

IMMIGRANT ENTREPRENEURSHIP AS AN OPPORTUNITY FOR SKILLS TRANSFER AMONG CRAFT ENTREPRENEURS AT A SELECTED CRAFT MARKET IN CAPE TOWN

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ABSTRACT

Skills deficiency epitomise the South African labour market. It is, therefore, imperative to engage in inquiries into possible skills transfer and acquisition opportunities available to improve the situation. In this study, focus was made on the craft market in Cape Town. The craft industry accommodates many immigrants with diverse craft skills. The study involved interviews with craft entrepreneurs at a selected craft market. The results of the study demonstrated that immigrants and non-immigrants craft makers create an ecosystem that facilitate skills transfer among the craft makers. The results of the study demonstrated that immigrants and non-immigrants create an interdependent social system that facilitates skills transfer through technology sharing, partnerships and relationships, personal observations as well as formal and non-formal observations. It is recommended, based on the results of the study, that craft entrepreneurs should strengthen their links with immigrants and be receptive and supportive of the craft ecosystem as it promote skills transfer.

Keywords: Skills Transfer, Entrepreneurship, Craft, Immigrants.

INTRODUCTION

Africa is rich in craft. Traditionally the craft making industry was seen as both an economic activity as well as a recreational component of life. There are growing indications that craft making is becoming an exclusively important economic activity in South Africa as well as in many other African countries (Asoba, 2020; Makhitha, 2017). The craft industry is slowly growing in many parts of Africa. With high immigration rates, South Africa seems to have benefited various skills and knowledge from craft makers who originate from various parts of Africa (Rogerson & Rogerson, 2011). This appears favourable given the essential role of tourism in South Africa. It appears that immigrant craft business owners can be a source of vital skills and knowledge dimensions that can be acquired by local craft makers (Asoba, 2020). Thus a diversified craft market can be essential in promoting the diffusion of craft making and business skills. This is important given that South Africa is suffering from high a unemployment rate (19.1%) (Bowmaker-Falconer & Herrington, 2020). In addition more than seventy five percent (75%) of small businesses reportedly fail in the first years of their operation (Bruwer & Van Den Berg, 2017). Despite these lamentations, there have been concerns on the acceptability of foreign ventures in South Africa which have manifested in various xenophobia attacks on foreign business operations (ILO, 2018; Makhitha, 2017). This tends to require investigation into the reality of skills transfer and information diffusion among fellow craft entrepreneurs.

REVIEW OF PREVIOUS STUDIES

In a discussion of the South African entrepreneurs and the challenges that they face, Vuba (2019) identified that skills shortage is a key area discussed in the literature on the challenges faced by entrepreneurs in South Africa. Borat (2004) commented that the 1994 transition from apartheid to democracy in South Africa was mainly political and a number of critical issues especially those relating to labour market inadequacies remained. This observation indicated that the exclusion of certain races from economic participation that mirrored the apartheid error could not be addressed through the attainment of democracy. In recognition of this problem, the South African government promulgated the Skills Development Act (SDA) which sought to address skills development across the spectrum of economic sectors (Rasool & Botha, 2011). As a result of SDA, Sector Education Authorities (SETAs) were set up to lead sector based skills development. Despite these initiatives and many other interventions, South Africa still face serious skills decencies across all sectors (Vuba, 2019). Rasool and Botha (2011) further asserted that the skills question has been marred by controversies and debates arising from a lack of a clear definition and clarification of the issue. It has been noted that the problem has been made to revolve around inadequacies in the educational curriculum as well as training endeavours. Whilst the skills debate rages on, South Africa the problem of unemployment in South Africa has continued unabated. It seems that the skills problem is related to the unemployment question. This argument is expanded through indications that the South African population is underskilled, lowly educated and suffer from skills shortages. The need for skills has been considered from two angles, namely: skills acquisition and skills focus. Ndedi (2009) explains that universities have been tasked with the role of skills development. In other words non-formal methods of skills transfer have not been adequately explored.

In view of these, the question of skills transfer comes into focus. South Africa is home to many immigrants and the potential of skills diffusion and transfer among immigrants and local entrepreneurs remains important. Aslaga-Isla and Ralph's (2013) literature review of immigrant entrepreneurship found that there is a lack of comprehensive immigrant entrepreneurship theory that is related to skills transfer in developing countries. The International Labour Organisation [ILO] (2018:69) reported that as a result of skills shortage, there are policies in South Africa that tend to support the use of immigrant skills in specialised sectors. Craft skills are, however, not recognised as sectors that need specialised skills. The literature seem to have relied more on developed countries. The craft entrepreneurship area can be regarded as a sector that is patched between immigrant entrepreneurship research as well as the craft industry. Makitha (2017) recognises that despite its importance, the craft industry has remained small with limited research on how to grow it.

As reported by ILO (2018), immigrants have always been important to the South African economy since historical times. A case in point is the use of the immigrant labour in South African mines after the discovery of the precious minerals in the apartheid era. This illustrates a shortage of skills and the reliance on immigrant labour that has existed for a long time in the country. Theoretical work on the acquisition of new skills have considered such work as that of Bandura, Pavlov and that of Skinner (Gazzaniga et al., 2010). The learning of new skills can also be achieved through observations, cultural transmission and social means (Gazzaniga et al., 2010). This study related to arguments that skills transfer within craft markets can be achieved through Bandura's (1960) models of observational and social learning. This model contend that learning can be achieved through the interaction of the environment and players in the environment

within a social context. Consequently, skills transfer could be viewed from the model if the social environment within craft markets is considered.

STUDY OBJECTIVES

Given the skills deficiency problem as well as the high unemployment rate and high failure rate of small businesses in South Africa, the objectives of this study were:

1. To assess the potential of immigrant entrepreneurs as potential centres of skills transfer to local entrepreneurs within the selected craft market in Cape Town
2. To explore the social contexts of craft markets and the potential to promote skills transfer among immigrant and local craft entrepreneurs.
3. To describe the nature of skills transfer within craft markets and the possibility of addressing the skills deficiency problem the promotion of immigrant entrepreneurship

To pursue the above objectives, the study adopted a methodology that is described in the section below.

METHODOLOGY

The study followed a constructivist paradigm which was based on the use of interviews to construct meaning on immigrant entrepreneurship and skills transfer in the craft market. Glaser (2007) opines that the constructivist paradigm is linked to joint methodologies that involve multiple interactions and joint interpretation of meaning. In following the constructivist paradigm, it was held that respondents can reflect on their experiences as craft entrepreneurs at the craft market and how these experiences including social interactions relate to skills transfer. The main question that guided the data collection and analysis was: How did the ecosystem of immigrant and South African nationality entrepreneurs related to skills transfer at the craft market identified. A convenience sampling technique was followed to select a craft market that reflected nationality diversity. Cape Town houses various craft markets which engage in crafts such as basketry, stone work, mat-making, sculpturing, painting and traditional tool making crafts. The selection of participants was also based on the convenience sampling strategy which involves sampling based on the need to make the study easy to conduct (Creswell & Creswell, 2018). Respondents participated based on their availability, willingness to provide information as well as their participative interest in the study. The actual number of the craft entrepreneurs at the craft market was not known. The researcher approached a number of potential respondents to seek their participation. At the end, fifteen (15) craft entrepreneurs became available for the study. The demographical details of the participants as provided in Table 1.

	Age	Years as owner of the business	Country of origin
Respondent 1	45 years	20 years	South Africa
Respondent 2	Not provided	More than 15 years	Cameroon
Respondent 3	Not provided	15 years	South Africa
Respondent 4	Not provided	13 years	Cameroon
Respondent 5	36 years	More than 5 years	South Africa
Respondent 6	40 years	19 years	Namibia
Respondent 7	30 years	5 years	Zambia
Respondent 8	43 years	20 years	Malawi
Respondent 9	28 years	5 years	South Africa

Respondent 10	30 years	10 years	Malawi
Respondent 11	23 years	2 years	South Africa
Respondent 12	34 years	8 years	Gabon
Respondent 13	40 years	15 years	Nigeria
Respondent 14	25 years	5 years	Zimbabwe
Respondent 15	26 years	7 years	South Africa

The interview guide was prepared using the lens of the social learning theory and covered such aspects as the role of social interaction and observation in skills transfer. The data collected was analysed following a thematic analysis procedure to establish emerging themes on how the immigrant-local ecosystem of entrepreneurs at the craft market related to craft skills transfer.

FINDINGS AND DISCUSSION

The information from the fifteen (15) interviews that were conducted were found to scatter around four themes, namely: (1) technology sharing based skills transfer, (2) personal observation based skills transfer, (3) partnerships and relationship based transfer, (4) formal and informal discussion based skills transfer. The themes are discussed in the following paragraphs.

Theme 1 – Technology Sharing and Skills Transfer

It was found that the crafts market tends to exist as a strong ecosystem where the entrepreneurs depend on one another in many respects including technology. Respondent 1 reflected that:

I rely on my brothers and sisters here. Look at my friend from Ghana there he taught me how to use tools from Ghana which make basketry easy and faster. He was patient enough to teach me the skills and new ways to make baskets.

The above sentiments were found to reflect amongst many other craft entrepreneurs. Respondent 7, for instance echoed that:

Do you know that when I came to this market, I was just a painter then that sister of mine over there persuaded me to start mat making. I knew nothing about mat-making but she taught me for four to five months for free. Now I have diversified my business and I am happy.

Theme 2 – Personal Observation Based Skills Transfer

The interviewees suggested that many craft entrepreneurs at the craft market have learnt some skills (especially soft business skills) through observations. Almost ten (10) out of the fifteen (15) entrepreneurs seemed to resonate Respondent 3 who stated that:

It's simple here. As you can see we are very close to each other here and you can see your neighbour striking deals easily through business skills such as communication and courtesy. I am a South Africa by nationality. I am generally reserved but I have noticed that my Zimbabwean colleague over there just have the right communication skills to strike deals. I have watched them closely and now I can do some of the tricks. I am becoming good every day.

Theme 3 – Partnerships and Relationships Based On Skills Transfer

As already stated, there were stronger indications that the craft market is characterised by significant social and business relationships including partnerships and cooperatives. Through these partnerships and relationships, skills could be transferred from one entrepreneur to another. Theme 3 was aptly reflected by Respondent 13 who indicated as follows:

I have friends here. We are a family as well. Last year I travelled to Gabon with my friend of that nationality who operates a craft business here. Gabon has lovely crafts and I had the opportunity to learn decoration and polishing of crafts. When we came back here, we formed a craft making partnership and we are making real money my brother.

Theme 4 – Formal and Informal Business Discussions and Skills Transfers

It was found that entrepreneurs at the craft market have formed formal structures, teams and groups in which they discuss a number of craft related matters. These groups exist as conduits for skills transfer. With the aid of technology, some of these groups are virtual and include social media groups and platforms that include whatsapp, facebook, tweeter and other online links. These have become essential centres for skills transfer (Figure 1). In view of this, a number of respondents were aligned to respondent 6's view that:

Learning new skills has become easy with technology. Many times we discuss business skills matters online. We also hold physical meetings periodically and we share business skills in a lovely way.

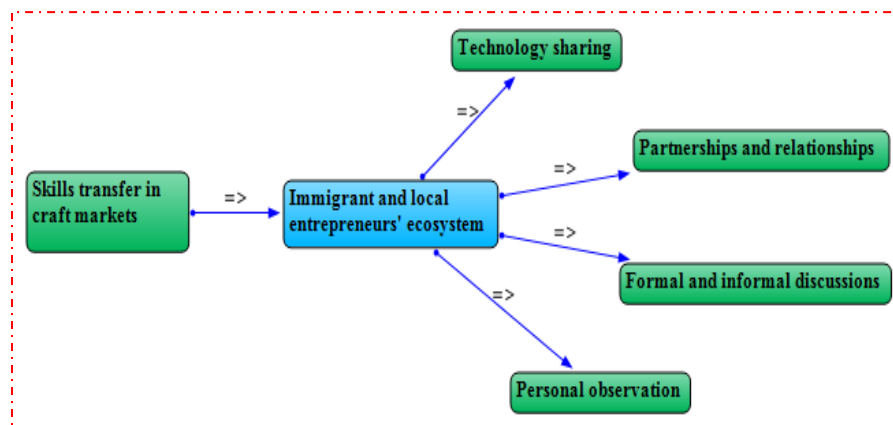


FIGURE 1
THEMATIC DIAGRAM

Author Construct

The results above support those from related studies. The ILO (2018) found that immigrants make significant contribution to the skills matrix among entrepreneurs in any country. Makhitha (2017) also observed the significant role of immigrant craft entrepreneurs to the craft industry. The same sentiments are also echoed in the work of Aliaga-Isla and Rialp (2013). Immigrants present an opportunity for the transfer of skills across nationalities, regions, fields and sectors and this is critical in improving the skills deficiencies existing in the South African labour market.

RECOMMENDATIONS

Following the findings of this study, immigrant craft entrepreneurs provide diversity in craft markets and this should be encouraged since it offers significant benefits for skills transfer. Policy makers in both national and provincial spheres of government are recommended to foster a favourable environment for the fusion of immigrants among local entrepreneurs so as to facilitate and promote skills transfer. The setting up of hubs where entrepreneurs from different national backgrounds interact is also important to promote skills transfer. It is recommended that specific policy instruments that attend to the promotion of immigrant entrepreneurship should be developed and the enabling environment enhanced to ensure skills transfer. These recommendations are in line with other writers who have argued that immigrants in South Africa actually contribute significantly to economic growth through their economic activities. As such, skills transfer through immigrant entrepreneurship should be seen as a critical way of handling the skills shortage in the country.

CONCLUSIONS

The results of this study have informed that immigrants provide an opportunity for skills transfer. It has been found that craft markets are characterised by significant interactions and skills exchanges among craft entrepreneurs. As a result there are greater opportunities for the transfer and exchange of varied skills among craft entrepreneurs from different national backgrounds. This has been found to result in improved business conduct and better performance. The study has found evidence that entrepreneurs operate as ecosystem clusters which are characterised by various interactions which favour the transfer of skills from one entrepreneur to another. Craft entrepreneurs at the craft market tend to share technology and skills, engage in partnerships, create formal and informal relationships and also learn various skills through observing each other. It therefore appears that supporting immigrants and creating an enabling environment for their fusion and interaction with local entrepreneurs can be an important way to address the national skills gap and the possible reduction in small business success. From this study, it can also be deduced that the promotion of immigrant entrepreneurship among locals can be an important strategy to strengthen self-employment thereby addressing the unemployment change that is facing the nation.

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