 above illustrates how the sub-themes of challenges to immigrant entrepreneurship, financial difficulties in business start-up, obstacles to gaining access to business training and workshops, and obstacles to business funding from formal banks collectively form theme 3 (barriers to African immigrant entrepreneurship success). This revealed that several interrelated barriers prevented African immigrant entrepreneurs from running successful businesses.

4.2.2.4 Theme 4: financial motivation for using ROSCAS

Theme 4 captures the financial factors that motivate African Immigrant Entrepreneurs to use ROSCAs. It addresses the fourth research question that sought to explore what factors motivate African Immigrant Entrepreneurs to use ROSCA as a strategy to prolong their business operation in the City of Cape Town. The participants'

explanations highlighted financial motivation as a factor influencing African Immigrant Entrepreneurs' decisions to participate in ROSCAs. The theme encapsulates the entrepreneurial need for easily accessible, adaptable, and locally based financial tools to help sustain and expand their companies. A more detailed understanding of the financial incentives for ROSCA participation can be gained from the following sub-themes:

Sub-theme 1 of Theme 4: Making Funds Available for Business Operations

This sub-theme should be understood within the context of the Random ROSCA structure that characterises ROSCA practices among African immigrant entrepreneurs in Cape Town. Participants consistently identified ROSCA as a vital source of financial capital needed for daily business operations and expansions. Many of the participants stated that they would find it difficult to obtain cash flow for their businesses without ROSCA. A collaborative network is formed by these entrepreneurs to pool finance together and distribute rotationally.

The participants explained:

Participant 4: Since the business I do is a cash injection business and the bank could not give me the opportunity to have an account or ask for a loan, the only option I had was to join a ROSCA group so that I can get financial help.

Participant 6: The inability to obtain a loan from the bank. The insufficiency of my personal savings, the need for cheaper loans and to have money in bulk all motivated me to use ROSCA.

The participant's explanations revealed that access to business capital facilitates buying stock, paying rent, or handling business emergencies. ROSCA contributions allow members to pool resources and guarantee periodic access to lump sums that are essential for preserving business continuity.

The participants elucidated:

Participant 22: Yeah, the benefits are many. First, using ROSCA, I was able to get money in bulk for my business. With money from ROSCA, I was able to pay my rent

in advance so that the landlord does not disturb my business. Money from ROSCA helped me to expand my business.

FG1Participant 4: Yeah, you know, raising money for business in South Africa is quite challenging, especially for us foreigners. We do not have jobs, so we decided to come together and put the little we had, giving it to one person at a time, to invest in business. Yeah, another reason is that I know that I can get a bulk amount of money in ROSCA for my business.

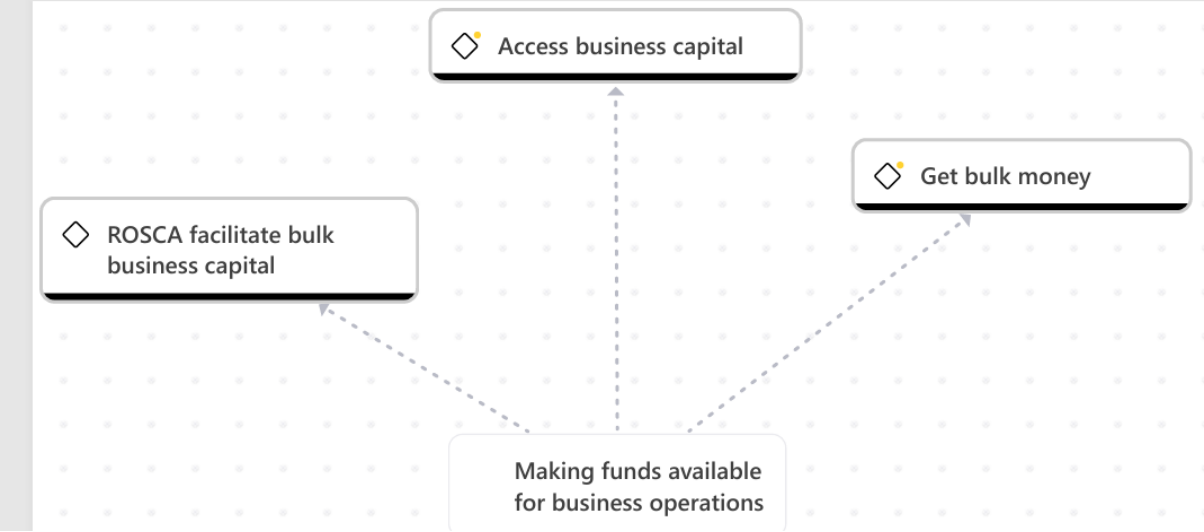


Figure 4.15 Ad Hoc Network Sub-theme 1 of Theme 4: Making funds available for business operations *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.15 illustrates the sub-theme of making funds available for business operations, emphasising the role of ROSCAs in enhancing financial capacity among African immigrant entrepreneurs. The findings show that participation in ROSCAs enables entrepreneurs to access business capital in bulk sums, which would otherwise be difficult to obtain through formal financial institutions. Codes such as access to business capital, getting bulk money, and ROSCAs facilitating bulk business capital demonstrate how these informal financial arrangements support business continuity, enable larger investments, and improve entrepreneurs' ability to meet operational demands. This underscores the importance of ROSCAs as a critical mechanism for overcoming capital constraints and sustaining business operations.

Sub-theme 2 of Theme 4: ROSCA As a Tool for Saving and Financial Security

According to the research participants, joining a ROSCA not only helps them to save money but also promotes secure savings. The findings show that ROSCA supports African Immigrants' saving ability, especially for those who could not access formal banking services. The mandatory and structured nature of monthly contributions enables members to develop a consistent saving habit, particularly for those who might otherwise find it challenging to save on their own.

The participants explained:

Participant 16: Ok, the thing that made me join “njangi” (ROSCA) is that it can help me put money together to solve my problems. If I try to put money by myself, one or two things might happen, and I will use the money. So, with the help of others, we can put money together; I get it in bulk and do something for myself.

Participant 14: Yeah, I needed more capital to put into my business; that is why I decided to join ROSCA. I needed money so that I wouldn't be under much pressure to pay back with high interest. I needed a place not only to get money but also to save money, because with ROSCA, someone is keeping your money, and you are keeping someone's money.

The participants highlight a sense of financial security provided by ROSCA as a motivational factor for using ROSCA. One participant explained:

Participant 7: Eh, I thought it was a better way of saving since we cannot open an account in the bank. It is insecure to keep money in the house. I also wanted to be with other business friends who could help with my business. I also see how my friends' businesses are growing.

The sub-theme shows the importance of a network support system, especially the network of reciprocity and solidarity. This network strengthens mutual trust and shares financial objectives among African Immigrant Entrepreneurs.

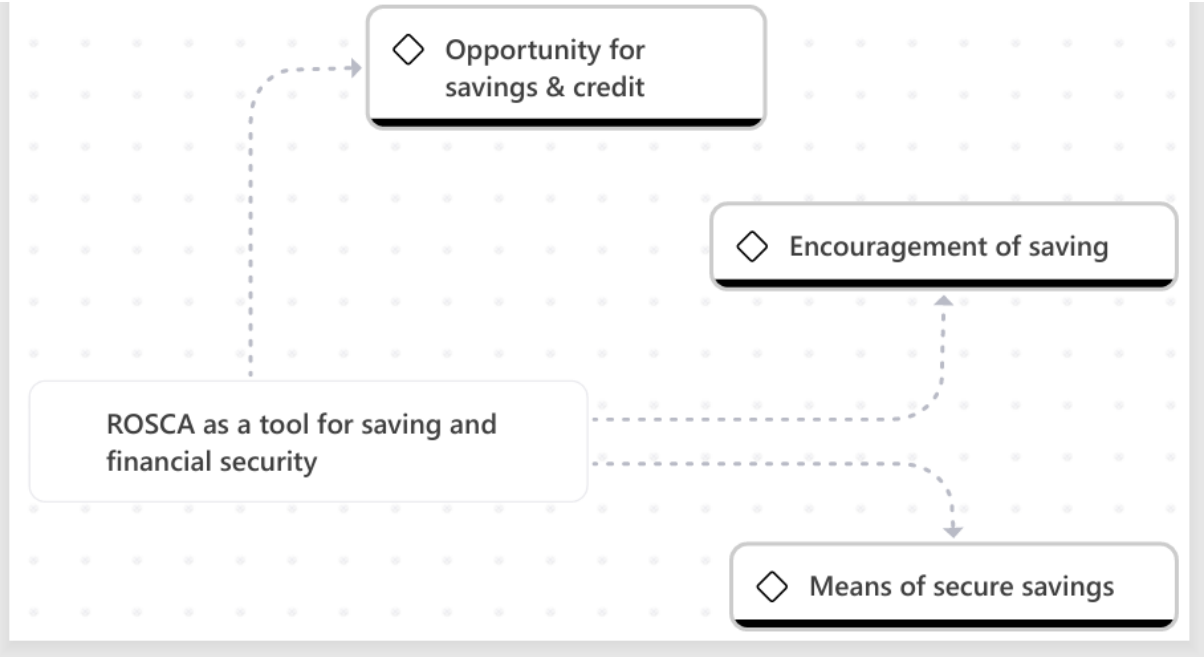


Figure 4.16 Ad Hoc Network Sub-theme 2 of Theme 4: ROSCA as a tool for saving and financial security (*Source: Researcher's ATLAS.ti25 output)*

Figure 4.16 above illustrates the sub-theme of ROSCA as a tool for saving and financial security among African immigrant entrepreneurs. The findings indicate that ROSCAs encourage regular saving practices, provide a secure means of storing money, and create opportunities for both savings and access to credit. The codes encouragement of saving means of secure savings, and opportunity for savings and credit collectively demonstrate how ROSCAs promote financial discipline and reduce vulnerability to income shocks. This highlights the role of ROSCAs not only as financing mechanisms but also as informal financial safety nets that enhance stability and security in immigrant-owned businesses.

Sub-theme 3 of Theme 4: ROSCA as an alternative to banks and personal savings

The third sub-theme of theme four captures participant views on how ROSCAs provide a flexible and community-trusted alternative to traditional financial institutions like banks. The participant's explanation revealed how formal banks are frequently inaccessible due to complicated documentation requirements, lack of collateral or limited trust. According to the participants, ROSCA offers a more flexible approach to obtaining financial support. Most of the participants explained that with ROSCA, no

collateral is needed, no interest is demanded, and it is easy to obtain a loan from ROSCA. The participants explained:

Participant 5: With ROSCA, when you have a problem, the coordinator can give you an early name. When you want to borrow from the bank, you will have to go through processes. So ROSCA is preferable to me.

Participant 13: Stockvel (ROSCA) helps to give money. There is no percentage that is charged for getting money like the banks; that is the reason why I joined ROSCA.

In contrast to personal savings, ROSCAs offer a more structured and accountable saving approach, reducing the risk of spending saved funds prematurely and taking a shorter time to get a bulk amount of money. The participants described:

Participant 12: What I can say is that ROSCA loans are easy to get because the terms and conditions are easier to follow and understand than those of formal banks, with too many documents involved in the process of getting a loan. ROSCA gives money in bulk within a short time, while personal savings take longer to get a good amount of money.

Participant 19: Yeah, for me, I think ROSCA is a better option than banks because they don't cut out any percentage from your money. What you give is what you get. Personal savings are good; however, it is very easy to spend the money due to easy access, as such, and it will not help to build the business.

Due to the inaccessibility of formal banking services and the challenges of saving alone, African Immigrant Entrepreneurs consider ROSCA as an alternative. Utilising a network of social support, these Immigrants can break barriers and provide a more socially inclusive alternative to banks

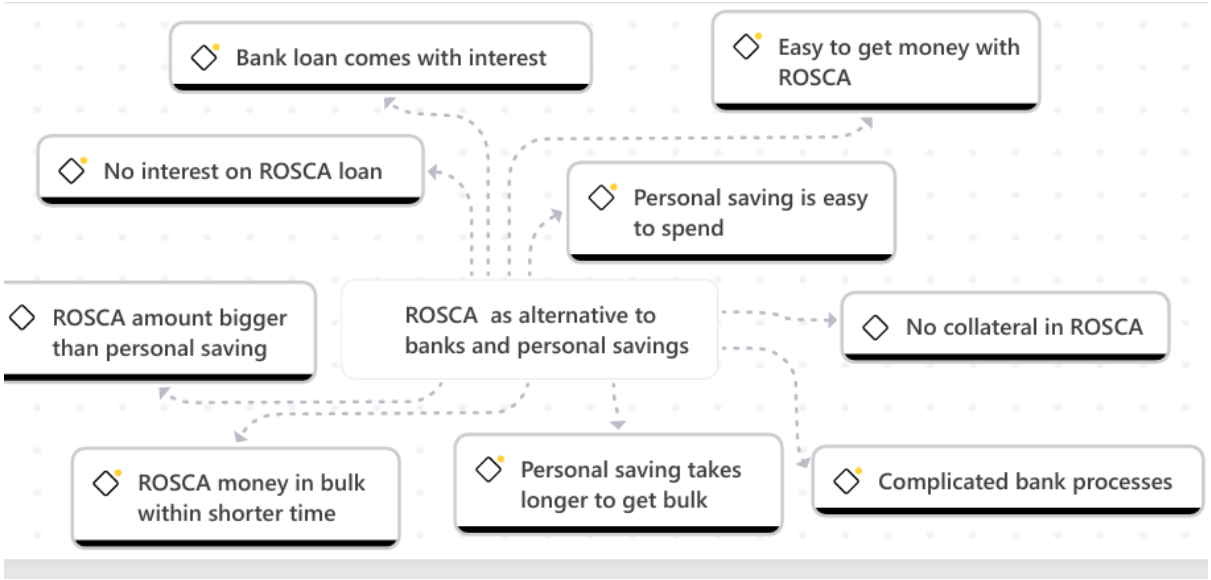


Figure 4.17 Ad Hoc Network Sub-theme 3 of Theme 4: ROSCA as alternative to banks and personal savings *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.17 illustrates the sub-theme of ROSCA as an alternative to banks and personal savings, highlighting the factors that shape African immigrant entrepreneurs' financial preferences and practices. The findings show that participants perceived formal banking systems as less accessible due to interest charges and complicated loan processes, while personal savings were viewed as vulnerable to frequent spending and slower accumulation of bulk capital. In contrast, ROSCAs were associated with easier access to funds, absence of collateral and interest requirements, quicker access to bulk amounts, and structured saving mechanisms. Collectively, the codes indicate that ROSCAs function as a complementary financial option that combines saving and credit features, enabling entrepreneurs to mobilise funds in a secure and timely manner for business operations without relying exclusively on formal banking or individual savings.

Sub-theme 4 of Theme 4: ROSCA a Better Option for Loans Than Banks

When it came to getting credit, a lot of Immigrant business owners chose ROSCAs over banks. The explanations given by the participants revealed that ROSCA loans were a more appealing option because they were easier to obtain, required less complicated paperwork, and had a lower chance of being declined. On the other hand, formal banking systems were perceived as exclusive and risk-averse, especially regarding Immigrants who lacked official documentation or credit history.

The participant explained:

Participant 15: You see, the community group (ROSCA) is good; it is easier to get money from there than from the bank. No document is needed to get money from ROSCA, but banks have many documents to present before they can give you money.

Participant 17: To me, ROSCA is a better option because I don't need any documents to get my money. With a bank, once your document expires, you cannot get access to your money.

In addition, while formal banking systems are perceived as exclusive, ROSCA is more socially inclusive by these Immigrant entrepreneurs.

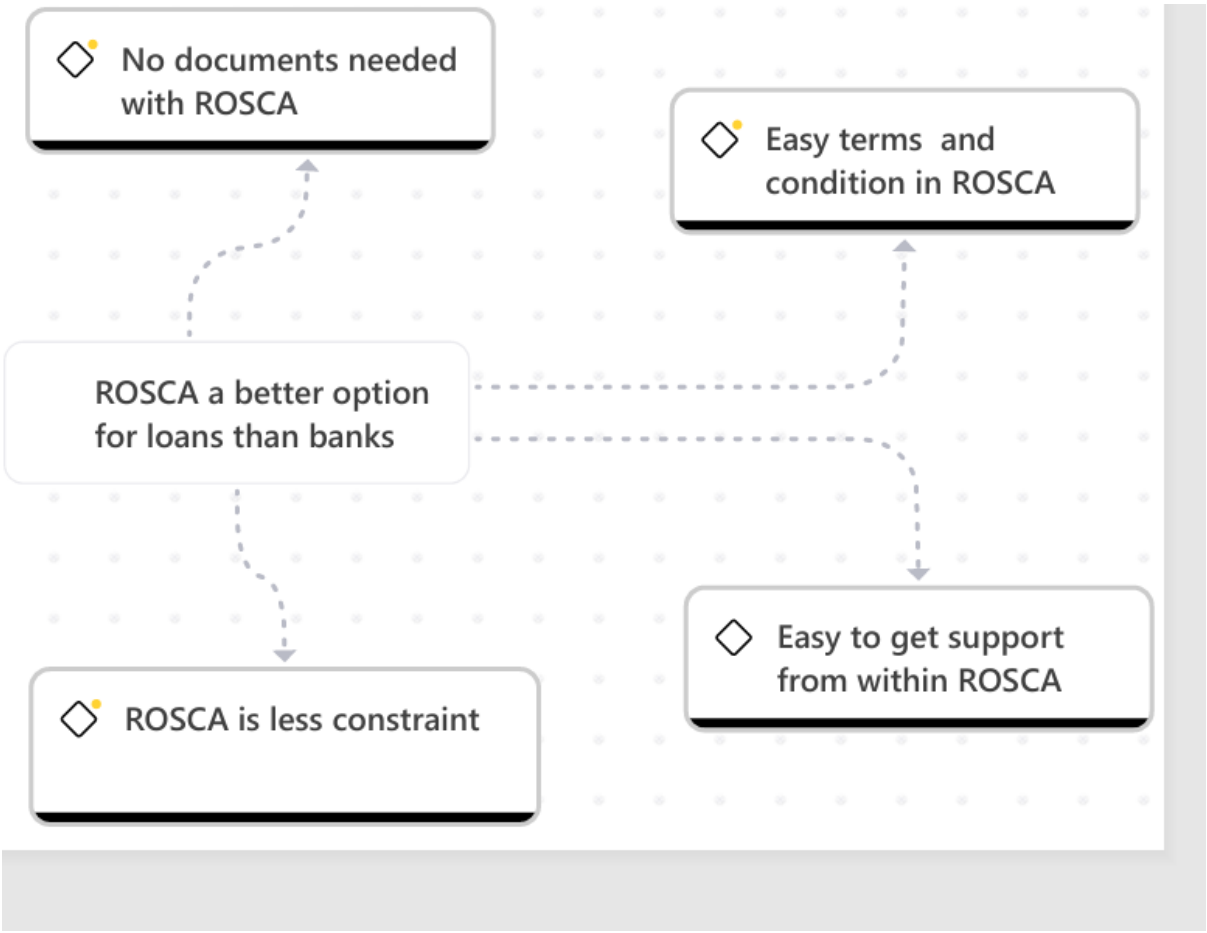


Figure 4.18 Ad Hoc Network Sub-theme 4 of Theme 4: ROSCA a better option for loans than banks (*Source: Researcher's ATLAS.ti25 output)*

Figure 4.18 above illustrates the sub-theme of ROSCA as a preferred option for accessing loans compared to formal banking institutions, reflecting participants lived financing experiences. The findings indicate that ROSCAs are perceived as involving fewer constraints, with simpler terms and conditions, minimal documentation requirements, and easier access to support from fellow members. The codes ROSCA is less constrained, easy to get support within ROSCA, no documents needed, and easy terms and conditions collectively suggest that ROSCAs provide a more accessible and socially embedded loan mechanism for African immigrant entrepreneurs. This accessibility enables timely financial support for business needs, particularly in contexts where formal lending requirements are difficult to meet.

A key aspect mentioned by the participant was the role of ROSCA in meeting the financial needs of Immigrant entrepreneurs. These informal financial organisations are flexible instruments that provide easily accessible, reliable, and locally based substitutes for formal banking systems. The findings revealed that, without the bureaucratic restrictions in ROSCA, entrepreneurs were able to acquire financing, continue business operations, and cultivate saving habits. Each of the four sub-themes, which are linked to larger social networks that support their operation and efficacy, explains the financial advantages of joining ROSCA.
Beyond participants' financial motivations for ROSCA participation, the findings revealed that access to pooled funds was shaped by the organisational and operational arrangements of ROSCAs. Although participants were not asked to formally classify the type of ROSCA to which they belonged, recurring patterns in membership composition and payout practices were noticed during data collection. Four organisational arrangements were identified: area-based ROSCAs, ethnic-based ROSCAs, country-of-origin–based ROSCAs, and mixed (multi-ethnic) ROSCAs. Area-based ROSCAs comprised members operating businesses within the same locality and facilitated coordinated financial support linked to shared market conditions. Ethnic- and country-of-origin–based ROSCAs relied on shared cultural norms and social familiarity to sustain regular contributions and trust. Mixed (multi-ethnic) ROSCAs involved members from diverse backgrounds and were characterised by clearer contribution rules and the presence of coordinators to manage group participation.
Across all organisational arrangements, common features included fixed contribution

amounts, pooled savings, informal leadership, and social enforcement mechanisms to ensure compliance.

It was revealed that the dominant operational structure of ROSCAs among African immigrant entrepreneurs in Cape Town was Random ROSCAs. The payout arrangements were determined through random selection, negotiated sequencing, or urgency-based prioritisation rather than fixed rotational schedules. Members facing business-related shocks, including stock shortages or rental challenges, were often prioritised for early payouts through collective agreement. This flexible operational structure enabled participants to respond to fluctuating business needs and income instability.

Participants referred to ROSCAs using different local labels, including Community Groups, Njangi, Umngalelo, Isusu, Susu, Ekub, and chiperegani. Although these terms varied across ethnic and national groups, they reflected similar practices centred on collective savings, pooled contributions, and trust-based participation.

A network linking the four sub-themes and the theme was created using ATLAS.ti25 software. This is illustrated in Figure 4.19 below.

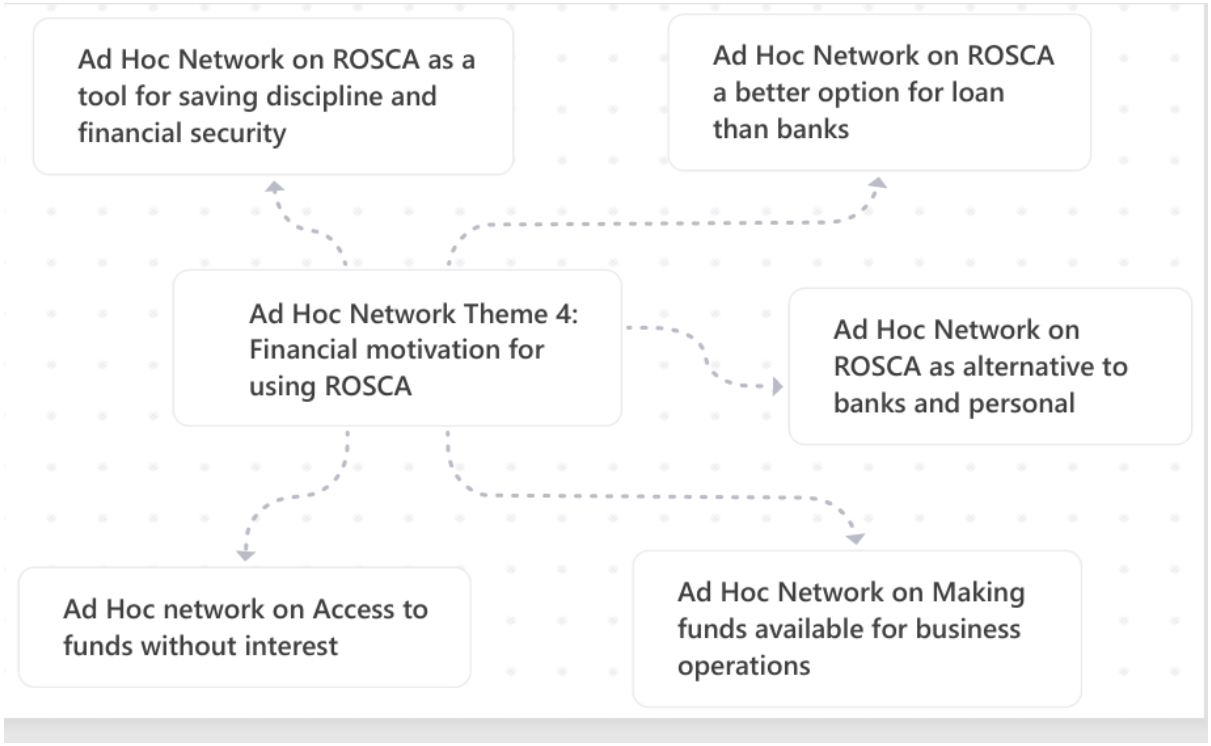


Figure 4.19 Ad Hoc Network on Theme 4: Financial motivation for using ROSCA *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.19 above illustrates how the sub-themes of making funds available for business operations, ROSCA as a tool for saving and financial security, ROSCA as an alternative to banks and personal savings, and ROSCA as a preferred option for loans over banks collectively form theme 4 (financial motivation for using ROSCA). This revealed that several interrelated factors motivated African immigrant entrepreneurs from running successful businesses.

4.2.2.5 Theme 5: social and business support drives for using ROSCAs

Theme five is one of the themes that emerged from the responses of the research participants regarding the fourth research question. This theme captures the social and economic factors that motivated African Immigrant Entrepreneurs to use ROSCA as a strategy to prolong their business operations in the City of Cape Town. The findings demonstrate that, beyond financial needs, Immigrant entrepreneurs are pulled towards ROSCA for the social and essential support embedded within it. Four sub-themes emerged that explain these motivations.

Sub-theme 1 of Theme 5: Benefits of Using ROSCA

Sub-theme one emerges from the description of a variety of material and immaterial benefits participants obtained from ROSCA participation. Financially, they obtained funds which facilitated bulk buying of business stock and supported other business activities.

The participants described:

Participant 13: Yeah, Stockvel (ROSCA) provided me with money, which I was able to buy in bulk. ROSCA helped me to improve and upgrade my business.

Participant 16: I can say that the benefits are many. One of the benefits is that ROSCA has helped me solve my business problem. I used ROSCA money to add more stock to my business.

ROSCA functions as a social institution and provides significant information needed by Immigrant entrepreneurs to strengthen resilience and overcome uncertainties of the business environment. These advantages serve as influential motivators, enhancing ROSCA activities as a valuable and approachable financial instrument that supports continuous business necessities.

The participants elucidated:

Participant 20: Yes, ROSCA has impacted my relationship with other Immigrants in so many ways. When we come together, it makes us know what is happening around us as African foreigners. It also helped us to know the difficulties that others face in their businesses and share common solutions.

Participant 22: Yeah, I can say that ROSCA has brought me closer to others that I did not know. ROSCA has made me get support from friends and support friends.

The participants' explanations showed solidarity and a sense of shared responsibility by contributing to and benefiting from pooled resources.

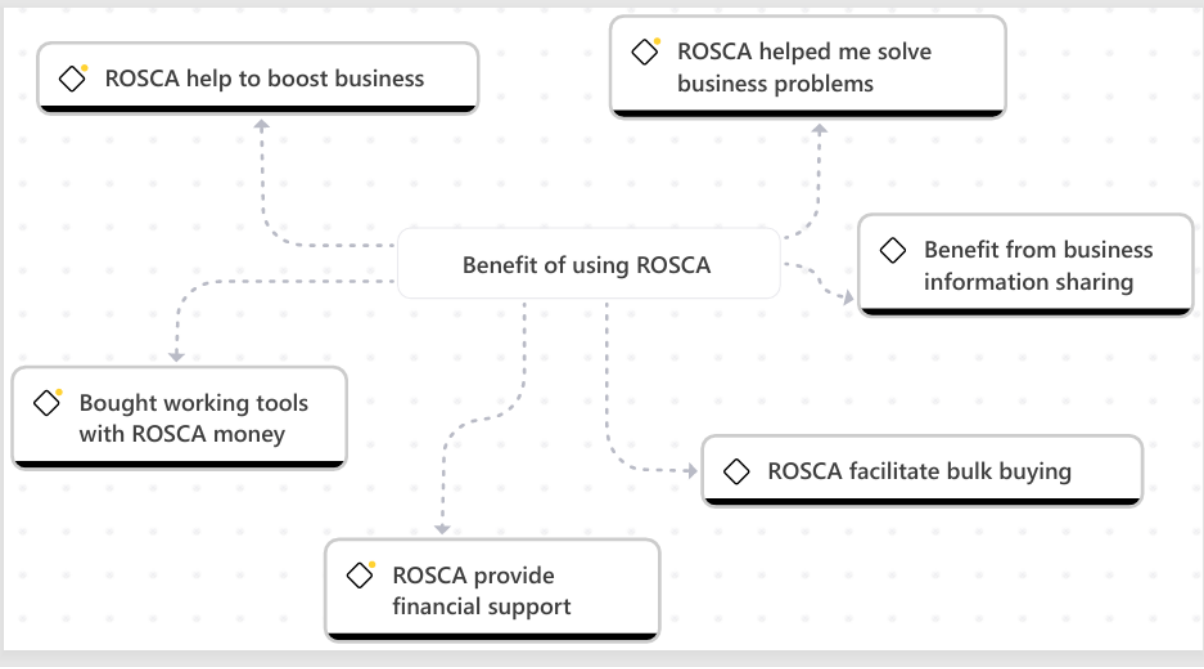


Figure 4.20 Ad Hoc Network Sub-theme 1 of Theme 5: Benefit of using ROSCA
(Source: Researcher's ATLAS.ti25 output)

Figure 4.20 illustrates the sub-theme of benefits of using ROSCAs, highlighting their multifaceted contribution to business development among African immigrant entrepreneurs. The findings show that participation in ROSCAs extends beyond financial support to include business information sharing, problem-solving, and

collective learning. Codes such as buying working tools with ROSCA funds, facilitating bulk purchasing, boosting business performance, and providing financial support demonstrate how ROSCAs enhance operational capacity and resilience. Collectively, these benefits indicate that ROSCAs function as integrated support platforms that combine financial resources with social and informational capital, thereby strengthening business performance and sustainability.

Sub-theme 2 of Theme 5: Financial Collaboration Built on Trust

The second Sub-theme emerges from the explanations that the participant gave regarding their collaborative effort within ROSCA. Participation in ROSCA is built on trust, honesty, and mutual commitment to guarantee the smooth operation of the institution. African Immigrant Entrepreneurs value collective effort and shared responsibility, which encourages ROSCA participation. Such a collaborative effort enhances financial integrations and business development.

The participants explained:

Participant 20: Yeah, what motivated me is that, with NJANGI (ROSCA), there is confidence and assurance of getting money. Membership is built on confidence and trust in one another. So, the trust that is found among the members gave me the confidence to join.

FG1 Participant 2: Yeah, what motivated me to join ROSCA is that the group is made up of members who know each other. There is trust and confidence among the members. The fund also came out at once.

Participant 8: As we are using ROSCA to improve our businesses, other foreigners doing business around us see and ask how we are succeeding in our businesses. When we tell them that ROSCA is helping us, they become interested and decide to join us.

Through a collaborative network, these Immigrant entrepreneurs can deepen their reliance on each other to promote financial security and business continuity.

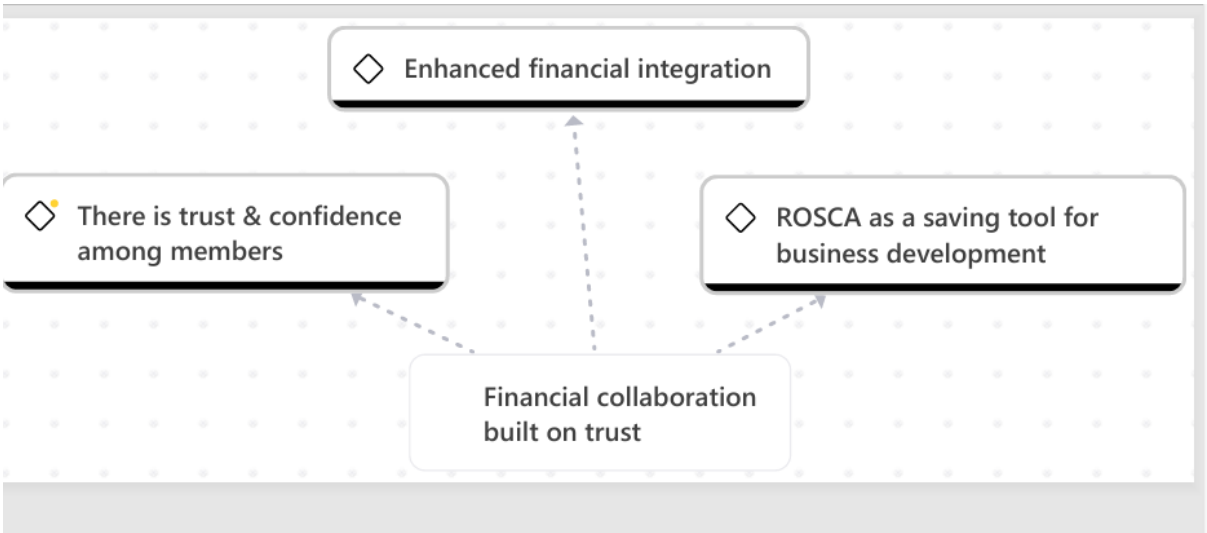


Figure 4.21 Ad Hoc Network Sub-theme 2 of Theme 5: Financial collaboration built on trust *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.21 illustrates the sub-theme of financial collaboration built on trust among African immigrant entrepreneurs. The findings show that trust and confidence among ROSCA members enhance financial integration and support the use of ROSCAs as a saving tool for business development. This trust-based collaboration underpins effective resource mobilisation and sustained participation.

Sub-theme 3 of Theme 5: Access to Business Network

The third sub-theme captures participant's explanations and shows how access to business network was a driving force behind ROSCA participation. According to the participants, ROSCA provide a platform of information sharing, business connections and relations and facilitate bulk buying.

The participant explained:

Participant 11: What makes me join ROSCA is to associate with people and to get money to boost my business.

Participant 17: Yeah, I can say that through ROSCA I was able to get financial help. Through ROSCA, I was able to build business relationships. Through ROSCA, I met new friends and built close relationships with them.

Participant 13: Yeah, Stockvel (ROSCA) provided me with money, which I was able to buy in bulk. ROSCA helped me to improve and upgrade my business.

By using a network of information within ROSCA participation, Immigrant entrepreneurs can obtain critical business-related information, such as where to buy business stock that is affordable and capable of increasing business profits.

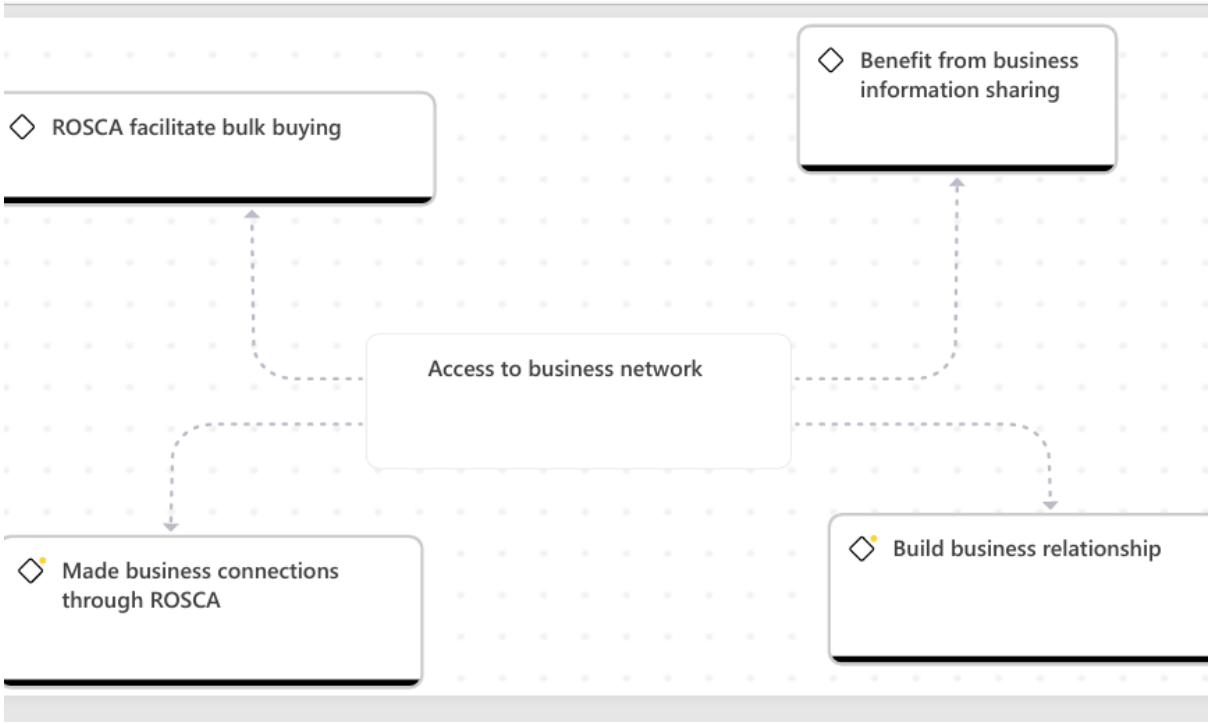


Figure 4.22 Ad Hoc Network Sub-theme 3 of Theme 5: Access to business network *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.22 illustrates the sub-theme of access to business networks, highlighting the role of ROSCAs in facilitating entrepreneurial connections. The findings show that participation in ROSCAs enables business information sharing, relationship building, and the formation of business connections, while also supporting collective activities such as bulk buying. This demonstrates how ROSCAs function as important platforms for expanding business networks and enhancing operational opportunities.

Sub-theme 4 of Theme 5: Establishment of Social Ties and Financial Support

Sub-theme four emerges from the description of a variety of social and financial motivations that encourage ROSCA participation by Immigrant entrepreneurs. ROSCAs strengthen its members by providing financial support when need arises. The funds also helped to increased business capital and supported other business

activities. Thus, reducing business vulnerability and encourage continuous participation with ROSCA.

The participant described:

Participant 1: Yeah, I may say that it is an easy and fast way to raise finance, so that alone motivated me to join ROSCA. I joined because I wanted to improve my business. Coming together as friends, family can help us raise money to grow our businesses.

Participant 9: I needed more capital for my business. I also wanted to contribute to the people in my area. I wanted some business security.

Participant 12: Yeah, I needed to build a relationship with my fellow people. I consider ROSCA a bank for those rejected by formal banks. With ROSCA, I know I will get a loan with no documents needed. The trust among ROSCA members motivated me to use ROSCA as a source of business finance.

The operation of ROSCA goes beyond the provision of financial assistance to strengthen social ties and provide moral support to its members. African Immigrant Entrepreneurs consider ROSCA as a source of social safety nets and a platform to foster a sense of belonging.

The participants explained:

Participant 22: Yeah, I was happy to join my brothers from the same place. Connecting with them gave me hope that my business can grow big. The fact that I know most of the members gave me confidence to join the ROSCA.

Participant 19: Yeah, it has impacted other Immigrants around us where we do business. We shared the ideas with some of the Zimbabweans working around us, and some of them loved it and joined us. So, their businesses have also expanded.

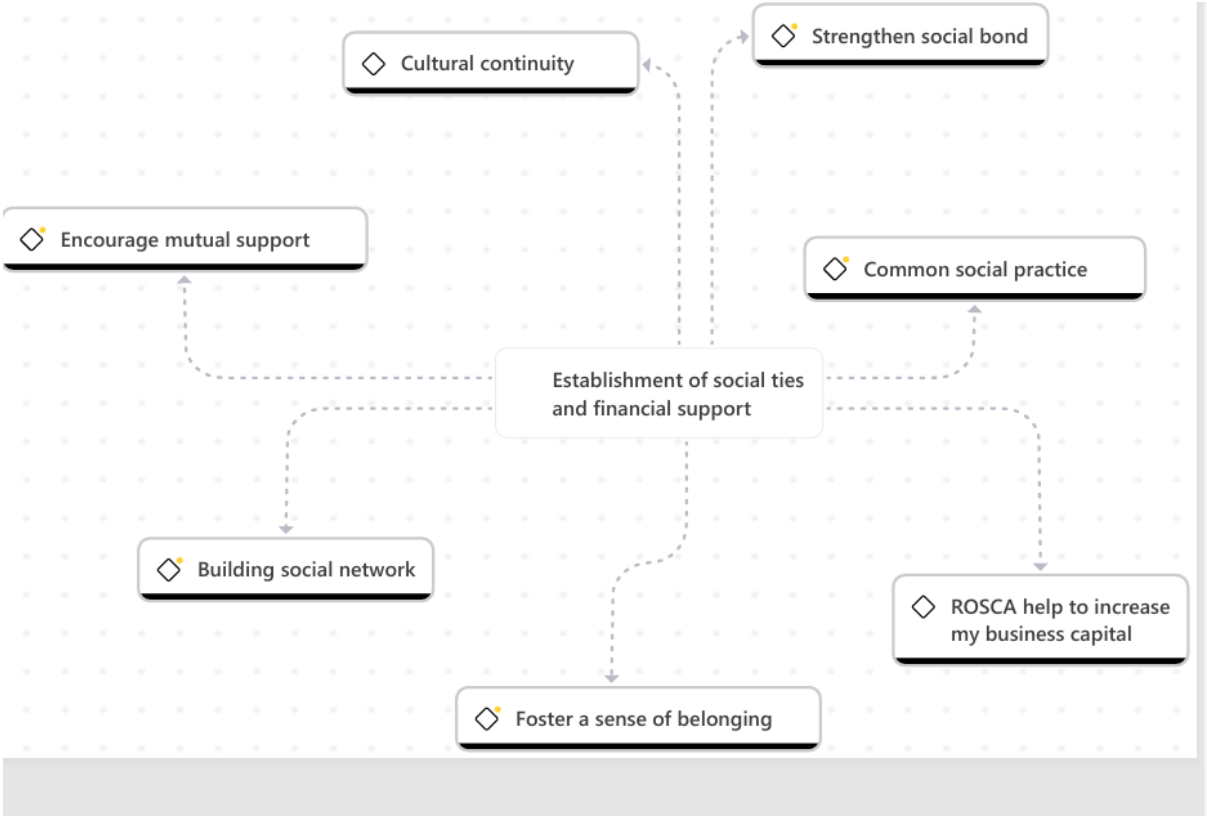


Figure 4.23 Ad Hoc Network Sub-theme 4 of Theme 5: Establishment of social ties and financial support *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.23 demonstrates the sub-theme of establishment of social ties and financial support among African immigrant entrepreneurs. The figure shows that ROSCAs function as common social practices that promote cultural continuity, foster a sense of belonging, and encourage mutual support, while also strengthening social bonds. At the same time, these social ties contribute to financial support, including increased business capital, highlighting the interconnected social and economic benefits of ROSCA participation.

The participant explanations captured in the four sub-themes show that ROSCAs are social and financial institutions that promote business resilience by providing financial support, enhanced financial integration and facilitating bulk buying. The social support that ROSCAs offer are important motivators for African Immigrant Entrepreneurs, as it fosters Business Information sharing, builds trust and confidence among members, encourages mutual support and strengthens social bonds. All these critical factors motivated African Immigrant Entrepreneurs who depend on ROSCA as a strategy for business survival and expansion.

A network linking the four sub-themes and the theme was created using ATLAS.ti25 software. This is illustrated in Figure 4.24 below.

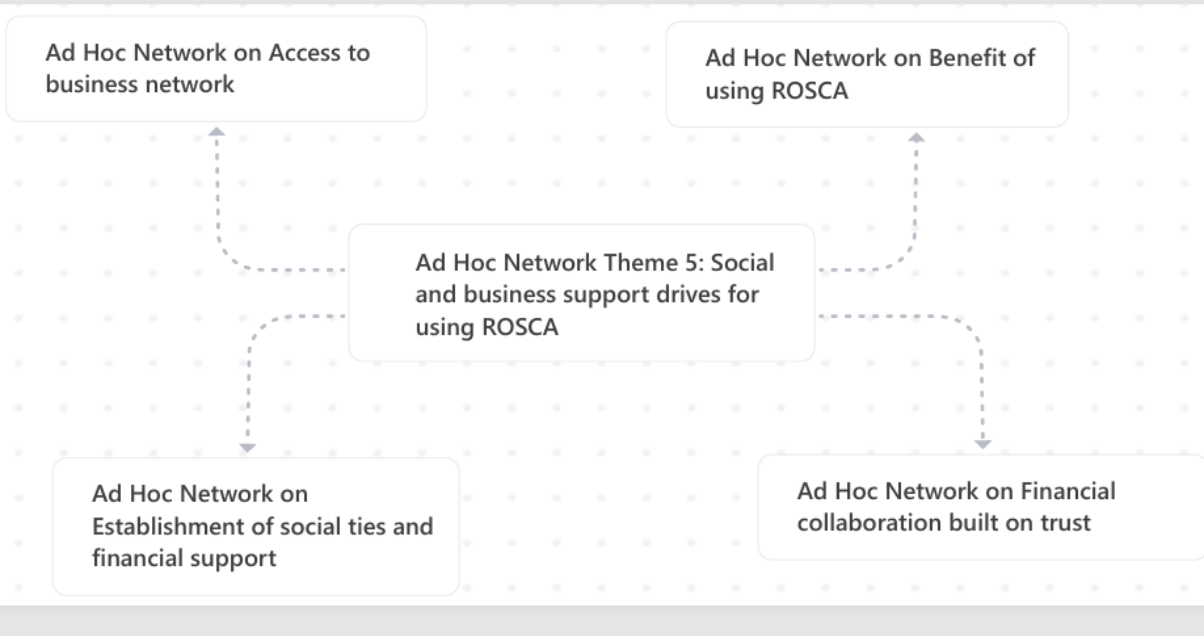


Figure 4.24 Ad Hoc Network on Theme 5: Social and business support drives for using ROSCA *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.24 above illustrates how the sub-themes of access to business networks, benefits of using ROSCA, establishment of social ties and financial support, and financial collaboration built on trust collectively form theme 5 (Social and business support drives for using ROSCA). The figure highlights the interconnected social and economic benefits of ROSCA participation.

4.2.2.6 Theme 6: challenges of using rotating savings and credit associations

Theme six addressed research question four. It captures the challenges African Immigrant Entrepreneurs face in participating in ROSCA. Although ROSCAs are a crucial source of business funding, members encounter several relational and operational limitations that could reduce the associations' efficiency and sustainability. The challenges are categorised in clusters and named as irregular contribution and defaults, limited finance available and issues of trust. These sub-themes are further elaborated below.

Sub-theme 1 of Theme 6: Irregular Contribution and Defaults

One of the major challenges emphasised by the participants is that of irregular contribution and defaults. The problem of irregular member contributions frequently causes problems with finances within the ROSCA. When these challenges occur, cash flow and the trust necessary to sustain the process of contributions are impacted by inconsistent payments and defaults.

The participants described:

Participant 16: Yeah, some of the challenges are when some members fail to contribute, so it makes the one who is to receive not have the full amount.

Participant 12: A challenge with ROSCA is that a member can take the money and refuse to pay it back. Members may fail to contribute due to ill health, death, or travel to another country.

Many participants shared that some members either delay or completely fail to contribute, which affects the ability of others to receive the pot.

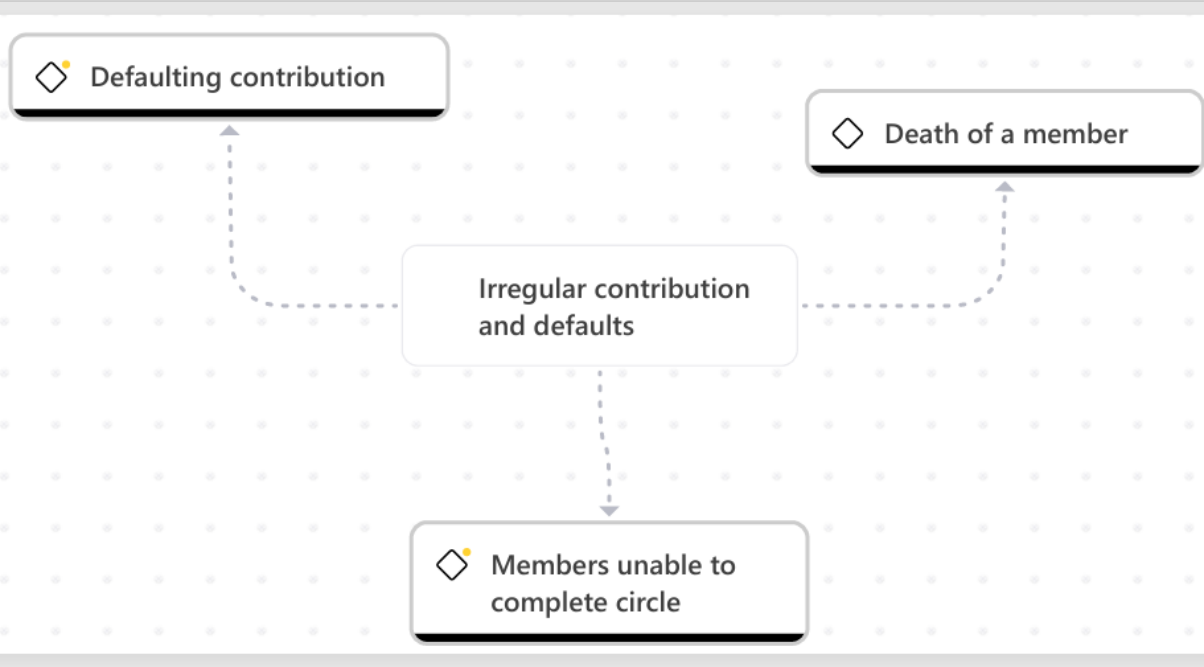


Figure 4.25 Ad Hoc Network Sub-theme 1 of Theme 6: Irregular contribution and defaults *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.25 demonstrates the sub-theme of irregular contribution and default within ROSCAs. The figure shows that factors such as the death of a member, difficulties in making contributions, member defaulting, and inability to complete contribution

cycles pose challenges to the smooth functioning of ROSCAs. These issues highlight the vulnerability of ROSCAs to member-related disruptions, which can affect financial continuity and collective trust.

Sub-theme 2 of Theme 6: Limited Finance Available

An additional obstacle mentioned by the participants is that of limited financial resources, which limits the scale of investment and opportunities for business expansion. In a situation where members make multiple requests for financial assistance, ROSCA might find it difficult. As a result, ROSCA members might not receive enough funds to address significant business needs. The amount of cash available for a member to receive is often determined by the size of the group and the financial contributions of the members, which can be very small.

The participants elucidated:

Participant18: Yeah, one of the challenges of using ROSCA is that you can go hungry just because you want to raise money for ROSCA. There was a time when four of us needed money and the meeting could not give us due to the limited amount of money in the ROSCA account. Two members failed to contribute on the day that it was my turn to receive the money. This really affected my plans.

Participant 16: Yeah, some of the challenges are when some members fail to contribute, so it makes the one who is to receive not have the full amount.

Participant 4: Some individuals in the ROSCA group might not comply financially or you might not have the desired amount you need for your business.

Limited financial contributions in ROSCAs point to weak collaborative effort among members.

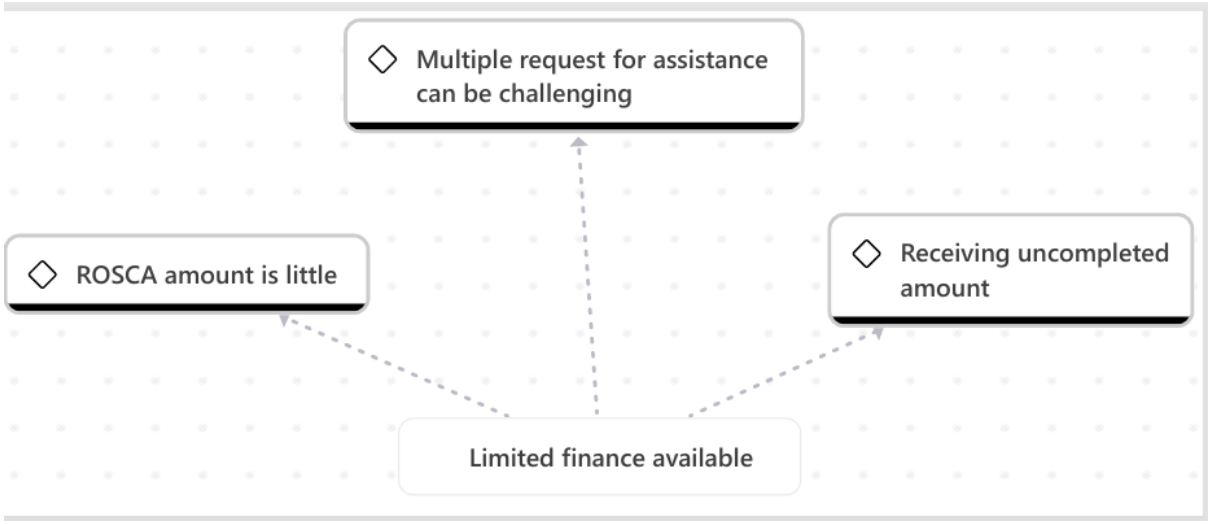


Figure 4.26 Ad Hoc Network Sub-theme 2 of Theme 6: Limited finance available
(Source: Researcher's ATLAS.ti25 output)

Figure 4.26 demonstrates the sub-theme of limited finance available within ROSCAs. The figure indicates that multiple requests for assistance place pressure on available funds, sometimes resulting in members receiving incomplete amounts, while the overall ROSCA contributions may be relatively small. This highlights the financial constraints that can limit the extent of support ROSCAs are able to provide to members.

Sub-theme 3 of Theme 6: Issues of Trust

One of the fundamental elements of ROSCA is trust. ROSCA members demonstrate trust when their operations rely on mutual agreement and honesty. Any dishonesty, conflict or mismanagement of funds can significantly weaken the function of the institution. Some participants raised issues of having wrong and unfamiliar people in the group as a major concern.

The participants explained as such:

Participant 5: Some members of ROSCA received the money they ran away without contributing to others.

Participant 1: Yeah, if we have wrong members in the group, it's become challenging. Sometimes, a member can take the money and will not want to contribute, so we find it difficult to get the money.

Participant 2: If you are unable to contribute, it becomes a challenge. If a member who has received the money fails to contribute, it also becomes a problem. If a member takes the money and runs away, it is also a challenge.

The highlighted issues of trust mentioned by the participants demonstrate weakness in the network of reciprocity and solidarity.

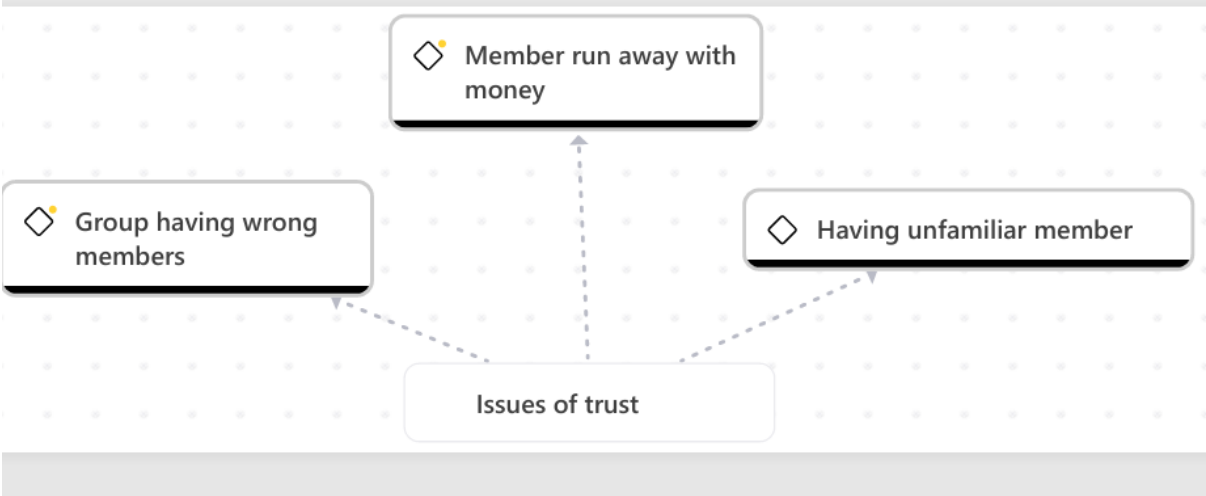


Figure 4.27 Ad Hoc Network Sub-theme 3 of Theme 6: Issues of trust *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.27 illustrates issues of trust within ROSCAs. The figure shows that the presence of unsuitable or unfamiliar members and instances where members abscond with funds undermine trust within the group. These trust-related challenges highlight the risks associated with collective financial arrangements and their potential impact on group stability and sustainability.

The participant's descriptions captured in the three sub-themes show that the challenges encountered by African Immigrant Entrepreneurs using ROSCAs reflect the gaps in the social structure of informal financial institutions.

A network linking the three sub-themes and the theme was created using ATLAS.ti25 software. This is illustrated in Figure 4.28 below.

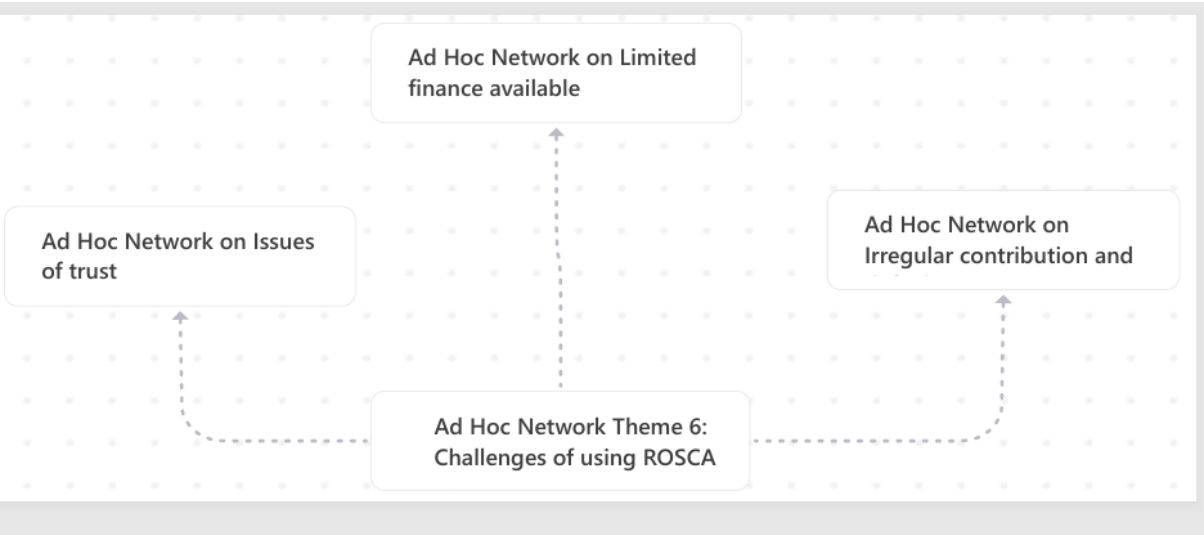


Figure 4.28 Ad Hoc Network of Theme 6: Challenges of using Rotating Savings and Credit Associations *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.28 above illustrates how the sub-themes of limited financial availability, irregular contribution and default, issue of trust and challenges of ROSCA collectively form theme 6 (challenges of using ROSCA). The study revealed that several factors constrain the smooth operation of ROSCA, which exerts a potential impact on group stability and sustainability.

4.2.2.7 Theme 7: acquired financial and economic capital factors

Acquired financial and economic capital factors are a theme that emerged from the explanation participants gave in response to the fifth research question that seeks to explore what capital factors African Immigrant Entrepreneurs acquired through ROSCA participation that were able to boost the survival of their businesses. The participants' explanations showed that ROSCA was important in providing a variety of capital factors that are essential to the survival and expansion of small businesses operated by African Immigrants. The data revealed five sub-themes which are linked to the theme *Acquired financial and economic capital factors.* Each of the five sub-themes focuses on a different aspect of how ROSCA helps African Immigrants businesses to survive. The sub-themes are elaborated further below**.**

Sub-theme 1 of Theme 7: Acquired Business Knowledge and Understanding from ROSCA Participation

This sub-theme captures one of the various ways in which participants were able to acquire business knowledge by participating in ROSCA. It captures how, by participating in ROSCA, these African Immigrant Entrepreneurs were able to learn from shared experiences and advice with fellow members. The participants highlighted market strategies, business improvement strategies, and customer care as critical business knowledge they were able to acquire by participating in ROSCA.

The participants explained:

Participant 22: Yes, I have learned something very good from members. For example, she taught us how to keep record of what customers like to buy so that we can produce more of such items. Also, we must try to find out from customers if they do enjoy our products while taking special notes of complaints made. Also to keep a record of all the things we buy and the sales, so that it will be easy to understand if the business is making profit.

Participant 19: Yeah, ROSCA participation has helped me a lot. All our members are businesspeople, so they share business ideas and give advice. They all show me where to buy business stuff and how to price them in a way that I can make a profit and people will still be happy with my price.

Participant 23: Yes, we have some brothers in our group; when we come together, they spend some time to share business practice ideas with us. We learn different ways to manage our money and put in our money in other businesses. Some members told us about the importance of using card payment system to improve our businesses, improve customer care by making a list of what they want and buy them.

Based on the participants' explanations, the use of information by African Immigrant Entrepreneurs helps to improve their business knowledge, customer engagement, and financial management strategies. The participants demonstrated the ability of improved business operational knowledge.

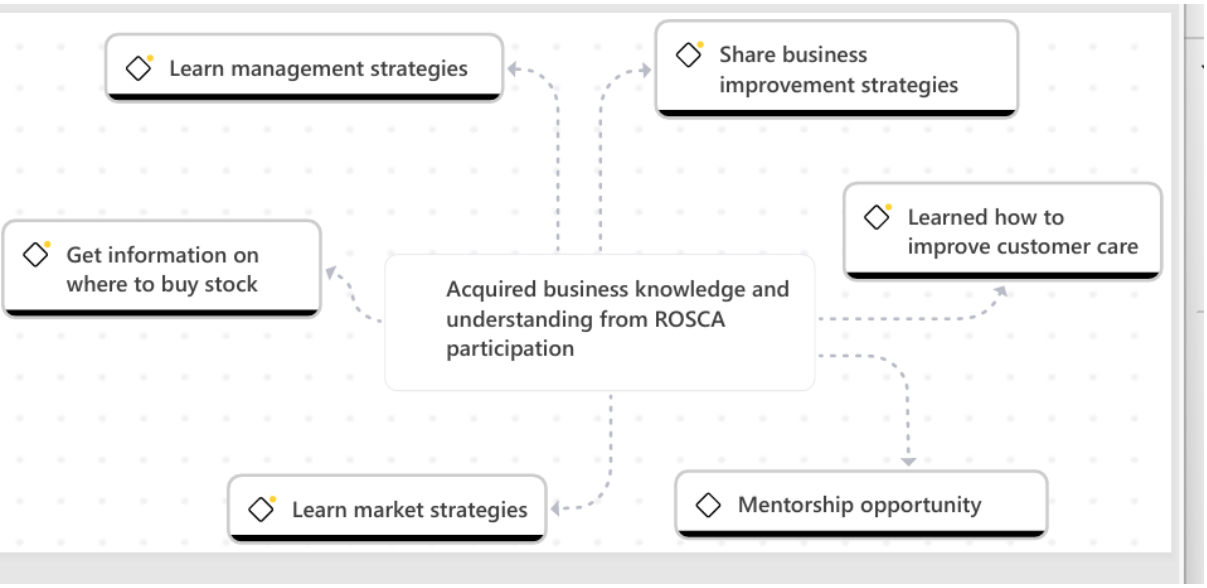


Figure 4.29 Ad Hoc Network Sub-theme 1 of Theme 7: Acquired business knowledge and understanding from ROSCA participation *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.29 illustrates the sub-theme of acquired business knowledge and understanding from ROSCA participation. The figure shows that through ROSCAs, participants learn market and management strategies, gain information on sourcing stock, access mentorship opportunities, and improve customer care practices. This highlights the role of ROSCAs as spaces for knowledge exchange and entrepreneurial learning beyond their financial function.

Sub-theme 2 of Theme 7: Acquisition of Assets Through ROSCA Participation

Sub-theme two captures participants' explanations on how the money they obtained from ROSCA enabled them to buy essential business assets. Through a network of reciprocity and solidarity, ROSCA members contribute money, which allows them to acquire important business assets.

The participants elucidated:

Participant 3: Actually, I can say ROSCA has helped me. From the onset, I was renting a container, and with money from ROSCA, I was able to buy a container of my own and a car that is helping me to go and buy my business items.

Participant 6: Through ROSCA, I was able to buy a big container for my business. I was able to build solid shelves in my business. I bought a nice phone to advertise my business on social media.

Participant 20: Yeah, for me practically, ROHSCA helped me to buy my tools, especially my power machine (welding machine).

The participant's responses showed that giving and receiving within ROSCA facilitated the accumulation of work tools, equipment, business container, and business stocks.

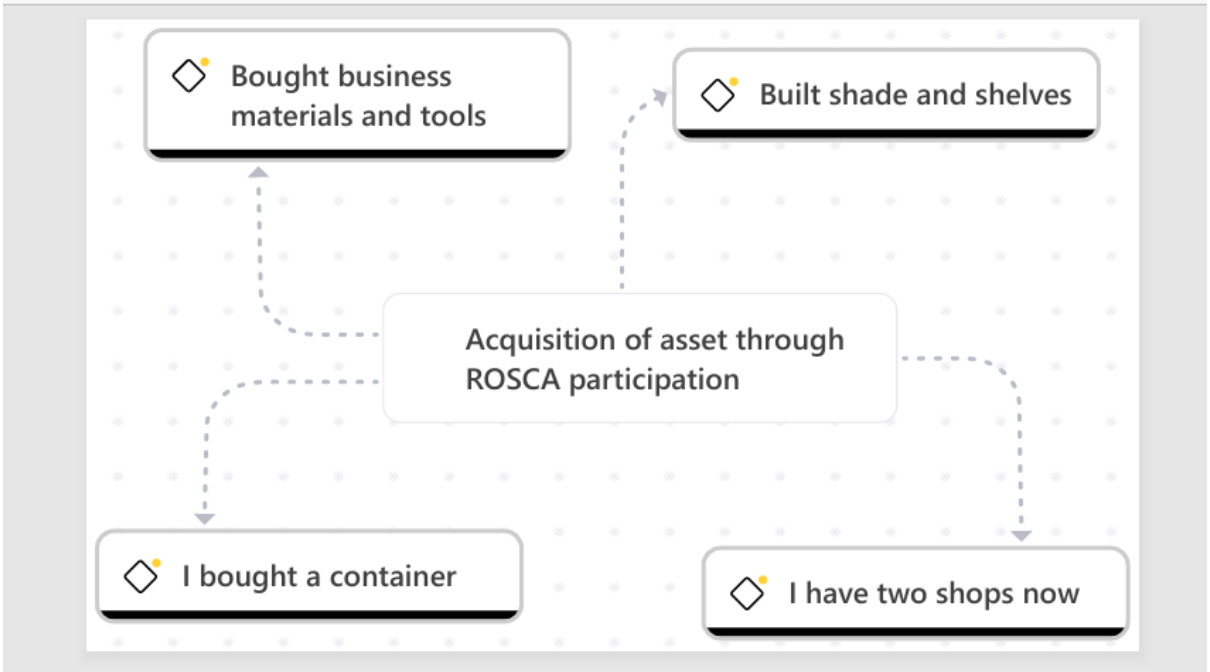


Figure 4.30 Ad Hoc Network Sub-theme 2 of Theme 7: Acquisition of asset through ROSCA participation *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.30 illustrates the sub-theme of acquisition of assets through ROSCA participation. The figure shows that access to ROSCA funds enabled participants to acquire business assets such as containers, materials, tools, shelves, and business infrastructure, with some expanding to multiple shops. The study highlights how ROSCAs support asset accumulation and physical business growth among African immigrant entrepreneurs.

Sub-theme 3 of Theme 7: Enhancing Business Commitment and Self-control through ROSCA

This sub-theme revealed how African Immigrant Entrepreneurs were able to enhance their businesses through commitment and self-control, a discipline obtained by participating in ROSCA. Members who regularly participate in ROSCA develop a sense of responsibility and financial discipline. According to participants, ROSCA's expectations and framework strengthened their dedication to their businesses. It is improved accountability among members and encourages regular saving that assist African Immigrant Entrepreneurs to make timely improvements in their business operations, particularly in uncertain or financially strained times.

The participants explained:

FG2 Participant 3: Yeah, taking part in ROSCA has helped me a lot because that is where I gather money to start business. So, this made me be careful about how I spent the money. I spend money in a mature way because I don't have access to the bank.

FG1 Participant 1: Yeah, being in ROSCA has made me committed. I have been able to remove my focus on those fancy things that I love. I discipline myself so that I can respect the rules and regulations of our ROSCA and make my contribution with ease.

Participant 22: Yeah, when I joined ROSCA, I saw it as a debt, especially when I had received the money. So in order not to fail, I must work very hard. I focus on my business, make sure I do clients' work, and deliver on time so that I can get money to contribute and save in case of anything that might come up.

These findings revealed that besides the financial function of ROSCA, the institution also functions as a source of vital social capital and knowledge for African Immigrant Entrepreneurs. These factors had a close relationship with the social support network.

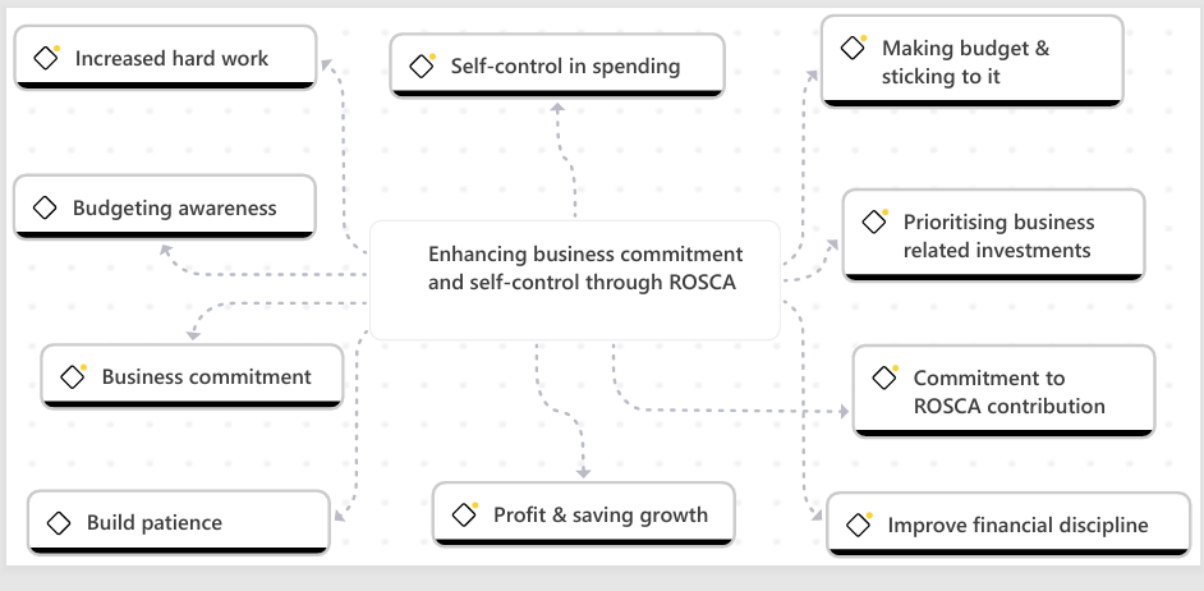


Figure 4.31 Ad Hoc Network Sub-theme 3 of Theme 7: Enhancing business commitment and self-control through ROSCA (*Source: Researcher's ATLAS.ti25 output)*

Figure 4.31 illustrates the sub-theme of enhancing business commitment and self-control through ROSCA participation. The figure shows that involvement in ROSCAs promotes patience, financial discipline, budgeting awareness, and self-control in spending, while strengthening commitment to both business activities and ROSCA contributions. This demonstrates how ROSCAs foster disciplined financial behaviour and prioritisation of business-related investments.

Sub-theme 4 of Theme 7: Entrepreneurial Drives from ROSCA

Entrepreneurial drives from ROSCA are one of the sub-themes that emerged from participant responses. The sub-theme captures the acquired factors which inspired African Immigrant Entrepreneurs to carry on with their business activities. Several participants mentioned that ROSCA meetings serve as an inspiring setting that fosters entrepreneurial aspirations. The participants' explanations show that being surrounded by people who encourage them not to give up in business and sharing their strategies to overcome business challenges encouraged them to continue with their business operations.

The participants expounded:

Participant 24: Ok, I can say that they encouraged me on how to start again when my business was down. I was motivated to start buying and selling many different types of goods in my business. They gave me advice that has helped me to manage my business.

Participant 20: Yeah, in ROSCA, we are like a big family that has come together. When we are together, members share ideas. I take the ideas, develop them, and use them to foster my business. When members share their problems and how they resolved them, I learn from them. I was having a challenge with how to display my products. One member visited me and showed me the best way to display my business in a way that helped to attract more clients.

Participant 15: Yeah, when we come together, we talk a lot about business. Members share Business Information, and we discuss the best ways of pricing our goods. Those who have much experience in business do advise us. All these have motivated me.

These findings revealed that elements of entrepreneurial drives are essential enablers of African immigrant business survival and sustainability.

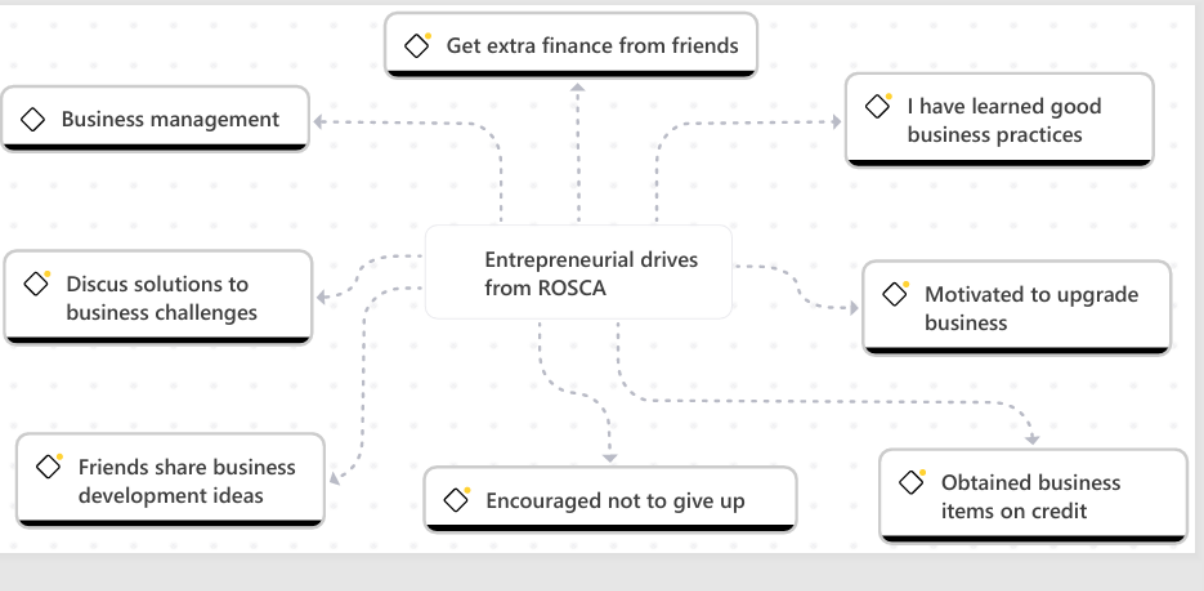


Figure 4.32 Ad Hoc Network Sub-theme 4 of Theme 7: Entrepreneurial drives from ROSCA *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.32 illustrates the sub-theme of entrepreneurial drives emerging from ROSCA participation. The figure shows that through ROSCAs, participants are exposed to shared business ideas, problem-solving discussions, management guidance, and

encouragement to persist in business. In addition, access to peer support, extra finance, credit for business items, and motivation to upgrade businesses highlights how ROSCAs stimulate entrepreneurial motivation and improved business practices.

Sub-theme 5 of Theme 7: Financial Support Mechanism for Business Growth

A financial support mechanism for business growth emerged as a sub-theme and captures the financial factors acquired by African Immigrant Entrepreneurs in their use of ROSCA. It gives more input in addressing research question five, which explores how the capital-factor acquired by African Immigrant Entrepreneurs from ROSCAs assists in boosting the survival of their businesses in the City of Cape Town. Many of the participants considered ROSCA a vital financial source, a bulk buying enabler, and a savings mechanism due to its flexibility and easy access.

The participants explained:

Participant 23: Ok. You see, I was able to save my money in our community group, and I also made the normal contribution. When I received the payment, I was able to settle all my debt and buy more business stock.

Participant 12: Yeah, I can say that I have been able to improve my business. It is now growing. I have more varieties of goods. I also make more profits, which has helped improve my business savings.

Participant 6: My savings and loan from ROSCA have helped my business expand. My business now has a variety of business items. When I put my savings together with the loan from ROSCA, I buy in bulk, which makes it cheaper.

Based on the participants' explanations, it is obvious that with a combination of the acts of social support, reciprocity and solidarity, African Immigrant Entrepreneurs were able to understand the common challenges and provide solutions as a group.

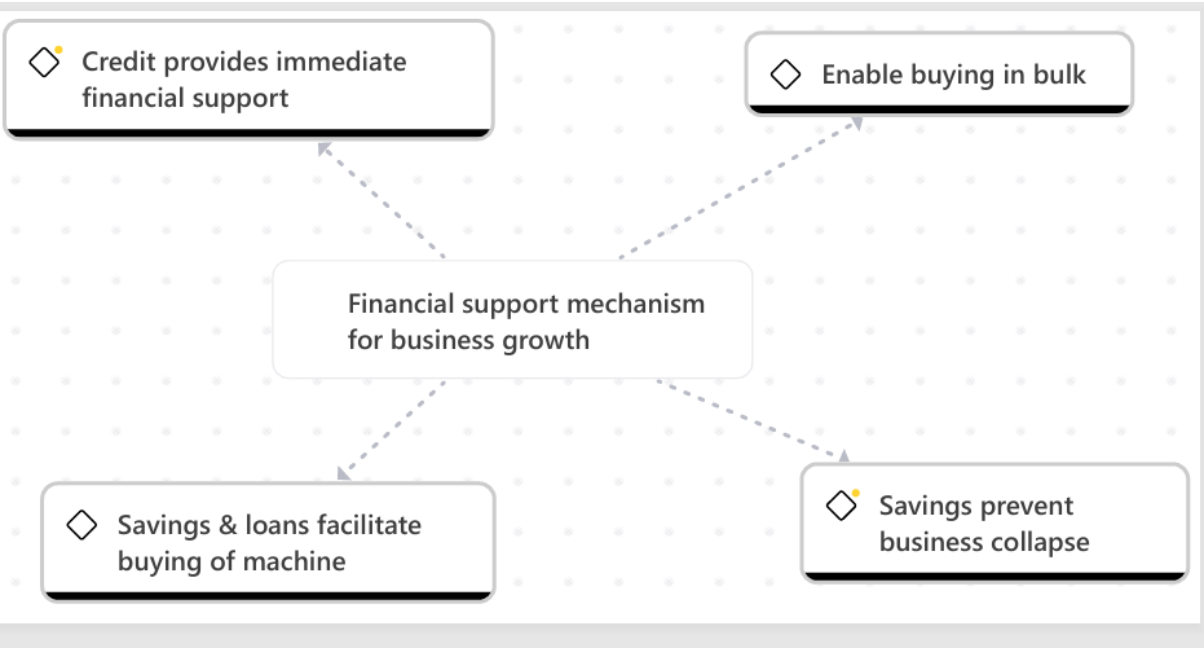


Figure 4.33 Ad Hoc Network Sub-theme 5 of Theme 7: Financial support mechanism for business growth *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.33 illustrates the sub-theme of financial support mechanisms for business growth. The figure shows that ROSCAs provide immediate financial support through credit, enable bulk purchasing, and promote savings that help prevent business collapse. This highlights the role of ROSCAs in supporting financial stability and sustained business growth.

Participants' interpretations of the fifth study question produced a theme that highlighted the importance of ROSCA in providing African Immigrants running small companies with the resources and motivation they require to maintain and grow their enterprises. Five sub-themes emerged, which captured participant responses and show how various types of social networks provide access to knowledge, assets, finance, discipline, and motivation. The participant explanations show that the gap created by traditional financial institutions can be closed by ROSCA. African Immigrant Entrepreneurs through ROSCA can leverage their embedded social factors to sustain their business operations.

A network linking the five sub-themes and the theme is illustrated in Figure 4.34 below.

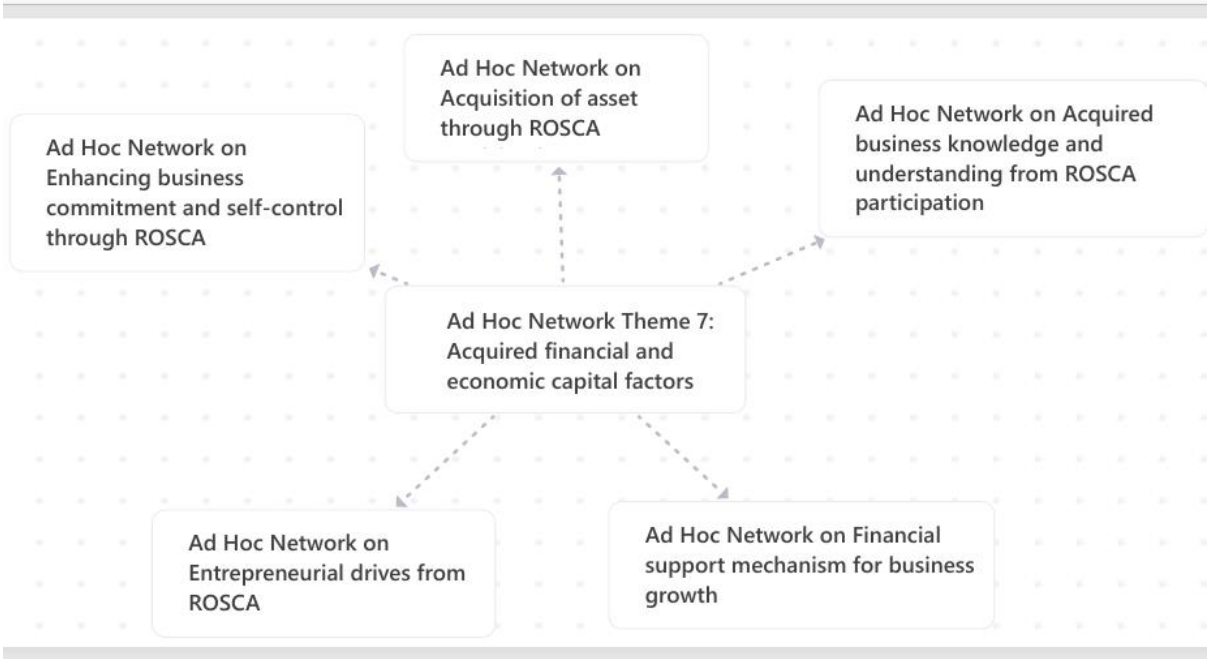


Figure 4.34 Ad Hoc Network of Theme 7: Acquired financial and economic capital factors *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.34 above illustrates how the sub-themes of acquisition of asset through ROSCA, enhancing business commitment and self-control through ROSCA, entrepreneurial drive from ROSCA, financial support mechanism for business growth and acquired business knowledge and understanding from ROSCA participation collectively form theme 7 (Acquired financial and economic capital factors). The study revealed that several interrelated financial and economic factors facilitate the smooth operation of African immigrant businesses.

4.2.2.8 Theme 8: strengthening ROSCAs institutional planning for shock resilience

The last theme to be explored is strengthening ROSCA institutional planning for shock resilience. This theme emerged from the participants' explanations. Four sub-themes operational start-up of ROSCA, strategies for maintaining sufficient reserves (savings) in ROSCA, enhancing ROSCA planning for better business support, and ROSCA risk management strategies for shock resilience. These sub-themes uncovered the contribution of ROSCA's institutional strength.

Sub-theme 1 of Theme 8: Operational Start-up of ROSCA

Sub-theme one captured participants' explanations on ROSCA start-up and highlighted the fundamental planning that supports operational stability and success. An essential starting point is to register ROSCA with the government to minimise any risk. However, many of the participants indicated that they operate without registration because some of their members do not have valid documents, so their operations are based on trust and solidarity through collaboration and information sharing.

The participants explained:

Participant 6: Our ROSCA does not register with any government institution because not all the members have legal documents. So, we build our ROSCA based on trust and solidarity.

Participant 3: Our ROSCA is not registered since some of the members do not have documents. So, we operate based on trust in each other.

The participants' explanations further demonstrated a well-structured network of information that shapes the institutional start-up rules, such as a new member must be known by someone who is already in the group and receive the pot last as a new member.

Participant 9: Our ROSCA is not registered. To become a member, someone must know you very well and accept to stand for you. If you are a new member, you will receive the funds as the last member. This will help us build confidence in you because we rely on trust and solidarity.

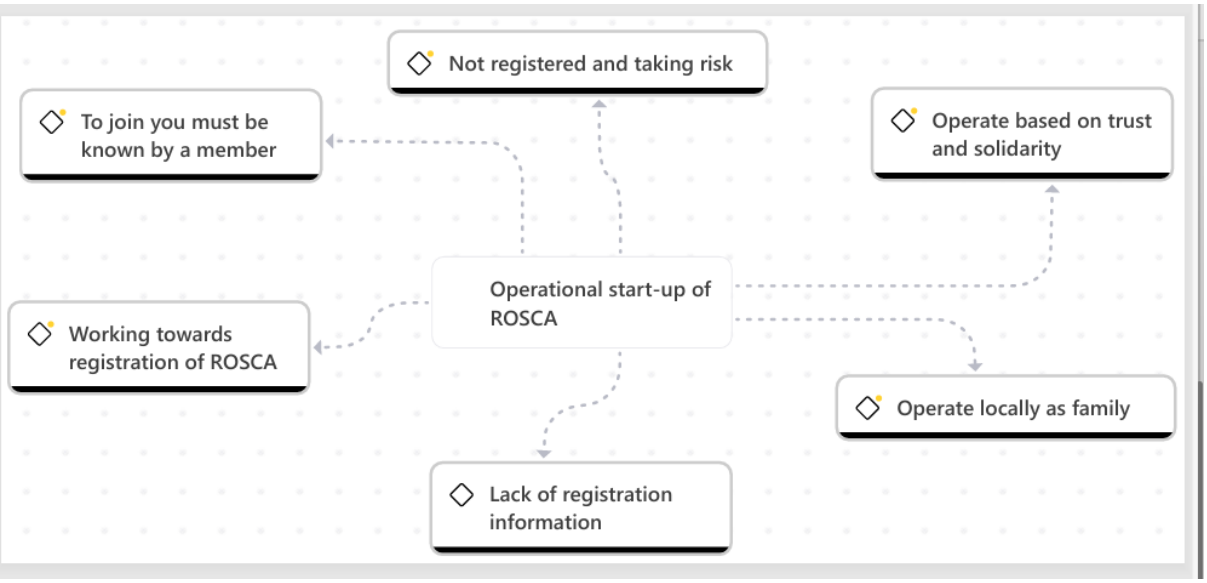


Figure 4.35 Ad Hoc Network Sub-theme 1 of Theme 8: Operational start-up of ROSCA *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.35 illustrates the sub-theme of operational start-up of ROSCAs. The figure shows that many ROSCAs operate without formal registration, often relying on trust, solidarity, and localised, family-like relationships, with membership commonly based on personal familiarity. While some groups are working towards registration, the lack of formal registration information means that ROSCAs frequently operate informally, reflecting both adaptive organisation and associated risks.

Sub-theme 2 of Theme 8: Strategies for Maintaining Sufficient Reserves (Savings) in ROSCA

ROSCA functions as a source of finance for emergency purposes for African Immigrant Entrepreneurs. Therefore, for the institution to effectively handle shock, there should be effective reserve management strategies shaped by social support, reciprocity and solidarity network systems. In the case of a low spirit of mutual obligation and solidarity, contributions towards reserves to support members in times of need become lacking.

The participants elucidated:

Participant 22: Yeah, this is something we don't have, and we have seen the effect of this. There was a time when a member was sick and could not contribute, so all those who got money after him received an incomplete amount. Our group really struggles to help its members.

FG2 Participant 3: Yeah, with us in this group, we do not have any reserve because we make sure that what we gather is given to the person who is receiving for the day.

While some of the participants indicated not having any form of reserve funds, others explained that they build buffers by collecting fines, deducting a portion from the pot for reserve, having a plus-one pot for reserve, implementing a compulsory emergency contribution and saving personal funds into a ROSCA account.

Participant 12: In our ROSCA, we have an emergency fund contribution that every member must make. This money is used in case there is a problem with any member.

Some members keep their personal savings in our ROSCA bank account, which helps them in case they don't have money to contribute to the round.

FG1Participant 5: Yeah, concerning the reserve saving in this ROSCA, what we do is that when anyone receives the money, we deduct part of it and put it into the reserve. In case of any problem that may come up, we use the money and close the gap. We make sure that if someone comes late, that person pays a penalty. We keep all the money for rainy days.

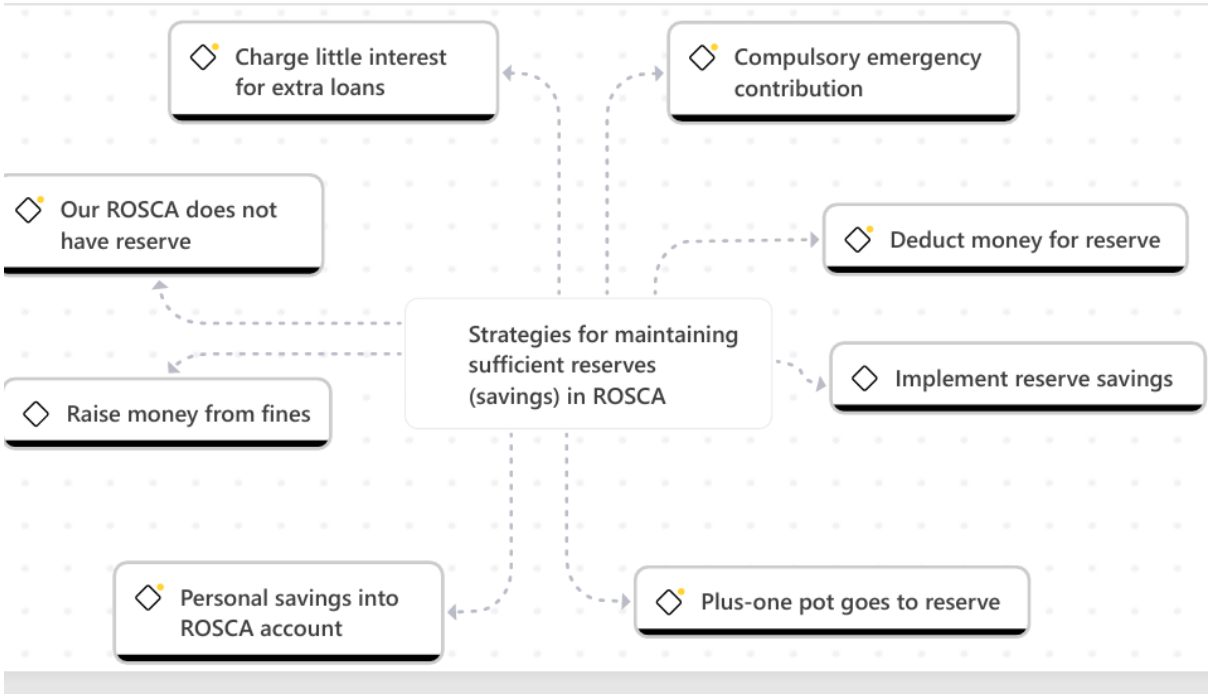


Figure 4.36 Ad Hoc Network Sub-theme 2 of Theme 8: Strategies for maintaining sufficient reserves (savings) in ROSCA *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.36. The participants suggested a variety of strategies, such as increasing the pot amount, making the circle shorter, and adapting flexible communication channels. The participant echoed as such: Figure 4.35 illustrates the sub-theme of strategies for maintaining sufficient reserves (savings) in ROSCAs. The figure shows that ROSCAs employ various approaches to build and manage reserves, including channelling personal savings into ROSCA accounts, raising funds through fines, compulsory emergency contributions, interest on extra loans, deductions for reserves, and allocating additional "plus-one" pots to savings. At the same time, the

findings indicate that some ROSCAs operate without formal reserves, highlighting variation in reserve management practices across groups.

Sub-theme 3 of Theme 8: Enhancing ROSCA Planning for Better Business Support

This sub-theme is about proactive and adaptive ROSCA planning for better support of Immigrant businesses, see

Participant 1: ROSCA should plan to reduce the circle when things are hard; for example, if one member receives the pot once a week, they can make it two people per week.

Participant 6: ROSCA communication should be flexible. They should give the contributed amount to two members per meeting, depending on the amount, to make the circle shorter, so that they can have many circles per year.

The explanations made by the participants further revealed that effective planning through collaborative effort facilitates timely financial support when reserve savings are implemented; more people are encouraged to join ROSCA. Through a network of information, the groups can easily obtain information on how to register with the government. Such strategies allow members of ROSCA to respond to business opportunities or challenges rapidly. The participants further echoed the importance of ROSCA having a bank account in a formal bank.

Participant 4: One of the safest ways for ROSCA to operate is to register with the government. It gives a lot of backing and confidence. This will attract more members, and more members will also increase the amount that a member can receive

Participant 14: My advice is that ROSCA should get more people to join so that it can increase the amount of money.

Participant 19: I think ROSCA should open a bank account that can enable people to bank their money through ROSCA. In case of any emergency, they can get their money and solve the problem. This is very important.

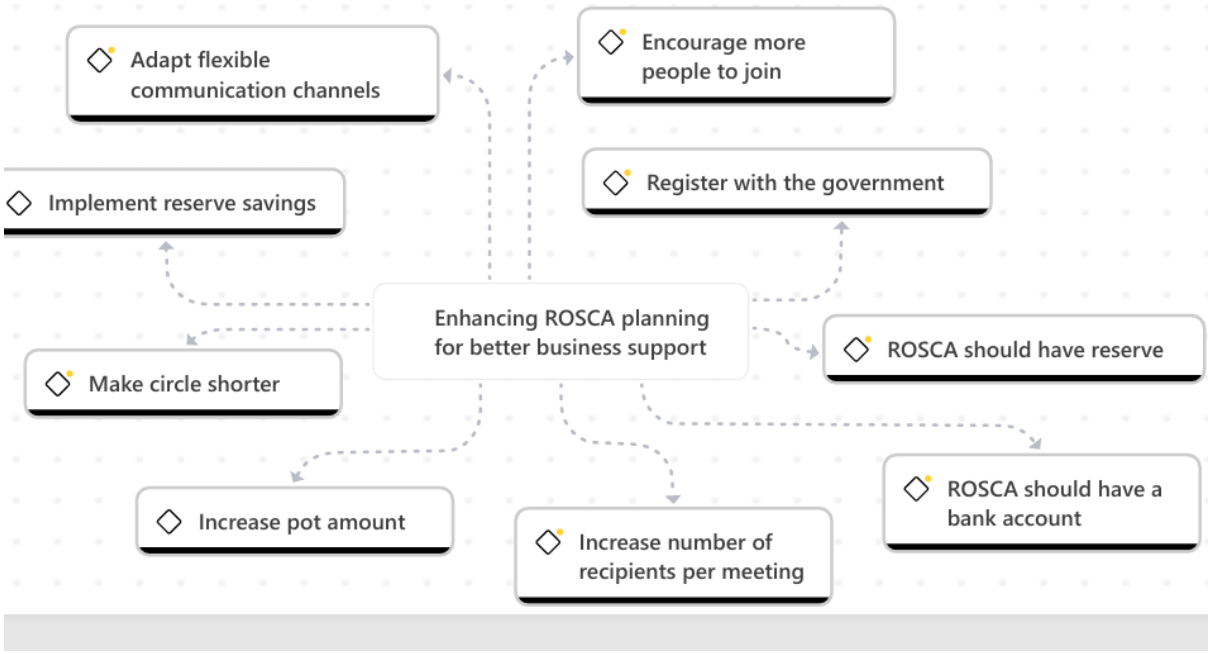


Figure 4.37 Ad Hoc Network Sub-theme 3 of Theme 8: Enhancing ROSCA planning for better business support *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.37 illustrates the sub-theme of enhancing ROSCA planning for better business support. The figure shows that participants identified several planning strategies, including increasing pot amounts, shortening contribution cycles, implementing reserve savings, expanding membership, and increasing the number of recipients per meeting. Additional strategies such as adopting flexible communication channels, registering with the government, and opening ROSCA bank accounts highlight efforts to strengthen organisational capacity and improve ROSCAs' ability to support business activities.

Sub-theme 4 of Theme 8: ROSCA Risk Management Strategies for Shock Resilience

This sub-theme aligns with the theme that addresses research question six. It captures the risk management strategies for shock resilience used by ROSCA members, see Figure 36. Participants share key strategies such as implementing a penalty for breaking the rules, a penalty for defaulting, and the implementation of rules and regulations to govern the institution.

The participants explained:

Participant 2: In our ROSCA, members are told from the beginning that if they fail to contribute, they will be penalised. For example, your business can be sold to raise money. In our ROSCA, we only admit those with assets, so if you bring trouble, your assets can be used.

Participant 1: We have fines for defaulters; if you fail to contribute, you have a heavy fine to pay. We have a constitution with rules and regulations that prevent members from defaulting. We have channels to communicate in case you are not able to contribute so that someone can stand for you, or they may waive your name for that particular time and you contribute later.

Besides the penalties, members are encouraged to increase their commitment and self-control to strengthen their business involvement, limit expenses to raise more funds, extend working hours to increase profit and savings.

The participants elucidated:

Participant 3: Being committed and having self-control will help a member be more involved in his or her business. This will help the members raise money for ROSCA on time; in case of shock, the members will not struggle to contribute.

Participant 5: ROSCA members can control what they buy. When they are committed to their business, they will go in time so that they can serve their customers, have money on time, and not fail the ROSCA contribution. They will control what they buy so that they can save money, which will help in cases of shock.

FG2 Participant 1: I think the idea of having a backup is good. To me, we should keep some money aside in our coffers because a member can have an emergency and will need support. Money can be taken there to support the member's business. Then the members will be given some time to top up the money.

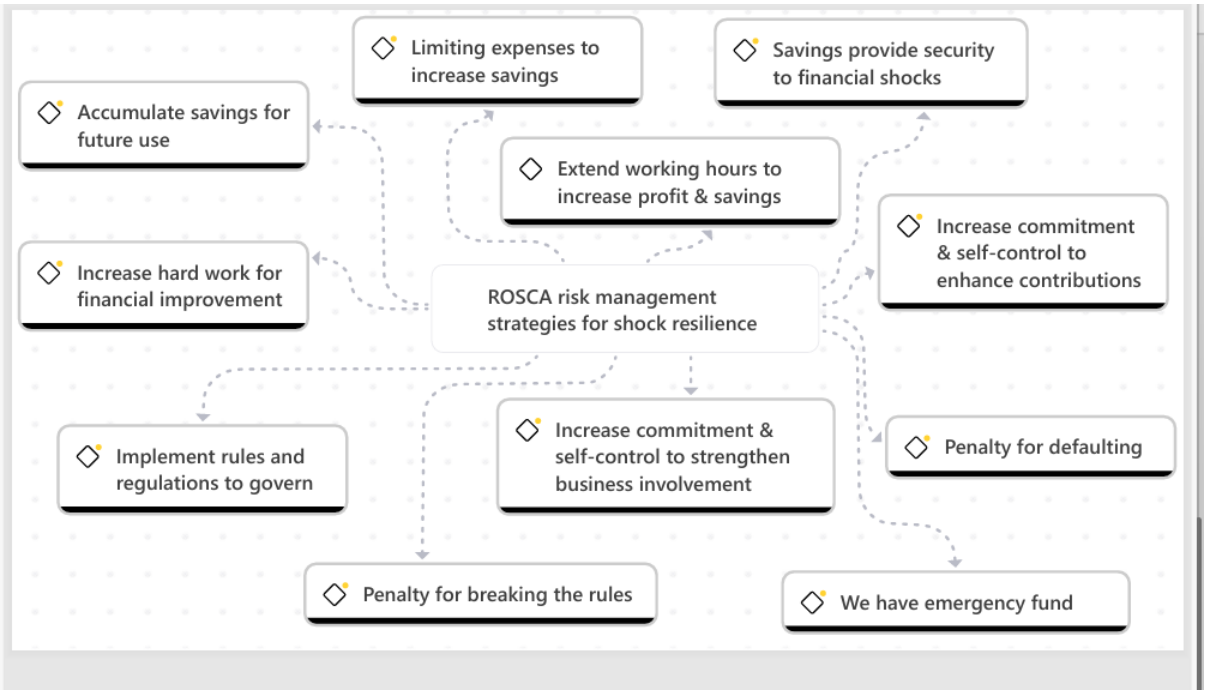


Figure 4.38 Ad Hoc Network Sub-theme 4 of Theme 8: ROSCA risk management strategies for shock resilience (*Source: Researcher's ATLAS.ti25 output)*

Figure 4.38 illustrates the sub-theme of ROSCA risk management strategies for shock resilience. The figure shows that ROSCAs employ a combination of institutional rules and individual behavioural strategies, including penalties for rule-breaking and defaulting, implementation of governing regulations, and the establishment of emergency funds. In addition, members adopt personal strategies such as increased commitment and self-control, accumulation of savings, limiting expenses, extending working hours, and strengthening contributions. Collectively, these strategies enhance financial security and enable ROSCAs and their members to better withstand economic shocks.

Participants' contributions in addressing the sixth study question produced a theme that explored the strengthening of ROSCA institutional planning for shock resilience. Four sub-themes emerged, which capture participant responses and show how various types of social networks shape the strategies of the start-up process, maintaining sufficient reserves, setting up better planning for business support and applying a strong risk management system. A network linking the four sub-themes and the theme is illustrated in Figure 4.39 below.

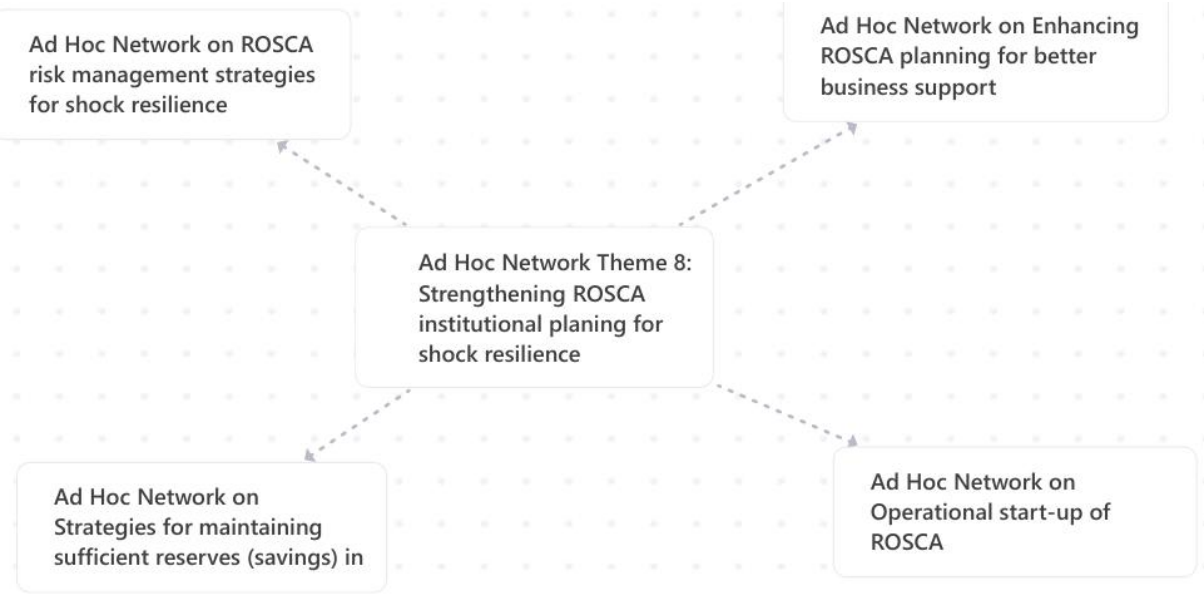


Figure 4.39 Ad Hoc Network of Theme 8: strengthening ROSCA institutional planning for shock resilience. *(Source: Researcher's ATLAS.ti25 output)*

Figure 4.39 above illustrates how the sub-themes operational start-up of ROSCAs, strategies for maintaining sufficient reserves, enhancing ROSCA planning for better business support, and ROSCA risk management strategies for shock resilience collectively constitute Theme 8, strengthening ROSCA institutional planning for shock resilience. The figure demonstrates how these interrelated practices contribute to improving organisational stability, financial preparedness, and adaptive capacity, thereby enabling ROSCAs to effectively support members and withstand economic and operational shocks.

4.3 CHAPTER SUMMARIES

The outcomes of the data analysis are presented in this chapter. The findings were derived via focus groups and one-on-one interviews. A good deal of work was done to incorporate the findings from the focus groups and personal interviews into the presentation of research findings. Eight themes emerged from the research data analysis of the focus groups and personal interviews. Out of the eight themes, six of the themes from focus group discussions corresponded with six of the themes from personal interviews, which show that African Immigrant Entrepreneurs experience similar phenomena in their entrepreneurial ventures.

The research findings reveal that the eight fundamental themes are important when looking at African Immigrant entrepreneurship. The participants spoke about a lack of formal employment opportunities, the drive for financial independence and business ownership, and the availability of social networks as factors that influenced their decisions to start their own businesses. The findings highlight significant use of social networks (networks of reciprocity and solidarity, networks of information, networks of collaborations and networks of social support) by Immigrant entrepreneurs to support their business operations.

Furthermore, African Immigrant Entrepreneurs in the study highlight informal financial institutions (ROSCAs) as the driving force behind their business growth and survival. They expressed the critical role of ROSCA in providing a variety of capital factors that are essential to the survival and expansion of small businesses operated by African Immigrants. The multidimensional function of ROSCA involves providing a platform for Immigrant entrepreneurs to leverage their social and essential embedded factors, providing a tool for savings and financial security, and providing significant information needed for business operations. The institution (ROSCA) also provides a platform where Immigrant entrepreneurs can acquire important business knowledge, enhanced business commitment and self-control, obtain business mentorship and other business support motivations.

The next chapter will cover the research discussion and present a proposed framework for the effective use of Rotating Savings and Credit Associations as a coping strategy for African immigrant small businesses in the City of Cape Town, South Africa.

CHAPTER 5: DISCUSSION AND INTERPRETATION OF FINDINGS

5.1 INTRODUCTION

Chapter four presented the research results by highlighting the key themes that emanated from the data analysis process. Chapter 5 covers the research discussion and will interpret the results in alignment with existing theories, literature, and the socio-economic context of African Immigrant Entrepreneurs. Six research questions have been explored, and the findings are presented based on the emerging themes.

One-on-one interviews were conducted with 24 participants, and two focus group discussions consisting of 10 participants, five from each group. Eight major themes emerged from the data analysis process of personal interviews. Six out of the eight themes corresponded with the themes that emerged from the focus group discussions.

The eight themes discussed in this chapter are analytically structured to reflect the entrepreneurial journey of African immigrant entrepreneurs in Cape Town, from entry into self-employment to enterprise performance and resilience. The themes progress from motivational and structural conditions shaping self-employment decisions, through resource mobilisation and informal financial access, to social capital dynamics, enterprise outcomes, and institutional strengthening of ROSCAs. This structure allows the discussion to move beyond survival-oriented narratives and demonstrates how ROSCAs function as performance-enhancing informal financial institutions that support business sustainability and shock resilience.

The chapter further presents a proposed framework for the effective use of Rotating Savings and Credit Associations (ROSCAS) as a coping strategy for African immigrant small businesses in the City of Cape Town, South Africa.

5.2 THE DISCUSSION OF THE MEANING THEMES

To address the main research question and facilitate data collection, sub-research questions were framed. By so doing, the researcher structured the questions in a way best to provide answers from various angles to obtain the main research objective. The findings from Chapter Four indicated four organisational arrangements and flexible operational practices in ROSCAs among African immigrant entrepreneurs. The

following section interprets these arrangements and their broader implications through the lens of social capital theory. The eight themes are discussed below.

Table 5.1 Theme Performance Alignment

Theme 1	Explains entrepreneurial drive and market entry
Theme 2	Shows strategic resource mobilisation
Theme 3	Identifies constraints to performance
Theme 4	Explains financial behaviour improving cash flow
Theme 5	Shows social capital as an economic asset
Theme 6	Identifies efficiency and governance risks
Theme 7	Demonstrates tangible business outcomes
Theme 8	Shows institutional learning and resilience

Table 5.1 demonstrates that all eight themes are directly aligned with enterprise performance among African immigrant entrepreneurs through distinct but interrelated pathways. Theme 1 captures self-employment motivation as the foundation of entrepreneurial engagement, while Theme 2 reflects performance through resource mobilisation strategies that sustain day-to-day operations. Theme 3 highlights structural and institutional barriers that constrain business performance, whereas Theme 4 shows how ROSCAs enhance performance by improving liquidity, cash-flow stability, and access to working capital predominantly through Random ROSCAs. Theme 5 underscores the role of social capital in performance by enabling trust-based financial collaboration and mutual business support. Theme 6 addresses performance risks arising from ROSCA participation, including default and governance weaknesses. Theme 7 reflects performance outcomes through accumulated financial and economic capital, while Theme 8 focuses on institutional strengthening of ROSCAs as a mechanism for enhancing business resilience and long-term performance under economic shocks.

5.2.1 Theme 1: Immigrant Motivation for Self-Employment

The theme of Immigrant motivation for self-employment emerged from the participants' explanations of the research question: What are the factors that encourage African Immigrants to venture into self-employment activities in the City of Cape Town, South Africa?

The participant's explanations revealed that the motivation for self-employment was associated with the Immigrant's proactive spirit, unique in-born drive, desire to own a business, and personal experiences. This finding concords with the Ethnic Enclave Theory, where ethnic labourers are pulled into self-employment due to prior experience or knowledge, entrepreneurial desire, and the need for personal improvement (Duan, Kotey, & Sandhu, 2021).

The findings further revealed that Immigrant motivation into self-employment was associated with financial barriers, which are the inabilities by African Immigrants to gain access to financial resources. This led to the formation of social support groups, ROSCAs, to provide the necessary financial resources needed for a business start-up. This aligns with the social capital theory, which postulates that social groups create a platform to facilitate social networking and relationships, which helps to improve task performance among group members, producing important social and economic outcomes (Putnam, 1995). In addition, these Immigrants rely on social connections, a network of collaboration, a network of trust and a network of information as a powerful business support tool for reducing barriers to business start-up. Additionally, a business start-up drive is often influenced by a network of social support, which makes the decision for an Immigrant to start a business more realistic. These social networks formed the structural basis through which informal financial mechanisms such as ROSCAs emerged, enabling African immigrant entrepreneurs to cope with financial exclusion and sustain their businesses.

They used social networks to obtain business knowledge, financial support, Business Information and opportunities to embark on self-employment activities. These concord with Xie & Gough (2011), who state that Immigrants are motivated to enter entrepreneurial ventures where initial start-up capital is easy to raise through ROSCA and the cost of running the business is low. The finding is also supported by the social capital theory, which postulates that factors such as networking are critical in disseminating information needed by Immigrant entrepreneurs to operate successful businesses (Okerue, 2018).

Many of the participants referenced economic necessity-driven factors, such as discrimination, job loss, unemployment, and low-paying positions, as what triggered their decision to embark on self-employment activities. Economic necessity-driven

factors often create opportunities for Immigrants to utilise their human capital resources to survive (Nee & Sanders, 2001). These findings concur with the Blocked Opportunities Theory (BOT), which states that self-employment is triggered by discrimination faced by Immigrants in the host country's labour-market (Heilbrunn & Russinovich, 2008: 693; Sander & Nee, 1996). The findings also aligned with a study conducted in Holland, which revealed a 26.8% unemployment rate among Immigrants in Holland, which left them with no other choice than to venture into self-employment activities (El Bouk et al., 2022).

This theme underpins the participants' explanations and shows that the motivation for African immigrant self-employment is associated with Immigrant's proactive spirit unique in-born drive, desire to own a business, and personal experiences, Immigrant's inability to gain access to financial resources leading to the formation of self-help groups to provide the necessary business start-up, and economic necessity-driven factors such as discrimination, job loss, unemployment, and low-paying positions, which triggered the Immigrant's decision to embark on self-employment activities.

Linked to theme 1, the study contributes to immigrant entrepreneurship literature by empirically confirming that economic necessity, exclusion from formal employment, and aspirations for financial independence remain primary drivers of self-employment among African immigrants. Beyond confirmation, the study advances knowledge by demonstrating that these motivations are directly linked to ROSCA participation, as immigrants proactively anticipate financial exclusion and embed ROSCAs into their entrepreneurial entry strategies. This thematic linkage strengthens understanding of how motivation and informal finance intersect at the business start-up phase.

5.2.2 Theme 2: Resource Acquisition Strategies for Business Operations

Beyond financial capital accessed through ROSCAs, African immigrant entrepreneurs rely on non-financial resource acquisition strategies such as customer networks, trust-based marketing, and reputation-building to sustain business operations under conditions of institutional exclusion.

In acquiring the necessary resources for business operations, Immigrant entrepreneurs applied a variety of strategies. This theme emerged from participants' descriptions on the research question: how do African Immigrant Entrepreneurs

acquire the resources deemed to be critical to the operation of business activities in the City of Cape Town, South Africa?

Building a functional, successful business requires the ability to acquire and mobilise resources. Many of the participants referenced working tools and equipment, business capital, and an additional workforce as essential resources needed for business operation and sustainability. The finding shows that by leveraging social capital through social networking, these Immigrants were able to access the critical resources needed for business operations. Obtaining the correct information on how to navigate these challenges requires Immigrants to have networks of social support and information to circulate vital information that will assist them to sustain and expand their businesses. Through networks of social support, bureaucratic obstacles can be reduced, paving the way for business stability and growth. This finding is supported by current studies, which show that Immigrant entrepreneurs rely heavily on social networks to reduce impediments to resource acquisition and foster more collective support for successful business operations (Alghababsheh & Gallear, 2021; Hossein, 2017; Otudor, 2020).

Business growth and survival can be significantly aided by the assistance provided by government agencies and organisations. However, many participants highlighted that due to legal barriers, lack of documentation, and exclusion from mainstream support programmes, they found it difficult to obtain official business support. This finding aligns with the study of Asoba and Mefi (2020) in South Africa, which revealed that most Immigrant entrepreneurs find it challenging to obtain the legal business permits and licences to facilitate their business operations. Additionally, they find it challenging to attend important business training programmes, approach banks and other financial institutions for business support due to their legal standing (Asoba & Mefi, 2020). Furthermore, the findings revealed that, without assistance from the government or organisations, these Immigrant entrepreneurs use a variety of strategies, such as personal savings, ROSCAs, and assistance from friends and family to navigate obstacles, and pave the way for business stability and growth. This is supported by literature on social support groups, which states that ROSCAs are used among groups with restricted access to formal bank services and government support programmes, especially Immigrant entrepreneurs (Khan & Ali, 2021).

Access to business funding is essential for business operations and survival. The finding shows that obtaining financing from the formal banking system for business operations was a significant challenge for African Immigrant Entrepreneurs. Nevertheless, these Immigrant entrepreneurs adopted alternative strategies, including borrowing from friends, family, personal savings and financial help groups such as ROSCAs.

This finding is supported by current literature, which states that Immigrant entrepreneurs consider ROSCA as one of their survival strategies to facilitate savings and the flow of financial injections into their businesses (Abimbola et al., 2020). These mechanisms to raise business funds are strengthened by network solidarity and reciprocity within the Immigrant communities, which enable financial transactions without official documents. The network ensures that African Immigrant Entrepreneurs, through collective effort, benefit from the financial contribution they made.

Furthermore, building an essential business network of suppliers and customers was seen by these Immigrant entrepreneurs as fundamental to business operations. The findings show that these Immigrant entrepreneurs often operate on a cash basis, through which they build relationships with suppliers in the process. The findings further show that through referrers, social media, the provision of good customer service and word-of-mouth marketing, these Immigrant entrepreneurs attracted clients and built essential connections with them. These findings align with existing literature that highlights the attributes of sociability, confidence, leadership, and network building to be associated with entrepreneurial development concerning entry decision, operation and survival (Caliendo et al., 2014: 790; Ciavarella et al., 2004).

Thus, this theme captures the ability to acquire and mobilise resources by African Immigrant Entrepreneurs and shows that resource acquisition is not an isolated process, but rather one embedded within the fabric of social interactions. Therefore, the strategies for acquiring resources for business operations are associated with Immigrant social interactions, a community-driven strategy for business survival.

Linked to theme 2, this study extends existing research by showing that resource acquisition among African immigrant entrepreneurs is multi-dimensional, combining financial, social, informational, and human resources. While prior studies often treat

these strategies separately, this research demonstrates that ROSCAs function as resource aggregation platforms, enabling access to capital, labour, suppliers, business premises, and market information simultaneously. This integrated view represents a key empirical contribution.

5.2.3 Theme 3: Barriers to African Immigrant Entrepreneurship Success

This theme emerged from the research data addressing the question: What are the problems faced by African Immigrant Entrepreneurs in operating a business in the City of Cape Town, South Africa? The findings revealed several interrelated barriers that prevent the smooth operation of African immigrant businesses in South Africa.

The participant highlighted difficulties related to insecurity, discrimination, language barriers, lack of documentation and inability to obtain loans from banks as key challenges that made them feel excluded from the conventional business support system. This concords with studies such as Bonga (2021:59), Cinini and Mkhize (2021), Khosa and Kalitanyi (2014), and Tengeh (2013), who observed that Immigrant entrepreneurs often operate their businesses in environments characterised by legal, institutional, and socio-cultural barriers.

According to the Social Capital Theory (SCT), Coleman (1988) and Putnam (1995), Immigrants' ability to leverage relationships is restricted by limited integration into mainstream social and professional networks, which would otherwise facilitate business opportunities, legal navigation, and resource access.

The study findings revealed financial difficulties in business start-up as the dominant challenge faced by African Immigrant Entrepreneurs. Inadequate funds for business operations indicate that these African Immigrants often have a smaller amount of money to support their businesses. Many of the participants indicated that personal savings and informal networks were often the only available sources of start-up capital. This finding is echoed by Abimbola et al. (2020), who argue that Immigrant entrepreneurs are frequently marginalised from formal financial systems and consider self-help groups or ROSCAs as one of their survival strategies to facilitate savings and the flow of financial injections into their businesses. The unavailability of formal networks of collaboration and financial information deprives these Immigrant entrepreneurs of vital knowledge concerning formal financing options, further deepening financial exclusion.

The challenge of getting credit from official banking institutions presented a significant business growth hindrance. The findings revealed the requirements that adversely disfavour African Immigrant Entrepreneurs, including the demand for collateral, credit history, and legal documentation. This concords with studies in South Africa by Asoba and Mefi (2020) and Muchineripi et al. (2022), which confirmed that Immigrants, especially African Immigrants, encounter significant difficulties in accessing services from formal banking systems and institutions because of a lack of legal business permits. This includes licences to give them the legal standing to approach banks and other financial institutions for business loans. In addition, the lack of credit history in the country makes it difficult for banks and other financial institutions to assess their creditworthiness.

Furthermore, the participants highlighted some of the obstacles they encountered in gaining access to business training programmes and workshops, including the lack of information and the required registration documentation that could allow them to attend business training that could improve their business management skills. Limited access to formal business training and workshops constitutes a structural barrier to African immigrant entrepreneurship success and shapes the coping strategies adopted by entrepreneurs, including reliance on informal knowledge exchange within social networks and ROSCAs. Alternatively, these Immigrant entrepreneurs adopted networks of information through which they could disseminate vital Business Information that could help to improve their businesses through word-of-mouth. This confirms the study of You and Zhou (2018) on Chinese and black small business operations, which revealed that business success was motivated by ethnic institutional relationships such as family help groups, mutual aid societies, and Rotating Savings and Credit Associations. These institutions collectively mobilise resources, create opportunities for business education and training, disseminate Business Information, and promote competition for Immigrant small business operations. Therefore, ROSCA is considered a trusted institution designed to meet the realities and needs of African Immigrant Entrepreneurs.

This theme has shown that the barriers to African Immigrant entrepreneurship are associated with deficits in social capital. The lack of social support and collaborative networks between these Immigrants and the government or any other organisation has left them exposed to discriminatory practices and insecurity. Weak social support

and information prevent access to business funding from formal banks and vital business training workshops.

Linked to theme 3, the study contributes by demonstrating how ROSCAs partially compensate for structural barriers faced by African immigrant entrepreneurs, including limited access to finance, insecure business locations, language barriers, and exclusion from state support systems. Rather than framing these barriers as insurmountable, the study shows how ROSCAs enable adaptive coping strategies, thereby contributing a resilience-oriented perspective to immigrant entrepreneurship research.

5.2.4 Theme 4: Financial Motivation for Using ROSCA

The organisational and operational arrangements identified in Theme 4 explain how African immigrant entrepreneurs translate financial motivations for ROSCA participation into practical access to business capital under conditions of financial exclusion. Out of the participants' responses, financial motivation emerges to play a central role in the decision of African Immigrant Entrepreneurs to participate in ROSCAs. The findings revealed a few financial factors that motivated African Immigrant Entrepreneurs to use ROSCA, including making funds available that were consistently identified as a vital source of financial capital needed for daily business operations and expansions.

Many of the participants stated how it would have been difficult to obtain cash flow for their businesses without ROSCA, and through collaborative networks, they were able to pool finances together and distribute them rotationally. This finding aligns with the study by Khan and Ali (2021) and Abimbola et al. (2020), who state that ROSCAs provide their members the privilege of having access to a larger sum of money within a short period of time, facilitating savings and the flow of financial injections into their businesses.

The findings from the research data analysis further revealed ROSCA as a tool for saving and financial security. The participants echoed how ROSCA created opportunity and encouraged saving and credit, which motivated them to participate. This finding is consistent with a study by Kharisma et al. (2020), who state that ROSCAs provide opportunities for people who are economically unable to obtain access to savings and credits from traditional banking institutions. Saving practices

foster a sense of commitment and discipline and exert a form of social pressure and accountability among African Immigrant Entrepreneurs. Through these practices, Immigrant entrepreneurs can promote financial security among themselves while using a network of social support to foster mutual encouragement and share goals.

Furthermore, the participants echoed ROSCA as an alternative to banks and personal savings. The findings revealed that African Immigrant Entrepreneurs were unable to access formal banking services due to complicated bureaucratic procedures and a lack of required documentation. Thus, they opted for ROSCA with fewer constraints, easy to get support from within, easy terms and conditions, no interest charge, no required documentation, no collateral or complicated application process as a better choice than banks. This choice is strengthened by earlier findings in the work of Otudor (2020), Tengeh and Nkem (2017), who reiterated that the easy process of membership, no documentation requirement, provision of credit without interest charges, and institutional flexibility motivate Immigrant entrepreneurs to consider ROSCA as an alternative source of finance.

Additionally, the participants highlighted ROSCA as a better option when compared with personal savings. Many pointed out that it was challenging to save outside of ROSCA because of unexpected personal needs and spending temptations, and that personal savings take longer to accumulate a bulk amount. At the same time, ROSCA takes a shorter time to raise a bulk amount of money and requires an external commitment from its members through regular contributions. Social accountability among these African Immigrant Entrepreneurs was brought about by the collective structure of ROSCA savings, discouraging early withdrawal or financial abuse. This concords with Haq et al. (2024) and Ryu and Suzuki (2020), who state that ROSCA participants access bulk funds earlier than individual saving would allow.

These findings reflect a strong connection to the network of collaboration and the network of social support and reveal that African Immigrant Entrepreneurs using ROSCA depend on each other's ability and shared goals to ensure the smooth operation of their businesses.

Despite variations in naming and ethnic composition, several commonalities were observed across all ROSCAs involved in the study. These included fixed contribution amounts, trust-based membership, informal leadership roles, social enforcement of

contributions, and the use of pooled funds for business operations and emergency needs. Across all areas, ROSCAs functioned as alternatives to formal banking and mechanisms for financial security and business resilience.

However, unique operational features were also observed across ethnic and area-based ROSCAs. Cameroonian Njangi groups prioritised urgency-based payouts in response to business shocks, Zimbabwean Umngalelo and Ethiopian Ekub groups emphasised inventory financing and business expansion, while Nigerian Isusu and Malawian Chiperegani Groups focused on regular savings discipline and cash-flow smoothing. Mixed-ethnic ROSCAs displayed more formalised contribution rules to manage diversity and trust. These contextual differences highlight the need for a flexible ROSCA framework that accommodates ethnic norms, trust structures, and area-specific business challenges.

Reconciling ROSCA Typologies with Organisational Forms

The identification of area-based, ethnic-based, country-of-origin–based, and mixed (multi-ethnic) ROSCAs provides insight into how informal financial institutions are socially structured among African immigrant entrepreneurs in Cape Town. While existing literature categorises ROSCAs primarily according to operational logic, namely Savings, Rational, and Investment ROSCAs, the findings of this study demonstrate that organisational composition is analytically distinct from, yet complementary to, payout structure.

Area-based ROSCAs facilitated financial collaboration among entrepreneurs operating within the same locality, allowing responsiveness to shared market conditions and business shocks. Ethnic- and country-of-origin–based ROSCAs relied strongly on shared identity, cultural norms, and social obligations to sustain trust and contribution compliance. Mixed (multi-ethnic) ROSCAs exhibited more formalised contribution rules and clearer leadership structures to manage diversity and minimise default risks.

The organisational arrangements observed in ROSCAs among African immigrant entrepreneurs reflect the key dimensions of social capital theory, including collaboration, reciprocity, solidarity, and information networks. These arrangements show that beyond pooling financial resources, ROSCAs function as platforms for

building relational and informational capital, reinforcing cohesion and mutual accountability among members.

Reconciling ROSCA Typologies with Random ROSCAs

The predominance of Random ROSCAs illustrates the flexibility of informal finance in responding to fluctuating business needs and income instability in migrant-dominated markets. By allowing payouts to be determined through random selection, negotiated sequencing, or urgency-based prioritisation, members experiencing business shocks, stock shortages, or rental challenges are prioritised, enhancing entrepreneurial resilience.

The different local labels for ROSCAs, such as Isusu, Susu, Ekub, Chiperegani, Njangi, and Umngalelo, reflect cultural and ethnic adaptations while maintaining the core principles of pooled contributions and trust-based participation. From a Social Capital Theory perspective, Random ROSCAs are sustained not by formal contracts or institutional regulation but by trust, reciprocity, and social obligations embedded within ethnic and community networks. This finding demonstrates how ROSCAs evolve into context-specific financial instruments that prioritise resilience, adaptability, and collective risk-sharing.

This theme has demonstrated that African Immigrant Entrepreneurs are motivated to use ROSCAs not only as sources of start-up and working capital but also as strategic financial planning mechanisms for business continuity and shock absorption. These findings highlight the crucial role that social capital plays in improving the financial standing and sustainability of African immigrant businesses facing long-term institutional exclusion.

5.2.5 THEME 5: Social and Business Support Drives for Using ROSCA

The second theme that emerged from the research data addresses the question:

What factors motivate African Immigrant Entrepreneurs to use ROSCAs as a strategy for prolonging their business operations in Cape Town, South Africa?

Out of the participants' narratives, financial motivation emerges to play a central role in the choice of African Immigrant Entrepreneurs to participate in ROSCAs. This demonstrated how African Immigrant Entrepreneurs using ROSCA go beyond

financial transactions into a broader social relationship and business-changing aspects. Thus, the participants' responses show that ROSCAs do not only serve as financial institutions but also create a platform for members to build trust, establish social networks and secure strategic business support through business networks and collaborations.

These findings concord with the SCT, especially with the social factor dimensions identified by Berzina (2011) and Nahapiet and Ghoshal (1998), which emphasise how the potential of resources embedded in humans allows them to form associations built upon social norms, motivation, trust, reciprocity, and networking, which help people to access resources capable of helping groups of individuals in their various types of economic activities.

Furthermore, the participants echoed a wide range of benefits of using ROSCA, including Business Information, bulk buying, business-boosting assistance and support during business challenges. These findings concur with what Putnam (1995) highlighted as substantial bonding social capital, which a group of individuals demonstrates in a closed network that provides strong practical support. This bond contributes to strengthening Immigrant entrepreneurial activities, reinforces long-term business operations and provides significant information needed to strengthen resilience and overcome uncertainties of the business environment. These critical factors serve as influential motivators for Immigrant entrepreneurs to participate in ROSCA activities and use them to support continuous business necessities.

Additionally, collaboration built on trust emerged from the data analysis as a vital factor in the operation and sustainability of ROSCA activities. These collaborative efforts among African Immigrant Entrepreneurs strengthen and deepen their reliance on each other to pool resources and assist each other in ways that promote financial security and support individual business needs while maintaining group integrity.

This finding is supported by Alghababsheh and Gallear (2021) and Berzina (2011), who state that social capital is rooted in human nature and allows humans to form associations built upon trust, reciprocity, and networking, capable of strengthening the functionality and sustainability of the group. Social capital can play an important role by helping people maximise the use of their personal services together with others to tap into resources capable of helping individuals to succeed through networking.

Further findings associated with social and support drives for using ROSCA emerged as the establishment of social ties and financial support from the data analysis. The finding revealed that ROSCAs provide a platform for information sharing and business connections and foster durable social ties among African Immigrant Entrepreneurs. This finding concords with what Nahapiet and Ghoshal (1998) emphasise: the role of reciprocity and solidarity networks as social bonds within a group that enforce mutual recognition and obligations. The social support that ROSCAs offer is evident in African immigrant collective efforts to foster Business Information sharing, build trust, encourage mutual support and strengthen social bonds. Such critical factors motivated African Immigrant Entrepreneurs who depend on ROSCA as a strategy for business survival and expansion.

This theme established that many African Immigrant Entrepreneurs are motivated to use ROSCAs as a platform that not only serves as a financial institution but also as a platform for building trust, establishing social networks and securing strategic business support through collaborative efforts.

Linked to theme 5, this study makes a significant contribution by empirically demonstrating that ROSCAs operate as social capital infrastructures, not just financial groups. The findings show how ROSCA meetings facilitate networking, mentorship, labour sharing, language interpretation, business referrals, and relocation from insecure business environments. This expands existing literature by empirically validating ROSCAs as embedded social support systems central to business coping strategies.

5.2.6 Theme 6: Challenges of Using Rotating Savings and Credit Associations

The third theme that emerged from the research data analysis addressed the question: what factors motivate African Immigrant Entrepreneurs to use ROSCAs as a strategy for prolonging their business operations in Cape Town, South Africa? Although ROSCAs are a crucial source of business funding and a social support system, members do encounter several relational and operational limitations that could reduce the associations' efficiency and sustainability. The participants' narratives revealed the challenges as irregular contribution, defaults among members, limited available funds in cases of multiple cash demands, as well as issues of mistrust among some members.

Irregular contribution was mentioned by many participants as a factor affecting the smooth operations of ROSCA activities. The findings show that irregular contributions and defaults frequently cause problems with cash flow, as some of the members either delay or completely fail to contribute, which affects the ability of others to receive the pot. These inconsistencies create instability and impede trust, breaking down the spirit of mutual commitments built on reciprocity and solidarity needed to sustain the process of contributions. This finding is supported by study such as Abimbola et al. (2020), Onugu et al. (2024), and Zambrano et al. (2023) who highlighted cases of irregular contributions and defaults in ROSCA which destabilised fund mobilisation and disbursement, damaging trust and spirit in the institution, leading to break down of the association.

Further findings revealed limited available funds, which limit the scale of investment and opportunities for business expansion. The participants explained that in a situation where members make multiple requests for financial assistance, ROSCA finds it challenging to meet such needs. The amount of cash available for a member to receive is often determined by the size of the membership, the financial capability of the members and their ability to influence members to increase their contribution amount.

Limited financial contributions point to weak collaborative effort among members. This result aligns with Zambrano et al. (2023) study, which revealed that many ROSCAs are made up of members who do not have steady income; therefore, their contributions to ROSCAs are often limited. It is also supported by Onugu et al.'s (2024:223) study on factors influencing default in ROSCA, in which they highlighted individual financial discipline and capability, economic instability, and unexpected health expenses as socio-economic factors contributing to a reduction in fund size. In a situation like this, a stronger network of collaborative effort is needed, including better planning and transparent rules to strengthen the social support system among these Immigrant entrepreneurs with limited financial assistance from external sources.

Additionally, the issue of trust emerged from the data analysis as a significant concern. The finding captures some level of concern raised by a few participants about having the wrong and unfamiliar people in the group. In contrast, some members received the money and ran away without contributing to others. ROSCA is built on the foundation of trust; any dishonesty, conflict or mismanagement of funds can significantly weaken

the function of the institution. This finding supports the statement of Onugu et al. (2024) that mistrust within ROSCAs poses a substantial threat to the sustainability of these community-based financial institutions.

This theme has established that although ROSCAs are a crucial source of business funding and social support systems, the institution does encounter operational challenges such as irregular contributions, defaults among members, and limited available funds in cases of multiple cash demands, as well as issues of trustworthiness among some members. These challenges reduce the associations' efficiency and sustainability, highlighting the need for better planning and transparency.

Unlike studies that portray ROSCAs as uniformly beneficial, especially in the aspic of finance, this research contributes a balanced perspective by documenting internal risks, including default risk, trust breakdown, leadership challenges, and contribution pressure. By foregrounding these limitations, the study contributes to a more realistic and critical understanding of ROSCAs, strengthening their analytical credibility within informal finance scholarship.

5.2.7 Theme 7: Acquired Financial and Economic Capital Factors

This theme emerged from the research data addressing the question: how do the capital factors acquired by African Immigrant Entrepreneurs from ROSCAs assist in boosting business survival in the City of Cape Town, South Africa? The findings revealed several interrelated factors acquired by African Immigrants that assisted the smooth operations and development of their businesses.

A key aspect under this theme is that Immigrant entrepreneurs were able to acquire business knowledge and understanding from taking part in ROSCA activities. This implies that ROSCA provides an environment of learning where members share important Business Information such as market strategies, business improvement strategies, and customer care based on their experiences. This finding is supported by the social capital theory of Coleman (1988), who stated that social capital is a relationship created by a group of individuals or family members to transmit embedded resources like knowledge, skills, and finance through social networks to boost economic development. These Immigrants use networks, especially networks of information, to channel critical information needed to navigate business constraints such as institutional and legal barriers.

Further findings revealed that ROSCA created a platform for Immigrant entrepreneurs to carry out giving and receiving, which facilitates the acquisition of assets. Some participants explained how the money they obtained from ROSCA enabled them to buy essential business assets such as work tools, equipment and a business container. This finding is supported by Ibrahim's (2019) study of Immigrants and their use of ROSCA in the USA, which revealed that pooling of funds assisted Immigrants to acquire assets and larger purchases. Through peer responsibility and mutual support, ROSCA promotes consistent dedication and disciplined financial behaviour among its members. This social setting encourages accountability, hard work, self-control in spending and makes members more dedicated on sustaining and expanding their businesses. Being in a community with like-minded people creates a collaborative spirit. This network creates a motivational drive among African Immigrant Entrepreneurs using ROSCA.

Additionally, enhancing business commitment and self-control emerged from the data analysis as key factors encouraging financial discipline and strengthening a culture of accountability. It shows that members who participate in ROSCA regularly develop a sense of responsibility and strengthen their dedication to their businesses. This finding is supported by the social capital theory of Nahapiet and Ghoshal (1998), which emphasises the role of social norms and obligations in fostering responsible behaviours of members within a social group. A consistent dedication and disciplined financial behaviour among Immigrant entrepreneurs further encourage hard work and self-control in spending. In that way, many Immigrant entrepreneurs become more dedicated to sustaining and expanding their businesses.

Most participants mentioned entrepreneurial drives from within ROSCA as a factor that motivated Immigrants to continue with their business activities. Those who felt like dropping out of their businesses drew inspiration from peer success stories, took the opportunity, and learned recovery strategies. When members share their problems and how they resolved them, others take the ideas, develop them, and use them to foster their business. This finding is supported by Light and Gold's (2000) theory of Ethnic Entrepreneurship, which emphasised the critical role of shared values among Immigrant entrepreneurs. This shows that ROSCA meetings serve as inspiring centres of learning where Immigrants, through networks of social support, can develop and grow their business ideas, particularly in challenging socio-economic conditions.

Furthermore, a financial support mechanism for business growth emerged from the data analysis as a direct benefit of ROSCA. These Immigrant entrepreneurs considered ROSCA a vital financial source since they found it difficult to obtain financial support from formal banks or government institutions. To these Immigrants, ROSCA provides a financial support system which enables them to buy in bulk. It also creates a saving mechanism for these Immigrant entrepreneurs due to its flexibility and easy access. This is supported by current studies by Asoba and Mefi (2020) and Muchineripi et al. (2022), who highlight the difficulties Immigrants face in obtaining financial support from the government that have pushed them to look for alternative financial support mechanisms to grow and expand their businesses.

This theme has recognised the importance of ROSCA in providing African Immigrant Entrepreneurs with the necessary resources and motivation needed for them to grow and expand their businesses. The findings have shown how various types of social networks provide access to knowledge, assets, finance, discipline, and motivation. This therefore implies that the gap created by formal financial institutions can be closed by ROSCA services.

Linked to theme 7, the study contributes by demonstrating that ROSCA participation enables the acquisition of multiple capital forms simultaneously financial capital, human capital (skills and knowledge), social capital (trust and reciprocity), and informational capital. This thematic contribution advances prior work that largely focuses on financial capital alone, offering a more holistic account of capital formation within informal financial institutions.

5.2.8 Theme 8: Strengthening ROSCA Institutional Planning for Shock Resilience

Building a functional and well-structured ROSCA to support and sustain business in times of economic challenges and social shock remains critical to African Immigrant Entrepreneurs. Based on the participant responses in answering the research question,

How can the organisational planning of ROSCAs be improved to reduce the effects of shocks among African immigrant businesspeople in the City of Cape Town, South Africa?

the theme Strengthening ROSCA institutional planning for shock resilience emerged. The theme captures the importance of proactive and adaptive measures to ensure the trustworthiness and continuity of the ROSCA support system.

The finding highlights the participant's explanations on ROSCA start-up and the fundamental planning that supports operational stability and success. An essential starting point was to follow the legal process and register ROSCA with the government to minimise any risk. However, the findings revealed that none of the ROSCA groups to which the participants belonged were registered with the government or any legal financial institutions.

This aligns with what Khan and Ali (2021) state that ROSCAs operate outside the traditional financial system with limited or no legal documentation. The participants explained that they were bound to operate like that because some of their members do not have valid documents, so they operate based on trust and solidarity through collaboration and information sharing while tolerating any risk that may show up.

This finding concord with Matuku and Kaseke (2014), who state that ROSCA is an institution that is entirely built upon mutual trust and reputation, where the members make the rules and regulations that govern the contributions and distributions of funds to each member. The foundation of ROSCA, which is built on trust, is strengthened by an internal governance structure and close relationships with members who are known to each other.

Most of the participants referenced strategies for maintaining sufficient reserves as crucial in constructing ROSCA resilience. While some of the participants indicated not having any form of reserve funds, others explained that they build buffers by collecting fines, deducting a portion of the pot amount for reserve, and having a plus-one pot for reserve. These strategies concord with Khan and Ali (2021), who stated that ROSCAs build savings potential among their members through regular contributions and accumulate funds as reserve for future used. They implement compulsory emergency contributions and encourage members to put their savings into a ROSCA account. This was to make sure that contributions towards reserves to support members in times of need are not lacking.

The findings capture the proactive approaches used by African Immigrant Entrepreneurs to manage risks and protect their members and the institutions. Participants discuss significant approaches, including enforcing rules and regulations to control the institution and imposing penalties for defaulting and breaking the rules. ROSCA members depend on relationships and support; therefore, using networks of social support, they can recognise risks and formulate coping strategies.

Finally, the participants made some suggestions on enhancing ROSCA planning for better business support. These include increasing the pot amount, making the circle shorter for quick circulation of funds, and adapting flexible communication channels to foster collective decision-making. Collective planning facilitates timely financial support and encourages more people to join ROSCA. This finding is consistent with Ratemo (2020), who highlighted that proper planning within ROSCAs increases savings and improves the capacities and abilities of members to handle shocks.

This theme has established that African Immigrant Entrepreneurs used operational start-up planning, improved reserves, implemented risk management strategies, and improved planning to support business as strategies in strengthening the institutional planning of ROSCAs for shock resilience.

Linked to theme 8, this study contributes new empirical evidence showing how ROSCAs adopt informal governance mechanisms such as fines, reserve funds, negotiated payouts, and leadership oversight to mitigate shocks related to illness, theft, business failure, or income instability. By linking ROSCA organisational planning to entrepreneurial resilience, the study extends existing discussions on informal insurance and risk management within migrant economies.

5.3 SYNTHESIS AND INTERPRETATION OF FINDINGS

The lived experiences of twenty-four participants who were chosen for in-person interviews and two focus groups with five participants each are portrayed in this chapter, creating a sample of thirty-four African Immigrant Entrepreneurs. The overall discussion has shown how African Immigrant Entrepreneurs in the City of Cape Town, South Africa, purposefully use ROSCA as a tool to support business start-up, growth and sustainability amidst the socio-economic, financial, and institutional challenges and complex environments. A combination of the eight themes that emerged from the

research data analysis portrays a ROSCA not only as a financial institution but also as a platform for Immigrants to build critical social capital, navigate complex barriers, and enhance entrepreneurial resilience.

The participants spoke about structural exclusion from formal employment and economic necessity, which pushed them into self-employment. This self-employment venture is often enabled through resource acquisition strategies such as building a steady network of suppliers and a stable customer base, and acquiring critical resources needed for business survival. These strategies capture the tenets of social capital theory, as these African Immigrants demonstrated their dependence on social networks (information, collaboration and support) to organise vital business resources that they could not obtain through formal means.

Additionally, the participants' explanations highlight financial motivation as a factor influencing African Immigrant Entrepreneurs' decisions to participate in ROSCAs. The central role of ROSCAs is in providing easily accessible, adaptable, and locally based financial tools to help Immigrant entrepreneurs sustain and expand their businesses. These Immigrants could not access these services from formal financial institutions. Furthermore, ROSCA was used by these Immigrants not only for obtaining funds but also as a tool for savings and financial discipline and also to obtain loans without bureaucratic barriers. In this regard, networks of reciprocity and solidarity became the connecting force for collective financial behaviour bound in mutual trust among African Immigrant Entrepreneurs.

The participants also spoke about ROSCA creating a platform of emotional solidarity, trust-based collaboration and business networking, which were captured as social and business support drivers. These social and economic drivers provided psychological assurance and economic leverage to African Immigrant Entrepreneurs, thereby strengthening their desire to participate in ROSCAs. Nevertheless, challenges, including issues of trust, irregular contributions, and limited funds, were raised by the research participants, who demonstrate the instability of ROSCAs as an informal institution. It is because of these challenges that the theme of strengthening ROSCA institutional planning for shock resilience became significant to African Immigrants, who then recognised the need for better risk management strategies, reserve

strategies, and better responsive planning. These findings indicate a shift toward a more robust and strategic framework for informal finance.

Furthermore, a key theme emerged that demonstrates how Immigrant participation in ROSCA creates opportunities for them to acquire capital factors such as entrepreneurial knowledge, assets, enhanced discipline, and commitment. These acquired factors demonstrate how African Immigrants used ROSCAs to build cognitive and relational capital besides economic capital. Such cumulative benefits that are obtained through network engagement are captured by social capital theory. Thereafter, the participants highlight barriers to entrepreneurship success which they encountered as Immigrant entrepreneurs. They highlighted major impediments that impede African immigrant entrepreneurial success, including limited access to business finance and limited access to business training and workshops. It is in this regard that the ROSCA role became paramount in counteracting these challenges while enabling these Immigrants to become resilient and adapt in the face of formal exclusion.

5.4 THE PROPOSED FRAMEWORK FOR THE EFFECTIVE USE OF ROTATING SAVING AND CREDIT ASSOCIATIONS AS A COPING STRATEGY FOR AFRICAN IMMIGRANTS' SMALL BUSINESSES IN THE CITY OF CAPE TOWN

The aim of this study was to develop a framework to guide the effective use of ROSCA with evidence drawn from both literature review and empirical findings. The study suggested in chapter two that Immigrant small business coping ability and sustainable growth are functions of multiple interrelated factors.

That is, ISBCASG = f (M, RSM, SBI, SR, AB, SC, CSC), where ISBCASG = Immigrant Small Business Coping Ability and Sustainable Growth, M: Motivation, RSM: Risk & Shock Management, SBI: Shared Business Information, SR: Sufficient Reserve, AB: Asset Building, SC: Saving and Credit, and CSC: Commitment and Self-Control. From the data analysis, it is seen that these factors are the practical manifestation of ROSCA participation. ROSCAs are seen in the study as institutions embedded with capital elements and have a support system that combines financial, social, and informational capital to overcome institutional and structural barriers in business start-up, survival, and growth.

5.4.1 Outline of the Proposed Framework Components

This study has shown that the SCT plays an important role in Immigrant Entrepreneurship. It is on this foundation of social capital theory and its fundamental social network dimensions of collaboration, reciprocity and solidarity, information, and social support that the components of this framework are constructed. These four core social network dimensions all play a crucial mediating role in how ROSCA participation results in Immigrant entrepreneurial resilience and development. This framework does not assume the legal regularisation of African immigrant entrepreneurs. Instead, it is grounded in the existing realities of undocumented or semi-documented migrants who rely on informal financial systems due to exclusion from formal institutions. The framework outlines the main components and aligns each of the components to one or two of the associated social networks.

Section A: Motivational Drivers of Immigrant Self-employment and Business Operations

African Immigrants must be motivated by certain factors in order to start and operate a business in South Africa. In order of importance, as shown in the study, these enabling factors are grouped as such:

Section A1: Immigrant Motivation for Self-Employment

Support network: networks of information and social support

- Unique in-born drive
- Desire to own a business
- Personal experiences
- Financial barriers
- Job loss, unemployment, and low-paying positions

Section A2: Financial Motivation for Using ROSCA

Support network: Networks of collaboration and social support

- Making funds available
- A tool for saving and financial security
- Alternatives to banks and personal savings

- Offers flexible approach for financial support
- Access to funds without interest
- Encouragement of savings

Section A3: Entrepreneurial Drive from ROSCA Participation

Support network: Networks of collaboration, information and social support

- A platform to build trust
- Secure strategic business support strategies
- Facilitate bulk buying
- Fosters entrepreneurial aspirations
- A platform for information sharing
- A platform for business connections

This section captures the enabling factors which inspire entrepreneurial engagement as well as engaging in a trust-based contribution system (ROSCA) to access business capital. Interwoven with social capital networks, these Immigrant entrepreneurs were able to build and reinforce financial and relational capital.

Section B: Resource Mobilisation Mechanisms

This section captures how Immigrant entrepreneurs obtain critical resources needed for business operations.

Section B1: Access to Financial Resources

Support network: Networks of social support, reciprocity and solidarity

- Borrowing from friends and family
- Personal savings
- Financial help groups (ROSCAs)

Section B2: Acquisition of Business Information and Knowledge

Support network: Network of information

- Learn from shared experiences
- Market strategies
- Business improvement strategies

- Customer care

Section B3: Building Business Networks of Suppliers and Customers

Support network: Network of collaboration

- Reliable suppliers through friends' referrals
- Improve customer base through client referrals
- Increase client base through social media
- Increase the provision of good customer service
- Maximise word-of-mouth marketing

Section B4: Asset Building

Support network: Networks of social support, reciprocity and solidarity

- Purchase of work tools and equipment
- Purchase of a business container
- Purchase of business stocks
- Purchase of business cars

The multipurpose uses of ROSCA enable Immigrant entrepreneurs to mobilise and share critical resources and decision-making through the formation and use of social networks. These networks ensure that Immigrant entrepreneurs benefit not only from the financial contributions they made but also from social support mechanisms.

Section C: Institutional Resilience Strategies

In this study, institutional resilience refers to internal organisation, self-governance, and continuity mechanisms within informal ROSCAs, rather than formal registration with state or financial institutions. African Immigrant Entrepreneurs need a well-structured and functional ROSCA to support and sustain their businesses in times of challenges and social shock in South Africa. In doing this, proactive and adaptive measures are needed to ensure the trustworthiness and continuity of the ROSCA support system. In order of importance, as shown in the study, these structured and functional factors are grouped as such:

Section C1: Operational Start-up of ROSCA

Support network: Network of information

- Formation of ROSCAs through trusted social and community networks
- Improve mutual trust and solidarity
- Make clear rules and regulations to govern
- Improve internal governance structure and member relationships

Section C2: Maintaining Sufficient Financial Reserves

Support network: Network of collaboration

- Collecting fines
- Deduct pot amount for reserve
- Have a plus-one pot for reserve
- Encourage personal savings into the ROSCA account
- Implement compulsory emergency contributions

Section C3: Enhance Planning for Business Support

Support network: Network of social support

- Increasing the pot amount
- Making the circle shorter for quick circulation of funds
- Adapting flexible communication channels
- Promote collective decision-making and planning
- Encourages more people to join ROSCA

Section C4: Risk Management and Shock Resilience Strategies

Support network: Networks of collaboration and social support

- Enforcing rules and regulations to control the institution
- Imposing penalties for defaulting and breaking the rules
- Recognise risks and formulate coping strategies
- Encourage timely financial support
- Enhance commitment and self-control

The institutional resilience strategies enable Immigrant entrepreneurs to share strategies that support and reduce business vulnerabilities and decision-making through the formation and use of social networks. These networks foster integrated support systems and collective expectations which encourage financial discipline and enhance business resilience.

5.4.2 The Proposed Framework for The Effective Use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrant's Small Businesses

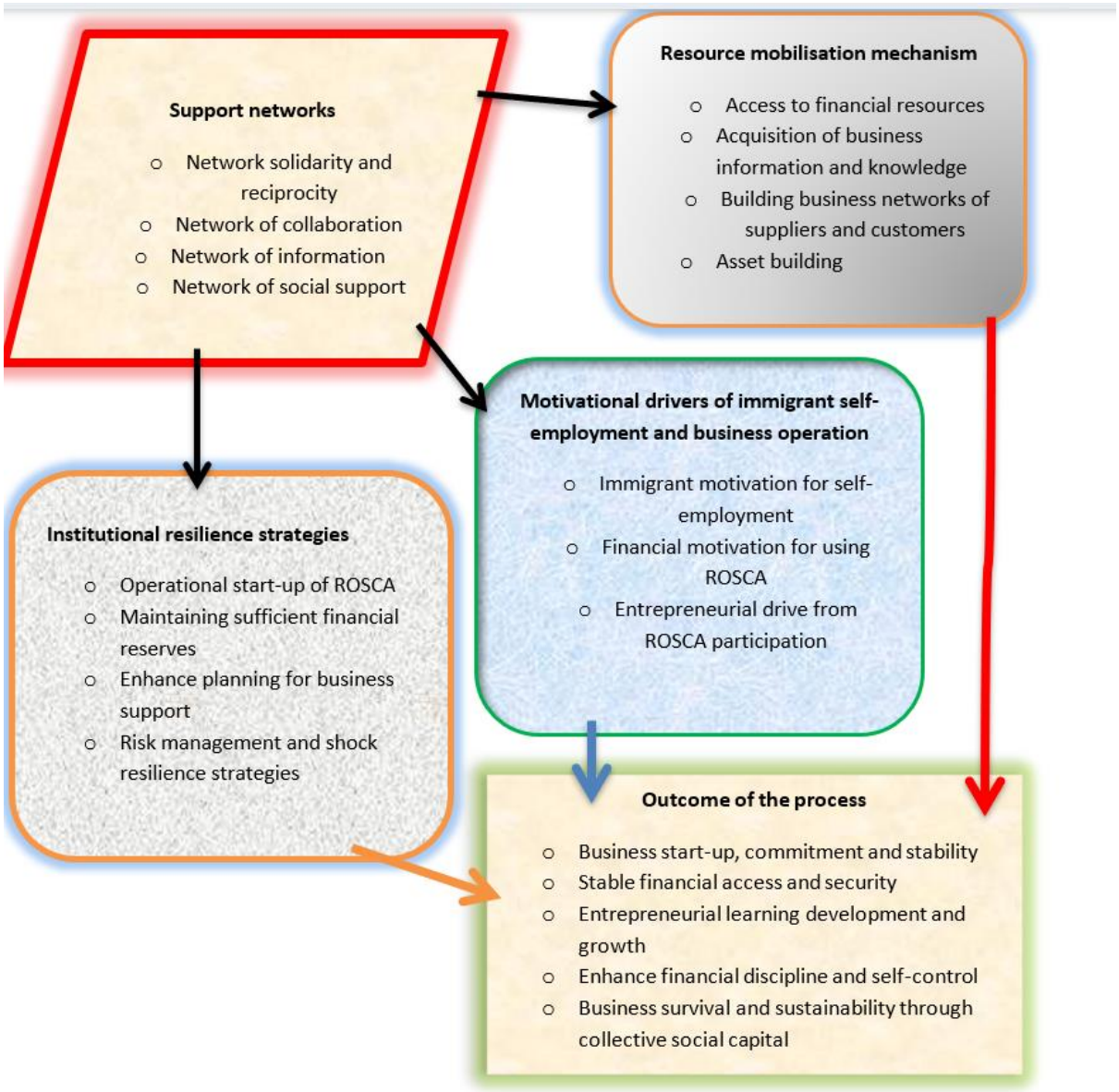


Figure 5.1: A Proposed framework for the effective use of rotating savings and credit associations as a coping strategy for African Immigrants' small businesses. ***Source: Researcher's output***

The proposed framework in Figure 5.1 illustrates the process through which ROSCAs facilitate the effective participation of African immigrant entrepreneurs in business activities. The framework integrates key elements identified in the empirical findings, namely support networks, resource mobilisation mechanisms, motivational drivers of immigrant self-employment, and institutional resilience strategies. These elements operate interactively, highlighting the central role of collective social capital in enabling access to finance, mutual trust, and shared responsibility, which are critical in contexts where formal financial systems remain largely inaccessible to immigrant entrepreneurs.

The framework further demonstrates how the interaction of these elements produces specific entrepreneurial outcomes. These outcomes include business start-up, commitment and stability, stable financial access and security, entrepreneurial learning and development, enhanced financial discipline and self-control, and business survival and sustainability. By linking ROSCA participation to both process and outcome dimensions, the framework provides a holistic explanation of how informal financial institutions contribute to entrepreneurial resilience and growth among African immigrant entrepreneurs.

Drawing from the findings of this study, African Immigrant Entrepreneurs are shown to operate their businesses within a complex socio-economic environment characterised by informality, financial exclusion, and regulatory constraints. In response to these conditions, this study proposes a context-sensitive framework that explains how African Immigrant Entrepreneurs strategically engage with Rotating Savings and Credit Associations (ROSCAs) as informal instruments for business support, resilience, survival, growth, and sustainability. The framework does not assume legal regularisation or formal institutionalisation of ROSCAs but is grounded in the existing informal realities within which immigrant entrepreneurs operate.

The core components of the framework are underpinned by motivation, risk and shock management, shared business information, collective saving and credit, commitment and self-control, asset building, and the accumulation of financial reserves. Through

these interconnected components, the framework demonstrates how ROSCA participation enhances entrepreneurial coping capacity by enabling flexible access to finance, facilitating business continuity during shocks, and strengthening adaptive responses to unstable market conditions.

The framework further illustrates several transformative outcomes of ROSCA participation for immigrant-owned small businesses, including support for business start-up, improved financial stability and commitment, enhanced financial discipline, entrepreneurial learning and growth, and sustained business survival through collective social capital. Importantly, these outcomes do not arise from formal regulation or government registration but emerge from mutual trust, reciprocity, and shared responsibility among ROSCA members operating within informality.

Social networks are shown to be integral to the functioning of the framework. Networks of reciprocity and solidarity, information sharing, collaboration, and social support reinforce each component by promoting peer accountability, disciplined financial behaviour, and collective problem-solving. Through these networks, ROSCAs operate as adaptive, self-regulating systems that enable immigrant entrepreneurs to mobilise resources, mitigate risk, and sustain their enterprises in the absence of formal institutional support.

While the framework is developed within the context of African Immigrant Entrepreneurship, its relevance extends beyond this group. It offers valuable insights for NGOs, migrant support organisations, and development practitioners seeking to design non-regulatory, inclusive support interventions that align with informal financial practices. Rather than advocating for the formalisation of ROSCAs, the framework provides an understanding of how informal financial systems function effectively under conditions of exclusion and how external stakeholders can engage with them without undermining their accessibility or informal character.

5.5 CHAPTER SUMMARIES

In this chapter, the aim of the study was achieved as evidenced. The study developed and presented a framework for the effective use of rotating savings and credit associations as a coping strategy for African Immigrants' small businesses in the City of Cape Town, South Africa. The research gap in Immigrant Entrepreneurship

literature in South Africa was addressed. Furthermore, the framework fills the theoretical and practical gap by presenting the dynamic nature of ROSCA through the lens of social capital theory and informal financial practices among Immigrant entrepreneurs. It portrays ROSCA support systems as viable tools for inclusive economic development. The framework is also significant in its contribution to theory, policy, and practice, guiding future interventions that seek to harness informal finance for Immigrant entrepreneurial success. The next chapter will present some recommendations based on the research findings.

CHAPTER 6: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter synthesises the entire study on Rotating Savings and Credit Associations (ROSCAs) as a coping strategy for African immigrant–owned small businesses in the City of Cape Town, South Africa. It integrates the empirical findings, theoretical insights, and the proposed framework developed in Chapter Five. The chapter covers the implications of the study, its contribution to theory, policy and practice recommendations, limitations, and directions for future research. It concludes by highlighting how ROSCAs function not only as informal financial instruments but also as socio-economic institutions that support business sustainability, competitiveness, and resilience among African immigrant entrepreneurs.

6.2 SUMMARY OF THE STUDY

This study adopted a qualitative phenomenological design to explore how African immigrant entrepreneurs in Cape Town utilise ROSCAs as a coping strategy for small business survival and growth. Data were collected through in-depth interviews and focus group discussions and analysed thematically, guided by Social Capital Theory. Eight major themes emerged, illustrating that ROSCAs:

- Serve as sources of informal finance for business start-up, working capital, and asset acquisition
- Function as mechanisms of social support, trust, reciprocity, and collective accountability
- Foster business resilience, risk management, and survival under conditions of financial exclusion
- Promote entrepreneurial discipline, savings behaviour, and peer-based motivation
- Enable network building, information sharing, and collaboration among immigrant entrepreneurs

The study culminated in the development of a context-specific framework that demonstrates how ROSCAs combine social and financial capital to enhance the coping capacity and sustainability of African immigrant owned small businesses.

6.3 CONTRIBUTION TO THEORY

This study makes three interrelated theoretical contributions:

6.3.1 Extension of Social Capital Theory into Informal Finance

The study advances Social Capital Theory by empirically demonstrating how ROSCAs institutionalise social networks information, collaboration, reciprocity, solidarity, and social support into functional financial mechanisms. This extends existing theory beyond social relations into the domain of informal financial governance.

6.3.2 Integration of Social and Financial Capital

The findings provide evidence that trust-based relationships within ROSCAs translate into tangible financial outcomes such as business growth, asset accumulation, and risk mitigation. This empirically bridges a gap in the literature by showing how non-financial social values generate financial capital for marginalised entrepreneurs.

6.3.3 Development of a Contextualised Framework

The proposed framework conceptualises ROSCAs not merely as savings tools but as transformative socio-economic institutions that reinforce entrepreneurial discipline, promote accountability and consistent savings, strengthen collective resilience, support business competitiveness and sustainability. This framework contributes to immigrant entrepreneurship scholarship by offering a grounded model applicable to under resourced and exclusionary financial environments.

6.4 IMPLICATIONS FOR POLICY AND PRACTICE

In line with Examiner guidance, this section foregrounds implications rather than restating findings.

6.4.1 Policy Implications

- Recognition and formal protection of ROSCAs:
  Policymakers should acknowledge ROSCAs as legitimate informal financial institutions that serve underserved immigrant and local entrepreneurs.
- Inclusive financial policy design:
  Government financial inclusion strategies should integrate ROSCA principles peer lending, trust, and collective accountability into hybrid microfinance products.

- Immigrant-inclusive entrepreneurship policy:
  Policies should explicitly incorporate African immigrant entrepreneurs into national small-business development frameworks.

6.4.2 Practice Implications

- Hybrid financial models:
  Formal financial institutions can design co-managed accounts or ROSCA-linked savings and credit products to bridge informal and formal finance.
- Targeted business training:
  NGOs and local agencies should provide financial literacy training, risk management skills, business development support, and record-keeping and budgeting training
- Network-based enterprise development:
  Business-to-business networking initiatives among ROSCA members can enhance market access, supplier linkages, and collective growth.
- Community-based institutional strengthening:
  Government agencies and NGOs should collaborate with community leaders to reinforce the social capital underpinning ROSCAs.

6.5 RECOMMENDATIONS

Based on the study's implications, the following recommendations are advanced.

- First, the government and policymakers need to formally recognise and protect ROSCAs operating in the country. They need to develop an inclusive microfinance regulations framework that will support immigrant entrepreneurship integration.
- Second, NGOs and development agencies should design training programmes that will link ROSCA members, promote financial literacy and facilitate community-based lending models.
- Third, financial institutions should develop hybrid ROSCA banking products. Use flexible collateral-free lending instruments or trust-based credit scoring mechanisms to assist low-income entrepreneurs.

6.6 LIMITATIONS OF THE STUDY

Despite the contributions made by this study, it still has several limitations.

- First, the study has a limitation in its geographical scope because it was conducted only in the City of Cape Town, limiting national or rural generalisability.
- Second, the sample characteristics focused exclusively on African immigrant entrepreneurs who were ROSCA participants, excluding non-participants and larger business owners.
- Third, the study is limited methodologically because of its qualitative phenomenological approach, which limits statistical generalisation across wider populations.
- Fourth, the study adopted a thematic approach and concentrated on ROSCAs and social capital, potentially under-representing other financial or structural determinants of entrepreneurial success. Nevertheless, the study offers deep, context-rich insights that are valuable for theory, policy, and practice.

6.7 DIRECTIONS FOR FUTURE RESEARCH

Future studies should consider:

- Expanding the geographical scope to rural, national, and cross-country contexts
- Including non-ROSCA participants and larger enterprises
- Employing quantitative or mixed methods designs to validate the proposed framework
- Examining gender, sectoral differences, and legal status effects
- Investigating long-term sustainability and intergenerational business impacts

6.8 CONCLUSIONS

This study demonstrates that ROSCAs are not merely coping instruments but strategic socio-economic institutions that enable African immigrant entrepreneurs to survive, grow, and compete in financially exclusionary environments. By integrating Social Capital Theory with informal finance practices, the study advances theoretical understanding of immigrant entrepreneurship, provides a grounded framework for ROSCA-based enterprise resilience, and offers actionable policy and practice insights.

The study confirms that informal financial systems, when embedded in strong social networks, can generate both social and economic value. It concludes that

strengthening ROSCAs through inclusive policy, institutional support, and hybrid financial models can significantly enhance immigrant-owned small business sustainability in South Africa and similar contexts.

LIST OF REFERENCES

Abimbola., A. O, Egbide, BC, Adekunle, E, A, Damilola, E,F, Adebanjo, J, F & Ajayi Abiodun, A, S. 2020. Rotating and savings credit association (ROSCAs): A veritable tool for enhancing the performance of micro and small enterprises in Nigeria. *Asian Economic and Financial Review*, 10(2):189-199.

Adams, J., Khan, H. T. A.., Raeside, R., & White, D. 2007. *Research Methods for Graduate Business and Social Science Students*. Response Books, New Delhi (2nd Ed.). New Delhi: SAGE Publications Ltd. Available at https://doi.org/10.1007/s13398-014-0173-7.2. [Accessed on 25 April 2013].

Adu, P. 2021.*Workshop: Qualitative Data Coding*. Workshop presented at the Vill International Eurasian Educational Research Congress Online. Available At https://www.workshop_QualitativeDataCoding_PhilipAdu.pdf. [Accessed on 20 February/ 2025].

Akbari, A.H. & Haider, A. 2017. Impact of immigration on economic growth in Canada and in its smaller provinces. *Journal of International Migration and Integration,* 19(1):129-142.

Akinyemi, F & Adejumo, O. 2017. Entrepreneurial motives and challenges of SMEs owners in emerging economies: Nigeria & South Africa. *Advances in Economics and Business,* 5(11): 624–633.

Aldrich, D, P & Meyer, M, A. 2014. Social Capital and Community Resilience. *American Behavioral Scientist*, 59(2): 1-16.

Aldrich, H.E & Waldinger, R. 1990. Ethnicity and entrepreneurship. *Annual Review of Sociology*, 16: 111–135.

Alghababsheh, M & Gallear, D. 2021. Socially Sustainable Supply Chain Management and Suppliers' Social Performance: The Role of Social Capital. *Journal of Business Ethics,* 173(4): 1- 43.

Altinay, L, Kromidha, E, Nurmagambetova, A, Alrawadieh, Z & Madanoglu, G, K. 2022. A social cognition perspective on entrepreneurial personality traits and intentions to start a business: Does creativity matter? *Management Decision*, 60(6): 1606-1625.

Anang, S, A & Kabore, A. A. 2021. Factors influencing credit access among small-scale poultry farmers in the Sunyani West district of the Bono region, Ghana. *Journal of agricultural extension and rural development,* 13(1):23-33.

Andersson., M, Larsson, J, P & Oner, O. 2021. Ethnic enclaves and self-employment among Middle Eastern immigrants in Sweden: ethnic capital or enclave size? *Regional studies,* 55(4): 590-604.

Antoncic, B. 2009. The entrepreneur's general personality traits and technological developments. *World Academy of Science, Engineering and Technology*, 53(3):236-241.

Asoba, S.N. & Mefi, N. 2020. Current literature on immigrant entrepreneurship in South Africa: exploring growth drivers. *Academy of Entrepreneurship Journal*, (26)4: 1-15.

Awwad, M, S & Al-Aseer, R, M, N. 2021. Big Five personality traits impact on entrepreneurial intention: the mediating role of entrepreneurial alertness. *Asia Pacific Journal of Innovation and Entrepreneurship*, 15(1):87-100.

Azoulay, P, Jones, B.F, Kim, J.D, & Miranda, J. 2022. Immigration and Entrepreneurship in the United States. *American Economic Review: Insight*, 4(1):71-88.

Baker, W., 1990. Market Networks and Corporate Behaviour. *American Journal of Sociology* (96): 589-625.

Baland, J.M, Guirkinger, C & Hartwig, R. 2019. Now or later? The allocation of the pot and the insurance motive in fixed ROSCAS. *Journal of Development Economics,* (140): 1-11.

Banerjee, A, V & Duflo, E. 2011. *Poor economics: A radical rethinking of the way to fight global poverty.* New York: Public Affairs.

Barrick, M.R. & Mount, M.K. 1991. The big five personality dimensions and job performance: a meta-analysis. *Personnel Psychology, 44*(1):1-26.

Basu, A. & Altinay, E. 2002. The interaction between culture and entrepreneurship in London‘s immigrant businesses. *International Small Business Journal*, 20(4): 371-394.

Bates, T. 1985. Entrepreneur human capital endowments and minority business viability. *Journal of Human Resources,* 20(4):540-554.

Bede, A. 2018. *Strategies for Immigrant Minority Small Business Sustainability*. Doctoral Dissertation, Walden University

Berzina, K. 2011. Enterprise-related social capital: different levels of social capital accumulation. *Economics & Sociology*, 4(2):66-83.

Boddy, C.R. 2016. Sample size for qualitative research. *Qualitative Market Research: An International Journal,* 19(4):1-8.

Bonga., W, G. 2021. Impact of Xenophobia Attacks in South Africa on Regional Integration Agenda. *International Journal of Multidisciplinary Research and Publications,* 4(2):58-62.

Bork-Hüffer, T. & Yuan-Ihle, Y. 2014. The management of foreigners in China: changes to the migration law and regulations during the late HuWen and early XiLi eras and their potential effects. *International Journal of China Studies*, 5(3):571.

Bosma, N., Wennekers, S., & Amorós, J.E. 2012. *Global Entrepreneurship Monitor 2011 Extended Report: Entrepreneurs and entrepreneurial 272 employees across the globe*. London: Global Entrepreneurship Research Association.

Braun, V & Clarke, V. 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology* (3): 77–101.

Brink, H, Van der Walt, C & Van Rensburg, G. 2006. *Fundamentals of research methodology for health care professionals.* 2nd edition. Cape Town: Juta.

Brooks, A.W., Huang, L., Kearney, S.W. & Murray, F.E. 2014. Investors prefer entrepreneurial ventures pitched by attractive men. *Proceedings of the National Academy of Sciences*, 111(12):4427-4431.

Brzozowski, J & Ciniglio, N.2021. International Migration and the (Un)happiness Push: Evidence from Polish Longitudinal Data. *International Migration Review,* 55(4): 1089-1120.

Burt, R.S. 2003. The social structure of competition*. Networks in knowledge economy*, 13(2): 57-91.

Busetto, L., Wick, W., & Gumbinger, C. 2020. How to use and assess qualitative research methods. *Neurological Research and Practice*, 2(1):1-10.

Bushe, B. 2019. The causes and impact of business failure among small to micro and medium enterprises in South Africa. *Africa's Public Service Delivery & Performance Review,* 7(1):26.

Caliendo, M., Fossen, F. & Kritikos, A.S. 2014. Personality characteristics and the decisions to become and stay self-employed. *Small Business Economics*, 42(4):787-814.

Campbell, E.K. 2013. Reflections on illegal immigration in Botswana and South Africa. *African Population Studies*, 21(2):1-23.

Canadian Annual Report to Parliament on Immigration. 2023. *Immigration, refugees and citizenship.* Canada: (IRCC) Publications.

Charmaz, K. 2006. *Constructing Grounded Theory: A Practical Guide through Qualitative Analysis*. London: Sage Publications.

Charmaz, K. 2014. *Constructing grounded theory,* 2nd edition unabridged London: SAGE Publications.

Chinomona, E. & Maziriri, E. 2015. Examining the Phenomenon of Xenophobia as Experienced by African Immigrant Entrepreneurs in Johannesburg, South Africa: Intensifying the Spirit of „Ubuntu". *International Journal of Research in Business Studies and Management* 2(6):20-31

Ciavarella, M.A., Buchholtz, A.K., Riordan, C.M., Gatewood, R.D.& Stokes, G.S. 2004. The Big Five and venture survival: Is there a linkage? *Journal of Business Venturing*, 19(4):465-483.

Cinini, S, F & Mkhize, S, M. 2021. An exploration of the safety and security experiences of African foreign nationals in Durban, South Africa. *Journal of African Foreign Affairs*, 8(3): 27- 47.

Claridge, T. 2018. Criticisms of social capital theory: and lessons for improving practice. *Social capital research,* 4(2): 1-8.

Clark, K. & Drinkwater S. 2000. Pushed Out or Pulled In? Self-Employment among Ethnic Minorities in England and Wales. *Labour Economics*, 7(5): 603-628.

Coleman, J. S. 1988. Social Capital in the Creation of Human Capital. *American Journal of Sociology*, (94):95–120.

Corbin, J. M., & Strauss, J. M. 2007*. Basics of qualitative research: Techniques and procedures for developing grounded theory.* 3rd ed. Thousand Oaks, CA: Sage.

Crane, F.G. & Crane, E.C. 2007. Dispositional optimism and entrepreneurial success. *The Psychologist-Manager Journal*, 10(1):13.

Creswell, J, W. 2013. *Qualitative inquiry and research design: choosing among five traditions*. 4th Ed. Thousand Oaks, California: Sage Publications.

Creswell, J, W. 2014. *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. 4th Ed. Thousand Oaks, California: Sage Publications.

Creswell, J. W., & Poth, C. N. 2016.Thousand Oaks, California: Sage Publications.

Croub, M. & McKenzie, H. 2006. The logic of small samples in interview-based qualitative research. *Social Science Information,* 45(4):483-499.

Cruz, E. P, de QueirozFalcão., R. P & Rafael Cuba Mancebo, R. C. 2019. Market orientation and strategic decisions on immigrant and ethnic small business. *Journal of International Entrepreneurship,* (18):227-255.

Cunningham, J.B. and Lischeron, J. 199. Defining Entrepreneurship. *Journal of Small Business Management*, (29): 45-61.

David, I., Adubisi, O., Farouk, B., & Adehi, M. 2020. Assessing SMEs Growth through ROSCA Involvement Using Paired T-Test and One Sample Proportion Test. *Journal of Social and Economic Statistics*, 9(2):30-42.

Dawson, H.J. 2025. *Making a life: young men on Johannesburg's urban margins*. Johannesburg: Wits University.

De Haas, H. 2010. Migration and development: a theoretical perspective1. *International migration review,* 44(1):227-264.

Department of Small Business Development. 2019. *Revised Schedule 1 of the National Definition of Small Enterprise in South Africa*. Available at: www.gpwonline.co.za. Access on 10 February/2025.

Desiderio, M. V. 2014. Policies to support immigrant entrepreneurship. In Open for Business: Migrant Entrepreneurship in OECD Countries*. Washington, D.C.: Migration Policy Institute,* 1-24.

Dinh, D, H, Nguyen, T, D, M, and Nguyen, H, T. 2025. Financial Well-being and Households' Intention to Participate in ROSCAs: An Extended TPB Model. *European Journal of Sustainable Development,* 14(2):61-83.

Dorsten, L.E. & Hotchkiss, L. 2005. *Research methods and society: foundation of social inquiry.* Upper Saddle River, New Jersey: Pearson Prentice Hall.

Duan, C., Kotey, B., & Sandhu, K. 2021. A systematic literature review of determinants of immigrant entrepreneurship motivations. *Journal of Small Business & Entrepreneurship*, 35(4):1-53.

Egbide, B. C., Damilola, E, & Adebanjo, F. 2020. Rotating and savings credit association (ROSCAs): A veritable tool for enhancing the performance of micro and small enterprises in Nigeria. *Asian Economic and Financial Review,* 10(2):189-199.

El Bouk., F, Van Geel, M & Vedder, P. 2022. Entrepreneurship: An attractive career path for immigrant vocational students in the Netherlands? The role of negative and positive stimulating factors. *International journal of intercultural relations,* (88): 22-31.

Embiricos, A. (2020). From refugee to entrepreneur? Challenges to refugee self-reliance in Berlin, Germany. *Journal of Refugee Studies,* 33(1):246–267.

Endjala, T & Botes, L. 2020. 'Surviving Like a Bird': Livelihood Strategies in an Informal Settlement of Windhoek, Namibia. *African Sociological Review/Revue Africaine de Sociologie,* 24(1): 151-173.

Eresia-Eke, C & Okerue, C. 2020. Owner-manager human capital and business coping ability in African immigrant small businesses in Southern Africa. *Development Southern Africa,* 37(2): 348-361.

Etikan, I., & Bala, K. 2017. Sampling and Sampling methods. *Biometrics & Biostatistics International Journal* 5(6):215-217.

Ezennia, J, C & Mutambara, E. 2020. Entrepreneurial Innovation Factors Influencing African Immigrant-Owned Micro Businesses in Durban, South Africa. *Academy of Entrepreneurship Journal*, (26): 1-13.

Fashakin, O. 2023. *Language Barrier as a Form of Challenge to Immigrant Entrepreneurship*. KAMK University of Applied Science, Finland.

Fatoki, O. 2013. An investigation into the financial bootstrapping methods used by immigrant entrepreneurs in South Africa. *Journal of Economics,* 4(2):89-96.

Fatoki. O. 2014. Immigrant Entrepreneurship in South Africa: Current Literature and Research Opportunities. *Journal of Social Sciences*, 40(1): 1-7.

Fine, B. 2002. "It Ain't Social, It Ain't Capital and It Ain't Africa." *Studia Africana,* (13):18-33.

Fusch, P. I., Fusch, G. E., & Ness, L. R. 2017. How to conduct a mini-ethnographic case study: A guide for novice researchers. *The Qualitative Report,* 22(3):923–941.

Gallagher, S., & Zahavi, D. 2020. *The phenomenological mind*. Routledge.

Gebrehiwot, S, N. 2021. *Strategies for Ethiopian Small Retailers Businesses to Succeed Beyond 3 Years*. Doctoral Dissertation, Walden University.

Georgescu, M-A & Herman, E.2020. The impact of the family background on students; entrepreneurial intentions: An empirical analysis. *Sustainability*, 12(11):1-18.'Gior Guilford.

Greco, A., & De Jong, G. 2017. Sustainable entrepreneurship: Definitions, themes, and research gaps. Centre for Sustainable Entrepreneurship, University of Groningen Netherlands. Available at: http://www.rug.nl/cf/pdfs/wps6angela.pdf (Accessed on 30 March 2023).

Guzy, M. 2006. Nurturing immigrant entrepreneurship. A handbook for micro credit and business support. *European microfinance network,* 1- 65. Available At: http:// www.europeanmicrofinance.org. Accessed on 20 June/2024.

Hack-Polay, D., Ogbaburu, J. T., Rahman, M., & Mahmoud, A. B. 2021. Immigrant entrepreneurs in rural England- an examination of the socio-cultural barriers facing migrant small businesses in Lincolnshire. *Local Economy*, 35(7):1-34.

Han, S. & Piquero, A.R. 2021. Is It Dangerous to Live in neighborhoods with more immigrants? Assessing the effects of immigrant concentration on crime patterns. *Crime and Delinquency,* 68(1): 52-79.

Hanifan, L. H. 1916. The rural School Community Center. *Annals of the American Academy of Political and Social Science*, (67):130-138.

Haq,S U., Rukh, L, ohail, M, Khan, S, Hussain, I., & Khan, M A. 2024. The ROSCAs' Participation and Their Influence on the %Financial Position of Business. *Journal for Social Science Archives (JSSA),* 2(2): 232-254.

Hassan, A.M. 2014. *The economic impact of immigrants in Kenya: the case of Eastleigh Estate in Nairobi, Kenya* (1991-2010). Kenyatta University, Kenya.

Heilbrunn, S. & Kushnirovich, N. 2008. The impact of policy on immigrant entrepreneurship and businesses practice in Israel. *International Journal of Public Sector Management*, 21(7):693-703.

Hennink, M.M. 2013. *Focus group discussions*. New York: Oxford University Press.

Hibstie, A, Y. 2012. *Elemental Analysis of Some Geological Samples using Neutron Activation Technique*. University of South Africa.

Hisrich, R.D., Peters, M.P. & Shepherd, A. 2010. *Entrepreneurship*. 8th edition. New York: McGraw-Hill.

Holloway, I & Todres, L. 2003. The status of method: Flexibility, consistency and coherence. *Qualitative Research* (3): 345–357.

Hossein, C, S. 2017. Fringe Banking in Canada: A Study of Rotating Savings and Credit Associations (ROSCAs) in Toronto's Inner Suburbs. *Canadian Journal of Nonprofit and Social Economy Research* 8(1):29-43.

Husserl, E. 1999. *The essential Husserl: Basic writings in transcendental phenomenology.* Indiana University Press.

Ibrahim, H. 2019. Do institutions matter? The persistence of ROSCAs among immigrants in developed economies. *Journal of Enterprising Communities: People and Places in the Global Economy,* 13(3): 319-332.

Ibrahim, H. 2020. Structured Savings and Asset Ownership: The Role of Rotating Savings and Credit Associations among African Immigrants in the United States. *Journal of Sociology & Social Welfare*, 47(3): 29-57.

Itabashi-Campbell, R., Gluesing, J., & Perelli, S. 2012. Mindfulness and product failure management: An engineering epistemology. *The International Journal of quality & Reliability Management,* (29): 642–665.

Johannisson, B. 1990. Economies of overview—guiding the external growth of small firms. *International Small Business Journal*, 9(1):32-44.

Judge, T.A., Higgins, C.A., Thoresen, C.J. & Barrick, M.R. 1999. The big five personality traits, general mental ability, and career success across the life span. *Personnel Psychology,* 52(3):621-652.

Kang, E & Hwang, H.J. 2023. The Importance of Anonymity and Confidentiality for Conducting Survey Research. *Journal of research and Publication Ethic,* 4(1):1-7.

Kao, R.W. 1993. Defining entrepreneurship: past, present and? *Creativity and Innovation Management*, 2(1):69-70.

Kelsay, J.D.& Haberman, C.P. 2021. The influence of street network features on robberies around public housing communities. *Crime and Delinquency*, 67(9): 1353-1380.

Kerr, S, P & Kerr, W. 2020. Immigrant Entrepreneurship in America: Evidence from the Survey of Business Owners 2007 & 2012. *Research Policy*, 49(3): 103918.

Kerr, W, R & Mandorff, M. 2023. Social networks, ethnicity, and entrepreneurship. *Journal of Human Resources,* 58(1) 183-220.

Khambule, I. 2020. The effects of COVID-19 on the South African informal economy: limits and pitfalls of government's response. *Loyola Journal of Social Sciences*, 34(1): 95-109.

Khan, S., & Ali, A. 2021. Rotating saving and credit association: An alternative informal credit source for wholesale and retail traders in Khyber Pakhtunkhwa, Pakistan. *Liberal Arts and Social Sciences International Journal (LASSIJ),* 5(1): 443-457.

Kharisma., B, Remi, S. S, Hadiyanto, F & Saputra, A. D. 2020. The Economics of Rotating Savings and Credit Associations (ROSCAs) and Poverty in Indonesia. *Journal Economia,* 16(1):100-111.

Khosa, R.M., & Kalitanyi, V. (2014). Challenges in operating micro-enterprises by African foreign entrepreneurs in Cape Town, South Africa. *Mediterranean Journal of Social Sciences,* 5(10): 205-215.

Kim, H., Sefcik, J. S., & Bradway, C. 2017. Characteristics of qualitative descriptive studies: A systematic review. *Research in nursing & health*, 40(1):23-42.

King, N. 2004. Using templates in the thematic analysis of text. In C. Cassell & G. Symon (Eds.), *Essential guide to qualitative methods in organizational research*. London, UK: Sage 257–270.

Kloosterman, R. C., Rusinovic, K & Yeboah, D. 2016. Super-diverse migrants—similar trajectories? Ghanaian entrepreneurship in the Netherlands seen from a Mixed Embeddedness perspective. *Journal of Ethnic and Migration Studies*, 42(6):913-932.

Kostova, T., & Roth, K. 2003. "Social capital in multinational corporations and a micro-macro model of its formation." *Academy of Management Review,* 28 (2): 297-317.

Kumar, S, Paray, Z, A & Dwivedi, A, K. 2021. Student's entrepreneurial orientation and intention: A study across gender, academic background, and regions. *Higher Education, Skills and Work-Based Learning,* 11(1):78-91.

Lam, R. 2015. Language assessment training in Hong Kong: implications for language assessment literacy. *Language Testing,* 32(2):169-197.

LaMendola, G & Mansour, H. I. 2020. Morocco's Informal Economy: The Role of Rotating Savings in Rabat. *DU Undergraduate Research Journal Archive*, 1(2):1-10.

Landau, L B. 2010. Discrimination and Development? Urbanisation and sustainable livelihoods in Johannesburg. In: Crush, J. & Frayne, B. (eds.). *Surviving on the Move: Migration, Poverty and Development in Southern Africa. IDASA, Cape Town: (66-82).*

Leedy, P.D. & Ormrod, J.E. 2015. *Practical research: Planning and design*. 11th ed. Boston, MA: Pearson.

Leutner, Ahmetoglu, Akhtar & Chamorro-Premuzic. 2014. The relationship between the entrepreneurial personality and the Big Five personality traits. *Personality and Individual Differences,* (63): 58-63.

Light, I & Gold, S. 2000. *Ethnic Economies.* San Diego: Accademic Press.

Llewellyn, D.J. & Wilson, K.M. 2003. The controversial role of personality traits in entrepreneurial psychology. *Education+ Training,* 45(6):341-345.

Longinus, E, C & Mbagwu, J, U. 2021. Xenophobic Attacks on Foreign Nationals in South Africa: A Threat to International Relations. *NILDS Journal of Democratic Studies*, 2(2):70- 94.

Lose, T. & Tengeh, R.K. 2015. The sustainability and challenges of business incubators in the Western Cape Province, South Africa. *Sustainability* 7(10): 14344-14357.

MacDonald, C. 2012. Understanding participatory action research: A qualitative research methodology option. *The Canadian Journal of Action Research,* 13(2):34-50.

Maguire, M & Delahunt, B. 2017. Doing a thematic analysis: A practical, step-by-step guide for learning and teaching scholars. *Dundalk Institute of Technology* 8 (3):3351-33514.

Maguire, M. & Delahunt, B. 2017. Doing a thematic analysis: A practical, step-by-step guide for learning and teaching scholars. *Dundalk Institute of Technology,* 8(3):3351-33514.

Malerba, R.C., & Ferreira, J.J. 2020. Immigrant Entrepreneurship and strategy: a systematic literature review. *Journal of Small Business & Entrepreneurship,* 33(2):183-217.

Marwah, I., Triadafilopoulos, T. & White, S. 2018. Immigration, citizenship, and Canada's New Conservative Party. *In Conservatism in Canada, 6.* University of Toronto Press: 95-119.

Masocha, R., Buso, B. & Fatoki, O. 2017. Competitive marketing SMMEs in South Africa. *Journal of Social Sciences*, 50(1): 124–132.

Matuku, S & Kaseke, E. 2014. The role of stokvels in improving people's lives: the case in Orange farm, Johannesburg, South Africa. *Social Work/Maatskaplike Werk* 50(4):504-515.

Maxwell, J. A. 2012. *Qualitative research design: An interactive approach*. Thousand Oaks, CA Sage publications.

Mbili, L, E. 2022*. Personal factors influencing the success of immigrant small business owners in the eThekwini metropolitan area*. Durban University of Technology.

McCrae, R.R. 1987. Creativity, divergent thinking, and openness to experience. *Journal of Personality and Social Psychology*, 52(6):1258.

Merriam SB & Tisdell EJ. 2016. *Qualitative Research*: *A Guide to Design and Implementation*. 4th ed San Francisco: Jossey-Bass.

Mlotshwa, S. H. 2022. *A phenomenological study of female entrepreneurial identity, aspiration, and success in South Africa*. University of the Witwaterstrand.

Moustakas, C. 1994. *Phenomenological research methods*. Thousand Oaks, California. Sage Publication.

Mpanje, D, Gibbsons., P, McDermott, R, Omia, D. O & Olungah, C. O. 2022. Social capital undergirds coping strategies: evidence from two informal settlements in Nairobi. *Journal of International Humanitarian Action*, 7(7): 1-16.

Muchineripi, J, Chinyamurindi, W & Chimucheka T. 2022. African Immigrant's self-employment journey: navigating contextual challenges in South. *Journal of Global Mobility,* 10(4):530-544.

Muchineripi, J., Chinyamurindi, W & Chimucheka, T. 2019. A narrative analysis of barriers encountered by a sample of immigrant entrepreneurs in the Eastern Cape province of South Africa. *The journal for transdisciplinary research in Southern Africa,* 15(1):1-9.

Mueller, P. 2006. Entrepreneurship in the region: breeding ground for nascent entrepreneurs? *Small Business Economics*, 27(1):41-58.

Mushuku, A & Mayisa, J. 2014.Unlocking the Door from Poverty through Rotating Savings and Credit Associations: A Study of Group Based Savings in Ward 14 of Gutu District, Zimbabwe. *Bangladesh e-Journal of Sociology*, 11(2):118-131.

Mutemeri, J., & Chetty, R. 2013. Teacher educators' perspectives about the relationship between research and teaching in South African universities. *European Journal of Academic Research (*1): 62–75.

Nahapiet, J., & Ghoshal, S. 1998. Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review,* 23(2), 242–266.

Natow, R, S. 2020. The use of triangulation in qualitative studies employing elite interviews. *Qualitative research*, 20(2): 1-14.

Nee, V. & Sanders, J. 2001. Understanding the diversity of Immigrant incorporation: a forms-of-capital model. *Ethnic and Racial Studies,* 24(3):386-411.

Neuman, WL. 1997. *Social research methods: qualitative and quantitative approaches.* 3rd edition. Boston, Mass: Allyn & Bacon.

New American Economy. 2018. *How Sub-Saharan Africans contribute to the U.S. economy*. New American Economy Research Fund. Newland, K.& Tanaka, H., 2010. *Mobilizing diaspora entrepreneurship for development.* Washington, DC: Migration Policy Institute.

Nga, J.K.H. & Shamuganathan, G. 2010. The influence of personality traits and demographic factors on social entrepreneurship start up intentions. *Journal of Business Ethics*, 95(2):259-282.

Ngcamu, B.S. & Mantzaris, E.2019. Xenophobic violence and criminality in the KwaZulu-Natal townships. *The Journal for Transdisciplinary Research in Southern Africa*, 15(1):1-8.

Ngota, B, N, Raikaran, S. & Mang'unyi, E.E. 2019a. African Immigrant Entrepreneurship: A Catalyst for Skills Transfer. *Academy of Entrepreneurship Journal*, 25(2): 1-20.

Ngota, B.L., Rajkaran, S., & Mang'unyi, E.E. 2019b. African Immigrant Entrepreneurs in South Africa: Exploring Their Economic Contributions. *Entrepreneurial Business and Economics Review,* 7(4): 33- 56.

Nicholson, N. 1998. Personality and entrepreneurial leadership: A study of the heads of the UK's most successful independent companies. *European Management Journal,* 16(5):529-539.

Nieman, G & Nieuwenhuizen, C. 2009. *Entrepreneurship: A South African perspective*. 2nd edition. Pretoria: Van Schaik.

Nkem, L, & Tengeh, R.K. 2017. Drivers for the Formation of Informal Financial Associations by Immigrant Entrepreneurs in South Africa: The Case of Cameroonians. *Economica,* 13(5):107–122.

Nkem, L, C. 2017. *Assessing the role of Stokvels in the start-up and growth of Cameroonian owned businesses in the Cape Metropole*. Cape Peninsula University of Technology, Cape Town.

Nkrumah, A. 2018. Immigrants' transnational entrepreneurial activities: the case of Ghanaian immigrants in Canada. *Journal of International Migration and Integration*, 19(1):195-211.

Nnabue, T. 2016. *Success Strategies Among Immigrant Small Business Owners in the South-Eastern United States.* Doctoral Dissertation, Walden University.

Nowell, L. S, Norris, J. M, White, D. E & Moules, N. J. 2017. Thematic Analysis: Striving to Meet the Trustworthiness Criteria. *International Journal of Qualitative Methods* (16):1-13.

Nyame-Asiamah, F., Amoako, I, O, Amankwah-Amoah, J & Yaw A, D. 2020. Diaspora Entrepreneurs' Push and Pull Institutional Factors for Investing in Africa: Insights from African Returnees from the United Kingdom. *Technological Forecasting & Social Change, 152, 119876.*

Nyamnjoh, H.M. 2020. Entrepreneurialism and innovation among Cameroonian street vendors in Cape Town. *African Identities*, 18(3):1-18.

O'Leary, Z. 2004. *The Essential Guide to Doing Research*. London: SAGE Publications Ltd.

Ojong, N. 2019. Informal borrowing sources and uses: Insights from the North West Region, Cameroon. *Third World Quarterly*, 40(9): 1730-1749.

Ojugbele., H, O, Tengeh, R, K & Ogunlela, O. 2022. COVID-19 bailout nationalism: A predicament in saving small immigrant-owned businesses in South Africa. *International journal of research in business and social sciences,* 11(6):33-42.

Okerue, C K. 2018. *Coping Mechanism of African Immigrant Entrepreneurs in the Small Business Sector in Southern Africa*. PhD Thesis, University of Pretoria, South Africa.

Onugu, C, U, Ademola, A, O, & Obasana, S, O. 2024. Demographic Factors influencing Default in Rotating Savings and Credit Association in Yewa North Local Government Area of Ogun State, Nigeria. *Journal of Agricultural Economics and Extension,* 1(1):222-236.

Otudor, C. 2020. *Coping in Crisis: Women's Rotating Savings and Credit Associations Strategies in Nigeria within the Context of Covid-19*. The Hague, the Netherlands.

Pendley, S, C., Mock, N, B & Theall, K, P. 2020. How you measure matters, defining social capital in drought-prone areas. *International journal of disaster risk reduction*, 50(101715): 1- 8.

Polit, D.F. & Beck, C.T. 2004. *Nursing research: Principles and methods*. Philadelphia: Lippincott Williams & Wilkins. Publications.

Portes, A., & Jensen, L. 1987. What's an ethnic enclave? The case for conceptual clarity. *American Sociological Review,* (52): 768–771.

Postigo, A, Cuesta, M & García-Cueto, E. 2021. Entrepreneurial Personality, Conscientiousness, Self-control, and Grit: The Psychological Side of Self-employment. *Annals of psychology,* 37(2):361-370.

Postigo, A., Cuesta, M, García-Cueto, E, Prieto-Díez, F, &, Muniz, J. 2021. General versus specific personality traits for predicting entrepreneurship. *Personality and Individual Differences,* (182):1-5.

Putnam, R. D. 1995. Bowling Alone: America's Declining Social Capital. *Journal of Democracy,* 6(1):65- 78.

Radipere, S. 2012. South African university entrepreneurship education. *African Journal of Business Management,* 6(44):11015-11022.

Rahman. M. M. 2023. Sample Size Determination for Survey Research and Non-Probability Sampling Techniques: A Review and Set of Recommendations. *Journal of Entrepreneurship, Business and Economics,* 11(1): 42–62.

Ratemo, D. S. 2020. *Understanding ROSCAs' Resilience in Providing Informal Social Protection Amidst COVID-19 Pandemic in Ongata Rongai Ward Kajiado Kenya*. University of Nairobi, Kenya.

Ravitch, S. M., & Carl, N. M. 2019. *Qualitative research: Bridging the conceptual, theoretical, and methodological.* Thousand Oaks, California Sage Publications.

Richardson, J.1986. *Handbook of Theory and Research for the Sociology of Educati on*. Westport, CT: Greenwood.

Röschenthaler, U. 2020. Chances and challenges of African entrepreneurial activity in times of crisis. *African Identities* 18(3): 253-262.

Rosenthal, M. 2016. Qualitative research methods: Why, when, and how to conduct interviews and focus groups in pharmacy research. *Currents in Pharmacy Teaching and Learning*, 8(4): 509-516.

Rutberg, S & Bouikidis, C, D. 2018. Focusing on the fundamentals: A simplistic differentiation between qualitative and quantitative research. *Nephrology Nursing Journal* 45(2), 209-212.

Ryu, E, J, & Suzuki, A. 2020. ROSCAs as Insurance: Comparing Formal and Informal Methods of Saving Among the Unskilled Workers in the Ethiopian Cut-Flower Industry. *The Developing Economies*, 59(3):1-32.

Sabary, G. S., & Ključnikov, A. 2023. Barriers to immigrant entrepreneurship: A causal relationship analysis of the Asian immigrant entrepreneurs in Germany employing the DEMATEL approach. *Equilibrium. Quarterly Journal of Economics and Economic Policy,* 18(2): 491–522.

Sandelowski, M. 1995. Focus on qualitative methods sample size in qualitative research. *Research in Nursing Health*, (18): 179-183.

Sanders, J. M. & Nee, V. 1996. Immigrant self-employment: The family as social capital and the value of human capital. *American Sociological Review,* 61(2):231-249.

Sandsor, A, M, J. 2010. *The Rotating Savings and Credit Associations: An economic, social and cultural institution*. Master Thesis University of Oslo.

Satzewich, V. & Liodakis, N. 2013. "*Race" and ethnicity in Canada: a critical introduction*. New York: Oxford University Press.

Saunders, M. N., & Townsend, K. 2016. Reporting and justifying the number of interview participants in organisation and workplace research. *British Journal of Management*, 27(4): 836–852.

Saunders, M., Lewis, P., & Thornhill, A. 2019. *Research Methods for Business Students*. eight edition. United Kingdom: Pearson Education Limited.

Schumpeter, J.A. 1991. *Assays on Entrepreneurs, Innovations, Business Cycles and The Evaluation of Capitalism,* New Brunswick and London, Transactions Publications.

Seidman, I. 2013. *Interviewing as qualitative research: A guide for researchers in education and the social science* (4th ed.). New York, NY: Teachers College Press.

Shenton, A. K. 2004. Strategies of ensuring trustworthiness in qualitative research projects. *Education for Information*. Newcastle: Northumbria University.

Shingirirayi, M& Tengeh, K, R. 2021. Sustaining Grocery Stokvels: The Dynamics and Factors that Influence their Establishment. *Business Excellence and Management* 11(2):69-86.

Simelane, S. 1999. Trend in International Migration: Migration among Professionals, Semi-professionals and Miners in South Africa, 1970-1997. *Paper presented at the Annual Conference of the Demographic Association of South Africa (DEMSA*). Saldanha Bay, Western Cape, 5-7 July.

Simon, M & Goes, J. 2013. *Limitations and Delimitations*. Available At: Http://dissertationrecipes.com/wp-content/uploads/2011/04/limitationscopedelimitation1.pdf. (Accessed on 15/ July/ 2022).

Smith, J. A. 2015. *Qualitative psychology: A practical guide to research methods*. London: Sage Publication.

Soto-Acosta, P., Cismaru, D.-M., Vătămănescu, E.-M., & Ciochină, R. S. 2016. Sustainable entrepreneurship in SMEs: A business performance perspective. *Sustainability*, 8(4):1-12.

Spaten, O. M., Byrialsen, M. N., & Langdridge, D. 2013. Men's grief, meaning and growth of phenomenological investigation into the experience of loss. *Indo-Pacific Journal of Phenomenology* (11): 1–15.

Spinelli, S. & Adams, R. 2012. New Venture Creation. *Entrepreneurship for the 21st Century*. 9th Edition. McGraw-Hill International Edition.

Stewart, W.H., Carland, J.C. & Carland, J.W. 1996. Empirically defining the entrepreneur. *Journal of Business and Entrepreneurship*, 8(1):1-18.

Stokes, D., Wilson, N. & Mador, M. 2010. *Small Business Management and Entrepreneurship*. United Kingdom: Cengage Learning EMEA.

Sutton, J., & Austin, Z. 2015. Qualitative research: Data collection, analysis, and management. *The Canadian journal of hospital pharmacy*, 68(30: 226-231.

Svensson, L., & Doumas, K. 2013. Contextual and analytic qualities of research methods exemplified in research on teaching. *Qualitative Inquiry, (*19): 441–450.

Syrett, S & Sepulveda, L. 2012. Urban governance and economic development in the diverse city. *European Urban and Regional Studies,* 19(3): 238-253.

Tawodzera, G & Crush, J. 2023. A foreigner is not a person in this country: xenophobia and the informal sector in South Africa's secondary cities. *Urban Transformation*, 5(2):1- 16.

Temeh G, G & Ilemobayo A, S. 2021. Financing entrepreneurship development in Nigeria through informal financial institutions. *International Journal of Research Science & Management,* 8(2): 8–17.

Tengeh, R. 2013. Advancing the case for the support and promotion of African immigrant-owned businesses in South Africa. *Mediterranean Journal of Social Science,* 4(2):347-359.

Tengeh, R. K & Nkem, L. 2017. Sustaining Immigrant Entrepreneurship in South Africa: The Role of Informal Financial Associations. *Sustainability,* 9(1396): 1-16.

Tengeh, R.K. 2011. *A business framework for the effective start-up and operation of African immigrant–owned businesses in the Cape Town Metropolitan area, South Africa*. PhD Thesis, Cape Peninsula University of Technology, Cape Town.

Timmons, J. A. & Spinelli, S. 2009. *New venture creation: entrepreneurship for the 21st century*. Boston Luwin McGraw.

Toh, E.M. 2020. African immigrant and the struggle against class, racism and xenophobic consequences in post-apartheid South Africa. *International Journal of Innovative Science and Research Technology*, 5(7):1460- 1468.

Toh, E.M. 2022. *The Contemporary Influence of South African Immigration Law on the Nature of Immigrant Entrepreneurship in Cape Town*. Master's Thesis, Cape Peninsula University of Technology.

Trotter II, R. T. 2012. Qualitative research sample design and sample size: Resolving and unresolved issues and inferential imperatives. *Preventive medicine,* 55(5), 398-400.

Tsai, W., & Ghoshal, S. 1998. Social capital and value creation: The role of intrafirm networks. *Academy of Management Journal,* 41(4), 464-476.

Tshishonga, N. 2015. The impact of xenophobia-Afrophobia on the informal economy in Durban CBD South Africa. *The Journal for Trans disciplinary Research in South Africa,* 11(4): 163–179.

United States. 2012. *Census Bureau Economics and Statistics Administration*. Washington.

Uusiku, E, P. 2018. *The impact of Microfinance on the growth of Micro, Small and Medium Enterprises in Namibia*. The Development Finance Center (DEFIC) Cape Town: Graduate School of Business, University of Cape Town.

Van den Bergh, R., & Du Plessis, Y. 2012. Highly skilled migrant women: A career development framework. *Journal of Management Development,* 31(2):142–158.

Van Manen, M. 2019. Rebuttal: Doing phenomenology on the things. *Qualitative health research*, 29(6), 908-925.

Vangelisti, A.L.1992. How do we measure up? A review of three textbooks on quantitative methods of research. *Communication Education,* 41(2): 231-239

Vardhan, J., Bohra, S, Abdullah, A, Thennarasu, K & Jagannathan, S.K. 2020. Push or pull motivation? A study of migrant women entrepreneurs in UAE. *International journal of family business and regional development,* 1(1):8-24.

Vaus, D. A. de. 2001. *What is Research Design? In Research Design in Social Research*. Available at: https://doi.org/10.1177/1473325011401471. [Accessed on 27 July 2022].

Vecchio, R, P. 2003. Entrepreneurship and leadership: common trends and common threads. *Human Resource Management Review*, 13(2):303-327.

Vhuthu, M. 2019. *Entrepreneurial Success Factors of Immigrant Spaza-Shop Owners in Thulamela local municipality*. University of Venda.

Vitolas. C. A. T. 2011. *Social capital in poor communities. A case study from Rural Northern Peru*. PhD Thesis, London School of Economics and Political Science.

Voice of America (VOA). (September 09, 2019). *Nigerians in Cameroon call for help after separatist attacks*, 2019.

Volery, T. (2007). Ethnic entrepreneurship: A theoretical framework. In Dana, L.P. (Ed). *Handbook of research on ethnic entrepreneurship: A co-evolutionary view on resources management*. Cheltenham, UK: Edward Elgar.

Waldinger, R. 1994. The making of an immigrant niche. *International Migration Review,* 28(1): 3–28.

White, L.A. 2011. The Internationalization of Early Childhood Education and Care Issues: Framing Gender Justice and Child Well-Being. *Governance*, 24(2):285-309.

Wickham, P. 2004. *Strategic Entrepreneurship: A Decision-Making Approach to New Venture Creation.* FT Prentice Hall, London.

Wiles, R, Crow, G, Heath, S & Charles, V. 2007. The Management of Confidentiality and Anonymity in Social Research. *Int. J. Social Research methodology,* 11(5): 417-428.

Williams, H. 2021. The Meaning of" Phenomenology": Qualitative and Philosophical Phenomenological Research Methods. *The Qualitative Report,* 26(2): 366 385.

Wilson, K. L., & Portes, A. 1980. Immigrant enclaves: An analysis of the labour market experiences of Cubans in Miami. American Journal of Sociology, (86): 295–319.

World Bank. 2021. *Report on Cameroon*, 1 July 2021. Washington.

World Economic Forum, 2019. *Global Competitiveness Report*. Available at: https://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf. Accessed on 20 June/ 2024.

Xie, Y & Gough, M. 2011. Ethnic Enclaves and the Earnings of Immigrants. *Population Association of America,* (48): 1293-1315.

Xu, P & Jiang, J. 2020. Individual Capital Structure and Health Behaviors among Chinese Middle-Aged and Older Adults: A Cross-Sectional Analysis Using Bourdieu's Theory of Capitals. *International Journal of environmental research and public health,* 17(20):1-18.

Yan, J. 2010. The impact of entrepreneurial personality traits on perception of new venture opportunity. *New England Journal of Entrepreneurship*, 13(2):21-35.

Yin, R. K. 2011. *Qualitative Research from Start to Finish* (2nd ed.). New York: Sage.

Yin, R. K. 2012. *Applications of case study research (3rd ed.).* Thousand Oaks, CA: Sage.

Yin, R. K. 2018. *Case study research and applications: Design and methods*. 6th edition. Thousand Oaks, CA: Sage.

You, T & Zhou, M. 2018. Simultaneous Embeddedness in Immigrant Entrepreneurship: Global Forces behind Chinese-Owned Nail Salons in New York City. *Program on International Migration*, (2): 1-20.

Zambrano, A, F., Giraldo, L, F, Perdomo, M, T, Hernández, I, D & Jesús María Godoy, J, M. 2023. Rotating savings and credit associations: A scoping review. *World Development Sustainability,* (3):1-12.

Zhang, Z. & Reay, T. 2018. Managing the yin and yang of family capital: a study of Chinese immigrant entrepreneurs. *Entrepreneurship & Regional Development*, 30(7-8):722-748.

Zhou, M. 2004. Revisiting Ethnic Entrepreneurship: Convergencies, Controversies, and Conceptzca Advuncements. *International Migration Review,* 38(3):1040-1074.

Zhou, M. 2007. Non-economic effects of Ethnic Entrepreneurship*. In: Dana, L.P. (ed.) Handbook of Research on Ethnic Minority Entrepreneurship.* Edward Elgar, Northampton. 13(2), 34-50.

APPENDICES

APPENDIX A: INTERVIEW GUIDE

UNISA university of south africa

INTERVIEW SCHEDULE: THE BUSINESSPERSON

TITLE: A Framework for the Effective use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrants Small Businesses in the City of Cape Town, South Africa.

Researcher reference	NHREC Registration # : (Rec-240816-052)

Code for respondent	Participant
Name of interviewer	Wung Collins Akiy
Interview date	
Gender of respondent	
Confirm the signing of the informed consent form	
Switch on the audio-recording	

Section A: Respondent's demographic information

Please Tick the Appropriate Answer

1.What is your age in years?

18 – 25 years	
26 – 35 years	
36 – 45 years	
46 – 55years	
56 years and above	

2. What is your gender?

Male	
Female	
Other	

3. What is your highest qualification?

No schooling	
Primary school (grade 1- grade 7)	
High school (grade 8- grade 12)	
Post-matric (e.g., Higher certificate, Diploma, degree)	
Uncompleted degree or diploma programme	

Postgraduate (e.g., Honours, Masters, Doctorate)	

4. What is your marital status?

Single	
Married	
Widow/widower	
Divorced/Separated	
Living with a partner	

5. Which industry does your business belong to?

Service sector	
Trading sector	
Manufacturing sector	
Agricultural sector	
Other, please specify	

6. What is your nationality?

Section B: Immigrant Motivation for Self-employment

7. What motivated you to start your own business in the Western Cape?

8a.What are some of the previous work knowledge or training that you had in your country and/ or South Africa?

-

8b. Could you please elaborate on how this previous knowledge or traing influenced your decision to become self-employed?

---

9. In what ways will you say access to financial resources (money from the bank, personal savings, money from ROSCAs group, Government or private grant) helped you to start your own business in the City of Cape Town?

---

10. In what ways will you say knowing or connected to people helped you to start your own business in the City of Cape Town?

Section C: Acquisition of Critical Resources for Business Operations

11. What resources do you consider very important for operating your business?

---

12. How did you obtain the finance needed to operate your business? (e.g., personal savings, family loans, informal (ROSCA) loans, formal bank loans)

---

13. In what ways will you say the government or any organisation has been able to support small businesses owned by African Immigrants in the City of Cape Town?

---

14. How did you form your network of suppliers, customers, and important business contacts?

Section D: Challenges Faced by African Immigrant Entrepreneurs

15. What, according to you, are the main challenges you face in conducting your business as a foreigner in City of Cape Town?

---

16. What difficulties did you encounter trying to raise money for your business?

---

17. What are the difficulties in obtaining business funding from formal banking institutions in City of Cape Town?

---

18. What, according to you, are the challenges you face in participating in business training programmes and workshops that can contribute to the growth of your business?

Section E: Motivation for Using ROSCA

19. What factors motivated you to use ROSCA as an alternative for business finance?

---

20. In what ways will you say ROSCA is a better option for obtaining loans compared to formal loans or personal savings?

---

21. What are the benefits of using ROSCA for your business?

---

22. What are some of the negatives/challenges of using ROSCAs?

---

23. What are some of the socio-cultural factors that must have encouraged your decision to join ROSCAs?

---

24. In what ways has ROSCA impacted your relationship with other Immigrants in your community?

Section F: Acquired capital factors and their influence on Immigrant businesses

25. In what ways will you say savings and credit or loans obtained through ROSCA have helped your business?

---

26. In what ways will you say that ROSCA participation has helped you to be committed to your business?

---

27. Please, can you tell me how participating in ROSCA has helped you to be self-controlled?

---

28. What Business Information do you get from ROSCA participation that has helped to improve your business?

---

29. What are the motivations (encouragement) you get from your ROSCA members that you think have helped you continue with your business?

---

30. How does ROSCA's participation help you obtain assets (Property; equipment; vehicle; tools; business furniture; investment) that have helped your business grow?

Section G: Institutional Preparation to Mitigate the Impacts of Shocks Among ROSCA Members

31. In South Africa, stockvels (ROSCAs) are registered before operating. How do you operate your ROSCAs?

---

32. ROSCAs with sufficient reserves (savings) are more likely to be able to intervene and handle shocks effectively. What are the measures your ROSCA takes to maintain sufficient reserves (savings)?

---

33. In what ways do you think commitment and self-control can help ROSCA members handle shocks?

---

34. ROSCAs with risk management strategies (e.g penalty if fail to contribute; emergency fund; regular meetings and communication; clear rules and agreements) are more likely to be able to handle shocks effectively. What are some of the risk management strategies your institution (ROSCA) implements?

---

35. In what ways do you think ROSCAs should improve their planning to better support business operations?

Thank you so much.

APPENDIX B: FOCUS GROUP DISCUSSION GUIDE



Focus Group Discussion 2024

Research title: A Framework for the Effective use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrants Small Businesses in the City of Cape Town, South Africa.

Dear participants, you are all welcome to this focus group discussion. Please feel free to express your opinions and views clearly and in detail, one person at a time. There are no right or wrong answers; we are all here to share. This session is being recorded; it would be much appreciated if all mobile devices were on silent. The purpose of this focus group is to obtain information about the use of Rotating Savings and Credit Associations as a source of finance to support small businesses.

All information obtained will be kept confidential. The information from this discussion would be used for analysis as a whole; your names will not be used for the analysis of the discussion.

Discussion questions

1. What motivated you to start your own business in the Western Cape?

2. What resources do you consider very important for operating your business?

3. What, according to you, are the main challenges you face in conducting your business as a foreigner in the City of Cape Town?

4. What factors motivated you to use ROSCA as an alternative for business finance?

5. In what ways will you say that ROSCA participation has helped you to be committed to your business?

6. Please, can you tell me how participating in ROSCA has helped you to be self-controlled?

7. ROSCAs with sufficient reserves (savings) are more likely to be able to intervene and handle shocks effectively. What are the measures your ROSCA takes to maintain sufficient reserves (savings)?

8. In what ways do you think ROSCAs should improve their planning to better support business operations?

Thank you.

APPENDIX C: PARTICIPANT INFORMATION SHEET



PARTICIPANT INFORMATION SHEET

Research title: A Framework for the Effective use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrants Small Businesses in the City of Cape Town, South Africa

Researcher: Collins Akiy Wung
NHREC Registration #: (Rec-240816-052)

Dear Prospective Participant

My Name is Collins Akiy Wung, and I am doing research with L. Botes, a professor, in the Department of Development Studies towards a PhD at the University of South Africa. We are inviting you to participate in a study entitled A Framework for the Effective Use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrants' Small Businesses in the City of Cape Town, South Africa. A Framework for the effective use of Rotating Saving and Credit Associations as a coping strategy for African Immigrants' small businesses in the Cape Metropole, South Africa.

WHAT IS THE PURPOSE OF THE STUDY?

This study is expected to collect important information that could help in constructing a framework to help Immigrant's small business owners as well as South Africans who are interested in small businesses. Additionally, the results of this study will

significantly add to the body of knowledge and support the theory that informal financial institutions like ROSCAs can help members and their businesses cope and lessen negative shocks.

WHY AM I BEING INVITED TO PARTICIPATE?

I have been referred to you as a possible member of a ROSCA and a businessperson. I obtained contact details of ROSCA members from African immigrant associations (Cameroonian) in Cape Town. The researcher believes that, as a businessperson and a ROSCA member, you will provide information that will contribute to the research study. Thirty people are selected to participate in this study.

WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY?

This study involves an interview with audio-recording, the interviews and the same interview schedule is used for all interviews. It is a semi-structured interview. Some questions will only ask you to indicate an answer category by helping me pick a box, whereas others will ask you to give more details. It would take about 30 – 45 minutes to complete the interview. If you participate, I shall ask you a few general questions about ROSCA and small businesses.

CAN I WITHDRAW FROM THIS STUDY EVEN AFTER HAVING AGREED TO PARTICIPATE?

Please note that participating in this study is voluntary, and you are under no obligation to consent to participation. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a written consent form. You are free to withdraw at any time without giving a reason. It is important to note that it will not be possible to withdraw your answers once you have submitted the questionnaire. Please note that I would process all interview schedules and transcribed taped interview in such a way that your confidentiality will be protected.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

There are no benefits for participation, beyond adding to the body of scientific knowledge on this topic.

ARE THEIR ANY NEGATIVE CONSEQUENCES FOR ME IF I PARTICIPATE IN THE RESEARCH PROJECT?

There are no probable risks of physical harm coming from ROSCAs' members' participation in the study. Discussions may, however, touch on sensitive personal experiences, which may activate minor discomfort, but will not ask about personal experiences beyond the periphery of ROSCA and small business. Your viewpoints are valuable to this study; however, should you feel discomfort, which may affect your ability to continue with the interview, you will be free to withdraw from the study with no penalty for non-participation.

WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?

All the information that you give shall be kept confidential, and your identity will not be revealed.

You have the right to insist that your name will not be recorded anywhere and that no one, apart from the researcher and identified members of the research team, will know about your involvement in this research. This will maintain the confidentiality of your information.

Your name will not be recorded anywhere, and no one will be able to connect you to the answers you give. Your answers will be given a code number or a pseudonym, and you will be referred to in this way in the data, any publications, or other research reporting methods such as conference proceedings.

The transcriber or the external coder, however, will have access to the data. She/he will maintain confidentiality by signing a confidentiality agreement. Your answers may be reviewed by people responsible for making sure that research is done correctly, including the transcriber, external coder, and members of the Research Ethics Review Committee. Otherwise, records that identify you will be available only to people working on the study, unless you give permission for other people to see the records.

Please be aware that your anonymous data may be used for other purposes, such as a research report, journal articles and/or conference proceedings. A report of the study may be submitted for publication, but individual participants will not be identifiable in such a report. Please keep in mind that it is sometimes impossible to make an absolute guarantee of confidentiality or anonymity, e.g. when focus groups are used as a data collection method.

A focus group is where a diverse group of participants share their thoughts, opinions and experiences on a particular topic. While the researcher will make every effort to ensure that you will not be connected to the information that you share during the focus group, I cannot guarantee that other participants in the focus group will treat information confidentially. I shall, however, encourage all participants to do so. For this reason, I advise you not to disclose personally sensitive information in the focus group.

HOW WILL THE RESEARCHER(S) PROTECT THE SECURITY OF DATA?

Your answers will be stored by the researcher for a period of five years in a locked cupboard/filing cabinet in Cape Town for future research or academic purposes; electronic information will be stored on a password protected computer. Future use of the stored data will be subject to further Research Ethics Review and approval if applicable. Information will be destroyed as follows: hard copies will be shredded and/or electronic copies will be permanently deleted from the hard drive of the computer through the use of a relevant software programme

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

There will be no financial cost incur by potential participants by participating in the proposed study. No incentives will be given to potential participants for participation in this proposed study.

HAS THE STUDY RECEIVED ETHICS APPROVAL?

This study has received written approval from the Research Ethics Review Committee of the College of Human Sciences, Unisa. A copy of the approval letter can be obtained from the researcher if you so wish.

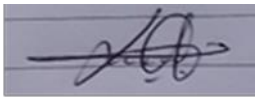
HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH?

If you would like to be informed of the final research findings, please contact Wung Collins Akiy on 0784858791/ 0764644657 or 50248723@mylife.unisa.ac.za / collinsakiyw@gmail.com. The findings are accessible from September to November 2025. Should you require any further information or want to contact the researcher about any aspect of this study, please contact Wung Collins Akiy on 0784858791/0764644657 or 50248723@mylife.unisa.ac.za. / collinsakiyw@gmail.com.

Should you have concerns about the way in which the research has been conducted, you may contact L. Botes, 0833552476/ luciusbotes@gmail.com. Alternatively, contact the research ethics chairperson of the College of Research Ethics Committee, Prof Khatija Khan, College Research Ethics Committee, College of Human Sciences, tell: 012 429 4780, E-mail: khankb@unisa.ac.za if you have any ethical concerns.

Thank you for taking the time to read this information sheet and for participating in this study.

Thank you.



Collins Akiy Wung

APPENDIX D: CONSENT FORM

UNISA university of south africa

CONSENT TO PARTICIPATE IN THIS STUDY

Research Title: A Framework for the Effective Use of Rotating Saving and Credit Associations As a Coping Strategy for African Immigrants' Small Businesses in the City of Cape Town, South Africa

Researcher: COLLINS AKIY WUNG

NHREC Registration #: (Rec-240816-052)

I, _____ (participant name), confirm that the person asking my consent to take part in this research has told me about the nature, procedure, potential benefits and anticipated inconvenience of participation.

I have read (or had explained to me) and understood the study as explained in the information sheet.

I have had sufficient opportunity to ask questions and am prepared to participate in the study.

I understand that my participation is voluntary and that I am free to withdraw at any time without penalty (if applicable).

I am aware that the findings of this study will be processed into a research report, journal publications and/or conference proceedings, but that my participation will be kept confidential unless otherwise specified.

I agree to the recording of the interview.

I have received a signed copy of the informed consent agreement.

Participant Name & Surname…… (please print)

Participant Signature……..Date…….

Researcher's Name & Surname: COLLINS AKIY WUNG

Researcher's signature  Date: 27 May 2024

APPENDIX E: ETHICAL CLEARANCE CERTIFICATE

UNISA university of south africa

College of Human Sciences_CREC

NHREC Registration # : (Rec-240816-052)
Ref #: 3012
Name: Mr Collins Akiy Wung
Student #: 50248723

Date: 13/06/2024

Dear: Mr Collins Akiy Wung

Decision: Ethics Approval from 14 June 2024 to 13 June 2025

Researcher: Mr Collins Akiy Wung

Family tock shop Baleles Delft No: 23111

Cape Town

50248723@mylife.unisa.ac.za 0764644657/ 0784858791

Supervisor: Professor Lucius Botes luciusbotes@gmail.com

A FRAMEWORK FOR THE EFFECTIVE USE OF ROTATING SAVING AND CREDIT ASSOCIATIONS AS A COPING STRATEGY FOR AFRICAN IMMIGRANTS SMALL BUSINESSES IN THE CITY OF CAPE TOWN, SOUTH AFRICA

Qualification: Doctor of philosophy in development studies

Thank you for the application for research ethics clearance by the College of Human Sciences_CREC for the above-mentioned research study Ethics approval is granted for one year.

The **low-risk application** was **reviewed** by the College of Human Sciences_CREC on **14 June 2024** in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment.

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the College of Human Sciences_CREC.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.

5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data requires additional ethics clearance.
7. No field work activities may continue after the expiry date (**13 June 2025**). Submission of a completed research ethics progress report will constitute an application for renewal, for Ethics Research Committee approval.

Additional Conditions

1. Disclosure of data to third parties is prohibited without explicit consent from Unisa.
2. De-identified data must be safely stored on password protected PCs.
3. Care should be taken by the researcher when publishing the results to protect the confidentiality and privacy of the university.
4. Adherence to the National Statement on Ethical Research and Publication practices, principle 7 referring to Social awareness, must be ensured: "Researchers and institutions must be sensitive to the potential impact of their research on society, marginal groups or individuals, and must consider these when weighing the benefits of the research against any harmful effects, with a view to minimising or avoiding the latter where possible." Unisa will not be liable for any failure to comply with this principle.

Note

The reference number 3012 should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Kind regards,

Prof Khatija Khan
Chair of College of Human Sciences_CREC
E-mail: khankb@unisa.ac.za

Executive Dean / By delegation from the Executive Dean of College of Human Sciences_CREC
E-mail: onyanob@unisa.ac.za

APPENDIX F: LETTER OF CONSENT FROM CAMEROONIAN ASSOCIATION WESTERN CAPE

THE CAMEROONIAN ASSOCIATION OF THE WESTERN CAPE

KASWECA UNITY-LOVE-PEACE

www.kaswecap.org *Unity-Love-Peace* Tel: 0693987890

27 May 2024

To whom it may concern

Dear Sir/Madam,

A LETTER OF CONSENT

This is to confirm that Mr Collins Akiy Wung with student number 50248723 at the University of South Africa in the College of Human Science, Department of Development Studies has been granted permission to consult Cameroonian immigrant entrepreneur operating small businesses within the area of the City of Cape Town with regards to his studies.

He is currently busy with a PhD study and his topic of research is, A Framework for the Effective use of Rotating Saving and Credit Associations as a Coping Strategy for African Immigrants Small Businesses in the City of Cape Town.

The Cameroonian Association in the Western Cape is composed of many sub-groups. These sub-groups also operate informal financial institutions such as Rotating Savings and Credit Associations (ROSCAs) and most of the members are involved in entrepreneurial activities. These members should therefore serve as a rich source of information to his study. Furthermore, most of the Cameroonian entrepreneurs operate in connection with other African immigrants entrepreneurs from countries such as Democratic Republic of Congo, Nigeria, Ghana, Malawi, Zimbabwe and many others, they can provide important information. It must however be noted that any information obtained by this student should be used strictly for academic purpose. For any further information, please do not hesitate to contact me.

Regards,

Chair: Ivo Epamah Epie

Contact Number: 0693987890

E-mail: Epivomaka@gmail.com



APPENDIX G: SUMMARY OF FINAL THEMES, SUB-THEMES AND CODES

Final themes, sub-themes and codes

Research question1: What are the factors that encourage African Immigrants to venture into self-employment activities in the City of Cape Town, South Africa?

Theme 1: Immigrant Motivation for Self-employment

Table 4.6: Theme, sub-themes and codes for research question 1

Theme	Sub-themes	Codes
Theme 1: Immigrant motivation for self-employment	Access to financial resources for business start-up	Access to finance covered start-up cost Access to finance enable buying of work equipment Access to finance enabled business growth
	Business start-up drives	Availability of business opportunities Could not find a job Desire to own a business Encouraged by friends to start a business In-born drive to be an entrepreneur Job loss influences entrepreneurial desire Lack of employment opportunity Low salary influence entrepreneurial desire Personal experience influence business start-up Using previous knowledge in business for business creation
	The function of social connection in business start-up	Business place acquisition through networking Business opportunity through social connection Friends as source of Business Information Business capital acquisition through networking Friends support enabled business start-up Mentorship in sourcing business supplies Mentorship and contract provision

Research question 2: How do African Immigrant Entrepreneurs acquire the resources deemed to be critical to the operation of business activities in the City of Cape Town South Africa?

Theme 2: Resource Acquisition Strategies for Business Operations

Table 4.7: Theme, sub-themes and codes for research question 2.

Theme	Sub-themes	Codes
Theme2: Resource acquisition strategies for business operations	Building essential business network of suppliers and customers	Collecting contact when buying Creating network with those in same business Form client network by using social media Form clients network through referrals Get supplies through networking Group buying through networking
	Critical resources for business operation	Need a business car Need a house to operate business Need business capital Need business permit Need helper in business place Need working tools
	Government and organisation support for business operation	Supports are for South Africans Government unwilling to assist foreigners No government or organisation support Immigrants are not government priority No knowledge about government assistance
	Strategies of obtaining finance for business operation	Obtain finance from friends and group Obtain money from savings and ROSCA Joined ROSCA and get money Raise money through personal savings Obtain loan from family and ROSCA

Research question 3: What are the problems faced by African Immigrant Entrepreneurs in operating business in the City of Cape Town, South Africa?

Theme 3: Barriers to African Immigrant Entrepreneurship Success

Table 4.8: Theme, sub-themes and codes for research question 3

Theme	Sub-themes	Codes

Theme 3: Barriers to African Immigrant entrepreneurship success	Challenges to Immigrant Entrepreneurship	Client take advantage on us being foreigners Discrimination against foreigners Inability to get loan from banks Insecurity Lack of papers is a barrier to business growth Language barriers
	Financial difficulties in business start-up	Business stuff get rotten Increased family needs reduces business capital Many bills to pay Slow business Struggle to borrow from friends Unable to borrow from individuals
	Obstacles to business funding from formal banks	Banks need valid document Banks see small businesses as high-risk Lack of bank account Lack of collateral Lack of document to open an account Lack of good credit record
	Obstacle to gain access to business training and workshops	Government focus is on South African Lack of information on workshop programmes Registration need resident permit or ID Tight business schedule

Research question 4: What are the factors that motivate African Immigrant Entrepreneurs to use ROSCAs as a strategy to prolong their business operation in the City of Cape Town, South Africa?

Theme 4: Financial motivation for using ROSCA

Theme 5: Social and business support drives for using ROSCA

Theme 6: Challenges of using Rotating Savings and Credit Associations

Table 4.9: Themes, sub-themes and codes for research question 4

Theme	**Sub-themes**	**Codes**

Theme 4: Financial motivation for using ROSCA	Making funds available for business operations	Access business capital Get bulk money ROSCA facilitate bulk business capital
	ROSCA as a tool for saving and financial security	Encouragement of saving Means of secure savings Opportunity for savings & credit
	ROSCA as alternative to banks and personal savings	Bank loan comes with interest Complicated bank processes Easy to get money with ROSCA No collateral in ROSCA No interest on ROSCA loan Personal saving is easy to spend Personal saving takes longer to get bulk ROSCA amount bigger than personal saving ROSCA money in bulk within shorter time
	ROSCA a better option for loans than banks	ROSCA is less constraint Easy to get support from within ROSCA No documents needed with ROSCA Easy terms and condition in ROSCA

Theme	**Sub-themes**	**Codes**
Theme 5: Social and business support drives for using ROSCA	Benefit of using ROSCA	Benefit from Business Information sharing Bought working tools with ROSCA money ROSCA facilitate bulk buying ROSCA help to boost business ROSCA helped me solve business problems ROSCA provide financial support
	Financial collaboration built on trust	Enhanced financial integration ROSCA as a saving tool for business development There is trust & confidence among members
	Access to business network	Benefit from Business Information sharing Build business relationship Made business connections through ROSCA ROSCA facilitate bulk buying

	Establishment of social ties and financial support	Building social network Common social practice Cultural continuity Encourage mutual support Foster a sense of belonging ROSCA help to increase my business capital Strengthen social bond

Theme	Sub-themes	Codes
Theme 6: Challenges of using Rotating Savings and Credit Associations	Irregular contribution and defaults	Death of a member Difficulty in contributing Member defaulting Members unable to complete circle
	Limited finance available	Multiple request for assistance can be challenging Receiving uncompleted amount ROSCA amount is little
	Issues of trust	Group having wrong members Having unfamiliar member Member run away with money

Research question 5: How do the capital factors acquired by African Immigrants entrepreneurs from ROSCAs assist in boosting business survival in the City of Cape Town, South Africa?

Theme 7: Acquired Financial and Economic Capital Factors

Table 4.10: Theme, sub-themes and codes for research question 5

Theme	Sub-themes	Codes
Theme7: Acquired financial and economic capital factors	Acquired business knowledge and understanding from ROSCA participation	Learn market strategies Get information on where to buy stock Learn management strategies Mentorship opportunity Learned how to improve customer care Share business improvement strategies
	Acquisition of asset through ROSCA participation	I bought a container Bought business materials and tools Built shade and shelves I have two shops now
	Enhancing business commitment and self-control through ROSCA	Build patience Business commitment Budgeting awareness Increased hard work

		Profit & saving growth Self-control in spending Improve financial discipline Commitment to ROSCA contribution Prioritising business-related investments Making budget & sticking to it
	Entrepreneurial drives from ROSCA	Friends share business development ideas Discus solutions to business challenges Business management Encouraged not to give up Get extra finance from friends I have learned good business practices Motivated to upgrade business Obtained business items on credit
	Financial support mechanism for business growth	Financial support mechanism for business growth Credit provides immediate financial support Enable buying in bulk Savings prevent business collapse

Research question 6: How can the organisational planning of ROSCAs improved to reduce the effects of shocks among African immigrant business people in the City of Cape Town, South Africa?

Theme 8: Strengthening ROSCA Institutional Planning for Shock Resilience

Table 4.11: Theme, sub-themes and codes for research question 6

Theme	Sub-themes	Codes
Theme 8: Strengthening ROSCA institutional planning for shock resilience	Operational start-up of ROSCA	Lack of registration information Working towards registration of ROSCA To join you must be known by a member Not registered and taking risk Operate based on trust and solidarity Operate locally as family
	Strategies for maintaining sufficient reserves (savings) in ROSCA	Personal savings into ROSCA account Raise money from fines Our ROSCA does not have reserve Charge little interest for extra loans Compulsory emergency contribution Deduct money for reserve Implement reserve savings Plus-one pot goes to reserve

	Enhancing ROSCA planning for better business support	Increase pot amount Make circle shorter Implement reserve savings Adapt flexible communication channels Encourage more people to join Register with the government ROSCA should have reserve ROSCA should have a bank account Increase number of recipients per meeting
	ROSCA risk management strategies for shock resilience	Penalty for breaking the rules Implement rules and regulations to govern Increase commitment & self-control to strengthen business involvement We have an emergency fund Penalty for defaulting Increase hard work for financial improvement Accumulate savings for future use Limiting expenses to increase savings Extend working hours to increase profit & savings Savings provide security against financial shocks Increase commitment & self-control to enhance contributions

APPENDIX H: TURNITIN REPORT

PAPER NAME

COMPLETE THESIS Wung CA 2025.docx

AUTHOR

COLLINS AKIY WUNG

WORD COUNT

62943 Words

CHARACTER COUNT

386117 Characters

PAGE COUNT

252 Pages

FILE SIZE

3.6MB

SUBMISSION DATE

Jun 23, 2025 5:29 AM GMT+2

REPORT DATE

Jun 23, 2025 5:37 AM GMT

24% Overall Similarity

The combined total of all matches, including overlapping sources, for each datab • 16% Internet database • 18% Publications database

• Crossref database • Crossref Posted Content data • 17% Submitted Works database

Excluded from Similarity Report

•

APPENDIX I: DECLARATION OF PROFESSIONAL EDIT

7 July 2025

DECLARATION OF PROFESSIONAL EDIT

I declare that I have professionally edited and proofread the DOCTOR OF PHILOSOPHY Manuscript

entitled:

ROTATING SAVINGS AND CREDIT ASSOCIATIONS AS A COPING STRATEGY FOR AFRICAN IMMIGRANTS' SMALL BUSINESSES IN THE CITY OF CAPE TOWN

by

COLLINS AKIY WUNG

My involvement was limited to professional language editing: contextual spelling, grammar, punctuation, unclear antecedents, wordiness, vocabulary enhancement, sentence structure and style, sentence completeness, sentence rewriting, consistency, referencing style, editing of headings and captions. I did not do structural re-writing of the content. Kindly note that the manuscript was formatted as per the agreement with the client.

No responsibility is taken for any occurrences of plagiarism that may not have been obvious to the Editor. The client is responsible for ensuring that all sources are listed in the reference list. The editor is not accountable for any changes made to this document by the client or any other party after my edit.

The client remains responsible for the quality and accuracy of the final submission.

Sincerely,



Prof Thulani Zengele (BA, B.Ed., PGDE, M.Ed., D.Ed. Basic and Advanced Editing Skills)

Professional EDITORS Guild 30 1993–2023
Promoting excellence in editing

Thulani Zengele
Associate Member
Membership number: ZEN002
Membership year: March 2025 to February 2026

084 602 8634
info@zenedit.co.za

www.editors.org.za
www.zenedit.co.za