



Transnational entrepreneurship in the Global South: evidence from Southern Africa

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How to cite:

Rogerson, J. and Mushawemhuka, W.J., 2015: Transnational entrepreneurship in the Global South: evidence from Southern Africa. In: Szymańska, D. and Biegańska, J. editors, *Bulletin of Geography. Socio-economic Series*, No. 30, Toruń: Nicolaus Copernicus University, pp. 135–146. DOI: <http://dx.doi.org/10.1515/bog-2015-0040>

Abstract. Transnational entrepreneurship is an evolving field of research which occupies an interface between social and regional sciences. The phenomenon of transnational entrepreneurship is driven by entrepreneurs that migrate from one country to another whilst maintaining business-related linkages with their former country of origin and the adopted country. The most critical distinguishing feature of transnational entrepreneurs is bifocality or the ability to function across two different business environments. Most writings on transnational entrepreneurship concentrate on business individuals from the global South operating enterprises in the global North. Absent are empirical studies of the nature and behaviour of transnational migrant entrepreneurs who operate across or between emerging or developing economies. This South-South gap in international research concerning transnational entrepreneurship is addressed in the paper which provides an exploratory analysis of the nature of transnational entrepreneurship occurring in Southern Africa using evidence of Zimbabwean transnational entrepreneurs based in Johannesburg, South Africa.

Article details:

Received: 19 June 2015
Revised: 12 August 2015
Accepted: 03 September 2015

Key words:

entrepreneurship,
transnational entrepreneurs,
Johannesburg,
Zimbabwe.

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1. Introduction

International migrant entrepreneurs and their business activities have garnered considerable attention in recent academic research (Zhou, 2004; Honig et al., 2010; Portes, Yiu, 2013). In a seminal study Portes et al. (2002) a decade ago highlighted that the new concept of ‘transnationalism’ launched an alternative stance in scholarship around international migration and business development. As a theoretical perspective Chen and Tan (2009) point out transnationalism emphasizes that knowledge of culture, language and markets of the home country can be applied as a competitive advantage to advance transnational practices. For Henn (2013: 1782) the rising debates around transnationalism are rooted in “the quantitative and qualitative changes of worldwide migration patterns” which are outcomes of globalisation processes occurring since the mid-1960s. From the lens of transnationalism it was observed that instead of “focusing on traditional concerns about origins of immigrants and their adaptation to receiving societies, this emerging perspective concentrates on the continuing relations between immigrants and their places of origin and how this back-and-forth traffic builds complex social fields that straddle national borders” (Portes et al., 2002: 279). More recently, the phenomenon of transnationalism is described by Patel and Conklin (2009: 1047) as a process by which migrants through their daily activities and social and economic relationships forge social fields that cross national boundaries. For Sequeira et al. (2009: 1023) it is delineated as focused “on the ongoing relationships that immigrants maintain with their home countries and the resulting social fields that span national borders”. The concept of transnationalism has given birth to research on transnational entrepreneurship and the activities of transnational entrepreneurs. Transnational entrepreneurship represents an evolving and consolidating field of research which occupies an interface between social and regional sciences. For Drori et al. (2009: 1001) the phenomenon of transnational entrepreneurship is an emergent aspect of international business expansion that was insignificant until recent decades. Light (2010) avers that the advance of globalisation is responsible for the surge of interest. Over the past

decade in particular there has occurred a growth in international scholarship around this phenomenon. Much of the literature concerns clarifying what is a contested phenomenon in its definition and characteristics. In terms of geographical focus it is observed that, in large part, the existing scholarship on transnational entrepreneurs is dominated by studies of transnationalism with entrepreneurs from developing countries moving to advanced economies. Indeed, there has been extensive work on the entrepreneurial activities in several American cities of migrants originating from El Salvador, the Dominican Republic and Colombia (Portes et al., 2002; Drori et al., 2009). Likewise, in Nordic countries the transnational activities of migrant communities in Sweden have come under academic scrutiny (Adiguna, Shah, 2012; Radulov, Shymanskyi, 2014). In a series of publications the industrial geographer, Henn (2010, 2012, 2013) unpacks the impacts upon the Antwerp diamond district in Belgium of transnational entrepreneurs from India.

In reviewing the contemporary challenges and knowledge deficits in transnational entrepreneurship research Drori et al. (2009) direct attention to a need to shift away from an exclusive focus on studies of entrepreneurs from the global South functioning in the global North. Instead they urge for the pursuit of empirical studies to examine the nature and behaviour of transnational migrant entrepreneurs who operate across or between emerging or developing economies. It is this South-South gap in international research concerning transnational entrepreneurship that is addressed in this paper. The article offers an exploratory analysis of the nature of transnational entrepreneurship occurring in Southern Africa using evidence of Zimbabwean transnational entrepreneurs based in Johannesburg, South Africa’s economic capital and Africa’s aspirant ‘world class city’ (Rogerson, Rogerson, 2015). Two sections of material are presented. The first section offers a clarification of the domain of transnational entrepreneurship and a review of the directions of existing research in the field. The second section turns to the case study of transnationalism in South Africa and of the activities of Zimbabwean transnational entrepreneurs. The case study of these entrepreneurs who transcend the business spaces between South Africa and Zimbabwe represents a modest opening-up of research and debates

around South-South forms of transnational entrepreneurship.

2. Transnational entrepreneurs and transnational entrepreneurship

At the outset, the activities of transnational entrepreneurs must be understood as entirely different in character from those of so-called ethnic entrepreneurs (Zhou, 2004; Portes, Yiu, 2013). Ethnic entrepreneurship is reflected in business development by migrant entrepreneurs in such activities as restaurants which are low market entry activities usually anchored on ethnic solidarity as well as spatially concentrated in particular urban areas (Light, 1972; Light, Bonacich, 1988; Razin, Light, 1998; Zhou, 2004). The activities of ethnic businesses are viewed as adaptations by international migrants to their receiving countries and societies. Entry to self-employment is often as a consequence of the disadvantages they face in host countries as immigrants try to engage with the general labour market. Importantly, such 'enclave entrepreneurs' are bounded by a particular location and usually reliant on local resources (Drori et al., 2009). Among others Henn (2012: 498) argues that the distinguishing characteristics of transnational entrepreneurs mark a departure from the narrow geographical focus and range of operations of ethnic entrepreneurs.

Although there may be other claimants, the term transnational entrepreneurship is usually credited with the work of Portes et al. (2002). Their original definition of transnational entrepreneurs is of "self-employed immigrants whose business activities require frequent travel abroad and who depend for the success of their firms on their contacts and associates in another country, primarily their country of origin" (Portes et al., 2002: 287). Radulov and Shymanskyi (2014: 4) forward that debates around transnational entrepreneurship have consolidated as a subsection of international entrepreneurship with both engaged in activities that cross national borders and take advantage of being placed in two different institutional environments. This said a distinction is drawn between these two forms of entrepreneurship (Patel, Conklin, 2009). It is argued international entrepreneurs "merely conduct border-crossing activi-

ties" whereas "the transnational entrepreneurs stand out with their business idea being fully dependent on the dual institutional and cultural environment" (Radulov, Shymanskyi, 2014: 4). Patel and Conklin (2009: 1047) assert transnational entrepreneurs are distinguished from the category of international entrepreneurs as they "commercialize a business idea across multiple institutional settings" as opposed to conducting the business-related activities of a particular venture across international borders. For Terjesen and Elam (2009) transnational entrepreneurs leverage individual experiences and institutional environments in their business operations.

Drori et al. (2009) and Adiguna and Shah (2012) point out that the definition of transnational entrepreneurship and of transnational entrepreneurs shifts over time. It is considered that a spectrum exists from a narrow to a broad definition. For Portes et al. (2002) much importance was attached to the notion of 'frequent travel abroad' as a definitional base for transnational entrepreneurs. This concept has been modified, however, in subsequent investigations (Adiguna, Shah, 2012). Building upon a multitude of perspectives from different disciplines in a benchmark analysis Drori et al. (2006) offer a unifying framework to advance the scholarship on transnational entrepreneurship. They provide a fresh theoretical lens which "is grounded in the theory of practice and the concept of 'habitus', which refers to aspects of culture that are anchored in daily practices of individuals, groups, societies and nations" (Drori et al., 2006: Q1). Essentially, this framework contends "that transnational entrepreneurs possess a distinct background that is beneficial to them and that being embedded in the context of two countries, they become open to new opportunities" (Radulov, Shymanskyi, 2014: 4).

The process of transnational entrepreneurship is therefore driven by entrepreneurs "that migrate from one country to another, concurrently maintaining business-related linkages with their former country of origin, and currently adopted countries and communities" (Drori et al., 2009: 1001). Lin and Tao (2012) consider transnational entrepreneurs as migrants involved in border-crossing business practices albeit which are anchored on the leveraging of networks from the country of origin and facilitate establishing business ventures in the country of destination. The most precise definition acknowledges

that these transnational entrepreneurs thus occupy two geographical spaces and can be viewed as “social actors who enact networks, ideas, information and practices for the purpose of seeking business opportunities or maintaining businesses within dual social fields which in turn force them to engage in various strategies of action to promote their entrepreneurial activities” (Drori et al., 2009: 1001). Patel and Conklin (2009: 1050) build upon this concept by adding the notion of ‘bifocality’ which is “the ability of individuals in transnational settings to adjust to two different environments”.

Overall, “transnational firms can be viewed as bridges helping to keep ties alive with the home countries and even strengthening them over time” (Portes et al., 2002: 294). It is argued transnational entrepreneurs exhibit the essential qualities of entrepreneurs in general such as high levels of self-efficacy, personal drive, perseverance and human capital (Urbano et al., 2011; Goktan, Flores, 2014). The most critical distinguishing factor of transnational entrepreneurs is, however, that of bifocality and their capacity to operate in (at least) two different business environments. Networks are of crucial significance as they provide access to support and resources that can enhance business development. Accordingly, by tapping into networks in two countries transnational entrepreneurs are enabled to identify and exploit a number of business opportunities unobserved by or unavailable to entrepreneurs embedded at only a single geographical location (Goktan, Flores, 2014).

From a review of leading works in the field (Portes et al., 2002; Drori et al., 2009; Light, 2010) three distinguishing features of transnational entrepreneurs can be discerned. First, they are self-employed and carry out business across two different countries with the success of their enterprises critically reliant upon their contacts and associates from the origin country. Second, Henn (2013: 1783) points out “their presence in two or more different locations allows them to constantly compare different locations” which provides them a competitive advantage relative to local entrepreneurs. Third, typically such transnational entrepreneurs belong to communities with strong social and cultural relations which contribute to building trust relationships (Henn, 2012: 499). It is suggested that the maintenance of close networks and ties with

relatives, friends or co-ethnics facilitates efficient communication and knowledge-sharing which engenders a ‘pipeline’ of knowledge and information flows that supports transnational enterprises (Henn, 2012). Indeed, for the success of transnational entrepreneurs much significance attaches to the critical role played by networks (Drori et al., 2009). Portes et al. (2002: 288) consider individuals “with more extensive and diverse social networks will be in a better position to initiate and sustain transnational enterprise”.

Goktan and Flores (2014) assert that transnational entrepreneurship is a relatively unexplored field of study, albeit one that is gaining in scholarly interest over the past 15 years. Radulov and Shymanskyi (2014) consider it a phenomenon that has only become possible in recent times because of revolutionary improvements in communication and transportation systems that facilitate affordable frequent travel and connectivity across geographical borders and continents. It is pointed out that whereas in the past the choice of conducting business across international borders was available only to large enterprises with sufficient resources and capacities to internationalize, these changes in technology and transportation now also allow small scale companies as well as individuals to exploit business opportunities between countries (Radulov, Shymanskyi, 2014: 4). Goktan and Flores (2014) identify a set of micro and macro-level factors that either encourage or constrain transnational entrepreneurship. At its heart the most critical factor is that of international migration itself as transnational entrepreneurs constitute people who have left their home countries, migrated to another country, and started a business engaged in cross-national activities (Drori et al., 2009; Light, 2010). Supporting the growth of transnational business practices are other factors such as political turbulence, internal conflicts (often violent) and economic disruptions which compel people to migrate as well as the impact of such technological advances as jet travel, inexpensive long-distance communication, including emails, teleconferences, and the internet which enable easy and fact connectivity over long distances (Portes et al., 2002; Urbano et al., 2011; Goktan, Flores, 2014).

Among a range of themes that have been interrogated in the growing empirical scholarship

around transnational entrepreneurship attention centres mainly on the nature of these entrepreneurs and their distinguishing features from local entrepreneurs, the determinants of success of business ventures, social capital and network formation; and, their role in the evolution and development of particular cluster formations (Portes et al., 2002; Drori et al., 2009; Sequeria et al., 2009; Honig et al., 2010; Adinguna, Shah, 2012; Henn, 2012, 2013; Portes, Yiu, 2013; Goktan, Flores, 2014). Radulov and Shymanskyi (2014: 5) bemoan the fact that current empirical works on transnational entrepreneurship “are mostly fragmented and cover migrant communities in America”. More recently, we have seen the appearance of a small number of studies conducted in Europe (Henn, 2010; Urbano et al., 2011; Adinguna, Shah, 2012, Radulov, Shymanski 2014). However, in the majority of cases these studies centre on migrants from the global South establishing transnational businesses and are based within host countries in the global North. Drori et al. (2009) draw attention to the lacuna in respect of comparator studies of the nature or behaviour of transnational entrepreneurs across two emerging economies which is the empirical focus in the next section.

3. Transnationalism and transnational entrepreneurs: evidence from Southern Africa

3.1. Transnationalism and migrant entrepreneurship in Southern Africa

In Southern Africa the concept of transnationalism has gained wide currency in investigations of migration and migrant entrepreneurship. In particular, the concept of transnationalism is applied in local studies of informal cross-border entrepreneurship. Crush and MacDonald (2000: 5) point out the fall of apartheid “inserted South Africa into regional and transcontinental informal trade networks”. This transformed the character of the country’s informal economy which “has gone from a largely domestic affair in the 1980s to a truly transnational enterprise in the 1990s” (Crush, MacDonald, 2000: 6). In particular, Johannesburg is host to a large circulating

community of informal business travellers, mostly informal traders who cross South Africa’s borders on a temporary basis to trade, shop and buy-and-sell (Rogerson, 2011; Jamela, 2013). Although these networks of informal cross-border trading span much of sub-Saharan Africa they have become especially dense in Southern Africa since South Africa’s democratic transition in 1994 and the subsequent deregulation of the informal economy which facilitated a burst in cross-border business travel as a livelihood strategy (Crush, 2005). These new migrant business entrepreneurs have been shown as connected “to strong informal and formal transnational networks of trade, entrepreneurship and migration” (Peberdy, Rogerson, 2000: 22). Transnationalism thus is utilised to interpret the phenomenon of informal sector business tourism as conducted by migrant entrepreneurs as a widespread element of trade in Africa (Timothy, Teye, 2005; Rogerson, 2015). As is demonstrated by a number of independent research investigations as well as a cluster of work linked to the Southern African Migration Programme this form of informal business tourism is widespread between South Africa and other countries in Southern Africa and most importantly in the example of Zimbabwe (Muzvidziwa, 1998; Peberdy, 2000; Peberdy, Rogerson, 2000, 2003; Jamela, 2013).

Beyond the growth of informal cross-border entrepreneurship by temporary Zimbabwean business tourists, another root of migrant entrepreneurship in South Africa has been escalating longer-term migration flows from Zimbabwe (Fig. 1). For the past 25 years Zimbabwe has been a major source of migrants to South Africa (Tevera, Zinyama, 2002; Crush, 2014). As is shown both by Crush and Tevera (2010) and Crush (2014) underpinning this rise in Zimbabwe migration to South Africa has been the accelerating social, political and economic unravelling of the country. Under the leadership of President Mugabe the economy has been in freefall with de-development, soaring inflation and unemployment, the collapse of public services, political oppression and deepening levels of poverty (Crush, Tevera, 2010).

Several landmark events in Zimbabwe’s economic decline account for the surge of migration to South Africa. A watershed was the introduction during the 1990s of the neo-liberal Economic Structural Adjustment Programs (ESAP) which resulted in a re-

laxation of labour market regulations. By 1995, after four years of ESAP it was evident that declines in formal employment in Zimbabwe's major cities were significant and even those households "on formal incomes were finding it difficult to make ends meet" (Potts, 2006: 289). Market liberalisation and deregulation triggered a burst of informal entrepreneurship associated with the hollowing out of the formal economy (Zimbabwe Economic Policy Analysis and Research Unit and Bankers Association of Zimbabwe, 2014). The harsh economic downturn was particularly felt in the country's cities – most notably Harare – where the formal economy continued a downward spiral under the auspices of ESAP with a further ratchet downturn after the budget crisis in

1997 and then again declining ever more precipitously after 2000 (Gumbo, 2013). The deteriorating economic climate was exacerbated by Zimbabwe's involvement in the 1998-2003 war in the Democratic Republic of Congo and by the controversial radical land redistribution programme which commenced in February 2000 (Kamete, 2009). Especially since 2000 Zimbabwe has experienced a period of well-documented sustained economic and political crisis. During 2006 Bratton and Masunungure (2006: 23) could observe that "faced with an economy that had shrunk by 40 percent over five years, an unemployment rate of 70 percent, and triple-digit inflation, many Zimbabweans had turned to the informal sector as a source of livelihood and survival".



Fig. 1. Location map of Southern Africa

Source: Authors

The years 2006–2009 represent the height of political and economic turmoil including the collapse of the local currency (Zimbabwe Dollar) amidst a situation of hyperinflation which in 2008 reached an extraordinary annual inflation level of 231 million percent. Following the abandonment of the Zimbabwe Dollar in January 2009 a multi-currency system was introduced which brought a stabilising element to the economy. Among the repercussions of this era of economic and political instability, however, has been mass emigration from the country with a crippling flight of professionals that has left chronic skill shortages in the public and private sector (Mandiyani, 2014). South Africa has been the leading destination for Zimbabwean migrants with a substantial growth of migrant flows recorded particularly since 2000 (Crush, Tevera, 2010; Crush, 2014). Although the actual numbers of Zimbabweans in South Africa are disputed there are current estimates of at least one million people (Crush, Tevera, 2010). As shown below, a segment of these Zimbabweans now are engaged in the activity of transnational entrepreneurship.

3.2. Zimbabwean transnational entrepreneurs

The city of Johannesburg is the major magnet for Zimbabweans exiting their country over the past decade or so (Tevera, Zinyama, 2002; Crush, Tevera, 2010). During 2014 a snowball methodology was used to trace a group of Zimbabwean residents of Johannesburg who were operating transnational enterprises. Access was made possible to the local Zimbabwe business community by the fact that one of the authors is Zimbabwean, a student at the time of the research. Data was collected by means of semi-structured interviews which were undertaken at the business premises of respondents in Johannesburg. Meetings with interviewees provided the opportunity to explore in-depth the nature of these entrepreneurs, their businesses, reasons for establishment and current challenges. Interviews were conducted in either Shona or English and in some cases a combination of the two languages was utilised. In order to allow maximum coverage of issues use was made of a voice recorder with the permission of respondents. The findings of this research, the first of its kind in the region to address the ac-

tivities of formal sector Zimbabwean transnational entrepreneurs, should be read as exploratory in nature as this qualitative research investigation was limited in scope to interviews with a total sample of 15 Johannesburg-based entrepreneurs.

The group of 15 Zimbabwean entrepreneurs have initiated a range of different forms of business enterprise. Of this group of enterprises four are engaged in transportation, two are construction enterprises, two are specialist legal businesses, two are hair salons and the remaining five enterprises engaged in civil engineering consultancy, events management, au pair and domestic service recruitment, diesel pump and injector servicing or repair, and organisational leadership training. All these enterprises would be classified as SMMEs (small, medium and micro-enterprises) as the number of employees ranges from three to a maximum of 23 in total in the case of one transportation enterprise. Personal savings and/or financial assistance from friends and family were the leading sources of start-up capital for these businesses, a pattern typical for SMME establishments in South Africa (Rogerson, 2008). In terms of the spatial distribution of these enterprises within Johannesburg there is no evidence of a geographical cluster of Zimbabwean enterprises which might parallel the clusters observed of, for example, Ethiopian or Somali migrant enterprises in the city (see Thompson, Grant, 2015; Zack, 2015). The absence of clustering reflects, in large measure, the diversity of the business enterprises by Zimbabwean entrepreneurs who operate from a range of different business premises spread across Johannesburg's northern suburbs, inner-city and edge-city areas. Significantly, none of these formal businesses was based in what would be described as township areas which have been recent sites of xenophobic violence and shocking attacks on immigrant-owned (mainly retail) enterprises.

It was revealed that these Zimbabwean entrepreneurs are well-educated, particularly as compared to groups of emerging South African entrepreneurs (see Rogerson, 2008). Of the 15 sample respondents, all had tertiary qualifications with nine having University degrees and the remainder possessing specialist diplomas usually in the field of the actual business operation. For example, the civil engineering consultant stated: "I hold a degree in civil engineering, national diploma in construction

management and a diploma in strategic leadership management". Likewise, the owner of a bus transportation company was qualified with a diploma in diesel motor mechanics. At least in one case, however, the tertiary qualification was unrelated to the nature of the business enterprise; the (male) operator of the au pair and domestic service recruitment agency had a University social science degree with a specialisation in development studies.

As a whole, this group of entrepreneurs can be classed as well-educated professionals or 'smart entrepreneurs' with the potential to adjust and operate across different business environments. In this respect our findings appear to parallel those of Portes et al. (2002) whose analysis of the experience of migrants to the USA from El Salvador, Dominican Republic and Colombia suggested "transnational enterprise is an exceptional mode of economic adaptation, but one that is neither marginal nor associated with poverty or recency of arrival. On the contrary, it is the better qualified, more experienced, and more secure immigrants who are overrepresented in these economic activities". The characteristics of Zimbabwean transnational entrepreneurs might be described also as akin to Portes et al. (2002: 293) observation from the US experience that they are "part of the elite in their respective communities in terms of education and legal standing". Indeed, in terms of their legal status in South Africa eight entrepreneurs are permanent residents and the other seven are using legal four-year (potentially renewable) work permits.

The research discloses that the economic crisis in Zimbabwe was the catalyst for the establishment of many of these transnational enterprises in South Africa. Of the 15 enterprises all had been launched in Johannesburg since 2004 with the largest share (12 in total) established during the worst years of Zimbabwe's economic and political turmoil occurring between 2003 and 2009. The most recent enterprise birth was during 2012. All interviewees revealed economic hardships in Zimbabwe were one of the reasons that triggered the initiation of businesses in Johannesburg. Seven entrepreneurs within the sample had functional companies registered and operating in Zimbabwe and subsequently adjusted their operations by relocating to Johannesburg primarily because of economic considerations surrounding hyperinflation. For example, the own-

er of one trucking company observed "my company started off in Zimbabwe and I decided to move to Johannesburg because the economic situation in Zimbabwe was no longer viable for business operations". Another transportation business owner stressed the advantages of basing the enterprise in the more economically stable environment of South Africa as compared to Zimbabwe which allowed them to conduct business in South African Rand as compared to the depreciating Zimbabwean dollar.

For other entrepreneurs the motivations to establish their businesses revealed evidence of personal desire to own a business and the identification of niche opportunities. The law firm owner revealed he "always wanted to own a law firm" and saw an opportunity in the expanding bilateral trade between Zimbabwe and South Africa to initiate a specialist legal enterprise which concentrates on trade dispute resolution around defaulted payments and other issues around Zimbabwe-South Africa trade relationships. The woman owner of an events management company inherited from her brother the basis of the enterprise when he migrated to the USA leaving her a public address system which was rented out for events. The woman partnered with another events manager and established a business specialised in hosting events for the Zimbabwean diaspora in South Africa. She stated: "I realised that Zimbabweans in South Africa need live entertainment events performed by Zimbabwean artists, hence I developed contacts with Zimbabweans artists who come to South Africa and play at events".

Interview respondents stressed the strong connections of their Johannesburg-based businesses with Zimbabwe. The most obvious linkages were for the transportation, trucking and logistics enterprises which engaged in cross-border operations. For the law firm the clientele is both Zimbabweans in South Africa and Zimbabwe-based traders conducting bilateral trade into South Africa. With the large number of trade disputes and payment default issues the firm "gained a lot of business and managed to help Zimbabweans who have been unfairly treated". The construction company in Johannesburg is regularly engaged in consulting work for projects in Zimbabwe. The two hair salon owners mostly cater for Zimbabwean women living in Johannesburg and its surrounds. Using distinctive Zimbabwean-sourced hair products these entrepreneurs offer specific ser-

vices and argued “most Zimbabweans have a distinct manner with which they want their hair done and we provide that service”. The au pair and domestic service agency sources house maids from Zimbabwe for residents of Johannesburg’s wealthy northern suburbs. The events management company not only caters mainly for Zimbabwean music events but also operates a specialist wedding service for Zimbabweans to marry either in South Africa or Zimbabwe. The diesel pump and injector servicing company has strong links with Zimbabwe with most clients from Zimbabwe as currently there is no specialist enterprise in the country. It was stated that the machinery used was “high tech” and “not readily available in Zimbabwe” compelling Zimbabwean diesel plant fitters to bring their engine injectors and pumps to be serviced in South Africa.

One further linkage with Zimbabwe was through the employment mix of these enterprises. Of the 15 respondents, 14 provided information concerning the numbers and nationalities of their employees. In total the 14 enterprises provided 128 regular employment opportunities with the construction enterprises expanding this number dependent upon the nature of their project work. The largest share of employees is Zimbabwe nationals; of the total regular employees 100 or 78 percent are Zimbabweans, 26 or 20 percent are local South Africans and 2 percent from other countries. Although the preference for recruiting Zimbabweans can be accounted for by ‘ethnic’ networks, the interviewees stressed their preference for Zimbabwean employees on the grounds that “Zimbabweans work harder under tougher conditions compared to South Africans”. A further advantage of hiring Zimbabweans was stressed by the construction companies, namely that “they are able to work harder, for longer hours and are likely to accept lower wages as compared to South African workers”. Often South Africans were hired only in the most unskilled areas of work such as cleaners and general labourers.

The contemporary challenges faced by these transnational entrepreneurs elicited a number of business development issues. For some businesses, notably those operated by work permit visa holders, access to the formal banking system was a problem as banks sometimes demanded a South African identity document to open a business account. Common complaints were of the rising cost of rent-

al space for business premises, ineligibility for South African government contracts which give preference to black South African-owned enterprises, threatened changes in visa regulations which would impact the employment of Zimbabwean nationals, and the inevitable problems of property theft and crime in Johannesburg. Despite these difficulties the interviewees were relatively optimistic regarding the future prospects of their businesses and especially as compared to possibilities for business development in Zimbabwe. Support for business expansion was given by the Zimbabwean Business Network. This Johannesburg-based association was founded in 2011 and seeks to create a dedicated platform to enable Zimbabwean entrepreneurs in South Africa to network and expand their business relationships. Its membership of Zimbabwean professionals and SMME business entrepreneurs seeks to foster linkages with local South African entrepreneurs for mutual business growth through referrals, alliances and education.

4. Conclusion

The concept of transnational entrepreneurship must be viewed as “a distinctive attribute of globalization” and inseparable from the changing character of international migration (Drori et al., 2009: 1002) in a globalized world (Honig et al., 2010). Arguably, transnational entrepreneurship is a relatively new field of academic research (Portes et al., 2002; Honig et al., 2010; Adiguna, Shah, 2012; Goktan, Flores, 2014). At present the dominant strand in writings concerns the activities of Southern entrepreneurs who have migrated and established businesses in North America and Western Europe. This article offers an alternative research perspective on the topic of South-South transnational entrepreneurship. It shows that political turmoil and economic collapse in Zimbabwe triggered an exodus of migrants, including of educated professionals, to South Africa which provided the foundations for a group of Johannesburg-based Zimbabwean transnational enterprises. The activities of these formal enterprises show marked contrasts to those of Zimbabwe’s community of informal cross-border business travellers. In addition, they exhibit considerable differ-

ences to the findings reported by Thompson and Grant (2015) and Zack (2015) on 'ethnic entrepreneurialism' in South Africa. A need is for further investigations to explore the activities of transnational entrepreneurs as part of a wider scholarship on international migrants and their business operations.

Acknowledgements

Mrs Wendy Job is acknowledged for preparing Figure 1. The comments from two journal referees assisted in a revision of this paper.

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