

# A Contextual View of Entrepreneurship Post-COVID-19 In South Africa

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## Abstract

A contextual view of entrepreneurship post-Covid-19 in South Africa is yet to be explored. South Africa is an emerging economy. The small and medium enterprises (SMEs) sector forms a large part of entrepreneurship that plays a significant role in this economy. This type of entrepreneurship is contributing to the GDP, poverty alleviation and creating employment opportunities. The arrival of the corona virus, also referred to as Covid-19 pandemic, disrupted this contribution and shook the entrepreneurial confidence of many small businesses – both formal and informal. Given this scenario, a contextual view of entrepreneurship during the crisis is a two-fold contradiction. On the one hand there is the contribution to the economy but then on the other hand their unavoidably weakened contribution to the economy. The purpose of this study was to explore and observe, from a contextual view, how small business enterprises and entrepreneurs in South Africa are possibly reshaping opportunities after the shock of the Covid-19 pandemic crisis. The research question was, therefore, to what extent are Covid-19 pandemic external shocks reshaping entrepreneurship opportunities in South Africa? The study was qualitative in approach designed on ethnographies of South Africa using an online method of data collection. Two online South African agencies' data sources were used to validate the central findings of what post-Covid-19 means for small and medium entrepreneurs and their enterprises in South Africa. The findings include insights about future policy making impacts on the protection of jobs, workforce and financial support, and entrepreneurial freelancing and resilience for individual entrepreneurs. Like any research, this study has its own limitations. This study relied on online reported small business case narratives as data. This stands to be argued as subjective. Therefore, further empirical study is still required. The practical implications are that this study initiates research interests in contextual views of entrepreneurship post-Covid-19 at the level of small and medium enterprises and entrepreneurs. There is a value add. Researched views of entrepreneurship post-Covid-19 are yet to grow and be available in South Africa. This makes the current study among the first to enter this entrepreneurship post-Covid-19 discourse. It therefore adds to new knowledge in the entrepreneurship conversation about the current concerns and the meaning of post-Covid-19 among SMEs in South Africa.

**Keywords:** Corona Virus, Entrepreneurship, Post-COVID-19, SMEs, South Africa.

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## 1. INTRODUCTION

Contextual views of entrepreneurship post-Covid-19 in South Africa are critical for understanding future policy making and plans around the formal and informal small business segments. This paper deploys the concept of contextual view to denote the relationship between the entrepreneurship segments and the political, economic, and social worldview in South Africa with respect to the Covid-19 pandemic. Small formal and informal business entrepreneurship

segments are huge in Africa, and certainly in South Africa. A contextual view, therefore, starts with the entrepreneurial Africa. Rankhumise and Venter describe the essence of entrepreneurship applicable in South Africa (2016, pp.4-9). Small businesses play a crucial role in the economic growth of the country by contributing to the GDP and higher standards of living (Rankhumise & Venter, 2016, pp.4). In other words, without entrepreneurship there is no job creation, economic growth and development or identification of opportunities for individuals' meaningful involvement in major corporate activities (Clarence, 2016; Rankhumise & Venter, 2016). Entrepreneurship sustains the relationship between local entrepreneurs and their physical, cognitive, socio-cultural and environmental influences on development. It keeps local entrepreneurs within the relevant methods of getting profits. This way, entrepreneurship exists to fill many economic and social gaps. However, South Africa is a context tainted with limited successful entrepreneurs in the formal sector (Rankhumise & Venter, 2016, pp.6). This is the very context in which the Covid-19 pandemic situation has emerged.

The Covid-19 pandemic situation has exacerbated lack of successful entrepreneurial activities to the extent that now small businesses work for survival rather than profiteering. Many entities are facing the threat of disappearing from the entrepreneurship sector (Akpan, Udoh & Adebisi, 2020; Zahra, 2021). This pandemic has posed a new relationship between the entrepreneurship segments and the South African socio-economic worldview. Sometimes desperate times ignite creative thinking and innovativeness. Thus, despite the severity of the Covid-19 pandemic some entrepreneurs are finding practical solutions to its external shocks (Akpan et al., 2020; Zahra, 2021). Small business segments are creating solutions starting with resources within their reach and then tapping into government investments to benefit local business development. Research outlook and output on entrepreneurial opportunities and entrepreneur confidence with respect to post-Covid-19 in South Africa is not yet exhaustive.

Moreover, the question this paper addresses is this: to what extent are Covid-19 pandemic external shocks reshaping entrepreneurship opportunities in South Africa? Is there potential small and medium entrepreneur confidence in South Africa with respect to post-Covid-19? Existing literature shows that the Covid-19 context is a beacon of correcting the existing general inequalities. This paper aims at establishing a contextual view of entrepreneurship post-Covid-19 with emphasis on depicting entrepreneurial confidence among small formal and informal business entrepreneurs in South Africa. In the face of crisis, many SMEs resort to social means of survival. How is this survival mode to continue after the Covid-19 pandemic shocks? The paper starts with exploring scholarly works in the context of Covid-19 and entrepreneurship globally. It then explores studies about entrepreneurship post-Covid-19 in different parts of the world. A qualitative methodology and approach to data gathering is explained followed by the presentation of results and discussion of findings. The next section is the literature review.

## **2. LITERATURE REVIEW**

### **2.1 Context – Covid-19 In South Africa**

Covid-19 occurs in a context of high population densities and ineffective healthcare and economic systems. South Africa is supposedly a major emerging economy in southern Africa, and one of the few in this African region. The country's vulnerability to the Covid-19 new variant is now apparent worldwide. It all began the first week of March 2020 – Thursday the 5<sup>th</sup> of March to be exact – when South Africa was hit by the first Covid-19 case (Stiegler & Bouchard, 2020; Fisher, Stevenson & Burnell, 2020). A country with a population of 59 million people was now reeling with the SARS-CoV-2 virus and, shortly after, was described as the most affected country in Africa (Stiegler & Bouchard, 2020, pp. 695). Thus, from the first case announced the on 5th of March to the 23rd of March 2020 the number of cases increased rapidly to 554, forcing the South-African Government to swiftly react and place the country under strict lockdown for six weeks starting on the 26th of March 2020 (Stiegler & Bouchard, 2020, pp. 695).

Contextually, the Covid-19 pandemic immediately reconfigured the relationship between individuals and their socio-cultural and environmental influences. As an emerging and rapidly evolving pandemic situation it was perceived differently by different people and different organisations. It then had to be controlled by diverse and contrasting lockdown (Stiegler & Bouchard, 2020, pp. 696). On the one hand, middle to upper class South African people perceived Covid-19 as it was globally reported as an infectious disease and, to some extent, respected the associated strict lockdown regulations and restrictions. On the other hand, the poor to poorest South African communities perceived Covid-19 pandemic as a political agenda by those in power and, therefore, disrespected lockdown regulations. Thus, different contextual perspectives drove the ripple effect.

Increasing numbers of positive cases meant possible increase in fatal casualties leading to high death rates. This was the awareness that prompted the South African government to promulgate strict lockdown regulations and restrictions. This move impacted on all sectors of social and economic life. Among the poor and the poorest their disrespect for lockdown emanated from experiencing serious problems with lack of food supplies, depleted means of sourcing money and food, and fear of losing jobs (Stiegler & Bouchard, 2020, pp. 696). It was no longer about the SARS-CoV-2 virus. Rather, it was about bread-and-butter issues. For the government it was a reasonable path to contain the pandemic with the lockdown. But for the poor and poorest populations it was a politically motivated unreasonable path towards socio-economic suicide of the masses. The risks of economic crisis were also glaring for the business community (Stiegler & Bouchard, 2020, pp. 696). The call to end the lockdown began to mount pressure on the South African government. Although after six weeks of hard lockdown the curve was flattened, the SARS-CoV-2 virus situation did not back down. The six-week period of lockdown had created a double-edged sword for the South Africa government. On one side there was the unrelenting increase of Covid-19 pandemic cases and deaths and on the other there were increasing socio-economic crises. Contextual views of entrepreneurship post-covid-19 require research focusing on the latter.

Stiegler and Bouchard (2020, pp. 697) establish that economically, the South African government projected a 26-billion USD injection into the economy. This was to prioritise and support small and medium businesses that had suffered from the halt in trading during lockdown. It is best to look at increased socio-economic crises from a global economic perspective. Velavan and Meyer (2020, pp.278) argue that “dense communities are at particular risk and the most vulnerable region certainly is Africa, due to dense traffic between China and Africa. Very few African countries have sufficient and appropriate diagnostic capacities and obvious challenges exist to handle such outbreaks. Indeed, the virus might soon affect Africa”. Thus, the danger facing healthcare and economic systems is that African communities are naturally high in populated social networks and have no capacity to deal with the Covid-19 pandemic. In addition to population densities Africa is ineffective in disease control and management of pandemics. Scholars conclude, therefore, that disease control and pandemic management situations can be mitigated partly by supporting the existing healthcare structures and economic systems at regional and sub-Saharan African level (Velavan & Meyer, 2020, pp.278).

South Africa is one of the African countries the WHO placed on their Covid-19 priority list (Velavan & Meyer, 2020, pp.279). This is due to economic links the country has with China. According to Kuckertz, et al. (2020), Covid-19 lockdowns of society and economic life generated an exogenous shock to economic actors including innovative start-ups. It can, therefore, be concluded here that in South Africa the circumstances of SMEs form part of the SARS-CoV-2 virus background. It is within this unprecedented role of the Covid-19 crisis that the contribution of the SMEs sector to the GDP, poverty alleviation and creating employment opportunities is now highly compromised. This leads to another question about how entrepreneurship fits into the Covid-19 context in South Africa.

## 2.2 Entrepreneurship and COVID-19 In South Africa

Literature on entrepreneurship and the Covid-19 pandemic is now growing in questioning the role of leadership and policy and social interaction. According to Ozili (2020, pp.2) the Covid-19 shock resulted in several market shockwaves that affected a number of industries including Africa's financial markets. Covid-19 pandemic impacted entrepreneurial policy, finance, and employment. This observation points at the role played by African leadership and policy response towards financial support to entrepreneurs and entrepreneurial ventures and the preservation of employment (Ozili, 2020, pp.2). There is need for a harmonised but courageous leadership and policy response to entrepreneurial financial support and entrepreneurs coping with the external shocks of the Covid-19 pandemic. Since the first steps that a company may want to take to recover is to lay off workers as labour cost reduction, leadership needs to oversee the preservation of jobs and employment in entrepreneurship. Entrepreneurship contributes to the country's economy by being a solution to local customers' needs, responsive to the tastes of the local people and above all a solution to local poverty by creating both self-employment for entrepreneurs and for local community members. Drawing from literature, the government's lack of robust and consistent leadership response to entrepreneurship with policy, financial help, and plan to save jobs may see the SME sector on its knees.

Insights on social interaction and social distancing can add a perspective to entrepreneurship and the Covid-19 pandemic. Frith and Frith (2001, pp.151) describe the insight "social interaction" from an understanding that "human beings are social animals". Social interaction is when human beings process information in the social domain through cultural, social, and cognitive learning skills (Frith & Frith, 2001, pp.151). This insight relevantly informs anew the topic entrepreneurship and Covid-19. Entrepreneurship in South Africa, in particular the SMEs sector, thrives on social interaction among people (Frith & Frith, 2001, pp.151). People are knitted together and communicate with one another based on the ability to share in social status (friends and families), culture, and groups (forming and maintaining allegiances) that are in constant networks (Frith & Frith, 2001, pp.151). Besides being dense, communities are a close social knit whereby individuals remain part of a collective (family and society). As Frith and Frith (2001, pp.151) explain: "the ability to attribute mental states, such as desires, intentions, and beliefs to oneself and to others, has a central role to human social interaction". Entrepreneurship feeds from desires, intentions, and beliefs including tastes and lifestyles that people share in common through their social knits and networks. The spread of Covid-19 had to be managed by social distancing. Thus, the entrepreneurship crisis and Covid-19 pandemic crisis find links within the context of social interaction. Given this insight on Covid-19 and social interaction, Ozili (2020, pp.4) explains that restrictive measures limit social interaction and that they "affected many industries because large parts of the African economy depend on people-to-people interactions". In other words, lockdown and restrictive measures meant that essential businesses had to run skeletal operations and employees had to work from home (Ozili, 2020, pp.4). On a global scale it meant redeployment of the national budgets resulting in further economic crises, global supply chain disruptions and travel, tourism, and hospitality sector disruptions (Ozili, 2020, pp.4). The gap is, therefore, with respect to the impact of Covid-19 on entrepreneurial confidence.

## 2.3 Entrepreneurship Post-COVID-19

Most current studies establish the Covid-19 pandemic as changing and impacting both local and international entrepreneurship (Ozili, 2020; Zahra, 2021). The pandemic is found to be putting businesses out of business on the one hand, however and on other hand it is bringing up opportunities (Ozili, 2020; Zahra, 2021). Drawing from some of the studies, post-Covid-19 entrepreneurship will be based on opportunities arising during the pandemic.

African countries may have to change legislation on entrepreneurship. Ozili (2020, pp.8) proposes a two-sided opportunity outlook that the Covid-19 pandemic creates. First opportunity is around leadership strengthening protection for small and medium-sized businesses during the crisis. African leaders and policy makers have an opportunity to ensure the survival of SMEs

during and after this pandemic through policy protection and financial support (Ozili, 2020, pp.8). Second opportunity is leadership creating new legislation that protects jobs and workers (Ozili, 2020, pp.8). African leaders and legislatures should create new entrepreneurship legislation that prioritises “the livelihoods of citizens” and “to mitigate unemployment risks during crises” (Ozili, 2020, pp.8). Thus, after the Covid-19 crisis entrepreneurship is to restart with the support of good and relevant policy systems, sustainable business income generation and family incomes, and productive human capital of enterprises (Ozili, 2020, pp.8). The insight here emphasises the role of good governance in the future of entrepreneurship post-Covid-19 in Africa.

Zahra (2021, pp.1) explores the future impact of Covid-19 on international entrepreneurial activities and entrepreneurs. The highlighted shocks and influences include the operating and reshaping of the emerging world order – the global economy. Akpan et al. (2020, pp.1) explain that due to Covid-19 lives are dramatically changing. Zahra (2021, pp.1-2) explains further that Covid-19 is changing the way people live, think, transact and organize their societies. More altering of life is experienced in disrupting and reshaping institutions, global supply chains, businesses and personal networks (Zahra, 2021, pp.2). There is also the decline of the flow of knowledge, technology capital, ideas and people across international borders – deglobalization (Zahra, 2021, pp.2). Thus, the pandemic is extensively altering the scope of entrepreneurship affecting international new ventures and start up entrepreneurs (Zahra, 2021, pp.2-3). These shocks and influences vary from region to region and country to country.

Moreover, the post-Covid-19 environment offers opportunities for new industries and new ventures (Akpan et al., 2020; Zahra, 2021). The post-Covid-19 world is likely to offer entrepreneurs new ventures, new industries and growth in these industries. This means that there is an opportunity for different types of international new ventures (Zahra, 2021, pp.3). Zahra (2021) argues that “a new and powerful wave of creative destruction” is occurring. The author further views this as “a great transformation of the global business environment” (Zahra, 2021, pp.3). There is impetus for a new breed of SMEs finding opportunities in the Covid-19 upheaval. Studies make a distinction between international new ventures and local entrepreneurial activities in emerging economies. Akpan et al. (2020, pp.4) posit local entrepreneurial activities as informal sector operations with limited funding and lack of human and social capital. Such entities are “either unaware or lack the technical capabilities to implement the available state-of-the-art technologies” (Akpan et al., 2020, pp.3-4). In Africa, informal sector of entrepreneurship contributes perhaps over 70% to the country’s economy. This sector is characterised by weak resources and technical capabilities. Akpan et al. (2020, pp.4) argue that in developed economies SMEs are using technologies to create social businesses and develop new business models, an opportunity SMEs in low-income countries and economies should harness. Thus, opportunities for SMEs from the Covid-19 community lockdown restriction are developing and managing remote business operations and activities using virtual reality technology. SMEs in developed economies benefited when they resorted to the use of virtual reality technologies when contact was restricted to curb the outbreak of the Covid-19 pandemic. The future of international entrepreneurship after Covid-19 will be driven by SMEs that will adopt and implement cutting-edge digital technologies (Akpan et al., 2020, pp.4).

After Covid-19 small and medium “entrepreneurial hustle” will be switching on. Fisher, Stevenson, Neubert, Burnell and Kuratko (2020b, pp.1002) coined an action-oriented behavioural construct “entrepreneurial hustle”. This construct explains “an entrepreneur’s urgent, unorthodox actions that are intended to be useful in addressing immediate challenges and opportunities under conditions of uncertainty” (Fisher, et al., 2020b, pp.1002). Entrepreneurial hustle is a basic behaviour and entrepreneurial effort through which entrepreneurs can think of an entrepreneurial idea and create a new venture with key customers, employees, and suppliers. Given the Covid-19 environment the future is a challenge where entrepreneurs face the uncertain and the unknown in business. Entrepreneurs face either acting and moving forward or taking no action and waiting in the impasse. Fisher, et al. (2020b, pp.1031) view entrepreneurial hustle as a

strategic solution to the post-Covid-19 situation. An entrepreneur invests her/his efforts in urgent, unorthodox actions useful in dealing with challenges and exploiting opportunities. Entrepreneurs navigate the uncertainty and lead their new ventures across to the unknown.

Fisher, et al. (2020b, pp.1003) studied the actions described in interviews with “high-impact entrepreneurs”. South Africa depends largely on small subsets of entrepreneurial businesses mentioned above as informal sector. Small subset ventures remain at start-up levels or at self-employed levels for a long time and are notoriously described as low-cost business ideas within their industries. However, these hail from humble behavioural patterns. High-impact and renowned entrepreneurs in South Africa come from behavioural patterns of entrepreneurial hustling. Given the Covid-19 wave, there are studies required in South Africa that analyse elements in action-oriented behaviour of low-cost or informal business owners and self-employed entrepreneurs.

Fisher, Stevenson and Burnell (2020a, pp.1-2) explore the agency of academics within the construct entrepreneurial hustle. Entrepreneurship entails permission to hustle which is generating novel ideas and actions that create value (Fisher, et al., 2020a, pp.2). For an entrepreneur in an institutionalized environment and practice permission to hustle is to achieve and sustain an entrepreneurial action by acting with urgency, using unorthodox methods (Fisher, et al., 2020a, pp.2). Amidst uncertainty entrepreneurs allow themselves to hustle to address immediate challenges and generate opportunities in the form of novel products and services using unorthodox ways and acting with urgency. Response to the Covid-19 crisis requires permission for entrepreneurially hustle not for academics only but also for those in the informal business sector. In South Africa entrepreneurial hustle can be conceived of as natural. Fisher, et al. (2020a, pp.4) argue that “permission to hustle” is an effective approach to change perceptions about self-imposed barriers and restrictions. The approach is easy to implement and it allows people to act entrepreneurially in an environment that is traditionally not very entrepreneurial (Fisher, et al., 2020a, pp.4). This is like endorsing a behaviour and an action that is not the norm. Informal business owners work beyond barriers and restrictions.

Entrepreneurs, informal and formal small business owners, and managers are already embracing the “permission to hustle” and “entrepreneurial hustle” (Fisher, et al., 2020a, pp.2). Fisher, et al. (2020a, pp.5) conclude that permission to hustle is relevant to the Covid-19 pandemic context because “individuals and teams within organizations are being forced to innovate, pivot and respond in creative ways” and so it allows “everyone the opportunity and perspective to act in entrepreneurial ways”.

A study on start-ups by Kuckertz et al. (2020, pp.2) in Germany established the significant role played by the effectual process. Start-ups use readily available resources as their first response to the crisis, growth, and innovation (Kuckertz et al., 2020, pp.2). Kuckertz et al. (2020, pp.5) argue that long-term policy measures should be supported by the entrepreneurial ecosystem. Entrepreneurial ecosystem refers to unusual systems of interdependent enterprise actors and relations directly or indirectly supporting the creation and growth of new ventures. In developed economies during the Covid-19 crisis start-ups may have used endogenous measures for crisis management. Kuckertz et al. (2020, pp.3) establish that start-ups lack ability to spot the actual threat and potential crisis event and, therefore, many startups will not be prepared and ready to face the risk. Threats that emerged with the Covid-19 outbreak include “revenues, mounting costs, and illiquidity” (Kuckertz et al., 2020, pp.3).

The Covid-19 crisis presents an unfavourable climate for start-up ventures’ innovation, customers, and investors forcing them into “plateau patterned growth” (Kuckertz et al., 2020, pp.4). Nonetheless, with this elevated flat growth the pandemic crisis can generate opportunities for SMEs to adapt entrepreneurial management. During Covid-19 entrepreneurial crisis management of innovative SME start-ups required resilient entrepreneurs to manage and lead

their ventures across the shocks (Kuckertz et al., 2020, pp.3). In entrepreneurial crisis management resilience is explained as an ability to consider “which resources were accumulated prior to a crisis and then deployed throughout it and during the aftermath” (Kuckertz et al., 2020, pp.3). Resilience is a construct expressed in two notions – ‘effectual principle’ and ‘bricolage’. Given the bureaucratic hurdles that SMEs faced obtaining governmental support some resilient small and medium entrepreneurs managed to create change and opportunities with the resources available at the time (effectual principle). SMEs “applied their bricolage crisis response to solve new problems, in that they identified and pursued new entrepreneurial opportunities and established new directions for their firms” (Kuckertz et al., 2020, pp.5). The Covid-19 crisis is contributing to a better future for SMEs. This is embodied in two ideas: entrepreneurial adaptation and entrepreneurial resilience. The adaptive and resilience measures draw from the 1) effectual principle; and 2) bricolage principle.

In a study by Linan and Jaen (2020, pp.1) in emerging economies (countries) the Covid-19 pandemic displays damaging consequences for small business entrepreneurship. There is an observable downturn in entrepreneurial activity. Thus, there are significant decline levels in high-potential entrepreneurial activities. Linan and Jaen (2020, pp.7) made a finding that existing SMEs are resilient to external shocks and crises and have high survival rates. In emerging economies, the Covid-19 pandemic has the potential to influence a rise in informal ventures. That is, necessity entrepreneurship, if the economic environment and institutional recovery are quick, can resist entrepreneurial recession (Linan & Jaen, 2020, pp.6).

Drawing from the various studies consulted in this paper, a conclusion can be based on a metaphor that Thorgren and Williams (2020, pp.1) use: “black swan”. The Covid-19 pandemic brought into entrepreneurship unprecedented external shocks. The scholarship is growing on major effects of the crisis on business in general and SMEs in particular. It is deduced from this rising body of knowledge that small businesses in developed economies survive the extreme consequences by suspending exogenous features of entrepreneurship like investments, labour cost reduction, expense reduction, contract, and terms of negotiations (Thorgren & Williams, 2020, pp.2). However, research efforts on the South African context and perspectives on post-Covid-19 entrepreneurship are yet to emerge. A post-Covid-19 entrepreneurship reality raises a range of new entrepreneurship questions.

### **3. METHODOLOGY**

The study’s approach was qualitative. Research insights delivered here were generated utilizing an online societal ethnographic perspective. Thus, the study process involved the researcher entering South African society using the online platform from an outsider’s perspective (Van Maanen, 2011, pp.224-227). This secondary research design was relevant and appropriate given that physical contact with research informants was impossible. Embedded within the South African culture and society, the research took a first-hand account through online sites drawing on the small business entrepreneurs’ beliefs, motivations, and behaviours during Covid-19. The research sought to achieve the following research objectives:

1. To identify entrepreneurs working within own financial means.
2. To ascertain entrepreneurs engaging in creative and unconventional practices.
3. To establish entrepreneurs negotiating workforce productivity.
4. To find entrepreneurs redefining their customers’ experience and consumption.
5. To determine entrepreneurs who are relying on Internet technology.

In order to achieve the objectives, data were collected by conducting an online case search. The researcher targeted the small business cases reported and published online between end of June 2020 and the end of November 2020. The time period was crucial for this study because June was the end of the first Covid-19 Level 1 lockdown and November it was when the Covid-19 second wave was beginning. Business and public sector were overall reporting feeling the

economic pinch. To ensure that the data were reliable, trusted websites of the Small Enterprise Development Agency (SEDA) and the National Small Business Chamber (NSBC) were targeted for small business cases and reports specific to Covid-19. The key search words used were "Covid-19 small business reports" and "Small Business Covid-19 Report". The societal ethnographic tool used was a narrowed down data analysis to retain validity using Covid-19 portal and success stories on the SEDA and NSBC sites.

The external validity helped to answer the question how entrepreneurs in South Africa are likely to spot and reshape opportunities after Covid-19 pandemic shocks. Inclusion and exclusion criteria were employed (Patino & Ferreira, 2018, pp.84). The inclusion criterion was applied to small business case reports found on the SEDA and NSBC sites. The identified and analysed cases showed features of adaptive and resilient entrepreneurs. The exclusion criterion was useful in cases that could bias the results. For instance, small businesses that were reported as succumbing to Covid-19 external shocks were unreliable sources for this study.

The researcher then analysed the cultural sense and meanings owners of small businesses as societal member co-constructors of entrepreneurship in South Africa. Content analysis was applied for subjective interpretation of online text content. The systematic classification process for coding and identification of themes or patterns was used (Hsieh & Shannon, 2005, pp.1277). Thus, online content on small businesses in South Africa were analysed for meaning co-constructed by entrepreneurs during the Covid-19 pandemic crises. Systematic interpretation drew out some patterns from entrepreneurial activities post-Covid-19.

#### 4. RESULTS

Results were generated from the systematic classification process of coding and identifying of patterns in reported cases. The key search words accessed on the 2020/12/16 generated quite varied results on the SMEs sector. The interpretive analysis of patterns of themes generated the following results:

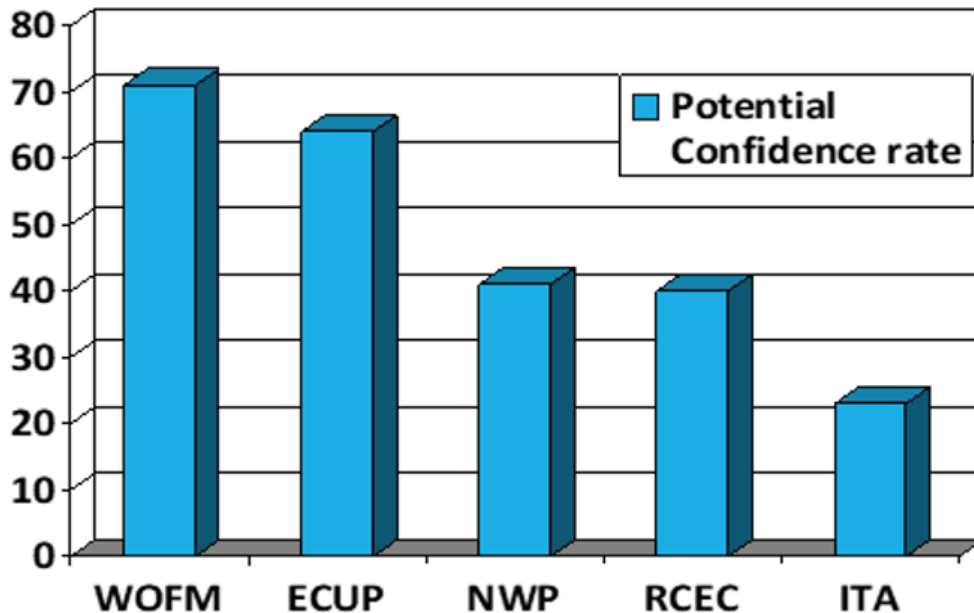


FIGURE 1: Results on potential confidence rate.

In the graph above is shown themed patterns coded as:



1. “Working with own financial means” (WOFM) is 71%. Collated from these four subthemes:
  - a. Thinking ahead;
  - b. Head think;
  - c. Reliance on non-existent controls;
  - d. Abiding by no rules of exchange.
2. “Working engaging creative unconventional practices” (ECUP) is 64%. Collated from these three subthemes:
  - a. Hustle;
  - b. Stop fearing being wrong;
  - c. Believing in continuous imagination and reimagination.
3. “Working with negotiated workforce productivity” (NWP) is 41%. Collated from these two subthemes:
  - a. Limit negotiating space with employees;
  - b. Using family members.
4. “Working redefining customer experience and consumption” (RCEC) is 40%. Collated from these two subthemes:
  - a. Rethinking customer care;
  - b. Adapting to customer demands and tastes.
5. “Working with Internet technology adoption” (ITA) is 23%. Collated from these two subthemes:
  - a. Social media advertising;
  - b. Product and service video shoots and photo-shoots posted on social media.

The results presented are a leitmotif of entrepreneurs in South Africa likely to spot and reshape entrepreneurship opportunities after Covid-19 pandemic shocks. This is discussed in the section below.

## 5. DISCUSSION OF FINDINGS

### Findings

The results presented above enable the following findings to be generated. In South Africa the entrepreneurship outlook post-Covid-19 can be understood from the contextual footnotes found in the small business sector. Entrepreneurs are likely to continue to:

1. Organize around the use and deployment of their own financial means even though many potentially need the government relief fund.
2. Imbue entrepreneurial intentions among the workforce for efficiency.
3. Use elusive business models responsive to changing customer buying behaviour
4. Lag in the utilization of internet technologies.

### Discussion

The findings presented above indicate a few practical implications. Rankhumise and Venter (2016, pp.30) argue that limited entrepreneurial success and shortage of successful entrepreneurs has always been the character of entrepreneurship pre-Covid-19 pandemic crisis in South Africa, therefore, this “has challenged the government to fast-track business development to ensure that there are enough entrepreneurs to create employment for others in their respective businesses”. Sticking to this trajectory it is as if the advent of the Covid-19 pandemic and its external shocks on entrepreneurship may not change: instead, it may worsen the situation. This study did not focus on exogenous elements of entrepreneurial success. Rather the data that were gathered were analysed and interpreted drawing out some endogenous aspect of entrepreneurial practice.

This study firstly found that in the formal sector small businesses organize entrepreneurial practice around the use and deployment of own financial means even though many are still in

need of Covid-19 government relief fund. These endogenous features – thinking ahead, head thinking, reliance on non-existent controls, and abiding by no rules of exchange – explain the circumstance of pushing entrepreneurship despite crises. This resonates with effectual process theory of entrepreneurship (Kuckertz et al., 2020, pp.1). According to Kuckertz et al., (2020, pp.2), in a German study, start-ups respond to the crisis by using effectively available resources. The level of an effectual process is different when comparing Germany to South Africa. Germany is a developed economy and South Africa is an emerging economy. Effectual action is dependent on the willingness of SMEs to take risks and to learn from those risks. Although this study did not pursue this line of thinking, the contextual features in the result show that small businesses in South Africa have used their means to survive the crisis at the level of the economic structure. During Covid-19 lockdowns small businesses used head thinking and own means to find entrepreneurial solutions to the crisis. South Africa, as an emerging economy, is still in the process of growing its entrepreneurship sector. Therefore, hope for entrepreneurship post-Covid-19 rests with entrepreneurs who can leverage their own means rather than waiting for the government relief funds. The result in this study does not downplay the fact that many small businesses and entrepreneurs do not know and do not understand effectual process. Drawing from analysed cases some entrepreneurs are fast learning from crisis situations and are discovering that there are many entrepreneurial opportunities to spot and exploit out there. Entrepreneurship post-Covid-19 is possible in South Africa because some entrepreneurs are putting effectual action into use and are willing to take risks and learn.

In relation to effectual action, this study found that some entrepreneurs have embarked on elusive business models that are responsive to changing customer buying behaviours. Madondo and Phiri (2020, pp. 6-7) argue that “in developing and underdeveloped economies entrepreneurs are known for their propensity to create and exploit knowledge and business opportunities endogenously ... knowledge facets is contextual, personal and situational-based”. Thorgren and Williams (2020, pp.9) establish SMEs embarking on immediate survival strategy. The subthemes in the results – hustle, stop fearing being wrong, and believing in continuous imagination and reimagination – are contextual, personal and situational-based. These are endogenous features of survival strategy. They display the entrepreneur’s ability to use tacit knowledge to deploy abrupt survival strategy that befits the Covid-19 context and the economic situation in South Africa. Some entrepreneurs who combine tacit knowledge and abrupt survival strategy generate vague business styles and practices to respond relevantly to customer needs and their newly acquired buying behaviours. In South Africa entrepreneurship post-Covid-19 will be a seedbed for new and budding entrepreneurs. Madondo and Phiri (2020, pp.8) refer to this seedbed as pursuing nascent and necessity entrepreneurship for purposes of negotiated job preservation and workforce for efficiency.

Lag in the utilization of internet technologies is the final finding of this study. According to Akpan et al. (2020, pp.11), for SMEs in low-income countries technology adoption is crucial. Adoption here refers to accepting, implementing and exploiting the opportunities presented by internet technologies. Technology acceptance enhances SMEs’ operations and processes, effectiveness and efficiencies, re-engineering business models, and business survival (Akpan et al., 2020, pp.12). In this study the result’s subtheme about using social media shows that in South Africa small business entrepreneurs, especially those operating in the informal sector, have limited technical capabilities. Adoption of virtual reality technologies and internet technologies require funding support to drive entrepreneurship. Entrepreneurship post-Covid-19 will occur in the context of slowed exploitation of and utilization of opportunities surrounding new technologies. Therefore, lack of entrepreneurial innovations and creativity on new business models may remain for a long time. This allows for the argument that in a post-Covid-19 pandemic situation SMEs’ adoption of virtual reality technologies will be crucial for entrepreneurship. Entrepreneurs, especially in the small business sectors, will require internet and other digital technologies to create new business structures and to coordinate new entrepreneurial knowledge resources.

During the Covid-19 pandemic it became apparent that technology is key going into the future of entrepreneurship.

In South Africa, the relationship between the post-Covid-19 context and entrepreneurship cannot be over-emphasized. Research conducted elsewhere has established the negative and devastating impact of Covid-19 pandemic crises on formal and informal business sectors. However, there are studies that contend the Covid-19 pandemic context as presenting opportunities for Africa (Ozili, 2020, pp.4-6). Certainly data analysis in the current study pressed on the post- Covid-19 pandemic context entrepreneurship opportunities. Contextually and in this study, post-Covid-19 entrepreneurship opportunities and threats are a division that mirrors the perceived dichotomy between chances of survival or death of SMEs. Humanly speaking, post-Covid-19 entrepreneurship opportunities and threats can also be exemplified as the contrast between paradise and eternal suffering for entrepreneurs in the small business sector. It can be acknowledged that this is not a one size-fits-all context. Post-Covid-19 entrepreneurship will differ from one industry to the next, one business to another, and even from one country to another across the World. Thus, given the possibilities of post-Covid-19, entrepreneurship should be analysed at two levels: Policymaking level and Sectoral level.

### ***Policymaking level***

Literature reveals that African leaders and policy makers are presented with opportunities created by the Covid-19 pandemic. South African policymakers have a chance to prepare entrepreneurship policies that focus on strengthening the protection of jobs and workers and on financial support for small and medium-sized businesses after the crisis (Ozili, 2020, pp.8). A wide range of measures can be created to protect small farm holdings, for example, from disruptions of food production in agriprenurship (Ozili, 2020, pp.8). This current study affirms this insight. Though many South African entrepreneurs are not waiting for government entrepreneurial hand-outs and are using their own financial means to keep businesses afloat the reality remains that government relief funding is desperately needed to support the SME sector. Government relief funding policy instruments will have to be reimagined and evaluated to fit the experience on the ground. Whilst the leaders and policy makers have the responsibility, the small firm holdings and small industry sectors should take the initiative and make efforts to help.

### ***Sectoral level***

Government makes the context conducive for successful entrepreneurship from innovative and creative entrepreneurs. The South African government needs to ensure that some SMEs sectors of the economy are resilient and supported in self-resourcing. There are two key concepts supporting the findings in this study: 'entrepreneurial hustle' and 'resilience' (Fisher, et al., 2020; Kuckertz et al., 2020). It is research proven that post-Covid-19 entrepreneurship will benefit from resilient entrepreneurs that can invest energy in action-oriented behaviours, namely entrepreneurial hustle, to manage and lead their ventures across the shocks (Fisher, et al., 2020; Kuckertz et al., 2020). Results and findings in the current study confirm this insight in that there are SMEs and start-ups that continue using and deploying own financial means, imbue entrepreneurial intentions among the workforce for efficiency and use elusive business models to respond to changing customer buying behaviour. 'Entrepreneurial hustling' and 'entrepreneurial resilience' are based on two notions – 'effectual action' and 'bricolage' (Fisher, et al., 2020; Kuckertz et al., 2020). Thus, the South African post-Covid-19 entrepreneurship context will rely on action-oriented behaviour of low-cost, or put differently, the ability of formal and informal business owners and self-employed entrepreneurs to use "resources [that] were accumulated prior to a crisis and then deployed throughout it and during the aftermath" (Kuckertz et al., 2020, pp.7).

## **6. CONCLUSION**

This paper dealt with the question to what extent Covid-19 pandemic external shocks are reshaping entrepreneurship opportunities in South Africa, and what this means post-Covid-19.

Post-Covid-19 pandemic entrepreneurship is imbued in the social interaction context. It was established that restrictive measures limit social interaction. In South Africa people-to-people interactions are essential for businesses especially formal and informal SMEs. Covid-19 pandemic lockdown and restrictive measures resulted in entrepreneurship crises. Disruptions were in sectors including global supply chain and travel, tourism, and hospitality, among many that SMEs operate in.

Covid-19 pandemic entrepreneurship literature is growing. Research interests focus on unfavourable climates for start-up ventures, entrepreneur innovations, customers, and investors globally. However, this paper infers that not all is dark and gloomy about this Covid-19 pandemic crisis. There are opportunities as much as there are threats.

Results from this study then predict that even for the South African context there are potential opportunities for post-Covid-19 entrepreneurship. Current findings infer policy making and sector level opportunities as sediment for new entrepreneurship after the pandemic. Policy wise, leaders must select the right measures for SMEs job and income protection policy imperative to successful entrepreneurship post-Covid-19. Considering the pain caused by the bureaucratic bottle necks with regards to government financial support, individual entrepreneur and SMEs sectorial response will be crucial for successful entrepreneurship post-Covid-19. It is important to recognise that entrepreneurs in South Africa have entrepreneurial self-awareness, hustling, resilience and freelancing as tools of survival strategy. This study remains embryonic. For the South African context, many post-Covid-19 entrepreneurship questions are yet to be answered empirically.

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