

Chapter 7

Influence of Socio–Economic Status on Indigenous Entrepreneurship Success in Windhoek, Namibia

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ABSTRACT

This chapter assessed the influence of socio-economic status of indigenous entrepreneurs on the success of their business ventures. A survey was conducted by administering a structured questionnaire to some randomly selected small scale indigenous enterprises in Windhoek. The study found that socio-economic status indicated by age, gender, level of education, sources of funds, income, business category, and registration status has a major influence on the success of indigenous entrepreneurial ventures. The study recommends that indigenous entrepreneurs should pursue a broader range of businesses. Increased efforts to register businesses, access to funding, and support for skills development should be supported by the government.

INTRODUCTION

There is a considerable level of consistency in literature as to what counts as indigenous entrepreneurship. Mika et al. (2019) found three key features that are consistent in literature defining indigenous enterprising which are, identity, ownership and values. The Organisation for Economic Co-operation and Development (2022)

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refers to indigenous enterprising as the creation, developing and managing new business ventures by indigenous people for their benefit. These definitions imply that indigenous enterprising are initiatives influenced by the background, environment and lifestyles of the inhabitants of an area, that it is something owned locally and engaged in taking into account the preservation of key values and empowerment of the entrepreneurs aiding their development in their communities. In line with this definition, this chapter considers indigenous entrepreneurship as efforts by the local people of Namibia to engage in different business ventures either for profit-generating or for social reasons using the resources available to them to take advantage of business opportunities surrounding them. Indigenous entrepreneurship has been commented as a panacea for increased growth and development in both the indigenous and mainstream society (Macpherson, Tretiakov, Mika, & Felzensztein, 2021) as well as enabling self-reliance of indigenous people (De Bruine & Mataira, 2018). This chapter contends that, in the face of Vision 2030 powered by the National Development Plans (NDPs), indigenous entrepreneurship is a very crucial element of any policy strategy towards the self-sustaining economic development of the indigenous people in Namibia. Indigenous enterprising is one key way of encouraging minority groups to participate in the mainstream economy. A nation with high levels of indigenous enterprising can benefit through a strong private sector contribution to economic activities. Given the diverse cultural and ethnic backgrounds of indigenous people, it would undoubtedly be one of the key strategies towards eradicating many socio-economic challenges faced by the indigenous people as well as ensuring sustainable development. If indigenous enterprising receives fair attention and much support from other policy areas, the outcomes and entitlements it produces may later expand to partnering with other enterprises locally based or non-indigenous. There is so much potential hidden in the indigenous enterprises that if properly utilised, economies can sustainably stand.

However, it is undoubtedly that socioeconomic status can significantly impact indigenous entrepreneurs' success. There is a wide range of challenges encountered by indigenous entrepreneurs that hinder their success through limited access to resources as well as opportunities in their different market areas. Research notes that the relatively low socio-economic status of indigenous people in most developing countries is a matter of serious concern (De Bruin & Mataira, 2018). Aworemi, Abdul-Azeez, and Opoola (2010) avers that despite the significant role and contributions of indigenous entrepreneurs to their economies' well-being, they continue to struggle with many constraints hindering their growth and development. Many factors have been cited in the literature including lack of capital, skills and resources (Rodgers, Lee, Swepston, & Van Daele, 1994). They suffer constraints posed by their lower levels of education, lower incomes and limited access to financial resources. These factors make it very difficult to start a business and see it succeed.

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