

# Obstacles Faced by African Copreneurs in Black Townships of the Western Cape, South Africa

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**Abstract:** The primary objective of this study is to examine the experiences of copreneurs specifically those who operate in the black townships of the Western Cape. Specifically, this study targets African<sup>1</sup> copreneurs. Copreneurship is the term used when a husband and wife come together to own and manage a business as part of their daily engagement. As copreneurs, they confront specific obstacles. In South Africa, copreneurs exist within the framework of two fields, namely small, medium, micro business and family business. This study adopts a mixed research methodology, involving both quantitative and qualitative techniques. Thus the data collection instruments included a questionnaire and an interview schedule involving 150 subjects. The findings reveal, among other things, that major obstacles include the lack of finance for business expansion, as well as the lack of relevant information about government support, crime and absence of infrastructure. This study provides an opportunity to understand the specific challenges that c face, as well as information about the state of African copreneurship in black townships in the Western Cape. It is hoped that the findings and recommendations will shine a light on the specific challenges, as well as provide the necessary remedial opportunities so that these entrepreneurs are able to meaningfully add value to their respective communities.

**Keywords:** Small medium and micro businesses, Copreneurs, South Africa, Entrepreneurship, Copreneurship.

## INTRODUCTION

Copreneurship is the term used when a husband and wife come together to own and manage a business as part of their daily engagement. As copreneurs, they are important social and economic role players in burgeoning economies. It is therefore expected that in the black townships of the Western Cape, South Africa, their existence dangles significant opportunity for job creation, poverty reduction and the elimination of dependency on social grants. As a form of entrepreneurship, copreneurship adds value to society because not only are the owners self-employed, there is an extension of value to the communities in the form of bridging the distance in the location of shops thereby offering convenience to their communities and generally contributing to the local economy.

Copreneurship exists within two interrelated fields of study, namely small, medium and micro business (SMMBs) and family business (Eybers, 2010). South Africa's economy consists of two types of economies, namely the informal sector and the formal sector or mainstream economy. The informal sector includes small businesses in the townships, while the formal sector includes commercial businesses that are usually situated in industrial areas (Botha, 2010). The major

impact that SMMBs (by extension copreneurs) have on the South African economy is mostly evident in two areas, namely their contribution to Gross Domestic Product (GDP) and to employment. SMMBs contributed around 36 percent to the South African GDP (GEM, 2016/17). Therefore, SMMBs play an important role in the socio-economic sphere by helping to improve living conditions in many communities (GEM, 2016/17). For copreneurs to continue to play their significant roles within their communities, they need adequate business skills, capital and several other resources so that they remain operational and even expand their businesses. This assertion comes on the heels of the often-mentioned limitations of entrepreneurs.

On the basis of the foregoing, this study's objectives are two-fold namely:

- i. To ascertain the unique obstacles faced by copreneurs in the black townships of the Western Cape.
- ii. To learn from the unique obstacles, the best solutions to providing a rewarding experience for copreneurs.

Given the above objectives, the following questions are necessary:

- i. What are the unique obstacles facing copreneurs in the black townships of the Western Cape Province?

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<sup>1</sup>In this paper, the term 'African' [copreneurs] refers to residents of South Africa who fall within the Zulu, Xhosa, Sotho, Tsonga, Venda and other black ethnic groups, but excludes whites, coloured and Indians residing in South Africa (Statistics South Africa, 2012)

- ii. What lessons are there to be learnt from these obstacles so as to improve the entrepreneurial experience of copreneurs?

### **Significance of the Study**

In this study, we assume that the challenges copreneurs confront in the black townships in the Western Cape include a lack of management skills, barriers to adequate financial resources, government regulations, competency issues, role clarification issues, and balance between family and business. Yet, in practical terms, copreneurs can create income for their own families, as well as for other families. This study thus allows for better insight into African copreneurship as a form of business, including an understanding of the peculiar challenges that copreneurs face. By identifying these challenges, African copreneurs can improve their chances of effectively engaging in their business, whilst they strengthen their union (in some cases, marriage) in the process. Primarily, beyond the necessity of copreneurs providing an income for themselves and others through job creation, it is commonly understood that they assist in the socio-economic development of the communities in which they operate. A study of this nature is likely to identify the necessary support mechanisms that copreneurs need, as well as the stakeholders that may be called upon to assist them. For instance, literature speaks about the need for the South African government to create a supportive climate for entrepreneurs. The supportive climate includes opportunities for the development of management skills, which are required to operate successful small businesses, as well as the financial and operating environments. For copreneurs in the Western Cape to meaningfully take part in the new socio-economic initiatives of the province, and in fact the nation, there is a need to understand the specific obstacles that they face.

## **LITERATURE REVIEW**

### **Definition of Copreneurs**

A common characterisation of copreneurship is that of a business partnership between a man and a woman who are in a marriage or life partnership. For instance, Zimmerer *et al.* (2008) define copreneurs as husbands and wives who, together, own and manage a business for the survival of their families. Maas and Diederichs (2007) describe it as a type or form of family business which incorporates features from both a business

entrepreneur and a family business. The husbands and wives that operate the business do so as a family business. With regard to operating as a family business, Tompson and Tompson (2000) add that copreneurs share the ownership and management of a business, including adoption and responsibility for all the different activities that relate to that business, as well as difficulties that might arise within the family. Tompson and Tompson's description somewhat suggests that as partners, they afford each other equal opportunities within the business with the sole aim of seeing the business grow (Cole & Johnson, 2007).

### **Factors of Success in SMMBs**

In South Africa, most copreneurs are classified as small, medium and micro businesses (SMMBs) owing to their size and annual performance. Within the context of SMMBs, it is difficult to define success because, as a concept, success has been interpreted in different ways within the SMMBs environment. Jennings and Beaver (1997) for instance argue that in defining success amongst SMMBs, factors such as investment and turnover growth, as well as profit, the quality and quantity of equipment in the business are important. SMMBs success may also be determined by using turnover, company's products, product type, and where the business is situated (Gorgievski, *et al.*, 2011; Jarvis *et al.*, 2000; Lekovic & Maric, 2015). The skills of employees, in particular, amongst top management that leads the company, may also play an extremely crucial part in assessing the performance of a company (Pasanen, 2003).

For this study, we adopt the definition of Jennings and Beaver (1997) who define success as return on investment and growth in the business' turnover. This decision is based on our assumption that copreneurs are expected to flourish – that is they continue to grow as well as extend value to the community in which they operate.

### **Obstacles to SMMBs Success**

In South Africa, copreneurs exist within the framework of two fields, namely SMMBs and family business. Family businesses in South Africa account for around 80 percent of businesses thus they play an extremely important role in terms of job creation and poverty alleviation in both the formal and informal sectors (Gomba & Kele, 2016). In fact, the Siamese twins of unemployment and poverty, are a scourge, which small businesses have continually been peddled as solution. Disturbingly, the avowed benefits of

SMMBs to an economy are almost scuttled by the presence of several obstacles. The success of SMMBs is important for both businesses and governments around the world. But, most SMMBs struggle to meet the standards and regulations that government and other global institutions require. Therefore, complying with the numerous regulations can be time consuming and often cumbersome (Ojo *et al.*, 2017). SMMBs' failure rate in South Africa is much higher than other countries, and there are different reasons cited for this phenomenon. Some small business owners regard the income from their businesses as basically for daily survival and partly to ensure that the small business can grow. Therefore, they tend to look up to government for funding and other resources. The lack of support from government is deemed as one of the obstacles to the growth of SMMBs (Olawale & Garwe, 2010).

It is important to realise that obstacles faced by SMMBs are found both in the internal and external environments, as some authors mention. Pachouri and Sharma (2016) argue that "obstacles to small and medium size enterprises are classified in six categories being: people, financial, information, government policy, and infrastructure and market constraints". All these obstacles have different negative impacts on the performance of SMMBs in all sectors. Most SMMBs are unable to employ higher skilled people or professional personnel in their businesses owing to them not having sufficient money to pay them, and because they experience a lack of adequate infrastructure in their businesses. Government policies (such as tax regulations and the frustrating red tape) that do not favour SMMBs are also seen as major obstacles to SMMBs, as they negatively impact some SMMBs (Pachouri & Sharma, 2016). Access to financial institutions creates further bottlenecks for SMMBs. Financial support for SMMBs is a big problem in South Africa, hence most seek loans from family members in order to start a business (Gwija, 2014). When the business starts, SMMBs are expected to have and maintain significant capability in various areas, including marketing (Kazimoto, 2014).

In fact, the lack of funding brings about some deficiency in other areas of the business. For example, lack or shortage of finance may result in the inability of the business owner to obtain relevant skills training. Tengeh and Mukwarami (2017) have noted that the lack of management skills in most SMMBs causes a huge challenge. Lower level of education amongst some SMMBs owners reduces the chances of

improving their businesses through new innovations that are required to improve their respective businesses.

One should consider these challenges within the scope of two variables. Firstly, the SMMBs financial performance, which refers to a situation whereby the business makes a profit, breaks even or loses money after a given period of time, although it is also true that some SMMBs make a profit merely to survive on a daily basis, and not to grow. Secondly, family harmony within the family business refers to a situation whereby family members foster and maintain good relations with one another and trust each other as family members

## RESEARCH METHOD

This study adopted the mixed research method. A mixed research comprises both qualitative and quantitative methods (Creswell, 2009). Both qualitative and quantitative research methods use different forms of data collection. The quantitative method collects data in the form of numbers, while the qualitative method collects written forms of data (Durrheim, 2006). The utility of the mixed method is its capacity to extend the aims of a research i.e. the limitations of one method are taken care of by the other (Zikmund *et al.*, 2013)

The data collection instruments that were used for this research included questionnaires and interview schedules. The researchers personally distributed questionnaires to the target population. Therefore, the researchers assumed responsibility to distribute and translate the questionnaires for potential participants. In total, 119 questionnaires were completed while 31 interviews were held.

## Analysis

The researchers utilised the statistical package for social science (SPSS) software for data analysis, while the data which were obtained from qualitative survey were analysed using content analysis method and are thematically presented.

## Research Population

The population for this study comprised (1) African copreneurs who operate registered and or unregistered small, micro and medium-sized businesses (SMMBs) in the black townships in the Western Cape.; (2) Copreneurs who are either married or life partners; and (3) Copreneurs operating in the townships of Nyanga, Khayelitsha and, Mfuleni.

## Sampling Method

Non-probability sampling was utilised in conjunction with snowball sampling. Zikmund *et al.* (2013) argue that snowball sampling, as a subset of non-probability sampling, focuses on additional respondents who are selected as means to examine information that is provided in the initial response.

## RESULTS AND DISCUSSION

### Obstacles Faced by African Copreneurs in the Black Townships

#### Gender

The table below illustrates the gender of the participants.

The below table, Table 1, shows that the majority of respondents were male, which totalled 71(59.7 percent), and 48 females, which represented 40.3 percent of the total number of respondents.

The table paints a picture which relates to Cosson (2017) who suggests that the invisibility of women in small businesses has its basis in patriarchy, specifically the idea that wives are merged into the unity of the couple, and are represented by their husbands, in whose shadows they stand. In fact, in GEM's 2015/16 report, it was revealed that there is a wider gender gap between males and females in South African society, where, only six women for every 10 men engaged in early stage small business activities. Could this be

reflecting gaps or differences in cultures and customs regarding female participation in the economy as argued by Bruni, Gherardi and Poggio (2014) and Ghosh and Cheruvalah (2007)? GEM (2015/16) claims that the major obstacle for female participation in small businesses are higher levels of family responsibilities, lower levels of education, a lack of female roles, a lack of capital, and fewer business-orientated networks in their communities.

#### Marital Status

The table below illustrates the participants' marital status.

Table 2 below shows that of the 119 respondents, 104 respondents, (87.4 percent), were married, followed by 10 respondents (8.4 percent), who were life partners, 4, (3.4 percent), who were divorced, while 1, .8 percent were widowed.

These findings show that the majority of the respondents were married and had life partners.

To explain the relationship between two variables namely reason to start a business and age group, a Chi-square test was conducted. Table 3 below indicates that most of the participants are in the range of 31 to 50 years. These participants indicated that their main aims of starting a business was linked to being unemployed and or to enjoy the satisfaction of self-employment. This finding relates to a suggestion made by Choto, Tengeh and Iwu (2014) who revealed

**Table 1: Gender of Respondents**

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Male	71	59.7	59.7	59.7
	Female	48	40.3	40.3	100.0
	Total	119	100.0	100.0	

Source: Authors' computation.

**Table 2: Marriage Status**

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Married	104	87.4	87.4	87.4
	Divorced	4	3.4	3.4	90.8
	Widow	1	.8	.8	91.6
	Life Partner	10	8.4	8.4	100.0
	Total	119	100.0	100.0	

Source: Authors' computation.

**Table 3: Cross Tabulation of Reason to Start a Business and Age Group**

Crosstab						
Count						
		Age group				Total
		18 - 30	31 - 40	41 - 50	51 or above	
Q7 Reason to start a business	Money	5	14	20	3	42
	Unemployment	0	27	16	2	45
	Independence	1	10	12	4	27
	Job dissatisfaction	0	2	0	3	5
Total		6	53	48	12	119

Source: Authors' computation.

**Table 4: Chi-Square Tests for Reason to Start a Business and Age Group**

	Value	Df	Asymptotic Significance (2-sided)	Exact p-value (2-sided)	Exact p-value (1-sided)	Point Probability
Pearson Chi-Square	28.174 <sup>a</sup>	9	.001	.002		
Likelihood Ratio	25.196	9	.003	.003		
Fisher's Exact Test	21.434			.003		
Linear-by-Linear Association	3.316 <sup>b</sup>	1	.069	.075	.040	.011
N of Valid Cases	119					

Source: Authors' computation.

a. 10 cells (62.5%) have an expected count of less than 5. The minimum expected count is .25.

b. The standardized statistic is 1.821.

Table 4 above indicates a *p*-value of < .002, which demonstrates a statistical significance.

that 34% decided to start their own business venture because they were unemployed, 25% were not satisfied with their jobs, while the other participants craved independence, needed extra income amongst others. An almost similar study by Phikiso (2017) also revealed that in South Africa, those below 30 years were the most active in small business, followed by those who are 30 to 39 years old, with those between 40 to 49 years old trailing those who are 50 years and above.

### Barriers when Starting a Business

The table below illustrates the barriers that the participants experienced when they started their business. This can be utilised to examine the internal challenges they faced when they started.

### Space to Run a Business

This results of this study show that of the 119 participants, 27 (22.7%) of the respondents confirmed that the space that they had at their disposal to operate a business was a major challenge. This is in line with Mukwarami and Tengeh (2017) who mention that to

identify suitable premises to start a business is a great challenge for small businesses. Procuring valid space may also be a function of capital availability (Tengeh & Mukwarami, 2017). Small, medium and micro businesses use available spaces to operate their businesses without considering their businesses' needs and possible risks for the business.

### Access to Finance

Of the 119 participants, 34 (28.6%) of them confirmed that access to bank loans to start a business was a major challenge when they started their businesses.

This finding relates to a previous suggestion by GEM (2015/16), which noted that accessing finance to start a business remained a major challenge for small, medium and micro businesses in South Africa. Gwija (2014) and Mukwarami and Tengeh (2017) contend that in South Africa, access to business funding for SMMBs is a huge challenge, hence most African copreneurs simply use their own money to start businesses.

**Table 5: Barriers when Starting a Business**

Of the 119 subjects, a total of 91 indicated the variables – lack of space, access to finance, lack of business skills and information as major barriers to starting a business.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Space to run a business	27	22.7%	29.7%	29.7%
	Access to finance	34	28.6%	37.4%	67.0%
	Lack of business skills	16	13.4%	17.6%	84.6%
	Lack of information	14	11.8%	15.4%	100.0%
	Total	91	76.5%	100.0%	
Missing	System	20	16.8%		
Total		119	100		

Source: Authors' computation.

### Lack of Business Skills

The results show that of the 119 participants, 16 (13.4 %) of the respondents mentioned that a lack of business skills was a major challenge amongst African copreneurs when they start a business. This finding is in line with Mukwarami and Tengeh (2017) who found that small business owners lack business skills such as financial management of the business, marketing of the business, managing workers, leadership skills and business administration duties. Lower levels of education also hinder a small business owner from expanding and growing into the mainstream economy (Choto, Tengeh & Iwu, 2014). These results suggest that poor educational background amongst African copreneurs has a negative impact on their businesses ventures.

### Lack of Information

Table 5 above shows that of the 119 participants, 14 (11.8 %) of the respondents asserted that a lack of information was a major challenge for them when they

started their businesses. Information is extremely important in order to obtain the required support from institutions such as private companies, government and non-governmental organisations (Mukwarami & Tengeh, 2017).

### Operating Obstacles

The table below illustrates various obstacles that African copreneurs faced whilst engaged in business operations in the black townships in the Western Cape. The results can be used to understand the external challenges that African copreneurs face when they operate their respective businesses in the black townships in the Western Cape.

### Crime

Of the 119 participants, a total of 26 (16.9 %) stated that crime was a major obstacle in small business operations. This relates to a previous suggestion by Mukwarami and Tengeh (2017) who maintain that poverty and high unemployment rates are the main

**Table 6: Operating Obstacles**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Crime	26	16.9%	74.3%	74.3%
	Conflict between husbands and wives	3	1.9%	8.6%	82.9%
	Balance between family and business	2	1.3%	5.7%	88.6%
	Lack of Government support	3	1.9%	8.6%	97.1%
	Decision making process	1	0.6%	2.9%	100.0%
	Total	35	22.7%	100.0%	
Missing	System	84	54.5%		
Total		154	100.0%		

Source: Authors' computation.

causes of higher occurrences of robbery, murder and other types of crime, particularly in Black townships in the Western Cape. The participants demonstrated that crime is a major constraint that African copreneurs are forced to deal with. To this end, there is need for police visibility in the areas where copreneurs operate.

### **Conflict**

This results of this study show that of the 119 participants, three (1.9 %) said that conflict between husbands and wives was a major challenge amongst African copreneurs when they operate their business ventures. Despite having achieved only very few respondents reacting to the item *Conflict between husbands and wives*, it is important to note that some studies (for example Machek & Hnilica, 2015; Machek *et al.* 2016) found a slightly higher number of business owners pointing out that conflict between couples in business was detrimental to the business.

Could the question of who makes decisions for the business be a reason for conflict? As the findings suggest, decision making was also an obstacle. Could this suggest that patriarchy raises its head here where male partners took decisions without consulting their female partners? This finding is somewhat related to Othman *et al.* (2016) who argue that in the copreneur environment, husbands regard themselves as the decision makers and regard their wives as being mere assistants within the business. According to Machek *et al.* (2016), often husbands perceive themselves as sole bosses and decision makers in the business.

### **Balance between Family and Business**

Of the 119 participants, two (1.3 %) of the respondents mentioned that the existence of boundaries between family and business was a major challenge amongst African copreneurs whilst operating their respective businesses. Again, even though only two of the participants ticked this item, we note Othman *et al.*'s finding (2016) that most wives who operate a business with their husbands, prioritise family matters above business matters. The "family comes first" approach is dangerous, and can sometimes even destroy a business. According to Ediriweera (2016), achieving a balance between work and family life remains a huge challenge.

### **Lack of Government Support Services**

This study shows that of the 119 participants, 3 (1.9 %) of the respondents claimed that a lack of

government support services was a major challenge for African copreneurs when they operated their businesses. This is equally in line with Kazimoto (2014) who states that in spite of existing policies for financial support for small businesses, few small business owners received financial help when they required it. Some small businesses arose from one becoming unemployed and therefore we argue that the need for financial support is even higher among these people. Therefore, facilitating access to financial institutions may be appropriate for government.

In the next section, we report the findings from the interviews held with the participants.

### **Findings from Interviews**

As stated earlier, two avenues namely questionnaire and interview, were used to gather data. We have produced the results of the quantitative survey. In this section, we present the data collected using interviews. The data were analysed using content analysis method and are thematically presented. The themes and the associated discussions are presented below.

#### **1. Financial Difficulty**

With reference to funding, most of the respondents were adamant that they struggle financially. As one of them noted: "*We utilised our personal savings in order to start our business*". In fact, some respondents hinted that when they started the business, in addition to their personal savings, they borrowed money from friends and not too long afterwards, some of those began to request payback: "*it became too tough for us to sleep because there were constant reminders to repay the loans*". As a result of the indebtedness, one of the respondents said they could not even think of expanding the business as they "*struggle to obtain funds*" so that they are able to expand their business. In some cases, some respondents indicated that they were yet to obtain any form of financial support from anyone "*including the government*".

#### **2. Domestic Challenges/Rivalry between the Partners**

We wanted to know how the copreneurs managed relationship (business and personal) between them. A number of them indicated that they do not experience issues. Few of them said that they avoided internal conflict with their partners. Some of the responses are shown below.

*"Female partners avoid competition with their husbands, because they always give powers to their husbands in order to ensure that their business run smooth without conflict from competition".*

*"We work as a team in the business".*

*"We set up family rules and business rules in order to balance activities".*

Interestingly, we found that the statements are in sharp contrast to what we heard from some other participants who stated that they faced huge challenges in terms of making decisions as business partners. Some respondents, in particular female partners, emphasised that the male partners play owner roles, while they are forced to accept employee role most of the time owing to the belief that the male is the head of the house, and consequently head of everything concerning their families, including the business. This finding is consistent with the point that was raised by Cosson (2017), who asserts that wives pay more attention to the family, and that their emotional management demonstrates an underlying assumption that the male partners are more instrumental in setting up business ideas and implementing them. Some other comments are noted below.

*"It is difficult because my husband also expects me to cook for the family".*

*"My male partner takes business decisions without formally informing me";*

### **3. Government Support/Red Tape Issues**

With reference to government support, we picked up that despite the lack of support from government, some of the respondents also added *"We do not know of any government policy or framework that deals with small businesses"*. This is possibly an issue with government creating the necessary awareness of their services and where these services can be obtained (Gwija, Eresia-Eke & Iwu, 2014). Basically, we picked up from the respondents that they feel the government ought to *"provide our business with support", while "Banks should support our business efforts"*.

Because we are familiar with certain regional programmes targeting small businesses, we inquired from the participants whether they had participated in the City of Cape Town's SMMBs programmes. A

majority of them said they were yet to participate in any of the programmes.

*"We do not have time to attend the City of Cape Town's programmes because we look after our business every day; therefore, we cannot close our business".*

*"It is a waste of time; they have a lot of procedures that need to be followed, even by those who have attended the programmes".*

We found the above statements interesting especially considering that (1) copreneurs are likely unable to stay away from their business locations unless for matters of business. This finding is in line with Iwu (2017) who found that it is very difficult for small business owners to leave their place of business in the hands of anyone else in pursuit of another engagement; and (2) Red tape has been extensively fingered as the reason why many small businesses are reluctant to engage with government. We find an association between these findings and those of Choto, Tengeh and Iwu (2014) who noted the negative effect of the various regulations that small business owners have to deal with during and after the establishment of their business ventures.

Even when we wanted to know if, beside regional government meetings, they avail themselves of other opportunities such as the local business forum, we were told: *"It is a waste of time to attend these forums because the committees do not have enough information to answer all questions raised in the forum"*.

*"We cannot close our business because we are very busy".*

A particular comment in respect of high crime rate and the need for police presence in the communities was expressed by a male participant thus: *"Should I leave the shop to my partner when there is high crime rate here"*.

It is clear from the discussion above that the respondents are dissatisfied with funding, marital/partnership conflict and lack of government support. With respect to funding, it is important to note that most of the participants operate their businesses in their backyard with shacks, while some rent premises from which they operate. To obtain financial assistance from a registered financial services provider, Mukwarami and Tengeh's (2017) opinion is that the

financial institutions would rather support businesses with formal registration and identifiable locations. Even when the businesses are in fairly identifiable locations, the owners' lack of education may pose an enormous challenge in terms of compiling the necessary documents (Choto, Tengeh & Iwu, 2014).

The majority of the participants indicated that crime is a key challenge for them in their respective business. This is also articulated in Tengeh and Mukwarami (2017) who found that because of poverty and unemployment in the townships, people engage in criminal activities.

### Implications and Recommendations

This study set out to ascertain the unique obstacles faced by copreneurs in the black townships of the Western Cape as well as to learn from the unique obstacles, the best solutions to providing a rewarding experience for copreneurs. The findings have so far indicated that copreneurs confront a variety of problems chief among them insufficient physical facility, crime, domestic conflict, access to conflict, lack of business management skills and suitable business-related information. The high crime rate in black townships of Western Cape limit the African copreneurs chances of growth. The problem of access to finance limits the chances of African copreneurs to survive long-term in their business ventures due to shortage of business resources. As providers for their families' day-to-day existence as well as providing employment to those who assist them in the ventures, a major implication of our findings is that an opportunity exists for the government to step in and offer the necessary support. Such support can come in the form of police visibility in the business locations, SMMB training programmes and possibly enterprise development. The government of South Africa speaks about enterprise development as one of those virtues it holds in high esteem. Providing opportunities for small businesses to participate in enterprise development programmes can reduce issues of shortage of finance. Not only should the government provide this opportunity to small business owners, they should also not suffer late payments as is currently the case. With financial resources, issues of domestic conflict, especially where the female partner pays attention to her domestic responsibilities may reduce because the owners may afford extra human resource to assist with the business.

The researchers thus recommend that government agencies and other financial institutions should create a

program that will accommodate small businesses in this respect, in particular those that operate their businesses in black townships. Most of these small businesses operate in informal structures, where they cannot guarantee the pay-back of a loan.

The researchers further recommend that SMMBs should organize themselves with the aim of protecting their businesses. They should establish community forums with the South African Police Services in order to protect their business ventures from criminal activities. The SMMBs should work closely with neighbourhood watch forums in the business areas in order to ensure that their businesses are protected.

We also recommend that both regional and national governments in South Africa should facilitate access to financial institutions for assistance with loans and small business management training. The national government should intervene with the understanding that most of the small businesses are not registered, and that they operate their businesses from homes, which are often in informal settlements, or on rented premises. The Department of Small Business Development should play a leading role to ensure that small businesses are registered so that they can be in a stronger position to access funding from financial institutions. Most small businesses are not registered owing to the fact that they lack information. The Department of Small Business Development should also establish programs to educate the small business owners about business registration procedures and processes. Tengeh and Mukwarami (2017) state that there are various factors that lead to a lack of financial support such as limited information on the part of small businesses, a lack of collateral in order to obtain bank loans, and a lack of cash flow records.

With South Africa in a recession, there is no better time for both regional and national governments to provide the necessary support to SMMBs after all economists often say that governments do not create jobs rather businesses do. This goes to show that part of government's role is to ensure that the business environment enables SMMBs to thrive.

### CONCLUSION

The main objective of this study was to discover the obstacles faced by African copreneurs in the townships and accordingly unravel possible lessons for future growth of copreneurship. What we found is a mix of reactions from participants as to what constitutes a

major challenge for them. Overall, the participants are concerned about the rate of crime in their locations. This, they said, creates enormous tension not only with respect to the management of the business but to their overall outlook for future business development. There was also a significant call for government support in terms of access to funds and growth opportunities. Essentially, the participants' clamour for supportive climate is one that should be accorded the necessary attention because as we argued earlier, this band of entrepreneurs has an important role to play in socioeconomic development of any nation, particularly developing ones.

So far, scientific literature on copreneurship in South Africa is limited. Notable names in this area of entrepreneurship have remained Boshoff *et al.* (2009), Eybers (2010), Eybers *et al.* (2010), Farrington *et al.* (2011), Venter *et al.* (2012). There are others who have researched the broader area of family business namely Hoosen (2007), Turyakira *et al.* (2014), Matchaba-Hove *et al.* (2015), Phikiso (2017). The instructive element in all the mentioned studies is that businesses of this kind need to survive several generations. Therefore, to understand the factors that may hinder their existence, it is necessary to continually study them. The justification for this study is therefore, also drawn from the above.

In closing, we suggest the following for those who wish to extend this study:

A comparative study that looks at different communities. For instance, a new study may want to examine the difference between African black communities and those of the Whites. Another study may focus on different regions in South Africa and even making use of sophisticated statistical tools such as regression analysis.

A future study could also look at how relationships within African copreneurship impact the development of the business. In this case, we suggest the utility of variables such as open communication, mutual trust and commitment to spouse in understanding the extent of these variables in influencing both decision making and working relationship. In addition, even though there were only four divorced participants in our study, we suggest a future study that looks at divorce among copreneurs to determine the extent at which the union was responsible for the divorce as well as its impact on the business. This suggestion is put forward in light of the literature (see for example Machek & Hnilica, 2015), which suggests that divorce is regarded as a

major problem amongst copreneurs, which affects the performance of a venture, and may lead to its eventual closure.

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