

*Full Length Research Paper*

# The economic and logistic benefits of online business registration for Congolese immigrants in Cape Town

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Computer has revolutionised the ways businesses are conducted across the globe and brought about the business to business (B2B) e-commerce revolution, which accelerated the process of globalisation. B2B e-commerce has been adopted in the Europe (EU), United States of America (USA), India, New Zealand and South Africa (SA) to enhance business registration and promotions. However, this development is not yet applicable in Congo-Brazzaville. However, owing to the nature of Congolese immigrants' small micro and medium-sized enterprises (SMMEs) in Cape Town, online business registration is necessary to enable them to save in respect of supply chain management costs and contributions to the country's economic reconstruction process. Hence, the Centre for Business and Administrative Procedures (CFBAP): Centre des Formalités Administratives des Entreprises (CFE), should consider the B2B e-commerce website as an important objective. At a national level, e-commerce website adoption at CFBAP will leverage the country's standards of conducting business, as well as stimulate Congolese immigrant entrepreneurs in Cape Town to invest in Congo-Brazzaville.

**Key words:** E-commerce, centre des formalités administratives des entreprises (CFE), Congo-Brazzaville, World Bank, small micro and medium-sized enterprises (SMMEs), immigrants, centre for business and administrative procedures (CFBAP).

## INTRODUCTION

Congo-Brazzaville is ranked 144<sup>th</sup> out of 177 countries (World Bank, 2008) in terms of conducting business and living standards. The country's economy focuses on crude oil exploration, forestry and minerals rather than creating conditions that are capable of attracting,

strengthening and sustaining Small Micro and Medium-sized Enterprises (SMMEs) (Forum des Jeunes Entreprises du Congo, 2010). However, not all sectors of the Congo-Brazzaville economy are affected equally by technological developments. Telecommunication, electronics, education, health, army, business, police and home affairs are much more affected than the textile, forestry and metals industries. Until recently, the only way to have a business registered in Congo-Brazzaville is to travel to Brazzaville, and confront bureaucratic procedures at the Centre for Business and Administrative Procedures (CFBAP): Centre des Formalités Administratives des Entreprises (CFE), which was created in 1994 to commit to the promise of economic reform (Forum des Jeunes Entreprises, 2009). Although CFBAP has offered all types of Decision Support Systems (DSS) in the genesis of business registration (Ukpere, 2010:467), excluding Internet and e-commerce technologies, it is not enough to conclude that CFBAP has fulfilled its mission statement, which is "to ease the process of business registration"

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**Abbreviations:** B2B, Business to business; CFBAP, centre for business and administrative procedures; CFE, centre des formalités administratives des entreprises; SMMEs, small micro and medium-sized enterprises; DSS, decision support systems; DHA, department of home affairs; IA, immigration act; RA, refugee act; ID, identity document; EU, Europe; USA, United States of America; SA, South Africa; ANC, African National Congress; DTI, Department of Trade and Industry; VAT, value added tax; PPC, pay per click; ICT, information communication technology; IT, information technology; GATS, general agreement on trade in services; GDP, gross domestic product.

(Mavoungou, 2008). Moreover, "traditional" business registration, which is not effective for Congolese immigrant entrepreneurs, threatens business expansion in Brazzaville owing to high supply chain management and operating costs. Recently, Internet and e-commerce have enabled today's businesses in developed and some developing countries to save when buying and selling products and services via computer networks (Cassidy, 2002; Durie, 2001). However, business-to-business (B2B) e-commerce, which is fully automated in the EU (Cape, 2006), USA and India (Bharati and Chaudhury, 2006), New Zealand (Al-Qirim and Bathula, 2002) and South Africa (SA), has not yet been adopted at CFBAP in Congo-Brazzaville. This paper is one of the few studies that deal with benefits of online business registration for Congolese immigrant entrepreneurs, which is an important concept in the functional relationship between e-commerce adoption and Congo-Brazzaville's development through SMME support. The current authors postulate that if sufficient attention is not paid to the necessity of implementing an e-commerce website at CFBAP, Congo-Brazzaville immigrants' businesses will not secure long term profits. Therefore, increased supply chain management costs will hinder Congolese immigrants' entrepreneurial ventures, and compromise the country's Gross Domestic Product (GDP).

### **Factors that motivate Congolese immigrant entrepreneurs to invest in Brazzaville**

Despite being attracted to SA, Congo-Brazzaville immigrant entrepreneurs in Cape Town have now realised the need to invest back at home in Congo-Brazzaville owing to certain reasons, namely high crime rate, xenophobic attacks, SA double-edged immigration policy, lack of access to resources, political uncertainty in SA and relative political stability in Congo-Brazzaville.

### **Crime in SA**

In a study, which was released by Thorton in 2008 (SA Survey, 2007/2008), crime, including armed robbery, rape, child abuse, prostitution, pick-pocketing, shop-lifting, car hijacking and hijacking of cash-in-transit vehicles, were the most frequently cited reasons for professional SA citizens immigrating (SA Survey, 2007/2008). According to Ukpere (2009), currently, the SA Correctional Services has complained of congested jails around the country owing to rising levels of crime within the country. Considering that a misfortune never comes singly, and the old saying, which states that an idle mind is a devil's workshop (Ukpere, 2009) less fortunate SAs who are victims of delayed political promises, have vented their anger by physically attacking Black foreigners and looting their belongings. This practice has

been commonly labeled as xenophobia.

### **Xenophobic attacks in SA**

Xenophobic attacks took place in May and June 2008 when Black African immigrants, including Congo-Brazzaville nationals were among 10,000 victims. The State's shortcomings owing to the incompetence of the Department of Home Affairs (DHA), which was affected by corruption and under-funding, urged Congo-Brazzaville immigrants to return home and relocate their businesses. Research shows that, contrary to the idea that unskilled immigrants took away jobs from SAs, they (Black foreign entrepreneurs) usually end up being employers of about three SA citizens or more (SA Survey, 2007/2008). However, instead of promoting foreign Black SMMEs' engagement, the SA government has not only prioritised SAs, but has also adopted a double-gear immigration policy, which is based on the 1998 legislation of the Refugee Act and the 2002 Immigration Act, which appeared ineffective for Black African migrants, including Congo-Brazzaville immigrant entrepreneurs. In addition, inefficiency of the above mentioned SA immigration policies, which failed Black African immigrants could be a way to accomplish Charles Darwin's prophetic message (Ukpere, 2009), which has been opined that: "if the misery of our poor be caused not by the laws of nature, but by our institutions, great is our sin".

### **Double-edged SA immigration policies**

A report, which was released by the Paris-based International Federation for Human Rights, states that SA's migration policy is still like that of the previous governments in respect of the harassment of so-called illegal immigrants (SA Survey, 2007/2008). The report criticised the policy, which criminalised migration and fuelled xenophobia. Government policy remained geared towards security concerns and population control. This approach was based on the premise that considerable numbers of economic migrants wish to enter SA. This focus on populace control is complemented by the enforcement role of the police, which often confuses undocumented migrants and criminals. There are two main pieces of legislation that govern the entry of foreigners into SA, namely: the immigration act (IA) of 2002 and the refugee act (RA) of 1998. The IA deals with people who had come to work, to start a business, or to study, while the RA dealt with people who had fled to SA because of political circumstances in their own countries (SA survey, 2007/2008). Early findings of this paper revealed that foreigners seeking a better life in SA have had difficulty obtaining legal status, even though one-third of them possess education or skills that are much needed in SA. As a result, SA has a number of

foreigners, particularly Black Africans including Congolese who live from hand-to-mouth, with little legal protection and access to resources, which are fully available. These Africans bore the brunt of xenophobic attacks in 2008 and 2010. The principle behind the IA of 2002 was that SAs should take care of their own first, even though it preferred skilled over unskilled migrants, while the RA of 1998 focused more on human rights. Asylum applications were provided with advantages in terms of the RA of 1998, which permitted them to work, access health care and study. However, when it comes to African migrants, including Congo-Brazzaville immigrants to have a decent job even if qualified for the position, the IA of 2002 applies first. In addition, to embarrass the asylum and refugee job applicants, recruiters require them to produce a valid SA green Identity Document (ID), whereas they are issued with brown IDs, which distinguish them from the SAs' green ones. Therefore, even though employers know that asylum and refugee job applicants are allowed to work, they will not select them in spite of evidence of skills and qualifications to do the job (SA Survey, 2007/2008). Therefore, the SA double-edge immigration policy, which made it impossible to access resources in SA, has forced Congolese immigrant entrepreneurs to invest back home in Brazzaville.

#### **Lack of access to resources for immigrants**

It is argued that SA's borders were impossible to monitor because of its length and geographical features. In terms of this logic, enforcement of migration law needed to take place at community level, where migrants lived, worked, and studied. Hence, government migration policy focused on rendering SA inhospitable for undocumented migrants through arrests, and restricting access to jobs, services, and temporary residence. Recently, SA's migration policy ignored the fact that a large majority of migrants entered SA legally. Several were cross-boarder traders, seasonal, circular, or temporary migrants who did not wish to settle in the country (SA Survey, 2007/2008). However, unfulfilled promises from SA politicians, which are translated by their incapacities of replacing social tensions by human satisfactions, bequeathed hatred on a daily basis by SAs towards Black foreigners, who are accused of taking away SAs' jobs. Alam and Hoque (2010) also found similar findings to the other context of the world.

#### **Political uncertainty in SA**

Concerning the leadership of the country (SA), the power tussle within the African National Congress (ANC) leadership, which almost coincided with the xenophobic attacks during the last election that brought President Jacob Zuma into power, caused a sharp increase in the number of affluent Congo-Brazzaville immigrants looking forward to going back home for good, either before the

2010 Soccer World Cup or soon after.

#### **Relative political stability in Congo-Brazzaville**

The last 2009 presidential election in Congo-Brazzaville, which re-elected President Sassou to power, did not raise any concerns, violence or opposition protests. This tendency attracted companies such as Warid Telecom, MTN SA and several others in Brazzaville (Forum des Jeunes Entreprises du Congo, 2010).

#### **BENEFITS OF ONLINE BUSINESS REGISTRATION FOR CONGOLESE IMMIGRANT ENTREPRENEURS**

In developed countries, dynamic arguments for the existence of SMMEs have been stressed in terms of their innovative capacities and potentially they merge to create larger firms. In contrast, Congolese immigrant entrepreneurs' SMMEs are increasingly taking the role of the primary vehicles for the creation of employment and income generation through self-employment, and, therefore, are among tools, which enable poverty alleviation in SA. In addition, Congolese SMMEs in Cape Town operate in the sectors of retail and services. However, owing to their characteristics, which include the size of capital investment, number of employees, turnover, management style, market share and various hindrances owing to immigration policies, Congolese immigrant entrepreneurs agree that business expansion in Brazzaville, which creates domestic linkages with other SMMEs in Congo-Brazzaville in terms of diversification strategies, becomes imperative for business survival (United Nations Conference on Trade and Development, 2001). From the above, the current authors have noted that business expansion through e-commerce technologies will enable Congolese immigrants' SMMEs to save in terms of supply chain management costs. Therefore, the rapidly accelerating rate of technological innovation has forced Congolese immigrant entrepreneurs to demand a business-to-business (B2B) e-commerce website at CFBAP, which should enable online business service. B2B e-commerce, which is fully automated in SA, is still not applied in Congo-Brazzaville. In SA, businesses rely on computer technology in almost every area of the corporate life cycle ( Pillai, 2010:3). Reliance on high-speed digital computers is so complete that SA commerce would cease if computers were removed from business cycles (Importance of computers from 1946 to date, 2010:2). As a result, technologies were introduced at the SA Department of Trade and Industry (DTI), enabling business people to register businesses online. According to Vogt et al. (2003), e-commerce can reduce transaction-level costs, improve time-scale and reduce errors. The authors further argue that e-commerce will redesign CFBAP's interface and that of its partners.

Sources of delay in offline business registration processes at CFBAP would be corrected, while redundancy and unnecessary delays would be improved (Vogt et al., 2003). Congolese immigrants' perceived online business registration benefits include areas of finance, management, marketing, and logistics as well as in the Congo-Brazzaville economy. Finance has been identified as the most important factor, which determines the survival, growth and expansion of Congolese immigrants' businesses established in Cape Town. The first role of e-commerce to Congolese immigrant entrepreneurs in finance would be to increase speed of financial operations between Congo-Brazzaville and SA. Thus, increased speed of financial operations would enable Congolese immigrant entrepreneurs to expand their business activities in Congo-Brazzaville, which would contribute to job creation, poverty alleviation and the country's economic growth (United Nations Conference on Trade and Development, 2001; Lipsky, 2007). Online Value Added Tax (VAT) declaration is another benefit of e-commerce for Congolese immigrant entrepreneurs. As with the paper version, the electronic VAT declaration form would be completed by the CFBAP Corporate Tax Division before being sent out. Therefore, the VAT, which is due would be automatically calculated and tax payers would be notified by CFBAP through email at any time that their VAT is due in order to avoid penalties owing to late VAT declarations (Clear Books, 2010).

In addition, Congolese immigrants' businesses would increase profits through the potential CFBAP e-commerce website by using various technologies, namely Website page landing, Google Pay Per Click (PPC) and banner. A Website page landing can be any Congolese immigrant entrepreneur's website page, which is specifically sent to online traffic to the potential CFBAP's e-commerce with the aim of increasing sales (E-commerce Juice, 2010). In addition, PPC is like an auction, which targets specific keywords and key phrases, hence Congolese immigrants' businesses would get immediate global exposure (E-commerce Juice, 2010). According to Ahmed (2010), online banner ads would yield two benefits for Congolese immigrants' businesses. First, they will entice users to click on the banner and go to the advertiser's site. Secondly, online ad banners will enable Congolese immigrants' businesses to build brand recognition (Ahmed, 2010; Maksimovic, 2010).

Due to the fact that a majority of Congolese immigrant entrepreneurs' SMMEs face challenges related to poor resources at different levels, including finance and management, to overcome these managerial challenges with the aid of Internet and its use for commercial purpose, a Congolese CFBAP e-commerce website has become necessary.

Managerial benefits of online business registration at the CFBAP potential website will include strengthening business relationships in Congo-Brazzaville SMMEs. Considering that individual SMMEs in Congo-Brazzaville

generate relatively small revenues, strengthening business relationships through e-commerce among Congo-Brazzaville SMMEs will enable them to submit online data to the Congolese Statistical Office in order to keep management fees low (United Nations Conference on Trade and Development, 2001). In addition, SMMEs in Congo-Brazzaville suffer from management constraints that lower their resilience to risk and prevent them from growing and attaining economies of scale. E-commerce adoption at CFBAP will enable Congolese immigrant entrepreneurs to overcome management constraints, which are related to customs declaration at ports in Brazzaville and Pointe-Noire for imported items, and a huge bureaucratic process involving business environmental related permit applications. Moreover, financial and accounting records within some Congolese SMMEs are rarely in place, and where they are available, their accuracy is usually doubted. In instances where a bank loan is provided, it is in most cases granted to the most organised and profitable SMMEs. Considering that in Congo-Brazzaville, SMMEs' bank loans are of a short duration, owing to inflation rates and SMMEs characteristics, it may be difficult for borrowers to secure collaterals and realise high returns for finance repayments. Therefore, an integrated e-commerce system adoption will enable Congolese SMMEs to organise accounting systems, qualify for bank loans, make profits and retain brain.

Furthermore, some SMMEs in Congo-Brazzaville employ less than five people, mostly family members, who are not legally registered with the Onemo: the Congo-Brazzaville Labour Department. Not surprisingly, such SMMEs in Congo-Brazzaville apply simple and relatively backward technology in production and, therefore, the quality of their products is likely to be poor. Such SMMEs suffer from limited market access and fierce competition from several local producers. In addition, there is a general lack of professionalism and proper training among workers within this category of SMMEs. Thus, B2B e-commerce adoption at CFBAP will empower Congolese entrepreneurs' mindsets through e-commerce's Life Long Learning (LLL) with strategic thinking skills, DSS, business planning, and management skills, in general (United Nations Conference on Trade and Development, 2001).

Although shipping costs can increase the cost of many products that Congolese immigrants may purchase via e-commerce and add substantially to the final price, distribution costs will be significantly reduced for some Congolese immigrants' products and services, namely financial services, business registration, software, and travel, which are important segments of brick-and-mortar commerce in Congo-Brazzaville (OECD, 1999). Congolese immigrant entrepreneurs' marketing efforts should integrate the ideas of having the right product, at the right price, combined with the right promotion, and the availability of that product in the right place in order to

satisfy customers. These are the four Ps of the marketing mix, which should be combined with e-commerce to create place and form utilities for different market segments in Congo-Brazzaville, which Congolese immigrants' businesses intend to supply with products and services that are based on e-marketing and e-logistics strategies.

B2B e-commerce will play various roles in marketing for Congolese immigrant entrepreneurs. Indeed, e-commerce will reduce the internal costs of many transactions for Congolese entrepreneurs and change the cost structure that dictates Congolese immigrants' business relationships with other businesses (Seddon, 1997; OECD, 1999). Another benefit of e-commerce in marketing for Congolese immigrants is disintermediation. According to Seddon (1997), intermediaries who help producers sell to consumers comprise of two types: distributors such as wholesalers and retailers collectively referred to as margins, which are located between the producer of tangible goods and the Congolese consumer; and services, which act as intermediaries for other services (OECD, 1999). From the above, the authors imply that B2B e-commerce adoption in Congo-Brazzaville will directly link producers and consumers, therefore, eliminate intermediaries' costs and improve customer care service.

However, customer care improvement will be another benefit of B2B e-commerce adoption for Congolese immigrants' businesses in Congo-Brazzaville. In today's Knowledge Based Economy (KBE), which is dominated by sophisticated products and services, after-sales services pose a major cost for many Congolese SMMEs. Traditionally, Congolese SMMEs place service personnel in the field to visit clients and get feedback about products and services performance. Through e-commerce, Congolese immigrants' businesses will be able to move much of the customer care online. This shift will significantly cut customer care costs and improve the quality of products, which are offered by Congolese immigrants' SMMEs (OECD, 1999). However, beside the fact that e-commerce is effective at reducing the costs of attracting new customers, advertising is typically cheaper than any other form of media. Therefore, Congolese immigrants' businesses will enhance their visibility and global exposure to different market segments that they intend to supply. Logistics plays a critical role, particularly in support of getting the product in the right place in order to create place, time and possession utilities (Stock et al., 2001) and satisfy the customers. From the above, the authors imply that B2B e-commerce adoption in Congo-Brazzaville will enable Congolese SMMEs to save in terms of inventory costs. According to McDaniel and Terblanche (2004), in order to save on inventory costs, Congolese immigrants' SMMEs should maintain that the faster an item can be ordered and delivered, the less the need for a large inventory of that particular item. In addition, the more market segments Congolese immigrant

businesses tries to serve, the higher the inventory costs are likely to be. Therefore, B2B e-commerce utilisation in Congo-Brazzaville will significantly improve functional relationships between inbound and outbound logistics and enable Congo-Brazzaville SMMEs to save in supply chain management costs (OECD, 1999: 63).

Furthermore, a survey conducted by Šumak et al. (2009) concerning the role of e-commerce in the economy of various countries indicates that compared to "traditional" commerce, e-commerce raises some expectations at a national level, including increased productivity, reduced costs for producers and consumers and increased accessibility. Until recently, to register a new business in Congo-Brazzaville, applicants used the DSS such as word-of-mouth, calculators, spreadsheets, post office facilities and the Yellow Pages. Lack of an e-commerce website at the CFBAP creates large gaps between Congolese immigrant entrepreneurs and CFBAP Brazzaville (Bharati et al., 2006).

According to Šumak et al. (2009), e-commerce adoption in Congo-Brazzaville will have various positive impacts for the economy, which include marketplace transformation and increased economic interactivity. Furthermore, e-commerce adoption in Congo-Brazzaville will enable Information Communication Technology (ICT) to play a catalytic role, create openness of technology and alter time importance in the country's economy for a sustainable development (OECD, 1999).

Research conducted by OECD (1999) concerning the economic and social impact of e-commerce in Europe revealed that e-commerce will change the way businesses are conducted in the world, including Brazzaville and Pointe-Noire, which represent Congo-Brazzaville's major business cities. Traditionally, 80% of businesses in Congo-Brazzaville are established in these two cities, which are close and located in the south of the country (Forum des Jeunes Entreprises, 2010). However, the adoption of e-commerce will replace traditional distribution channels, which will create new products and market development in order to connect Congo-Brazzaville cities and the rest of the world. In addition, e-commerce adoption in Congo-Brazzaville will play a catalytic role in accelerating few changes that are pending such as the establishment of electronic links between Congo-Brazzaville SMMEs, the globalisation of the Congo-Brazzaville economy, and brain retain for higher-skilled workers. Therefore, e-commerce adoption in Congo-Brazzaville will increase interactivity in the economy (OECD, 1999). From the above, people in Congo-Brazzaville will increasingly have the ability to communicate and register business anywhere, anytime. This will have a profound impact, not the least of which will be the erosion of economic and geographic boundaries. Moreover, the economic power that will stem from joining a large e-commerce network will help to ensure that new business standards remain open in Congo-Brazzaville. More importantly, openness will emerge as

a business strategy, with many of the most successful e-commerce ventures granting business partners and consumers in Congo-Brazzaville unparalleled access to their inner workings, databases, and personnel. This will lead to a shift in the role of Congo-Brazzaville consumers who will be increasingly implicated as partners in product design and creation. Therefore, e-commerce will minimize the effects of time as a constraint in production; accelerate production cycles, allow Congo-Brazzaville firms to operate in close co-ordination; and enable Congo-Brazzaville consumers to conduct transactions around the clock. Considering that e-commerce will mitigate the role of business hours in Congo-Brazzaville, so will the structure of business and social activities, causing potentially large impacts on the economy of the country. However, Machiavelli (Stair, 1986) foresees the challenges related to e-commerce adoption in Congo-Brazzaville owing to its newness and stated that, "there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system". From the above and owing to the country's Millennium Development Goals (MDGs) policy, it has been noted that Congo-Brazzaville policymakers would not invest in e-commerce systems, which would be utilised by too few people. Therefore, Congolese immigrant entrepreneurs will have to contain e-commerce related challenges, which are discussed in great detail in the following sections in order to secure online business registration in Congo-Brazzaville through e-commerce infrastructure that is being claimed.

However, in order to secure online business registration in Congo-Brazzaville through e-commerce infrastructure, Congolese immigrant entrepreneurs should contain e-commerce related challenges: culture (Javalgi, 2004), Information Technology (IT) infrastructure (Furnell, et al., 2008; Cap, 2006), security and privacy (Liebermann and Stashevsky, 2002; Cap, 2006; Furnell et al., 2008), illiteracy, organisation (Bester, 2006; Remenyi and Sherwood-Smith, 1999), fraud (Byers et al., 2004; Pathak, 2004; Kuchinskas, 2005) and public policy (Javalgi, 2004) because CFBAAP policymakers will not invest 100% in an e-commerce website that might be used by too few people.

## RESEARCH METHODOLOGY

### Sample and research process

To the best of the authors' knowledge, this paper, which deals with benefits of online business registration for Congolese immigrants, is the first of its kind in SA, and utilised both qualitative and quantitative research methods. For purposes of this paper, a self-administered questionnaire was utilised. The designed questionnaire was divided into two sections, namely a demographic information Section (1); and content-based questions in Section (2). Demographic information comprised of variables such as gender, age, education and dependents, whereas content based questions focused on the benefits of online business registration in Brazzaville

for Congo-Brazzaville immigrant entrepreneurs. The research target population included Congo-Brazzaville immigrant entrepreneurs who live in Cape Town, where the study was conducted. Purposeful sampling method was utilised, where a sample size  $N = 116$  of Congo-Brazzaville immigrant entrepreneurs was sought from the general population of the Congolese immigrant entrepreneurs amongst members of the Congolese Association of Cape Town. The survey questions were translated from English into French and French into English by a sworn translator for respondents' better understanding, as French is their first language. A pilot exercise was conducted among five Congolese immigrants namely two workers and three businessmen in Cape Town before distributing the questionnaire to the large population. For respondents' convenience, the researchers were involved in the distribution of 116 questionnaires, and they were given a minimum of two weeks to complete questionnaires before collection. To identify areas of concern for the benefits of online business registration, a focus group comprising of five Congolese immigrant entrepreneurs from Cape Town, who were selected according to their business size, was conducted. Ethical considerations were also taken into cognisance when collecting and analysing data. The Congolese Association of Cape Town's members who participated in the survey were guaranteed anonymity, whilst confidentiality of information was also guaranteed.

### Distinctive contribution of the paper

The originality of this paper is that it examines how Black African immigrant entrepreneurs can utilise e-commerce to invest back home, which creates an opportunity for further constructive debate.

### Data analysis

In order to ascertain what the benefits of online business registration are for Congolese immigrants, the researchers posed certain questions and statements. The researcher also made an earnest effort to find out the reasons that led to Congolese immigrant entrepreneurs to invest in Congo-Brazzaville whilst being well established in Cape Town. The following are responses that were received from the closed-ended questions in the questionnaire.

### Business experience of respondents

The rationale of this information was to determine how long Congo-Brazzaville immigrant entrepreneurs have been operating businesses in Cape Town.

Table 1 show that 13.8% of respondents have been operating their business for less than 2 years, while 45.7% have had their business between 3 and 5 years. However, 35.3% of respondents spent between 6 and 8 years in business and finally, 5.2% of respondents have been in business for 12 years or more. With regard to business experience that affects business expansion in Brazzaville, the current authors are of the view that there is clear evidence in the context of online business registration, which provides an edge to Congolese immigrant entrepreneurs. Additionally, experienced entrepreneurs can wax lyrical for business challenges, express words of wisdom and sound extremely knowledgeable about their businesses compared to less experienced entrepreneurs. The above interpretation leads to a conclusion that there exists a functional relationship between Congolese immigrant entrepreneurs' business experience and business expansion in Brazzaville through CFBAAP's potential website, which is discussed in the following section.

**Table 1.** Respondents' business experience.

	Years of experience	Frequency	Percent	Valid Percent	Cumulative Percent
	0-2	16	13.8	13.8	13.8
	3-5 years	53	45.7	45.7	59.5
Valid	6-8 years	41	35.3	35.3	94.8
	12 or more	6	5.2	5.2	100.0
	Total	116	100.0	100.0	

(N=116)

**Table 2.** Respondents' attraction to a potential CFBAP e-commerce website.

	Respondents' opinion	Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly agree	36	31.0	31.0	31.0
	Agree	63	54.3	54.3	85.3
Valid	Disagree	16	13.8	13.8	99.1
	Strongly disagree	1	.9	.9	100.0
	Total	116	100.0	100.0	

(N=116)

#### Attraction of respondents to a potential CFBAP e-commerce website

The rationale of this information was to determine proportions of Congolese immigrant entrepreneurs who believe that the potential CFBAP e-commerce website will attract them to expand business activities in Brazzaville.

Table 2 reflects that 31.0% of respondents strongly agreed, 54.3% agreed, which totals 85.3% (31.0 plus 54.3%) who believe that a potential CFBAP e-commerce website will attract them to expand business activities in Brazzaville. However, 13.8% disagreed and 0.9% strongly disagreed. Furthermore, the authors are of the opinion that Congolese immigrant entrepreneurs' trust that a CFBAP e-commerce website is an expectation of competent and reliable online service. Therefore, trust in technology results from a primarily cognitive evaluation of performance beliefs, which are acquired from e-commerce experience. Hence, it is proposed that as soon as CFBAP launches its e-commerce website with online company registration service, Congolese immigrant entrepreneurs will be attracted to utilise this online service. Therefore, in accordance with earlier predictions, e-commerce has redefined how consumers learn about, select, purchase, and use products and services in both developed and some developing countries, and changed the nature of legislation, which is analysed in the following section.

#### Respondents' opinion about Congo-Brazzaville's adoption of e-commerce legislation

The rationale of this information was to determine proportions of Congolese immigrant entrepreneurs who believe that Congo-Brazzaville policymakers should settle e-commerce legislation, which will create trust and traffic in the potential CFBAP e-commerce website.

Table 3 shows that 50.9% of respondents strongly agreed, and 41.4% agreed, which totals 92% (50.9 plus 41.4%) who believe that

Internet legislation should be adopted in Congo-Brazzaville in order to build trust among potential users and hence guarantee online traffic on the potential CFBAP e-commerce website. Most computer specialists whether for fun or profit, have a simple option left for them in the face of nothing, namely Internet crime. However, even though e-commerce legislation could be adopted in Congo-Brazzaville, Congolese immigrant entrepreneurs should contain e-commerce related risks, which are analysed in the following section, before a great harvest of online company registrations yield fruits.

#### Correlations between online business expansion in Brazzaville and Congo-Brazzaville e-commerce legislation efficiency

The rationale of this information was to determine the relationship between Congolese online business expansion and Congo-Brazzaville e-commerce legislation reliability.

Table 4 reflects that there are opposite correlations of +1 and -1 between Congolese immigrant entrepreneurs' online business expansion in Brazzaville and Congo-Brazzaville e-commerce legislation reliability, which indicates imperfect causation, meaning that both variables do not move in the same direction together. In order to project CFBAP as a tech savvy governmental agency and to enable a point of parity, Congo-Brazzaville's Ministry of Communication should promulgate e-commerce application standard directories in which data integration, information access and data specification in the State agency should be regulated. Furthermore, Congo-Brazzaville's Ministry of Finance and Banque des Etats de l'Afrique Centrale (BEAC): Bank of Central African States should promulgate legal e-commerce texts, which guide businesses to unanimously use IT standards that are applicable in the sectors of card payment, and inter-bank international transfer including e-customs declarations. Finally, Congo-Brazzaville's Ministry of Industry and Trade should establish and promulgate the National technical regulation on Electronic Data Interchange (EDI) for issuing a certificate of origin, which will apply to all national agencies and enable them to issue an electronic certificate of origin

**Table 3.** Respondents' opinion about Congo-Brazzaville' adoption of e-commerce legislation.

Respondents' opinion	Frequency	Percent	Valid percent	Cumulative percent
Strongly agree	59	50.9	50.9	50.9
Agree	48	41.4	41.4	92.2
Valid Disagree	8	6.9	6.9	99.1
Strongly disagree	1	.9	.9	100.0
Total	116	100.0	100.0	

(N=116)

**Table 4.** Online business expansion in Brazzaville and Congo-Brazzaville e-commerce legislation reliability.

		Business expansion in Brazzaville	Congo-Brazzaville e-commerce legal system reliability
Online business expansion in Brazzaville	Pearson correlation	+1	.150
	Sig. (1-tailed)		.054
	N	116	116
Congo-Brazzaville e-commerce legislation reliability	Pearson correlation	.150	-1
	Sig. (1-tailed)	.054	
	N	116	116

(N = 116)

(eCoSys), while e-commerce transactions will be conducted at all times (Nguyen, 2008:2).

Previous sections analysed and interpreted respondents' business experience, attraction to potential CFBAP e-commerce, Cong-Brazzaville's adoption of e-commerce legislation correlation of online business expansion in Congo-Brazzaville and the country's legislation reliability. In response to the mounting necessity of online business registration in Congo-Brazzaville, the following section analyses respondents' focus group meeting, which was held in Cape Town and gathered five top Congo-Brazzaville immigrant entrepreneurs.

#### **What is the Internet?**

When discussing this question, the top five (5) Congolese immigrant entrepreneurs agreed that the Internet is a global system that interconnects computer networks. In addition, participants also asserted that computer networks use standard protocols called Transfer Control Protocol/Internet Protocol (TCP/IP). However, the aim of this question was to ascertain participants' basic understanding of the Internet before further scrutiny.

#### **Do you use the Internet for business?**

All five participants affirmed that they use the Internet to operate their businesses, which are established in Cape Town. The increased deployments of e-commerce technology in Cape Town, including respondents' education level, were identified as major factors, which enabled them to use the Internet for business. In addition, the rationale of this question was to ensure the corollary of Internet usage for business by Congolese immigrant entrepreneurs, which paved the way for Internet benefits, which are discussed in

the following question.

#### **Which benefits do you gain from using the Internet in business?**

During discussions around this question, respondents mentioned various benefits that are gained from the use of the Internet in business in Cape Town. However, respondents postulated that the first benefit of using the Internet in business is to reach people worldwide in a way that even an expensive advertising media would not. Furthermore, respondents mentioned that the Internet enables them to access customers directly and present the information about products or services, which are offered. Recently, a respondent and owner of a security company based in Cape Town reported that "due to a high level of crime in Cape Town, some customers prefer to learn about the capacities of a security company on their own before signing in...", while this information search cost shift enabled one of the respondents to gain more customers (Skipe, 2010). Furthermore, participants mentioned that when customers want to enquire about any given stakeholder, the Internet efficiently provides a list of contacts and phone numbers that enable them to send e-mails directly to a customer service representative, requesting that the said stakeholder should be contacted. Pursuing discussions, participants revealed again that it is easy and inexpensive to define one's business image on the Internet, whether it is a one-person-company or a large corporation. More than that, the Internet enables them to constantly update business details as companies often relocate owing to constant building renovations in Cape Town (Skipe, 2010). Hence, participants stated that the Internet enabled them to process electronic banking and VAT declaration in Cape Town, which eliminates the impact of the middleman. Furthermore, online services present an even brighter option for respondents who operate in the clothing



sector. Through emails, they communicate with parents, guardians and schools to inquire, which school children will need new school uniforms for the following school year. Furthermore, the Internet enables them to handle transactions, automate billing and inventory control in a way that was unparalleled in the past. During this question, participants stated that they have well established the linkage between Internet benefits and business success, which sealed the study's early findings based on theory building and theory testing. Based on the above statements, the authors noticed that Congolese immigrant entrepreneurs, who previously used the Internet for business in Cape Town, are likely to become good users of the potential CFBAP e-commerce website, which created an opportunity for further discussion of the findings.

## RESULTS AND DISCUSSION

However, it emerged from Congolese immigrant entrepreneurs' demographic characteristics that the gender gap is wide when it comes to education and entrepreneurial mindsets among Congo-Brazzaville immigrant entrepreneurs. In addition, considering that Congolese immigrant entrepreneurs are digital immigrants, their establishment in Cape Town enabled them to bridge the digital divide. Even though education is positively related to entrepreneurial mindsets, further intellectual discourse postulates that innovation, risk taking and business growth are also relevant characteristics of Congolese immigrant entrepreneurs. Hence, Internet usage among respondents is still directly connected with their education levels, since the higher the education level, the higher the Internet usage rate. Moreover, online company registration is also recognised as a means of economic development in developing countries, which are underserved by traditional company registration systems, including Congo-Brazzaville. This has raised the necessity of linking e-commerce adoption and business experience regardless of e-commerce constraints. However, in spite of being established in SA, Congo-Brazzaville immigrant entrepreneurs have now realised the need to invest back home in Congo-Brazzaville owing to certain reasons, namely the high crime rate, xenophobic attacks, lack of access to resources, political uncertainty in SA and relative political stability in Congo-Brazzaville. Based on the above, the present authors argue that it is not myopic reasoning for Congolese immigrant entrepreneurs who propose that CFBAP should add Internet in the process of business registration because it provides different and important properties. Nevertheless, if CFBAP deploys e-commerce technology in Brazzaville, that technology will be utilised on a 24-h and 7-day basis for Congolese immigrant entrepreneurs, which will improve Congolese SMMEs' supply chain management. Furthermore, respondents confirmed that there are perceived online company registration benefits in the area of finance, management, marketing, strategic logistics management and Congolese national economy, which are positively related to Congolese immigrant entrepreneurs' business profits. In addition, this has raised the necessity that

CFBAP should take a leadership role in e-commerce to revitalize Congo-Brazzaville's economy. Indeed, great business successes that have been achieved in Countries like USA, EU, India and New Zealand that have profitably utilised e-commerce, which gave a powerful credence to the notion that online company registration was the best option to be adopted by both developed and developing nations that seek economic growth. Congolese immigrant entrepreneurs' education level and Internet skills enable them to contain e-commerce challenges, which may arise when utilising the potential CFBAP e-commerce website. Furthermore, considering that the boom of e-commerce, which is based on the General Agreement on Trade in Services (GATS) principles in under-developed countries will include Congo-Brazzaville, Congo-Brazzaville legislators are required to start considering how e-commerce can fit into the multilateral trade framework, and what rules or regulations should apply. At this stage, focus shifted to recommendations and conclusions of the research study.

## LIMITATIONS AND FUTURE RESEARCH

The study focuses on online business registration in Brazzaville and aims to analyse its benefits for Congo-Brazzaville immigrant entrepreneurs in Cape Town. The research also focuses on benefits of the e-commerce website at CFBAP for service users, and hence does not examine online business registration service providers' related benefits. This research will not recommend any specific e-commerce technology to CFBAP, but as an institution, CFBAP should reconcile the findings of the study and future studies, evaluate the pros and cons of different e-commerce technologies, and then decide on the most appropriate technology for its potential e-commerce website, which should be managed at Brazzaville's head office. Based on limitations from the current study, the research proposes future research that will benefit CFBAP. A study should be conducted to ascertain the benefits of online company registration for service providers. Furthermore, an investigation should be conducted to assess the roles that CFBAP plays in the process of SMMEs' support in Congo-Brazzaville.

## CONCLUSIONS AND RECOMMENDATIONS

Even though Congo-Brazzaville immigrant entrepreneurs are well established in Cape Town owing to certain reasons such as the high crime rate, xenophobic attacks, lack of access to resources, political uncertainty in SA and relative political stability in Congo-Brazzaville, the need to expand business activities back home has arisen. To enable them to register companies online at CFBAP and gain competitive advantage of e-commerce, it should establish plausible arguments, which constitute

business incentives for CFBAP policymakers to adopt such technology in Congo-Brazzaville.

If Congolese immigrant entrepreneurs avail CFBAP services through e-commerce technologies, they will receive more benefits in terms of time, cost and energy. Likewise, CFBAP will reduce personnel costs and gain closer access to the customer. Based on this concern, the present authors have outlined some tangible, but not exclusive, recommendations towards the benefits of online company registration for Congolese immigrants. These recommendations are chartered below.

### **Common commitment towards businesses expansion in Congo- Brazzaville**

There is an urgent need for common commitment towards online business expansion in Congo-Brazzaville for Congolese immigrant entrepreneurs. Online business expansion will focus on reducing supply chain management costs and securing Congolese immigrant entrepreneurs' business profits. More than that, supported online business expansion would point to the fact that like in SMMEs, e-commerce will improve the country's GDP and its world ranking, and finally boost CFBAP's profile and its partners in an aspect that is at the core of its values. Furthermore, online business expansion constitutes an opportunity for Congolese immigrant entrepreneurs who face xenophobic attacks on a daily basis and lack of access to resources to secure a path of relocation through business growth in a safer and "ubuntu" environment in order to reach self-actualisation, instead of being constantly called "kwere-Kwere," meaning "foreigner". Therefore, there should be a need to implement an e-commerce website, which will offer an online company registration service in Congo-Brazzaville, which has innate inclination towards dignified global business growth, stimulates Congolese entrepreneurial mindsets and psychologically enables Congo-Brazzaville immigrant entrepreneurs to prepare to return home.

### **Successful business venture through CFBAP e-commerce website**

In respect of online business expansion in Congo-Brazzaville, a potential CFBAP e-commerce website, which will impact positively on Congo-Brazzaville demographics, should first be implemented. A majority of Congo-Brazzaville immigrant entrepreneurs cannot profess successful business ventures through a CFBAP e-commerce website when traditional business registration rules the business world in Congo-Brazzaville. E-commerce, which refers to conducting business via the Internet, should extend to every nook and cranny of CFBAP's administration. In that case, those who carry public responsibility as top managers at CFBAP will set

the tone within CFBAP's administration, set the style of vigour, imagination and efficiency within CFBAP's potential e-commerce website, from which online company registration service will receive the expected respect. In fact, Congo-Brazzaville immigrant entrepreneurs who profess successful business ventures through a CFBAP e-commerce website will be heard at last. Finally, the overarching set of beliefs and ICT assumptions that are unquestioned will enable Congolese policymakers to build a mental picture, which promotes understanding of e-commerce within Congo-Brazzaville's cultural context.

### **Congolese commitment to adhere to GATS standards**

In addition to successful business ventures through a CFBAP e-commerce website, there is a need for Congolese commitment to adhere to some important GATS standards such as e-commerce liberalization, which will enable the country to begin online trading with industries that have a comparative advantage. The need to liberalize e-commerce in Congo-Brazzaville is morally justified on the grounds that ICT is negatively related to Congolese French culture. This does not suggest that countries where a majority of people speak English do not have the highest Internet diffusion compared to French-speaking countries. However, e-commerce liberalization in Congo-Brazzaville will bridge the 2 digital divides namely between Congo-Brazzaville and the rest of the world, and between Congo-Brazzaville's male and female entrepreneurs. Hence, research findings will appear convincing as it has been revealed that Congo-Brazzaville immigrant entrepreneurs suit some of Hofstede's five cultural dimensions of effective usage of the Internet.

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